

**S. 1651, Western Balkans Democracy and Prosperity Act**

As reported by the Senate Committee on Foreign Relations on May 7, 2024

By Fiscal Year, Millions of Dollars		2024	2024-2029	2024-2034
Direct Spending (Outlays)		0	*	*
Revenues		0	*	*
Increase or Decrease (-) in the Deficit		0	*	*
Spending Subject to Appropriation (Outlays)		*	5	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	< \$2.5 billion	Statutory pay-as-you-go procedures apply?		Yes
		<b>Mandate Effects</b>		
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?		No
		Contains private-sector mandate?		No
* = between -\$500,000 and \$500,000.				

S. 1651 would make several changes to federal programs that operate in Western Balkan countries, primarily those implemented by the Department of State. (As specified by the bill, the Western Balkans comprise Albania, Bosnia and Herzegovina, Croatia, Kosovo, Montenegro, North Macedonia, and Serbia.) Specifically, the bill would:

- Authorize the U.S. International Development Finance Corporation (DFC) to establish a regional office in the Western Balkans and to increase financing for energy, infrastructure, and other projects;
- Codify certain sanctions that were imposed under executive orders;
- Require the Department of State to improve its programs to reduce corruption and to promote democracy, economic development, and trade in the region;
- Require the department to establish a center for public engagement in the region, to promote exchange programs for young leaders, and to promote partnerships between educational institutions; and
- Require federal agencies to report to the Congress on their activities under the bill and related matters.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



CBO estimates that implementing S. 1651 would have insignificant effects on direct spending and revenues and would increase spending subject to appropriation.

### **Direct Spending and Revenues**

S. 1651 would require DFC to assess whether its insurance and other programs could be used to increase capital investment in Western Balkan countries, which could increase the amount of insurance provided by the corporation. DFC's insurance program is classified as direct spending. Fees for the insurance program are recorded as offsetting receipts, and thus reduce direct spending, whereas payments for claims increase direct spending. On the basis of information about the program, CBO estimates that increasing the amount of insurance would have insignificant net effects on direct spending over the 2024-2034 period.

In addition, S. 1651 would codify sanctions that have been imposed under two executive orders that penalize foreign persons who threaten the stability of Western Balkan countries. Those sanctions would remain in place for eight years after the bill's enactment.

If enactment of the bill leads the Administration to maintain sanctions it otherwise would have lifted, more people would be denied visas by the Department of State, resulting in an insignificant decrease in revenues from fees. Although most visa fees are retained by the Department of State and spent, some collections are deposited into the Treasury as revenues. Denying foreign nationals entry into the United States also would reduce direct spending on federal benefits (emergency Medicaid or federal subsidies for health insurance, for example) for which those people might otherwise be eligible.

In addition, maintaining those sanctions could block transactions involving certain assets and property that are in the United States or that come under the control of people in the United States. People who violate those sanctions would be subject to civil or criminal monetary penalties. Those penalties are recorded as revenues, and a portion can be spent without further appropriation.

CBO anticipates that maintaining those sanctions would affect a small number of people and thus would have insignificant effects on revenues and direct spending. On net, those provisions would reduce deficits by insignificant amounts over the 2024-2034 period, CBO estimates.

### **Spending Subject to Appropriation**

On the basis of information from the Department of State, CBO estimates that many of the bill's requirements and authorized activities would be implemented under existing programs. The department has ongoing programs in the region to reduce public corruption, encourage trade and economic development, promote democracy and good governance, and expand exchange programs for young leaders and partnerships between educational institutions.

On the basis of information from the department and DFC, CBO estimates that establishing a center for public engagement, expanding DFC operations in the Western Balkans, and



providing several reports to the Congress each would cost less than \$500,000 annually. Taken together, satisfying those requirements would increase spending subject to appropriation by \$1 million each year and total \$5 million over the 2024-2029 period. Such spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Sunita D'Monte. The estimate was reviewed by Christina Hawley Anthony, Deputy Director of Budget Analysis.

A handwritten signature in black ink, appearing to read "Phillip L. Swagel". The signature is fluid and cursive, with a long, sweeping flourish at the end.

Phillip L. Swagel  
Director, Congressional Budget Office