

**WESTERN BALKANS: SUPPORTING
PEACE AND PROSPERITY**

HEARING

BEFORE THE

**SUBCOMMITTEE ON EUROPE AND
REGIONAL SECURITY COOPERATION**

OF THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ONE HUNDRED SEVENTEENTH CONGRESS

SECOND SESSION

—————
FEBRUARY 16, 2022
—————

Printed for the use of the Committee on Foreign Relations



Available via <http://www.govinfo.gov>

U.S. GOVERNMENT PUBLISHING OFFICE

WASHINGTON : 2022

COMMITTEE ON FOREIGN RELATIONS

ROBERT MENENDEZ, *New Jersey, Chairman*

BENJAMIN L. CARDIN, Maryland	JAMES E. RISCH, Idaho
JEANNE SHAHEEN, New Hampshire	MARCO RUBIO, Florida
CHRISTOPHER A. COONS, Delaware	RON JOHNSON, Wisconsin
CHRISTOPHER MURPHY, Connecticut	MITT ROMNEY, Utah
TIM KAINE, Virginia	ROB PORTMAN, Ohio
EDWARD J. MARKEY, Massachusetts	RAND PAUL, Kentucky
JEFF MERKLEY, Oregon	TODD YOUNG, Indiana
CORY A. BOOKER, New Jersey	JOHN BARRASSO, Wyoming
BRIAN SCHATZ, Hawaii	TED CRUZ, Texas
CHRIS VAN HOLLEN, Maryland	MIKE ROUNDS, South Dakota
	BILL HAGERTY, Tennessee

DAMIAN MURPHY, *Staff Director*

CHRISTOPHER M. SOCHA, *Republican Staff Director*

JOHN DUTTON, *Chief Clerk*

SUBCOMMITTEE ON EUROPE AND
REGIONAL SECURITY COOPERATION

JEANNE SHAHEEN, *New Hampshire, Chairman*

BENJAMIN L. CARDIN, Maryland	RON JOHNSON, Wisconsin
CHRISTOPHER MURPHY, Connecticut	JOHN BARRASSO, Wyoming
CHRIS VAN HOLLEN, Maryland	MITT ROMNEY, Utah
CHRISTOPHER A. COONS, Delaware	ROB PORTMAN, Ohio
	TODD YOUNG, Indiana

C O N T E N T S

	Page
Shaheen, Hon. Jeanne, U.S. Senator From New Hampshire	1
Johnson, Hon. Ron, U.S. Senator From Wisconsin	3
Prepared Statement	4
Escobar, Gabriel, Special Representative for the Western Balkans, Deputy Assistant Secretary of State for Europe and Eurasian Affairs, U.S. Depart- ment of State, Washington, DC	4
Prepared Statement	6
Lisa Magno, Deputy Assistant Administrator for the Bureau for Europe and Eurasia, U.S. Agency for International Development, Washington, DC	8
Prepared Statement	9

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

Responses of Mr. Gabriel Escobar to Questions Submitted by Senator Robert Menendez	25
Letters From the Embassies of Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia Concerning the Western Balkans	27

WESTERN BALKANS: SUPPORTING PEACE AND PROSPERITY

WEDNESDAY, FEBRUARY 16, 2022

U.S. SENATE,
SUBCOMMITTEE ON EUROPE AND REGIONAL
SECURITY COOPERATION,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:00 a.m., in room SD-G50, Dirksen Senate Office Building, and via Webex, Hon. Jeanne Shaheen, chairman of the subcommittee, presiding.

Present: Senators Shaheen [presiding], Menendez, Cardin, Murphy, Van Hollen, Johnson, Romney, and Young.

OPENING STATEMENT OF HON. JEANNE SHAHEEN, U.S. SENATOR FROM NEW HAMPSHIRE

Senator SHAHEEN. Good morning. This meeting of the Senate Foreign Relations Europe Subcommittee will come to order. I am pleased to be joined by Ranking Member Senator Johnson from Wisconsin, as well as Senator Murphy, from Connecticut.

Supporting peace in the Western Balkans remains an important U.S. priority, and I hope that our discussion today will address how Congress can best support the efforts that are already underway.

There should be no question as to why this region matters for U.S. security. It was not that long ago that we witnessed the breakup of the former Yugoslav Republic and saw the horrible and unrepeatable tragedy of war in the region. It has been a priority in the ensuing decades to repair the damage from that conflict and build a prosperous and peaceful region in the heart of Europe.

I had the privilege of visiting the Western Balkans in 2010, and I returned several times, most recently to commemorate the 20th anniversary of the Srebrenica massacre. Together, we have witnessed remarkable progress for peace, democracy, and equality in the region. Montenegro and Serbia have opened accession negotiations with the EU. Similarly, Albania and North Macedonia are awaiting the official opening of EU accession talks. Albania, Montenegro, and North Macedonia are now members of NATO. We have deep engagement through diplomatic and defense relations, including a recently announced forward-based Special Operations Forces headquarters in Albania.

There are also concerning developments in areas where we still need to improve the pace of progress. That is why we have convened this hearing today and very much appreciate our witnesses joining us.

Bosnia faces an uncertain future, as Bosnian Serb leader Milorad Dodik wants to undermine the unifying government by pushing for the secession of the Republika Srpska. His efforts to withdraw key institutions from the unified state risk the unity at the heart of the Bosnian state. At the same time, political power struggles prevent the government from functioning and corruption stalls economic development, driving young people to flee the country.

Across the Balkans, improving economic development and prosperity is a key concern for ensuring a stable and democratic future. To address a lack of employment and prevent young people from seeking prosperity elsewhere, we must look toward better regional economic integration, like that of the Open Balkans Initiative, which shows promise for building connections among neighboring economies.

Another sign of a robust democracy is a government that is transparent and accountable to its people. Here, too, we are seeing positive developments, as we have seen major reforms, particularly in the judicial sector take hold in some countries in the region.

I also want to express, at the outset, my appreciation for those Balkan states who stepped up to host Afghan refugees who are awaiting resettlement in the United States and other countries. It is especially poignant that in a region which has long known conflict, many are opening their arms to people fleeing conflict on their own, and here in the United States we very much appreciate that.

Finally, we have seen years of hard-won peace in the Western Balkans, but as is often the case, this is a fragile peace that requires constant attention to maintain. With the events in Ukraine and with Russia's continued threats to democratic values there and around the world, it is all the more important that we stay the course in the Western Balkans. That is why I have been pleased with the high level of engagement from this Administration in the past few months, and I want to acknowledge the efforts of the State Department and USAID, including Administrator Power's recent visit to the region.

I also want to recognize the embassies who have submitted letters for this hearing: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia. Without objection, these statements will be entered into the record.

[EDITOR'S NOTE.—The information referred to above can be found in the "Additional Material Submitted for the Record" section at the end of this hearing.]

Senator SHAHEEN. Once again, before I introduce the people testifying today, I just want to take a minute to reiterate the need for us to act to get U.S. ambassadors in place. Currently, we are awaiting a vote on nominee Christopher Hill to be Ambassador to Serbia. Ambassador Hill is a career diplomat, one with extensive experience in the region, and his expertise is needed to advance our national security priorities there. So I am hopeful that we will see Congress move on his appointment as soon as possible.

We must not underestimate the importance of keeping a critical eye on issues of concern in the Western Balkans while working at the same time to build a positive and prosperous future that is

grounded in European integration. I hope this hearing will help us in that.

Let me just introduce our witnesses who will begin after Senator Johnson's remarks.

Our first witness today is Deputy Assistant Secretary of State for the Bureau of European and Eurasian Affairs at the Department of State, Gabriel Escobar. Mr. Escobar also holds the title of Special Representative to the Western Balkans, where he has been numerous times since his appointment last fall. Mr. Escobar is no stranger to the region, having most recently served overseas as the Deputy Chief of Mission in Embassy Belgrade.

His Balkan expertise goes back even farther in his long career as a diplomat. From 1998 to 2001, Mr. Escobar completed four consecutive tours in the Balkans, in Banja Luka, Bosnia and Herzegovina, Podgorica, and Belgrade. We are fortunate to have someone with such deep and longstanding knowledge of the region in your position, Mr. Escobar, and we very much look forward to hearing your testimony.

Ms. Lisa Magno is Deputy Assistant Administrator in the Bureau for Europe and Eurasia at the U.S. Agency for International Development. Ms. Magno also comes from a recent tour in the region. She was the USAID Mission Director in Kosovo for 3 years. Her experience with USAID over the last 30 years has taken her all over East Asia and Latin America, where she has worked closely with civil society and local partners implementing USAID programs. We are grateful to have Ms. Magno here representing USAID and the work they do in the region, which we know is very important for Administrator Power.

So with that I will turn to the Ranking Member, Senator Johnson, and when he is finished ask our witnesses to testify. Senator Johnson.

**STATEMENT OF HON. RON JOHNSON,
U.S. SENATOR FROM WISCONSIN**

Senator JOHNSON. Well thank you, Madam Chair. I would also like to welcome our witnesses. I am looking forward to your testimony and our discussion regarding the Western Balkans.

I think it was kind of noteworthy about this hearing. By the way, I would just ask my written opening statement be entered into the record, because I would be repeating an awful lot of things that you just stated, and I think that is what is noteworthy. I have been a member of this committee and subcommittee for a number of years, and we certainly have begun focusing more on the Western Balkans. I know the countries of the region want U.S. involvement. I think it is obviously interesting. It seems like they want our involvement in their disputes, and they want us to side with them, impose a solution. We are just not going to do that. We are not going to do it on a bipartisan basis.

Whether it was this Administration or the previous Administration, or the Administration before that, we have been paying attention to the region because we realize stability in the Western Balkans is important. We want to be supportive of stability. We are concerned about China's initiative. We want them to embrace the

rule of law, reduce corruption, so that foreign investment can flow in there, the right kind of foreign investment.

So I think the fact that we are holding this hearing should send a very strong signal that we are paying attention, we want to be supportive, we are not going to impose solutions, and on a bipartisan basis. Regardless of Administration, regardless of Republican or Democrat, we want to see peace and stability in the region, and we are going to be supportive of it.

So with that I will enter my remarks into the record and look forward to the testimony.

[The prepared statement of Senator Ron Johnson follows:]

Prepared Statement of Senator Ron Johnson

Thank you Senator Shaheen.

Today's hearing will examine recent developments in Southeast Europe, specifically in the Western Balkans, and U.S. policy options for the region. Many Western Balkan countries are still seeking greater European and transatlantic integration, and U.S. interests would be well served by helping them achieve it.

There has been significant progress in the Balkans over the last decade. Yes, considerable challenges remain, but solving them does not require any great U.S. expenditure; it requires U.S. patience and leadership. Again and again, we have seen consistent U.S. diplomatic engagement help overcome intractable disputes in the Western Balkans. Our goal here today is to examine the Administration's plans for furthering that record.

NATO and EU integration remain critical incentives for Western Balkan countries to make the difficult reforms needed to combat corruption and strengthen the rule of law. Building transparent and impartial legal systems is essential for attracting the foreign investment needed for growth and to offer young people enough economic opportunity to stay in their home countries. And there is real progress on many fronts. In Albania, North Macedonia, and last month in Serbia, major judicial reforms have brought these countries closer to EU standards and boosted their EU aspirations.

In 2017 and 2019, I had the honor of presiding over the Senate as we voted overwhelmingly to welcome Montenegro and North Macedonia into NATO. Four of the seven Western Balkan nations are now in the alliance, Albania and Croatia having joined in 2009. Last year, I was at the White House for the signing of the Washington Agreement between Kosovo and Serbia. Albania and North Macedonia are well on their way to being welcomed as the next EU members. While Serbia, Kosovo, and Bosnia and Herzegovina still have a ways to go, their transatlantic trajectory is clear. We must build on the progress made already, prioritize Serbia and Kosovo normalization, and continue to push Bosnia and Herzegovina to enact needed electoral and constitutional reforms.

We have only to look to the crisis unfolding on Ukraine's borders to grasp the importance of European and transatlantic integration for all of the Western Balkan nations. The United States wants peace, prosperity, security, and freedom for the people of the region. There should be a sense of urgency to ensure that progress on European integration in the Western Balkans continues, and U.S. leadership will continue to be vital.

I look forward to hearing from our witnesses today about the Biden administration's strategy for promoting progress and prosperity in the region.

Senator SHAHEEN. Thank you very much, Senator Johnson. DAS Escobar, we will ask you to begin.

STATEMENT OF GABRIEL ESCOBAR, SPECIAL REPRESENTATIVE FOR THE WESTERN BALKANS, DEPUTY ASSISTANT SECRETARY OF STATE FOR EUROPE AND EURASIAN AFFAIRS, U.S. DEPARTMENT OF STATE, WASHINGTON, DC

Mr. ESCOBAR. Chairwoman Shaheen, Ranking Member Johnson, distinguished members of the subcommittee, thank you for inviting me to discuss engagement in the Western Balkans. A Europe free, whole, and at peace remains in the United States' vital interest

and at the core of our policy. The Western Balkans is central to this vision, although its potential remains unfulfilled. The Biden administration recognizes this challenge and remains committed to this region, which is an indivisible part of Europe. Our long-standing diplomatic engagement supports the Western Balkans' full integration into Euro-Atlantic structures. A stronger Balkans, integrated in a stronger Europe, means a stronger transatlantic community.

The United States continues to deepen our partnerships in the region. In the past few months, we celebrated 140 years of diplomatic relations with Serbia and held our first bilateral defense consultations in 5 years. We announced a forward-based Special Operations Forces headquarters in Albania, welcomed Croatia into the visa waiver program, and relied heavily on our partners in Kosovo, Albania, and North Macedonia in an hour of need to temporarily host thousands of Afghan evacuees.

We continue to build America's economic ties to the region. In the past year, we launched the inaugural U.S.-Montenegro economic dialogue, bolstered European energy security through projects in Albania and Croatia, and celebrated significant investments by U.S. firms in Serbia.

Our partners are set on integrating with the European Union. Single market and regional initiatives such as the EU Common Regional Market, Open Balkan, and Green Agenda show that deeper economic cooperation is indispensable for growth and EU membership. There are vast opportunities for U.S. businesses, and we encourage countries to strengthen the rule of law, fight corruption, and increase transparency to expand investment opportunities. These reforms will increase prosperity, prioritize clean energy, and stem the brain drain.

Indicators of progress toward EU integration include deeper regional cooperation and growing democratic and economic development. We have seen earnest efforts to strengthen democratic institutions and counter corruption in the region, but there have also been setbacks. In Bosnia and Herzegovina, the ongoing political crisis and endemic corruption hurts its citizens and jeopardizes regional stability, Euro-Atlantic integration, and progress achieved since the Dayton Peace Accords.

We continue to make clear to all leaders that de-escalation of rhetoric and resolution of differences through constitutional processes are the only paths in democracy. Along with our European partners, we are vigorously engaged with local actors to find ways forward on the path from Dayton to Brussels, including through step-by-step reforms that will benefit all of the citizens.

The need for dialogue, compromise, and reform applies across the region. We strongly back the EU-facilitated dialogue to normalize relationships between Kosovo and Serbia. The dialogue is the forum in which both sides, as equals, must work together to resolve their differences and find a comprehensive agreement, which both countries need for the European futures. We believe this effort should be centered on mutual recognition.

We continue to work with our EU partners to advance EU integration in the region and reinforce the importance of keeping Europe's doors open as the most important incentive for reforms.

North Macedonia and Albania have made significant reforms and sacrifice, and deserve to advance in the accession process. Forward momentum would be important proof for the entire region that difficult compromises enable a better future.

Conversely, our warning to actors who engage in corrupt, destabilizing, or anti-democratic behavior is clear: there will be consequences. In December, we utilized Global Magnitsky authorities against an organized criminal group operating in the region. In January, the Treasury Department designated Milorad Dodik and a television station under his control using new Western Balkans sanctions authority. The State Department also imposed visa restrictions under our Section 7031(c) authorities against corrupt officials. We will use all available tools to hold accountable those who block the region's progress for their own financial and political gain.

Regional progress is also threatened by foreign political and economic influences from Russia and China. Russia weaponizes its energy supply to coerce politicians, foster corruption, and stunt growth potential. It also fans ethno-nationalism and divides and distracts from a brighter future. The People's Republic of China is expanding its presence by building critical infrastructure through opaque and predatory loans and so-called investments. Promoting transparent governance, human rights, and a rules-based international order will remain the core of our engagement against these destabilizing activities.

In closing, the Western Balkans have been the focus of sustained U.S. engagement, investment, and bipartisan support for three decades. The results are clear: the countries of the former Yugoslavia now include four NATO allies and two EU member states. Among the countries of the Western Balkans, four are NATO allies and all are either EU aspirants or EU member states.

Our job is not over. Our continued leadership, including here in the Senate, remains essential to completing the transformation of the Western Balkans into stronger partners, able to contribute to global peace and prosperity. We continue to stress the need for a fully confirmed slate of ambassadors in the Western Balkans, most notably our nominee to Serbia, who is awaiting confirmation by the full Senate. I will continue to work with Congress on this effort and welcome your questions. Thank you.

[The prepared statement of Mr. Escobar follows:]

Prepared Statement of Mr. Gabriel Escobar

Chairwoman Shaheen, Ranking Member Johnson, distinguished Members of the Subcommittee, thank you for inviting me to discuss engagement in the Western Balkans. A Europe free, whole, prosperous, and at peace remains in the United States' vital interest and at the core of our policy. The Western Balkans is central to this vision, although its potential remains unfulfilled. The Biden administration recognizes this challenge and remains committed to this region, which is historically, politically, culturally, and geographically an indivisible part of Europe. Our longstanding diplomatic engagement supports the Western Balkans' full integration into Euro-Atlantic structures. A stronger Balkans, integrated in a stronger Europe, makes a stronger Transatlantic Partnership.

To these ends, the United States continues to deepen our longstanding partnerships in the region. In the past few months alone, we celebrated 140 years of diplomatic relations with Serbia and held our first bilateral defense consultations in 5 years; announced a forward-based special operations forces headquarters in Albania; welcomed Croatia into the visa waiver program to expand bilateral travel and com-

merce; and relied heavily on our partners in Kosovo, Albania, and North Macedonia in an hour of need to temporarily host thousands of Afghan evacuees.

We also continue to build America's economic ties to the region. In the past year, we launched the inaugural U.S.-Montenegro economic dialogue, bolstered European energy security through projects in Albania and Croatia, and celebrated significant investments by U.S. firms in Serbia. Our partners in the Western Balkans are set on integrating more closely with the EU single market, and we continue to support them. Regional initiatives such as the EU Common Regional Market, Open Balkan, and Green Agenda show that deeper economic integration and cooperation are indispensable for sustainable growth and EU membership. There are vast opportunities for U.S. businesses, and we continue to encourage countries to strengthen rule of law, fight corruption, and increase transparency to expand investment opportunities. The necessary reforms will increase prosperity, prioritize sustainable investments and clean energy, and stem brain drain. They will also reduce politically driven investment from outside actors and build the foundations for good neighborly relations and stable governance.

Indicators of progress toward EU integration of the Western Balkans include deeper regional cooperation and growing democratic and economic development. In some countries of the region, we have seen earnest efforts to strengthen democratic institutions and counter corruption. This is not the case in all countries of the Western Balkans, and there have been setbacks. In Bosnia and Herzegovina, the ongoing political crisis and endemic corruption hurts its citizens, and jeopardizes regional stability, its Euro-Atlantic trajectory, and the progress achieved since the Dayton Peace Accords. We continue to make clear to all leaders that de-escalation of rhetoric and the resolution of differences through established constitutional processes are the only viable paths to a democratic, European future. Along with our European partners, we are vigorously engaged with local actors to find ways forward and advance along the path from Dayton to Brussels, including through step-by-step reforms that will benefit all citizens.

The need for dialogue, compromise, and reform applies across the region. We strongly back the EU-facilitated Dialogue to normalize relations between Kosovo and Serbia. The Dialogue is the forum in which both sides, as equals, must work to resolve their differences and find a comprehensive agreement, which both countries need for their European futures. We believe this effort should be centered on mutual recognition.

The United States continues to work with our EU partners to advance EU integration for all countries in the region and to reinforce that the reforms that are part of the accession process bring their own benefits. At the same time, we stress to our EU partners the importance of keeping Europe's doors open, as this is the most important incentive generating political will for critical but sometimes-difficult reforms. North Macedonia and Albania have made significant reforms and sacrifices, and both countries deserve to advance in the accession process. Forward momentum would be important proof for the entire region that difficult compromises enable a better future.

Conversely, our warning to actors in the region who engage in corrupt, destabilizing, or anti-democratic behavior is clear: there will be consequences. In December, we utilized Global Magnitsky authorities against an organized criminal group operating in the region. In January, the Treasury Department designated Milorad Dodik for his corrupt and destabilizing behavior and a television station under his control using the new Western Balkans sanctions authority. The State Department also imposed visa restrictions under our Section 7031(c) authorities against corrupt officials in Bosnia and Herzegovina. The United States will continue to use all available tools to hold accountable those who block the region's progress for their own financial or political gain.

Regional progress is also threatened by the harmful foreign political and economic influences of Russia and China. Russia weaponizes its energy supply to coerce politicians, foster corruption, and stunt growth potential. It also fans ethno-nationalism that divides and distracts from a brighter future. The People's Republic of China (PRC) is expanding its presence by building critical infrastructure through opaque and predatory loans and "investments." Promoting transparent governance, human rights, and a rules-based international order will remain the core tenet of our engagement against these destabilizing activities in the Western Balkans.

In closing, for the past three decades, the Western Balkans have been the focus of sustained U.S. engagement, investment, and bipartisan support. The results are clear: the countries of the former Yugoslavia now include four NATO Allies and two EU member states. Among the countries of the Western Balkans, four are NATO allies and all either share the strategic goal of deeper Western integration as EU aspirants or are EU members. Our job is not over. Continued leadership from the

United States, including here in the Senate, remains essential to completing the transformation of the Western Balkans into stronger allies, Transatlantic partners and contributors to global peace and prosperity. We continue to stress the need for a fully confirmed Slate of Ambassadors in the Western Balkans, most notably our nominee to Serbia, who is still awaiting confirmation by the full Senate. I will continue to work with Congress on this effort and welcome your questions.

Senator SHAHEEN. Thank you very much. Ms. Magno.

STATEMENT OF LISA MAGNO, DEPUTY ASSISTANT ADMINISTRATOR FOR THE BUREAU FOR EUROPE AND EURASIA, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC

Ms. MAGNO. Thank you. Chairperson Shaheen, Ranking Member Johnson, distinguished members of the subcommittee, thank you for inviting me to discuss the U.S. Agency for International Development's work in the Western Balkans. Thanks to generous bipartisan support from Congress, USAID has partnered with citizens and governments of the region to support their aspirations for a democratic and economically prosperous future. Starting with Bosnia and Herzegovina, during USAID Administrator Samantha Power's recent trip, she made clear that the peaceful and prosperous future for BiH depends on all political leaders and citizens working together to advance the reforms necessary to achieve BiH's democratic and economic aspirations.

In Serbia and Kosovo, USAID continues to support the European Union-led dialogue and its goal of comprehensive normalization of relations, including initiatives to promote regional economic operation. In Kosovo, where I recently serve as USAID's Mission Director, USAID is increasing citizen demand for accountable institutions and promoting democratic and economic opportunities for all of Kosovo's citizens. USAID will also continue to assess the Serbian people and the Serbian Government to advance democratic and economic reforms.

In Albania, USAID assistance is addressing corruption, one of its toughest remaining development challenges. Similarly, in North Macedonia, USAID assistance is countering corruption, enhancing business competitiveness, and increasing opportunities for young people to contribute to the economy and their communities.

From the pandemic to youth brain drain, USAID recognizes that many of the barriers to further economic and democratic progress are regional in nature and therefore require a regional response. USAID assists countries in confronting common challenges such as support the independent media and cross-border economic linkages.

Beyond corruption, the pandemic is one of the most urgent regional challenges which has wrought damage on the health and economies of the Western Balkans. USAID is part of the overall U.S. Government response to COVID-19 in the region. In addition, USAID is also assisting enterprises to survive the pandemic and prepare for an increasingly digital economy.

Whether it is the Kremlin's efforts to subvert the region's fledgling democracies or the People's Republic of China's intention to capture partner economies, foreign malign influence is capable of reversing progress. USAID's Countering Malign Kremlin Influence Development Framework informs our programming, which supports democracy and political processes, enables the media environ-

ment to resist disinformation, and diversifies economic relationships to minimize reliance on Moscow.

A key tenet to countering the PRC's efforts to gain political and economic leverage in the region is ensuring partner countries are able to make informed choices and identify viable investment alternatives that do not require them to sacrifice their long-term interests in favor of short-term gains.

USAID, in coordination with interagency partners, is developing a program to help partner governments understand investment flows, identify beneficial ownership, assess risk and opportunities, and analyze transaction terms to ensure transparent, beneficial investments consistent with national interests.

This winter's acute energy crisis across the European continent has underscored the importance of USAID's energy programming. USAID is enabling partner countries to build and expand regional energy markets, diversify energy supplies, and build resilience in the system. This foundational work will strengthen the region's energy security and advance a sustainable and just clean energy transition.

As we discuss the remaining significant challenges it is equally important to highlight the strength of our partnership with countries in the region. This year, our partners stepped up to support at-risk Afghans who were evacuated or fled from Afghanistan in August 2021. North Macedonia, Kosovo, and Albania provided refuge to approximately 4,500 at-risk individuals. We are tremendously grateful for the refuge our partners continue to provide.

In closing, I want to underscore that the Western Balkans region holds tremendous potential to demonstrate that democracy delivers. Ensuring that the region continues on this path will require a united front with partner governments committed to reform, citizens who continue to advocate for democracy, transparency, and rule of law, and coordinated assistance between the European Union and USAID. Assistance must also continue to be responsive to external threats to the region's Euro-Atlantic future.

I look forward to continuing to work with Congress and welcome your questions. Thank you.

[The prepared statement of Ms. Magno follows:]

Prepared Statement of Ms. Lisa Magno

Chairperson Shaheen, Ranking Member Johnson, distinguished Members of the Subcommittee, thank you for inviting me to discuss the U.S. Agency for International Development's (USAID) work in the Western Balkans.

For over three decades, USAID has partnered with the citizens and governments of the region to support their aspirations for a democratic, economically prosperous future firmly grounded in European institutions. Thanks to generous bipartisan support from Congress, USAID assistance is helping our partners to tackle both the internal and external challenges slowing their path towards Euro-Atlantic integration. Your support also allows the agency to remain agile and to adjust to the shifting political dynamics of the region, including responding to foreign malign actors who seek to disrupt democratic progress, undermine institutions, exercise economic and political leverage, and ultimately reverse the hard won democratic and economic gains of the past 30 years.

During USAID Administrator Samantha Power's recent trip to Bosnia and Herzegovina (BiH) she made clear that a peaceful and prosperous future for BiH depends on all political leaders and citizens working together to advance the reforms necessary to achieve BiH's democratic and economic aspirations. She further underscored throughout her visit that USAID will continue to support all those working to build a more stable, inclusive, democratic future for BiH. USAID's focus

is on fighting corruption, strengthening rule of law, fostering entrepreneurship, promoting reconciliation, and creating a transparent business environment which attracts investment and ensures young people have a reason to stay and build their lives in BiH.

In Serbia and Kosovo, USAID continues to support the European Union (EU)-led Dialogue and its goal of comprehensive normalization of relations, which the United States believes must be based on mutual recognition. We also support any initiatives to promote regional economic cooperation that will help prepare the countries of the region to meet their requirements for EU accession, and we believe these initiatives should be broadly open to all countries of the region. In addition, USAID is launching a regional reconciliation program that will focus on cross-border people-to-people activities between Serbia, BiH, and Kosovo. Bilaterally, USAID's strategy in Kosovo seeks to strengthen and increase citizen demand for accountable institutions and promote democratic and economic opportunities for all of Kosovo's citizens. USAID will also continue to assist the Serbian people and the Serbian government to advance democratic and economic reforms and meet the challenge of malign influence. In both countries, USAID is working with our partners to enhance the accountability of government institutions and build a business enabling environment which attracts investment and fosters small and medium sized enterprises (SME) growth and innovation.

USAID assistance in Albania takes a targeted approach to address one of Albania's toughest remaining development challenges, countering corruption. USAID has also been a ready partner with Albania in times of crisis, from providing firefighting expertise during the 2021 wildfires to responding to COVID-19. Similarly in North Macedonia, USAID assistance is countering corruption, enhancing the competitiveness of SMEs, supporting North Macedonia's response to the pandemic, and increasing opportunities for young people to contribute to the economy and their communities.

From the pandemic to youth brain drain, USAID recognizes that many of the barriers to further economic and democratic progress are regional in nature and therefore require a regional response. USAID funds a range of regional initiatives that reinforce and coordinate with bilateral programs and engage on issues that are inherently regional in nature, such as programs that promote trade facilitation and regional energy security. USAID also invests in areas where there is the opportunity to achieve economies of scale to assist countries confronting common challenges, such as support to independent media and cross-border economic linkages. For example, through our regional media programs, we are helping journalists to produce high quality content, enhance their digital security, and build sustainable financial models so that they can continue to produce independent, fact-based journalism and keep communities informed. This work includes support for investigative journalists committed to uncovering systemic corruption in the region. USAID's regional civil society program increases the capacity of civil society to promote local, national and regional reforms in the Balkans. Our flagship regional economic growth activities are working across borders, and in concert with our bilateral activities, to improve the region's business enabling environment, reduce barriers to trade, enhance the competitiveness of businesses in the region, and increase access to finance.

Beyond corruption, one of the most urgent regional challenges in the past 2 years to furthering prosperity in the region is the damage wrought by the pandemic on the health and economies of the Western Balkans. USAID has supported the response to COVID-19 in all of our partner countries in the Western Balkans. Through USAID, the U.S. Government has provided vaccines and medical, testing and laboratory equipment, helped schools adapt to online and hybrid learning, supported social entrepreneurship, upgraded sanitation and hygiene in medical facilities, provided critical hygiene supplies, helped to combat vaccine mis- and dis-information, and put shots into arms. Further, USAID is assisting enterprises to pivot to domestic tourism, engage in e-commerce, and enable access to capital through the creation of alternative financing mechanisms and by assisting businesses to negotiate bank loans. All of this work will not only help SMEs to survive the pandemic but will prepare them to engage in an increasingly digital economy as the pandemic subsides.

Whether it is the Kremlin's efforts to subvert the region's fledgling democracies and shape political decisions abroad, or the People's Republic of China's (PRC) intention to capture partner economies and undermine sovereign decision-making, foreign malign influence is capable of reversing the tremendous progress that has been made in over 30 years. USAID targets its efforts to address these external challenges to regional stability. USAID's Countering Malign Kremlin Influence (CMKI) Development Framework in the Western Balkans informs programming that is strengthening vulnerable sectors in each country, including support for democracy

and political processes, enabling the media environment to resist disinformation, and diversifying economic relationships to minimize reliance on Moscow. To address the PRC's efforts in the region, our programs seek to limit the PRC's economic and political influence gained through debt dependency, opportunistic economic engagements and trade imbalances; to counter its export of corruption, disinformation and pro-authoritarian narratives; and to reduce partner countries' technological and energy vulnerabilities to PRC influence. A key tenet to countering the PRC's efforts to gain political and economic leverage in the region is ensuring partner countries are able to make informed choices and identifying viable investment alternatives that do not require them to sacrifice their long-term interests in favor of short-term gains. In addition to new programming on cyber security and investigative journalism, USAID, in coordination with interagency partners, is developing a program to help partner governments understand investment flows, identify beneficial ownership, assess risks and opportunities, and analyze transaction terms to ensure transparent, beneficial investments consistent with national interests.

This winter's acute energy crisis across the European continent, leading multiple countries in the Western Balkans to declare national emergencies, has underscored the importance of USAID's efforts to enable partner countries to build and expand regional energy markets, diversify energy supplies, and build resilience in the system. This foundational work will strengthen the region's energy security and advance a sustainable and just energy transition to a clean energy future. USAID's support for long-term planning, policy reforms, and market integration has enabled Southeast Europe to invest more than \$10 billion in the electricity network and new generation, expand solar and wind generation, and lay the groundwork for stronger, more diversified markets connected with the EU.

As we discuss the significant challenges that remain, it is equally important to highlight the strength of our partnership with countries in the region. This year, our partners in the Western Balkans stepped up to support at risk Afghans who were evacuated or fled from Afghanistan in August 2021. North Macedonia, Kosovo, and Albania provided refuge to approximately 4,500 at risk Afghans. In Albania, USAID is providing support to the government of Albania to strengthen the resilience of national systems and improve quality and access to needed services by vulnerable populations, including those relocated from Afghanistan, during times of disruption or shock. In North Macedonia, USAID is planning new programming which will ensure Afghan children have access to education and that evacuees have access to legal support and essential health services. We are tremendously grateful for the refuge our partners continue to provide for the evacuees.

In closing, I want to underscore that the Western Balkans region holds tremendous potential to illustrate to the world that democracy delivers. Ensuring that the region continues on this path will require a united front with partner governments committed to reform, citizens who continue to advocate for democracy, transparency, and rule of law, and coordinated assistance between the EU and USAID which targets the fundamental challenges which are holding these nations back. Assistance must also continue to be responsive to external threats to the region's Euro-Atlantic future. USAID will continue to support our partners who have been working for over 30 years to build a democratic and economically prosperous future for their countries and for the region.

I look forward to continuing to work with Congress in this effort and welcome your questions.

Senator SHAHEEN. Thank you very much. As you all can probably tell there is a little bit of an echo. I think it is because we also have some people coming virtually, so I apologize for that and hope that people will just try and get close to the microphone as they are asking questions.

I would like to begin with you, Mr. Escobar, because I think it is important for us to have a sense of what the strategy is for the Balkans region. So maybe you could begin with talking in more detail than your statement about what the vision is for the region, what are the key elements of our strategy there, and how we are expecting to accomplish that.

Mr. ESCOBAR. Thank you very much for that question. Our policy rests on three pillars: Europe, NATO, and regional integration. So beginning with the first, it is our belief that these countries should be part of the European Union. They are culturally, historically,

and increasingly economically part of Europe, and we believe that they should be members. Our history of European integration for our partners has been one of unqualified success. Every country that has entered the European Union is more democratic, more stable, and more prosperous at almost no cost to the rest. So that is the central feature of our policy in the Balkans.

Our second is NATO for those who qualify, and those who are not interested yet in NATO, more NATO engagement, and nowhere is this more visible than in Serbia, which is politically neutral, but has increased its engagement with the United States and with NATO dramatically over the last 2 years.

Finally, regional political and economic integration. That is why we support Open Balkans, the Common Regional Market, and every other element and every other program that creates strong institutions and greater interoperability with the European Common Market as a way of creating opportunities for multi-ethnic reconciliation and inter-party dialogue, inter-country dialogue.

So those are the three policies, and we are pursuing all three very aggressively.

Senator SHAHEEN. Thank you. Obviously, one of the countries I have been following closely is Bosnia-Herzegovina and right now a continuing disruptive actor, Mr. Dodik, is attempting to secede the Republika Srpska from the larger country. I was pleased to see the Administration announce sanctions on Mr. Dodik and his activities, but what more can we do as we think about how to address his behavior and support more integration in Bosnia among the ethnic groups there?

Mr. ESCOBAR. Well, I do have to state that even though Milorad Dodik is a very difficult actor, he is not the only one. Our actions against Milorad Dodik are directed at him as an individual and not against Serbs and not against Republika Srpska. That is very important.

The fundamental problem in Bosnia is not ethno-nationalism. It is corruption. It is deep-seated corruption that prevents Bosnia from joining the success stories of the rest of the Western Balkans. It is the third-most corrupt country in Europe. It is the primary cause of youth brain drain, and it is the largest block to Euro-Atlantic aspirations.

So our policy really is about creating a more functional state through step-by-step reforms—that my colleague, Matt Palmer, is undertaking, along with his European Union colleagues—to make the relationship between Croats and Bosniaks in the federation more effective, to implement election integrity measures, and to make the central state more functional.

At the same time, our hope is that Serbs will return to the central institutions, but until they do, our goal is either political dialogue with opposition figures and other leaders to bring Serbs back to the table and to prevent Dodik, either through political engagement or through sanctions, from inflicting any more damage to the central institutions.

Senator SHAHEEN. Well thank you. I appreciate that.

Ms. Magno, how is USAID supporting those efforts?

Ms. MAGNO. Through USAID assistance and close coordination with stakeholders in Bosnia-Herzegovina we are, for example, pro-

viding specialized training to prosecutors' offices to harmonize practices and processes for high-profile corruption cases. As an example, USAID has helped develop the checklist of quality indicators for investigative actions and criminal reports of law enforcement agencies. This checklist will help ensure the legality of evidence collected and improve the quality of criminal reports submitted to prosecutors' offices.

We have also helped the Judicial and Prosecutorial Council adopt the guide to crisis communications for courts and prosecutors' offices.

A third and also equally important approach that we have taken is to help independent media, particularly investigative journalists, and we have just supported a state-of-the-art digital newsroom which will allow local journalists to better cover and expose corruption.

Senator SHAHEEN. Thank you. My time is up so I will turn to Senator Johnson, but I still have lots of questions and I am sure my colleagues do. Senator Johnson.

Senator JOHNSON. Thank you, Madam Chair.

Assistant Secretary Escobar, let us go back to Bosnia, that region. I think we are at 27 years after the signing of the Dayton Accords. I do not think anybody envisioned we would be kind of operating in that region. That is their basic constitution still. Can you just give me, from your perspective, the history, from the signing of the accords to the where we are today, why is that really the governing document still in place?

Mr. ESCOBAR. Well, Senator, the idea behind Dayton really was about European Union integration. It was about a promise of being a member of a larger organization that protects people's freedoms and civil and democratic rights. That is still our goal. Unfortunately, because of the dysfunction of the country and, in part, because of enlargement fatigue, that promise has not been met, but it is still our intention. It is still our policy that these countries should be integrated into the European Union.

So Dayton has been very successful in keeping the peace for over 25 years, so it is an important document and it is the basis of our policy. We believe that we can help them improve their governing processes and help them meet some of the requirements for European Union membership through step-by-step constitutional reform and limited constitutional reform and electoral reform that would create the ability for the country to reach political consensus better. So it is still our goal to get them into the European Union. By the way, that sentiment is shared by our partners as well.

In the meantime, our engagement is still absolutely critical. Our leadership is absolutely critical in the region, and this Administration will continue to show that leadership.

Senator JOHNSON. I think the thrust of my question was what has gone wrong. I understand what you want to do to try to make it right, but why is the Dayton Accord still in place? Why have we not moved on? What have been the problems? What has prevented progress?

Mr. ESCOBAR. I would say that the primary problem is corruption. It is true that Dayton allows a tremendous amount of opportunity for obstruction and political delay, and those opportunities

have been capitalized by some of the more powerful parties to further corruption and to capture the state. That has had a very, very detrimental effect on the country. It has a detrimental effect on the investment climate and on the capacity to behave as a state.

Now that is not necessarily because of Dayton. That blame can be laid almost entirely at the feet of certain political actors, but we are confident that we can fix what is wrong with Bosnia through both American engagement, limited reform, and a clear path to Europe.

Senator JOHNSON. So what would you say are the greatest threats or dangers to the basic three pillars of our approach toward the region?

Mr. ESCOBAR. Well, I would say that they are three-fold. One is the lack of a clear vision for European integration. The second is endemic corruption and the lack of rule of law, and that is something that we all agree on, and that is our European partners and United States. Third, there is an increasing amount of malign foreign influence, both from China and particularly from Russia. So we have to have a plan, and we do have a plan, for countering all of that.

Senator JOHNSON. So you just transitioned to my next question. Can you describe China's involvement in the region?

Mr. ESCOBAR. China's involvement in the region is mostly economic for now, but it does have political costs. So China provides seemingly attractive infrastructure projects, loans, and so-called investments. Most of the time those investments are non-transparent. They rely on government-to-government agreements; not open tender. They rely on keeping the details of those deals as state secret and therefore not accessible to the taxpayers, or the voters. Third, it involves frequently not respecting the environmental and social standards of the countries. I should add it almost never involves hiring local people to work on these infrastructure projects.

So what seemingly is an attractive investment frequently becomes a debt trap, and nowhere is that more visible than Montenegro.

Senator JOHNSON. Just a real quick follow-up. So these are primarily infrastructure types of projects. Do we have a sense of the total dollar value of their—I will put quotation marks around it—"investments" in the Western Balkans? Do we have some kind of sense, an estimate?

Mr. ESCOBAR. It is in the tens of billions, and in some cases it is a significant portion. The debt represents a significant portion of the countries' GDPs.

Senator JOHNSON. Okay. Thank you.

Senator SHAHEEN. Thank you, Senator Johnson. We now have Senator Cardin, who is coming to us on Webex.

Senator CARDIN. Thank you, Madam Chair, and let me thank both of our witnesses. I am going to follow up on Senator Johnson's questioning, because, Mr. Escobar, I think you are giving a much more rosy scenario as to the likelihood of progress. It has been since 1995 we have been following the same path in regard to the Dayton Accords, and the Dayton Accords was only supposed to be a transitional type of an arrangement. It was not supposed to be

the final word in regard to the constitutional authority for Bosnia. Now you are mentioning that we have had systemic corruption there that is blocking integration into Europe. So the problems seem to be getting worse rather than better.

So to my question to you, you say you have a game plan in regard to China. You have a game plan in regard to Russia. I assume you have a game plan in regard to constitutional reform. You have imposed sanctions against Mr. Dodik, and I agree with Chair Shaheen that that is the right thing to do.

So how do we intend to engage the parties to really move forward to the type of constitutional change, to the type of dealing with corruption? It seems to me, how do you deal with the malign influence of Russia and China, and how do you engage Serbia more in regard to bringing about a more permanent reform in Bosnia that could lead to emigration to Europe?

Mr. ESCOBAR. Well, thank you for that question. Before I talk about Bosnia and Herzegovina, I have to tell you a little bit about the context the neighborhood in which Bosnia and Herzegovina lives. The story of the Western Balkans is overwhelmingly a positive story. Of the seven countries of the ex-Yugoslavia, two are members of the European Union and four are members of NATO.

Senator CARDIN. Let me just stop you for a second, because I agree with you on that. I agree with you that is a positive. So how are we engaging the other partners that have made a lot more progress in that region, whereas Bosnia, if you would have gone back a decade ago I think we would have thought Bosnia would be one of the first countries to emerge. It is now lagging behind.

Mr. ESCOBAR. I would say it is true that Bosnia is the most concerning country in the Western Balkans. So it does not share in the prosperity of the other five, it is not on a solid integration track, and the corruption is the worst anywhere else. By the way, that corruption is causing a brain drain and a net emigration that is ten times that of Serbia. So it is at the top of our priorities.

Now it is true, also, that there is nothing inherent about Dayton that prevents Bosnia-Herzegovina from moving forward as a democratic and prosperous state. So it really is a lot of about the entrenched corruption, which we hope through engagement, through development, through capacity building, and through sanctions that we can address.

Senator CARDIN. That does not—I agree with you on the corruption issue. You are absolutely correct, and I hope we can do everything we possibly can. I remember the briefings we got during the Dayton Accords, and it was very clear that it was aimed at resolving the conflict that was occurring, the violence that was occurring in Bosnia, but it was never meant to be the final word in regard to governance that they knew that additional constitutional reform was going to be needed. It dealt with the practical problems of the ethnic communities, not so much as a final way of resolving the governance of Bosnia. It seems to me you are saying you think that could be the final solution.

Mr. ESCOBAR. I do not think so. I think the final solution is European Union membership, and that is why we need to encourage our European colleagues to show a clear path to Europe for Bosnia-Herzegovina. We have seen, alongside with this Administration,

you have seen a new UN Special Representative, a more engaged European Union external action service, and a more invigorated, bilateral relationship between a lot of the countries and Bosnia-Herzegovina, because the crisis that has emerged with Milorad Dodik has brought into stark relief the problems of Bosnia-Herzegovina.

I agree with you that Dayton was compromises laid upon compromises as a way of stopping the war, but in that regard it was very successful. There has not been any conflict in Bosnia in almost three decades, and there will not be.

So we need to work closer with our European partners to give them a vision of what they need to do and how they need to function as a government to be able to be a successful member of the European Union.

Senator CARDIN. Just one last question. Would not that also include constitutional reform?

Mr. ESCOBAR. It does. Now we are starting with limited constitutional reform as a way of creating opportunities on the ground for greater interethnic reconciliation and greater institutional functionality. I do think that at least the core of that plan will be successful.

Senator CARDIN. Thank you, Madam Chair.

Senator SHAHEEN. Thank you, Senator Cardin. Senator Murphy

Senator MURPHY. Thank you, Madam Chair. Thank you both for being here today. I thank the Chair and the Ranking Member for convening this hearing.

Mr. Escobar, I wanted to ask you about the current role of the high representative in Bosnia. You served in the OHR office back in the 1990s. This is a position that does have the authority to impose binding decisions, although the use of that tool is relatively rare.

I met with a group of Bosnian Americans in Connecticut earlier this week who were asking questions about why we do not press harder on the high representative to step in and be more forceful in some of these developments inside Bosnia as the country threatens disintegration. It does not seem like it makes much sense for the high representative to stand on the sidelines.

What is our current position as to the role of the high representative? Do we think that the high representative can be more forceful than the position has been? I understand the Russians' position here that they want to the whole thing to go away, but what is the role here to try to solve the ongoing stalemate in Bosnia?

Mr. ESCOBAR. Well, I think, first of all, that it should be clear that the high representative is just one of the tools that the international community has to exert influence in Bosnia and Herzegovina. Now we strongly support the high representative and his role as a mediator.

I understand the concern of people who would like to see imposed solutions, but imposed solutions are not a democratic answer to democratic challenges. So we hope to be able to partner with European-minded, democratically focused political parties and leaders to be able to resolve for themselves the problems of their own country.

Now that does not mean that we do not support the bond powers of the high representative, but we think that is a last resort, a nu-

clear resort, and one which then puts the onus on the international community to implement. We think that the political system and the political leaders—most of the political leaders—of Bosnia-Herzegovina are mature enough and democratically focused enough to be able to resolve the difference through their own processes, and that is the way it should be.

Senator MURPHY. I do not mind referring to it as a last resort. I maybe wish we did not refer to it as a nuclear resort. This is a legitimate power of the high representative. I understand the difficulty in imposing it, but if the choice eventually becomes the disintegration of the country and the region into civil war versus a difficult decision made by the high representative, I think we will have to carefully weigh the equities on both sides.

I wanted to turn to the—

Mr. ESCOBAR. Well if I can, Senator, on that issue.

Senator MURPHY. Sure.

Mr. ESCOBAR. —first of all, this situation is not analogous to 1991. We have a European peacekeeping force. We have a high representative. Neither Croatia nor Serbia are interested in seeing a war on their borders. We have a NATO presence. So there are a lot of checks and balances to prevent conflict.

So the fundamental issue is that the high representative is, and always has been, on a path to being phased out after certain conditions are met. We want to make sure that those conditions are met. So we do not see the situation as destabilizing, as some of the most drastic commentators see it.

Senator MURPHY. Okay. I agree with you that so long as the impression remains that the path to the EU is difficult and rocky, it is really hard to press our friends in the region to continue reform, and it is not coincidental that you have seen the doors shutting to the EU at the same time that we have seen democratic backsliding in the region.

So let me ask you about the news last month that there will be a renewed discussion between Bulgaria and North Macedonia. That was welcomed. It has been a year or more since Bulgaria vetoed the ability for talks between North Macedonia and Europe to continue. Do you see hope that those talks can bear fruit, and what leverage is there for the United States with Bulgaria? To me this is a disaster if we cannot show progress towards Europe, and why on earth would we let one country stand in the way. What more can the United States—what more can we be doing? What hopes do you have for these discussions with two new leaders?

Mr. ESCOBAR. Well, both Bulgaria and North Macedonia are valued NATO allies. So it has always been our hope that they could resolve their differences through constructive dialogue and good faith negotiation. Both of these new governments have given us assurances that that is happening. So we support that and we hope that that can come to a conclusion within a reasonable period.

Senator MURPHY. That is fine. That is a very diplomatic answer, but these discussions are not going to come to a conclusion unless the United States plays an active role and unless we make clear to the Bulgarians that it is in their interest, as a Balkan nation, to make sure that there is a path into the European Union. So I appreciate the answer, but I will still press for increased U.S. in-

volvement at the highest level, to try to resolve this, given that we have an opportunity to do it with new leadership.

Thank you, Madam Chair.

Senator SHAHEEN. Thank you, Senator Murphy. We have Senator Van Hollen on Webex.

Senator VAN HOLLEN. Thank you, Madam Chair. Let me thank both of the witnesses here. Much of the ground I wanted to cover has been asked about, including a lot on Bosnia.

I do want to ask both of you, starting with Deputy Assistant Administrator Magno, about the Russia and Chinese disinformation campaigns in the Western Balkans. There was a poll conducted I believe last July by the National Democratic Institute that found that these disinformation campaigns were having an impact. In fact, the majority of the respondents across the region agree with the statement that, "Democracy is a failed governing system used by the West to impose on countries in transition certain values aimed to masquerade their geopolitical interests."

We have seen a rise in e-liberal thinking, in authoritarianism in the overall region. Can you talk a little bit about these disinformation campaigns and whether we have any strategy to try to counter them?

Ms. MAGNO. Thank you, Senator. In terms of disinformation, a big component of what we are doing in our partner countries is to help independent media in several ways. One is to help them provide quality content, and second also to make sure that they are on the path to financial viability, because without needed resources it is much easier for media outlets to be either captured or essentially to go out of business.

Another component of our efforts is also to raise media literacy among the public and making sure that there is discernment about the sources of information, whether it is through traditional outlets or through social media.

Senator VAN HOLLEN. Well, I appreciate that. I mean, clearly we need to bolster our strategy, because the ability of leaders in these countries to pursue policies of freedom, human rights, democracy obviously depend on their standing with the public and how the public perceives those ideas.

Turning again to Bosnia, and Mr. Escobar, I know you testified quite a bit on this topic. As you indicated and as we know, we have imposed sanctions on the Bosnian Serb leader Dodik. Are we encouraging our European partners to do the same, and would that unity prove to be more effective in trying to accomplish our goals?

Mr. ESCOBAR. Absolutely, and yes, we are in constant discussions with our European partners on their ability to use sanctions, their ability to track money, and their ability to impose visa bans on some of the corrupt officials in Bosnia-Herzegovina.

Additionally, we have had, in the last couple of days, here in Washington, some very productive discussions with our UK colleagues, who also are very interested in modeling their sanctions regime closely with ours and coordinating closely on targeting. That is a very important one because the UK is a very important financial hub for Europe, and a lot of money that comes out, a lot of the corrupt funds that come out of the Western Balkans transit through London or through New York. So the sanctions regimes

are very, very important, and we hope to see more from our European partners as well.

Senator VAN HOLLEN. Thank you, and thank you, Madam Chair. Senator SHAHEEN. Thank you, Senator Van Hollen.

Ms. Magno, I would like to pick up on his questions about the disinformation and what we are doing to respond to that. To what extent is USAID coordinating with the Global Engagement Center at the State Department and also with working with RFE and Radio Liberty on their efforts in the region? Or are there any efforts in the region?

Ms. MAGNO. We are closely coordinating with both the Global Engagement Center as well as having regular conversations with colleagues at RFE, and we share information, analytics, trends that we see, especially those coming from our partners on the ground. We also ensure that our tactics or our approaches are consistent with each other.

Senator SHAHEEN. Do you have any evidence that what we are doing is working?

Ms. MAGNO. I have to admit the challenges are huge, and we are trying to get our story, our own narratives out there to the maximum extent possible. I will take your question into consideration and provide more information at a later time.

Senator SHAHEEN. Thank you. I would appreciate that. Also, when I was in Bosnia back in 2010—so it has been a long time ago—but I was there with former Senator Voinovich, and we had a lunch with a number of young people. It was probably the most impactful session I had in our week in the region, because the young people that we talked to felt like there was no hope for a future in Bosnia-Herzegovina. So can you talk about some of the programs that you are working on in the region for young people, and are there examples of successful efforts that you can point to, that you think we should be modeling in other places?

Ms. MAGNO. Thank you for your question, and I totally agree. That sense of desperation among the youth was also illustrated during the recent visit of our administrator to Bosnia-Herzegovina and as well as my almost 4 years in Kosovo, I have had many conversations with young people in the region.

One of the things that we are doing, for example, in Bosnia, in several of these countries we are able to identify sectors in the private sector which have high potential, and in Bosnia it is tourism, in Kosovo it is agribusiness, as well as information, communications, and technology.

Maybe just to elaborate, in Bosnia what we are doing right now is to provide support to young potential entrepreneurs who can start future enterprises in the tourism sector. We did a needs assessment and forecast and we estimated that the tourism industry in Bosnia will actually require something like 18,500 jobs, if things go in the right direction. So we are working with both young potential entrepreneurs as well as institutions of higher education to make sure that they understand international standards, they have the skills and capacities that will meet the demands of international tourists.

Senator SHAHEEN. Thank you. Senator Menendez.

Senator MENENDEZ. Thank you, Madam Chair, to you and the Ranking Member.

Deputy Assistant Secretary Escobar, I understand that you and your EU counterparts have recently urged Kosovo to establish an association of Serb municipalities. While this concept has its basis in the 2013 Brussels Agreement, I am concerned that this would lead to a Republika Srpska within Kosovo. Moreover, Kosovo's Constitutional Court has found the association concept, "not entirely in compliance with the spirit of the constitution."

Are you concerned that such an association could lead to the destabilization of Kosovo and take away powers reserved for a possible central government?

Mr. ESCOBAR. I do not. We support the formation of an association for many reasons. One is it is already agreed to. Even though the Constitutional Court ruled that some parts of the proposal were inconsistent with a constitution, it did not say that the association itself is unconstitutional. So in the dialogue, within the context of the dialogue, it is up to Kosovo and Serbia to decide how that would look. So it does not have to be, and we certainly do not want it to be similar to Republika Srpska, but we have urged, and my counterpart, Miroslav Lajčák, has urged the Kosovar Government to look at models that they believe would be compatible with them that would not undermine their sovereignty or their functionality as a way of allowing Serbs to continue to receive health care, certain benefits and education in Serbian language.

Personally, I think that this effort, which would unwind Belgrade's engagement in Serbian communities and offshore it to a domestic, transparent institution under the control of the government of Kosovo, would actually enhance Kosovo sovereignty, not detract from it.

Senator MENENDEZ. Let me ask you, I am concerned that the state of talks, or lack thereof, is more due to Serbia's reticence to recognize Kosovo's sovereignty. What concessions are you seeking from Serbia to justify pressuring Kosovo in this way?

Mr. ESCOBAR. Well, first of all, the purpose of the dialogue is to move everything in Kosovo's direction, to be quite honest, with the end result of mutual recognition and normalized relations, something that they do not have already. So it is not about Kosovo's status, but about the recognition that they are a sovereign and independent country.

So the dialogue is the mechanism, and it has proven itself to be an effective mechanism in resolving differences between the two countries, most recently in September, when the EU negotiated a successful resolution to the license plate dispute with our support.

So with our backing—and our backing to Kosovo is resolute—we want to make sure that the dialogue helps them move through all the difficult challenges of unwinding the two countries' engagement, difficult engagement, to have a common European future together.

Senator MENENDEZ. Well, I hope that our commitment to Kosovo is resolute.

Let me ask you, I have heard from many in the Serbian diaspora here in the United States about the elections that are underway there and the lack of legitimacy, the use of the government in ex-

traordinary powers as it relates to the elections, the resources that they are using that are not just their private political resources. What are your insights into that?

Mr. ESCOBAR. That is something that we openly express our concern about and privately engage with the government about. There are three elements to this. One is the treatment of the opposition. So we believe the opposition should have free and fair conditions to participate in the elections. Second, the media environment. It is true that much of the government-controlled and private media in Serbia is very favorable to the current government. Thirdly, the treatment of civil society, those people who engage in democratic activities, to monitor elections, to monitor media freedom, and to support citizen engagement. Those organizations must be treated fairly by the Serbian Government. It is not just the United States who has made this clear, but also the European Union, the OSCE, and other international organizations that have been very clear about our expectations for the April elections in Serbia.

Senator MENENDEZ. As of now that is not the case?

Mr. ESCOBAR. As of now there are definitely concerns about all of that.

Senator MENENDEZ. One final question if I may, Madam Chair. You know, Vucic traveled to Moscow in December seeking cheap gas, which he got. In return, the Russians got some contracts inside of Serbia. He was also in Beijing not too long ago to discuss a free trade agreement that he is now touting in his re-election campaign.

It seems to me that both Russia and China are making significant inroads in the Western Balkans. What are we doing to combat malign Russian and Chinese influences in this regard?

Mr. ESCOBAR. Well, first of all, it is true that the influence of Russia and China is maligned in the Western Balkans. In the case of Russia, Russia is not even in the top ten biggest trade partners for the Western Balkans. It is mostly about energy. So on the energy security front, we have encouraged Serbia to look at alternatives to Russian gas, including renewables and liquid natural gas, and we have made some progress there.

With regard to the political influence, over the last year Serbia has become more aligned with European Union foreign policy, including not recognizing Crimea. So we are making inroads politically on that.

In the case of China, we have encouraged reforms and greater transparency in the procurement process that gives Chinese firms and the Chinese Communist Party a leg up over American and European countries, but one of the reasons that we support a more integrated market for the Western Balkans is that if it is more integrated and more integrated with Europe, with institutional standards that match those of Europe, it will create opportunities for greater transparency, greater openness in procurement, and requirements for environmental and social impact easement that will give American and European firms the advantage over Chinese in the region.

Senator MENENDEZ. I look forward to following up with you on some of these issues.

Thank you, Madam Chair.

Senator SHAHEEN. Thank you, Senator Menendez. Senator Johnson.

Senator JOHNSON. Thank you, Madam Chair.

Assistant Secretary Escobar, I want to return to Serbia and Kosovo. I spent a fair amount of time traveling back and forth between Serbia and Kosovo during the previous Administration, trying to help facilitate agreements. I really thought Ambassador Grenell did a really good job, and I thought it was an excellent strategy to forge an agreement really based on economics. There are so many areas that they disagree on, but I think one thing they definitely agreed on was how can they improve the lot of life for their citizens.

I always felt every additional agreement, success builds on success, the agreement between Kosovo and Montenegro in their border dispute, and the agreement between Greece and North Macedonia on the name, and then the economic agreement between Kosovo and Serbia, can you give me your perspective of what is the current status of that agreement? I know it has not been fully taken advantage of—let us put it that way.

Mr. ESCOBAR. Secretary Blinken said, in his confirmation hearings, that it is our intention to build upon the successes of the previous Administration, and the Washington commitments are part of that. I particularly like the idea of a moratorium on recognitions and de-recognitions to allow diplomatic space for the dialogue, to make progress.

On economic issues I agree with you, Senator, that the greater the integration is in the region the more easily we can tackle the political problems. That integration is happening, and it is happening both organically, through European-led processes, and increasingly through the Open Balkans Initiative. All of these promote greater business ties between the regions, greater ease of movement and travel, the mutual recognition of diplomas and certificates.

So it is one of the reasons why we believe that regional economic integration is a winner, and we will continue to pursue that.

Senator JOHNSON. In my opening remarks I mentioned that it seems like these countries do want the U.S. fully engaged and involved in the region, but oftentimes to impose the U.S. will on the other side to reach agreement. It has always been my viewpoint, as well as, I think, my understanding of every Administration's viewpoint, that we are there to facilitate, to help the parties come to agreement between themselves. We are not going to impose anything on anybody, but at the same time every now and again we do need to apply some pressure.

I have been concerned, in my dealing with both Serbia and Kosovo, that Kosovo has obviously recognized strong support for the U.S., and I think we all agree on that, but I am a little concerned that they rely on that so heavily that they do not really feel that they have to provide the give in the give-and-take. I do not know how many times, on both sides, they say negotiation is really give and take. I have oftentimes heard a lot of the take, not a whole lot of give. Can you just kind of comment on that?

Mr. ESCOBAR. Well, we have been very clear with the government of Kosovo that our expectation is that they engage fully in

the EU-led dialogue, that they look at that as a true negotiation in achieving their ultimate goal, which is mutual recognition between Serbia and Kosovo, recognition by the five remaining European Union members who are currently not recognizing Kosovo, and membership in all of the international organizations that they would like to be members of.

So that will require compromise, and we have been very clear. Our recently arrived ambassador, Jeff Hovenier, has made that very clear, beginning with his opening meetings with the Kurti Government, and he will continue to press that, and we will continue to support him as he moves in that direction.

Senator JOHNSON. My concern is in Kosovo I often heard that they were more than willing to forgive if a proper apology was provided, and that was pretty much their give. I think they probably need to do a little bit more in terms of compromise and good faith. Would you agree?

Mr. ESCOBAR. Well, I would leave that to my European colleagues, because there is truly a plan to move forward in the dialogue in a way that ends up with normalizing relationships, and it is more complicated than—I can respectfully disagree—than just a simple apology. There are property issues. There are missing persons issues. There are energy issues and a host of other issues that we have to work through, in good faith, to achieve what we want to achieve, which is a European future for both Serbia and Kosovo.

Senator JOHNSON. So just talk—this will be my last question—just talk in a little bit greater detail, Russia's influence, not just in Serbia or Kosovo, but within the Western Balkans in total. Can you just kind of speak in general, what they are doing, what they are trying to accomplish?

Mr. ESCOBAR. What Russia is trying to accomplish really is to create a vulnerability within the Euro-Atlantic space. That is fundamentally what it is. They have found partners within certain countries that are willing to help advance those goals, to keep us distracted from other issues, including Russia-Ukraine. Those parties are more likely than not to try to create ethnic division, and they use misinformation, corruption, and in some cases attempted assassination to achieve their goals.

Senator JOHNSON. Okay. Thank you, Madam Chair.

Senator SHAHEEN. Thank you, Senator Johnson. I want to pursue that a little bit, because Russia has a long history in the Balkans, and their attempts to court Serbia through military equipment, sales of military equipment, through energy obviously gives them really undue influence in the region.

So can you talk about—and this is for Ms. Magno as well—talk about the energy connections between Russia and the Western Balkans. Senator Menendez, I think, referenced the trip to Russia where Putin pledged cheaper energy for Serbia, but what are we doing to counter some of those influences, particularly around energy?

Mr. ESCOBAR. Well, the question of dependence on Russian energy is not solely a problem for the Western Balkans.

Senator SHAHEEN. Right.

Mr. ESCOBAR. It is a problem for a good portion of Europe, but the Balkans have an additional problem in that they are heavily

dependent on coal energy. So we have a comprehensive energy security strategy that stresses renewables, liquid natural gas, and alternative suppliers and routes for energy supplies. We are close to unwinding some countries from full dependence on Russian gas.

I would add that in that process there are tremendous opportunities for American companies to help these countries both free themselves from their dependence on Russian gas and to move forward to a cleaner, more renewable energy mixture.

Senator SHAHEEN. Well, I would certainly agree with that. Are we getting any takers from the United States in terms of companies who are looking at the region as opportunities?

Mr. ESCOBAR. We are. We have several.

Senator SHAHEEN. Ms. Magno, can you add to that in terms of what USAID is doing?

Ms. MAGNO. What USAID is doing in the energy sector is really to help the governments make informed choices and decisions. So a lot of the work that we do is support for the government's long-term planning, market integration, as well as helping them with legal and regulatory forms. So for example, in Kosovo right now we are assisting the ministry in helping draft legislation that is around renewable energy.

We are also providing technical advice to ensure that our partner countries—and many of them have made or set ambitious targets in relation to what the European Union requires with regard to clean energy. Through our analysis and technical counsel we are helping them meet those targets.

Senator SHAHEEN. Thank you. That is good to hear.

Mr. Escobar, what is going to be the impact in the Western Balkans if Russia does invade Ukraine?

Mr. ESCOBAR. Well, as you know, Senator, some of these countries are quite vulnerable, and they are quite vulnerable to Russian malign influence. It is our hope, however, that we can ensure that these countries remain stable and protected against any efforts by Russia to use the Western Balkans as a distraction for the Euro-Atlantic community from Russia and Ukraine. So we are watching very closely, and we do have the bandwidth to watch both regions at the same time and make sure that we try to insulate them.

I would also say that in the region, the Western Balkans, three of the countries are NATO allies, so not only are they participating in the discussions that NATO is having on that, but they are also contributing, both to our efforts and to our messaging.

Senator SHAHEEN. Have we heard from any of the other countries who are not NATO members about concerns about Russia's activities?

Mr. ESCOBAR. Every country in the region has expressed their desire to see a peaceful, diplomatic resolution to the crisis.

Senator SHAHEEN. Good. I just have one other area that I would like to explore a little bit, and as we are thinking about the challenges in Bosnia-Herzegovina and looking at what is happening with Russia and Ukraine, EUFOR is increasingly important, I think, and yet its size has steadily decreased over the years.

So can you talk, Mr. Escobar, about how we are preparing for the next round of the UN authorization of EUFOR and how concerned we are about Russia's efforts to undermine the mission there?

Mr. ESCOBAR. Well, Russia was not opposed to the renewal of the EUFOR mandate, and I believe they will not be. It is in everybody's interest that the region remains stable, at least free from conflict.

Additionally, we are working with our European colleagues to enhance their capabilities, to enhance their capacity, to address various scenarios that could arise, and I should mention that they also have an over-the-horizon reserve capacity to surge, should they need it. So I am confident that EUFOR is capable of doing the job it was intended to do, which is keep the peace in Bosnia and Herzegovina.

Senator SHAHEEN. So you are not advocating that the size of the forces should be increased?

Mr. ESCOBAR. We are advocating that the size of the force match the challenges and the requirements, and we are confident that it does.

Senator SHAHEEN. Good. When is the UN authorization going to happen?

Mr. ESCOBAR. I believe it will happen again in the fall, late fall.

Senator SHAHEEN. Do you know how long that will last?

Mr. ESCOBAR. They usually last a year.

Senator SHAHEEN. Okay. Well, thank you both very much. I very much appreciate your responses to all of the questions and your continued commitment to the region, and I hope that you will engage with this subcommittee and also with the full committee in terms of how we might be more helpful as we are looking at the challenges ahead for the region.

So with that, I will conclude the hearing, and again, thank you both.

[Whereupon, at 11:22 a.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF MR. GABRIEL ESCOBAR TO QUESTIONS SUBMITTED BY SENATOR ROBERT MENENDEZ

Question. Much like in the 1990's, Bosnia and Herzegovina's neighbors are stepping up attacks on the country's legitimacy, sovereignty, and unity. Of particular concern are recent statements by Croatian President Zoran Milanovic regarding NATO expansion, and his persistent attacks on the legitimacy and viability of Bosnia and Herzegovina. Aleksander Vucic also continues to promote and reward secessionist rhetoric by Bosnian-Serb politicians. What is the Department's engagement strategy Bosnia and Herzegovina's neighbors, particularly Croatia, to reiterate that meddling in Bosnia and Herzegovina's internal affairs is unacceptable, given that it risks extreme instability and return to conflict?

Answer. Bosnia and Herzegovina's (BiH) sovereignty and territorial integrity are unquestionable, and no third country can dictate its chosen Euro-Atlantic trajectory. Croatia and Serbia have enduring interests in BiH, and we engage both to advance regional stability and common goals for BiH, including its EU path. We look to Croatia to encourage reforms by BiH officials to advance democratic growth, the rule of law, human rights, and prosperity for all citizens. Croatia's constructive advocacy within the EU could lead the bloc towards meaningful action to advance BiH's EU perspective. In Serbia, President Vucic has reiterated, on multiple occasions, Serbia's support for the Dayton Peace Accords and BiH's sovereignty and territorial integrity.

Question. While the Dayton Accords ended the war in Bosnia, they also installed a flawed ethno-nationalist political system rife with kleptocracy. Many citizens have lost faith in their leadership and are leaving the country, and ethno-nationalist parties have led to gerrymandered voting districts along ethnic lines. How is the De-

partment seeking to re-think and reform the current flawed government design? What is the Department's plan to engage with civil society and opposition groups as part of such a process?

Answer. The reforms necessary to move Bosnia and Herzegovina (BiH) from Dayton to Brussels are clear and achievable with political courage and building on the Dayton Peace Accords. We regularly engage all BiH's leaders—in civil society, government and from across the political spectrum—to focus on reform and advancement within the Dayton framework, such as the EU's Key Priorities and the 5+2 Agenda for the closure of the Office of the High Representative. Step-by-step reforms will increase prosperity for citizens, advance BiH's Euro-Atlantic trajectory, and permanently enhance the democratic integrity, stability, and functionality of the state.

Question. Russia continues to meddle in the Balkans as part of its effort to expand its influence and reach. Kremlin officials have perpetuated unfounded narratives about the region, even claiming they have links to the conflict in the Donbas, indicating the Russians are laying the groundwork for future destabilizing actions in the Balkans. Is the Department planning to re-double efforts to counter Russian aggression in the Balkans, particularly given Russia's willingness to engage in such tactics?

Answer. The United States and Russia have very different visions for the future of the Western Balkans. Moscow actively opposes the region's Euro-Atlantic integration and sows division, distrust, and inter-ethnic and inter-religious tension. U.S. interests align with those of the people of the Western Balkans and are best served by cementing democratic norms, rule of law, and deepening cooperation based on common values and a shared future. We engage our partners in BiH to advance our shared priorities. This includes pushing back against Russia's destabilizing narratives and behavior, including through our bilateral foreign assistance, which in FY 2021 totaled more than \$145 million.

Question. The Sejdic-Finci ruling demonstrates that the structure of the Bosnia and Herzegovina political system violates key rights of minority groups. Will the Department ensure that any future electoral reforms address the issue of minority and "other" rights as a key tenant of agreements?

Answer. Electoral and limited constitutional reforms are required to improve election integrity and implement key European Court of Human Rights and Bosnian Constitutional Court rulings to ensure equal opportunities and representation for all citizens of Bosnia and Herzegovina (BiH). These measures will strengthen democracy, bring BiH in line with European standards, and further its European Union (EU) path. We encourage compromise and constructive dialogue by all sides to reach a deal that furthers these objectives as soon as possible in advance of the upcoming elections. The United States, along with our EU partners, meets regularly with key interlocutors from all political parties to inform solutions that work for all.

LETTERS FROM THE EMBASSIES OF ALBANIA, BOSNIA AND HERZEGOVINA, KOSOVO,
MONTENEGRO, NORTH MACEDONIA, AND SERBIA CONCERNING THE WESTERN BALKANS



**Embassy of the Republic of Kosovo
Washington, D.C.**

Ref. nv. 026/2022

The Embassy of the Republic of Kosovo presents its compliments to the Europe Subcommittee on Europe and Regional Security Cooperation and in respect to the Subcommittee's hearing of February 16 2022 has the honor to convey the following statement from the Ministry of Foreign Affairs and Diaspora of the Republic of Kosovo.

The Embassy of the Republic of Kosovo avails itself of this opportunity to renew to the Subcommittee on Europe and Regional Cooperation of the United States Senate Committee on Foreign relations the assurances of its highest consideration.

Washington, D.C.
February 14, 2022



**Subcommittee on Europe and Regional Security Cooperation (*United States Senate
Committee on Foreign Relations*)**

Ministry of Foreign Affairs and Diaspora of the Republic of Kosovo

Contribution in building democratic institutions. The United States of America plays a significant role in supporting democratic institutions of the Republic of Kosovo and the aspiration of Kosovo for full integration in international organizations. Strong U.S. efforts to enhance peace, stability and security in the region, as part of the European Union, are essential. The U.S. represents a central factor in supporting mutual recognition and normalization of relations between the Republic of Kosovo and Serbia.

Security assistance The U.S. provides military education, training, and equipment in support of national security objectives of the Republic of Kosovo, with gradual and transparent transition of the Kosovo Security Force (KSF) into a modern NATO-integrated force having a prominent place. The Iowa National Guard-led State Partnership Program, launched in 2011, has the long-term goal of building and expanding partnerships with the Kosovo Security Force, helping the Republic of Kosovo to further promote regional security and cooperation. The Iowa-Kosovo partnership has already expanded well beyond the security sector, into economic, commercial, and academic cooperation.

EU and NATO integration. The U.S. has a crucial role in supporting the aspiration of the Republic of Kosovo for full Euro-Atlantic integration. In 2016, Kosovo entered into a Stabilization and Association Agreement (SAA) with the EU, the first step toward EU membership. Compliance with the SAA aims to enhance trade between the EU and Kosovo, further align Kosovo's legislation with EU standards, and to further the ongoing political dialogue between the EU and Kosovo. Republic of Kosovo appreciates the U.S. role in advancing normalization of relations between Kosovo and Serbia as a means for mutual recognition.

Justice. The U.S. is continually assisting the Republic of Kosovo in enhancing transparency and accountability within government institutions, including those of law enforcement and the judiciary. The Republic of Kosovo appreciates the U.S. support in the fight against corruption, strengthening the rule of law and enhancing equal opportunities for all.

Economy. The Republic of Kosovo is a beneficiary country under the Generalized System of Preferences program, which promotes economic development by eliminating duties on approximately 3500 products exported to the U.S. Investors from the U.S. are involved with projects in the information technology, construction, energy, health, and real estate development sectors.

The American Chamber of Commerce in Kosovo is an active and well-respected business organizations, whereas over dozen companies with direct U.S. ties are registered in Kosovo. Companies like Coca Cola, General Electric, KFC, Marriott, Cisco, Famous Famiglia, Burger King, Domino's, TCI (a subsidiary of SPX Corporation), and Microsoft are also active.

Private Sector. The Republic of Kosovo in close cooperation with U.S. support private sector competitiveness, ensure energy security, and improve the environment for investment, seeking to unlock entrepreneurial potential, growing hi-tech sector, including energy sector.

Millennium Challenge Corporation (MCC) Threshold Program is also implemented supporting the governance and energy landscape in Kosovo.

The United States Department of State and USAID combined provided \$56.9 million in assistance funds and additional \$2.7 million were allocated for COVID relief.

Kosovo initiatives in advancing stability and development in the region

The Republic of Kosovo considers the U.S. troop presence and participation in the NATO-led Kosovo Force (KFOR) in maintaining a safe and secure environment as vital.

The Republic of Kosovo is part of the Global Coalition to Defeat ISIS and has taken a number of steps in countering violent extremism. The Republic of Kosovo has also provided temporary shelter for 971 Afghan refugees.

Around 330 members of the Kosovo Security Force took part in the US-led “Defender Europe 21” military exercise. In the meantime, Serbia has organized exercises with Russia and Belarus.

The Republic of Kosovo adapted the new counter-terrorism strategy and the respective action plan which are in line with the comprehensive inter-institutional approach promoted by the United States.

Regional context and importance of US, NATO and EU contribution

A clear Euro-Atlantic perspective is the only way to ensure the region’s collective security, especially in view of recent developments and threats posed by hostile actors aiming to destabilize all the progress achieved thanks to US, EU and NATO support. Every advancement of the region towards the EU and NATO is increasingly being accompanied by hostile and aggressive reactions from extremist anti-democratic exponents.

The decade-long investment towards peace and stability in the region by liberal democracies, as well as its geographical and political proximity to the EU, makes the Western Balkans highly exposed to hybrid security threats. Countries such as Russia and China are now openly using Serbia and Republika Srpska in BiH as proxies to undermine western democratic values by all means possible – political, economic, military, and even religious. Just in the past few years, there were tensions, protests, even failed coup attempts in our neighboring countries, all incited by Russia, in order to derail progress towards EU and NATO integration.

In this regard, Kosovo is a fundamental component in the security architecture of the region. Being universally regarded as the success story of NATO’s humanitarian intervention, Kosovo remains the prime target for destabilization and for undermining the transatlantic contribution to the region.

As such, excluding Kosovo from important security mechanisms creates a security vacuum that could be exploited by hostile influences.

Considering this, the EU and NATO need a credible enlargement strategy for the region, one that is based on and that effectively promotes the values upon which both the EU and NATO were founded in the first place. This would mean recognizing and rewarding progress and goodwill of candidate countries who embrace these values. But just as importantly, a credible strategy would also mean condemning all actions that go against these common values. The proverbial carrot is never effective without the stick.

Support for Kosovo's integration in security mechanisms

NATO membership is Kosovo's strategic priority, both for ensuring peace in the region and for promoting and protecting our shared values. Support from the U.S. for the Republic of Kosovo in establishing and advancing a political dialogue at the highest institutional level with NATO would contribute to security and stability in the region. Kosovo's inclusion in the Partnership for Peace (PfP), would be the beginning of a new chapter of cooperation with NATO towards full integration into the Euro-Atlantic structure.

It is equally important for Kosovo to become a full member the U.S.-Adriatic Charter (A5), as preparation for NATO membership and an important mechanism for further strengthening regional cooperation. Strong US support for Kosovo joining the A5 is fundamental to the outcome of its membership request.

Kosovo is fully committed to become part of the global security infrastructure. In 2021, the Kosovo Security Force (KSF) joined the US Armed Forces in a joint military mission in Kuwait, in the framework of the Combined Joint Task Force-Operation Inherent Resolve, the first of its kind for Kosovo and a testament to our readiness to contribute to global peace and security. Continued US and NATO support in capacity building for the KSF is exceptionally important for its transition into a NATO-ready, multi-ethnic and professional force, and will enable Kosovo to become an active provider in the framework of regional and global security.

Addressing direct threats to regional security

For Kosovo, as well as the region, Serbia poses the most urgent and direct threat to peace and stability. Serbia's actions today are driven by leaders who previously served under Milosevic, and who are working towards rehabilitating his reputation and continuing his genocidal policies. Any reluctance to condemn their hostile actions towards neighboring countries only serves to embolden Serbia's aggressiveness.

It shows no hesitation to strengthen strategic alliances with autocracies and to heavily arm itself with Russian, Chinese and Belarus weapons and military equipment. The European Parliament has already expressed concern about "Serbia's close political and military cooperation with Russia, including the continued presence of Russian air facilities in Niš".

The fact that the Republic of Kosovo is not yet recognized by four NATO members (Greece, Romania, Slovakia, and Spain) has resulted in a lack of a formal framework for cooperation, including Partnership for Peace (PfP).

Kosovo has been an observer of the A5 since 2012. Since 2016, the possibility of full membership of Kosovo has been introduced, under the Charter's Open-Door policy, however this pledge has yet to be implemented by the A5.

Kosovo remains the main target of Serbia's attacks, although such destabilizing attempts are also launched against Bosnia and Herzegovina (where Milorad Dodik, Vucic's close ally in Republika Srpska, is sanctioned by the US) and Montenegro. A few months ago, in a joint open letter to the US Congress, leading advocacy organizations and Albanian, Bosnian and Montenegrin community leaders in the US, expressed their grave concern at the many recent hostile acts by Serbia towards its neighbors. At the same time, leaders in the region have expressed their alarm at the new Serbian government policy aiming for the creation of a "Serbian World", an ominous fusion of Milosevic's "Greater Serbia" with Putin's "Russian World".

Serbia's threats and acts of hybrid aggression towards other countries in the region must be countered swiftly and decisively in order to prevent escalation. This is why it is essential that the US and the EU take actions against individuals who promote destabilization, including the highest levels of the Serbian state, and sanction them in accordance with the recent decision of US President Biden (Executive Order 14033 "Blocking Property and Suspending Entry Into the United States of Certain Persons Contributing to the Destabilizing Situation in the Western Balkans").

The international community should also urge Serbia to sincerely commit to peace and security in the region, by acting in good faith towards the EU and NATO, and refrain from growing militarization and military cooperation with Russia and China.

Regarding the dialogue with Serbia, the Republic of Kosovo continues to engage constructively and reiterates that this process should focus on mutual recognition.



**Ambasada
e Republikës së Shqipërisë**
Washington D.C.

**Embassy
of the Republic of Albania**
Washington D.C.

Washington, D.C., on February 14th, 2022

The Hon. Senator Jeanne Shaheen
Chairman
Subcommittee On Europe and Regional Security Coop.
United States Senate

The Hon. Senator Ron Johnson
Ranking Member
Subcommittee On Europe and Regional Security Coop.
United States Senate

Dear Chairwoman Shaheen and Ranking Member Johnson,

First, let me start by warmly thanking the Subcommittee on Europe and Regional Security Cooperation, and you in particular, for hosting this hearing on the Western Balkans with Mr. Gabriel Escobar, Deputy Assistant Secretary of State and Special Representative for the Western Balkans.

Albania highly appreciates the role and contribution of the US Congress in strengthening the close partnership between Albania and our greatest strategic ally, the US. Albania is grateful to the members of the Albanian Issues Caucus in the US Senate and in the House of the Representatives in supporting, promoting and favoring the dialogue about Albania on essential issues, not only for the Albanian-American community, but also for all the Albanians in the Balkan region.

On bilateral relations between Albania and the US

Albania – US Strategic Partnership is a cornerstone of the Albanian foreign policy.

The year 2022 marks the 100th anniversary of the establishment of diplomatic relations between Albania and the United States (22 July 1922).

Recently, Albania has:

- engaged to strengthen the commitment and contribution to the strategic partnership with the US;
- worked with the US administration to foster a stronger and long lasting partnership in the areas of defense and security, energy, rule of law, good governance, trade, economy and culture;
- worked with the US administration for the accommodation of Afghan citizens in need after being evacuated from their country;
- held bilateral consultations with the US in the framework of the UNSC, where the Albanian Mission is now a co-penholder with the USUN on Ukraine;
- strongly cooperated with the US in the military field with the 'Defender 21' joint exercise in Tirana and the planned 'Defender 23', the West Point Partnership Plan and the establishment of a military base in Albania;
- signed a Memorandum of Understanding on Economic Cooperation with the US;
- signed a Memorandum of Understanding with Excelerate Energy L.P. and ExxonMobil LNG Market Development Inc. to conduct a feasibility study for the potential development of a liquefied natural gas (LNG) Project in the Port of Vlora in Southern Albania;
- signed a Memorandum of Understanding with the US that serves to protect Albanian cultural property, counter cultural property trafficking and preserve heritage.

It is our view that, bilaterally, Albania and the US can and should do more. Albania looks forward to:

- the signing of the Double Taxation Agreement between the two countries;
- high level visits exchange of our countries' and institutions' leaders;
- the increase of economic cooperation, through a greater presence of US companies in Albania.

On the situation in Ukraine

On the situation between Russia and Ukraine, Albania:

- has reiterated its position and unwavering support for the sovereignty and territorial integrity of Ukraine;
- unconditionally supports the sovereign right of each nation to choose its own path;
- believes that the principles and commitments to NATO, as a defense alliance, do not threaten Russia or any other country;
- is clear in its call on Russia to reduce tensions and engage in diplomacy;
- has made its position clear as a member of NATO, UNSC, and OSCE;
- as a member of the UN Security Council, has supported the US in convening a Security Council meeting on Ukraine.

On regional security in the Western Balkans

In terms of regional security, Albania:

- is witnessing particularly worrisome signs of renewed tensions, such as the political crisis in Bosnia and Herzegovina and the use of provocative language and display of military power at Kosovo's borders;
- firmly condemns any destabilizing attempt and separatist rhetoric that comes from within or outside Bosnia and Herzegovina, while strongly supporting its sovereignty and territorial integrity, as well as its Euro Atlantic aspirations;
- fully supports the EU facilitated Kosovo-Serbia Dialogue, aimed at reaching a comprehensive agreement on the normalization of relations, focused on mutual recognition; highly values the full support and the efforts of the US in the domain of such dialogue.

In terms of NATO in the region, Albania:

- supports NATO open doors policy;
- believes NATO should work closely with the Western Balkans, in order to curtail third parties influence and their strategic efforts aimed at derailing Euro Atlantic integration efforts and achievements in the region;
- wants to see the Alliance playing a more active political role in the Western Balkans by appointing a special envoy tasked of traveling regularly to the region and present NATO positions with the aim of helping to defuse potential crisis.
- values NATO's long presence in Kosovo, as it contributes to peace and stability in the region;
- maintains that any changes to KFOR posture should remain conditions based and not calendar-driven;

On the Euro-Atlantic future of the Western Balkans

As it pertains to the European Integration of the Western Balkans countries, Albania:

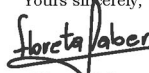
- trusts that the Western Balkans region has a special role in Europe;
- is firmly convinced that there is no alternative to the path of Euro Atlantic integration for the Western Balkans;
- hopes EU's commitment to the Western Balkans and their European perspective will be very visible and leave no doubt in this respect;
- considers that fully integrating the Western Balkans is in EU's political, security and economic interest as a geostrategic investment in a stable and thriving Union;

- sees the enlargement process and close relations and cooperation between the EU and the Western Balkans bring tangible benefits to both sides and contribute to the EU's role in the neighborhood and the world;
- supports the reforms in Western Balkans, for the strengthening of democracy, rule of law, the fight against corruption and organized crime;
- believes European integration to be particularly important in the consolidation of institutions and especially the strengthening of the rule of law;
- backs regional cooperation initiatives, including the 'Open Balkans';
- supports the enhancement of the political dialogue on Common Foreign Security Policy issues.
- together with North Macedonia has fulfilled the requirements and should open the negotiations with the EU;

Allow me to conclude this letter by once again expressing Albania's gratitude to the United States and its people for their generous and decisive support to our country.

Please accept, Honorable Senators, the assurances of my highest consideration.

Yours sincerely,

A handwritten signature in black ink that reads "Floreta Faber". The signature is written in a cursive style with a large, sweeping flourish at the end.

Floreta Faber

Ambassador of the Republic of Albania to the US

February 14, 2022

Senator Jeanne Shaheen
Senator Ron Johnson
Europe Subcommittee
Senate Foreign Relations Committee
U.S. Senate

Dear Senator Shaheen and Senator Johnson:

Thank you for the opportunity to contribute to the hearing about U.S. foreign policy in Bosnia and Hercegovina (BiH) and the Western Balkans. Most of the citizens of BiH welcomes the support of and engagement with the United States, as well as that of other countries concerned about the future stability and prosperity if BiH. In a complicated country like BiH, however, outside efforts to assist can be counterproductive when they are not sufficiently informed and shaped by an understanding of local history and ethnic dynamics. I also take this opportunity to inform you that the Presidency of BiH through consensus decides the foreign policy of our joint state. Unfortunately, there is no consensus over many issues and questions of importance. With this in mind, allow me to make several points which I hope will assist your discussion concerning U.S. policy and my country.

BiH is not an ordinary European nation state of one people. It is a country of three equal constituent peoples as defined by its Constitution and the Dayton Agreement, and it must be understood as such by its friends in the international community. In the past, foreign efforts to help one people dominate the others have always been disastrous for BiH. The basic current dispute at the heart of the current crisis in BiH is between those political parties and forces which favor a more centralized and unitary state and those which favor the highly decentralized joint state provided for and guaranteed by the Dayton agreement and the Constitution of BiH.

The 1995 Dayton Agreement, which ended the war in BiH, is one of the most successful peace agreements in history. It established a mechanism—the BiH Constitution—that has sustained peace and stability in our country for more than 26 years. When it helped draft the BiH Constitution, the United States understood the need for each of BiH's constituent peoples to be an equal partner in BiH, secure against domination by one or more of the other constituent peoples. Today, most citizens hope that the United States will show that same understanding, staunchly supporting the BiH Constitution while encouraging inter-ethnic dialogue to resolve disagreements.

There are three essential elements of the BiH Constitution that most require support from BiH's friends, including the United States: (1) The Constitution established a liberal democratic system in which all laws must be approved by a democratically elected legislature; (2) The Constitution assigned most governmental competences not to central institutions, but to the two Entities that make up BiH; and (3) The Constitution guarantees the equality of each of BiH's formerly warring constituent peoples.

The United States can help ensure the Dayton Agreement's continued success by supporting all three of these elements of the Constitution. The United States should stand by its own values of democracy and rule of law by supporting BiH's democratic constitutional system and rejecting the extra-constitutional decree of laws by unelected foreign diplomats. The United States, as a federal state, can help preserve the success of the Dayton Agreement by supporting the robust federalism incorporated into the BiH Constitution—a federalism that the drafters of the Dayton Accords knew was essential to the stability and prosperity of the country. Moreover, the United States can help preserve peace and stability in BiH by supporting the Constitution's protections for each of BiH's constituent peoples.

Most political actors and our citizens agree with the United States on the crucial importance of the rule of law. Support for the rule of law must include recognizing that laws may only be adopted in accordance with constitutional procedures. When foreign powers support the extra-constitutional decree of laws by unelected outsiders, it can only cause BiH citizens to question the sincerity of those powers' commitment to the rule of law.

Involvement of the international community in BiH's affairs can also result in counterproductive attempts to micromanage local affairs. For example, an Entity's proposal to resume carrying out a governmental function at the Entity level need not be considered as tantamount to secession and need not draw intensive pressure from the international community. In democratic countries throughout the world, particularly in federal states, it is natural for there to be political and legal conflicts over whether certain governmental functions should be handled at the national or the local level. This is to be expected, and overreaction to such disputes is unhelpful, particularly when the very structure of the country, as agreed at Dayton, was intended to be highly decentralized. Such overreaction merely diverts attention and diplomatic resources away from much more serious issues facing the country, such as the risk of the failure of elections this year.

The efforts of the United States to address the problem of corruption in BiH are appreciated. It is critically important, however, that accusations of corruption made

against specific individuals in BiH be supported by evidence respecting the rule of law and that they are not seen as selective, targeting only those who are less sympathetic to U.S. policy preferences while overlooking the actions of other officials simply because they may appear to support U.S. policies. Respect for the rule of law, an essential element for the success and prosperity of BiH, could be hindered if efforts were construed in a way that would foster cynicism, the very opposite of respect for the rule of law; or that would create an obstacle to negotiations by encouraging some political forces to block negotiated settlements in the hope that “outsiders” would intervene even more to solve all of BiH’s problems in line with their aspirations and national agenda.

The United States, as a key architect of Dayton, has a unique and vital role in helping ensure its full implementation and its success. The United States can best help BiH by supporting and fostering, in a neutral way, open dialogue between leaders from each of BiH’s constituent peoples. A multinational state like BiH cannot succeed without inter-ethnic dialogue. Given the complicated and difficult past of BiH, the future of the country will likely always involve plenty of difficult political tensions and heated rhetoric, but those dynamics cannot be successfully resolved with measures imposed by foreign parties, or foreign interference in local politics; rather, the United States and other influential members of the international community can be of great assistance by encouraging the constituent peoples and their elected leaders to work together toward internal solutions. Ultimately, solutions imposed from outside of BiH will always prove transitory and unstable, may generate more resentments and tensions than they resolve, and stymie the development of the political culture of compromise necessary for the various elements of BiH society to resolve matters on their own. Therefore, it is vitally important that the United States use its influence to encourage all parties in BiH to work constructively to reach internal solutions.

Again, please accept my assurance that BiH values the friendship of the United States and strives to build a true partnership based on mutually shared values, mutual respect and a desire to build peace and security in the Western Balkans.

Respectfully

Bojan Vujic

Ambassador of Bosnia and Hercegovina

АМБАСАДА НА
РЕПУБЛИКА СЕВЕРНА
МАКЕДОНИЈА
ВО
ВАШИНГТОН



EMBASSY OF THE
REPUBLIC OF NORTH
MACEDONIA
IN
WASHINGTON D.C.

February 14, 2022

*Distinguished Senator Shaheen,
Distinguished Senator Johnson,*

Due to the forthcoming European Subcommittee hearing on the Western Balkans (Wednesday, February 16), it is my pleasure to submit this letter that outlines the Republic of North Macedonia's views, assessment and suggestions on the issues that are facing Western Balkans.

OVERVIEW:

On the international stage, North Macedonia is established as a country with clearly defined foreign policy orientation and priorities, a full-fledged NATO member state, a candidate country for EU membership, and a constructive partner in maintaining and advancing its strategic partnership with the United States.

As NATO member state, North Macedonia places the focus of its foreign policy on the implementation of the program goals and objectives of the Alliance, whereas, as an EU candidate country, it is focused on achieving full-fledged membership in the Union. In this context, North Macedonia is promoting itself as a cooperative, diligent and ambitious EU candidate country, for which it enjoys solidarity and support from amongst the majority of EU member states.

The three agreements - Ohrid Agreement, Prespa Agreement and the Friendship Agreement with Bulgaria – make North Macedonia a unique example in the region and beyond of how bridges should be built to overcome differences, increase mutual trust, bring citizens across the border closer together and their prosperity. Applying in practice the European models for resolving open issues, with good will and dialogue, North Macedonia in a very concrete way manifested political commitment and leadership in making a difficult compromise in order to build and improve relations with its neighbors and international partners. The agreements, in synergy with the successful implementation of the reform agenda, have determined and strengthened the position of the state at the international level and enabled the vital step forward in attaining its strategic goals. The country, at diplomatic and international level, has become a model that European and global leaders point out as a success story.

The development of North Macedonia into stable democratic state has been done with the long-lasting support of our close friend and strategic partner – the United States of America. Over the entire past period, the strong support from the United States was especially reflected on the achievement of our strategic goals and building an inclusive democracy and responsible governance, strengthening the rule of law, combating corruption and discrimination, strengthening and diversifying the economy,

Embassy of the Republic of North Macedonia in Washington D.C.
2129 Wyoming Ave. NW, Washington D.C. 20008
T: +1 202 667 0501; E: washington@mfa.gov.mk

АМБАСАДА НА
РЕПУБЛИКА СЕВЕРНА
МАКЕДОНИЈА
ВО
ВАШИНГТОН



EMBASSY OF THE
REPUBLIC OF NORTH
MACEDONIA
IN
WASHINGTON D.C.

promoting the freedom of media and strengthening the democratic institutions in a single fully inclusive multiethnic society.

I. North Macedonia's assessment of U.S. bilateral relations and U.S. regional engagement

The bilateral relations between North Macedonia and the United States are based on a strategic partnership (Declaration on Strategic Partnership and Cooperation, signed in Washington, in 2008) and ongoing dialogue on a broad spectrum of political, economic, cultural, military and social issues. In the mutual cooperation, the focus is on facilitating the continuous development of North Macedonia on the road to full integration into the EU and assisting the efforts of the Government for economic and democratic reforms, for the purpose of contributing to regional stability and prosperity.

The exchange of high – level visits and bilateral meetings on different occasions stands as yet another confirmation of the excellent relations and trust that our two friendly countries have been enjoying over the years. Most recently Deputy Assistant Secretary for European and Eurasian Affairs and Special Representative for the Western Balkans, Gabriel Escobar visited North Macedonia as a demonstration of the strong strategic partnership between the two countries and support for our EU path. Foreign Minister Bujar Osmani will pay a visit to the United States in the forthcoming period with a prospect for a commencement of a strategic dialogue between the two countries.

The recent signing of the Agreement on Security Measures for the Protection of Classified Information and the Leahy Laws Agreement (December 2021) that supports the respect of human rights in the operation of security forces, expands the contractual framework between North Macedonia and the United States and brings our two friendly countries closer.

In the field of economic cooperation, the Government of North Macedonia is still very pleased with the presence and successful operation of investments by American companies in the industrial development zones in our country. These are companies such as Adient Seating (or former Johnson Controls), Kemet Electronic, AMFENOL, Key Safety Systems, Genterm, NTES Group etc. American companies already present in our country to a large extent contribute to the development of North Macedonia through the increase of exports, employment of people and maintenance of the vitality of our economy in these difficult times when we are facing global crises in many areas.

As for the prospects for future economic cooperation, it would be useful if more substantial support from the United States is envisaged, especially in the field of human resources development, through training, transfer of know-how, application of modern business, economic and environmental standards, development of the IT industry and in general development of the service sector. All this will directly contribute to the growth of the real sector and the living standard of the citizens.

In the past quarter of a century, through the USAID programs, countless projects and donations were made in different segments of social life. Starting from the first projects of the Agency in 1993 for support of local farmers and building democratic institutions, USAID programs have touched almost all aspects of the economy and society. In cooperation with NGOs, the private sector and the government,

Embassy of the Republic of North Macedonia in Washington D.C.
2129 Wyoming Ave. NW, Washington D.C. 20008
T: +1 202 667 0501; E: washington@mfa.gov.mk

АМБАСАДА НА
РЕПУБЛИКА СЕВЕРНА
МАКЕДОНИЈА
ВО
ВАШИНГТОН



EMBASSY OF THE
REPUBLIC OF NORTH
MACEDONIA
IN
WASHINGTON D.C.

the USAID has helped strengthen the democratic processes, institutions and the civil society, has contributed to enhancing a competitive and market-oriented economy, as well as to building an educational system that fits the needs of the modern workforce.

The constructive and fruitful parliamentary cooperation is reflected through the successful operation of the parliamentary groups for friendship and cooperation at the Assembly of North Macedonia and the US Congress, which is also reaffirmed through the exchange of visits and meetings in both directions. There is also solid cooperation in the areas of justice, home affairs, health, education and, above all, university cooperation.

The defense cooperation between North Macedonia and the USA is an example of strategic cooperation between two countries that today are also NATO allies. The USA is one of the greatest supporters of the development of our Armed forces in the past three decades. An example of the exceptionally high level of confidence between the Armies of the two countries is the joint participation in peace missions, such as the Iraqi Freedom mission, KFOR in Kosovo, the ISAF mission in Afghanistan, as well as the Resolute Support mission. The provision of temporary shelter for Afghan refugees is another concerted action between the states and an example of friendly cooperation between trusted partners. Furthermore, the cooperation between North Macedonia and Vermont is a success story of bilateral defense collaboration.

There is a strong will and desire on our part to continue in advancing the overall bilateral economic relations that should be worthy of our excellent partnership and friendship.

Proposals for expanding the cooperation: undertaking activities for attracting new investments from the USA, as well as by appointing new honorary consuls of North Macedonia in the USA who would work on cultural promotion and public and economic diplomacy; enhancing the coordination in the initiatives for building regional capacities for responding to cyber-attacks and cooperation in the fight against fake news with a strengthened role of military and defense institutions in the protection of the cyber space; intensifying the contacts and communication with the most important think-tanks in Washington; presenting the interest in liberalization of the visa regime with the USA and improving the contractual framework with the USA in the areas of common interest.

II. Initiatives North Macedonia is undertaking to advance stability and development in the region

It is important to underscore the commitment of North Macedonia to European and Transatlantic security. In March 2022, we will mark the second year of our accession to NATO. Our membership in the Alliance represents a tangible contribution towards building a stable and secure region. In the circumstances where the entire Euro-Atlantic area is faced with instability, detaining security, and emerging security challenges, it is imperative to safeguard founding principles and values enshrined in the founding international norms for European security.

As the member of the Alliance, North Macedonia represents not only a stabilizing factor for the Western Balkans, but also an incentive for the countries in the region that are willing and prepared to implement

Embassy of the Republic of North Macedonia in Washington D.C.
2129 Wyoming Ave. NW, Washington D.C. 20008
T: +1 202 667 0501; E: washington@mfa.gov.mk

АМБАСАДА НА
РЕПУБЛИКА СЕВЕРНА
МАКЕДОНИЈА
ВО
ВАШИНГТОН



EMBASSY OF THE
REPUBLIC OF NORTH
MACEDONIA
IN
WASHINGTON D.C.

reform-oriented agenda and stand for the Euro-Atlantic principles and values. We have reiterated many times that we remain ready to help and share our own experience and expertise from the accession process to the aspiring countries, including through NATO Cooperative security mechanisms and Capacity Building Initiatives (CBI);

Next year, North Macedonia will be chairing the US – Adriatic Charter, following the Chairmanship of Montenegro. The Charter is one of the most important regional mechanisms for alignment of political and security related priorities of the countries from the region, to further strengthen regional cooperation and understanding, and serves as forum to promote agenda for opening perspectives towards Euro-Atlantic integration.

The fragility of the security situation in the region, which is worrisome and should be addressed as a matter of urgency, especially concerning Bosnia and Herzegovina but also with regard to Kosovo-Serbia relations. Opening accession negotiations with North Macedonia is a key to unlocking the remaining situation in WB and instigating positive progress on other remaining open files like Belgrade-Pristina dialogue and situation in Bosnia and Herzegovina. There is still necessity for reinforced joint US, EU and UK engagement in the region. Thus, US Deputy Assistant Secretary Escobar's, SR Lajcak's and UK Special Envoy for WB Sir Peach's efforts are more than welcomed.

a) North Macedonia's positions on Bosnia and Herzegovina:

- ❖ Unequivocally supports sovereignty and territorial integrity of stable and secure Bosnia and Herzegovina in accordance with Dayton Peace Accords;
- ❖ The Dayton model is still considered a solid foundation for Bosnia and Herzegovina as a model of a specific state thus urging for its implementation; implementation and consensus by all constituent people is essential for a constitutional reform and eventually new Constitution;
- ❖ Bosnia and Herzegovina needs a strong reaffirmation of its European future – one that puts it clearly on a path towards EU membership. Bosnia and Herzegovina's further EU integration would weaken all negative tendencies, both internally and by its neighbors; US Special envoy Palmer and EEAS Einhorst in Sarajevo with a renewed attempt to build consensus over deblocking of functioning of state institutions and limited constitutional amendments and electoral reform (to ensure integrity of electoral process (every vote counts); equal playing field for all citizens to run for state offices at all levels); the solution should be completely aligned with Dayton Agreement; it is also important to ensure strong and functional federal state institutions which would allow for functional Dayton system that will provide good services to all citizens.

b) North Macedonia's positions on Kosovo - Serbia dialogue:

- ❖ The Republic of North Macedonia supports the EU facilitated dialogue between Republic of Kosovo and Republic of Serbia that should bring the long-overdue normalization agreement between the two countries centered on mutual recognition. We strongly believe that US facilitation in this process is condition sine qua non.

Embassy of the Republic of North Macedonia in Washington D.C.
2129 Wyoming Ave. NW, Washington D.C. 20008
T: +1 202 667 0501; E: washington@mfa.gov.mk

АМБАСАДА НА
РЕПУБЛИКА СЕВЕРНА
МАКЕДОНИЈА
ВО
ВАШИНГТОН



EMBASSY OF THE
REPUBLIC OF NORTH
MACEDONIA
IN
WASHINGTON D.C.

In order to attain the basic prerequisites of having a stable, secure, and prosperous Region, the Ministry of Foreign Affairs of North Macedonia has launched the following **initiatives**:

1. **The Prespa Forum for Dialogue**, aiming to inspire and promote good-neighbourly relations and cooperation. It is envisioned as a place for exchanging views and ideas on possible solutions to outstanding bilateral issues, thus assisting governments, institutions and the civil society, including the youth, in the consistent implementation of the spirit and letter of the signed bilateral and regional agreements. The first Prespa Forum for Dialogue International Conference took place on 1-2 July 2021 in Ohrid. The second edition of Prespa Forum Dialogue is envisaged to be held from 15 to 17 of June, this year.
2. **Establishing a Balkans 6 (B6)** informal political cooperation platform in MFA format, with a view to expanding and facilitating cooperation between the region's countries in areas of common interest. North Macedonia is committed to promoting this initiative, having the intention of it growing into a vehicle to be used for simpler, faster, and more direct communication among the MFAs from the region, similar to such cooperation vehicles within other European regions such as the C5 or B4;
3. **Initiative 8** with the participation of North Macedonia, Albania and Bulgaria – a multidisciplinary initiative and political platform aimed at intensifying and coordinating trilateral cooperation among the three countries in supporting investment projects along Corridor 8 as a strategic interest of the three countries. Furthermore, North Macedonia is an active participant, and signatory to regional projects of exceptional importance for regional security, stability, and the economic and overall development of the countries in the region, underlining here such projects which are aiming at improving economic and infrastructural connection within the region, such as the following:
4. **Open Balkans** (North Macedonia, Albania, Serbia). North Macedonia is committed and actively involved in the pursuance of the fundamental goals of the Open Balkans regional project, being committed to its expansion with the other 3 WB6 countries (Bosnia and Herzegovina, Montenegro, Kosovo), considering this to be a possibility for strengthening economic cooperation at regional level significantly. This position of our country is further reinforced by the fact that the OB project is compatible with the WB6 initiative, or the Berlin Process as its popularly known, which supports the 6 signatory countries of the SEE Energy Community Albania, Serbia, Montenegro, Bosnia and Herzegovina and Kosovo;
5. North Macedonia is a signatory to the **Declaration of the WB countries on improving the quality and speed of rail network services by expanding the trans-European transport network in keeping with EU standards**;
6. North Macedonia is dedicated to the construction of **transport Corridor 8** connecting the three countries and is a signatory to the Memorandum of Understanding on its construction.

Embassy of the Republic of North Macedonia in Washington D.C.
2129 Wyoming Ave. NW, Washington D.C. 20008
T: +1 202 667 0501; E: washington@mfa.gov.mk

АМБАСАДА НА
РЕПУБЛИКА СЕВЕРНА
МАКЕДОНИЈА
ВО
ВАШИНГТОН



EMBASSY OF THE
REPUBLIC OF NORTH
MACEDONIA
IN
WASHINGTON D.C.

III. Suggested areas for where – and how – the US, NATO or the EU can further support peace and development in your country and the region.

Western Balkan remains strategically important region for NATO, due to complexities and dynamics in the region that cannot be neglected or overlooked.

We highly appreciate the close engagement of the US high officials on resolving the opened issues in the WB. The progress that the Balkans has achieved since the 1990s is remarkable. However, recent developments show that progress cannot be taken for granted. Across the region, we are witnessing political instability and rise of nationalist and populist narratives. Opened issues (Kosovo-Serbia dialogue and Bosnia and Herzegovina) have the potential to undermine the security and stability of the whole region.

We live in an era of growing strategic competition, our resilience and preparedness is being tested, and we are constantly at risk of cyber-attacks, disinformation campaigns, hostile intelligence operations, state-sponsored interference in our democratic processes, energy manipulation and economic coercion. In general, WB has become the theatre for geo-political competition, and third countries influences. In the past, countries from WB have witnessed interferences from the third countries (Russia) in the democratic processes to undermine perspectives for European and Euro-Atlantic integration.

The economic foothold of China is growing, and their influence is spreading across multiple economic sectors, from infrastructure to high-tech. These challenges have the potential to undermine the security, stability and prosperity of the region and have wider consequences. They demand more coordinated and enhanced US - NATO – EU cooperation. In this regard, it will be highly beneficial if the USA, NATO and EU continue with their complementary and comprehensive approaches to tackle the security and economic (along with Open Balkan Initiative) challenges of our region, on issue related to resilience, protection of critical infrastructure, cyber security, strategic communications and countering disinformation, which are areas of interest for receiving assistance and expertise.

It is imperative to build social and institutional resilience, and work on prospects for European and Euro Atlantic integration and how to synchronize interaction between NATO and EU when WB is concerned.

IV. Priority area – overcoming the open bilateral issues with Bulgaria and holding the First Intergovernmental Conference with the EU

North Macedonia is devoted to reaching a mutually acceptable solution with Bulgaria in the spirit of good neighbourly relations and the newly established dialogue is a great example in this direction. The recent visit of the Bulgarian Prime Minister Kiril Petkov and the G2G session held in Sofia went outstandingly well - positive messaging and gestures of good will together with new platform established for confidence building and achieving concrete outputs from bilateral cooperation; solid bases established between two PM's and Governments for embarking in trustful bona fides dialogue with reinvigoration of cooperation and good neighborly relations (VN exchanged over short/long name

Embassy of the Republic of North Macedonia in Washington D.C.
2129 Wyoming Ave. NW, Washington D.C. 20008
T: +1 202 667 0501; E: washington@mfa.gov.mk

АМБАСАДА НА
РЕПУБЛИКА СЕВЕРНА
МАКЕДОНИЈА
ВО
ВАШИНГТОН



EMBASSY OF THE
REPUBLIC OF NORTH
MACEDONIA
IN
WASHINGTON D.C.

of North Macedonia in the UN thus sorting out one of the hurdles); 5 inter-agency WGs set (economy, infrastructure, education/culture, EU integration, history) to build trust and work intensively on producing concrete visible results (weekly meetings); new approach entails improving the atmosphere between two societies while in parallel tackling some of the remaining core political issues for which the dialogue would be pursued through MFA's (so called 5+1agenda).

History Commission also agreed new incentivized calendar of meetings but will work with different problem-solving approach and less led by political pressure; the raised minority rights claim by Bulgaria in North Macedonia are solvable – North Macedonia has an elaborated institutional mechanism to address any given concerns (also has procedures and institutions how to channel the eventual misdeeds towards citizens of North Macedonia with Bulgarian self-consciousness); as far as constitutional amendments are concerned that's more of a mid-term process.

Identity attributes stem from the right of self-determination of every sovereign country, thus are not subject to bilateral or any multilateral relations or negotiations.

The goal of this new approach is to overcome the open bilateral issues between the two countries that should result in opening the door towards holding the First North Macedonia-EU Inter Governmental Conference and set a date for starting accession negotiations with the EU. Such EU progress will have a positive impact on the current fragile regional developments and will contribute toward the entire stability of the Region.

In this regard, we highly appreciate the US assistance so far, and call for more intensive US engagement towards the resolution of our open issues with Bulgaria and starting the EU accession talks.

V. North Macedonia's Chairmanship with the OSCE in 2023

North Macedonia is a proactive OSCE participating state, a constructive and productive voice to the OSCE deliberations, continuously contributing towards the overall OSCE agenda and undertakings.

The North Macedonia's OSCE Chairmanship in 2023 is a recognition of our unique model of functional multiethnic democracy, reforming agenda and a clear determination to peaceful resolution of all outstanding issues. Also, it is an acknowledgement of our proactive foreign policy role being a credible and responsible actor regionally and internationally.

The goal of our Chairmanship is to promote priorities of shared interest, reflecting the vision of the participating states, with our Organization's principles and commitments at the forefront. We will aim to offer policy priorities that will make us come together, rather than come apart. Our Chairmanship will be pillared on good faith, dialogue and mutual understanding in safeguarding and promotion of OSCE principles and commitments. Maintaining the established mechanisms and above all promoting culture of dialogue within our Organization will be a priority.

We are aware of both the complexity and the resilience of today's challenges, diverse and multilayered; and thus in mitigating them we will aim to develop a balanced approach centered around our Organization's comprehensive concept of security.

Embassy of the Republic of North Macedonia in Washington D.C.
2129 Wyoming Ave. NW, Washington D.C. 20008
T: +1 202 667 0501; E: washington@mfa.gov.mk

АМБАСАДА НА
РЕПУБЛИКА СЕВЕРНА
МАКЕДОНИЈА
ВО
ВАШИНГТОН



EMBASSY OF THE
REPUBLIC OF NORTH
MACEDONIA
IN
WASHINGTON D.C.

We will continue working on the regional conflicts fully observing the values and commitments OSCE PS agreed, to make positive changes on the ground for the benefit of the people affected of the conflict. On the existing security challenges within the OSCE region our position is clear. As a member of the OSCE Troika and future C-I-O, we advocate for de-escalation, peaceful resolution and active dialogue in resolving outstanding issues. The OSCE has a solid platform and resources to help such situations, in line with its principles and commitments. The OSCE toolkit helped lessen tensions and restore dialogue and diplomatic engagement as means to resolve complex situation in the past. We believe that the way out of this stalemate should be through active bilateral and multilateral engagement. However, in doing so, we support the calls for "upholding the fundamental principles of the European security architecture..." enshrined in the Helsinki Final Act (including a commitment to international law, respect for the sovereignty, territorial integrity and political independence of states). As a NATO Member State and an EU candidate country, North Macedonia is a factor of stability in our own region. We will continue promoting politics of peace, good-neighborliness and active cooperation as prerequisites for stability, growth and sustainable development within our region and beyond.

In the light of the above, allow me to highlight the Republic of North Macedonia's strong commitment to the successful cooperation between our two countries.

As our ally, a strategic partner, a longstanding friend and a steadfast supporter, the United States has greatly contributed to the achievements of our strategic goals and foreign policy priorities.

I firmly believe that our cooperation will follow this path in strengthening peace, security and economic development in the Western Balkans as well as the whole Euro-Atlantic area.

Respectfully,
Dr. Vilma Petkovska
Charge d' Affairs

-The Honorable
Jeanne Shaheen
United States Senate

-The Honorable
Ron Johnson
United States Senate

Embassy of the Republic of North Macedonia in Washington D.C.
2129 Wyoming Ave. NW, Washington D.C. 20008
T: +1 202 667 0501; E: washington@mfa.gov.mk



Embassy of Montenegro in USA
Washington DC

Address: 1610 New Hampshire Ave NW,
20009 Washington, DC, USA
phone: +1 202 234 6108
fax: +1 202 234 6109
www.montenegro.gov.me

File Number 1-5026

February 14th 2022.

Esteemed Chairwoman Senator Shaheen, Esteemed Ranking Member Senator Johnson,

First of all, allow me to express our gratitude for organizing this very important hearing. We consider this event to be a great opportunity for an open, frank and fruitful discussion about the current state of affairs in the Western Balkans. Moreover, the hearing showcases bipartisan care and support for peace, security, stability, prosperity and democratic transformation of our region the Senate, US Congress and US policymakers in general have been expressing for decades. That support has been the key element in ending disastrous wars in the region and steering it towards adherence to Euro-Atlantic and European values.

Relations between Montenegro and USA have been ones of alliance and partnership ever since Montenegro restored statehood in 2006. We consider US to be one of our most valuable allies in the international community and are extremely grateful for all the help the US has provided us in our reform processes, in modernization of our security sector or to deal with crises such as COVID-19 pandemic. We have cooperated on political and security level, and now we are intensifying our work together in economic matters. The best example of that reinvigorated economic cooperation is the first Montenegro US - Economic Dialogue, which took place in September last year. The Dialogue is a significant milestone in our cooperation. We are confident that it will result in tangible deliverables which will concretely help citizens and investors in both Montenegro and US.

When it comes to the political situation in Montenegro, two weeks ago, current Government of Montenegro (now operating in technical capacity) has been voted out of power in the Parliament of Montenegro. One of the main reasons of the MPs and political parties who voted in favor of no-confidence motion to do so was the clearly expressed wish to form both a government and a super-majority in Parliament that will pass the necessary reform laws, reinvigorate fight against corruption and organized crime and unlock key judicial and prosecutorial appointments. All this is necessary to strengthen and quicken our European integration process, which has been unnecessarily slowed down in the last year, and make the substantial push towards closing the Acquis chapters and eventual membership to the European Union. We will continue to count to the US administrations support in establishing the rule of law, combating domestic and international organized crime groups, establishing effective and independent court system.

Over the past several years, WB has indeed been a region of several remarkable stories. Montenegro and North Macedonia became NATO members. NATO approved Membership Action Plan for Bosnia and Herzegovina, EU has appointed Special Representative Miroslav Lajčak, and the US and the EU have joined their forces in speeding up the EU-led Belgrade-Priština dialogue. At the 2020 Berlin Process Summit, the Western Balkans leaders endorsed the Common Regional Market Action Plan and Green Agenda for the Western Balkans, which will eventually lead to the region's faster economic and social growth and drive the transition of our countries to a more sustainable, carbon-neutral wellbeing economy. Thanks to the mutual support of the WB countries and the aid provided by the EU and NATO, we managed to bring an unfortunate balance of the COVID-19 pandemic under control. While the crisis exposed our vulnerabilities, it has reminded us of the benefits of international partnerships and a need for a more human-oriented approach to foreign policy.

It is, however, important to note that, in the last couple of years, political and security situation in our region has deteriorated. The third parties perceive Western Balkans as place where they can advance their own interests, which in many cases are not compatible with the European and Euro-Atlantic path most of the region wants to pursue. Along with their regional proxies, they want to pry its countries away from EU, NATO and good relations with the US and into their "sphere of influence".

Montenegro has in the last years weathered several such attacks aimed to destroy what our country and our Constitution is all about – our multiethnicity, multiculturalism, our civic and multi – religious character of society and our spirit of diversity, tolerance and inclusion. Our NATO membership and the support of our allies were of immense help when we dealt with such threats. However, had any of these attempts succeeded, it would have had disastrous consequences not just for our country, but for the whole region as well. Montenegro is a symbol of multi-ethnic peace and harmony in the Balkans, the only country spared from civil wars of the 1990s. If that harmony is broken, it will send a message that multi-ethnic societies are not possible in the region. We cannot mince words here – that is a recipe for war, and disaster. This is the case not just for the region of the Western Balkans but for the whole world. Such activities need to stop, and EU, NATO and the US should be the ones helping stop them.

The heightened diplomatic activity in the region the Department of State has undertaken in the last six months, as well as the Administration's more assertive use of sanction policy towards actors that are engaged in destabilizing or corrupt practices in the region are good initial steps.

We would definitely like to see more of the high-level visit from administration officials, as well as from members of US Senate and House of Representatives to our country and the Western Balkans in general. We believe that can be very influential in keeping the necessary level of engagement of US in the region and helpful in promotion of joint values and integration processes. Moreover, the more decisive the US, EU and NATO are towards the destabilizing actors in the Western Balkans, the less these actors will be emboldened to destabilize. That is not just the case for regional activities, but also beyond.

It is important to note that the current stagnation in the European integration process does not help the stability of the region and opens the door for exactly the kind of malign influences we want to avoid. We understand the absolute necessity for all candidate states to fulfill their requirements and speed up the reform processes, especially in key areas such as democracy, human rights and fight against corruption and organized crime. We also understand preoccupation of the European Union with internal matters, hit by once-in-a-lifetime crises such as COVID-19 pandemic simultaneously, to be preoccupied with inner reforms and dealing with these crises.

However, a negative narrative has been built up lately about EU enlargement, endless setbacks and delays in integration process, such as the fact that Albania and North Macedonia haven't yet got their negotiations starting date, send the wrong message that the EU enlargement is not relevant anymore and that therefore revisionist powers could use this opportunity to step in and fill the gap. Therefore, we count on the support of our US friends to lobby our European friends in this area and continually explain to them why the continuation of the enlargement policy is paramount not just for the region, but for European and Euro-Atlantic security as well.

In that sense, Montenegro, being a country with only 600000 citizens, which are highly pro-European (more than 70% of voters favor EU accession for years), who uses Euro as currency and doesn't have any border disputes with its neighbors, is a particularly "easy" country to join the EU. The effects of Montenegro's accession would not only be positive for us, but for the EU and the region as well. It would be a powerful signal to all regional candidates that the enlargement is "alive and well" and that they also can expect membership once they fulfill the standards. We kindly ask our American friends, both in the administration and the Congress, to help us hammer this message home to our joint partners from Europe.

The steppingstone to that could be found in the recent statement by President Biden during joint press conference with Chancellor Scholz of Germany, that the two leaders "reaffirmed their commitment to completing the work of integrating the Western Balkans into the European institutions and to finally realize a Europe as a whole, free, and at peace". In that regard, Montenegro strongly supports the Berlin Process, regional integration effort designed to eliminate business barriers, ease movement of people, goods and ideas across the region, address the development and infrastructure gap with EU member states and ultimately help the regional countries meet standards necessary for accession.

Accordingly, the Berlin process has a great and promising potential to bolster both the political and economic stability of the Western Balkans region. It is heartening to see both the largest EU member states, the US and the UK continuously throwing their support behind such a project.

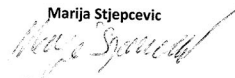
Montenegro actively participates in almost all regional initiatives and processes and had active part in launching a lot of these. We will always support and be proponent of any form of regional integration that aims to move closer to the EU. However, when it comes to the "Open Balkans" project as an initiative launched outside of EU auspices, our opinion is that no regional initiative, including this initiative, can fully succeed without participation of all countries of the Western Balkans, on equal terms, as sovereign states. Moreover, in the past we have heard statements from some high-level EU officials that we should avoid initiatives which could be in collision with Berlin Process.

Therefore, we feel it is more useful to throw all our efforts behind the Berlin Process, which already has established control mechanism and institutional framework and clearly expressed end goal and focus on full integration of Western Balkans into the EU. However, we support all the initiatives that will not endanger our EU integration path and which will be of added value to our economic progress. Each of them is worth exploring before we make final decision.

Dear Senators,

In the next months and years, Montenegro will be working hard to succeed, despite all the problems the region is facing. We will step up our reform process and fight against corruption and organized crime. We will continue and intensify our cooperation and contribution to NATO. We will work towards establishing a stable government and a working parliamentary majority with the task to speed up and possibly finish, from our side, the work on our EU accession process. We will not waver in the face of influences and activities aimed at disrupting these processes. We are extremely grateful for your help and support, and we count on it in the future.

Sincerely yours,

Marija Stjepcevic

Charge D'Affaires A.I.



Embassy of the
Republic of Serbia in the USA

Dear Senator Shaheen,

Allow me to thank you for convening the Hearing on the Western Balkans. Your relentless effort to keep the region on the SFRC agenda is highly appreciated by Serbia. It is also congruent to the determination of Serbian leadership to bring our bilateral relations to the level of where they historically belong. On that note, it's worth reminding that we currently commemorate the 140th anniversary of Serbia-US official diplomatic relations that are dominantly marked by alliances at critical junctures in world history.

Respectful of this legacy, last two decades, Belgrade and Washington have been jointly removing the consequences of what Serbian President Aleksandar Vučić called an anomaly that occurred in bilateral relations at the end of the twentieth century. We have been forging a renewed partnership through comprehensive bilateral cooperation and joint efforts to secure lasting stability in the W.B.

The results are significant. Serbia is a committed partner of the United States both regionally and globally. Belgrade recently demonstrated this partnership by giving refuge to over 60 Afghan RFE/RL employees and their families. While Serbia remains outside of NATO, the two countries maintain robust defense and security ties, and Belgrade conducts the vast majority of its joint military exercises with the United States and other NATO members. Serbia is a member of the U.S.-led Global Coalition to Defeat ISIS and has an active partnership with the Ohio National Guard. On a per-capita basis, my country is one of Europe's largest contributors to peacekeeping missions worldwide, illustrating how Serbia has undergone a remarkable transformation over the last two decades from security importer to security exporter.

Economically, Serbia enjoys one of the highest growth rates in Europe. U.S. companies have contributed to Serbia's economic success with over \$4 billion in investments and by employing more than 20,000 workers in the country. These companies include NCR, Ball Packaging, Coca-Cola, Microsoft, Oracle, FIS, IBM, etc. In 2018, the United States and Serbia signed a Memorandum of Understanding on cooperation in infrastructure projects, and Bechtel is now building Serbia's first 5G-ready highway, the \$1 billion Morava Corridor project.

Although significant progress has been achieved, our economic cooperation still lags behind the real potential. This is the reason why the recent opening of the DFC regional office in Belgrade was so well received in Serbia and across the W.B. The office represents a strong political signal of the U.S. attention to the Balkans and serves as an essential tool in securing the enhanced economic presence based on shared interests and tangible opportunities. We are glad that the current administration has pledged to keep the office operational and keen to see it fully staffed in the coming period. Therefore, Congressional attention to the preservation and continual activity of the office would be highly appreciated.

To sustain its economic success, Serbia, together with Albania and North Macedonia, is engaged in a regional economic integration process called the Open Balkans. This is an indigenous initiative, complementary to the EU-led Berlin process, aimed to expand commercial partnerships, foster greater people-to-people ties, and prepare regional countries for the responsibilities of the E.U. membership. In this endeavor, the three countries enjoy the support of the U.S. administration. We also share its view that all the benefits of the Initiative could only be achieved through its full regional coverage. Serbia appreciates the positive resonance of the Initiative within Congress and would be grateful for further support in this regard.

On the security front, U.S. - Serbia cooperation is driven by the broader challenges which cause mutual concerns. Serbia has responded responsibly to the migrant crisis embroiling Europe, despite the massive humanitarian and financial strain it has placed on our asylum system. Since its onset, Belgrade has also worked to combat the scourge of human trafficking engendered by the crisis by arresting some 2,400 migrant smugglers. The countries of the region have also faced a significant challenge posed by resurgent terrorist recruitment, with at least 875 Balkan fighters fighting in Syria. As a regional focal point, Serbia has been working with the U.S. government and the international community to develop more robust counterterrorism measures and strategies. We are grateful for visits and strong support to Serbia at the peak of the Migrant crises extended by members of both houses, especially late Senator McCain. Serbia would welcome continued interest and further support of Congress in this regard.

Serbia is interested in further progress in military cooperation. This particularly relates to the procurement of the U.S. military equipment for the needs of Serbia's Army modernization. In this context, it is essential to underline that the procurement is required exclusively for the regular update of Serbia's Army hardware within the limits of the Agreement on sub-Regional Arms Control and should not be in any way construed regionally provocative. Political support of Congress in this matter would be valuable and appreciated.

In addition to the bilateral cooperation, US-Serbia political dialogue is focused on our shared strategic goal of anchoring the W.B. in the framework of the European integrations. Serbia highly appreciates the U.S. engagement in securing the E.U. integration process predictable, credible, and re-intensified. Correspondingly, we are committed to jointly addressing the remnants of the Yugoslav crisis.

This particularly relates to the issue of Kosovo's status. As the E.U. continues to be the main strategic goal, the Kosovo issue remains our priority. Despite all claims to the contrary, Kosovo's status remains an open issue. The 2008 Unilateral Declaration of Independence by the province's ethnic-Albanian authorities was an attempt to impose a one-sided outcome with complete disregard of Serbia's interests and the necessity for a sustainable compromise. More than a decade later, UDI still lacks a stamp of approval from the Security Council, the European Union, and a half of the U.N. member states, which constitute two-thirds of the world population. As such, it is unsustainable. Therefore, it is upon all responsible stakeholders to come to a resolution acceptable to all parties.

Unfortunately, ethnic Albanian authorities in Pristina still grapple with acknowledging this reality. This goes so far that they manifestly refuse to implement already signed agreements. The disparity in this regard is telling. On one side, Belgrade delivered on its obligations, including the most sensitive ones related to the integration of police and judiciary from the north of the province into the Kosovo system. On the other side, Pristina blatantly rejects even the notion of establishing the association of the Serb-majority municipalities. This obligation originates from the Brussels agreement signed in 2013, with the facilitation of Baroness Katherine Ashton and then-State Secretary Hilary Clinton. The Kosovo Assembly has also ratified it with the required two-thirds of votes. This situation clearly demonstrates Pristina's utter contempt and complete disregard for basic legal principles such as 'Pacta sunt servanda' [agreements must be kept].

Serbia welcomes the E.U. and U.S. representatives' statements that the Association of Serbian Municipalities is an obligation that Kosovo has undertaken and it needs to be honored. Similar messages from Congress might make Pristina rethink its current approach and help restore the credibility of the negotiating process.

Pristina, in the same vein, rejects the normalization of economic cooperation. In the previous period, the Albanian minority leadership introduced 100% tariffs on goods from Serbia proper. In their words, this was done in response to "Serbia's destructive role in the de-legitimization of Kosovo's sovereignty". In addition to being the flagrant breach of the regional free trade agreement - CEFTA, this politically absurd posturing required from Serbia to state the obvious – we disagree on the status of Kosovo. Serbia's de-recognition campaign was merely a counter-action to prevent and reverse Pristina's achievements in promoting its UDI. More importantly, there was one significant difference in our respective activities. While Kosovo was striving to achieve a fait accompli situation that would impose a one-sided solution, Serbia's goal was to bring about a full understanding in Pristina of the necessity for negotiations and sustainable compromise. Unfortunately, this difference still applies given the recent announcements from Pristina that they will not extend the mutually accepted moratorium on de/recognition campaign prescribed by the Washington agreement signed in September 2019. Similar stand Pristina takes to its promise to join the Open Balkan Initiative (then called Mini Schengen), which also constitutes one of the provisions of the Washington Agreement. Serbia would appreciate Congressional support for normalization of regional cooperation, which could not only accelerate economic growth, but also create more conducive environment for overcoming the current political disagreements.

The other regional issue is about the internal tensions in Bosnia and Herzegovina. Serbia's positioning in this regard remains based on two principles – respect for the territorial integrity of Bosnia and Herzegovina and adherence to the implementation of the Dayton agreement (as Serbia is a co-signatory party).

Both the recent history and current tensions serve as a reminder that the governance system in Bosnia needs to reflect the country's complexity in order to be both legitimate and functional. For this reason, any change of Dayton agreement or creation of a different internal arrangement can and must be exclusively founded on the consent of two entities and three ethnic groups. For this reason, both secessionist and centralization strives are equally detrimental to the country's stability. Consequently, promoters of these policies should be equally held accountable.

Although the political and media focus is currently on the Republika Srpska leadership, equal attention requires that the main Bosniak ethnic party acts as the strongest domestic actor in promoting the State's centralization. This policy line raises understandable concerns that it aims to create an intuitional framework that could translate the Bosniak ethnic majority into political dominance. As such, it cannot be covered by a fig leaf of politically correct language that invokes civic-based political concept. Current developments between Bosniak and Croat representatives within the other Bosnian entity serve as a case in point. Therefore, the facile and simplistic myth that the only option for the international community to engage in Bosnia and Herzegovina is through imposed solution should be dismissed. This would reflect positively on all domestic actors to engage substantially in the internal processes based on the current structure and equilibrium.

Serbia remains vitally interested in the stability of Bosnia. Our growth is primarily investment-driven, and any regional volatility would repel potential investors. It would also affect regional trade in which Serbia exports more goods to Bosnia than to Russia, China and Turkey combined. Most importantly, it would risk more suffering to the people who had more than their share of it in the past. Thus, Serbia will continue to support political and institutional dialogue in Bosnia. This stance was recently confirmed when President

Vučić openly called upon the Serb representatives to return to the Bosnian intuitions. Serbia will also continue working closely with the international representatives towards the shared goals, as demonstrated by President Vučić receiving HR Christian Schmidt in Belgrade.

In closing, I would like to assure you, dear Senator, that in your contribution to the promotion of the joint interest and values of our two countries you may count on the full cooperation of the Serbian leadership and me personally.

Sincerely Yours,



Marko Djurić
Ambassador