

The Biden administration **reframed the deal by shifting away from Donald Trump's centralized, \$3.7 billion state-driven blueprint and replacing it with a localized, private-sector framework.** Rather than honoring the initial high-profile, state-negotiated "Letters of Interest" (LOIs) or completely killing the investment strategy, the administration quietly re-engineered how the money would flow: [\[1, 2, 3\]](#)

Institutional Restructuring

- **Personnel Cleansing:** Just hours after Biden took office in January 2021, the administration replaced Trump's DFC Director General, Adam Boehm, and subsequently ousted John Jovanovic—the director of the DFC's newly established Belgrade office. [\[1, 2\]](#)
- **Institutional Re-anchoring:** The administration deprioritized the standalone diplomatic importance of the Washington Agreement. Instead, they integrated the DFC's local operational framework into broader Transatlantic initiatives and standard U.S. Embassy channels. [\[1, 2, 3\]](#)

Shift to Bank Guarantees & Private Credit

- **Lowering the Profile:** The administration abandoned the sweeping \$3.7 billion top-down public infrastructure promises.
- **Commercial Integration:** In 2021, the administration formalized a new [Investment Incentive Agreement \(IIA\)](#). Rather than directly funding massive public highway projects, the DFC under Biden deployed roughly **\$120 million in 2022** and negotiated up to **\$400 million** in joint loan guarantee programs with local Serbian commercial banks to support small and medium-sized private enterprises. [\[1, 2, 3\]](#)
Ultimately, Biden dealt with the framework by **bureaucratizing it**—turning a flashpoint, multi-billion dollar diplomatic "seduction" into standard, smaller-scale commercial development tools. [\[1\]](#)