



MONITORING THE BERLIN PROCESS: FROM PARIS TO TRIESTE



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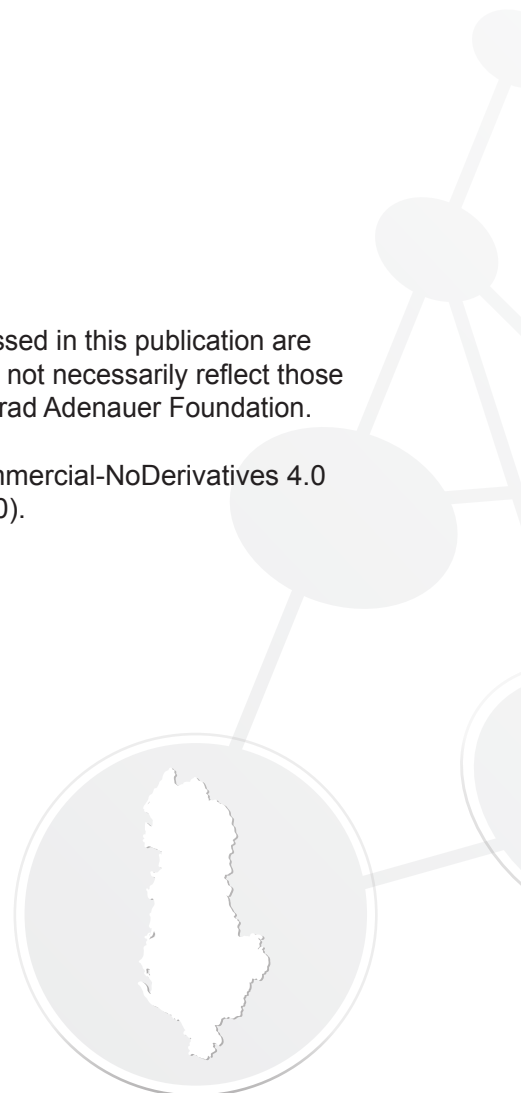
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The Berlin Process Series is an initiative started by Cooperation and Development Institute, in November 2015, in Tirana, and supported by Friedrich Ebert Foundation, Konrad Adenauer Foundation and Hanns Seidel Foundation. It has taken the following form:

- *Research on the Berlin process and its priority areas*: Berlin process being a thinly documented process, CDI has contributed to create a body of knowledge, as well as to gather in one place major documents referring to it;
- *Monitoring reports* on advancement of Albania in BP agenda on issues such as youth, migration and connectivity. Since 2014 CDI works together with national stakeholders in identifying and documenting the policy measures, progress and challenges faced by the Albanian government during their implementation;
- *Annual conference “Albania in the Berlin process”*, followed by the conference proceedings. This conference takes stock of the progress achieved during the previous year in implementing commitments taken under BP agenda, and serves as a platform for debates and exchange of experience among different stakeholders. CDI has grouped the publications under “Berlin Process Series”, available at CDI website.

The CDI / ShtetiWeb research contributions under the published so far “Berlin Process Series”, include:

- Albania in the Berlin Process: Current Achievements and Upcoming Challenges for the Paris Summit, Fall 2015.
- Albania in the Western Balkans Route: August 2015-June 2016, June 2016.
- Monitoring of Connectivity Agenda: Transport and Energy, June 2016.
- A Mapping and Comparative Assessment of Youth Organizations in the Western Balkans, September 2016.
- “Comprehending Albanian Migration to Germany in the period 2014-2016, December, 2016.
- “Let’s know Regional Youth Cooperation Office”, to be published in February 2017

A complete library on the Berlin process and selected themes of Western Balkans 6 integration can be consulted at the Observatory of Regional Integration website, and in the CDI website.

THE BERLIN PROCESS SERIES IS A CONTRIBUTION OF CIVIL SOCIETY
IN THE WESTERN BALKANS SIX REGIONAL INTEGRATION PROCESS,
AND IN THEIR PATH TO EUROPEAN UNION MEMBERSHIP

FOREWORD¹

Mr. Walter Glos, Head of the Konrad Adenauer Foundation Office in Albania (KAS)

Your Excellencies,

Ministers and all other distinguished guests involved in this conference:

I would like to give you a very warm welcome on behalf of KAS, FES, HSS and the Cooperation and Development Institute.

As last year, this event has also been co-organized by the three political foundations with the CDI.

After my short speech, my colleagues from the FES and HSS will give you little bit more information about the objectives and content of the event. Because they were already a part of the activities last year.

The three German foundations together have a lot of reasons which prompt us to coordinate our three welcome addresses. We have mostly the same and common aims. Of course, one big point is support to Albania to become a member of the EU.

In this context, our efforts towards the West Balkan Conferences, so called Berlin Process, have been coordinated together.

The way into the EU is to follow and fulfill a framework of rules and responsibilities, which is also a common one. This very difficult way has to be taken by politicians and the population together and –mostly – with common sense. So, we should support it together!!

I think this is enough from my site for the moment. My colleague from the HSS will now introduce the aims of the conference from our point of view. After that, my colleague from the FES will explain the expected results and maybe the homework till Rome and beyond.

Thanks for your attention. I wish all of us a very interesting conference.

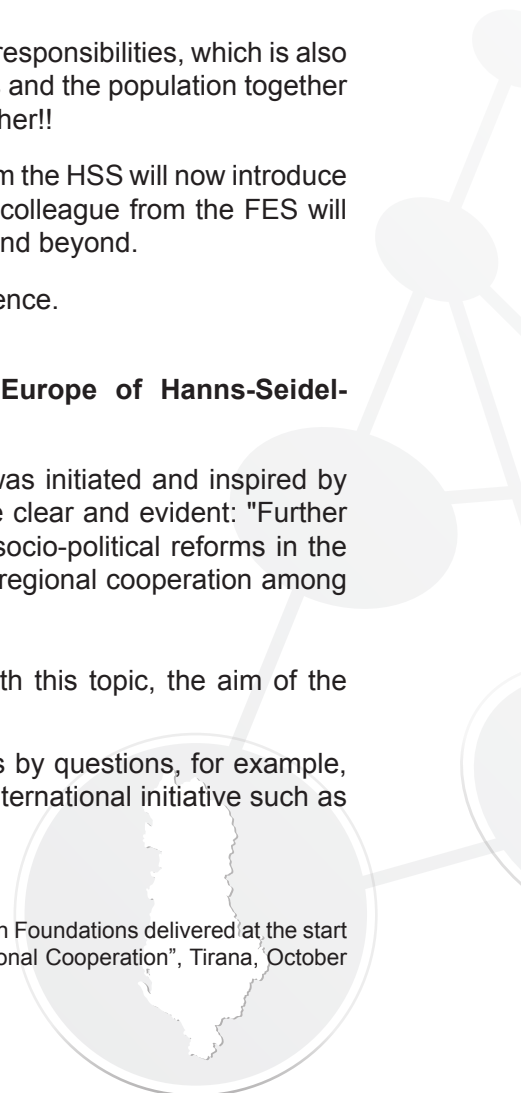
Mr. Klaus Fiesinger, Regional Director for Southeastern Europe of Hanns-Seidel-Foundation (HSS), Offices Tirana, Belgrade, Sofia and Zagreb

The idea and intention of the so called “Berlin Process”, which was initiated and inspired by German chancellor Merkel and has been running since 2014, are clear and evident: “Further implementation and consolidation of institutional, economic and socio-political reforms in the Western Balkan States and especially the improvement of interregional cooperation among the “Western Balkans 6”.”

Already in the last year at our first Tirana-conference dealing with this topic, the aim of the conference organizers was twofold:

- First, analyzing the contents of the Berlin-process documents by questions, for example, how far this regional approach is in conformity with another international initiative such as the “Europe 2020” strategy, and

¹ The foreword includes the speeches of the representatives of the three German Foundations delivered at the start of the conference “From Paris to Rome – Perspectives from Albania on Regional Cooperation”, Tirana, October 2016



- Second, to give as far as possible special recommendations, for example, how to realize this approach from abstract into concrete terms of conduct, or how to transform the Berlin-Process targets from the macro-level into some manageable micro—level of development projects which can be involved and accompanied by us, the German political foundations, in cooperation with their respective and relevant local cooperation partners.

Generally speaking, the conference aim from last year to now did not change. But at this second conference we want to illuminate the topics such as southeastern interconnectivity, Western Balkans as source and road of migration flux and also regional youth cooperation, more in detail. All three mentioned topics are focused by conference panels as you can see from the programme.

The Berlin process remains to be still a thinly documented development. There are still only very few official documents, studies assessments that offer a comprehensive view on this extremely important initiative.

Even more it is necessary as to be done by this conference and also to be done afterwards by some research study report, which is publishing the proceeds and results of this today and tomorrow conference, to identify and to outline the key messages of the “Berlin Process” and to harmonize potential synergies between Berlin Agenda, EU strategy for Adriatic and Ionian Region and further initiatives.

Mr. Frank Hantke, Head of Friedrich Ebert Foundation Office in Albania (FES)

Your Excellences, Dear Ministers and dear guests:

A conference always only can give us an intermediate result about the recent situation, the circumstances and our ideas. This – I hope – we will get very well with all speakers and experts of this two days meeting.

What will the main messages be?

- First of all, I think we will have a broad and common sense about the necessity of further steps into the EU, not only for Albania, but for the region.
- Secondly, we will see that the road map of politicians seems to be clear – given by the results and agreements of the so-called Berlin process.
- Thirdly – and this might be to be discussed – we try to define the role of the civil-society, not only in the Berlin-process itself but in the whole story of EU-integration.
- This means – fourth – we will have to discuss about much more than “only” about the next Berlin-process-conference in Rome.

Dear guests, still the role of civil society and its necessary contribution still is underestimated. Why?

The EU-integration process is not “a game” of politicians, it is the future of the citizens of the Balkan-region. This future only can be realized with the people, with their knowledge and with their active contribution. And it became clear enough already that the expertise of the civil society organizations is very much needed and the active cooperation of the citizens is indispensable!

So, we also will have to define in this conference our common “homework”. What do we have to do till the next conference in Rome? How have dialogue and active cooperation between the politicians – as delegates of their citizens in decision-making - and the citizens themselves to look like? What will be the main issues of this cooperation? How will we – all together – organize it?

In general: how do we install the dialogue between politics and citizens decently, sustainably and most fruitfully? We should find today and tomorrow the general guidelines for these common challenges. Guidelines which will have a clear and well accepted road-map and milestones for the next years.

But all of this this, dear guests, we should not develop only for Albania, but of course in a regional context. Too many reasons to numerate them now, but the most important:

This will be the only way to manage this challenge properly: Politicians and citizens together, and all WB-countries in common.

I wish a very successful conference! Në punë, na rabota, na pocalo!

Thank you very much!



TABLE OF CONTENTS

| | |
|---|-----------|
| LIST OF TABLES | 8 |
| LIST OF FIGURES | 8 |
| LIST OF ACRONYMS | 9 |
| INTRODUCTION | 10 |
| I. BERLIN PROCESS: A BRIDGE? A PLATFORM? A ROAD? | 12 |
| I.1. A multi-dimensional anchoring process | 12 |
| I.2. Complementarity to EU Enlargement strategy | 13 |
| I.3. A multi-platform umbrella in need of a coherent governing architecture | 14 |
| I.4. Can that bridge become a road? | 14 |
| II. FROM BERLIN 2014 TO TRIESTE 2017 | 16 |
| II.1. German design | 16 |
| II.2. EU approach | 16 |
| II.3. Balkans' commitment | 17 |
| II.4. Austrian upgrade | 18 |
| II.5. French touch | 18 |
| II.6. Italian value chain | 19 |
| II.7. Great Britain's announcement | 19 |
| III. MULTI-FACETED CONNECTIVITY | 21 |
| III.1. Political connectivity: Candidate and partner | 21 |
| III.2. Economic connectivity: Economic governance brought at highest political level of cooperation | 22 |
| III.3. Progress in "soft measures": Transport and Energy | 24 |
| III.4. Progress in regional infrastructure projects: Transport and Energy | 26 |
| III.5. Balkan youth connectivity: The first achievement | 28 |
| III.6. Business connectivity: Increasing the return on investment of connectivity projects | 29 |
| IV. ALBANIA IN THE BERLIN PROCESS: CONNECTING AND REFORMING | 31 |
| IV.1. Progress in structural reforms | 31 |
| IV.2. Albania Single Project Pipeline: December 2016 | 32 |
| IV.3. The to-do list of Albanian government | 33 |
| IV.4. Promoting Albanian business connectivity: Value chains in garment and footwear | 34 |
| V. SYNERGY WITH OTHER REGIONAL PLATFORMS | 36 |
| V.1. EBRD: Western Balkans Investment Summits and Regional Investment Vehicles | 37 |
| V.2. OSCE: Connectivity is not a zero-sum game | 38 |
| V.3. Brdo-Brijuni Process: Sustaining high level political dialogue | 40 |
| VI. CIVIL SOCIETY IN THE BERLIN PROCESS | 42 |
| VI.1. Vienna affirmation (24-25 August 2015) | 42 |
| VI.2. Novi Sad / Belgrade preparation (11-13 May 2016) | 43 |
| VI.3. Paris consolidation (3-4 July 2016) | 44 |
| VI.4. Skopje: A bridge between the citizen and policy-making (24-26 November 2016) | 44 |
| VI.5. Impacting national level: Monitoring government progress on Berlin engagements | 45 |
| VII. REFLECTIONS ON THE ROAD TO TRIESTE | 47 |
| VII.1. Building up on EU macro-regional strategies | 47 |
| VII.2. EUSAIR: Framing territorial connectivity | 48 |
| VII.3. China – EU Connectivity Platform: 16+1 Initiative | 49 |
| BIBLIOGRAPHY | 51 |
| ABOUT THE AUTHORS | 55 |
| PROGRAMME OF TIRANA CONFERENCE OF 26-27 OCT. 2016 | 56 |

LIST OF TABLES

| | |
|---|----|
| Table 1: Western Balkans' approximation level with EU acquis _____ | 22 |
| Table 2: Countries' ranking according to Global Competitive Index _____ | 23 |
| Table 3: Protocols and agreement signed between Albania and Montenegro _____ | 24 |
| Table 4: List of project submitted for funding _____ | 27 |
| Table 5: List of projects endorsed at the Paris Summit _____ | 27 |
| Table 6: Albania's connectivity projects _____ | 31 |
| Table 7: Contribution of garment and footwear sector to Albania's economy _____ | 35 |
| Table 8: List of key follow-up meetings 2015-2016 in the framework of the Berlin process _____ | 36 |
| Table 9: List of Brdo-Brijuni Summits _____ | 40 |

LIST OF FIGURES

| | |
|---|----|
| Figure 1: Overall implementation of energy soft measures _____ | 25 |
| Figure 2: Regional measures: Towards a regional electricity market _____ | 25 |
| Figure 3: Number of projects of NSPP _____ | 33 |
| Figure 4: Financing structure of NSPP. _____ | 33 |



LIST OF ACRONYMS

| | |
|----------------|--|
| BBP | Brdo-Brijuni Process |
| BP | Berlin process |
| CEFTA | Central European Free Trade Agreement |
| CIFE | Centre International de Formation Européenne |
| CSF | Civil Society Forum |
| CSO | Civil society organization |
| DTS | Donor Technical Secretariat |
| EBRD | European Bank for Reconstruction and Development |
| ERP | Economic Reform Program |
| EUSAIR | EU Strategy for the Adriatic and Ionian Region |
| EVC | European value chain |
| FDI | Foreign Direct Investments |
| G&F | Garment and footwear |
| GCI | Global Competitive Index |
| MEP | Member of the European Parliament |
| MP | Member of the Parliament |
| MRS | Macro-regional strategy |
| MTBP | Mid-Term Budget Planning |
| NIC | National Investment Committee |
| NGO | Non-governmental Organization |
| NSPP | National Single Project Pipeline |
| OSCE | Organization for Security and Cooperation in Europe |
| PPP | Public Private Partnership |
| RCC | Regional Cooperation Council |
| RYCO | Regional Youth Cooperation Office |
| ROI | Return on Investment |
| SEE | South East Europe |
| SEETO | South East European Transport Observatory |
| SME | Small and Medium Size Enterprise |
| TEN-T | Trans-European Transport Network |
| WB EDIF | Western Balkans Enterprise Development and Innovation Facility |
| WB6 | Western Balkans Six |
| WBIF | Western Balkans Investment Framework |

INTRODUCTION

In the aftermath of Brexit referendum and after the Paris Summit, it is of utmost importance to reflect over the progress achieved so far in the framework of the Berlin process (BP), its place in the myriad of existing regional cooperation initiatives and platforms², and the challenges ahead. Three years after its inception and one year before its end, it is time to take stock of its dynamics and to contribute with contextualized recommendations on its role to further enhance regional cooperation in the Western Balkans (WB6), and to its contribution to the EU accession path of the WB6 countries.

In its endeavour to document, analyse and promote the Berlin process, Cooperation and Development Institute (CDI) and its partners – Friedrich Ebert Stiftung (FES), Konrad Adenauer Stiftung (KAS) and Hanns Seidel Stiftung (HSS) – are producing their latest study *"Monitoring the Berlin Process: From Paris to Trieste"*. Its aim is to assess the current achievements and remaining challenges, to identify innovations and the added value of the process, to document its *parcours* with focus on Albania, and provide an assessment on its future the Summit of Trieste. This study is a component of the *Berlin Process Series* and complements former assessments done by CDI on specific pillars of the BP such as connectivity, migration or youth cooperation.

The study starts with an analysis of the Berlin process, its governance architecture, its impact, and contribution to the European path of the WB6. We decided to cover those issues in the beginning to set up the context of the whole study.

The *second section* offers an historical overview of the process completed with the specificities of each Western Balkans Summit up to the last summit in Paris, as of 4 July 2016. Here the reader will find information about the organising country's approach, its priorities, and the commitments of the key actors.

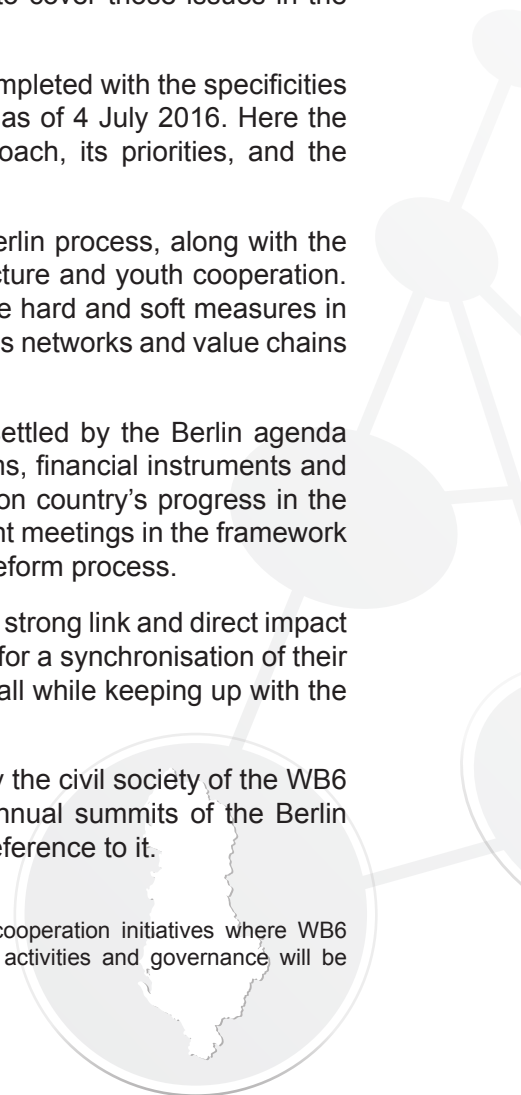
The *third section* focuses on the connectivity dimension of the Berlin process, along with the achievements reached in the political sphere, economy, infrastructure and youth cooperation. Particular focus is paid to the analysis of the implementation of the hard and soft measures in transport and energy, as well as to the strengthening of the business networks and value chains in the Western Balkan region.

The *fourth section* assesses the extent to which the ambitions settled by the Berlin agenda reflect and make good use of the available capacities, mechanisms, financial instruments and political situation on the ground in Albania. This section focuses on country's progress in the implementation of its commitments taken in Vienna, the subsequent meetings in the framework of the Berlin process, and the challenges of the connectivity and reform process.

The *fifth section* presents key regional cooperation initiatives with a strong link and direct impact with the Berlin process. It aims to provide information on the need for a synchronisation of their respective agendas, and identification of relevant synergy points, all while keeping up with the established dynamics of each initiative.

The *sixth section* is dedicated to the series of forums organized by the civil society of the WB6 countries, in view of their participation and contribution to the annual summits of the Berlin process, as well as to other complementary CSO initiatives with reference to it.

² Cooperation and Development Institute has counted 71 existing regional cooperation initiatives where WB6 countries participate. A full study on their sector distribution, membership, activities and governance will be published by CDI in February 2017.



The *last section* analyses two existing examples of similar initiatives: *EU macro regions* and the *EU - China Connectivity Platform (16+1 Initiative)*. This section starts with an analysis of existing macro-regions initiatives and its similarities with the BP. Taking into account Italy's agenda for the Trieste Summit we present the case of EUSAIR macro-region initiative presenting the converging priorities and mutually reinforcing activities with the Berlin process. The section closes with a description of the "Belt & Silk Road Initiative" and the Chinese approach regarding connectivity.

Regarding the methodology, this study has made use of the qualitative research by collecting, reviewing and analysing an extensive amount of public information sources, namely: (i) official declarations, joint statements, statements, speeches and press releases of key European and Western Balkans' governments; (ii) assessment reports of independent institutions; (iii) research papers, policy briefs and opinions from think tanks and academia; and, (iv) newspaper and specialized media articles. Finally, non-structured interviews were held with key national and international stakeholders, so as to validate the main findings and elaborate a consolidated version of the policy recommendations.

We have included in the first section of the study the main conclusions of the annual conference "*From Paris to Rome - Perspectives from Albania on Regional Cooperation*", held in Tirana on October 26-27, 2016, developed under the Chatham House Rules.



Chapter I. BERLIN PROCESS: A BRIDGE? A PLATFORM? A ROAD?

The Berlin process was initially conceived as a temporary replacement for the “slowing / stopping” of the enlargement process, as epitomised in the Juncker’s speech. It gradually evolved into a process – at least in the official discourse –; constituted of *different cooperation platforms* (political, technical and financial); at *different levels of hierarchy* (prime ministers, ministers, technical, etc.) *and collaboration* (communications / meetings / joint selection and implementation, etc.); and *actors* (EU, International Financing Institutions and Western Balkans Six governments, CSOs and businesses).

Today, Berlin process allows for increased attention to, and constitutes the most important concrete to link structurally and inextricably the Western Balkans and European Union by furthering their mutual economic, political and security interests. Its implications go beyond short-term mercantile profit. In a post-Brexit Europe, in face of a resurgent Russia and with a protectionist America, the importance of BP becomes strategic for Europe and for the Western Balkans Six countries.

I.1. A multi-dimensional anchoring process

Berlin process uses connectivity as the key principle on which its dynamics is based, and as the rationale of its decision-making. The connectivity concept calls for anchoring points and the respective actors on both sides of the EU – WB6 border, as well as among WB6 national borders.

We argue that currently the BP’s most strategic component is the importance given to the physical connection and anchoring of WB6 to EU. More than the mercantile rationale based on the appeal of and access to the WB6 market - which is of rather modest size - we consider the investment in connectivity principally of geo-political interest. Due to the increasing centrifuge forces affecting the WB6 region, the need for a “hard” EU integration approach through the connection of infrastructure and investments in concrete projects in transport and energy, becomes apparent.

The next dimension is the strategic support of BP to the WB6 non-state actors, and to their anchoring to EU standards of democratic participation processes. It goes beyond the top-down, project-based technical assistance of local NGOs, by gradually institutionalising the involvement of civil society organizations in the BP Summits and the establishment and functioning of youth connectivity. These innovative components reinforce, solidify and extend the EU integration and enlargement dynamics to the whole WB6 society, and well beyond the adoption of the *acquis communautaire* or the institution building process. The empowerment of civil society segment is very important in the context of the emerging populist movements all over Europe, especially after the Brexit shock, the rise of extremism in Europe and the need to tackle the phenomenon of detachment of the elites.

BP becomes ideologically important because of the increased attention it places in the infrastructure investment during the enlargement strategy. Even if difficult to prove in this moment, this may indicate a shift towards economic growth through Keynesian capital investment / public works, and away from the neoliberal market-based only measures.

While it is possible that the above features were not planned in detail in the summer of 2014, their advantage becomes apparent in 2017. Those features increase the sustainability of the enlargement achievements through:

- *connecting strategic infrastructure* on transport, energy, and digital. All three sectors are crucial for the long-term growth of WB6 and the security of supply of EU industry. They also increase the economic inter-connection of WB6 to the EU;
- *connected in security* by counting on WB6 to secure EU southern borders. The creation of a joint external border mechanism by tasking the WB6 countries to manage the main entry-points of the migration fluxes into the EU, creates de-facto a new collaborative setting between EU and WB6 governments;
- *connecting people*, through the establishment of Regional Youth Cooperation Office (RYCO) and the structuring of civil society cooperation and its participation in the BP Annual Summits. BP extends the enlargement process to the “*people factor*”. The regular participation of members of the legislative branch - MEPs and members of WB6 National Parliaments - in the BP CSO Summits and in youth cooperation initiatives provides a much needed and timely contribution to the participatory exercise required by EU integration. It also serves to bring the voice of CSOs to the highest decision-making levels at the national and to the EU level;
- *connecting businesses* through the regular inclusion of WB6 business community in the BP Summits agenda. Until now, this component has been underused by focussing mainly on the opportunities that the investment in infrastructure may offer to the EU and WB6-based businesses. The industry networking, the creation and support of EU value chains, support to SMEs, the design and implementation of joint industrial policies have not received – as yet – the required attention. The support and promotion of higher value WB6 exports to EU will increase the return on investment of digital networks, road infrastructure or energy connections and will ensure the commitment of local communities.

Today the connectivity concept faces new challenges. Regarding infrastructure, due to the relatively low available budget available for the BP projects, the very high cost of strategic infrastructure investments, the almost inexistent fiscal space of WB6 countries, and the expected increase in the interest rates worldwide, this instrument may have reached / will reach very quickly its limit. Other challenges related to the development of large BP infrastructure projects include the complexity of project preparation and financing dossier; the timely, qualitative and cost-controlled implementation; and the need to connect with and get the support of the local communities.

In the rest of the document we will focus on the advancement done on the connectivity agenda in transport and energy, and in connecting people. We will use the opportunity of the Trieste Summit to develop our point of view on the business connectivity.

I.2. Complementarity to EU Enlargement strategy

Full EU membership remains the only option for WB6 but the ever-extending accession period needs to be filled with tangible outputs for the people in the region. Berlin process outcomes make the road to EU attractive by providing immediate, visible (even if not as much as it should be), concrete and tangible outputs for the citizen. This is even more useful when compared to the destination of a “full membership” in the hypothesis of a long accession negotiation perspective. Depending on future intra-EU developments, BP is also compatible with the often-mentioned scenario of “two-speed Europe”, by *de-facto* connecting WB6 to the outer ring.

A multi-level connecting and anchoring strategy allows WB6 countries to progress towards EU following their own pace and institutional capacity. By focussing on concrete infrastructure / people-to-people exchanges and leaving aside the political negotiations, BP projects bypass the “enlargement fatigue” all by achieving similar results. Investing in concrete and tangible projects appeals directly to the WB6 citizens and complements the progress made

in the implementation of the Copenhagen Criteria, and in the accession negotiations for the countries that have opened them. In an ever-changing internal and external EU context, the multi-level “connecting and anchoring” feature of BP is complementary to the government-led accession negotiations.

The EU Enlargement / Accession approach and the reforms it entails for the WB6, profit from the developments spurred and supported by the BP dynamics. Higher connectivity improves WB6 trading potential through better physical, legal, industry and services and market infrastructure. The accompanying local policies that maintain and regulate the use of connectivity infrastructure produce positive spillover effects. Commitment of WB6 Heads of State and Government to Economic Reform Programmes (ERPs)³ support the reforms needed to keep EU accession on track.

I.3. A multi-platform umbrella in need of a coherent governing architecture

BP uses the configuration of many existing regional collaboration platforms to select, prepare and implement its connectivity projects. It calls upon a constellation of financing institutions and public private partnership (PPP) schemes to finance them. The BP agenda is set by the Presidency of the annual summit, while the implementation of the decisions taken in the summits is left to the partners themselves. It is the administrative structure of the upcoming Presidency that ensures the follow up in-between two summits.

There is no umbrella structure that ensures minimum support and coordination service in between two summits, except at the CSO level (CSO Forums are organised twice a year to do the follow up of the past forum and to prepare their contribution for the upcoming forum). The coordination of the cooperation in-between summits is done through the meetings at ministerial and specialist level. Currently at the regional level, sector-specialised EU-supported secretariats for transport and energy are being created. The monitoring of connectivity investment decisions is done through the national single project pipeline mechanism, and by the respective financing institutions.

Moreover, under the newly-established Berlin process, on top of the coordination of connectivity projects and the oversight of ERP, WB6 would be called to contribute to the treatment of newly-appeared EU concerns. Migration flows from Middle East and other war / social unrest areas, along with the countering of violent extremism and radicalisation would be part of the already busy Berlin agenda. Previously those issues have not been in the roadmap of the EU integration of WB6. Their addition is an indicator of the utility of such an initiative.

In this context and at this point in time, we argue that the Berlin process needs to be endowed with a coherent governing architecture.

I.4. Can that bridge become a road?

We argue that Berlin process has proved to be a timely and positive contribution to the Enlargement agenda. The progress of investments in infrastructure through the extension of Trans-European Networks in the WB6, the consolidation of civil society forums and business networking are *de facto* creating concentric circles of joint interest of European actors in a common future, notwithstanding the geographical distance amongst them.

BP directly supports WB6 growth through capital investment, facilitation of exchanges, networking of businesses and development of EU and regional value chains. By lowering transport costs, securing energy supplies, establishing long-term business partnerships, and inducing technology transfer, BP allows the WB6 to anchor their economic system in the EU. It presses WB6 enterprises to modernise their production capacity / structure, in order to get

included in the regional and EU value chain. It offers the possibility to the employees in WB6 to learn from their EU colleagues and develop modern industrial relations.

On the political level, BP dynamics provides an easy-to-use and fit-to-purpose regional cooperation umbrella. Regular Summits of Heads of State / Government and other high level meeting structures contribute to the establishment and reinforcement of personal relationship much needed for an increased regional integration at political level. The parliamentary involvement, through the participation of Members of the European Parliament (MEPs) and Members of the WB6 Parliaments (MPs) in the CSOs summits addresses the democratic deficit.

So, by sheer luck or extreme political foresight, today the Berlin process complements the traditional EU integration approach, by extending the base of WB6 reform and reinforcing it in ways that are not foreseen by the classic Enlargement / Accession dynamics. By underlining the ownership of WB6 stakeholders – governments, CSO, business – on concrete measures, it empowers them and at the same time makes them responsible vis-a-vis their constituents. It increases the focuses on people-to-people issues as the subject *per se* in the accession strategies, and not as a follow-up of sector-based policies such as for example education or social policy.

Conceived as a bridge for the waiting process towards full EU membership, in those three years BP has developed into a complementary mechanism to the EU accession path of WB6. Currently the Berlin Process is a powerful instrument for European citizens in EU and WB6 to maintain and reinforce the EU enlargement dynamics, and the structural reform pace of the Balkan countries.



Chapter II. FROM BERLIN 2014 TO TRIESTE 2017

The Berlin process is a German-led political initiative launched in 2014 and oriented towards bringing the Western Balkans region out of its long-lasting 'comfort zone', through the enhancement of regional cooperation. It aims at reiterating Union's unwavering political commitment to the European perspective of the region, along with putting in motion a process of rapprochement and stabilization of the relations between the Western Balkans Six countries.

II.1. German design

Regional cooperation is deemed as a fundamental pillar for the European perspective of the region.³ As Foreign Minister Steinmeier stated in the eve to the meeting with the Ministers of Foreign Affairs of the Western Balkans, on 28 August 2014, “[t]his conference underlines Germany’s continuing firm commitment to the entire region. It is an affirmation of our support for the EU prospects of all the Western Balkan states.”⁴

The German foreign policy towards the Western Balkans has always been characterized of a constant commitment to region’s “reconstruction, stabilization, consolidation of rule of law and market economy as well as member state-building”.⁵ In 2014 the pressure of the EU enlargement fatigue claimed for a counteracting response. Therefore, conceived as an auxiliary mechanism, Berlin process was meant “to speed up coherence with the EU and to deal with conflicts where they exist[ed]”.⁶ Underlining its importance Chancellor Merkel declared during the Berlin Conference on the Western Balkans, this was “not a one-day event, but [...] a continuum [...] a working process”, which was gradually transformed into a concrete multi-platform initiative lasting until 2018.

The Berlin process pays a particular attention to the improvement of regional infrastructure and enhancement of trade exchanges region-wide, which is a vital condition for the catching up of these countries with the rest of the EU. In this spirit, it was adopted the so-called Berlin Agenda, which targets primarily regional connectivity and improved economic governance.

II.2. EU approach

Berlin process builds upon the EU principles of connectivity and economic governance. *Connectivity* is perceived both as building new infrastructure and, “integrating with markets to ensure better use of existing networks and infrastructure”⁸. The WB6 connectivity agenda

⁴ Final Declaration by the Chair of the Paris Western Balkans Summit, Paris, 4.07.2016, point 2.

⁵ Press release of the Foreign Minister Steinmeier on the meeting with Foreign Ministers from the Western Balkan states, on 28.08.2016, available at: http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2014/140828-BM_Westbalkankonferenz.html?searchArchive=0&searchEngineQueryString=balkan&searchIssued=0&searchIssuedAfter=27.11.2013

⁶ Valentina De Gregorio, “Germany Supports Balkan Development”, *Berlin Global*, 10.06.2016, available at: <http://www.berlinglobal.org/index.php?germany-supports-balkan-development>

⁷ Frank Walter Steinmeier in Adelina Marini, “Refugees – the Unwanted Topic at Western Balkans Summit”, *EU Inside*, 31.08.2015, available at: <http://www.euinside.eu/en/news/western-balkans-summit-refugees-the-unwanted-topic>

⁸ Joint Press Conference of Prime Minister Rama, Chancellor Merkel and European Commission President Barroso, Berlin, 28.08.2014, available at: <http://www.kryeministria.al/en/newsroom/news/historicmoment-for-the-common-future-of-the-western-balkans>

⁹ European Commission, “Opening Remarks of Commissioner Hahn at the WB6 Ministerial (Foreign Affairs) in Durrës on 30-31 March 2016”, *Speech*, Durrës, 30-31.3.2016, available at: https://ec.europa.eu/commission/2014-2019/hahn/announcements/opening-remarks-commissioner-hahn-wb6-ministerial-foreign-affairs-durres-30-31-march-2016_enhttps://ec.europa.eu/commission/2014-2019/hahn/announcements/opening-

aims to improve regional physical connectivity in the field of energy and transport, based on the existing EU Connectivity Agenda and its instruments. At the Paris Summit in July 2016, connectivity expanded to also include the field of digital service infrastructure, thus mirroring Connecting Europe Facility⁹ (which is applicable only to EU member states).

Even if the Berlin process has been presented mostly as infrastructure-related, its connectivity agenda also demands for the implementation of soft measures in line with the EU multi-annual enlargement strategy. In this context, the complementarity of investments in infrastructure with the respective alignment of legislation necessary for its efficient functioning, underlines the necessity of the implementation phase, beyond the mere adoption of the EU *acquis*.¹⁰

The "new EU approach" considers *economic governance* as a fundamental component of the enlargement process. This implies a continuous economic policy dialogue of enlargement countries with the Commission on the required reforms needed to foster macroeconomic stability, guaranteeing fiscal sustainability and providing for long-term growth and competitiveness.¹¹ Hence, the economic governance became - after Vienna Summit in August 2015 - also a component of the Berlin process. In Vienna, the annual preparation of Economic Reform Programs (ERPs) and the subsequent commitment of WB6 to "sectoral reform" became an official part of the Berlin Process agenda.

II.3. Balkans' commitment

As mentioned in our 2015 paper, "[...] *the WB6 leaders perceived positively the strong political impact sent by Chancellor Merkel*"¹² in August 2014. The regional institutional cooperation intensified significantly. Between the summits of Berlin and Vienna, there were seven ministerial meetings, and many more conferences and round tables at a lower level.¹³ This intensity of political and institutional cooperation was translated in concrete infrastructure projects on the ground. The WB6 commitment was also facilitated by the fact that EU did set aside up to EUR 1 billion for connectivity investment projects and technical assistance for the period 2014-2020. The increase in the financial allocation was earmarked for investment grants and related support of the Connectivity Agenda as embedded in the Berlin process. The IPA II multi-country infrastructure financing allocation envelope was channeled through the Western Balkans Investment Framework (WBIF). As a result, eight transport and energy projects for co-financing were approved at the 13th WBIF Steering Committee meeting in December 2015 (with IPA contribution of EUR 144.9 million¹⁴).

The most visible sign of cooperation, aside of the joint infrastructure projects, is the high-level dialogue already established amongst Albania and Serbia. In the Berlin process, Prime Minister Rama and Prime Minister Vučić found a perfect platform that they could use to meet, show their political commitment to better neighbouring relations, reassure the EU and Germany of their

[remarks-commissioner-hahn-wb6-ministerial-foreign-affairs-durres-30-31-march-2016_en](#)

¹⁰ The *Connecting Europe Facility* (2014-2020) is a European instrument aiming to promote growth, jobs and competitiveness through targeted infrastructure investment at European level. It supports the development of efficiently interconnected trans-European networks in the fields of transport, energy and digital services. For additional information, please visit: <https://ec.europa.eu/inea/en/connecting-europe-facility>

¹¹ European Commission, "Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions", *EU Enlargement Strategy*, COM(2015) 611 final, Brussels, 10.11.2015, available at: http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_strategy_paper_en.pdf

¹² European Commission, "2016 Economic Reform Programmes of Albania, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey, Bosnia and Herzegovina and Kosovo", *The Commission's Overview and Country Assessments*", Institutional Paper, no. 28, July 2016, p.1, available at: http://ec.europa.eu/economy_finance/publications/eeip/pdf/ip028_en.pdf

¹³ Ardian Hackaj, Gentiola Madhi and Krisela Hackaj, "Albania in the Berlin process: Current Achievements and Upcoming Challenges for the Paris Summit", Cooperation and Development Institute, Tirana, Fall 2015.

¹⁴ Ibid.

¹⁵ Western Balkans Investment Framework, "WBIF Monitoring Report", May 2016, p.4, available at: <https://www.wbif.eu/content/stream/Sites/website/library/WBIF-Monitoring-Report-May-2016.pdf>

unwavering commitments to reform their respective countries with a view to EU accession, and come up with concrete projects bringing tangible results for their citizen. The internal political problems of WB6 countries or the occasional bilateral skirmishes have not visibly affected so far their engagement to the BP agenda.

Another strategic and tangible development that was immediately embraced and supported by the WB6 - politicians and population included - was the establishment of the Regional Youth Cooperation Office (RYCO). Up to now, RYCO stands out as the most known and visible success of the BP in the WB6.

II.4. Austrian upgrade

Vienna Summit put to profit the experience gathered since the Summit of Berlin. The summit agenda was set around the building blocks of regional cooperation, bilateral disputes, rule of law and good governance, transport and energy connectivity, and youth, education, as well as science and research. Austrian hosts managed to fit the initial German spur towards infrastructure connectivity, with the new EU approach of economic governance. Economic reform, annual preparation of Economic Reform Programme (ERP), investment planning and market integration were added to the Berlin agenda and mentioned in the Vienna Summit Chairman conclusions.¹⁵

Reflecting the *zeitgeist*, the subject of "*fight against extremism and radicalisation*" and "*migration*" were also added to the Balkan process mix. But the real novelty of the Vienna Summit was the inclusion of the WB6 Civil Society representatives in the debate. Following a preparation period of eight months, for the first time ever WB6 citizens did use their non-political representatives to voice their concerns at the same table as their heads of state and high representatives of the EU Commission. The Civil Society Forum (CSF) was a part of the Summit Agenda and six CSO representatives participated in a round table with WB6 leaders and Commissioner Hahn.

It should be noted that in Vienna, the Berlin process got some of its more important distinctive traits. Beyond infrastructure investments in energy and transport, novelties such as the civil society participation, the inclusion of WB6 macro-economic reforms, and the promotion of necessary tools to engage in efficient policy planning and implementation mark a qualitative step up in the regional cooperation ladder. Moreover, migration and fight against extremism and radicalisation allowed WB6 countries to participate in an equal footing in the upcoming Europe-wide strategies to tackle those challenges.

II.5. French touch

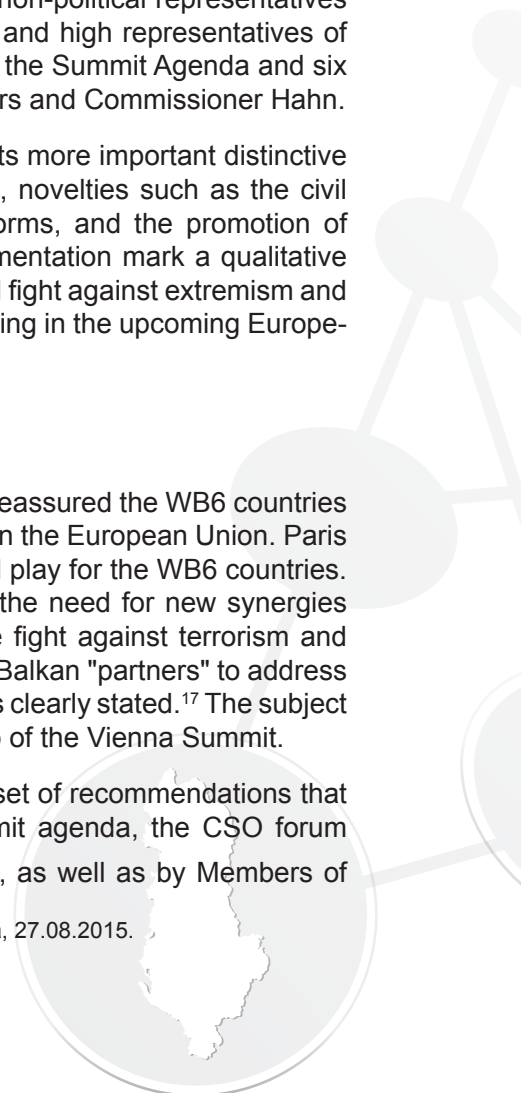
Marked by the results of the Brexit referendum, the Paris Summit reassured the WB6 countries on their unwavering European perspective: the future of WB6 lies in the European Union. Paris final declaration stressed the role that regional cooperation should play for the WB6 countries. It underlined again the strategic importance of connectivity, and the need for new synergies with the Brdo-Brijuni process.¹⁶ Tackling illegal migration and the fight against terrorism and radicalization, figured quite high in the agenda. The importance of Balkan "partners" to address the migration crisis and reduce illegal migration flows to Europe was clearly stated.¹⁷ The subject of bilateral disputes was kept in the Summit agenda as a follow up of the Vienna Summit.

CSOs held their own forum separately this time, and produced a set of recommendations that were submitted to the Leaders Forum. Even if not in the Summit agenda, the CSO forum was attended by Austrian and French Members of Governments, as well as by Members of

¹⁶ Final Declaration by the Chair of the Vienna Western Balkans Summit, Vienna, 27.08.2015.

¹⁷ Brdo-Brijuni Process will be explained in chapter 5.

¹⁸ Ibid.



the European Parliament and of the Parliament of Albania. The Paris Summit also sanctioned RYCO, and started a pilot exchange program for young civil servants in the WB6 region.

In the end, Paris Summit highlighted the need for: (i) intensification of cross-border and multi-country initiatives, as well as; (ii) creation of joint ventures in the region, as a crucial instrument to reducing fragmentation, enhancing trust and incentivizing economic growth. *“In the context of the current economic situation, regional cooperation is the one and only way to face common challenges”*.¹⁸ Both hard and soft connectivity measures were promoted. Clear requests regarding the project implementation were put forward for the already agreed infrastructure investments in transport (three railway projects) and energy, to be effectuated in early 2016. For the soft market integration measures, the good old CEFTA was called in service.

II.6. Italian value chain

Italy established the Task Force for the preparation of Trieste Summit almost to the day of its December 2016 referendum. One week after its Special Envoy for the Preparation of the Trieste Summit started its tour of the Balkans¹⁹ in view of the preparatory phase. The Trieste Summit is placed under the sign of “consolidation of the Berlin process *acquis*”. The focus is put on: (i) *economy*: economic development/small and medium enterprises (SMEs), and innovation; (ii) *connectivity*: facilitating the interaction between SMEs; and, (iii) *increasing the efficiency of the EU funds* allocated to them through existing initiatives such as the Western Balkans Enterprise Development and Innovation Facility, etc.

The stated goal of Italian presidency is to valorise and increase the added value that EU and WB6 economic actors get from the connectivity measures and financial support in transport, energy, IT, and from the open market approach. Other subjects of interest of Italian presidency will be the security/terrorism/organized crime, youth and the migration flux. In the framework of the ongoing reforms in the WB6 the support of the good governance/rule of law/anti-corruption are also major components of the Italian organizers’ agenda.

Italian authorities have indicated their plan to have side forums with the WB6 business community and WB6 CSOs. They will also promote the convergence of BP with other existing initiatives, like Ionian Adriatic Initiative and/or EUSAIR, in order to avoid overlapping of existing cooperation instruments in the area. At this moment, we can observe committed follow up of Italy, by indicating eight months in advance its engagement to the main topics of the agenda of the Western Balkans summit, and to the Business and CSO forums.

II.7. Great Britain’s announcement

On 10 November 2016, on the occasion of his visit to Kosovo, the UK Foreign Secretary Boris Johnson announced that Britain will host the Western Balkans Summit in the year 2018.²⁰ Organizing the last Summit in a country that is leaving the EU will be a challenging endeavor for the hosts and for the invitees.

Other EU countries, mostly new member states (Slovenia, Bulgaria, Rumania and the Visegrad countries) have indicated their willingness to eventually host the 2018 Western Balkans Summit, should the opportunity arise. For the moment, no firm decision has been taken on the 2018 summit.

Started in the centenary of the end of the First World War, the Berlin process is currently the

¹⁸ Final Declaration by the Chair of the Paris Western Balkans Summit, 4.07.2016, point 4.

¹⁹ Visit of Minister Plenipotentiary H.E. Giacomelli on 8 December 2016 in Tirana.

²⁰ British Embassy to Prishtina, *“Foreign Secretary reflects on Kosovo and the Region”*, 10.11.2016, available at: <https://www.gov.uk/government/world-location-news/foreign-secretary-reflects-on-kosovo-and-the-region>

main regional cooperation mechanism keeping alive the EU accession perspective of the Western Balkan countries by producing tangible results. Aiming initially at enhancing regional connectivity, this process has shaped a positive momentum by extending its support to the WB6 reform processes engaged at the domestic level. Through the application of conditionality of financial support of the large regional infrastructure projects, it has included the regional cooperation dimension into the domestic policy cycle of WB6 countries. This has resulted in the intensification of regional political and technical cooperation.

Berlin process critics range from integrationists that estimate it as a diversion from the real thing (i.e. fully fledged EU integration), to BP outsiders that want to open up the close circle of EU countries (six until now) that are involved in it. Its internal challenges are rather country related - such as the turbulent political situation in Macedonia or in Bosnia and Herzegovina, the justice reform in Albania, the complexity of technical and procedural conditions, or the small amount of financing available as compared to the investment needs.

Each of the EU countries hosting the Western Balkans Summits, has contributed to its consolidation and expansion. However, the missing permanent structures and internal governance rules may reveal as limiting factors in the future. 2018 being the last year of its current cycle, a serious assessment should start regarding its impact and the need to continue (or not) in the next years.

The Paris Summit of 4 July 2016 marked the mid-term mandate of the Berlin process. So far, this new format has provided a positive impulse for an intensified cooperation amongst the Western Balkans Six, as well as between them and EU, deliberated as “*the region’s greatest achievement of recent times*”²¹.

²¹ Suma Chakrabarti, “We have led the way on investment in the Western Balkans”, EBRD President’s speech to the Western Balkans Investment Summit, *EBRD Press Office*, 22.02.2016, available at: <http://www.ebrd.com/news/2016/we-have-led-the-way-on-investment-in-the-western-balkans.html>



Chapter III. MULTI-FACETED CONNECTIVITY

The connectivity agenda was conceived with the aim to reduce fragmentation and bond WB6 countries into an integrated regional market, anchoring the whole to the EU. The improvement of connectivity through cross-border investment projects intends to trigger trade exchanges, foreign investment flows, competitiveness and growth. The Berlin agenda includes the components of identification, design, approval, implementation and sustainability rules and procedures for regional infrastructure investment projects. By laying the ground for economic growth, the regional connectivity agenda is expected to contribute to the creation of new job opportunities in the region.

III.1. Political connectivity: Candidate and partner

At the Paris Summit, the key message delivered by the EU concerned its commitment to the enlargement process towards the Western Balkans: the enlargement remains a priority of the European Union, grounded on strict and fair accession criteria.²²

The collaboration of Western Balkans with the EU is mutually beneficial to the strategic interests of the Union and of the region. Under the EU accession commitments, the year 2016 marked a significant progress in the EU-reform agenda of the WB6. They intensified their efforts in fulfilling their obligations in view of a full EU membership. So, Montenegro opened in December two more negotiating chapters, for a total of 26 chapters opened and two provisionally closed. Serbia opened chapters 23 and 24, for a total of six chapters opened and one provisionally closed. Albania passed in July the judiciary reform, part of the five key priorities for the opening of accession negotiations, and the vetting process is about to start. Bosnia and Herzegovina filed the long-awaited request for EU membership. Kosovo started implementing the Stabilization and Association Agreement in early April. Meanwhile, the only country lagging behind in fulfilling its obligations has been Macedonia, due to its internal political stalemate.

It should be noted that this asymmetrical cooperation approach - where WB6 governments tick the EU integration boxes sent to them by EU Commission - has evolved into a new form of collaboration due to the unforeseen challenges of terrorism and migration flows. The recent unprecedented migratory flows – as an existentialist threat to EU's foundations²³ - placed the WB6 governments into a position of equal partner around the negotiation table. The pressing need of the EU to ensure stability along its external borders rendered the partnership with the WB6 countries a crucial factor for the management of the external migration flows. At some point, it was the Balkan countries that became the *de-facto* guards of the EU external borders and thus avoided a further widening of the rift between the EU member states.²⁴

Concretely, during the WB6 Ministerial of Durrës (Albania) in March 2016, the countries suggested a comprehensive cooperation agenda on migration, based on a reinforced political dialogue at all levels,²⁵ on the basis of a jointly agreed plan of collective action. The Paris

²² Final Declaration by the Chair of the Paris Western Balkans Summit, 4.07.2016, point 1.

²³ Erwan Fouere, The EU's Enlargement Strategy 2015: Will the 'new elements' make a difference? *CEPS Commentary*, Brussels, 26.11.2015

²⁴ CDI / ShtetiWeb, "Albania in the Western Balkans Route", Working Paper No. 1, Berlin Process Series, available at <http://cdinstitute.eu/web/wp-content/uploads/2016/06/2016-06-23-Albania-in-the-Western-Balkans-migration-route-v.2-1.pdf>

²⁵ "Meeting of Ministers of Foreign Affairs of the Western Balkans held in Durrës", European Western Balkans, 30.03.2016, available at: <https://europeanwesternbalkans.com/2016/03/30/meeting-of-ministers-of-foreign-affairs-of-the-western-balkans-held-in-durres/>

Summit sanctioned and extended this form of connectivity by recognizing the need to enhance the EU-Western Balkans partnership, not only with regards to migration, but also concerning “*return and readmission, information exchange, coordination, joint operations to fight smugglers’ networks and organised crime, and enhanced cooperation between border police forces*”.²⁶

Hence, while steady engaged in fulfilling their accession obligations and deep-cutting reforms in their path to join the EU club, under the Berlin process dynamics the Western Balkan countries are considered and treated by the EU as an equal partner on key security issues, vital for the EU and its member states. Being a candidate and a partner at the same time, allows EU and WB6 to swiftly and efficiently deal with urgent crisis in certain sectors, all by maintaining the long-term commitments towards a full EU membership and implementing the radical reform that this entails.

III.2. Economic connectivity: Economic governance brought at highest political level of cooperation

“Economic connectivity” concept was brought to the fore of the Vienna Summit by including in the agenda the country Economic Reform Programmes. ERP are to be prepared by the enlargement countries under the Economic and Financial Dialogue between the EU and the Western Balkans. All by having a clear European perspective, “*WB6 countries face a major convergence challenge vis-à-vis the EU in terms of [...] GDP per capita which is roughly half that of the 11 central and Eastern European EU countries*”.²⁷ Currently, EU convergence level goes from at best moderately prepared in Macedonia, Serbia, Montenegro and partially Albania; to an early stage assessment in Kosovo and Bosnia and Herzegovina (table 1).

To support the market-oriented reforms the EU Commission is providing assistance to the: i) consolidation of public finances; (ii) enhancement of growth and employment; as well as (iii) boosting of investments. In Vienna, the WB6 Heads of State and Government engaged to submit ERPs on an annual basis, as a way of monitoring and steering progress towards economic convergence with the EU.

Table 1: Western Balkans’ approximation level with EU acquis

| | | ALB | B&H | MKD | KOS | MNE | SRB |
|--------------------------|--|-----|-----|-----|-----|-----|-----|
| Economic Criteria | Existence of a functioning market economy | 3 | 1 | 4 | 1 | 3 | 3 |
| | Capacity to cope with competitive pressure within the EU | 2 | 1 | 3 | 1 | 3 | 3 |

Source: European Commission country reports (2016)

Note: Scoring scale: 1 stands for early stage progress up to 5 for well-advanced.

So, in line with the provisions of the Final Declaration of the Vienna Summit, the enlargement countries submitted in July 2016 the medium-term ERPs, containing the respective macroeconomic and fiscal policy framework, in addition to the structural reform plans. These documents show that their economic growth prospects are improving, but the growth expectations still remain subject to downside risks.²⁸ According to the Global Competitive Index (GCI), the economies of Albania, Macedonia and Serbia are converging with EU comparators in terms of competitiveness.

²⁶ Final Declaration by the Chair of the Paris Western Balkans Summit, 4.07.2016, point 10.

²⁷ Peter Sanfey, Jakov Milatovic and Ana Kresic, “How the Western Balkans can catch up”, European Bank for Reconstruction and Development, *Working Paper*, no. 186, January 2016, p. 1.

²⁸ European Commission, “2016 Economic Reform Programmes of Albania, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey, Bosnia and Herzegovina and Kosovo”, *op. cit.*, p.4.

Table 2: Countries' ranking according to Global Competitive Index

| GCI 2013-2014 | | | GCI 2015-2016 | | |
|-------------------|-------------------|-------------|-------------------|-------------|-----------|
| Country | Rank (out of 148) | Score (1-7) | Rank (out of 140) | Score (1-7) | Evolution |
| Albania | 95 | 3.85 | 93 | 3.93 | ↑ |
| BiH | 87 | 4.02 | 111 | 3.71 | ↓ |
| Macedonia | 73 | 4.14 | 60 | 4.28 | ↑ |
| Montenegro | 67 | 4.2 | 70 | 4.2 | ↓ |
| Kosovo | n/a | n/a | n/a | n/a | |
| Serbia | 101 | 3.77 | 94 | 3.89 | ↑ |

Source: Global Competitive Index 2013; 2015.

In some countries' ERPs, it has been identified a bias towards large-scale infrastructure projects, while paying less attention to the necessary market reforms needed to overcome the structural weaknesses. This bias towards infrastructure is reflected also in the respective budget allocations.²⁹

However, becoming aware of the available small fiscal window and on the complexity of large scale and multi-annual infrastructure investment, WB6 shifted their interest over the soft market integration measures. Under the support of the World Bank Group, the WB6 countries prepared a Joint Action Plan for Western Balkan Trade and Transport Facilitation, which relies on the synergies and interaction between trade facilitation measures agreed in the CEFTA framework with the transport soft measures agreed at Vienna Summit 2015. This instrument was presented by the Heads of Government of the Western Balkans during the Paris Summit and will enable the World Bank to extend its support in the implementation of the connectivity agenda in the region³⁰.

So, it happened that in the framework of the Berlin process, WB6 have engaged in the highest political level to renew their fight to non-tariff barriers to trade. The conclusion of the negotiations on the Additional Protocol 5 on Trade Facilitation Agreement reveals this political will.³¹ In addition, in this spirit further progress is expected with regards to the conclusion by the end of the year of the Additional Protocol on Trade in Services.

By the very meeting format and the agenda in question, the BP Summits bring to the meeting table of the heads of state and governments issues dealing with the economic governance. They range from decisions on selecting and financing large infrastructure projects, to market-functioning measures all by including the much-mentioned economic reforms. The results are the sensibilisation of WB6 heads of state and government on the importance of regional economic cooperation and countries' economic reforms, as well as ensuring their personal commitment in making it a success.

²⁹ Ibid., p. 7.

³⁰ the importance of a speedy liberalisation of trade in service under CEFTA framework has been regularly underlined by Albanian authorities. See Minister of European Integration Klajda Gjoshja on "*Tregu i përbashkët në Ballkanin Perëndimor, na përgatit për konkurrueshmërinë europiane*", Koha Jone, 12 Dec. 2016

³¹ Besides the Berlin Process, the Additional Protocol 5 interacts directly with other agreements and initiatives, such as South East Europe 2020 strategy, EU *acquis communautaire*, CEFTA agreement and WTO Trade Facilitation Agreement.

III.3. Progress in “soft measures”: Transport and Energy

The Commission has allocated up to EUR 1 billion for infrastructure investment projects and technical assistance falling in the Connectivity Agenda, for the timeframe 2014-2020.³² The first EUR 200 million were allocated to ten priority projects at the Vienna Summit in 2015.³³

In Vienna, WB6 countries committed to implement by July 2016 the priority list of soft measures, composed of regional and national measures. This commitment was seen by EU and international partners as a “credibility barometer” for the WB6 progress. Moreover, the soft measures implementation rhythm was seen as a *conditio sine qua non* for the future co-financing decisions of the EU (through the regional IPA 2016 envelope) on the new investment package, which was to be endorsed at the Paris Summit.³⁴ Through this conditionality clause, the Union aimed at enhancing competitiveness among the countries for the projects’ funding: the better the track record in the score of soft measures, the greater the funding opportunities.

A. Progress in the Transport Sector: Soft measures in Transport intended to “enable better use of the transport infrastructure and to bring added value to the investments in infrastructure”.³⁵ Their full implementation aimed at having a positive impact via the opening of railway transport market, promoting competitiveness, reliability and safety of the transport system and strengthening the efficiency of border-crossing procedures, consequently leading to more attractive economic corridors and foreign investments.³⁶ Because soft measures in the transport sector have an inter-institutional and cross-sectorial nature, it was decided to establish a Transport Facilitation Working Group with representatives from line ministries.

The Vienna Summit appointed the South East European Transport Observatory (SEETO) as the focal point for the follow-up of the implementation of the policy reform goals in the transport sector. This structure has assisted and coordinated the overall process, and did succeed in concluding nine bilateral agreements: (i) five protocols for the implementation of the agreement between Serbia and Macedonia; and, (ii) three protocols and one agreement between Albania and Montenegro (as listed in table 3).

Table 3: Protocols and agreement signed between Albania and Montenegro

| Protocols signed between Albania and Montenegro | |
|---|--|
| 1. | Protocols on custom and phytosanitary |
| 2. | Protocol on railway ZICG and HSH infrastructure |
| 3. | Agreement between railway operators of Montenegro with Albanian railways |
| 4. | Protocol on border police |

Source: SEETO website.

The signature of these protocols marks a big achievement in the field of transport,³⁷ in view of the extension of the TEN-T Core Network and Core Corridors in the region. The realization of transport infrastructure projects is directly dependent on and influenced by the soft measures

³² European Commission, “Western Balkans 6 meeting in Brussels”, *Joint Statement*, 1.03.2016, point 6, available at: http://ec.europa.eu/enlargement/news_corner/news/2016/03/20160301_en.htm

³³ For a schematic presentation of the preparation and selection of the Berlin projects, please see: Hackaj, Madhi, Hackaj, *op.cit.* downloads/2015/12/Summary-1st-TFWG-meeting-final.pdf

³⁴ European Commission, “Western Balkans 6 meeting in Brussels”, *Joint Statement*, 1.03.2016, point 6, available at: http://ec.europa.eu/enlargement/news_corner/news/2016/03/20160301_en.htm

³⁵ South East Europe Transport Observatory, “Summary of the first meeting of the SEETO Working Group on Transport Facilitation (TFWG)”, Brussels, 10.12.2015, p. 1, available at: <http://www.seetoint.org/wp-content/uploads/downloads/2015/12/Summary-1st-TFWG-meeting-final.pdf>

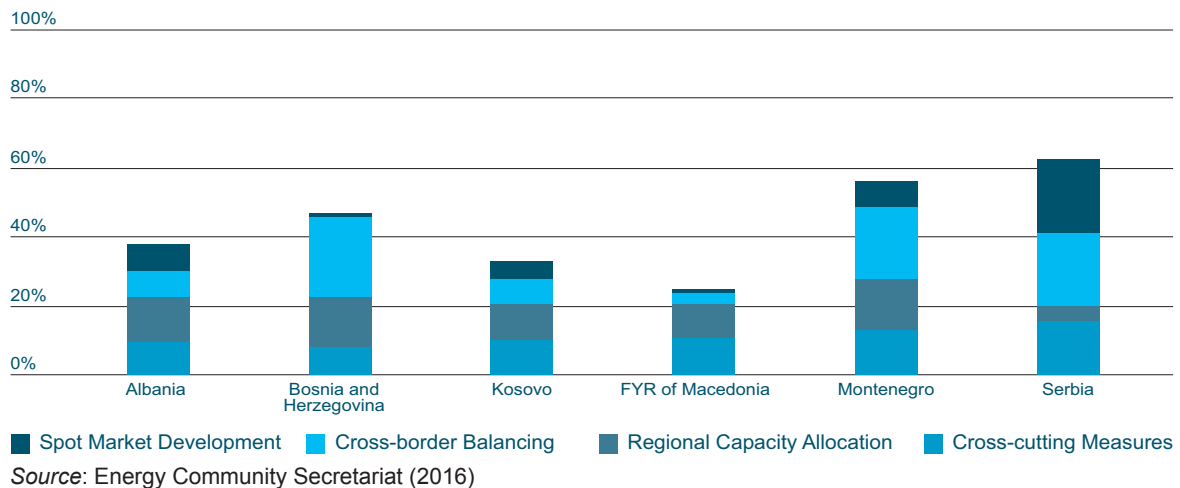
³⁶ Ibid.

³⁷ South East Europe Transport Observatory, “Days Before Paris Summit, major BCP Soft Measure Protocols have been signed”, 1.07.2016, available at: <http://www.seetoint.org/days-before-paris-summit-major-bcp-soft-measure-protocols-have-been-signed/>

implementation, “which [are] similar to having two wheels on the same axle, where the speed should be same and synchronized”.³⁸

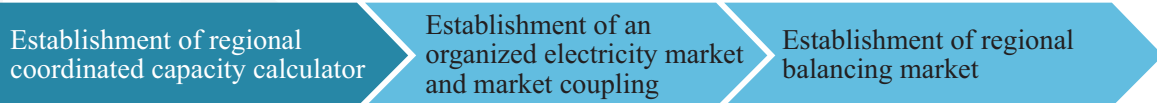
B. Progress in the Energy Sector: In Vienna, the Western Balkan countries decided to improve energy connectivity in the region. They committed to implement a set of energy soft measures – including both regional and national measures - as a first step to the creation of a Regional Electricity Market (as detailed in the Joint Statement of the Western Balkans Six Ministerial in Brussels in March 2016)³⁹. They address the removal of existing legal and regulatory barriers, ensuring full implementation of the Third Energy Package⁴⁰, so as to eliminate fragmented markets and uncompetitive practices in the energy sector.

Figure 1: Overall implementation of energy soft measures



However, a notable achievement at regional level was reached with the signature of the Memorandum of Understanding of Western Balkan countries on 27 April 2016, on regional electricity market development and the establishment of a framework for future collaboration. The *national measures* targeted the adoption of an appropriate market and regulatory framework. The *regional measures* consisted of: (i) establishing spot markets (power exchanges); (ii) establishing a regional balancing market; and, (iii) making the best use of the already existing Coordinated Auction Office in Southeast Europe⁴¹ for regional capacity allocation.⁴²

Figure 2: Regional measures: Towards a regional electricity market



Source: Energy Community Secretariat website.

³⁸ South East Europe Transport Observatory, “SEETO at Paris Summit, Western Balkans 6”, 4.07.2016, available at: <http://www.seetoint.org/seeto-at-paris-summit-western-balkan-6/>

³⁹ European Commission, “Western Balkans 6 meeting in Brussels”, *op.cit.*

⁴⁰ The *Third Energy Package* aims to make the energy market fully effective and create a single EU gas and electricity market. This is expected to keep prices low, increase standards of service and security of supply. As Contracting Parties to the Energy Community Treaty, the Western Balkan Six countries have agreed to fully implement the Third Energy Package by 1 January 2015.

⁴¹ The *Coordination Action Office in South East Europe* was established in March 2014 in Podgorica, Montenegro. It is responsible for managing cross-border capacity for electricity trading in the region. Having a central point for cross-border capacity allocation makes trade in electricity simpler, cheaper and more transparent, and promotes the development of a regional electricity market.

⁴² Energy Community Secretariat, “Western Balkans Summit and Energy Community”, available at: https://www.energy-community.org/portal/page/portal/ENC_HOME/AREAS_OF_WORK/WB6/SUMMIT

The Energy Community Secretariat was tasked by the Vienna Summit to assist WB6 in the implementation of these soft measures. However, in July 2016, the overall assessment was evaluated as insufficient, as none of the countries fulfilled all its commitments. As the countries started late with the implementation, they did not manage to deliver on time on all engagements.⁴³

Aiming to contribute to the seamless flow of goods, people, services and investments in the region, the Regional Cooperation Council (RCC) has been developing the concept of economic corridors in SEE. Its approach follows two phases: (i) *diagnostics*, through a spatial and economic assessment of the region's potential and bottlenecks along core corridors (mapping and surveying industries, industrial linkages, agglomerations, intra-trade linkages, service integration, logistics efficiency, urban nodes and functions of cities), and: (ii) *operational*, through structured work with participating governments to identify pilot actions and policy measures to address the bottlenecks.

Overall, taking in consideration the difficulties in the implementation of certain measures, the key outstanding issues still to be addressed by each WB6 country remain the following:

1. *in the Transport sector*: (i) opening of the transport market; (ii) establishment of competitive, reliable and safe transport system; and, (iii) increase of the effectiveness of border crossing procedures.
2. *in the Energy sector*: (i) adherence to a power exchange; (ii) development of trading/market coupling with one or more neighbours; (iii) participate in the Memorandum of Understanding and South East Europe Coupling Initiatives and implementation of agreed measures; and, (iv) guarantee, and if necessary increase liquidity and monitor of the progress with indicators.⁴⁴

The soft measures implementation progress will be assessed at the upcoming summit in Italy. The Western Balkan countries are expected to make all efforts to fully implement soft measures' so as to address in due time the existing barriers created by the physical and non-physical bottlenecks.⁴⁵ In this context, in view of the limited administrative and institutional capacities of specific countries, WBIF is providing support to bring forward the soft measures implementation process.⁴⁶

III.4. Progress in WB6 infrastructure projects: Transport and Energy

The insufficient progress in implementing soft measures was reflected in the funding decisions during Paris Summit heavily bent towards infrastructure. The Commission decided, *inter alia*, to support with co-funding only 3 railway infrastructure projects in Serbia, Albania and Kosovo, for an approximate total cost of EUR 96 million. This brings the total hard investment package for 2016 to just about EUR 150 million. The summit's 'endorsement' is to be seen as a political commitment of the EU and International Financial Institutions towards the Western Balkan countries, since the formal approval of the eligible projects should be performed at the 15th meeting of WBIF, to be held by the end of the year in London.

The total number of projects presented by the WB6 countries for funding amounted to 10, with an estimated total cost of EUR 347 million. But the Paris Summit revealed that the countries in the region have promised more than they can (or intend to) deliver.⁴⁷

⁴³ Energy Community Secretariat, "From Vienna to Paris: Towards a Regional Electricity Market", July 2016, p.1, available at: https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4212394/36923B5CA647125EE053C92FA8C0B666.pdf

⁴⁴ European Commission, "Connectivity Agenda, Co-financing of Investment Projects in the Western Balkans in 2016", Paris, 4.07.2016, pp. 5-6, available at: http://ec.europa.eu/enlargement/pdf/western_balkans/20160704_paris_package.pdf

⁴⁵ South East Europe Transport Observatory, "11th Annual Meeting of Ministers, Regional Cooperation in Transport Development in the South-East Europe", Conclusions, Tirana, 3.12.2015, point 6.

⁴⁶ Western Balkans Investment Framework, "14th Meeting of the WBIF Steering Committee", Minutes of the meeting, Oslo.

⁴⁷ 16-17.06.2016, pp. 2-3, available at: <https://www.wbif.eu/content/stream//Sites/website/library/WBIF-14SC-MOM-update190716.pdf>

Table 4: List of project submitted for funding

| No. | Grant Code | Description | Sector | Country | IFI | Grant Request € Mln |
|-----|-------------------|--|--------|---------|------|------------------------|
| 1. | WB-IG01-ALBTRA-01 | Railway Durrës- Tirana and Rinas branch | TRA | ALB | EBRD | 35.4 |
| 2. | WB-IG01-BIHTRA-01 | Corridor Vc Motorway section Zenica sjever - Zepce jug, subsection Ponirak – Donja Gračanica | TRA | BIH | EIB | 19.0 |
| 3. | WB-IG01-BIHTRA-02 | Corridor Vc Motorway section Mostar south – Počitelj | TRA | BIH | EIB | 39.0 |
| 4. | WB-IG01-BIHTRA-03 | Corridor Vc motorway section interchange Johovac and interchange Rudanka | TRA | BIH | EBRD | 69.0 |
| 5. | WB-IG01-BIHTRA-04 | River Port of Brcko – Phase 2 | TRA | BIH | EBRD | 3.5 |
| 6. | WB-IG01-KOSENV-01 | Acid Mine Water Treatment Plant in Novo Brdo/Artana Mine | ENV | KOS | TBD | 1.9 |
| 7. | WB-IG01-KOSTRA-01 | Railway Route 10 section Fushë Kosovë - Mitrovica | TRA | KOS | EBRD | 17.2 |
| 8. | WB-IG01-MKDTRA-01 | Railway Corridor VIII section Beljakovce – Kriva Palanka | TRA | MKD | EBRD | 69.0 |
| 9. | WB-IG01-SRBENE-01 | Transbalkan corridor – Section I, III and IV | ENE | SRB | EBRD | 49.3 |
| 10. | WB-IG01-SRBTRA-01 | Railway line Nis – Bulgarian border, section Sicevo – Stanicenje – Dimitrovgrad | TRA | SRB | EIB | 43.6 |

Source: WBIF (2016)

Table 5: List of projects endorsed at the Paris Summit

| No. | Reference | Beneficiary | IFI | Description | Est. Cost € Mln | EU Grant € Mln | EU Grant % |
|-----|--------------------|-------------|------------|--|-----------------|----------------|------------|
| 1. | WB-IG01-SRB-TRA-01 | SRB | EIB | Orient/East-Med Corridor: Serbia – Bulgaria CXs Rail Interconnection | 84.4 | 43.6 | 52 |
| 2. | WB-IG01-ALB-TRA-01 | ALB | EBRD | Mediterranean Corridor: Montenegro – Albania – Greece Rail Interconnection | 81.5 | 35.4 | 44 |
| 3. | WB-IG01-REG-ENE-01 | KOS | EBRD & EIB | Orient/East-Med Corridor: the former Yugoslav Republic of Macedonia – Kosovo – Serbia R10 Rail Interconnection | 42.3 | 18.2 | 43 |

Source: European Commission (2016)

The Commission will allocate an additional fund of EUR 50 million in two regional programs, namely: (i) Regional Energy Efficiency Programme (REEP Plus); and, (ii) Green for Growth Fund: Hydropower and other Renewable Energy Schemes for the Western Balkans. In addition, the EU has commissioned a regional hydropower master plan, which aims to assess Western Balkans' hydropower potential and define how to develop this potential while protecting the environment.

Taking stock of the commitments presented and endorsed at the Paris Summit, the WB6 countries need to progress ahead with the initialling of the Transport Community Treaty,

which will open up the possibility to establish the Transport Community Secretariat. This new mechanism is going to replicate the Energy Community Secretariat and will be funded by the European Union. Furthermore, the WB6 should speed up the process of setting up the regional electricity market. The implementation of the roadmap measures will be subject of monitoring by the Energy Community, and the achieved progress will be reflected in the forthcoming funding decisions by the European Union. The twinning of the regional electricity market with targeted investments “[...] *should safeguard the efficient use of the present energy capacities and shrink the need for new generation plants.*”⁴⁸

Berlin projects reflect the priorities of recipient countries, they respond to market forces, but must be accompanied by domestic policies that maintain and regulate the use of the infrastructure. Planning for the maintenance, the upkeep and on the implementation of appropriate regulation impacting the infrastructure projects are essential. Involvement of the local community and obtaining their buy-in are very important for the citizens’ support.

III.5. Balkan youth connectivity: The first achievement

French government identified youth cooperation in the Western Balkans as one of the top priorities of the Paris Summit. This commitment resulted in the official launching of the Regional Youth Cooperation Office in the Western Balkans during the Paris Summit.

Based upon the Memorandum of Understanding on youth exchanges between Albania and Serbia signed in November 2014, WB6 countries agreed to use the Berlin process to build upon the initiative of building bridges between WB6 youngsters. As a result, the Joint Declaration on the Establishment of RYCO, was signed in the Vienna Summit. RYCO will focus on youth projects in five priority areas: (i) fostering regional cooperation; (ii) enhancing mobility; (iii) supporting reconciliation; (iv) building peace and stability; and, (v) ensuring a prosperous future for young people in their respective countries.

Inspired by the achievements of the Franco-German Youth Office – and under its moderation, technical assistance, funding and performance monitoring – between Vienna and Paris thirteen representatives of the WB6 governments and respective civil society⁴⁹ worked together on the preparation of the RYCO necessary documents, established the roadmap and drafted the constitutive treaty. The process was characterized by strong cooperation between the representatives of the governments and WB6 civil society. Another distinct feature was the *transparency*: the meeting reports were published on RYCO website, which constitutes *per se* an achievement in the pattern of decision-making processes in the region.

“RYCO is an international organisation established by regional governments in partnership with the civil society”.⁵⁰ It constitutes the first initiative under the umbrella of the Berlin process, where the WB6 governments cooperate as part of one regional institution that they jointly fund and coordinate. Hence, the establishment of RYCO is the first concrete result of the Berlin process. RYCO headquarters are in Tirana and it will have technical offices in the other WB6 countries. This new international organization is expected to be operational in 2017. Its budget

⁴⁸ European Commission, “*Opening Remarks of Commissioner Hahn at the WB6 Ministerial (Foreign Affairs) in Durrës on 30-31 March 2016*”, Speech, Durrës, 30-31.3.2016, available at: https://ec.europa.eu/commission/2014-2019/hahn/announcements/opening-remarks-commissioner-hahn-wb6-ministerial-foreign-affairs-durres-30-31-march-2016_en

⁴⁹ Each of the WB6 countries was represented by one representative of the Ministry in charge of youth affairs and one representative from the civil society. Due to its internal organizational structure, Bosnia and Herzegovina had three representatives in the working group.

⁵⁰ Dafina Peci, Governing Board member of RYCO and Civil Society Representative from Albania, “RYCO and involvement of civil society in decision making processes”, European Western Balkans, 13.06.2016, available at: <https://europeanwesternbalkans.com/2016/06/13/the-need-for-cooperation-in-the-region-and-involving-civil-society-in-decision-making-processes/>

amounts to approximately EUR 2 million⁵¹, where at least 51% is covered by WB6 governments' contributions and the rest by the European Commission.⁵²

It should also be noted the support that WB6 youth cooperation initiatives and RYCO have received from Members of the European Parliament. *"[it is] the role of the European Parliament, which should be established as a comprehensive platform for discussing the issues of young people in the countries of the Western Balkans"* declared by MEP T. Fajon after the EP-hosted conference *"A better future for young people in the Western Balkans"*⁵³.

RYCO has a great potential to contribute to the education of a new generation of youngsters and of future leaders in the Western Balkans, and make them effective actors of change. To realize RYCO's objectives, the WB6 should make full use of the established momentum so as to translate the founding treaty into concrete projects and remove all the impeding barriers. Concretely a particularly pressing issue raised in the RYCO Boost Conference in Tirana in December 2016, remains the free movement of citizens in the region.⁵⁴

Within the youth connectivity context, and strong on the impetus of Paris Summit, the European Commission has launched a new pilot scheme for young civil servants from the Western Balkan countries. This initiative combines together a four-week study programme at Sciences Po in Paris, along with a practical two-week exchange programme in the public administration of the WB6 countries. The pilot scheme is opened to civil servants working in policy formulation in the Prime Minister's Offices and/or planning and strategy units of the Ministries of European Integration. The pilot phase involves 30 young civil servants and started in autumn 2016.

III.6. Business connectivity: Increasing the return on investment of connectivity projects

Italian Presidency has put the connectivity of SME / SMI at the centre of the Summit of Trieste. Bringing together WB6 enterprises and EU companies to increase their mutual exchanges, valorises the investment in the hard and soft connectivity. It also overcomes the relatively low level of bilateral and regional exchanges that WB6 countries have amongst themselves. But the major contribution is the anchoring of WB6 economic structure – industrial production and services - to the EU one, not only through unhinged market exchanges, but by regular networking and establishment of sustainable business relationship. In this optic, we argue that the concept of EU value chain (EVC) is a strategic component of businesses connectivity.

Value chains represent the full range of business activities and interactions that are required to bring a product from its conception - design, sourcing raw materials and intermediate inputs, marketing, distribution, etc. - to the final consumer. Being part of the same value chain involves sharing product development plans, committing to and doing long-term investments, engaging in regular and meaningful technology transfer, establishing mutual trust, implementing strict quality controls and safeguards. Value chains require a more committed partnership than simple transactional, market-based relations.

In this regard, the inclusion of WB6 enterprises in the EVC, represents a strategic path for their sustainable growth and development. The resulting long-term relationship that WB6 SMEs are expected to establish with EU companies increases their resilience, and is expected to produce a trickle-down effect from EU companies to WB6 ones in terms of quality, technology transfer, continuity of production, development of workforce and modernisation of industrial relations.

⁵¹ Deutsche Welle, "Regional Balkan youth project initiated at Paris summit", Berlin, 4.07.2016, available at: <http://www.dw.com/en/regional-balkan-youth-project-initiated-at-paris-summit/a-19377602>

⁵² Statement of Mr. Ferit Hoxha, "RYCO Boost Conference", Tirana, 8-9.12.2016.

⁵³ *"A better future for young people in the Western Balkans"*, Conference of European parliament hosted by Slovenian MEPs Tanja Fajon and Franc Bogovič, as quoted in: <https://europeanwesternbalkans.com/2016/07/14/young-people-are-not-our-future-but-our-present/>

⁵⁴ Bosnia and Herzegovina still applies the visa regime towards the citizens of Kosovo

Under these conditions, WB6 SME can expand and diversify existing production base in order to increase their offer and improve the quality of their product(s). They will be able to invest in local human resources and modern technology to increase the added value of their production activity, contributing in upgrading welfare and social cohesion in WB6. This foresees “smart specialisation strategies”⁵⁵ in key economic production sectors in WB6 and making them competitive in terms of cost and quality in compliance with EU standards.

The current challenges that the WB6 enterprises face regarding their inclusion in EVC are weak networking with their EU pairs, low knowledge of their market in the EU, low reputation regarding market environment and contract enforcement in WB6, lack of highly skilled workforce and the technology and innovation trends. The existing trade-infrastructure and connectivity obstacles remain key factors in determining the costs of sourcing from and supplying to European markets.

The Connectivity Agenda with its investments in hard and soft measures and the economic reform plans engaged under the Berlin process, can play a vital role in tackling those challenges and bringing WB6 business closer with their EU peers. To achieve this, the economic policy in the WB6, and especially the design of industrial policy, should create an enabling environment for EU companies to identify suitable local firms and establish long-term relations with them. This support may take the form of public aid covering the “sunk costs” that an EU company incurs when exploring and investing in a potential WB6 value chains.

WB6 governments can support the participation of SMEs in EVCs by encouraging the development of linkages with EU-based companies, fostering their production capacity and ability to innovate, and facilitating the adoption of EU standards. WB6 local firms must be exposed to and supported to go beyond market-bound contracts and establish long-term relationship with their EU partners. This kind of business behaviour change is very difficult especially for local SME - or even micro enterprises - that need to adopt modern management and contracting rules. WB6 SMEs should be encouraged to invest in their workforce development in line with technical skills needed to make use of latest production technologies. This will allow them to set and implement new regulatory frameworks that would standardize quality of production in full compliance with EU requirements.

WB6 countries should no longer compete on low cost labor-intensive processes only, but look ahead and further develop to supply ready-made final products under own in-house brand or manufacture for other private labels. They should increase the reciprocity in their trade flows with the EU moving up the value chain. This will also impact directly the level of income, and finally the support and commitment of local communities and citizen in the WB6.⁵⁶

Many of those challenges can be tackled through Western Balkans Enterprise Development and Innovation Facility⁵⁷ (WB EDIF). WB EDIF offers different EU financial instruments - IPA or bilateral - promoting the scoping, presentation, establishment of contracts, technical assistance, and follow up of business partnerships. To support the local production, Vienna Summit conclusions already pinpoint a number of potential instruments, such as special economic zones, cross-border economic zones, export processing zones, industrial parks, etc., in addition to the prospective instruments related to the policy areas of transport, energy, trade, ICT, industry, access to finance and mobility of professionals. It is high time that industrial policy takes its place also in the WB6 ERP.

⁵⁵ European Commission, “*Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of Regions on the Implementation of EU macro-regional strategies*”, SWD(2016) 443 final, COM(2016) 805 final, December 2016, available at: http://ec.europa.eu/regional_policy/sources/cooperate/macro_region_strategy/pdf/report_implement_macro_region_strategy_en.pdf

⁵⁶ For a comprehensive analysis of business interconnections through value chains, see “*Interconnected economies: Benefiting from global value chains*”, Synthesis report, OECD, 2013.

⁵⁷ For more information on Western Balkans Enterprise Development and Innovation Facility, please see: <http://www.wbedif.eu/about-wb-edif/>

Chapter IV. ALBANIA IN THE BERLIN PROCESS: CONNECTING AND REFORMING

So far, in the framework of the Berlin process, Albania has received the approval for two investment projects (table 6), as well as for the Feasibility Study of the Adriatic-Ionian highway. In December 2016, the new project of Tirana-Durrës Railway (rehabilitation of 34.5 km of railway track), and the construction of a new railway link with Rinas airport (7.4 km of new railway track), was approved as well. This project is part of the Core Network Corridors of the Trans-European Transport Network (TEN-T) and SEETO's core network. The work is expected to start in mid-2017 and it is estimated that approximately 1,375 new jobs will be created during construction as well as operation and maintenance periods.⁵⁸

Table 6: Albania's connectivity projects: 2015 package

| Sector | Energy | Transport |
|------------------------------------|--|--|
| Reference | WBIF CF 1001 ALB ENE | WB-IG01-ALB-TRA-01 |
| Description/Title | Albania–FYR Macedonia Power Interconnection (I): Grid Section in Albania | Mediterranean Corridor: Montenegro - Albania - Greece Rail Interconnection |
| IFI | KfW | EBRD |
| Estimated Cost € million | 70 | 81.5 |
| EU Grant € million | 14 | 35.4 |
| Estimated loan | 50 | 32.9 |
| Own contribution | 5 | 13.2 |
| Other grants | 1 | - |
| Estimated Start Date | Early 2018 | Mid-2017 |
| Estimated End Date | June 2020 | End 2019 |
| Estimated Loan Repayment Period | 11 years | 15 years |

Source: European Commission website and authors' research

IV.1 Progress in structural reforms

In order to increase its economic performance and competitiveness, Albania needs to continue its profound structural reforms, and address the weaknesses in public finance management. Its public debt volume remains quite high and is associated with "significant rollover and exchange rate risks"⁵⁹, further reducing country's limited fiscal space for infrastructure investments. Furthermore, beyond 2016, plans for fiscal consolidation rely on spending restraint, impacting directly the amount of Mid Term Budget Planning (MTBP) available for the execution of National Single Project Pipeline (NSPP).

Acknowledging the situation, the Commission recommended the Albanian government to:⁶⁰ (i) complement fiscal consolidation with profound structural reforms; (ii) improve the institutional and regulatory barriers affecting both business environment and foreign trade; (iii) simplify the customs procedures; increase the exported products' diversification; (iv) improve the matching

⁵⁸ European Commission, "Connectivity Agenda 2016", *op.cit.*, pp. 13-14.

⁵⁹ European Commission, "2016 Economic Reform Programmes of Albania, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Bosnia and Herzegovina, and Kosovo*", *op.cit.*, p. 10.

⁶⁰ *Ibid.*

of skills demand and supply in the labour market; and,(v) strengthening of the rule of law and fight against corruption⁶¹.

IV.2. Albania Single Project Pipeline: December 2016

Berlin process investments in the core transport network and energy sector are prioritized through the mechanism of the single project pipeline. In December 2016, the National Single Project Pipeline⁶² was composed by 112 project fiches. Reflecting Paris summit developments, it included digital connectivity and business related infrastructure as well. NSPP 2016 did manage to decrease the financing gap from 93% to 69%. The number of lead institutions extended to seven ministries. The methodology has included the criteria of "alignment of Strategic Relevance Score" to better fit with national priorities. 2016 NSPP has gone through four phases, as shown below:⁶³

| PHASE I | |
|------------|---|
| Timing | April 2016 |
| Objective | Identification of the list of relevant projects in the Sector Single Project Pipeline |
| Activities | Four workshops 10 Sector Strategic Management Groups set up by Order of relevant Minister Updated list of relevant projects |
| Result | List of 153 projects |

| PHASE II | |
|------------|--|
| Timing | August 2016 |
| Objective | Preparation of Project Identification Forms (PIF) |
| Activities | Preparation of 132 PIFs 20 meetings for the review and quality improvement of PIFs Check and verification of the quality |
| Result | 132 PIFs |

| PHASE III | |
|------------|--|
| Timing | October 2016 |
| Objective | Strategic Relevance Assessment (SRA) |
| Activities | Finalisation of SRA Development of Technical Evaluation Tool Four consultation with development partners |
| Result | List of 119 projects |

| PHASE IV | |
|------------|---|
| Timing | November onwards 2016 |
| Objective | Classification and prioritisation of relevant projects in the NSPP |
| Activities | Meeting of Budget Management Group Consultation with Donor Technical Secretariat Approval from NIC / Strategic Planning Committee ⁶⁵ |
| Result | 112 prioritized projects |

⁶¹ In the CDI and KAS Roundtable "Albania Progress in the Connectivity agenda: Transport and Energy", Tirana, 28.06.2016, Mr. Hans-Joachim Falenski, Adviser of CDU Parliamentary Group in Bundestag, mentioned the need for the Albanian government to successfully fulfil also the criteria of reform in public administration, human rights, justice reform, fight against corruption, fight against organised crime, electoral reform and de-criminalisation.

⁶² For a schematic explanation of the set up and functioning of the Albanian NSPP, please see: A. Hackaj, G. Madhi & K. Hackaj, *op.cit.*

⁶³ Information provided by Prime Minister's Office, Department of Development, Financing and Foreign Aid, Development and Strategic Planning Unit, December 2016. Data may change, also considering that the National Investment Committee has to meet and officially approve the list.

⁶⁵ It is chaired by the Prime Minister's Office.

In December 2016, the 112 prioritized projects are distributed amongst the sectors as below:

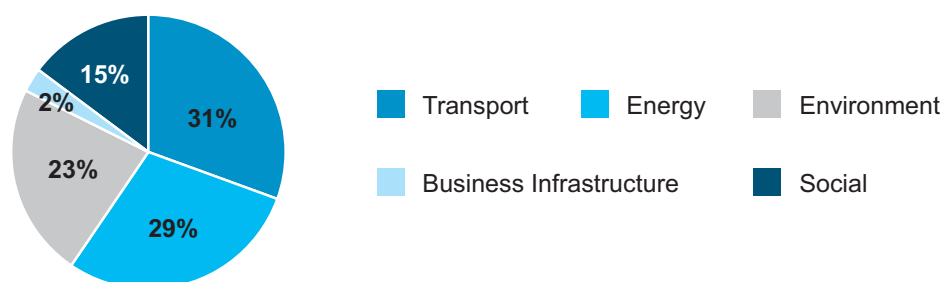


Figure 3: Number of projects of NSPP

The total financing need of those 112 NSPP is EUR 6.27 billion. The financing structure is still overwhelmingly suffering from the (though already reduced) financing gap, and currently composed as indicated below:

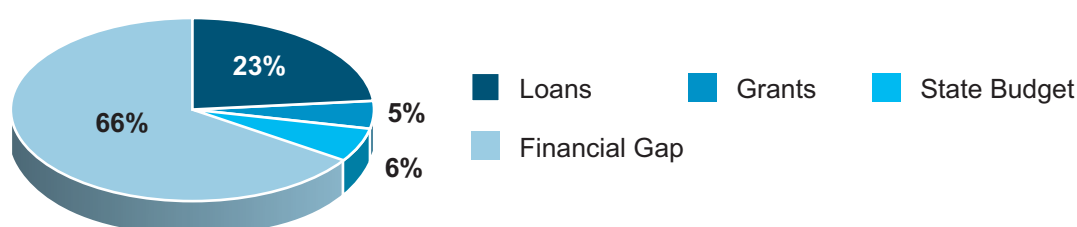


Figure 4: Financing structure of NSPP

76 out of 112 projects have a regional relevance and have been assessed as coherent to the relevant regional strategic priorities of the respective sectors.

IV.3. The to-do list of Albanian government

Regarding the reform measures, in the ERP 2016-2018, Albania engages to implement the following priorities in the energy and transport sector:

Reform Measure 1 deals with further liberalization of the energy market. It consists in drafting and adoption of bylaws in accordance with the provisions arising from the law on power sector and the law on gas sector. The government has committed to fully implement the Energy Community Treaty and the soft measures adopted under the Berlin process, and to liberalise the energy market as well as to introduce gas to the energy mix;

Reform Measure 2 aims the diversification of energy sources (gasification) and consists in: a) Drafting and adoption of the Gas Master Plan for Albania and Project Identification Plan; and, b) Implementation of “Capacity building project for Large Gas Infrastructure Developments in Albania with the Private Sector” (Grant from Swiss Government of EUR 6.6 million);

Reform Measure 3 regards the feasibility study for construction and upgrade of the Adriatic-Ionian Corridor. Consist in: a) Preparing an investment plan for the portion of SEETO Road Route 2 in Albania that optimises economic returns; and, b) Undertaking environmental and social analysis of the route investment plan third quarter 2016.

Regarding investment in infrastructure, Albanian government acknowledges the need for large-scale efforts to modernize the transmission network and diversify the energy supply. In the transport sector, the onus is on the completion of existing big infrastructure projects (Adriatic-Ionian Corridor and Port of Durrës), and the preparation of the future ones with analysis and quantified assessment on their final impact on competitiveness.

Regarding digital connectivity - with a broadband penetration rate extremely low at a mere 8%⁶⁶ - the reform on the adoption of the new law to reduce the cost of broadband infrastructure must be completed. EUR 116 million are planned in 2017-2018 for the roll-out of the broadband network, but without detailed information on various costs. Further steps should be made for a duly inclusion of the digital service infrastructure in the Berlin agenda of Albania as well as on technology transfer and diffusion among the enterprises, so as to strengthen efficiency of the technological processes and of innovation.

In December 2016, the Ministry for Economic Development, Trade, Tourism and Entrepreneurship in charge for the coordination of the ERP, has been leading the consultation process for the ERP 2017-2019.

IV.4. Promoting Albanian business connectivity: Value chains in garment and footwear

As mentioned above, value chains are dynamic market-driven systems that rely on collaboration and relationships by linking companies in certain sectors through the value-creation process. Embedment in a value chain also creates overall improvements in the enterprise through employment generation, innovation, and reduction in production losses,⁶⁷ mostly by upgrading product quality standards.

The industrial sector in Albania accounts for around 14% of GDP. It is expected to grow by 2%, 3% and 4.9% respectively for 2016, 2017 and 2018.⁶⁸ The country has a comparative advantage in the sectors of metal industry, textile, apparel, agro-food, mining, tourism and energy.⁶⁹ Currently industrial exports are driven by SMEs and consist mainly of raw materials and textiles/footwear. Those are sectors with low added value production cycle and very dependent on variations of on the global markets and geo-political situation. Moving into higher value-added activities and better integration into global supply chains would help boost productivity and create more and better jobs. Incentives for Albanian exporting companies and support of their networking with their WB6 and EU pairs are being developed by the Albanian Government.⁷⁰

In the framework of the Berlin process, Albanian SMEs can use the connectivity concept and the connectivity infrastructure to create a platform for cooperation and long term business relations with their EU pairs. This is particularly relevant for SMEs with potential and interest on EU value chain development, and with exporting ambitions.

Albanian Garment and Footwear (G&F) companies have been sourced for the Western markets, producing high-end clothing with advanced machinery and skilled workforce, in flexible orders, with full package or on demand production. Since 20 years, Albania has developed into a reliable producer of mid-range products suitable for the Western market, eager to innovate and invest in clean technology, workforce training and machinery. They have been producing for Italian luxury labels, with most garments finished in Italy and sold as 'Made in Italy' due to the non-preferential rules of origin. Country's comparative advantage for the Italian (and EU) value chain in garment and footwear (G&F) lays on the latest developments regarding the re-shoring production facilities, and on its dependence on social and political stability.

⁶⁶ Economic Reform Program 2016-2018, July 2016.

⁶⁷ European Bank for Reconstruction and Development, "*Sustainable agribusiness value chains*", available at: <http://www.ebrd.com/what-we-do/sectors-and-topics/agribusiness-value-chains.html>

⁶⁸ Ibid.

⁶⁹ OECD, Next Generation Competitiveness Initiative (NGCI).

⁷⁰ Declaration of Mrs. Milva Ekonomi, Albanian Minister for Economic Development, Trade, Tourism and Entrepreneurship at the roundtable organized by CDI and KAS "Albania's progress in the connectivity agenda: Transport and Energy Sector" in Tirana on June 28, 2016.



Today, the country offers good opportunities for re-shoring.⁷¹ It has a competitive workforce (multilingual with very good knowledge of Italian language; median age is 33 years old; 80% earns 144 euros / month; while 88% is paid on a piece-rate basis)⁷². The signature of the Stabilization and Association Agreement gives Albania free access to EU markets.

They are eager to climb the apparel value ladder and move the production processes towards full cycle production, aiming to create their own in-house brands. Given the short lead times (3-4 weeks allowing for just-in-time delivery to EU markets starting at small orders), the flexible production, its specialization in finished and semi-finished products, the sustainable production with overstock, Albania is an interesting sourcing destination for: (i) Buyer garment companies for whom produces corporate wear, workwear, outerwear, underwear, high quality men's and women shirts, and middle-high segment men and women's wear; and; (ii) Buyer footwear profile of all kinds of shoe production (from fashion up to safety boots). Lately several front running companies have upgraded their production processes to full cycle production.

This example could be followed by studies or roadmaps prepared by other national or international expert missions for development of national value chains in other sectors where Albania has comparative advantages.

Table 7: Contribution of garment and footwear sector to Albania's economy⁷³

| | |
|---|------------------------|
| Total no. of enterprises (garment and footwear) | 498 |
| Total no. of employees (G&F) | 110,000 |
| Total annual to G&F | EUR 500 million |
| Textile and footwear export contribution | 41% |
| Main markets | Italy, Greece, Germany |

In this context, Albania could start by developing a good and clearly structured national strategy for development of selected value chains. A good starting point can be the sector of textiles, apparel and footwear. Recommendations from an EVC experts' mission provide a clear view and roadmap on potential opportunities for developing own value chains in this sector⁷⁴ supported by a targeted industrial policy.

⁷¹ According to OECD NGCI, the motives for production relocation in WB6 are: Labour costs: 72%; Vicinity to customers: 27%; Transportation costs: 13%; Vicinity of offshored: 12%.

⁷² Ibid.

⁷³ AIDA, "CSR Roadmap Albania: A guide through Albania's garment and footwear industry", March 2016, available at: https://www.rvo.nl/sites/default/files/2016/05/CSR%20Roadmap%20Albanie_0.pdf

⁷⁴ Ibid.

Chapter V. SYNERGY WITH OTHER REGIONAL PLATFORMS

At the Vienna Summit 2015, the WB6 leaders pledged to make an efficient use of all relevant regional initiatives, so as to fully exploit their synergy and potential.⁷⁵ Apart from the usual follow-up ministerial meetings, during the last year there have been exploited several existing mechanisms and *fora* with the purpose of ensuring higher coherence, synchronising the respective agendas, and maintain the established dynamics in selected sectors. This process has allowed WB6 countries to advance in the EU pathway by means of 'flexible integration'⁷⁶ where each country follows its own development pace.⁷⁷

Table 8: List of key follow-up meetings 2015-2016 in the framework of the Berlin process

| Date | Level of Meeting | Framework | Sector | Participants |
|-------------|--|-----------------|--|---|
| 27 Aug 2015 | Vienna Summit | Berlin process | Foreign Affairs; Economy & Trade; Transport & Energy | - WB6 Prime Ministers & Ministers of e Economy, Energy and Transport; - Representatives of Germany, Austria, France, Italy, Croatia and Slovenia; - Representatives of EU, IFI, RCC, CEFTA, SEETO, Energy Community Secretariat; - Civil Society |
| 8 Oct 2015 | High Level Conference on the Eastern Mediterranean - Western Balkans route | European Union | Home Affairs; Foreign Affairs | - EU Ministers for Home Affairs and Foreign Affairs; - Western Balkans counterparts; - Turkey, Lebanon, Jordan, Switzerland, Norway, Liechtenstein and Iceland counterparts; - Representatives of UBHCR, IOM, WFP, Frontex and European Asylum Support Office. |
| 25 Oct 2015 | Leaders meeting on the Western Balkans migration route | European Union | Home Affairs; Foreign Affairs | - Heads of State or Government of Albania, Austria, Bulgaria, Croatia, Macedonia, Germany, Greece, Hungary, Romania, Serbia and Slovenia; - President of the European Council, the Luxembourg Presidency of the Council of the EU, the future Dutch Presidency of the Council of the EU; - UNHCR, Frontex and European Asylum Support Office. |
| 22 Feb 2016 | Western Balkans Investment Summit | EBRD initiative | Economy & Trade | - WB6 Prime Ministers & Ministers of e Economy, Energy and Transport; - UK Minister of State for Trade and Investment; - Representatives of EBRD & World Bank; - Business Entrepreneurs. |
| 1 Mar 2016 | Western Balkans 6 meeting in Brussels | Berlin process | Transport & Energy | - WB6 Ministers of Transport and Energy; - Commissioner for European Neighbourhood Policy and Enlargement Negotiations. |

⁷⁵ Final Declaration by the Chair of the Vienna Western Balkans Summit, 27.08.2015, point 7

⁷⁶ For a more information on 'flexible integration' concept, please see: Perit Bokka, "Flexible integration in the European Union: Effects on enlargement", RGLS Working Papers, no. 5, Riga, 2002, available at: <http://www.rgsl.edu.lv/images/stories/publications/RWP5Bokka.pdf>

⁷⁷ Ahead of the meeting of 25 June 2016 immediately after the BREXIT referendum, Germany and France were reportedly planning to present joint reform proposals at the summit, including a strategic draft on a "flexible union." The new system would give more leeway to individual members to decide on their degree of integration. See at: <http://www.dw.com/en/founding-eu-members-talk-brexite-in-berlin/a-19356401>

| | | | | |
|-----------------------|---|---------------------------------------|--|--|
| 30-31 Mar 2016 | Western Balkans 6 Ministerial in Durrës | Berlin process | Foreign Affairs | <ul style="list-style-type: none"> - WB6 Ministers of Foreign Affairs; - Commissioner for European Neighbourhood Policy and Enlargement Negotiations; - Czech Minister of Foreign Affairs; - French Secretary of State; - Italian Undersecretary for Foreign Affairs; - RCC Secretary General. |
| 18-19 May 2016 | Business conference: Connectivity for Commerce & Investment | OSCE initiative | Economy & Trade | <ul style="list-style-type: none"> - Ministers, Ambassadors and High level official from OSCE countries; - OSCE Parliamentary Assembly; - Business community; - Academia, IOs, NGOs, etc. |
| 24 May 2016 | Ministerial Conference in Paris | Berlin process & Brdo-Brijuni Process | Foreign Affairs | <ul style="list-style-type: none"> - WB6 Ministers of Foreign Affairs; - Commissioner for European Neighbourhood Policy and Enlargement Negotiations; - European External Action Service; - French Minister of Foreign Affairs and Minister of State for European Affairs; - German Minister of State for Europe. |
| 4 Jul 2016 | Paris Summit | Berlin process | Foreign Affairs; Economy & Trade; Transport & Energy | <ul style="list-style-type: none"> - WB6 Prime Ministers and Ministers of e Economy, Energy and Transport; - Representatives of Germany, Austria, France, Italy, Croatia and Slovenia; - Representatives of EU, IFI, RCC, CEFTA, SEETO, Energy Community Secretariat; - Business Community; - Civil Society. |

Source: Authors' own elaboration based on data from official on-line sources of the participating institutions

Table 7 gives an overview of the key events where the head of governments and/or ministers have had the opportunity to discuss in details important issues related to economic growth, infrastructure development and security in view of the strengthening and deepening of WB6's relations. Of particular importance remain the active involvement of EBRD; the combination of Berlin Agenda topics with OSCE's activities⁷⁸; and, the pairing of the Brdo-Brijuni Process to the Berlin process. These political, technical and/or financial platforms of communication have provided for in-depth formal and informal discussions between the representatives of WB6, EU, International Financial Institutions (IFIs) and other regional stakeholders, allowing for ample circulating of information and eventually synergies.

V.1. EBRD: Western Balkans Investment Summits and Regional Investment Vehicles

The European Bank for Reconstruction and Development is a key player in the improvement of the business environment, promotion of region's business opportunities and cross-border trade in the Western Balkans. Through the application of a targeted approach on the beneficiary country's needs and priorities, EBRD has been active in all sectors of the economy in WB6. In this angle, of particular relevance is the EBRD program on supporting local small and medium enterprises - seen as the backbone of region's economy along with its provision of a considerable share of employment.⁷⁹

⁷⁸ Government of Montenegro, "PM Đukanovic hosts EBRD Board Directors: Objectives of EBRD and Berlin Process are convergent", 30.06.2016, available at: <http://www.gov.me/en/News/162641/PM-djukanovic-hosts-EBRD-Board-Directors-Objectives-of-EBRD-and-Berlin-Process-are-convergent.html>. PM Đukanović also stressed the coincidence of EBRD strategy objectives for Montenegro, as well as goals of the Berlin Process which provides infrastructure and traffic linking of the region as precondition for their full integration into the EU. He also suggested more intensive involvement of the EBRD in strengthening integration within the region by supporting key infrastructure projects such as the Adriatic-Ionic traffic corridor.

⁷⁹ For more information, please see: <http://www.ebrd.com/news/2014/eif,-ebrd,-european-commission-and-deg-step-up-sme-support-in-the-western-balkans.html>

The EBRD organised *Western Balkans Investment Summits* following an inclusive format with the Prime Ministers of WB6 (and Croatia), representatives of the European Commission, World Bank and business entrepreneurs. The forum is composed of a prime ministers' panel (using the Gymnich formula⁸⁰), followed by three thematic sessions with the respective portfolio ministers.

The 2014 February forum launched the "Western Balkans Six" process at the level of Prime Ministers, and its format was replicated at the Berlin Conference on the Western Balkans in August 2014.⁸¹ It aimed at sending "a strong political message of the newly achieved stability and maturity of the region"⁸², – since one hundred years after World War I, 2014 "was the first [year] to start in peace among all [WB6 countries]"⁸³ – and increasing the attractiveness of the Western Balkans as an investment destination.

Since February 2014, EBRD has organized two bi-annual investment forums on the Western Balkans, aiming at highlighting the countries' business potentials, attracting foreign investors and creating *regional investment vehicles* (RIV) amongst the WB6 countries.⁸⁴ RIVs refer to the development of transport corridors and energy links, considered fundamental for the economic development and prosperity of the WB6. Moreover, RIVs will incentivize trade free flow, raise competitiveness and opportunities for export growth. As such, EBRD can be considered as one of the initial contributors of the Berlin process.

The 2016 EBRD summit focused on the expansion of TEN-T network and regional integration, the development of a sustainable regional energy market and the privatization agenda. This move provided for a synchronisation with the Berlin Agenda. Furthermore, under the financial support of EBRD, the SEE Link initiative was made fully operative⁸⁵.

Overall, EBRD's involvement in the region aims to connect the WB6 national markets efficiently, create a simple and reliable investment framework, and foster openness and transnational sense of *Europeanness*.⁸⁶

V.2. OSCE: Connectivity is not a zero-sum game

The Organization for Security and Cooperation in Europe (OSCE) focuses on a wide range of security-related concerns in its 57 participating countries. Although OSCE has never been directly engaged in the Berlin process, since 2015 there has been a convergence among OSCE's Chairmanship priorities and the Berlin Agenda topics. In January 2015, in line with some of the priorities of the Berlin Agenda, Serbia Chairmanship agenda focused particularly

⁸⁰ "Gymnich formula" foresees informal meetings where the participants engage in free and in-depth discussion on a limited number of subjects, but they do not draw up any formal conclusions.

⁸¹ European Bank for Reconstruction and Development, "We have led the way in the Western Balkans", EBRD President's speech to the Western Balkans Investment Summit, EBRD Press Office, 22.02.2016, available at: <http://www.ebrd.com/news/2016/we-have-led-the-way-on-investment-in-the-western-balkans.html>

⁸² European Bank for Reconstruction and Development, "Speech transcript: Sir Suma Chakrabarti at the Investing in the Western Balkans forum at the London HQ", Investing in the Western Balkans, 24.02.2014, available at: <http://www.ebrd.com/news/2014/speech-transcript-sir-suma-chakrabarti-at-the-investing-in-the-western-balkans-forum-at-the-london-hq-on-24-february-2014.html>

⁸³ Prime Minister's Office, "EBRD, Rama: Government, partner to all who do business in Albania", Speech, 24.04.2014, available at: <http://www.kryeministria.al/en/newsroom/speeches/ebrd-rama-government-partner-to-all-who-do-business-in-albania1393269367&page=17>

⁸⁴ EBRD, "Speech transcript: Sir Suma Chakrabarti at the Investing in the Western Balkans forum at the London HQ", Investing in the Western Balkans, 24.02.2014, available at: <http://www.ebrd.com/news/2014/speech-transcript-sir-suma-chakrabarti-at-the-investing-in-the-western-balkans-forum-at-the-london-hq-on-24-february-2014.html>

⁸⁵ SEE Link aims to create a regional infrastructure for trading securities listed on stock exchanges of Bulgaria, Croatia and Macedonia. Additionally, Slovenia and Serbia confirmed their intention to join the initiative, so as to enhance regional integration of capital markets. SEE Link will contribute to increase fund-raising through capital markets

⁸⁶ Nikolay Nikolov, "Determined and United in the Western Balkans", *Balkanist*, 25.02.2014, available at: <http://balkanist.net/determined-and-united-in-the-western-balkans/>

in intensifying regional cooperation and furthering reconciliation in the Western Balkans, along with strengthening the role of youth in the decision-making process. A particular attention was devolved to the refugee crisis, as the annual chairmanship coincided with the outburst of the Balkan migration route. OSCE participating countries agreed at the Vienna Summit to make a full use of OSCE's potential with a view to achieving the Berlin process' goals.

In 2016 the chairmanship passed to Germany, which aimed at fostering dialogue and restoring trust, and enhancing long-term security in Europe. As initiator of the Berlin process in 2014, among others, Germany prioritized in its annual OSCE agenda: (i) promotion of 'sustainable connectivity'; and, (ii) strengthening transnational exchange between societies.

With the concept of '*sustainable connectivity*' the German Chairmanship aimed to create an impetus for greater economic exchanges and investments, removal of trade barriers and enhancement of cross-border networks within the OSCE area. In this framework, was held the conference on "*Connectivity for Commerce and Investment*", which brought together - for the first time in the OSCE context - representatives of OSCE participating countries, EU, International Financial Institutions, business entrepreneurs and academia. In the words of the German Minister of Foreign Affairs, Frank-Walter Steinmeier, "*connectivity is not a zero-sum game*", and a perfect example "*can be seen in the Western Balkans, where the countries have agreed on an outright "connectivity agenda" since the first Western Balkans conference in Berlin two years ago*".⁸⁷

Taking advantage of the new institutional momentum, the German government launched the concept of '*economic connectivity*', which targets the creation of "*stronger and better physical and virtual links*" in the region, implying both digital and physical infrastructure connectivity.⁸⁸ While *physical connectivity* can be achieved through means of improving transport and energy infrastructure in the OSCE region and with the EU, *digital connectivity* relies on the creation of a single digital space. The investments in these two dimensions should go in parallel and they should be intrinsically interconnected, so as to promote "*widespread private activities, especially concerning the Small and Medium Sized Industries*"⁸⁹.

Regarding the *transnational exchange between societies*, the German Chairmanship put a strong emphasis on actively promoting civil society connectivity as well as fostering youth exchange and youngsters' participation in the decision-making process. Recognizing the potential of the youth to become actors of change in the respective societies, the focus of the activities was brought on renewing dialogue, rebuilding trust and restoring security in the OSCE area.

Overall, during the last two years, the countries holding OSCE chairmanship have succeeded in promoting WB6 reconciliation process and furthering some of the priorities of the Berlin Agenda. As OSCE Chairmanship will be held by Austria and Italy in the next two years, it is expected that the Berlin process momentum will continue to be kept alive.

⁸⁷ Federal Foreign Office, "*Speech by Foreign Minister Frank-Walter Steinmeier at the opening of the business conference organized by the German OSCE Chairmanship 'Connectivity for Commerce and Investments'*", Speeches, 18.05.2016, available at: https://www.auswaertiges-amt.de/EN/Infoservice/Presse/Reden/2016/160518_Connectivity.html

⁸⁸ Ibid.

⁸⁹ Hannes Swoboda, "*Peace, stability and confidence through economic connectivity – The case of the Western Balkans*", Contribution to OSCE conference on 'Connectivity for Commerce and Investments', 18-19.05.2016, available at: <http://hannes-swoboda.at/news/peace-stability-and-confidence-through-economic-connectivity-the-case-of-the-western-balkan>

V.3. Brdo-Brijuni Process: Sustaining high level political dialogue

The Brdo-Brijuni Process (BBP) was launched in July 2013 when Croatia joined the EU. It is a joint political initiative of the former Slovenian President Borut Pahor and his Croatian counterpart Ivo Josipovic, supported by the French President Office. It aims to contribute to the stabilisation of South East Europe through regional cooperation and consensual resolution of outstanding bilateral disputes, which happen to be – amongst other - very important contact points with the Berlin process agenda.

BBP is based on high-level political dialogue and sees the participation of the presidents of eight South East Europe countries (Slovenia, Croatia and the Western Balkans Six), along with the attendance of an honorary guest from a leading EU member state. The format of the annual summit prioritizes the shared regional approach between the participating states.

Table 9 gives an overview of the annual summits held in the framework of BBP. Due to the massive influx of refugees in the Western Balkans during summer-autumn 2015, a second extraordinary summit was held in Zagreb in November, which was attended also by the Vice President of the United States and the President of the European Council.

Table 9: List of Brdo-Brijuni Summits

| Date | Summit venue | Invited guest |
|---------------|----------------------------------|---|
| 25.07.2013 | Brdo Pri Kranju, Slovenia | Francois Hollande, President of France |
| 15.07.2014 | Dubrovnik, Croatia | Angela Merkel, Chancellor of Germany |
| 08.06.2015 | Budva, Montenegro | Heinz Fischer, President of Austria |
| 25.11.2015 | Zagreb, Croatia* | Joe Biden, Vice President of USA Donald Tusk, President of the European Council Heinz Fischer, President of Austria |
| 28-29.05.2016 | Sarajevo, Bosnia and Herzegovina | Sergio Mattarella, President of Italy |

Source: Authors' own elaboration based on data from official on-line sources of the participating institutions.

*Extraordinary Summit

The extraordinary summit of November 2015 served to reassure the Western Balkan countries that they would not be left alone facing the unprecedented challenge to the security and stability of the European continent. US Vice President Joe Biden's presence aimed at underlining US interest and support to the region. President of EU Council Donald Tusk reiterated EU's support for a regular dialogue on security at the operational level with US and the countries of South East Europe.⁹⁰ *"The Western Balkans remain a key region"* and the global challenges - i.e. migration and terrorism - *"can only be solved through common efforts"*.⁹¹ In the joint conclusions the leaders declared that the WB6's commitment to EU enlargement process needs new energy and it *"has to be considered as not just a technical exercise, but a paramount political process"*.⁹²

With the launch of the Berlin process in 2014, the Brdo-Brijuni annual summit is held some weeks in advance, so as to ensure an increased coherence and consistency between the

⁹⁰ European Council, *"Remarks by President Donald Tusk after the Brdo-Brijuni Process summit in Zagreb"*, Zagreb, 25.11.2015, available at: <http://www.consilium.europa.eu/en/press/press-releases/2015/11/25-tusk-remarks-brdo-brijuni-process-zagreb/>

⁹¹ Ibid.

⁹² Conclusions of the Extraordinary Summit of the Brdo-Brijuni Process, *"A common strategic vision of Europe whole, free and at peace"*, Zagreb, 25.11.2015, available at: [http://www.up-rs.si/up-rs/uprs.nsf/cc1b0c2e0c8f0e70c1257aef00442bbd/fdc5daaecc53aa1c1257f0a00284b8b/\\$FILE/Brdo%20Brijuni%20Summit.pdf](http://www.up-rs.si/up-rs/uprs.nsf/cc1b0c2e0c8f0e70c1257aef00442bbd/fdc5daaecc53aa1c1257f0a00284b8b/$FILE/Brdo%20Brijuni%20Summit.pdf)

respective agendas. In the last two years, the BBP has issued final conclusions containing a set of recommendations for the upcoming Berlin process annual summit. The final declaration of the Paris Summit officialised the already-established synergy between these two political initiatives, by recognizing its contribution and created dynamics in the improvement of cooperation and good neighbourly relations in the region.

In May 2016 the regular annual summit of the BBP was held in Sarajevo. It discussed the implementation of the conclusions adopted at the extraordinary summit, and on the responsibility of each country to “*create a stable political environment that is conducive to economic growth and overall progress of South East Europe*”⁹³. In view of the upcoming Berlin process Paris Summit, the South East European leaders recommended taking concrete actions for the resolution of outstanding bilateral issues through intensive dialogue and in accordance with international law.

Overall, the created synergies between the Brdo-Brijuni Process and the Berlin process contribute to achieve an all-inclusiveness at the highest political level in the WB6 countries, along with the consolidation of a coherent regional agenda.

CDI has identified 71 regional cooperation platforms and initiatives currently existing in the WB6. They cover mostly cooperation in economy, security, and environment. They all contribute - in one way or another – in fostering good neighbourly relations, regional cooperation and sustainable economic growth in WB6. However, their non-coordination increases the risk of confusion, loss of information, overlapping, and may induce those multilateral arrangements to lower efficiency.

Berlin process offers them an umbrella where they can exchange information, agree the agenda, avoid overlapping, better use available financial resources, etc. This umbrella offers the advantage of a modular cooperation platform fit to the needs as per sector of cooperation, strategic importance, geographic area and level of advancement of each country. By offering this *fit-to-purpose* overarching governance architecture and under the *sine qua non* commitment to the EU integration path, BP can contribute to their efficiency, impact and sustainability.

⁹³ Conclusions of the Brdo-Brijuni Process Leaders' Meeting Sarajevo, Bosnia and Herzegovina, 28-29.05.2016, available at: [http://www.up-rs.si/up-rs/uprs.nsf/cc1b0c2e0c8f0e70c1257aef00442bbd/757ac40282a4b87ec1257fc3002aeaf4/\\$FILE/THE%20CONCLUSIONS%20OF%20THE%20BRDO%20BRIJUNI%20PROCESS%20LEADERS'%20MEETING%20SARAJEVO%20BOSNIA%20AND%20HERZEGOVINA%20MAY%2029%202016.pdf](http://www.up-rs.si/up-rs/uprs.nsf/cc1b0c2e0c8f0e70c1257aef00442bbd/757ac40282a4b87ec1257fc3002aeaf4/$FILE/THE%20CONCLUSIONS%20OF%20THE%20BRDO%20BRIJUNI%20PROCESS%20LEADERS'%20MEETING%20SARAJEVO%20BOSNIA%20AND%20HERZEGOVINA%20MAY%2029%202016.pdf)

Chapter VI. CIVIL SOCIETY IN THE BERLIN PROCESS

"Regional cooperation shall also include the civil society level"⁹⁴ was stated in the Final Declaration by the Chair of the Conference on the Western Balkans, in Berlin, in August 2014. The clear mentioning of expectations from civil society opened the way for a more structured contribution of non-governmental sector. Furthermore, by emphasizing the role of an active civil society and of its constructive support in the further enhancement of the democracy in Western Balkans,⁹⁵ the German presidency gave to the local CSO contribution an institutional legitimacy. WB6 CSOs took this opportunity and started immediately to prepare their participation in the Vienna Summit.

Immediately after the Berlin declaration and under the strong support of the Austrian Presidency, civil society actors from the region got organised to bring their voice to the table of the politicians. CSOs from WB6 and from some EU member states used this opportunity to meet, coordinate, draft a coherent message and present it in the framework of the Western Balkans summits. CSOs have been present in the Vienna and Paris Summits, and have in-between regularly organised regional meetings or national activities focussed on the Berlin process dynamics.

The Berlin process has given a new impetus to the regional cooperation amongst WB6 civil society organisations, and to the interaction of civil society and decision makers. There have been initiatives, other than the structured participation of CSO in the WB Summits, either covering the Berlin process, or mentioning it as a very important regional initiative. They are mostly research papers or round tables. To our knowledge there has been only one sustained activity at national level in the form of CSO monitoring of BP engagements, "*Albania in the Berlin Process*"⁹⁶. In the regional level, the most important activity is CIFE cycle of round tables "*Post Paris, Post Brexit*" organised in Paris and then all over the WB6.⁹⁷

VI.1. Vienna affirmation (24-25 August 2015)

The consultation process between the civil society actors started before the end of 2014. Under the strong impulsion of Austrian Presidency, Friedrich Ebert Foundation and ERSTE Stiftung supported and organized a series of meetings all over the WB6 with local CSO representatives. The discussions were organized around the topics of "*Jobs & Prosperity*", under the lead of FES; "*Regional Cooperation*" under the lead of European Fund for the Balkans; and "*Freedom of Expression*", under the lead of the Balkan Investigative Reporting Network (BIRN). More than 120 civil society activists, members of think tanks and media met many times to prepare on these topics, in view of the preparations for the Civil Society Forum of the Western Balkans, which became a component of the agenda of the Western Balkans Summit Vienna 2015.

The results of the CSO regional workshops were further discussed in Vienna in 26 August 2015 in two workshops consisting of three breakout sessions and a plenary meeting. Specific attention

⁹⁴ Final Declaration by the Chair of the Conference on the Western Balkans, Berlin, 28 August 2014.

⁹⁵ A politically active civil society can also provide constructive support as regards the further strengthening of democratic communities in the countries of the Western Balkans, thus also bringing these states closer to the EU", *ibid.*

⁹⁶ CDI, in collaboration with FES, HSS and KAS started in 2015 the preparation of yearly conferences "*Albania in the Berlin Process*", held every October under the German October initiative. In between there have been sectorial monitoring activities on migration, youth cooperation and connectivity. More info can be found at www.cdinstitute.eu

⁹⁷ For more information, please see: <http://www.cife.eu>

was devolved to the issue of how civil society can continue and enhance its participation in the Berlin process as a key actor contributing to the policy- and decision-making processes.

The Civil Society Forum of Vienna started with an introductory statement by Sebastian Kurz, Austrian Minister of Foreign Affairs. Then, four statesmen from the Western Balkan Six countries (E. Rama, A. Vučić, I. Lukšić, and I. Crnadak) – together with the Commissioner Hahn and six representatives of WB6 civil society organizations debated for two hours.⁹⁸ More than 200 representatives of academia, civil society, culture, economy, media, and politics were invited to contribute to the main discussion.

The Vienna CSF was concluded with the issuing of key recommendations⁹⁹ from CSOs on the three topics: regional cooperation, freedom of expression and job creation. The representatives of WB6 civil society produced recommendations on the CSO role, contribution, need for support, and innovative and meaningful ways to be engaged in the European integration path of the Western Balkans. Regarding job creation, they also provided practical policy advice on a more balanced, inclusive and equitable growth in the region.

It is interesting to note that in Vienna under the topic of "creating jobs & prosperity", the CSOs brought forward the need for an economic policy which should be adapted to the industrial structure of the WB6, by insisting on the role of SMEs, the agriculture sector, the innovation and promoting the active participation of CSOs in the economic governance at local and regional level. Thus, they contributed in giving a voice also to the regional economic actors – mostly individual entrepreneurs, micro-enterprises and agriculture holdings¹⁰⁰ - that were not represented in the Vienna Business Summit.

VI.2. Novi Sad / Belgrade preparation (11-13 May 2016)

The Novi Sad / Belgrade CSOs forum was organized jointly by European Fund for the Balkans, FES and Erste Stiftung¹⁰¹ to allow for an efficient preparation of the Paris Summit. Over 100 participants from WB6 CSOs discussed over the civil society participation in national policy cycle and on realistic mechanisms for fostering the dialogue between civil society and WB6 governments, in the framework of the EU accession process. The key messages for the Paris Summit focused on youth cooperation, migration crisis, environment/climate change agenda and bilateral disputes¹⁰². Adapting to the Paris Agenda, the Novi Sad / Belgrade CSOs forum did not follow up with the three recommendations coming up from the Vienna CSOs Forum (i.e. regional cooperation, freedom of expression and job creation).

⁹⁸ The CSOs' representatives were A. Hackaj, Director of the public policy platform ShtetiWeb at the Cooperation and Development Institute, Albania; M. Bajramović, Coordinator of Plenum Zenica, Bosnia and Herzegovina; F. Spahiu, Director and Executive Producer of the Balkan Investigative Reporting Network and Internews Kosova; D. Kosturanova, Executive Director of the Youth Educational Forum, Macedonia; D. Milovac, Director of the Center for Investigations and Deputy Director of MANS, Montenegro; A. Simurdić, Secretary General of the European Movement, Local Council Novi Sad, Serbia.

⁹⁹ Recommendations of the Civil Society Organizations for Vienna Summit 2015, and other information available at: <http://www.erstestiftung.org/civil-society-forum/wbcfsf2015/>

¹⁰⁰ for illustration, 89% of business entities in Albania have one to four employees. These nano-enterprises and small farms in agriculture are not federated and so not represented in national and international fora.

¹⁰¹ Those three organisations, joined latter by European Alternatives, have been coordinating CSO forums since. Balkans in Europe Policy Advisory Group (BiEPAG) has been in charge of developing the content and drafting the final recommendations.

¹⁰² Civil Society Forum Belgrade of the Western Balkan Summit Series, "Conclusions & Recommendations", 11-13.05.2016, available at: http://www.erstestiftung.org/civil-society-forum/files/2016/07/Conclusions-and-Recommendations_CSFBelgrade-1.pdf

In the Belgrade session, the discussion was developed over two levels:

- contribution of CSOs to provide for citizens' participation - during the prioritization of social issues and on the building of human security - and engage with the citizens to reinvigorate the democratization process.
- acknowledging of CSOs role and importance in policy-making. WB6 CSOs drew lessons on their contribution in policy-making, by providing critical thinking and concrete policy expertise, as well as by creating constructive partnerships with governments. In this line, it was acknowledged the relevance of building stronger relations with politicians and governments in line with the widespread democratic standards.

By placing themselves between the citizen and the governments, the CSOs' representatives affirmed their role as a democratic vector, and de-facto asked for a "place at the table" in the Paris Summit. They demanded for "*greater [CSO] inclusion in the process, through their contribution as an equal partner to agenda-setting and the follow-up implementation of the agreed initiatives*".¹⁰³ The physical presence and support of MEP¹⁰⁴ increased its visibility and legitimacy.

VI.3. Paris consolidation (3-4 July 2016)

The Civil Society Forum in Paris brought together activists from the European Union countries and the Western Balkans civil society organizations in order to develop further the policy proposals prepared in Belgrade. To the four already identified policy areas (migration, climate change and green growth, bilateral disputes and youth cooperation), were added (again) the transversal issues of democratic governance, general role of civil society and the respect of fundamental rights.

The key proposals submitted to the Western Balkans Summit focused on:

- *Green growth*: support the implementation of the Western Balkans sustainability charter.
- *Youth cooperation*: inclusion of sub-national level in youth exchanges, dealing with past issues, regular evaluation by CSO, and full extension of Erasmus+.
- *Bilateral disputes*: increased role of civil society; inclusion of the states in the Western Balkans format; appointment of a special EU coordinator to deal with bilateral disputes.
- *Migration and democratic governance*: brought the need for bigger contribution of CSOs to manage the flows and to keep the democratic engagement of the WB6.

Unfortunately, the CSF was not an official part of the Summit agenda in Paris. The CSOs met separately, although the Austrian Foreign Minister, Sebastian Kurtz, and the French Minister of State, Harlem Desir, attended part of the forum. It needs also to be mentioned the presence in CSF forum and strong support of some MEP¹⁰⁵ and MP from WB6¹⁰⁶. Overall, the Paris episode served to consolidate the regional cooperation dynamics amongst the CSOs. However, compared to Vienna it constituted a setback from the point of view of CSO representation in the policy-making process.

VI.4. Skopje: A bridge between the citizen and policy-making (24-26 November 2016)

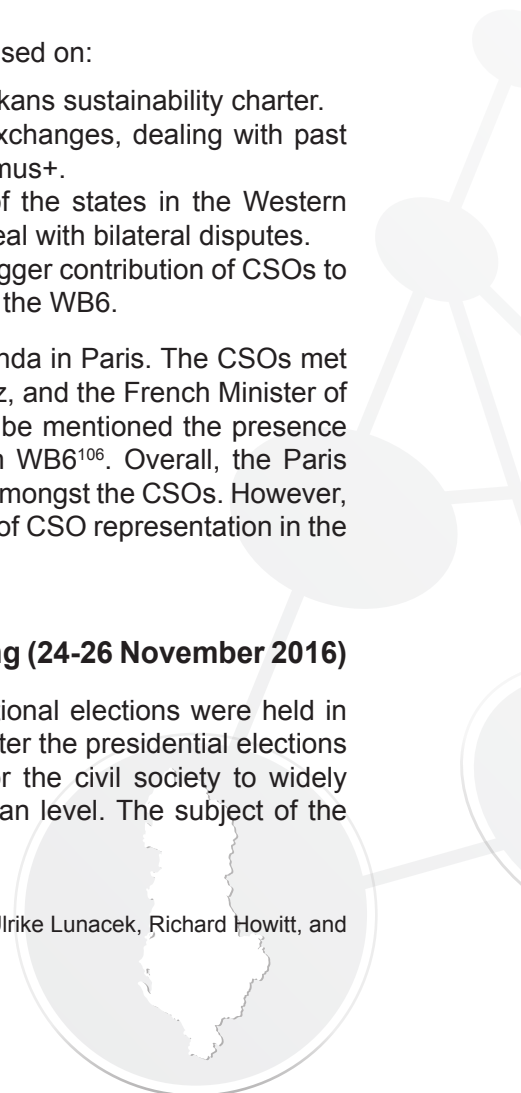
Skopje CSF was organised only a couple of days before the national elections were held in Macedonia. It was the first CSF after the Brexit referendum and after the presidential elections in the United States. These events brought up the necessity for the civil society to widely discuss on the future of democracy both at regional and European level. The subject of the

¹⁰³ Ibid.

¹⁰⁴ The MEP Ulrike Lunacek attended the Belgrade Civil Society Forum.

¹⁰⁵ The MEPs that attended the Civil Society Forum in Paris were: Tanja Fajon, Ulrike Lunacek, Richard Howitt, and Alojz Peterle.

¹⁰⁶ The Albanian MP Majlinda Bregu attended the Paris Civil Society Forum.



workshops was: “Reclaiming the Terms”; “Re-Engaging Civil Society”; “Reclaiming Democracy”; “Reclaiming Social Justice”; and, “Reclaiming Europe”, and they provided a very clear view of the context and on the content of the debates¹⁰⁷. The participation of MEP Knut Fleckenstein in the workshops underlined the attention paid by the European Parliament to the workings of the CSOs forum.

Participants agreed on the “*capture of the institutions by special interests*”, which has diminished the citizens’ trust in the democratic practices, on the rising of social inequalities and insufficient level of education on democratic values, and on the perceived weakening tendency of the feeling of togetherness and of a common European path in the Western Balkans region. Hence, it becomes important to reconfigure the civil society approach towards the EU integration process, and to enhance the communication between the European governments and the citizens in the Western Balkans. European citizens throughout the continent should be the real stakeholders - CSOs are an important vector of conveying their will.

The challenge for the CSO in the 21st century is to efficiently represent the citizen, by proving everyday their “worth” to them and also to the wider society. CSOs should interact, represent and work with simple citizen, business organizations, government structures, and other policy-making actors. This demands further specialization in strategic sectors, improved strategies of communication, higher commitment aimed at tackling their lack of credibility and concrete actions for ensuring their financial sustainability beyond project-based donor support lifeline. Instead of being focused exclusively on their particular missions, CSOs need to be open to building links of solidarity and equivalence with others CSOs, the state institutions, the media and the private sector. Tools such as self-organization, consultative arrangements and regional solidarity were identified as necessary to initiate, support and implement successful actions.

In Skopje, it was decided that the next CSF in Tirana will focus on policy-making. Its goal will be to prepare concrete recommendations for the Trieste Summit.

VI.5. Impacting national level: Monitoring government progress on Berlin engagements

Perceiving the concrete impact of the Berlin process at the national level, CDI decided to set up a process of monitoring the engagements of the Albanian government in the framework of the Western Balkan Agenda. An additional reason was the fact that, differently from Montenegro and Serbia that have opened the accession negotiations and where the respective civil society can directly contribute to country’s progress in structural reforms, in Albania this “official” opportunity does not exist yet. This monitoring initiative was supported by Friedrich Ebert Foundation, Konrad Adenauer Foundation and Hanns Seidel Foundation.

Since 2015, in Albania the CSO’s input at the national level, has taken the form of (i) *Research on the Berlin process and its focus areas, such as youth and migration*; (ii) *Monitoring reports on BP components, such as connectivity in transport and energy*; and, (iii) *Annual conferences “Albania in the Berlin process”* with representatives of BP participating countries, EC, private sector, decision makers, CSOs, academia, media, etc.

In the wider framework, recently it has been noticed an intensification of contacts between the Albanian CSOs and decision-makers from EU member states, being them in the legislative or executive branch. This direct communication has provided for new synergies and impact of the CSOs to directly contribute to the policy-making process. Some illustrative such contacts are: (i) the participation of the German delegation from the Committee on the Affairs of the European Union at the German Parliament headed by its Chairman, Mr. Krichbaum, in the round table

¹⁰⁷ For detailed information on CSO work, please see: <http://www.erstestiftung.org/civil-society-forum/>. The site contains a comprehensive *compte rendu* of CSO forums, which we have extensively used in the section VI.4.

organized by CDI on the "Albania's Progress in Connectivity Agenda: Transport & Energy", in June 2016 in Tirana; (ii) consultations held between the Delegation from the Committee of European Affairs of the French National Assembly headed by the Chairwoman, Ms. Danielle Auroi, with Albanian civil society representatives before the decision of the EU Council on the opening the Accession Negotiations, as of 10 October 2016; (iii) the debate with the German Minister of State for Europe, Mr. Michael Roth, with civil society representatives in Tirana, in 19 December 2016; (iv) the consultations of H.E. Michele Giacomelli, Special Envoy for the Western Balkans Summit, with CSO representatives in view of preparation of the forthcoming Summit of Trieste, etc.

In broad terms, WB6 CSOs have focused almost entirely their activities and intended impact on the WB6 regional and the EU level. The focus of efforts at the regional level have left under-served the national arena. More efforts are needed from CSOs to meaningfully contribute to the design, implementation or monitoring of the Berlin process activities at the regional or EU level,¹⁰⁸ unless one counts CSO contribution during RYCO proceeds. The highly technical process of identification, preparation, selection and financing of the connectivity projects – hard infrastructure or soft measures - has found most CSOs unprepared for a technical contribution at the service of decision-makers.

Nevertheless, some good examples of CSO contribution in WB6 reforming cycle and policy-making, do exist. First, BP has established a dynamic of cooperation between MEPs and WB6 CSOs. This is a very welcomed development that must be encouraged to be developed further. Second, the structured participation of some CSOs in highly specific EU negotiation chapters can be very well used in the framework of Berlin process. Transport, energy, migration, youth, free movement of goods, etc. are part of the EU negotiations chapters for Montenegro and Serbia, so advanced technical knowledge and CSOs' experience on those sectors already exist. This expertise and experience can be very well used to better prepare their contribution for the next Berlin Summits.

¹⁰⁸ Except for the case of Albania.



Chapter VII. REFLECTIONS ON THE ROAD TO TRIESTE

The first half of 2017 will be punctuated with very important and potentially ground shattering political events. President elect Trump will be confirmed on 20 January 2017, Dutch will have their elections in March, the French in April, and Italy is also gearing up for anticipated elections as well in spring 2017.

Moreover, external pressures will continue to impact the old continent. Even if the growth seems to return timidly, the continuing of financial crisis as translated by the on-going crisis of the banking sector, the persistence of Greek default scenario, the return of inflation eroding the purchasing power of households, the higher interest rates, the migratory pressures, the menace of terrorism and radicalisation, the rise of extremes and of populist movements, will certainly impact the EU enlargement policy, and the Berlin process dynamics.

On 12 December 2016, following the results of the constitutional referendum, the Renzi government resigned. It is the task of the new Gentiloni government to organise the Trieste Summit, set up and confirm the agenda, and make sure that the engagements of the partners are delivered. The organisation of the WB6 tour from the Special Envoy for the Western Balkans Summit, already started in December 2016, shows on the commitment of the Italian presidency to make Trieste a success. In its address to the joint session of the Parliamentary and Senate respective Commissions on Foreign Affairs on 18 January 2017, Italian Minister of Foreign Affairs Mr. Alfano declared that the Summit of Trieste will be held on July 12, 2017 and will address the topics of growth, security and rule of law, SME growth through other means of financing, and fight against corruption.¹⁰⁹

Below we will present a short analysis of two existing initiatives addressing the regional interdependence and connectivity in EU and WB6 that provide points of reference for certain components of the Berlin Process. The goal is to make available a comprehensive set of ideas, tools, and policy instruments that can enrich the array of possibilities that the Berlin Process stakeholders have at their disposal, while preparing for the Trieste Summit.

VII.1. Building up on EU macro-regional strategies

Macro-regional strategies (MRS) are an EU instrument that aim to make a smarter use of the available financial resources and to maximise the effectiveness of European Union regional policy investment. MRS include different countries or regions that face common realities and challenges, inside or outside the borders of EU. They consider the macro-regions as functional areas that face common challenges, and have adopted a bottom-up approach by involving national, regional and local actors. They offer a coordination platform for multi-sectoral, multi-country and multi-level collaboration for the 19 EU and 8 non-EU countries that participate. MRS are based on “Three No principle”: (i) No new regulations; (ii) No new institutions; and (iii) No new funds.

MRS constitute an integral part of EU policy framework, contribute to the territorial cohesion, and are in line with EU political priorities. Currently there are four MRS: (i) EU Strategy for the Baltic Sea Region (EUSBSR) since 2009, (ii) EU Strategy for the Danube Region (EUSDR) since 2011; (iii) the EU Strategy for the Adriatic and Ionian Region (EUSAIR) since 2014; and

¹⁰⁹ Available at: http://www.ansa.it/nuova_europa/it/notizie/rubriche/politica/2017/01/18/alfano-a-trieste-vertice-2017-dei-balconi-occidentali_292a8e41-b908-4874-9096-a64dafc8e739.html

(iv) EU Strategy for the Alpine Region (EUSALP) in 2016. Financially they are supported through programs under the European Structural and Investment Funds (ESIF)¹¹⁰.

The EU Commission in its report of December 2016, identifies five cross-cutting issues that all the above MRS face. In short, their main challenges— some of which we have been presented to while analysing the governance of the BP – are in the areas of:

- i. *Policy-making and planning*: smart specialisation strategies are welcome to drive a more effective innovation policy and push interregional cooperation in new value chains; MRS efficiency would benefit from stronger coordination;
- ii. *Governance*: better use of the existing resources (financial, legislative and institutional); highlighting of good practice; supporting local ownership through stakeholder platforms involving civil society and other NGO; providing adequate human and financial resources;
- iii. *Monitoring and evaluation*: clearly defined indicators and targets; sound monitoring system based on results-oriented action; better factoring of budgetary constraints during the set off of priorities and planning of respective actions;
- iv. *Funding*: MRS are part of the ESIF 2014-2020 financing framework. However, there is still need to bridge the gap between strategies and funding opportunities;
- v. *Communication*: all MRS must contain a strong communication strategy to raise the awareness of general public. They should focus on the expected positive impact of the MSR on local population and include a media component.

We estimate that all the five points above are also valid challenges for the Berlin process. Certain features of MRS can and should be adapted to the specificity of the BP. For example, while it is the Commission experts that will carry one single MRS progress report every two years as of the end of 2016, this exercise can be conducted by the EU Parliamentary services in cooperation with local NGOs in the case of the Berlin process.

VII.2. EUSAIR: Framing territorial connectivity

EUSAIR is the macro-regional strategy for the cooperation between some EU member states (Italy, Croatia, Slovenia and Greece) and four third countries (Albania, Serbia, Montenegro and Bosnia and Herzegovina). It aims to address common challenges and provide solutions through strengthened partnership, coordination and connectivity for economic, social and territorial cohesion. In particular, EUSAIR aims the exchange of best practices between the partners, so as to foster good governance, decentralization and regional self-governance in the Adriatic and Ionian macro-region.

No new EU funds are set aside for the EUSAIR implementation. The strategy will strive to align EU cooperation programmes for which the participating countries are eligible. To achieve this EUSAIR relies on four main pillars:

- 1) Blue growth (coordinated by Greece and Montenegro);
- 2) Connecting the region (coordinated by Italy and Serbia);
- 3) Environmental quality (coordinated by Slovenia and Bosnia and Herzegovina);
- 4) Sustainable tourism (coordinated by Croatia and Albania).

Regarding governance, the agenda and the action plan is driven by technical levels of representation and approved by political levels in the MRS Governing Board. EUSAIR does not rely on technical secretariat that perform day-to-day activities. By end 2015, four thematic steering groups had identified the priority actions on which to concentrate their work in the initial period (e.g. maritime spatial planning, developing motorways of the sea or fostering Adriatic - Ionian cultural heritage).

¹¹⁰ European Commission, "Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of Regions on the Implementation of EU macro-regional strategies", SWD(2016) 443 final, COM(2016) 805 final, December 2016.

The fact that four out of eight countries of EUSAIR are not EU member states is a challenge. Their lower levels of institutional capacities in absorbing the benefits of the cooperation framework of the strategy affect the prioritisation of needs and the pace of implementation. The resources made available by participating countries are largely insufficient¹¹¹, and there is absence of a clear commitment from national and regional administrations.

EUSAIR may also contribute to advancement of the connectivity agenda pursued by the Berlin process. The flagship projects under EUSAIR could mirror the soft measures of the Berlin process framework. According to the Annual Progress Report of 2015 of Pillar 2 “*Connecting the Region*”, covering Transport and energy networks, EUSAIR governing structures already decided to promote a synergic interaction with the “Berlin process”¹¹² and to work on the accomplishment of harmonisation and soft measures needed for each modality of transport. Consequently, project proposals would comply with three main objectives: interconnectivity, intermodality and integration (either at project or at financial blending levels) in the Adriatic Ionian region. Seven of them provide their contribution for transport and six out of eight for energy.

Moreover, EUSAIR makes use of the multi-level governance in the region and can mobilize a bottom-up approach in defining or consolidating joint regional initiatives. Compared to the intergovernmental character of the Berlin process, EUSAIR can be an example of the better use of a more inclusive regional public debate involving different stakeholders, such as local government units, academia and universities, and CSOs.

In the words of the Albanian Minister of Foreign Affairs, “*With EUSAIR Strategy, we have taken a qualitative step forward as regards regional cooperation in the Adriatic and Ionian basin. The macro-regional approach represents a new model of multilevel governance in our region, which brings together the EU institutions, regional countries at national, regional and local level, economic and social partners and civil society organizations*”. Among EUSAIR priorities, he underlined the importance for Albania to improve transport and energy interconnection, highlighting the Adriatic-Ionian highway and Ionian Adriatic Pipeline.¹¹³

Italy has reaffirmed through EUSAIR, its role as a key partner of the Balkan countries, also in the prospect of the Italian Presidency of the Berlin process. Italy has been playing an assertive role by leveraging different regional cooperation instruments, like EUSAIR, Ionian Adriatic Initiative, Trilateral meetings with Serbia and Albania, Central European Initiative, etc., and is willing to pursue potential synergies with all existing cooperation instruments.

VII.3. China - EU Connectivity Platform: 16+1 Initiative

The 16+1 format is an initiative by the People’s Republic of China aimed at intensifying and expanding cooperation with 11 EU Member States and 5 Balkan countries¹¹⁴ in the fields of investments, transport, finance, science, education, and culture. The first 16+1 Summit was held in Warsaw, Poland, in 2012¹¹⁵. The Agenda of 16+1 initiative covers the period 2015 to 2020. It states that the cooperation will be “[...] *based on mutual respect for sovereignty and territorial integrity and understanding of each other’s development choices*”¹¹⁶. It has established in 2015 Summit of Suzhou, the China – EU Connectivity Platform.

¹¹¹ Ibid.

¹¹² Regione Molise website

¹¹³ Ditmir Bushati, “*Development of the Adriatic-Ionian region and membership in the EU: Two interrelated processes*”, 12.05.2016.

¹¹⁴ Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Macedonia. Note the absence of Kosovo.

¹¹⁵ The meetings have been taking place in Bucharest, Romania (2013); Belgrade, Serbia (2014); Suzhou, China (2015) and Latvia in 2016.

¹¹⁶ Ministry of Foreign Affairs of the Republic of Latvia, “*The Medium-Term Agenda for Cooperation between China and Central and Eastern European Countries*”, January 2016.

The China – EU Connectivity Platform rationale is based on sectoral cooperation in:

- economic cooperation focused on investment and trade, e-commerce, and SME;
- in connectivity, including land, sea and air investments, logistics, and customs clearance;
- on industrial capacity and equipment manufacturing going from construction machinery to the development of joint nuclear power projects, and encouraging “*cooperation along the industrial chain*”;
- in finance by optimizing investment and financing cooperation framework;
- in agriculture and forestry;
- in health, science, local government, and
- in support for the establishment of a China-Central Eastern European countries exchanges and cooperation center for think tanks.¹¹⁷

The former Montenegrin PM Đukanović underlined this cooperation during the 4th summit of Heads of Government of China and Central and Eastern Europe countries, in 2015 in Suzhou, saying “*relations with China could be further upgraded through linking the 16 + 1 initiative to the Berlin process having been launched by the German Government in 2014 and continued this year in Vienna. These two initiatives are entirely complementary. Our example shows that projects can be implemented trilaterally as well. Reconstruction of a part of Montenegro’s railway is being performed by the Chinese partners, and funded from the EU funds*”.¹¹⁸

It is clear that the motivations, economic and political implications, the governance, and the implication of the involved countries are quite different between 16+1 initiative and the Berlin process. However, we would like to single out certain features that figure in the 16+1 Initiative and may be considered as interesting for the BP. They are:

- the establishment of the Silk Road Fund: a funding vehicle investing in equities in enterprises situated along the Belt and Silk Road;
- the total amount of investments aimed for which reaches USD 4 trillion¹¹⁹;
- the very high number of project contracts signed: only in the 1st half of 2015 there were 1,401 contracts for a total of USD 37.6 billion; and
- the explicit importance given to the encouraging “*cooperation along the industrial chain*”.

The European Commission has signed a memorandum of understanding on the EU-China Connectivity Platform, created in June 2015, coordinating the European Commission’s Trans-European Networks strategy with new Belt and Road projects. In this cooperation spirit, WB6 will profit from the cooperation agreement reached on 15 June 2016 between the European Bank for Reconstruction and Development and the Silk Road Fund. Both financing institutions will cooperate to support local enterprises and SMEs along China’s Belt and Road Initiative in South Eastern Europe.

¹¹⁷ Ministry of Foreign Affairs of the Republic of Latvia, “*The Suzhou Guidelines for Cooperation between China and Central and Eastern European Countries*”, January 2016.

¹¹⁸ Government of Montenegro, “*PM Đukanović delivers speech at 4th summit of heads of government of China and Central and Eastern Europe countries*”, 24.11.2015, available at: <http://www.gov.me/en/News/154704/PM-đukanovic-delivers-speech-at.html>

¹¹⁹ Simeon Djankov and Sean Miner, “*China’s belt and road initiative: motives, scope, and challenges*”, Peterson Institute for International Economics, March 2016, available at: <https://piie.com/publications/piie-briefings/chinas-belt-and-road-initiative-motives-scope-and-challenges>

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Ardian Hackaj is Director of ShtetiWeb.org, the public policy platform of Cooperation and Development Institute. He has authored many research works on the Berlin Process, EU Enlargement and Economic policies in the WB. Mr. Hackaj has held management positions at the College of Europe, International Organization for Migration, United Nations and the EU Commission. He holds an MA from College of Europe, a BA in Economics from *Université Lumière, Lyon II*, and a University Diploma from *Institut d'Etudes Politiques, Lyon*.



GENTIOLA MADHI

Gentiola Madhi is a researcher in EU enlargement and Western Balkans' regional cooperation. She is a member of the CDI research team on the 'Berlin Process Series'. Ms. Madhi is an alumna of the College of Europe, Bruges, where she received a M.A. in EU International Relations and Diplomacy. She also holds a B.A. in International Studies and a M.Sc. in International Relations and European Studies, both from the University of Florence and a post-graduate diploma in Advanced European Studies from the European College of Parma.



KRISELA HACKAJ

Krisela Hackaj holds an MBA from Bocconi University (Italy) in "Public Administration and International Organizations" and an MS in "International Career and in International and European Institutions" from University of Parma. She has a long experience in EU territorial regional cooperation programmes. She is a member of the research team of the CDI Berlin Process Series, where she covers strategic policy cycle, good governance and youth policy areas. Since 2011 she is Executive Director of the Cooperation and Development Institute.

PROGRAMME OF TIRANA CONFERENCE OF 26-27 OCT. 2016

Conference “From Paris to Rome - Perspectives from Albania on Regional Cooperation”

Wednesday 26th: Regional Cooperation Milestones

- Till 14.30h Arrival and Registration
- 14.30h **Walter Glos**, Konrad Adenauer Stiftung
Dr. Klaus Fiesinger, Hanns Seidel Stiftung
Frank Hantke, Friedrich Ebert Stiftung
- 14.50h – 16.30h Topic of Discussion: the Added Value of Political Cooperation in Western Balkans
 Input: **H.E. Klajda Gjosh**a, Minister for European Integration, “**Regional Cooperation: Achievements and Challenges**”
H.E. Ms. Susanne Schütz, German Ambassador
H.E. Mr. Johann Sattler, Austrian Ambassador
H.E. Mr. Bernard Fitoussi, French Ambassador
H.E. Mr. Alberto Cutillo, Italian Ambassador
 Plenary discussion: Moderation: Ilva Tare, Journalist
- 16.30h – 16.45h Summary of the day: Ergys Gezka, EU Policy Hub

Thursday 27th: Berlin Process Achievement - Building partnerships between Government and civil society

- 09:00h Welcome and introduction - **Ardian Hackaj**, Cooperation and Development Institute / ShtetiWeb
- 09:10h **1st Panel: Connectivity: the novelties of Digital Market and of Value Chain**
Ornela Shurdhaj, Ministry of Innovation and Public Administration, Albania
Visar Azemi, Kosovo Civil Society Consortium for Sustainable Development, Kosovo
Dr. Lorenc Gordani, Albanian Centre for Energy Regulation and Conservation (ACERC), Albania
Dritan Mezini, Albanian Information and Technology Association, Albania
Gojart Smaja, Business Development Consultant, Representative in Albania of Netherland Senior Experts (PUM), Albania



- Plenary discussion: Moderation: **Nikola Burazer**, European Western Balkans, Serbia
- 10:10h **2nd Panel: Western Balkans as a Source of Migratory Flux: Albanian case**
Sandër Lleshi, Adviser to Prime Minister of Albania on Security Issues, Albania
Michael Gumprich, 2nd Secretary of German Embassy, Albania
Silver Mançka, Youth and Culture Sector at Municipality Cërrik, Albania
Bianca Benvenuti, Istituto Affari Internazionali, Italy
Vjollca Meçaj, Albanian Helsinki Committee, Albania
- Plenary discussion: Moderation: **Florenc Qosja**, National Coordinator, Program Migration for Development, GIZ, Tirana, Albania
- 11:10h – 11.30h Coffee Break
- 11.30h **3rd Panel: Youth Cooperation – Road to RYCO**
Ferit Hoxha, Head of the Joint Coordinating Team RYCO, General Director of Political and Strategic Issues, Ministry of Foreign Affairs, Albania
Frank Morawietz, Coordinator OFAJ
Edin Koljenovic, Youth Organization, Montenegro
Krenare Gashi, Youth Organization, Kosovo
Mila Lukic, KOMS, Youth Organization, Serbia
Mila Karadafova, National Youth Council, Macedonia
- Plenary discussion: Moderation: **Dafina Peci**, General Secretary, National Youth Congress, Albania
- 12:30h **Ardian Hackaj**, CDI/ShtetiWeb Summary of the second conference day: **“The way ahead to Rome”**
- 12:45h Common Projects and Further Contributions: **Walter Glos (KAS)**, **Dr. Klaus Fiesinger (HSS)** and **Frank Hantke (FES)**
- 13:00h End of the conference. Departure and/or lunch with guests

Panellists of the Conference



WALTER GLOS

Walter Glos is Head of the Konrad Adenauer Foundation (KAS) in Albania since 2016. Mr. Glos has been a member of KAS since 1988. From 2003 until 2015 he was Head of Finance and Project Management Department at the Central Department of European and International Cooperation of KAS. He held the post of Coordinator for Administration - Central Department II at the Central Department and International Cooperation of KAS from 1996 until 2003, and

Desk Officer- Department 3 at the Central Department and International Cooperation from 1988 until 1996.

Mr. Glos also served as Head of Social, Sport and Culture Department and Head of Subject Area and Social Help/ Home Assistance at the Association of Municipal Administration in Unkel, Germany.



KLAUS FIESINGER

Dr. Klaus Fiesinger has been since 2016 Regional Director of Hanns-Seidel-Foundation (HSF) for Southeastern Europe, responsible for the representation offices of Albania in Tirana, of Bulgaria in Sofia, of Serbia and Montenegro in Belgrade and of Croatia in Zagreb.

From 1992 until 2015 he was Head of Division of Central, Eastern and Southeastern Europe at Institute of International Cooperation in the headquarter of HSF in Munich. The division was 2009 enlarged according to the region of Caucasus and Central Asia.

The Regional Representation Office for South-eastern Europe, headed by Dr. Fiesinger, is located in Zagreb, Croatia. Dr. Fiesinger is member of the "South-East-Association", Munich, and member of the "Institute of the Danubian Region and Central Europe", Vienna. From 2004 until 2012 he was Visiting Professor at the Andrassy-University in Budapest.



FRANK HANTKE

Frank Hantke is Head of Friedrich Ebert Foundation (FES) Office in Albania since 2012. Prior to that Mr. Hantke was Head of FES Office in Kabul, Afghanistan (2012) and worked in FES Head Quarters as responsible for Asian Countries from 2010 until 2012. He was Director of Regional Project "Labour Relations and Social Dialogue in Middle-East-Europe" in Warsaw, Poland from 2003 until 2009 and "Labour Relations and Social Dialogue in South-East-Europe" in

Belgrade, Serbia from 2009 until 2010.

Mr. Hantke served as Managing Director of Regional Teachers Trade Union in North-Rhine-Westphalia (GEW/NRW) and covered different tasks in the Headquarter of German Trade Union Confederation (DGB). Mr. Hantke also worked as a Teacher for Vocational Training, Engineering, German Language and Education Science at the University of Duisburg, Germany.





KLAJDA GJOSHA

Ms. Klajda Gjoshë is the Minister of European Integration of the Republic of Albania since 2013. She holds a Master's Degree in European Studies from the University of Reading, United Kingdom (2006) and a Bachelor Degree in Political Sciences and International Relations from the University of Reading, United Kingdom, in 2005.

Ms. Gjoshë held the office of the Deputy Minister of Labour, Social Affairs and Equal Opportunities (2012-2013) and various important offices in other institutions, such as Tirana Municipality, Tirana Regional Employment Directorate and National Tourism Agency. Since 2012 she is Deputy Chair of the Socialist Movement for Integration and Member of the Chairmanship, and also holds the Chair of the SMI Women Forum.



H.E. Ms. SUSANNE SCHÜTZ

HE Susanne Schütz is the Ambassador of the Republic of Germany to the Republic of Albania since July 2017.

Mrs. Susanne was born in 1960. After completing her studies in Slavic, English and American Studies in Münster, Los Angeles, Berlin and Leningrad (Saint Petersburg), she graduated in the Diplomatic Academy and later on served at the Federal Foreign Ministry and at the German Embassies in Moscow, Tel-Aviv and Kiev.

Mrs. Susanne Schütz was Head of Division for Russia, Ukraine, Belarus and Moldova at the Federal Foreign Ministry, and Head of Political Department and Permanent Representative of the German Embassy to Rome.



H.E. Mr. JOHANN SATTLER

HE Johann Sattler is Ambassador of the Republic of Austria to the Republic of Albania since April 2016.

Previously, he headed the West Balkans Unit of the Foreign Ministry in Vienna for three years. From 2008 to 2013, Dr. Sattler was the managing director / editor for the WAZ media group and for Axel Springer in Moscow. Prior to that, he held various posts, such as Deputy Head in the Office of Secretary General in the Ministry of Foreign Affairs, Counselor for Political Affairs at the Austrian Embassy in Washington, and Cabinet Member of the EU Special Representative for South Eastern Europe (Stability Pact) in Brussels.

Dr. Johann Sattler studied Political Science and Slavic Studies at the Universities of Innsbruck, Prague and Moscow. From 1994 to 1996 he graduated from the Diplomatic Academy in Vienna. In 1996 he joined the Diplomatic Service of the Republic of Austria. In 2008 he received a PhD degree at the University of Vienna.



H.E. Mr. BERNARD FITOUSSI

HE Bernard Fitoussi is the extraordinary and plenipotentiary Ambassador of the French Republic to the Republic of Albania since September 2014.

After studying Political Sciences at Sorbonne University and ENA, Mr. Bernard Fitoussi served as sub-prefect, adviser in various ministries and afterward as prefect. He was Director at OFPRA, Director at the Ministry of the Interior and finally General Inspector of Administration at the Ministry of the Interior.

Mr. Bernard Fitoussi was born in 1953. He is an officer of the National Order of Merit and a Knight of the Legion of Honor.



H.E. Mr. ALBERTO CUTILLO

HE Alberto CUTILLO is the Italian Ambassador to the Republic of Albania since November 2015.

Born in Naples in 1962, he graduated in Economics at the University of Naples in 1984.

Mr. Alberto Cutillo joined the Italian Diplomatic Service in 1986 and has been posted in France, Saudi Arabia, Switzerland and in the United States. From June 2008 he served at the Directorate General for European Integration of the Ministry of Foreign Affairs and in July 2013 was appointed Deputy Director General for the European Union/Principal Director for European Integration.

Between 2010 and 2013, he has also been a professor at the LUISS University in Rome, teaching Peacekeeping Principles and Practice; in 2012-13 he was a Senior Visiting Fellow at the International Peace Institute in New York.



ILVA TARE

Ilva Tare is a television journalist and currently works as the News Director of RTV Ora News and hosts of the “Tonight Ilva Tare Show”, broadcasted twice per week.

Considered as one of the most prominent TV journalists in Albania, she has an extensive experience in the Albanian TV outlets and interviewed many Albanian politicians, organized heated political and current affairs debates.

Her work is orientated on the citizens’ interests by trying to offer an interactive platform of simple people asking and demanding answers from their policy makers.



ERGYS GEZKA

Ergys Gezka studied Humanistic with a specific profile in Literature and Contemporary History (BA), Linguistics (M.Sc.) at the University of Salento (Lecce, Italy) and Human Resources Management – Recruitment (Master) at the Vistula University, Warsaw, Poland.

His areas of expertise embrace Project Coordination; Civil Society Development, specifically on Youth, Migration & Integration Policy, Refugees and International Protection; Career Orientation & Recruitment. Actually, he is member of EU Policy Hub, member of the National Council of Civil Society of Albania and the Executive Director of URA Centre. Mr. Gezka also works as a lecturer of Italian language in the Italian Institute of Culture in Tirana and has several experiences as Project Manager (Ministry of Youth, Italy; Ministry of Health, Albania; Albanian Blind Association etc.).



ORNELA SHURDHAJ

Ornela Shurdhaj currently works at the Minister of Innovation and Public Administration of Albania as Coordinator on the Information Communication Technology.

Previously, Mrs. Ornela Shurdhaj was Head of Unit at the National Agency for the Information Society and prior to that covered the position of Interconnection and Roaming Relation, and Regulatory Specialist at PLUS Communication. She graduated in Law at the University of Genova, Italy, including Civil Law, Civil Procedure Law, Commercial Law, Labour Law, Criminal Law and Criminal Procedure Law, Administrative Procedure Law etc.



VISAR AZEMI

Visar Azemi is the Executive Director at the Balkan Green Foundation and Coordinator of Kosovo Civil Society Consortium for Sustainable Development.

Mr. Azemi has served as the representative and lecturer for the University of Maryland University College (UMUC) in Camp Bondsteel, Kosovo. He has over ten years of professional experience in non-profit sector, with extensive knowledge in partnership development, strategic planning, program management and marketing. His prior work also includes management functions with the Central Texas College, International Organization for Migration, and KBR. Mr. Azemi holds a degree in Electrical Engineering from the University of Pristina, a second Bachelor's degree in Management Studies, and a Master's degree in International Financial Management from the University of Maryland University College.



LORENC GORDANI

Lorenc Gordani, PhD is a Law Adviser in the Energy Market. His main activities and expertise's areas cover the legal strategic expertise, the applied research and academic didactics in the EU and the Albania Energy Law and Policy for government, international institution, industry and interest groups, with particular focus on the market design and related policy issues, concerning the promotion of a sustainable integration of energy market in the WB6.

Lorenc Gordani has worked as researcher, professor and trainer at national and international level and acted as legal advisor and a consultant of public authorities and international companies, and has also published an extensively bibliography on EU law implementation and particularly on energy law and policy. He has completed his studies in Italy, Germany, France, Netherlands, Belgium, Sweden and Poland.



ARMAND FRANGU

Armand Frangu holds a MA in Computer Programming and in Finance and Accounting.

He has more than 23 years of professional experience dedicated to projecting, developing and managing of ICT systems in general, with the main focus in Management Information Systems (MIS), surveys and feasibility of investment on ICT systems. From 2011 to the moment, Armand Frangu is the CEO and the sole owner of B360, a company offering ICT services and consultancy, and also a member of the Board of Directors of Albanian ICT Association (AITA).

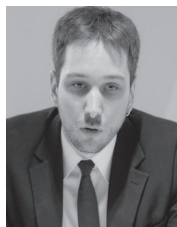


GOJART SMAJA

Gojart Smaja is Consultant for Business Development in Albania. In his functions as Business Development Consultant, Representative in Albania for PUM Netherlands Senior Experts, Coordinator in Albania for Swiss Senior Expert Corps, Consultant for CSR Netherlands Network (MVO Nederland), Consultant for Netherlands Center for Import Promotion CBI and short-term Consultant for GIZ, offered assistance to more than 150 SMEs, Sector Associations, Business

Support Offices and other organizations involved on capacity building and regional development for benefiting from hands-on expertise of 150 Dutch, Swiss, German and other EU experts.

His expertise consists in providing business development advice and technical assistance to above-mentioned target groups in Albania taking away bottlenecks, facilitating sustainable paths for growth and guide them look toward well-structured value chain development processes.



NIKOLA BURAZER

Nikola Burazer is Programme Director of the Centre for Contemporary Politics and the Executive Editor at European Western Balkans. He holds an MA in Nationalism Studies from the Central European University (CEU) in Budapest and a BA in Political Science from the University of Belgrade.

Mr. Burazer has worked as a researcher at the Forum for Ethnic Relations from Belgrade and at the Institute for Development and International Relations (IRMO) from Zagreb, as well as a volunteer for President of Serbia's People's Office. His main fields of interest are politics, nationalism, and accommodation of ethnic and national minorities, minority rights and democracy in plural societies.



SANDËR LLESHI

Sandër Lleshi served as commander of an anti-aircraft regiment, Commander of Courses at the Albanian Defense Academy, Commander of the Military Academy "Skanderbeg", Defense Attaché of the Republic of Albania to the Federal Republic of Germany (2003) and non-resident Defense Attaché to the Czech Republic and Hungary, Commander of Training and Doctrine Command in Tirana.

In 2010, he was appointed as Deputy Chief of General Staff of the Albanian Armed Forces and since 2013, he is the National Security Adviser to the Prime Minister of Albania. He has attended a wide range of education and qualification courses in Albania, Austria, Germany and in the United States. Sandër Lleshi holds a PhD and he is author of several publications.

MICHAEL GUMPRICH

Mr. Michael Gumprich is Second Secretary of German Embassy to Albania.



SILVER MANÇKA

Silver Mançka holds a BA in "Psychology" from "Aleksandër Xhuvani" University in Elbasan (Albania) and also received a MA in "Public Relations" from the European University of Tirana (Albania).

He is currently working as Responsible for Social, Cultural and Youth Sector in the City Council of Cërrik (Albania).



BIANCA BENVENUTI

Bianca Benvenuti is a Researcher at the Istituto Affari Internazionali (IAI), on the Global Turkey in Europe Programme. In the past year, she has been based in Turkey, where she followed negotiations leading to the EU-Turkey deal. Her main area of expertise is forced migration, EU migration and asylum policies, Turkey democratization and EU-Turkey relations.





VJOLLCA MEÇAJ

Vjollca Meçaj graduated at the University of Tirana, in the Faculty of Law in 1973. Since then she has been working as a jurist, lawyer, judge, notary and legal advisor in public administration. From 2004 till 2007 she was a member of the Constitutional Court of the Republic of Albania. She is the founder and board member in different civil society organizations and covered the position of Executive Director of the Albanian Helsinki Committee.

Vjollca Meçaj was a lecturer at the Albanian School of Magistrates and in different Law Faculties in Tirana. She was awarded “Person of the Year” in 1998 and received twice the medal of “Distinguished Civil Services”.



FLORENC QOSJA

Florenc Qosja is National Coordinator at GIZ Albania, Programme Migration for Development (PME) since June 2016.

He is involved in migration issues: how migrants give development-relevant contribution in their countries of origin and improvement of framework conditions for legal migration in Albania, efforts of the Albanian government to improve services for jobseekers and create prospects for the sustainable development of the country’s economic and intellectual potentials.

Florenc Qosja has previously worked for Austrian Development Agency (ADA) and is a lecturer at the German Faculty of the University of Tirana.



FERIT HOXHA

Ambassador Ferit Hoxha is Director General for Political and Strategic Issues at the Ministry of Foreign Affairs of Albania since November 2015.

He has joined the MFA of Albania 1991 and served as Director for Multilateral Relations at the Albanian MFA (1996-1998), Ambassador to the European Union (1998-2001), including to Belgium and Luxemburg; Ambassador to France (2001-2006), including to Portugal. He has been the Secretary General of the MFA (2006-2009) and was Albania’s Governor to the International Atomic Energy Agency (IAEA) Board of Governors (2007 – 2008). He has been the Albanian Ambassador and Permanent Representative to the United Nations in New York (2009-2015).

He graduated at the University of Tirana, (Albania) in French language and civilization, and has attended the Netherlands Institute of International Relations in The Hague; the Center of International and Security Studies in Maryland, and has studied High-Level management with Georgetown University.



FRANK MORAWIETZ

Frank Morawietz is Special Commissioner of the Franco-German Youth Office for South Eastern Europe and also Moderator of the Working Group of the Regional Youth Cooperation Office (RYCO).



EDIN KOLJENOVIC

Edin Koljenovic is a graduated political scientist, currently completing MA studies at the Faculty of Political Sciences, University of Montenegro.

As a coordinator of the NGO Civic Alliance, Edin Koljenovic is involved in numerous regional and European projects that are predominantly devoted to regional cooperation, civic activism, as well as increasing transparency and accountability of state institutions. Long-time Associate of the Regional Network of the Youth Initiative for Human Rights, in particular engaged in projects related to the mobilization of young people in the region and interconnection of young people.

Edin Koljenovic is Member of the Regional Working Group for drafting the Regional Youth Cooperation Office in the framework of the Berlin Process.



KRENARE GASHI

Krenare Gashi is the Executive Director of Kosovo Youth Centers Network (KYCN) and also a Working Group Member of the Regional Youth Cooperation Office (RYCO).



MILA LUKIC

Mila Lukic is graduated in Tourism at the University of Belgrade, Serbia and is an ex-exchange Erasmus student in Slovenia.

She is currently a Board Member of the National Youth Council of Serbia (KOMS) and a Board Member of a local NGO World Youth Wave. She has been part of the biggest student festivals in SEE region - the International Student Week in Belgrade (ISWiB) for 3 consecutive years, and participated in many other international youth events. At the moment, Mila Lukic is focused more on projects and activities involving the reconciliation process between Serbian youth and young people from Albania and Kosovo. She believes on mutual understanding and common projects could aid in creating safe environment in the future. Another passion of hers is the international participation of KOMS through YFJ and UN.

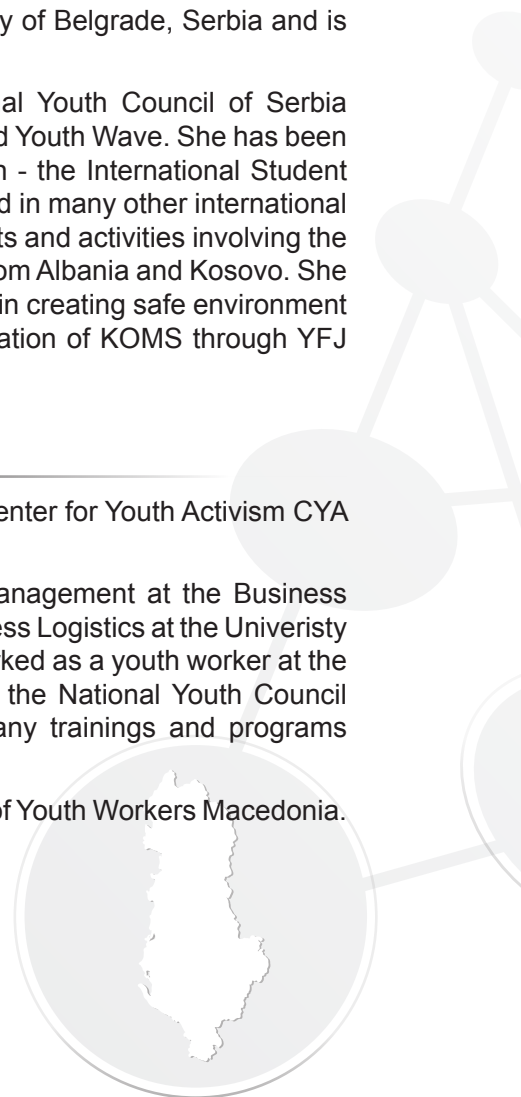


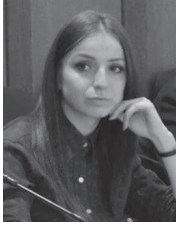
MILA KARADAFOVA

Mila Karadafova is the Executive Director of the Center for Youth Activism CYA KRIK Skopje.

She holds an MA in Consultancy and Project Management at the Business Academy Smilevski BAS Skopje and a BA in Business Logistics at the Univeristy of Doce Delcev in Skopje. Mila Karadafova has worked as a youth worker at the Center for Intercultural Dialogue CID Kumanovo, as a trainer at the National Youth Council of Macedonia NYCM. She has attended and participated in many trainings and programs addressed to youth workers and youth exchange.

Currently she is the president of the Governing Board at the Union of Youth Workers Macedonia.





DAFINA PECI

Dafina Peci holds a BA on Political Sciences and International Relations and MA on Regional Policy and Economic Development.

She has been working in civil society organizations such as Youth Committee of Lezha, The Leadership of Tirana, The Volunteer Network of Albania, Peace Corps of America (in Albania) as a volunteer, leader and project coordinator.

Currently she leads the National Youth Congress of Albania and covers the position of general secretary. Her latest engagement is the Regional Youth Cooperation Office (RYCO) establishment process, based on the Berlin Process.



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