

## CHAPTER 9

# TESTING CONTINUITY

## The Western Balkans at the margins of transatlantic (dis)engagement

by

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The Western Balkans are now off Washington's radar. There is currently no clear or coherent US policy direction for the region, creating a vacuum of strategic leadership. This ambiguity is raising concerns within the EU, which must now prepare for the possibility of losing the support of a key transatlantic partner. For too long, the Western approach to the region has been reactive: waiting for crises to erupt, then stepping in. Even in such circumstances, the US has traditionally provided a vital safety net to prevent further escalation.

In the Western Balkans, every political shift and policy signal between the US and EU has immediate, and often irreversible, repercussions on the ground. This is especially true in two critical areas of EU engagement: enlargement policy and regional stability and security. Regardless of whether Washington remains (constructively) engaged in these domains, the EU must double down on its efforts. The current geopolitical moment should not be viewed solely as a risk, but rather as a strategic opportunity. It offers the EU a chance to recalibrate its approach, assume greater leadership in the region, and reinforce its strategic credibility.

## THE STRATEGIC COSTS OF POLICY DRIFT

One clear sign of waning American interest is the delay in ambassadorial nominations and appointments. Only Montenegro and North Macedonia have career ambassadors in post since 2018 and 2022, respectively. In other countries – including Bosnia and Herzegovina (BiH), which is undergoing a deep political crisis, and Serbia, currently facing domestic turmoil – US missions continue to be headed by *Chargés d'Afaires*. But with democracy under strain in the US and media freedom shrinking, this *status quo* may be less harmful than a more active form of engagement that inadvertently strengthens illiberal forces and turns the Western Balkans into collateral damage.

The latter scenario would directly undermine the EU's enlargement agenda. For years, US political and financial support has complemented the EU's efforts. This backing has reinforced reform momentum and bolstered democratic resilience

in societies navigating the accession process. Yet, in just six months, the global withdrawal of USAID has affected hundreds of projects across the region. From 2020 to late 2024, the US directed roughly €1.62 billion in aid to the Western Balkans. Kosovo\*, BiH and Serbia stood out in particular: through USAID alone, they were among the top ten aid recipients globally, with more than €250 million invested across multiple civil society, media freedom, human rights and energy efficiency programmes<sup>(1)</sup>. One flagship initiative, the USAID CATALYZE Engines of Growth programme, mobilised €170 million in financing between 2020 and 2024 for more than 2 000 small businesses – 41% of which were women-led or women-owned, reshaping access to capital for local entrepreneurs<sup>(2)</sup>.

But the pullout is not just financial. It is already undermining democratic safeguards. In Serbia, the suspension of USAID funding was followed by an investigation and police raids on four civil society organisations, based on allegations of fund misuse<sup>(3)</sup>. The Supreme Public Prosecution Office claimed that its actions were justified by statements made by high-level US political figures, including ‘President Donald Trump, Secretary of State Marco Rubio, [...] and FBI Director Kash Patel’ who expressed doubts about USAID’s work<sup>(4)</sup>. This political framing suggests a shift in how external political narratives are leveraged domestically to legitimise restrictive measures against civil society.

Equally important, regional stability and security are becoming increasingly fragile. As US engagement recedes, the space for political escalation and opportunistic actors, who were already gaining traction, widens. The US has long been a credible security actor in the region, with a role that dates back to the 1990s. Washington played a defining role in ending the war in BiH through the Dayton Agreement in 1995 and led the NATO intervention in Kosovo in 1999 when international diplomatic efforts to end the armed conflict failed. In more recent years, US influence has continued to shape regional dynamics. In September 2023, it was a direct phone call from Secretary Blinken to President Vučić that pushed Serbia to pull back its forces and helped prevent a dangerous escalation in the aftermath of Banjska. But the groundwork had been laid earlier. In 2021, the US imposed sanctions on two Kosovo-based businessmen, Zvonko Veselinović and Milan Radojičić, for their involvement in transnational criminal networks. Radojičić would later be identified as the leader of the armed group that carried out the Banjska attack.

## NO LONGER ‘ALL FOR ONE AND ONE FOR ALL’

Where the EU was often constrained by internal divisions, the US stepped in to

\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

(1) See Kurtić, A. et al., ‘Trump’s suspension of US foreign aid hits hundreds of Balkan projects’, *Balkan Insight*, 30 January 2025 (<https://balkaninsight.com/2025/01/30/trumps-suspension-of-us-foreign-aid-hits-hundreds-of-balkan-projects/>).

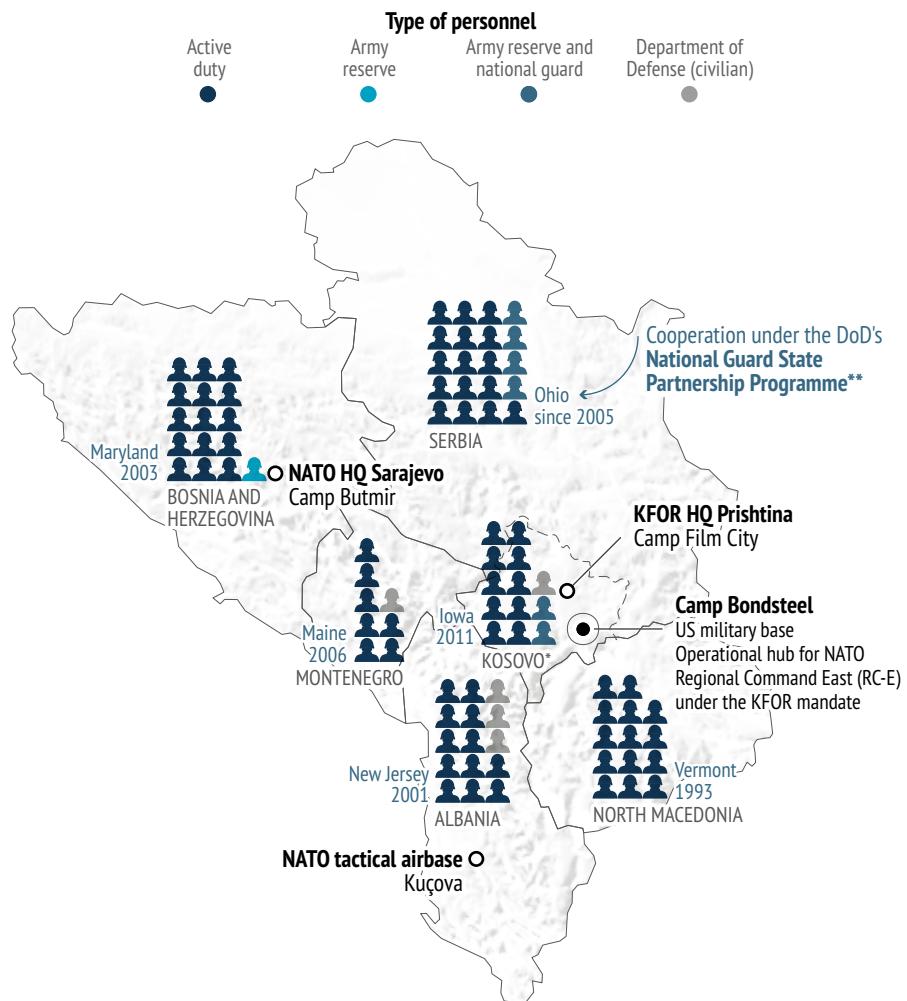
(2) See ‘USAID CATALYZE Engines of Growth: Transforming financing in the Western Balkans’, CATALYZE Communications 2025, YouTube video (<https://www.youtube.com/watch?v=4I6DlCNaPuw>).

(3) See ‘Serbia: Attacks on civil society must stop’, Article 19, 28 February 2025 (<https://www.article19.org/resources-serbia-attacks-on-civil-society-must-stop/>).

(4) See Republic of Serbia, Supreme Public Prosecution Office, ‘Announcement’, 25 February 2025 (<https://beograd.vjt.rs/aktuelnosti/saopstenje-915/>).

## Shaking the foundations?

A drawdown of US military presence could challenge the balance of security in the Western Balkans



Data: DoD Defence Manpower Data Centre, 2025; National Guard, 2025; European Commission, GISCO, 2025.

\* This designation is without prejudice to positions on status and is in line with UNSCR 1244 and the ICJ opinion on the Kosovo Declaration of Independence.

\*\* Part of the US Department of Defense (DoD) Security Cooperation Programmes

NB: The data on type of personnel reflects only unclassified data assigned to these specific locations, including State Department and overseas Embassy staff. It excludes personnel on temporary duty or deployed for contingency operations.

make difficult decisions, thus complementing the EU's efforts. During 2021–2022, Milorad Dodik initiated moves aimed at unilaterally transferring state competencies from the central government of BiH to the Republika Srpska entity, an alarming step towards institutional fragmentation that continues to

unfold today. In response, the US Department of the Treasury's Office of Foreign Assets Control (OFAC) imposed targeted sanctions on Milorad Dodik and one entity under his control, Alternativa Televizija d.o.o Banja Luka<sup>(5)</sup>. US diplomacy also sought to mobilise international support and build a coalition of European

(5) See US Department of Treasury, 'Treasury sanctions Milorad Dodik and associated media platform for destabilizing and corrupt activity', Press Release 2022, (<https://home.treasury.gov/news/press-releases/jy0549>)

allies to safeguard Bosnia and Herzegovina's constitutional order.

In February 2025, the US State Department backed the first-instance court conviction of Republika Srpska President Milorad Dodik, who was sentenced to one year in prison and barred from holding office for six years. Following BiH's court decision to revoke Dodik's mandate in August 2025, Washington refrained from issuing a separate statement on the sentencing itself. Instead, the US reaffirmed<sup>(6)</sup> its commitment to BiH's sovereignty and territorial integrity, urging all sides to avoid escalation – a rather muted position on the matter that contrasted with the EU's more vocal stance<sup>(7)</sup>.

While the US has consistently upheld BiH's territorial integrity and the Dayton Peace Agreement (DPA) up to the present day, the tone, intensity and depth of engagement have shifted markedly between the Biden and Trump 2.0 administrations. The 2024 and 2025 UN Security Council (UNSC) statements illustrate this change. Both statements reaffirmed Washington's commitment to peace and stability in BiH, but the 2024 UNSC statement was assertive, detailed, and politically sharp<sup>(8)</sup>. It included strong backing for the Office of the High Representative (OHR) and framed its role as

complementary to BiH's EU integration process. It also tackled sensitive issues head-on, including genocide denial, calling it an obstacle to reconciliation. In contrast, the 2025 statement<sup>(9)</sup> was more technocratic: It maintained the formal position on the DPA and BiH's institutions but avoided politically charged issues like Srebrenica and offered only perfunctory acknowledgement of the OHR's role. Similar technocratic rhetoric was evident in the speech delivered by Deputy Secretary of State, Christopher Landau, at the 2025 NATO Parliamentary Assembly<sup>(10)</sup>. The key signal is a downgrade in diplomatic energy, rather than a shift in core policy – at least for now. American presence, partnerships and pressure can no longer be taken for granted.

## **S**trategic uncertainty in EU-US relations leaves the region exposed.

## **TIME TO ASSERT CONTROL IN 'THE EU'S BACKYARD'**

The growing disconnect between the EU and the US puts a core assumption to the test: that the US will remain a reliable, proactive partner in supporting regional stability and EU enlargement. This

(6) The Pavlovic Today, 'US calls for restraint following removal of President Dodik in Bosnia and Herzegovina', 2025 (<https://thepavlovictoday.com/exclusive-u-s-calls-for-restraint-following-removal-of-president-dodik-in-bosnia-and-herzegovina/>).

(7) European External Action Service, 'Bosnia and Herzegovina: Statement by the Spokesperson on the criminal conviction in appeal of Republika Srpska President Milorad Dodik', Press Release 2025, 1 August 2025 (<https://www.eeas.europa.eu/eeas/bosnia-and-herzegovina-statement-spokesperson-criminal-conviction>).

(8) See United States Mission to the United Nations, 'Remarks at the UN Security Council Briefings on Bosnia and Herzegovina', 2024 (<https://usun.usmission.gov/remarks-at-a-un-security-council-briefing-on-bosnia-and-herzegovina-5/>).

(9) See United States Mission to the United Nations, 'Remarks at the UN Security Council Briefings on Bosnia and Herzegovina', 2025 (<https://usun.usmission.gov/remarks-at-a-un-security-council-debate-on-bosnia-and-herzegovina-4/#:~:text=And%20as%20has%20been%20echoed,environment%20in%20Bosnia%20and%20Herzegovina>).

(10) US Department of State, 'Deputy Secretary of State Christopher Landau at the 2025 NATO Parliamentary Assembly', 23 May 2025 (<https://www.state.gov/deputy-secretary-of-state-christopher-landau-at-the-2025-nato-parliamentary-assembly>).

assumption, rooted in decades of transatlantic alignment, is under increasing strain. A more autonomous, strategically proactive Europe is necessary to hedge against US disengagement – or the more immediate risk of counterproductive engagement – while still keeping channels of cooperation open. This could be done in the following ways:

- > **Engaging with bipartisan actors in the US to sustain a stabilising transatlantic approach towards the Western Balkans.** Historically, Washington's role in the region has been that of a stabiliser, not a disruptor. This legacy, however, offers no guarantee for the future. The argument should be framed not only in security terms but also in economic ones: reversing a 30-year record of US involvement could harm American business interests, particularly in markets like Albania and Serbia, which had already attracted attention from figures close to President Trump<sup>(11)</sup>. Millions of jobs depend on trade and investment ties between the EU and the US. US exports to the EU support 2.3 million American jobs, while EU investments in the US create 3.4 million jobs<sup>(12)</sup>.
- > **Enhancing Europe's autonomous response capacity within NATO.** While there is currently no indication that the US will significantly scale back its military presence, uncertainty surrounding the ongoing US posture review could signal a shift towards broader disengagement. Such a move would affect troop deployments in the Western Balkans, though these remain minimal compared to the substantial

American presence on NATO's Eastern flank. Although continued military engagement remains the most likely scenario, strategic uncertainty in EU-US relations leaves the region exposed. This underscores the importance of strengthening Europe's ability to operate independently through missions like EUFOR *Althea* and the NATO-led KFOR. Reinforcing EUFOR now – and preparing to eventually replace the US contingent in KFOR – would be a timely and prudent step.

- > **Upholding democratic principles as non-negotiable while making a case for enlargement as a shared priority.** The central argument should frame enlargement not only as an EU endeavour but as a strategic instrument that also advances US interests in the region. The current enlargement *impasse* plays into the hands of rival powers such as China and Russia, undermining both democracy and security – two areas where the US has traditionally invested. Promoting democratisation through enlargement should therefore be presented as a joint objective that reinforces both regional stability and transatlantic trust. Without democracy, there can be no lasting stability or security. At a time when American engagement is faltering, the EU must resist any temptation to trade democratic conditionality for short-term stability. Enlargement must remain firmly grounded in strict adherence to the rule of law, media freedom and accountable governance.

(11) See Mian, M., 'Sold to the Trump family: one of the last undeveloped islands in the Mediterranean', *The Guardian*, 24 June 2025 (<https://www.theguardian.com/world/2025/jun/24/trump-family-kushner-undeveloped-island-mediterranean-sazan-albania>).

(12) See Council of the European Union, 'EU relations with the United States', 2025 (<https://www.consilium.europa.eu/en/policies/united-states/>).