



**SERBIA**

## U.S. Development Bank Says It's Committed To Balkans Amid Talk Of Serbian Office Closure

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By Todd Prince

WASHINGTON -- The U.S. development bank has said it remains committed to supporting private investment in the Balkans amid talk that officials have discussed closing its Serbian office.

David Marchick, chief operating officer of the U.S. International Development Finance Corporation (DFC), told RFE/RL in a statement on February 19 that the bank was dedicated to investing in the region -- including in critical infrastructure and renewable energy -- in light of efforts by China and Russia to gain influence in the region.

"We are eager to build on the DFC's recently renewed Investment Incentive Agreements with Kosovo and Serbia, which we remain committed to, and continue our enhanced focus that began last year with the establishment of a regional DFC presence based out of the U.S. Embassy in Belgrade," he said in the statement.

Suggestions that the new leadership at the DFC contemplated shutting the Belgrade office as part of a new strategy to focus more resources on lower income nations sparked concern among Balkan advocates in the United States.

Endy Zemenides, the executive director of the Hellenic American Leadership Council, which seeks to promote U.S.-Greek relations, sent a letter to the DFC and the administration of Joe Biden on February 18 to advocate against such a closure, saying it would only serve the interests of Washington's adversaries.

"This is not the time to create confusion with regards to the U.S.'s commitment to the [Balkan] region. Russia and China will be the only beneficiaries of a reduced DFC presence," he said, according to a copy of his letter.

"We are eager to hear the DFC's new leadership make a public commitment to continued support of the Aegean and Western Balkans, including a pledge to maintain its Belgrade office," Zemenides' letter said.

## 'Tension' Within The Bank

Marchick, who worked on reconstruction in the Balkans following the Bosnian wars of the 1990s, said DFC officials in Washington will continue to work with embassy staff and others to identify investment opportunities in the region.

Former DFC officials have told RFE/RL on condition of anonymity that there has been tension within the development bank between those who want to focus investment on lower income nations, such as those in Southeast Asia and Africa, and those who believe it should also invest in projects in middle- and higher-income nations that promote U.S. foreign policy goals.

Trump in 2018 authorized the creation of the DFC based on the Overseas Private Investment Corporation (OPIC) and other U.S. agencies with a view to better compete with China for influence in developing nations.

China has been spending tens of billions of dollars on infrastructure and energy projects in emerging nations, including the Balkans, through its Belt and Road Initiative as it seeks to expand its geopolitical influence and challenge U.S. global dominance.

Trump expanded the bank's firepower and financial instruments compared with the OPIC, authorizing it to provide up to \$60 billion in loans, loan guarantees, equity, and insurance to U.S. companies willing to do business in nations with a higher risk profile.

A 2019 bill gave the DFC permission to invest in strategically important energy-related projects in higher income nations like Greece, which is considered a gateway to the strategically important Western Balkans.

The United States is also seeking to reduce the Balkans' energy dependence on Russia.

Trump agreed in September to open a DFC office in Belgrade as part of a larger deal brokered by his administration to normalize economic relations between Serbia and Kosovo.

The Trump administration believed that boosting economic ties between Kosovo and Serbia could help resolve their decades-old conflict. The Belgrade office's mandate, however, went beyond the two countries to include the entire Balkan region.

## **Growing Russian, Chinese Influence**

Some analysts viewed the Washington-brokered agreement as a preelection maneuver by Trump. The talk about closing the office comes weeks after Biden took office and ousted the Trump appointee running the DFC.

The office is the DFC's first in Europe and is designed to counter growing Russian and Chinese influence in Balkans by helping bring American investment to the region.

Marko Cadez, the president of the Serbian Chamber of Commerce and head of the Western Balkans 6 Chamber Investment Forum, which brings together all six chambers of commerce in the region, called the DFC Belgrade office a "sign of America's long-term commitment" to the region.

"It tells the countries of the region that the United States is invested, quite literally, in their success," Cadez said in a statement to RFE/RL.

Greek Development and Investment Minister Adonis Georgiadis said on February 17 that the DFC has already played a "key role" in helping to attract the interest of American companies to the nation's strategic infrastructure.

Greece is privatizing many state assets, including its ports and shipyards, which have become a geopolitical playground as Chinese, Russian, and U.S. investors jockey for ownership.

Greece is also expanding its energy infrastructure to become a transit hub for the Balkans.

U.S. investment in the Balkan region has been sorely lacking, say politicians like former Croatian President Kolinda Grabar-Kitarovic.

She recently called on the U.S. to step up its presence.

"I must say that I've been disappointed by the sort of disinterest that I've seen in the past years" from the United States, Grabar-Kitarovic told Stanford University's Hoover Institution on February 17.

"If you want to really prevent others from political interference in a certain area then you have to be involved yourself," she said.

She also criticized the United States and Europe for dragging their feet on integrating the Balkans into the EU and NATO, saying the slow action in doing so has enabled Russia and China to expand their influence in the region.

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