117TH CONGRESS
2D Session

S. ______

To encourage increased trade and investment between the United States and the countries in the Western Balkans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mrs. Shaheen (for herself, Mr. Wicker, Mr. Tillis, Mr. Durbin, Mr. Cardin, and Mr. Van Hollen) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To encourage increased trade and investment between the United States and the countries in the Western Balkans, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
4 (a) SHORT TITLE.—This Act may be cited as the
5 “Western Balkans Democracy and Prosperity Act”.
6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Sense of Congress.
Sec. 4. Defined term.
Sec. 5. Codification of sanctions relating to the Western Balkans.
Sec. 6. Democratic and economic development and prosperity initiatives.
Sec. 7. Countering malign influence and promoting cross-cultural engagement.
Sec. 8. Peace Corps in the Western Balkans.
Sec. 9. Balkans Youth Leadership Initiative.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The six countries of the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia) form a pluralistic, multi-ethnic region in the heart of Europe that is critical to Europe’s peace, stability, and prosperity.

(2) Continued peace, stability, and prosperity in the Western Balkans is directly tied to opportunities for democratic and economic advancement available to the citizens and residents of those six countries.

(3) It is in the mutual interest of the United States and the six countries of the Western Balkans to promote stable and sustainable economic growth and development in the region.

(4) The reforms and integration with the European Union pursued by countries in the Western Balkans have led to significant democratic and economic progress in the region.

(5) Despite economic progress, rates of poverty and unemployment in the Western Balkans remain
higher than in neighboring European Union countries.

(6) Out-migration, particularly of youth, is affecting demographics in every country in the Western Balkans, resulting in negative population growth in all six countries.

(7) Creating a welcoming environment for investment and creating employment opportunities in the Western Balkans, especially for youth, can provide powerful tools for economic development and for encouraging broader participation in a political process that increases prosperity for all.

(8) Offering opportunities for inclusive, transparent economic growth and merit-based employment to people living in the Western Balkans will encourage higher levels of trade and direct investment and support positive economic and political developments occurring throughout the region.

(9) Existing regional economic efforts, such as the Common Regional Market and the Open Balkans initiative, have great potential to improve the economic conditions in the Western Balkans, while promoting inclusion and transparency.

(10) The Department of Commerce, through its Foreign Commercial Service, plays an important role
in promoting and facilitating opportunities for
United States trade and investment.

(11) Corruption continues to plague the Western
Balkans and represents one of the greatest im-
pediments to further economic and political develop-
ment in the region.

(12) Disinformation campaigns targeting the
Western Balkans threaten the credibility of Western
democratic institutions, the integrity of national
elections, and the response to COVID–19.

(13) Corruption and disinformation proliferate
in political environments marked by autocratic con-
trol or partisan conflict.

(14) Dependence on Russian sources of natural
gas for the countries of the Western Balkans ties
their economies and politics to the Russian Federa-
tion and inhibits their aspirations for European inte-
gration.

(15) The Western Balkans reliance on fossil
fuels for energy sources causes damage to the envi-
ronment and to human health, while inhibiting eco-
omic development in the region.

(16) Reducing the Western Balkans’ reliance on
Russian natural gas supplies and fossil fuels is in
the national interest of the United States.
(17) China’s growing influence in the Western Balkans could also have a deleterious impact on strategic competition, democracy, and economic integration with Europe.

(18) The United States International Development Finance Corporation plays an important role in the pursuit of United States’ policy goals focused on economic development.

(19) In March 2022, the President launched the European Democratic Resilience Initiative to bolster democratic resilience, advance anti-corruption efforts, and defend human rights in Ukraine and its neighbors in response Russia’s war of aggression.

SEC. 3. SENSE OF CONGRESS.

It is a sense of Congress that the United States should—

(1) encourage increased trade and investment between the United States and allies and partners in the Western Balkans;

(2) expand United States assistance to regional integration efforts in the Western Balkans;

(3) strengthen and expand regional economic integration in the Western Balkans, especially enterprises owned by and employing women and youth;
work with allies and partners committed to improving the rule of law, energy resource diversification, democratic and economic reform, and the eradication of poverty in the Western Balkans;

(5) increase United States trade and investment with the Western Balkans, particularly in ways that—

   (A) decrease dependence on Russian energy sources and fossil fuels;

   (B) increase energy diversification, efficiency, and conservation; and

   (C) facilitate the transition to cleaner and more reliable sources of energy, including renewables;

(6) facilitate the development of strong civil societies, independent media, transparent, accountable, citizen-responsive governance, and political stability in the Western Balkans;

(7) support the expeditious accession of the countries in the Western Balkans to the European Union and to the North Atlantic Treaty Organization (NATO) for those that desire membership;

(8) support—

   (A) maintaining the full European Union Force (EUFOR) mandate in Bosnia and
Herzegovina as being in the national security interests of the United States;

(B) encouraging NATO and the European Union to review their mission mandates and posture in Bosnia and Herzegovina to ensure they are playing a proactive role in establishing a safe and secure environment, particularly the defense environment;

(C) using the voice of the United States in NATO to encourage alliance planning and support of an international military force to maintain a safe and secure environment in Bosnia and Herzegovina, especially if Russia blocks re-authorization of the mission in the United Nations; and

(D) a strengthened NATO headquarters in Sarajevo;

(9) continue security cooperation with Albania, Montenegro, and North Macedonia through the auspices of NATO and through continued bilateral cooperation;

(10) continue to support Montenegro’s ongoing accession negotiations with the European Union, including by providing assistance to Montenegro to
help the country promptly meet European Union membership criteria;

(11) continue to support North Macedonia’s and Albania’s applications for European Union membership by supporting improvement of their respective abilities to meet democracy benchmarks required for accession;

(12) continue to support Bosnia and Herzegovina’s pursuit of European Union candidate status by encouraging meaningful advancement of its reform agenda;

(13) continue to support the cultural heritage, and recognize the languages of the Western Balkans;

(14) coordinate closely with the European Union, the United Kingdom, and other allies and partners on sanctions designations and work to align efforts as much as possible to demonstrate a clear commitment to upholding democratic values;

(15) expand bilateral security cooperation with non-NATO member Balkan countries, particularly efforts focused on regional integration and cooperation, including through the Adriatic Charter, done at Tirana May 2, 2003;

(16) increase efforts to combat Russian disinformation campaigns and any other malign, de-
stabilizing, or disruptive activities targeting the Western Balkans through engagement with government institutions, political stakeholders, journalists, civil society organizations, and industry leaders;

(17) articulate clearly and unambiguously the United States commitment to supporting democratic values and respect for international law as the sole path forward for the countries of the Western Balkans; and

(18) support the mission of the Peace Corps to promote world peace and friendship by helping the people of interested countries to meet their need for trained men and women, which provides an invaluable opportunity to connect the American people with the people of the Western Balkans.

SEC. 4. DEFINED TERM.

In this Act, the term “appropriate congressional committees” means—

(1) the Committee on Foreign Relations of the Senate;

(2) the Committee on Appropriations of the Senate;

(3) the Committee on Foreign Affairs of the House of Representatives; and
(4) the Committee on Appropriations of the House of Representatives.

SEC. 5. CODIFICATION OF SANCTIONS RELATING TO THE WESTERN BALKANS.

(a) IN GENERAL.—The United States sanctions imposed through the Executive orders specified in subsection (b) relating to obstructing the Dayton Accords and corruption, including all sanctions imposed with respect to persons under such Executive orders as of the date of the enactment of this Act, shall remain in effect, except as provided in subsection (c).

(b) EXECUTIVE ORDERS SPECIFIED.—The Executive orders specified in this subsection are—

(1) Executive Order 13219 (50 U.S.C. 1701 note; relating to blocking property of persons who threaten international stabilization efforts in the Western Balkans), as amended before and in effect on the date of the enactment of this Act; and

(2) Executive Order 14033 (50 U.S.C. 1701 note; relating to blocking property and suspending entry into the United States of certain persons contributing to the destabilizing situation in the Western Balkans), as in effect on such date of enactment.
(c) **TERMINATION OF SANCTIONS.**—The President may terminate the application of sanctions described in subsection (a) with respect to a person if the President certifies to the appropriate congressional committees that—

(1) such person—

(A) is not engaging in the activity that was the basis for such sanctions; or

(B) has taken significant verifiable steps toward stopping such activity; and

(2) the President has received reliable assurances that such person will not knowingly engage in activity subject to such sanctions in the future.

**SEC. 6. DEMOCRATIC AND ECONOMIC DEVELOPMENT AND PROSPERITY INITIATIVES.**

(a) **ANTI-CORRUPTION INITIATIVE.**—The Secretary of State, through ongoing and new programs, shall develop an initiative that—

(1) seeks to expand technical assistance for the development of national anti-corruption strategies to each country of the Western Balkans, or for the support of national anti-corruption strategies already created, taking into account local conditions and contingent on the agreement of the host country government;
(2) seeks to share best practices with, and provide training to, law enforcement agencies and judicial institutions, and other relevant administrative bodies, in countries in the region to improve the efficiency, transparency, and accountability of such agencies and institutions;

(3) provides support to combat political corruption, particularly in campaign finance, and to strengthen regulatory and legislative oversight of critical governance areas, such as freedom of information and public procurement; and

(4) includes the Western Balkans in the European Democratic Resilience Initiative, and considers the region as a recipient of anti-corruption funding for such initiative.

(b) PRIORITIZING REGIONAL TRADE AND ECONOMIC COMPETITIVENESS.—

(1) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) promoting stronger economic, civic, and political relationships among the countries in the Western Balkans will enable such countries to better utilize existing resources and maximize their economic security and resilience
by increasing trade in goods and services among other countries in the region; and

(B) United States’ investments in and assistance toward creating a more integrated region ensures political stability and security for the region.

(2) **Comprehensive, 5-year strategy for economic development and democratic resilience in the Western Balkans.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of State and the Administrator of the United States Agency for International Development, in coordination with the Secretary of the Treasury, the Secretary of Commerce, and the Chief Executive Officer of the United States International Development Finance Corporation, shall submit to the appropriate congressional committees a regional economic development and democratic resilience strategy for the Western Balkans that—

(A) considers the full set of tools and resources available from the agencies overseen by such Federal officials;

(B) includes efforts to ensure coordination with multilateral and bilateral partners, such as
the European Union, the World Bank, and other relevant assistance frameworks;

(C) includes an initial public assessment of—

(i) economic opportunities for which United States businesses, or those of other like-minded partners, would be competitive; and

(ii) legal, economic, governance, infrastructural, or other barriers limiting United States investment in the Western Balkans;

(iii) the effectiveness of existing regional cooperation initiatives, such as the Open Balkan initiative and the Western Balkans Common Regional Market; and

(iv) ways to increase United States trade in the Western Balkans;

(D) develops human and institutional capacity and infrastructure across multiple sectors of economies, including clean energy, energy efficiency, agriculture, small and medium-sized enterprise development, health, and cybersecurity;
(E) assists with the development and implementation of regional and international trade agreements;

(F) supports women-owned enterprises and gender equality;

(G) promotes government policies that combat corruption and encourage transparency, free and fair competition, sound governance, judicial reform, environmental protection, and business environments conducive to sustainable and inclusive economic growth; and

(H) includes a public diplomacy strategy that describes the actions that will be taken by relevant agencies to ensure that populations in the Western Balkans are aware of the development activities of the United States Government.

(3) BRIEFING.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall provide a briefing for the appropriate congressional committees that describes the progress made towards developing the strategy required under paragraph (2).

(c) REGIONAL TRADE AND DEVELOPMENT INITIATIVE.—
(1) AUTHORIZATION.—The Secretary of State and the Administrator of the United States Agency for International Development, in coordination with the Chief Executive Officer of the United States International Development Finance Corporation and the Secretary of Commerce, is authorized to coordinate a regional trade and development initiative in accordance with this subsection.

(2) INITIATIVE ELEMENTS.—The initiative authorized under paragraph (1) shall—

(A) promote private sector growth and competitiveness and increase the capacity of businesses, particularly small and medium-sized enterprises;

(B) aim to increase interregional exports to other countries in the Balkans and neighboring countries and European Union member states;

(C) aim to increase United States exports to and investments in countries in the Balkans;

(D) support startup companies by providing training in business skills and leadership, providing opportunities to connect to sources of capital, and by encouraging startup companies that are led by youth or women;
(E) encourage and promote inward and outward investment through engagement with the Western Balkans diaspora community in the United States and abroad;

(F) assist governments to develop—

(i) regulations to ensure fair and effective investment; and

(ii) screening tools to identify and deter malign investments and other coercive economic practices;

(G) review existing assistance programming across Federal agencies—

(i) to eliminate duplication;

(ii) to identify areas of coordination within the Balkans region, which shall include the 6 Western Balkans countries and any country that shares a border with any of such countries;

(H) identify areas where application of additional resources could expand successful programs to 1 or more countries in the region by building on the existing experience and program architecture;
(I) compare existing single-country sector analyses to determine areas of focus that would benefit from a regional approach; and

(J) promote intraregional trade through—

(i) programming, including grants, cooperative agreements, and other forms of assistance;

(ii) expanding awareness of the availability of loans and other financial instruments from the United States Government, including from the United States International Development Finance Corporation and the Export-Import Bank of the United States; and

(iii) coordinating access to existing trade instruments available through allies and partners in the region, including the European Union and international financial institutions.

(3) SUPPORT FOR REGIONAL INFRASTRUCTURE PROJECTS.—The initiative authorized under paragraph (1), consistent with the BUILD Act of 2018 (division F of Public Law 115–254) and the European Energy Security and Diversification Act of 2019 (title XX of division P of Public Law 116–94),
should facilitate and prioritize support for regional infrastructure projects, including—

(A) transportation projects that build roads, bridges, railways and other physical infrastructure to facilitate travel of goods and people throughout the Balkans region, particularly interstate travel;

(B) technical support and investments needed to meet United States and European Union standards for air travel, including screening and information sharing;

(C) the development of telecommunications networks from trusted providers;

(D) infrastructure projects that connect Western Balkan countries to each other and to countries with which they share a border;

(E) the effective analysis of tenders and transparent procurement processes;

(F) investment transparency programs that will help countries in the Western Balkans analyze gaps and establish institutional and regulatory reforms necessary—

(i) to create an enabling environment for trade and investment; and
(ii) to strengthen protections against suspect investments through public procurement and privatization and through foreign direct investments;

(G) sharing best practices learned from the United States and other international partners to ensure that institutional and regulatory mechanisms for addressing these issues are fair, nonarbitrary, effective, and free from corruption;

(H) projects that reduce reliance on fossil fuels and facilitate the transition to clean sources of energy;

(I) technical assistance and generating private investment in projects that promote connectivity and energy-sharing in the Western Balkans region;

(J) technical assistance to support regional collaboration on environmental protection that includes governmental, political, civic, and business stakeholders; and

(K) technical assistance to develop financing options and help create linkages with potential financing institutions and investors.

(4) LOANS.—
(A) IN GENERAL.—Amounts appropriated under the headings “Economic Support Fund” and “Assistance for Europe, Eurasia and Central Asia” in any Act making appropriations for the Department of State, foreign operations, and related programs may be made available for the costs (as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a)), of loan guarantees, including the cost of modifying loans and loan guarantees, for programs, projects, or activities in Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, or Serbia, which are authorized to be provided.

(B) CLASSIFICATION OF LOANS AND LOAN GUARANTEES.—Amounts made available under subparagraph (A) for the costs of loans and loan guarantees, including the cost of modifying loans and loan guarantees, shall not be considered assistance for the purposes of any provisions of law limiting assistance to a country.

(C) CONSULTATION AND NOTIFICATION.—Amounts made available under this subsection shall be subject to—
(i) prior consultation with the appropriate congressional committees; and

(ii) the regular notification procedures of the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives.

(5) REQUIREMENTS.—All programming under the initiative authorized under paragraph (1) shall—

(A) be open to the participation of all 6 Western Balkan countries;

(B) be consistent with European Union accession requirements;

(C) be focused on retaining talent within the Western Balkans;

(D) promote government policies in Western Balkan countries that encourage free and fair competition, sound governance, environmental protection, and business environments that are conducive to sustainable and inclusive economic growth;

(E) include gender analysis and efforts to promote gender equity; and

(F) include a public diplomacy strategy to inform local and regional audiences in the Bal-
kan region about the initiative, including specific programs and projects.

(d) United States International Development Finance Corporation.—

(1) Appointments.—Not later than 1 year after the date of the enactment of this Act, subject to the availability of appropriations, the Chief Executive Officer of the United States International Development Finance Corporation (referred to in this subsection as the "DFC"), in collaboration with the Secretary of State, should take steps to ensure that—

(A) a regional DFC office with responsibilities for the Western Balkans is established in the region and is operational; and

(B) sufficient full-time DFC employees, including at least one permanent hire from the United States, are stationed in the office to serve United States interests in the Western Balkans.

(2) Report.—Not later than 180 days after the date of the enactment of this Act, the Chief Executive Officer of the DFC shall submit a report to the appropriate congressional committees that includes—
(A) a summary of the steps that have been taken to fulfill the requirements under paragraph (1);
(B) an account of any additional resources and authorities needed to complete the requirements under paragraph (1); and
(C) a description of the initial outreach plan for the new regional DFC office.

(3) JOINT REPORT.—Not later than 180 days after the date of the enactment of this Act, the Chief Executive Officer of the DFC and the Administrator of the United States Agency for International Development shall submit a joint report to the appropriate congressional committees that includes—

(A) an assessment of the benefits of providing sovereign loan guarantees to countries in the Western Balkans to support infrastructure and energy diversification projects;
(B) an outline of additional resources, such as tools, funding, and personnel, which may be required to offer sovereign loan guarantees; and
(C) an assessment of how the DFC can deploy its insurance products in support of bonds
or other instruments issued to raise capital through United States financial markets.

SEC. 7. COUNTERING MALIGN INFLUENCE AND PROMOTING CROSS-CULTURAL ENGAGEMENT.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) promoting university partnerships in the Western Balkans, particularly in traditionally underserved communities, advances United States foreign policy goals and requires a whole of government approach, including the utilization of public-private partnerships;

(2) such university partnerships will provide opportunities for exchanging academic ideas, technical expertise, research, and cultural understanding for the benefit of the United States; and

(3) the six countries in the Western Balkans meet the requirements under section 105(c)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151c(e)(4)).

(b) UNIVERSITY PARTNERSHIPS.—The President, working through the Secretary of State, is authorized to provide assistance, consistent with section 105 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151c), to pro-
mote the establishment of university partnerships between
the United States and the Western Balkans, including—
(1) supporting research and analysis on foreign
policy and disinformation;
(2) working with partner governments to re-
form policies, improve curricula, strengthen data
systems, train teachers, and provide quality, inclu-
sive learning materials;
(3) providing individuals, particularly at-risk
youth, women, people with disabilities, and other
vulnerable, marginalized, or underserved commu-
nities, with relevant education, training, and skills
for meaningful employment;
(4) removing barriers to entering formal edu-
cation for out-of-school individuals, assisting such
individuals to stay in school, and providing an op-
portunity for any individuals left behind to catch up
on schooling;
(5) promoting teaching and research exchanges
between institutions of higher education in the West-
ern Balkans and in the United States; and
(6) encouraging alliances and exchanges with
like-minded institutions of education within the
Western Balkans and the larger Europe continent.
(c) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2023 through 2027 to carry out this section.

SEC. 8. PEACE CORPS IN THE WESTERN BALKANS.

(a) Sense of Congress.—It is the sense of Congress that—

(1) the Peace Corps should be reinstated in the Western Balkans by reopening Peace Corps programs in as many Western Balkans countries as safely possible, including where the Peace Corps had previously operated, or has suspended operations due to the COVID–19 pandemic;

(2) the Peace Corps should reopen its programs in as many of the Western Balkans countries as possible, including where the Peace Corps operated previously, but later suspended operations; and

(3) the Peace Corps, whose mission is to promote world peace and friendship, in part by helping the people of interested countries in meeting their need for trained men and women, provides an invaluable opportunity to connect the people of the United States with the people of the Western Balkans.
(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Director of the Peace Corps shall submit a report to the appropriate congressional committees that includes—

(1) an analysis of current opportunities for Peace Corps expansion in the Western Balkans region; and

(2) a plan and timeline for implementing the outcomes described in subsection (a) to facilitate expansion of Peace Corps presence in the Western Balkans region, as appropriate.

SEC. 9. BALKANS YOUTH LEADERSHIP INITIATIVE.

(a) SENSE OF CONGRESS.—It is the sense of Congress that regular people-to-people exchange programs that bring religious leaders, journalists, civil society members, politicians, and other people from the Western Balkans to the United States will strengthen existing relationships and advance United States’ interests and shared values in the Western Balkans region.

(b) AUTHORIZATION.—The Secretary of State shall further develop and implement a program, to be known as the “Balkans Youth Leadership Initiative” (referred to in this section as “BOLD”) that promotes educational and professional development for young adult leaders and professionals in the Western Balkans who have demonstrated
a passion to contribute to the continued development of
the region.

(c) CONDUCT OF INITIATIVE.—BOLD shall seek—

(1) to build the capacity of young Balkan leaders in the Western Balkans in the areas of business and information technology, cyber security and digitization, agriculture, civic engagement, and public administration;

(2) to support young Balkan leaders by offering professional development, training, and networking opportunities, particularly in the areas of leadership, innovation, civic engagement, elections, human rights, entrepreneurship, good governance, and public administration;

(3) to support young political, parliamentary, and civic leaders in collaboration on regional initiatives related to good governance, environmental protection, government ethics, and minority inclusion; and

(4) to provide increased economic and technical assistance to young Balkan leaders to promote economic growth and strengthen ties between United States and Balkan businesses.

(d) FELLOWSHIPS.—BOLD should award fellowships to young Balkans leaders who—
(1) are between 25 and 35 years of age;

(2) have demonstrated strong capabilities in entrepreneurship, innovation, public service, and leadership; and

(3) have had a positive impact in their communities, organizations, or institutions, including by promoting cross-regional and multiethnic cooperation; and

(4) represent a cross-section of gender, regional, and ethnic diversity.

(e) Public Engagement Center.—BOLD should seek to procure space, hire staff, and develop programming for the establishment of a flagship public engagement and leadership center in the Western Balkans that seeks—

(1) to counter disinformation and malign influence;

(2) to promote cross-cultural engagement;

(3) to provide training for young Balkan leaders described in subsection (d); and

(4) to harmonize the efforts of existing venues throughout the Western Balkans established by the Office of American Spaces.

(f) Briefing.—
(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State, acting through the Assistant Secretary of State for Educational and Cultural Affairs, shall provide a briefing to the appropriate congressional committees that describes the status of exchange programs involving the Western Balkans region.

(2) ELEMENTS.—The briefing required under paragraph (1) shall—

(A) assess the factors constraining the number and frequency of International Visitor Leadership Program participants from the 6 countries of the Western Balkans;

(B) identify the resources that are necessary to address the factors described in sub-paragraph (A); and

(C) describe a strategy for connecting alumni and participants of the Department of State’s professional development exchange programs in the Western Balkans with alumni and participants from other countries in Europe, to enhance inter-region and intra-region people-to-people ties.
(g) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2023 through 2027 to carry out this section.