

**ASSESSING U.S. POLICY TOWARDS
THE WESTERN BALKANS**

HEARING

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
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ASSESSING U.S. POLICY TOWARDS THE WESTERN BALKANS

THURSDAY, MAY 18, 2023

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:48 a.m., in room 419, Dirksen Senate Office Building, Hon. Robert Menendez, chairman of the committee, presiding.

Present: Senators Menendez [presiding], Cardin, Shaheen, Murphy, Kaine, Booker, Van Hollen, Risch, and Ricketts.

OPENING STATEMENT OF HON. ROBERT MENENDEZ, U.S. SENATOR FROM NEW JERSEY

The CHAIRMAN. This hearing of the Senate Foreign Relations committee will come to order. Now, the apologies of the chair for starting a little late as a result of a conflict that I had.

Nearly 30 years after the Dayton Peace agreement, we have yet to see its full potential bear out. While we have welcomed two-thirds of the Western Balkan countries as NATO allies, European Union membership seems ever elusive. Economic growth is uneven across the region, and certain power-hungry leaders still rely on ethno-nationalist grievances to undermine democracy, the rule of law, and lasting stability.

The war in Ukraine has reinvigorated the imperative of supporting European countries' efforts to make the necessary reforms and commitments to join the European Union. We must seize this moment to promote new inroads with partners with whom Russia has traditionally held significant political, military, and economic influence.

To my mind, the crux of stability in the Western Balkans rests with the resolution of the conflict between Kosovo and Serbia. We need responsible leaders willing to make and uphold significant commitments for their populations.

Kosovo must seize this opportunity of renewed engagement and work with European partners to move forward. However, I personally do not believe that we have equal participants acting in good faith. In February, as part of the ongoing Brussels facilitated dialog, Serbia and Kosovo verbally agreed to an agreement negotiated by the European Union.

Shortly thereafter, Serbian President Vucic made a public speech disagreeing with the contents of the agreement and refusing to sign because he still does not recognize Kosovo's independence. This is part of a pattern of Vucic saying one thing to placate Western lead-

ers and saying another to the Serbian people through his state-controlled media.

Controlling the information space and cracking down on civil society, President Vucic continues to embrace nationalist Serb narratives, perpetuating his vision of “Srpski svet,” a great Serbian nation, much like Putin’s vision of a greater Russia. Indeed, Serbia’s President has boasted about his close personal ties with Putin. He has flown to Moscow for trade talks, refused to join European partners in imposing sanctions on Russia.

Today, I would like to hear from our witnesses on what the plan is going forward. Most of what I see is pressure on Kosovo for the Association of Serb Municipalities, which I do recognize Kosovo had previously agreed to.

It seems to me there is little to no pressure on Belgrade, nor any real plan or guarantee that the Association of Serb Municipalities would not become another Republika Srpska, while seeing the dangerous implications of—that we are seeing the dangerous implications of in Bosnia and Herzegovina right now.

I see little pressure on a leader about whom *The New York Times* magazine recently painted a scathing picture of violence and deep interconnectedness with Serbia’s organized criminal gangs. I hope you can help me understand what the plan is.

I would also ask that you speak frankly not only about Kosovo and Serbia’s path to normalization, but about normalization of North Macedonia, Albania, Montenegro, and Bosnia-Herzegovina, as well. In Bosnia, I worry that the Office of the High Representative’s recent electoral reforms could be reinforcing rather than diffusing, ethnic tensions.

We need to make sure that the rights of Jews and Roma and other minorities are protected, because while local leaders engage in destabilizing rabble-rousing to further their own power, Moscow has long worked to exploit the historic ethnic fault lines of the Balkans for its own advantage.

If Serbia is ever going to join the European Union, it is going to need alternatives to escape Putin’s weaponization of energy. Indeed, one of the best ways to help the Balkans and Central and Southern Europe to become energy independent from Russia is to capitalize on the clean energy potential of the Eastern Mediterranean.

That means continuing support for interconnectors that run straight to the Western Balkans and fault stream unified regulatory regimes. Of course, as we work with our partners to move them away from Russia, we do not want them to run towards China in the process. The U.S. should not take a back seat here.

This region remains a stark reminder of how a lack of engagement allows the breeding of ethno-nationalist tensions, but we know that when we are engaged, good things can happen. If we are clear-eyed and pragmatic in our approach, we have the opportunity to make real progress across the Western Balkans.

With that, let me turn to the Ranking Member Senator Risch for his opening statement.

**STATEMENT OF HON. JAMES E. RISCH,
U.S. SENATOR FROM IDAHO**

Senator RISCH. Well, thank you, Mr. Chairman. Thank you to our witnesses for appearing here today. We appreciate that. As the chairman has pointed out, a lot of challenges here that we need to deal with.

The countries in the Balkans have made a lot of progress since the end of the terrible wars of the 1990s, but keeping the peace in that volatile region has proved to be very difficult and the process of reconciliation has faced continued setbacks. Thankfully, there appeared to be opportunities for progress.

After years of effort, Montenegro and Albania are taking steps towards greater integration with the West in realizing their goal of membership in the European Union. In efforts to advance its own EU aspirations, North Macedonia signed the Prespa Agreement and has made significant concessions to resolve its long-standing dispute with Bulgaria.

It is now incumbent upon Bulgaria to honor its word and support a swift EU accession process for North Macedonia. The benefits of including the Balkans in alliances is now as clear as ever. In 2019, North Macedonia joined NATO and immediately began making important contributions.

North Macedonia and many of our Balkan NATO allies have even contributed large portions of their military stocks to help Ukraine defend itself from Russia's murderous conduct. There have also been signs of progress in bringing Kosovo and Serbia to an agreement that will help settle the simmering tensions that have persisted for over 20 years.

I know both of our witnesses have spent a lot of time on this issue, and I look forward to hearing from you about the U.S. role in trying to resolve this conflict once and for all. I also want to hear from you about the progress that has been made in building energy security in the Balkans.

This region has a historic dependence on Russia for its energy, but I am heartened by recent developments such as the opening of the Greece, Bulgaria interconnector, the success and possible expansion of the LNG terminal in Alexandroupoli, and the planned expansion of the Krk LNG import terminal in Croatia.

There is a lot more to be done. Proposed gas interconnectors to join Macedonia with its neighbors, Bulgaria and Greece, have yet to come to fruition, and Kosovo's electricity generation distribution system remains shaky. Diversifying energy supplies away from Russia will help give the region more freedom from foreign influence. We need to also help address cybersecurity threats in the region. Albania suffered debilitating cyberattacks last fall from Iran for continuing to host Iranian dissidents.

The U.S. provided significant support and I hope we learned useful lessons from the experience for our own cyber defenses. In Bosnia, there is still a lot of work to be done to improve political stability. Secessionist rhetoric and efforts to undermine government institutions send an alarming signal.

The failure of the Bosnian federation to form a government without yet another intervention of the EU High Representative does not bode well. The Biden administration has taken some action by

imposing sanctions on Bosnian politicians who propagate corruption and instability, and by sending regular high-level visitors to the region, but more needs to be done. We want to hear your plans to advance U.S. engagement, and what Congress can do to help support a more stable Bosnia and Herzegovina.

Finally, I remain concerned about Russian and Chinese influence in this region. China is happy to provide money where many EU and U.S. investors balk, and Russia is happy to continue exploiting the many fissures in Balkan societies to manipulate public opinion for its own means. Where corruption exists, U.S. works to eliminate that corruption, whereas both Russia and China exploit corruption to spread their influence.

The Biden administration should continue to support our partners in the Balkans in their ongoing efforts to tackle corruption, including through the use of targeted sanctions against the worst actors. The U.S. also needs a proactive and competitive approach to economic and political engagement in the Western Balkans.

I hope our witnesses can discuss the steps that the U.S. is taking to help these nations increase their resilience, and to provide investment mechanisms like those in the DFC to push back against China's predatory practices. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Risch. In the interest of time, I will just give some short bios for our esteemed witnesses. Derek Chollet is the Counsel of the U.S. Department of State, where he serves at the rank of Undersecretary, as a Senior Policy Adviser to the Secretary of State on a wide range of issues, and conducts special diplomatic assignments as directed by the Secretary.

Mr. Chollet has previously held positions at the State Department, White House, Department of Defense. From 2012–2015, he was the U.S. Assistant Secretary of Defense for International Security Affairs, where he managed U.S. defense policy towards Europe, the Middle East, Africa, and the Western Hemisphere.

Deputy Assistant Secretary Gabriel Escobar is the Deputy Assistant Secretary overseeing policy towards the countries of the Western Balkans in the Office of Press and Public Diplomacy. Previously, he served as the Deputy Chief of Mission at the U.S. Embassy Belgrade. He has also served at a department in Washington, at numerous posts across the world, including in the Western Balkans region, as political Unit Chief in Belgrade, shortly after the U.S. Embassy reopened in 2001. Thank you both for appearing today.

Your full statements will be included in the record. I would ask you that you summarize your statements to about 5 minutes or so. As you can see, there is a lot of interest here by members so we can engage in a conversation with you. Counselor, we will start off with you.

STATEMENT OF HON. DEREK CHOLLET, COUNSELOR, UNITED STATES DEPARTMENT OF STATE, WASHINGTON, DC

Mr. CHOLLET. Great. Thank you, Mr. Chairman, Ranking Member Risch, distinguished members of the committee. Thanks for inviting us here to talk about the Biden administration's Western

Balkans policy. I also want to thank the committee for its strong bipartisan support and engagement in this region.

The future of the Western Balkans is a priority for the Biden administration. For many of us, this is personal. President Biden has been deeply involved in these issues since he sat on this committee. Secretary Blinken, USAID Administrator Power, who was just in Kosovo and Serbia last week, and many of us have engaged on these issues since the violent breakup of Yugoslavia in the early 1990s.

Our policy is grounded on a simple principle, a Europe whole, free, prosperous, and at peace is in our national security interests. Unfortunately, the Western Balkans remains a missing piece of the puzzle. European integration has not been easy.

The obstacles, Mr. Chairman, as you have noted, have been formidable, from anti-democratic leaders, to corruption, weak rule of law, cyberattacks, underdeveloped infrastructure, economic barriers, dependence on Russian energy, ethnic and religious strife. The list goes on and on.

Nevertheless, it is important for us to remember how much potential there is in the Western Balkans. The countries of the Western Balkans have come a long way since the wars of a quarter century ago, and they have tremendous potential for greater prosperity, but they need our help to overcome their challenges and bridge their lingering divides.

Let us start with one of the most significant challenges we face, and that is the relationship between Kosovo and Serbia. Kosovo is a sovereign, independent, democratic country. It is one of our closest friends and partners. It often punches above its weight.

The United States supports Kosovo's full recognition, and we support its integration into international institutions, including the United Nations, and we look forward to Kosovo getting closer to NATO and the European Union and eventually joining those institutions. Yet the European aspirations of both Kosovo and Serbia will not happen until they resolve their differences.

That is why we have strongly supported the EU facilitated dialog. Now, following months of intensive diplomacy led by the EU, there is a path to normalizations in which both countries fulfill their independent obligations. My colleague, Special Representative Escobar, has been an active participant in these talks and can speak to them in greater detail. This agreement can bring real benefits to Kosovo and Serbia.

It represents a significant breakthrough in overcoming the cycle of crises that has characterized the relationship between these two countries for far too long, but this is very fragile. Hard work remains, political courage is required, and we will continue to engage both parties so that they fulfill their mutual commitments.

As we continue to support Kosovo, we are also committed to deepening our partnership with Serbia and developing closer ties to the Serbian people. I want to stress we do so with our eyes wide open. Serbia has significant challenges from corruption to Russian-fueled disinformation.

Our history together has been very difficult, and the relationship has not been easy. Yet it is in our interest to help Serbia realize

its full potential and come closer to the Euro-Atlantic community and closer to the United States.

Second, we are also focused on the serious challenges in Bosnia Herzegovina. 28 years after Dayton, there is still peace in Bosnia Herzegovina, but, Mr. Chairman, as you noted, it is a very uneasy peace. Pervasive corruption, democratic backsliding, increasingly inflammatory rhetoric by ethno-nationalist leaders, this is deeply troubling, and it attacks the very foundations of the Dayton Agreement.

We have made clear that we oppose such actions, and we will impose consequences. We remain deeply committed to Bosnia Herzegovina's territorial integrity and sovereignty, its Euro-Atlantic integration, and the full implementation of Dayton.

Third, Montenegro. It is a valued NATO ally, and we are optimistic that the recent presidential election there is a signal that Montenegrins are ready to overcome their differences, advance their EU membership prospects, and secure a better future. We urge the new leadership in Montenegro to focus on reforms, particularly to strengthen the rule of law and combat the influence of corruption and organized crime.

Finally, we strongly support the further European integration of North Macedonia and Albania. Again, they are terrific NATO allies and last July they opened their own EU accession negotiations, which we strongly support. Mr. Chairman, the Western Balkans is Europe's inner courtyard. Completing its transatlantic integration contributes to a stronger Europe and a stronger transatlantic family.

It is also essential, as you noted, in the geostrategic context, to reduce the influence of malign actors like Russia and the PRC that seek to destabilize the region and undermine our alliance.

Our work in the Western Balkans drives toward a fundamental goal, to help develop democracies that are stronger, more transparent, and less corrupt, where engaged citizens hold their governments accountable, and where everyone can benefit from the opportunities that come from greater regional integration and economic prosperity.

That is what we are seeking to do, and we are grateful for your support and help. I look forward to your questions.

[The prepared statement of Mr. Chollet follows:]

Prepared Statement of Mr. Derek Chollet

Chairman Menendez, Ranking Member Risch, distinguished Members of the Committee, thank you for inviting me to discuss the Biden administration's Western Balkans policy. I also thank the Committee for the strong, bipartisan Congressional engagement and support for the region.

The future of the Western Balkans is a priority for the Biden administration. The President has been a leader on these issues since his time on this Committee, and Secretary Blinken, USAID Administrator Power who was in Kosovo and Serbia last week, and many of us have been engaged on these issues since Yugoslavia's violent dissolution.

Our policy is grounded on a simple principle: a Europe whole, free, prosperous, and at peace is in our national security interest and the Western Balkans region remains a missing piece of the puzzle.

European integration has not been easy. The obstacles are formidable: anti-democratic leaders, corruption, weak rule of law, lack of independent institutions, cyberattacks, under-developed infrastructure, economic barriers, willful dependence

on Russian energy, ethnonationalist politics, emigration, harmful foreign influence, and disinformation.

Nevertheless, the countries of the Western Balkans have come a long way since the wars a quarter of a century ago—and they have tremendous potential for greater prosperity. But they need our help to overcome still considerable obstacles. The most pressing are the unresolved issues between Serbia and Kosovo.

Kosovo is a sovereign, independent, democratic country. It is one of our closest friends and partners. The United States supports Kosovo's full integration into international structures, including the United Nations, and we look forward to seeing it join NATO and the European Union.

The immediate reality is that the European aspirations of both *Kosovo* and *Serbia* will not happen until they resolve their differences. We strongly support the EU-facilitated Dialogue—which remains their best path to that Euro-Atlantic future and durable peace and prosperity in the Western Balkans.

The recent agreement lays out a path to normalization in which both countries fulfill their independent obligations. My colleague, Special Representative Escobar, has been an active participant in these talks and can speak to them in greater detail.

Kosovo reaffirmed its commitment to establish an Association of Serb-majority Municipalities, an action we have urged them to take expeditiously, formalize the Serbian Orthodox Church's status, and provide strong protections for Serbian religious and cultural heritage sites.

Kosovo and Serbia will also recognize each other's documents and national symbols. And Serbia will no longer lobby against Kosovo's membership in international organizations.

This agreement represents a significant breakthrough in overcoming the cycle of crises that has characterized the relationship between these two countries for far too long. But a lot of hard work remains. These decisions are not easy. We will continue to work with both parties so that they fulfil their mutual commitments.

At the same time, we are committed to deepening our partnership with Serbia and developing closer ties to the Serbian people. We do so with our eyes open—Serbia has significant challenges from corruption to harmful Russian influence, including disinformation. Our history has been difficult, and our relationship has not always been easy. Yet it is in our interest to help Serbia realize its full potential and come closer to the Euro-Atlantic community.

To be clear, progress must be earned. Serbia must deliver on commitments to build constructive relations with all its neighbors, and strong, sustainable democracy at home to achieve this vision.

We also are focused on the challenges in *Bosnia and Herzegovina*. Its pervasive corruption, democratic backsliding, and increasingly inflammatory rhetoric by ethno-nationalist leaders are deeply troubling. Threats of Republika Srpska entity secession, attempts to limit civil society and media freedoms, and efforts to undermine state institutions are destabilizing and attack the foundations of the Dayton Peace Agreement. We have made clear that we oppose such actions and will impose consequences. We remain unequivocally committed to Bosnia and Herzegovina's territorial integrity and sovereignty, its Euro-Atlantic integration, and the full implementation of the Dayton Peace Agreement. We continue to support the Office of the High Representative and the use of Bonn Powers when necessary.

And in *Montenegro*, we are optimistic that this NATO Ally's recent presidential election is a signal that Montenegrins are ready to overcome their differences, advance their EU membership prospects, and secure a better future. We urge the new leadership to focus on reforms, particularly to strengthen rule of law and combat corruption and organized crime.

Finally, we strongly support the further European integration of North Macedonia and Albania. They are terrific NATO Allies. Last July, *North Macedonia* and *Albania* opened their own EU accession negotiations.

North Macedonia ably hosted the Kosovo-Serbia Dialogue in March, contributing greatly to its success, and it has adroitly chaired the OSCE even as Russia has repeatedly sought to block its work.

Albania is a strong partner on the UN Security Council and is honoring its tradition of hospitality by helping resettle Afghans at risk.

The Western Balkans is Europe's inner courtyard; completing its transatlantic integration contributes to a stronger Europe—and a stronger Transatlantic family. It is also essential to reducing the harmful influence from actors such as Russia and the PRC that seek to destabilize the region and our Alliance. Among our goals for Western Balkan countries is helping them to develop stronger, more transparent democracies where engaged citizens hold their governments accountable, there is

strong support for shared values, and where everyone can benefit from the growth and opportunity that comes with greater economic prosperity.

Progress on all these issues, and the success of our work to strengthen U.S. national security, depends on continued bipartisan close coordination with Congress. I look forward to your questions.

The CHAIRMAN. Thank you. Secretary Escobar.

STATEMENT OF GABRIEL ESCOBAR, DEPUTY ASSISTANT SECRETARY, WESTERN BALKANS, BUREAU OF EUROPEAN AND EURASIAN AFFAIRS, UNITED STATES DEPARTMENT OF STATE, WASHINGTON, DC

Mr. ESCOBAR. Thank you, Chairman Menendez, Ranking Member Risch, distinguished members of the committee. I appreciate the invitation to come here and discuss the Biden administration's Western Balkans policy.

The United States is working closely with European partners and allies to ensure that the door to transatlantic institutions remains open, and the path to membership in the European Union remains credible and concrete.

At the same time, the countries of the Western Balkans must implement reforms necessary to qualify for that membership. We are helping them build capacity to fight the pervasive corruption and the disinformation that make the region more susceptible to malign influence, and to resolve the lingering tensions that continue to threaten regional stability and integration. Our work in the Western Balkans also strengthens Europe as a geostrategic global partner.

As the Counselor noted, a major obstacle to enduring peace and prosperity in the Western Balkans is the fraught relationship between Serbia and Kosovo. The EU facilitated agreement on the path to normalization of relations, and its implementation annex agreed to in February and March, were major steps toward bringing peace and predictability to the relationship. Implementation is underway.

On May 2, the Serbian President and the Kosovo Prime Minister began discussions on the Association of Serb Majority Municipalities and reaffirmed their commitment to resolve the fate of missing persons to foster reconciliation and peace. I have repeatedly traveled to Brussels and across the region to support this process.

The United States will remain engaged with Kosovo, Serbia, and our European partners to urge fulfillment of all obligations under the dialogue agreement. For too long, failure to make progress has allowed Russia to play a spoiler role against Serbia's strategic goal of European integration, which the Serbian people strongly desire, and we strongly support.

Both Serbia and Kosovo must normalize relations to unleash their full potential and progress on their respective EU paths. In Bosnia Herzegovina, years of dysfunction and division have plagued state- and entity-level governments, undermining the country, its Euro-Atlantic aspirations, and the future of its citizens.

Ethno-nationalist political leaders from all constituent peoples, Serbs, Croats, and Bosniaks, often pursue narrow, personal, and political gain rather than public good. The United States is now engaged in an intensive effort to strengthen the international community's work to uphold the Dayton peace agreement.

The High Representative used his bond powers to ensure that elections were held last October and to break a 4-year deadlock on Federation Government formation. The United States strongly supported these difficult, but necessary decisions.

With a new state and entity level governments in place, we can now help Bosnia and Herzegovina's leaders to implement long overdue reforms and advance their citizens' Euro-Atlantic aspirations.

We are deeply alarmed by Republika Srpska President Milorad Dodik's persistent secessionist and anti-democratic actions. In cooperation with European partners, we will work to deter Dodik from pursuing de facto separation and limit resources to fund his divisive practices.

We continue to support a robust EU force operation—Operation ALTHEA mission to preserve Bosnia Herzegovina's sovereignty, territorial integrity, and multiethnic character. The United States will continue to deploy sanctions against those throughout the region who threaten or undermine Bosnia-Herzegovina's institutions or the Dayton peace agreement, but there are also bright spots in the region, and not coincidentally, there are NATO members.

In Montenegro, we are seeing renewed momentum to realize its European future. Recent presidential elections were smooth. Montenegro reestablished a quorum and its constitutional court. Its leaders must now fill the remaining court vacancy and other critical judicial appointments.

We hope to see free and fair parliamentary elections on June 11, and that the newly elected leaders will heed the call of the people and move quickly on needed reforms to advance Montenegro's EU integration. Both Albania and North Macedonia have opened EU accession negotiations.

Both are helpful partners in supporting normalization between Serbia and Kosovo, and like Croatia and Montenegro, both are stalwart NATO allies. To further its EU aspirations, North Macedonia is committed to enacting a constitutional change to recognize its Bulgarian minority.

We strongly support this difficult, but necessary step. Iran's devastating cyberattacks on Albania last year underscore that we must continue to assist allies and partners in the region to strengthen their security. The United States has committed approximately 50 million in cybersecurity assistance to Albania for its civilian and military sectors. It is one of our largest cyber support contributions to any individual country to date.

To close, as we work to help create a stronger Western Balkans within a stronger Europe, continued Congressional interest and engagement on the Western Balkans is invaluable. Like Counselor Chollet, I welcome your questions. Thank you.

[The prepared statement of Mr. Escobar follows:]

Prepared Statement of Mr. Gabriel Escobar

Chairman Menendez, Ranking Member Risch, distinguished Members of the Committee, I appreciate your invitation to discuss the Biden administration's Western Balkans policy.

The United States is working closely with European partners and Allies to ensure that the door to transatlantic institutions remains open, and the path to membership in the European Union remains credible and concrete. At the same time, the countries of the Western Balkans must implement the reforms necessary to qualify for membership. We are helping them build capacity to fight the pervasive corrup-

tion and disinformation that make the region more susceptible to malign influence, and to resolve lingering tensions that continue to threaten regional stability and integration. And our work in the Western Balkans also strengthens Europe as a geostrategic, global partner.

As the Counselor noted, a major obstacle to enduring peace and prosperity in the Western Balkans is the fraught relationship between *Kosovo and Serbia*. The EU-facilitated Agreement on the Path to Normalization of Relations and its implementation annex, agreed to in February and March, were major steps toward bringing peace and predictability to the relationship. Implementation is underway. On May 2, the Serbian President and Kosovan Prime Minister began discussions on the Association/Community of Serb-majority Municipalities and reaffirmed their commitment to resolve the fate of Missing Persons to foster reconciliation and peace. I have repeatedly traveled to Brussels and across the region to support this process. The United States will remain engaged with Kosovo, Serbia and our European partners to urge fulfillment of all obligations under Dialogue agreements. For too long, failure to make progress has allowed Russia to play a spoiler role against Serbia's strategic goal of European integration—which the Serbian people strongly desire, and we strongly support. Both Serbia and Kosovo must normalize relations to unleash their full potential and progress on their respective EU paths.

In *Bosnia and Herzegovina*, years of dysfunction and division have plagued state and entity-level governments, undermining the country, its Euro-Atlantic aspirations, and the future of its citizens. Ethnonationalist political leaders from all constituent peoples—Serbs, Croats, and Bosniaks—often pursue narrow personal and political gain rather than the public good. The United States is now engaged in an intensive effort to strengthen the international community's work to uphold the Dayton Peace Agreement.

The High Representative used his Bonn Powers to ensure that elections were held last October and to break a 4-year deadlock on Federation government formation. The United States strongly supported these difficult but necessary decisions. With new state and entity-level governments in place, we can now help Bosnia and Herzegovina's leaders to implement long-overdue reforms and advance their citizens' Euro-Atlantic aspirations.

We are deeply alarmed by Republika Srpska President Milorad Dodik's persistent secessionist and anti-democratic actions. In cooperation with European partners, we will work to deter Dodik from pursuing de facto separation and limit resources to fund his divisive practices. We continue to support a robust EU Force Operation Althea mission to preserve Bosnia and Herzegovina's sovereignty, territorial integrity, and multiethnic character. And the United States will continue to deploy sanctions against those throughout the region who threaten or undermine Bosnia and Herzegovina's institutions, or the Dayton Peace Agreement.

There are also bright spots in the region: In *Montenegro*, we are seeing renewed momentum to realize its European future. Recent presidential elections were smooth. Montenegro re-established a quorum on its Constitutional Court. Its leaders must now work to fill the remaining court vacancy and other critical judicial appointments. We hope to see free and fair parliamentary elections on June 11, and that newly elected leaders will heed the call of the people and move quickly on needed reforms to advance Montenegro's EU integration.

Both *Albania and North Macedonia* have opened EU accession negotiations; both are helpful partners in supporting normalization between Serbia and Kosovo; and, like Croatia and Montenegro, both are stalwart NATO Allies.

To further its EU aspirations, North Macedonia has committed to enacting a constitutional change to recognize its Bulgarian minority. We strongly support this difficult but necessary step.

Iran's devastating cyberattacks on Albania last year underscored that we must continue to assist Allies and partners in the region to strengthen their security. The United States has committed approximately \$50 million in cybersecurity assistance to Albania's civilian and military sectors—one of our largest cyber support contributions to any individual country to date.

To close, as we work to help create a stronger Western Balkans within a stronger Europe, continued Congressional interest in, and engagement on the Western Balkans is invaluable. Like Counselor Chollet, I welcome your questions today.

The CHAIRMAN. Thank you. We will start a round of 5-minute questions. Detailed reporting from *The New York Times* magazine a few weeks ago asserted that connections between the Serbian Government and gang violence in both Serbia and North Kosovo,

carrying out murders and intimidating political rivals in the media. Is this reporting credible, Counselor?

Mr. CHOLLET. We believe it is. I mean, I cannot speak to the specifics of the article, but there is absolutely a lot of corruption involved—

The CHAIRMAN. What are the real prospects for a reliable partner in Serbia with that background?

Mr. CHOLLET. Well, something—Mr. Chairman, we have to test. Again, we are doing this with eyes open, but we are holding Vucic to account and his colleagues to account for their corruption, for their behavior and activity.

We have issued sanctions against many folks throughout the region. We have made very clear that corruption—and by the way, it is not just in one particular part of the region, it is a scourge throughout the region.

In my view at least, corruption is the thing, the single most important thing holding up the integration of the region into Europe. This is a high priority for us. It is something that our embassies work very, very hard on and we pay very close attention to in Washington.

The CHAIRMAN. Well, since Serbia and Kosovo agreed to the EU proposal agreement on the path to normalization between themselves, we have had mixed results, starting with President Vucic's refusal to sign the agreement.

We have seen Serbia violate the agreement by opposing Kosovo's membership in the Council of Europe, and through encouraging a boycott of elections in North Kosovo by ethnic Serbs. Now I want to see Kosovo and Serbia move forward on normalization.

How can we expect countries to implement an agreement in good faith, if Vucic refuses to put his name on it?

Mr. CHOLLET. We consider that agreement to be legally binding. We have told President Vucic that, and he has never denied that. The EU has also said that the agreement is legally binding and—

The CHAIRMAN. Well, he may not deny it, but it does not do the things necessary to implement it. That is the equivalent.

Mr. CHOLLET. Well, unfortunately, if I may, Mr. Chairman, we are not seeing much implementation on either side of that agreement. It is something that my colleague, Mr. Escobar, has been very focused on.

I had a chance to talk to the EU foreign policy chief Borrell over the weekend about this. The EU is very focused on this, which is why we have been engaged in such intense diplomacy to get both sides to live up to their end of the agreement.

The CHAIRMAN. Let me ask you this, that despite concerns over whether the Association of Serb Municipalities, despite concerns over whether such an organized association would violate Kosovo's constitution, the U.S. and the EU continue to press the creation of the Association of Serb Municipalities.

Now, I asked you last year, Mr. Secretary, have you—about this, but I personally have not seen a satisfactory answer. Can you tell us what would guarantee that such an association would not become an obstructionist entity like the RS in Bosnia?

Have you explored with both the viability of creating an association model compatible with Kosovo's constitution?

Mr. ESCOBAR. Absolutely. In fact, that is our goal. Our position is that the association is an existing legal obligation under the Brussels agreement, but we have repeatedly told Kosovo that we would help them shape it into something that is a European model that does not violate its sovereignty, or its constitutional structure, or its functionality.

The way we see it, the association is a way for the four municipalities or any other municipality that would like to join to be able to provide municipal services for a sizable minority in Serbian language.

In other words, what we would like to see is we would like to use the association to unwind what Serbia is doing in Northern Kosovo and put it under a Kosovan structure that they control and that it is under Kosovan law.

In other words, I do not see this as a concession to Serbia. I see it as a way for Kosovo to accommodate those citizens that live within Kosovo, who are Kosovan citizens, to be able to access government services——

The CHAIRMAN. Only if they can fall within a Kosovo constitutional order, does it not become an obstructionist entity like RS in Bosnia.

Mr. ESCOBAR. It is our goal that it will not. That in fact the European Union has provided them models, European models, where countries can provide services in another language for their own citizens.

In none of those models can a neighboring country reach into the territory of another neighbor to hobble its constitutionality or its legal structure. That is our goal, because as they normalize relations between each other, they are also harmonizing with the European Union in their path to integration.

The CHAIRMAN. Well, let us talk about the European Union. We know that Greece, Cyprus, Spain, Slovakia, and Romania's non-recognition of Kosovo will continue to present a barrier to entry for Kosovo in the EU. It gives Serbia, to be frank, a convenient excuse. What is the latest with our engagement with these countries on recognizing Kosovo?

Mr. CHOLLET. We have been intensively engaged with them and we have made clear to our Kosovan friends that we are going to continue to be intensively engaged in it, particularly if we can get this normalization agreement agreed to and implemented.

The CHAIRMAN. Well, I think we need a robust engagement. Finally, I have personally heard from Albanian leaders that ethnic Albanians in the Presheva Valley undergo systematic discrimination. They report having their identities wiped from Serbian Government databases, making them essentially stateless. While Serbia attempts to politicize minority rights in Kosovo, what are we doing to address the situation for ethnic Albanians in Serbia?

Mr. ESCOBAR. Our embassy in Belgrade is actively engaged with this. We are using USAID money to help create some opportunities to enact critical protections for the Albanian, and not just Albanian, but Bosniak, and other communities inside of Serbia.

Unlike Kosovo, however, because Serbia is recognized by all five countries of the European Union, they are further along in their in-

tegration path, but at the same time they have greater obligations under those structures to protect minority rights.

We want to use all of those levers to make sure that the rights of all citizens in Serbia are protected.

The CHAIRMAN. Senator Risch.

Senator RISCH. Thank you, Mr. Chairman. We had a discussion here. I think both the Chairman and I raised the question of energy in the region and how important that is to get all of them as much as possible disconnected from Russia as the rest of Europe is struggling to do and making great efforts and very significant progress in that regard.

Obviously, because of the financial issues involved, it becomes difficult. Are you using the leverage of the DFC to do this, and if so, how? Give us an update on that, if you could, please.

Mr. ESCOBAR. Well, we agree that energy diversification and also transformation from fossil fuels to renewables is a key priority for this Administration. We have seen a lot of investment in the energy, especially in Albania, and in other parts.

We believe that the countries are entering into agreements that are going to help diversify their energy sources away from Russia, and we support it. We would welcome additional U.S. Government support for all of those efforts, including DFC.

Senator RISCH. I appreciate that. DFC was put together by us, I think for the exact—I mean, this is a poster child for what we want to use the DFC for. I am a little disappointed in that answer, that it is not more aggressive and more recognizing of how important the DFC can be in what you are trying to do here. The chairman recited a list of countries that do not recognize Kosovo.

What do they say when you talk to them? What is the reason that they give for this? I mean, it seems to me, being an outsider, sitting here, it just does not seem logical. Both of you, I would like to hear from.

Mr. CHOLLET. Yes. I am happy to start, Senator Risch. Part of it is their own politics and situations going on inside their own countries. It is not about Kosovo or Serbia per se. It is about the precedent that they feel—they have got their own separatist groups, perhaps in their country, and they are worried that this might blow back on them in some way.

I mean, quite frankly, that is what it is about, but I can tell you that we have had, in this intensive engagement, we have been having with these countries as we approached the implementation of the normalization deal or the possibility of this implementation, we have had signals that there are some who recognize that this is something that they should do quickly in terms of recognition of Kosovo.

There are others that, quite frankly, it is going to be really tough, but what we tell our friends in Kosovo is that we will work very hard on this effort. We are working hard. We will continue to work hard, but we need to see this agreement start to be implemented. It will make our case a lot stronger if we are seeing the agreement actually moving forward.

Senator RISCH. Mr. Escobar.

Mr. ESCOBAR. That is absolutely right. One of the things that the five non-recognizers have asked for is they have asked for full im-

plementation of the agreement. For some, a bilateral agreement between the two countries is absolutely crucial for their policy goals.

This represents the best opportunity to move on new recognitions.

However, to give credence to that pressure, we would have to have some implementation. Quite frankly, from the Kosovo side, people are expecting to see the implementation of the Association of Serb Municipalities.

It is an existing legal obligation. It is in the European Council conclusions. There is no getting around the ASM for Kosovo to move closer to the European Union.

Senator RISCH. Okay. Thank you. My time is about up, Mr. Chair. Thank you.

Senator CARDIN [presiding]. I want to turn to Bosnia-Herzegovina. It has been 28 years since the Dayton Accords, and the structure there was to end the conflict, but certainly not to establish an effective governing structure for the future of the country.

That was 28 years ago. My question really deals with how we are moving forward. In the 2022 elections, changes were made by the High Representative in an effort to deal with the representation of the Croats.

The Bosniaks were upset with that change. Tell me the current status of the cooperation you are receiving from the different ethnic communities within Bosnia to get the necessary constitutional changes for the future of the stability of that republic.

Mr. CHOLLET. Senator Cardin, I can start. I think it is important to just step back and note, Bosnia is still at peace. That was the fundamental goal of Dayton, which was to ensure that the Bosnian war end—

Senator CARDIN. We have applauded that. They certainly do not have a type of governance that—

Mr. CHOLLET. No question. I think I had a long association with the late Ambassador Holbrooke, and I know that he believed up until the time he passed that Bosnia was nowhere close to where its Dayton framers wanted it to be.

That said, I mean, our policy is strongly in support of Bosnia sovereignty, its territorial integrity, its multi-ethnic character, and its EU future. It is important now that it actually has an EU future. It has got an accession process that is underway. It seems very distant, but there was just a senior EU envoy in Sarajevo yesterday to talk about moving this process forward.

As we both noted, the secessionist and nationalist rhetoric is deeply, deeply concerning. It is very dangerous because it is throwing matches on kindling throughout the region. We have been very focused in particularly on corruption, because coming back to this question that plagues Serbia, plagues so many parts of the region, corruption is what is, I think, fueling most of Bosnia's dysfunctionality.

It is cronyism and state capture that we are worried about. The one piece of good news is that there is a federation government for some time in a few years, a state level government, that, yes, the HR, the Office of the High Rep had to use special powers to get formed. That is a positive thing, and frankly, I think it is a strike

against ethno-nationalism, but now we need that government to work and to function and to deliver for its people.

The last thing I will note is that we have said and have shown that we are going to impose consequences on those who are fueling corruption and seeking to undermine Dayton. We have done that through a new executive order that President Biden put into place several years ago.

We have gone directly after Mr. Dodik, who is the leader of the RS, the Bosnian Serb entity and those who support him. We are not going to let them blow up Bosnia.

Senator CARDIN. I applaud your efforts on behalf of anti-corruption. I think that is critically important. The steps taken in the 2022 elections tell me the current status in the—among the Bosniaks and the Croats as to how that has now been received.

Mr. CHOLLET. How has the use of the bond powers been received?

Senator CARDIN. Yes. I know that the Bosniaks thought that it was unfair using the census data that was reflective of atrocities against the ethnic Bosnians. I also understand that they felt there was a change of the rules, if the election itself took place.

In regards to the Republika Srpska, that is a separate issue with President Dodik, and we recognize that is a challenge to the sovereignty of the country. Were the changes made for the 2022 elections now being received positively by the ethnic communities in both Bosnia, Bosnia and Croats?

Mr. ESCOBAR. Well, if I can say one thing. Not all Bosnians were unhappy with it. One particular ethno-nationalist party was very much against it, but it did open the door to new faces in the federation government. It also addressed some of the imbalance in the representation in certain structures within Bosnia-Herzegovina.

We welcomed those because it opened the door to a more functional federation, which is absolutely needed as a counterweight to Republika Srpska, which for a long time dominated the country because there was no federation government to push back.

To answer your question on what needs to be done, we need to push Bosnia-Herzegovina faster into European integration, and we need to empower the next generation of leaders who are not ethno-nationalists. You see some of those emerging leaders behind me today.

Senator CARDIN. I will just make a final comment. Twenty-eight years is a long time to be living under a bridge type of arrangement for governance. I acknowledge it was to end the conflict or the open war, and that was good, but it was—we are long past the time where we thought a constitutional change would be an act of consideration. From your conversations, it looks like we do not have a path forward yet on the constitutional changes that are going to be necessary.

We have not even talked about the Republika Srpska and its desire for independence, which is also undermining the future of governance in that region. Senator Romney. Oh, Senator Romney left. Senator Ricketts.

Senator RICKETTS. Thank you very much. One of the things that we know that the CCP is trying to do is replace the United States and our system around the world. They have been trying to extend

their influence. Serbia is—and the Balkans are no different with regard to growing their influence there.

Billions of dollars of Chinese investment have been flooded into Serbia in recent years in funding mines and factories across the country, infrastructure, roads, bridges, new facilities. The Serbian Government has also purchased drones and missile defense system from China and brought thousands of Huawei surveillance systems with facial recognition capabilities. It is also growing in other ways. Serbian universities have in cooperation agreements with their Chinese counterparts to create two state-run Confucius institutes.

University of Nebraska, a couple of years ago, shut down our Confucius institute, and we have seen those being used for spying operations here in our country. The Serbian Government also reached an agreement for direct flights to China.

China is opening a Chinese cultural center in Belgrade at the site of the former embassy that was actually bombed by NATO in the air campaign in 1989. We can see just a growing list of places where the CCP is trying to extend its influence in Serbia. Secretary Escobar, how does the CCP's increasing influence with Serbia and the Balkans hurt U.S. efforts for Serbia to pivot toward the West?

Mr. ESCOBAR. Thank you very much for that question. I would say that the threat of malign Chinese influence exists throughout the region, not just in Serbia, but within Serbia, it is very concerning.

We have cautioned Serbia about additional weapons purchases from China. We have made it very clear that we believe that a lot of the investments that have been made by China in Serbia have been less than successful, and not just in Serbia, but around the region.

We have encouraged them to look at alternatives, and many of those alternatives are American and they are really good alternatives. We are starting to see a greater penetration of American companies in Serbia to displace that. Again, one of the challenges is that China offers easy, available financing for a lot of these projects.

Some of these projects are a big bite for small countries. That seemingly attractive package is the toehold that gets Chinese companies in there. Along with the companies comes political influence.

We need to be more aggressive in promoting American business throughout the region, particularly in energy and infrastructure. We will continue to press all of the countries of the region to align closer with European requirements, with investment screening mechanisms, and to enter into any agreements with China with their eyes wide open, because it has not been a successful process in the Balkans.

Senator RICKETTS. Is there anything this committee can be doing, or the Senate could be doing to help facilitate that, or there are other steps that we ought to be taking to combat the CCP's influence in Serbia?

Mr. ESCOBAR. Well, I think partially the support for DFC, the support for additional private sector engagement, and just direct engagement by this committee and by others in the Senate with the leaders of these countries would be very helpful.

Senator RICKETTS. Okay. Let us switch real quickly. I have only got about a minute and a half here. Let us switch back to—or switch over to Montenegro. Obviously, Vladimir Putin has been working to extend Russian influence there.

Maybe you could just talk a little about what is your initial take on President Milatovic—did I get that probably?

Mr. CHOLLET. Milatovic.

Senator RICKETTS. Thank you very much. Just kind of, what do you believe we need to do to push Montenegro more toward the EU and away from Russia?

Mr. CHOLLET. Well, I think, again, Montenegro is a great ally of NATO or an EU aspirant. Milatovic won a decisive victory. His new party or new movement, “Europe Now!,” is very vibrant.

They have parliamentary elections coming up in June that will select a new government. They have maintained sanctions on Russia since 2014, since Russia’s initial invasion in Ukraine. Milatovic, the new President has committed to continue to do that and to keep pace with other EU sanctions.

They are actually hosting a NATO exercise as we speak. They are a good partner. We see this new President and the new movement that he is leading, it is representing generational change in Montenegro.

We think it is very positive. It is important for us to stay engaged and show up, and that is why Mr. Escobar is going to be on an airplane tomorrow to fly out——

Mr. ESCOBAR. Today.

Mr. CHOLLET. Sorry, tonight to fly out to the inauguration of the new president.

Senator RICKETTS. Great. Thanks very much.

Senator CARDIN. Senator Shaheen.

Senator SHAHEEN. Well, thank you both for being here and for all your efforts in the Western Balkans. I want to, DAS Escobar, you pointed out that we have a number of young leaders from Bosnia-Herzegovina here, and I just want to recognize the Bosnian youth caucus who are here.

We are delighted to have you visiting with us and appreciate your commitment to your country. When I was in Bosnia-Herzegovina last year, one of the concerns that I heard was about the reauthorization of the EUFOR–Althea Mandate, which happened without incident at the UN, but I wanted to get your assessment of whether we think that is going to get renewed again this year.

Also, there was concern about the force level of troops who were there as part of that EUFOR Mandate. I know they have increased the numbers from 600 to 1,100, but is our assessment that that—given the inflammatory rhetoric and what is happening in the Republic of Srpska, is it our assessment that that number is adequate, or do we need to encourage additional troops?

Mr. CHOLLET. Thank you for the question, Senator Shaheen. Thank you for your engagement on these issues. You are right, we were able to get the EUFOR mandate renewed last year.

We believe that we are going to be able to do that again with relative ease. We still have a few months to go, so I do not want to get too ahead of things, but we will work hard on that.

We do believe they have sufficient force now, but it is something that we pay very, very close attention to, to fulfill their mission, to maintain a safe and secure environment in Bosnia. This is something we are in constant conversation with our EU colleagues, as well as our military colleagues about the composition and the force structure of EUFOR.

Senator SHAHEEN. DAS Escobar, you mentioned just now that one of the answers is to encourage BIH into faster integration with the rest of Europe.

How do we do that? Because that obviously requires reforms in the country. It requires the people of the country to embrace that. I know they want to do that, but their leaders so far have not been willing to support those kinds of reforms.

Mr. ESCOBAR. Well, I would say that the leaders who do not support are doing it for their own narrow, corrupt interests.

Senator SHAHEEN. I do not disagree with that, but how do we—how do we move the needle there?

Mr. ESCOBAR. The first part is we have been very robust in the use of sanctions against people who are blocking the European path, but at the same time, we need to empower those leaders who want to move the country forward in its Euro-Atlantic path.

We can do that with our assistance programs, with our capacity building. Then finally, what we need to do is we need to start recognizing the new generation as the people who are going to hold the mantle and move Bosnia-Herzegovina far faster and far further than the three ethno-nationalist leaders have in the past 20 years.

Senator SHAHEEN. You mentioned the sanctions. I introduced legislation yesterday with Senator Wicker and a number of other sponsors that would codify the two executive orders relative to sanctions in the Western Balkans.

Can you talk a little bit more about what that allows us to do and whether there is anything we can do in the Senate to help move faster on getting some sanctions in place on those who would disrupt what is happening in the region?

Mr. CHOLLET. Well, thanks, Senator. Again, I applaud the re-introduction of that legislation. We would hope that the Congress would be able to act on it because it will give us new abilities to go after corruption, to go after malign influence.

We have used the new executive order, and if this legislation is passed, we will use the authorities given to us through that legislation to go after those who benefit from corruption. We are constantly looking at targets, working with our allies and partners, and coordinating also our sanctions efforts.

This is something that we feel is an important tool. It is not the only tool we have to fight corruption. Our new anti-corruption envoy, Richard Nephew, was recently in Bosnia meeting with all sorts of government and non-government folks, to think about projects that his new office can work on to fight corruption, but sanctions are going to be a critical tool.

Senator SHAHEEN. I would like other members of the subcommittee—I applaud the efforts to get the interim agreement with Kosovo and Serbia, but having engaged with both of those leaders, I have been very disappointed that they do not seem to recognize the opportunity that that agreement gives them to move their

countries on a different path. What more can we do to say to them, this is an opportunity that may not come around again for decades?

Mr. CHOLLET. Well, I think they just need to continue to hear that message in surround sound from us. I just spoke yesterday again with President Vucic and Prime Minister Kurti, making the case to both of them for their own reasons, and their own interests, that they should come together and move forward with the implementation of the normalization agreement.

The EU has held out a pretty significant carrot here and I think we should acknowledge the EU's rejuvenated work on this in recent months. They have been incredibly engaged on this, and we have worked in lockstep with them. We just need to continue to make the case. I think hearing from members of the Congress on this is very important as well, so they know it is not just us who care, and you do that.

There is no magic bullet here. As I said, it is going to require political courage. It is a risk for both of these leaders to move forward. We just are trying to give them that courage and help them manage that risk.

Senator SHAHEEN. Well, you make an important point, and we saw that in North Macedonia and their decision with Greece. I appreciate that sometimes the future of the country is more important than the individual futures of individual leaders. Thank you.

The CHAIRMAN [presiding]. Senator Kaine.

Senator KAINE. Thank you, Mr. Chair, and thank you to the witnesses. I want to talk about an issue that is related to my work as chairman of the subcommittee on the Americas, and that is in my travels in the Americas, I have been surprised to hear again and again about very intense engagement by Albanian gangs in narcotrafficking, including in the Americas.

These are Balkan gangs generally, but with a particular focus on Albania. Can you talk about U.S. law enforcement cooperation across the Balkans, particularly with Albania, on this drug trafficking issue?

Mr. ESCOBAR. Well, I agree it is a serious issue. It is not limited to Albania. I would say that all the countries of the region suffer from corruption, weak rule of law, and that facilitates a lot of this illicit activity. I have to say that we have very good cooperation with all of them. Part of it is a capacity issue.

We have worked with them to strengthen their ability to share information across borders to deal with complex crimes, to use new virtual and internet tools to be able to enhance their investigations. In Albania, in particular, we are very pleased to see the formation of an independent anti-corruption body that has already scored several successes.

We are also working with our European partners to strengthen that capacity and the intelligence sharing, and also to create opportunities for extraditions and witness sharing information. We will continue to move that, but it is a difficult challenge as it is not just in the Balkans, but throughout the developing world as well.

Senator KAINE. Let me dig a little bit further with one opportunity that has already been mentioned, this open Balkan regional initiative announced by Albania, North Macedonia, and Serbia. The initiative is to lift barriers to movement and commerce. Given the

prevalence of organized crime throughout the region, are there opportunities in that framework to promote more regional law enforcement cooperation?

Mr. ESCOBAR. There is. Absolutely. We support every effort to bring the countries closer together, as long as it is in line with European standards and as long as it is open to all of them as equal members.

We support the open Balkan. We support the common regional market, and the Berlin Process. All of those will have mechanisms to prevent a free trade zone from becoming a free smuggling zone. We will continue to watch it very carefully.

Senator KAINE. Then talk about our EU allies as these nations talk about EU accession, closer and closer relations in the EU. Are our allies in the EU also promoting law enforcement improvement, capacity building to try to deal with the corruption and drug gang problems?

Mr. ESCOBAR. Well, I would say that that is their main concern. They are very much focused on chapters 23 and 24 of the accession process, which is strengthening the rule of law in law enforcement, and cutting down on not just state corruption, but violent crime. They are very focused, and they are very engaged, and they are by far the largest contributors to this process.

Senator KAINE. Counselor Chollet, you want to add anything to this?

Mr. CHOLLET. Just to underscore what Mr. Escobar said. I mean, the EU accession process is not an easy one. It is not one that goes quickly. They are quite rigorous in how they are putting every country through their paces here, but just on the open Balkans, I think it is important to step back.

I mean, what we are trying to achieve here, what we are trying to help achieve, is to create an open market, a common market, so they can trade and interact with one another more effectively, so they can then plug into a much bigger common market, which is Europe. There are so many practical benefits, for example, with open Balkans.

I was told recently that trucks spend 80 percent of their time waiting in line to get across borders. Just think of the opportunity that can come if they can regularize their interactions in some way, which initiatives like the Open Balkans would help them do.

Senator KAINE. Right. Thank you. I yield back, Mr. Chair.

The CHAIRMAN. Thank you, Senator Kaine. Let me ask you a few other questions. I understand some members are coming, so I am going to filibuster. I hope your—I hope their personal representatives will tell them that I am filibustering for them.

North Macedonia, Albania, Montenegro, and Bosnia-Herzegovina's EU accession process are in different places. Tell me, what are we doing to provide them with concrete incentives which will promote the difficult reforms needed for EU entry, and to compete with the model that China and Russia are offering?

How can we best, Congress, best work with you to ensure their progress towards EU accession continues? I heard something about DFC, supporting that. Private sector investment. I do not know what we have in terms of using the Commerce Department or others to engage in the region. Can you give us any insights into that?

Mr. ESCOBAR. Well, first of all, the incentives are built into the accession process. As they move forward, they get infrastructure support, they get capacity building support, and in some cases even budgetary support. What we have done is we have geared a substantial portion of our assistance to align with European goals so that we are providing capacity building, once they make the reforms.

We are helping them draft legislation and we are helping train civil servants on how to incorporate their own systems into the European process. That support that this Senate has given in terms of assistance has been invaluable to the process. In terms of attracting private sector, we have a very good partner in the Department of Commerce.

They have recently done a trade mission to the region, which opened the eyes of a lot of American companies about the vast opportunities that exist in the Western Balkans. All of that is crucial to underlining—and I have to say the vast majority of the region sees European integration as their highest aspiration.

They would much rather be in the European Union and be part of that common market than to deal with China. We just need to strengthen and support that aspiration that the young generation of the region already has.

The CHAIRMAN. Senator Murphy.

Senator MURPHY. Thank you very much, Mr. Chairman. Thank you for convening this hearing. Very conveniently timed for me personally, because this weekend I will be heading to the region, to most of the countries that we are discussing today and looking forward to building on these efforts that we have been discussing today to promote stability in the region. I share the chairman's concerns about Serbia's pensions to make commitments that often are not made good on.

I also share your sentiment, Mr. Chollet, that so far we have not seen a lot of progress on either side, from Serbia or from Kosovo in the commitments made in this most recent agreement. I just wanted to dig into this question of the Association of Serb Municipalities a bit more, and sort of have two specific questions.

One, this has never seemed to me an outrageous ask, in part because I agree with you, Mr. Escobar. This ultimately solves a lot of problems for Kosovo. It has, I understand, corollaries in Europe.

There are other instances where there are parts, regions of countries that have a certain amount of devolved power, and it is not inevitable that this becomes a Republic Srpska. Maybe talk a little bit about how this looks familiar, and why this does not automatically turn into what has happened inside Bosnia-Herzegovina.

Mr. CHOLLET. Sure. Thanks, Senator Murphy, and thanks in advance for taking the trip next week, which I think it comes at a very, very important moment in this dialog. First, just to step back on the ASM, as Mr. Escobar has said, this is an international commitment. It was enshrined in the 2013 Brussels agreement, so it is about 10 years now.

In our view, it comports with the Kosovo constitution and constitutional court decisions. The bottom line here is we want all citizens of Kosovo to be able to receive equal services and have their

voices heard. The idea is for the Serbs in the North of Kosovo to be less reliant on Belgrade.

It is focused on education and health care and economic, local economic development, things like that. We have been very, very clear that we will not accept, and nor we support, anything that remotely resembles a Republika Srpska.

As you noted, the European Union has cited more than a dozen examples within the EU of ASM-like structures, in Northern Italy, in Switzerland, in Finland, where they have these minority populations, where they have some degree of local control over parts of their lives.

Mr. Escobar and I co-wrote an Op-Ed for Kosovo, in Kosovo papers earlier this year, laying out in our mind what the ASM is and what it is not, and that argument that we made has been embraced by the leadership of Kosovo.

They are saying, they are using that as they are forming their own thinking about what an ASM might look like. What we would like to see is their view of what an ASM might look like and how that could be acceptable.

Senator MURPHY. Let me just turn to North Macedonia for a moment. With respect to the question of the ASM, we are not asking Kosovo to change their constitution, but let us be clear, in other circumstances in the region, there are changes in constitutions necessary to preserve peace.

One of those instances is in North Macedonia, where an agreement has been reached to try to bring North Macedonia into transatlantic institutions and into the European Union. That would require them to change their constitution to recognize the rights of minority groups inside the country.

Tell me a little bit about what the tangible benefits are that North Macedonia would receive by joining the EU. Why is it really important for them to move forward to sort of settle their differences with Bulgaria in order to be able to get into the European Union?

Mr. CHOLLET. Well, North Macedonia—and again, I am glad you are going to be able to stop there next week. We hosted here the Prime Minister and Foreign Minister of North Macedonia just a few weeks ago. I know that they were able to meet with many of you. They are a terrific partner, they are a NATO ally.

They are a regional leader. Mr. Escobar has participated in EU-led talks in Ohrid, which is a city in North Macedonia, on Kosovo and Serbia. It is self-evident for a small country like North Macedonia, with so much to offer, the benefits that would be derived from them joining the European Union.

Now they have got to make some tough decisions in terms of constitutional changes, which they are being asked to make. They are willing to make those changes, but the politics are tough.

What they need to hear from all of us is our support for them making these changes, which would seem minor, but are politically quite difficult. That will help unlock the next phase of their EU accession process.

Senator MURPHY. Great. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Van Hollen.

Senator VAN HOLLEN. Thank you. Thank you, Mr. Chairman. Thank both of you for your testimony. Like others, I am sort of bouncing between hearings here, so I apologize if we have covered some of this territory.

I do want to drill down a little bit with respect to Bosnia, because as may have been mentioned earlier, we had a meeting here, and it was a historic meeting. In fact, we had the three Presidents who were here in Washington a number of months ago. In response to questions, all three of them indicated that they would like Bosnia to become a part of the EU.

The point was also made—the EU has taken the position that there would need to be reforms to the constitution, because of the way the constitution identifies people much more based on ethnicity than as individuals—than, as you know, members of the state with equal rights.

That obviously has become problematic, I think, especially among the Serbian group and the Serbian President. How do we deal with this? Because, number one, first of all, it is the fact, is not it, that the EU has taken that position? That is just a factual question, yes or no?

Mr. ESCOBAR. Well, I would say that our aspiration is for Bosnia-Herzegovina to enter the European Union as a multiethnic, peaceful state. We do support all of the principles of democracy.

The interesting thing about it, though, is that there are still some elements of Dayton and still some elements of the country that are still based on the principle of three constituent peoples and others.

It is there where I think that much of the attention has been focused. The required changes that the European Union is asking them to do are changes that would bring them closer to that ideal of being a more democratic, more civic state.

It is those constitutional reforms that are needed for them to get closer to the European Union. As they do, they are going to become closer—they are going to move closer to a European model.

Senator VAN HOLLEN. Right. Let me ask you this, and you alluded to it. My understanding is that those constitutional provisions were embedded through the Dayton Accords.

Mr. ESCOBAR. That is right, yes.

Senator VAN HOLLEN. I saw Secretary Blinken's letter, I think, a couple years ago, whereas I try to read it carefully, it says we support some constitutional reforms. We do not want to overhaul Dayton, but do we recognize the fact that some changes, amendments to Dayton need to be made in order to make the constitutional changes that would allow Bosnia to become part of the EU?

Mr. ESCOBAR. Yes.

Senator VAN HOLLEN. We do?

Mr. ESCOBAR. We do.

Senator VAN HOLLEN. Okay.

Mr. ESCOBAR. In line with Venice Commission proposals, in line with European commitments, and in line with a vision of Bosnia-Herzegovina remaining a multiethnic, democratic country on an EU path.

Senator VAN HOLLEN. Where do we stand now, as the country that helped more than any other to negotiate the Dayton Accords?

Where are we today in terms of making the very narrow and targeted changes that would be necessary in order to have it flow through to—the constitutional changes that need to be made in order for Bosnia to become part of the EU?

Mr. ESCOBAR. Well, that is a constant conversation we have with the leadership of the country. Now, I think that with a new federation government, the first time in many years, and the quickest formation of a state level government, we do have the basis to start the discussions on what that would look like. Now, the constitutional changes, however, have to be embraced by the leadership of the country.

We are encouraging them to engage in internal discussions on how they would implement those guidelines and those recommendations from the Venice Commission and the European Union.

Senator VAN HOLLEN. I appreciate it. Have any of the parties said that they will under no circumstances make any changes to the constitution?

Mr. ESCOBAR. Well, they have all claimed to be supportive of Dayton, but they have their own interpretations of Dayton, unfortunately. I would say that the path to constitutional reform is going to be a rocky one.

Senator VAN HOLLEN. Essential if they are going to become part of the EU—

Mr. ESCOBAR. Essential.

Senator VAN HOLLEN. All right. Well, this is—I am just hoping we are working, especially with the Serbs, who I understand have concerns, but the answer from the President of the—of Serbia area was that she also supported the entry into the European Union. I know you are working this through, but I want to continue to support your efforts and let me know what we can do. Thank you.

Mr. ESCOBAR. Thank you, Senator.

The CHAIRMAN. Thank you. I have some final set of questions here. I am deeply concerned about reinforcing ethno-nationalism in Bosnia and Herzegovina, and I fear that the Office of the High Representative's recent electoral reform may have done just that.

I would like to see the United States work with Bosnia to implement some of the European Court of Human Rights rulings for the last two decades, including those requiring inclusion of non-constituent groups. What are we doing to defuse ethno-nationalism and support a pluralistic democracy in Bosnia? Either one of you may answer.

Mr. ESCOBAR. Okay. Well, as I mentioned, one of the things is that we want the new governments to start an internal discussion about how they would implement guidelines provided by the Venice Commission and the European Union.

Also, to start the discussion about how they would modify their electoral system to be able to make it more representative, as well. A lot of the obstruction is the result of corruption.

I have to say that overwhelmingly when people leave the country, they do not leave because they do not want to live in a multi-ethnic state. They leave because they cannot find jobs without corrupt connections.

Part of the process will involve holding both corrupt and obstructionist leaders to account for their failure to make the reforms that the European Union says are absolutely critical.

The CHAIRMAN. Well, I think this is why Senator Cardin's legislation on the global corruption issues is so critically important, if we are to have a tool that actually engages in this. Let me ask you finally, Serbia is also an EU candidate, but from my perspective, it has not demonstrated a serious desire to join the EU recently.

Nearly half of its population is against EU entry, favoring closer relations with China and Russia, and it continues to refuse to join sanctions against Russia for the invasion of Ukraine. What, in your mind, can be done to change Serbia's drift towards Russia and China? Particularly what sticks and carrots are we contemplating?

Mr. CHOLLET. Sure. Thank you, Senator. We have been engaged for the last several years in an effort to reduce Russian and PRC influence in Serbia and to get Serbia closer to the West, closer to Europe, closer to the United States.

There is a lot of challenges they face, whether it is the reliance on Russian energy, the challenges of the rule of law, and, of course, their differences with Kosovo. As long as those challenges remain, it is just an opportunity for Russia and the PRC. I mean, our argument is that normalization is going to be good for business.

Now, businesses are not going to be able to thrive fully as long as we have such a huge corruption problem there, but nevertheless, I think it is in our strategic interest, as we said, to move Serbia closer to us.

It is about roughly half the GDP of the entire region. Although the accession talks have been underway for now nearly a decade, they have not made a tremendous amount of progress.

Serbia, despite the fact that it has not joined with sanctions, and we have made very clear to them that if they do not align themselves with the EU sanctions, it is hard to see how the integration process is going to move much further, they have been aligned with us in terms of criticizing and condemning Russia and its invasion of Ukraine through UN votes.

They have condemned the annexation of Crimea. They have helped on refugees. They have helped Ukraine with critical infrastructure. They have helped on humanitarian assistance, but they still do need to align on sanctions.

The CHAIRMAN. Well, when we talk about regional economic issues, I am concerned that Serbia continues to push a regional economic format known as the Open Balkan Initiative. I am totally for regional economic integration, but I am concerned that a format, with Serbia as a dominant economy, is going to, one, marginalize Kosovo.

Unless Serbia aligns itself with EU-led sanctions, it is going to exacerbate Russia's sanctions evasion via the Western Balkans. Are you seeing significant Russian sanction invasions happening via the Western Balkans? Would further enlargement of an Open Balkan exacerbate this issue?

Mr. ESCOBAR. Well, I will start by saying that the European Union, in its own report, has said that they see no significant sanctions evasion in Serbia, or the region as a whole. That is important.

The CHAIRMAN. What is our own assessment, though?

Mr. ESCOBAR. Our assessment is very close to that. It is not the place that the Russians are doing trade substitution. It is other parts of the world. I would say that the Open Balkan is just one of many economic integration opportunities.

What we are seeing right now is we are seeing a domestic home-grown effort not just by Serbia, but by Albania and North Macedonia, to try to move the integration faster than the European Union has been able to achieve.

Now, our position on the open Balkan is it should be complementary, not competitive with all the other initiatives that are bringing it closer to Europe. Additionally, our conditions for supporting the open Balkan as part of the other initiatives is that it would be open to all of them, equally, as full members, and it would require Serbia to accept Kosovo as a full member. Unfortunately, a lot of the other initiatives, including European initiatives, caveat Kosovo's participation.

For us, this is an opportunity to create an even further integration of Kosovo into the region, should this initiative move forward. Otherwise, we will not support it.

The CHAIRMAN. I am glad to hear that. Lastly, and then I do not know if Senator Risch has any additional questions.

This is a little off, but I—since I have the counselor here. I understand that free and fair elections, including independent judiciaries, are critical elements of a democracy. I am concerned about Albanian police arresting a Greek national, Dionysis-Fredi Beleri, 2 days before the election—2 days before the election.

While we see how the evidence emerges, the Greek Government had made clear this is going to have a negative implication for Albania's EU aspirations. What are we doing to ensure that Albanian authorities are upholding the rule of law? What is the path forward here?

Mr. CHOLLET. Thanks, Senator. I can start, and we heard yesterday from the Greek Ambassador, both of us did, and Mr. Escobar had a chance to connect with her. It is something I was just made aware of yesterday, and we have communicated back to our Embassy in Tehran as well to ensure that we are following-up and fully understanding what happened here.

The CHAIRMAN. Yes. Well, I have been advocating with the Hellenic Republic for Kosovo and others, but this exacerbates. In my mind, I always question when something happens 2 days before an election. Senator Risch, do you have any—?

Senator RISCH. No, that is okay. Thank you.

The CHAIRMAN. All right. Well, with the thanks of the committee for your testimony, this record of the hearing will remain open until the close of business on Friday, May 19. We appreciate your insights. This hearing is adjourned.

[Whereupon, at 12:03 p.m., the hearing was adjourned.]