At a glance

July 2017



The Berlin Process and the Trieste summit 2017

On 12 July 2017, Italy will host the fourth Western Balkan summit of the Berlin Process in Trieste, a city that symbolically links the EU and the Western Balkans. Several EU Member States and the region's six countries will review current progress and discuss a broad agenda in an attempt to go further with regional cooperation, increase coherence and deepen economic integration.

2014 Berlin 2015 Vienna 2016 Paris 2017 Trieste

The Berlin process 2014–2017: developments

In 2014, European Commission President, Jean-Claude Juncker announced that <u>EU enlargement would be halted</u> until 2019, yet the accession processes would continue. This message, along with internal EU difficulties and rising tensions in the Western Balkans, put reform in the aspirant countries at stake. To show the EU's commitment to enlargement and to energise regional cooperation, in 2014 Germany launched the <u>'Berlin Process'</u>, a series of intergovernmental summits between several EU Member States and the six Western Balkan countries (WB6). It aims to deliver tangible results with regard to improving citizens' everyday life and to complement the EU-related reform agenda, without being a substitute for EU integration. The high-level format has brought WB6 leaders together and has secured their <u>commitment</u> to reforms and joint efforts to expand the region's potential. The WB6 leaders have also pledged not to obstruct each other's EU paths.

The Berlin Process agenda is broad, its primary focus being on economic governance and on creating connections (strategic infrastructure, i.e. transport, energy, digital; young people; civil society; and businesses). A 2017 research paper explores how the Berlin Process has contributed to reforms and regional cooperation so far. For instance, the 2015 Vienna summit saw an agreement reached on specific regional transport and energy priority projects, and on 'soft measures' (transport and energy policy reforms that would help establish regional interconnections in these sectors). Yet another novelty at the Vienna summit was the launch of the civil society forum on its sidelines. Two declarations were also signed – on establishing a Regional Youth Cooperation Office (RYCO) and on resolving bilateral disputes. In 2015, migration was also high on the agenda. At the 2016 Paris summit, the intergovernmental agreement establishing RYCO was signed. Along with the connectivity agenda, RYCO is considered one of the most tangible outcomes of the Berlin Process so far. In Paris, the WB6 also received additional confirmation of their EU integration. The importance of economic cooperation was also emphasised through the business forum held on the margins of the summit, and the launch and active role of the Western Balkan chambers' investment forum. Albania and Serbia have particularly benefitted from the Berlin Process: Albania, in becoming the seat of two regional organisations -RYCO and the Western Balkans Fund – and Serbia, as a major beneficiary of the connectivity agenda due to its central location in the region.

A most recent <u>initiative</u>, called the <u>'Berlin Plus' agenda</u>, was announced by Germany in May 2017, with the objective of creating funds for start-up businesses, vocational training and technology. Its donors are EU Member States, the <u>European Free Trade Association</u> and the <u>European Economic Area</u>.

The Trieste summit: continuity and innovation

On 12 July 2017, Trieste will host the <u>fourth Western Balkan summit</u>. It was preceded and shaped by several events, including a <u>civil society forum</u> held in Tirana in April, and two June events: a <u>TAIEX regional workshop</u> on obstacles to good governance and a <u>'reflection forum'</u>. The Trieste summit will <u>take stock</u> of the political and economic situation in the region, and its agenda aims to <u>merge continuity with innovation</u>, focusing on three key areas: connectivity, economic integration and the positive agenda for youth. A set of side events will focus on topics such as youth, civil society, business, and combatting corruption. Specific initiatives will be



presented, aimed at supporting SMEs, promoting economic growth, improving the business climate and countering corruption, and ultimately at boosting economic activity and employment.

Connectivity will again be in the spotlight, as investments therein are considered beneficial for creating jobs and business opportunities. The EU has set aside <u>up to €1 billion</u> for connectivity investment projects and technical assistance for 2014–2020, with a special focus on transport networks, energy efficiency and green growth. In Trieste, another substantial package of funding for specific projects is expected to be announced and pooled with funds from international financial institutions. A <u>Transport Community Treaty</u>, which was discussed at the <u>WB6 leaders' summit</u> in March and put forward by the Commission in June for <u>signature</u>, is among the specific Trieste summit objectives. Its aim is to improve interconnections both between the WB6 and with the EU. The WB6 are also expected to speed up the creation of the regional electricity market.

As regards the economy, a <u>new project</u> is being discussed: a more integrated regional market that would boost the region's investment attractiveness. At the WB6 March summit, EU Commissioner Johannes Hahn launched the idea of creating a common market, and the Regional Cooperation Council was <u>tasked</u> with developing an action plan. This regional economic area is seen as a <u>first step</u> towards integration with the EU single market.

Youth cooperation will be addressed during an <u>EU-WB youth forum</u> on '<u>Connecting Youth – Moving Forward</u>', which will touch upon topics such as mobility, social inclusion, entrepreneurship and youth participation. The young civil servants scheme, launched in Paris to encourage young professionals' mobility, will be discussed in detail. Other topics on the agenda include migration (despite the reduced scale of the issue), the fight against terrorism and radicalisation (an ongoing threat within and into the region), and anti-corruption measures.

Civil society in the Berlin Process

Non-government entities have a <u>role</u> to play in reconciliation initiatives; in addressing bilateral disputes and youth cooperation in the region; and in launching new initiatives and following up on them. To let their voices be heard, the Vienna summit built a civil society dimension into the Berlin Process by launching a civil society forum, meant to also <u>encourage</u> a European citizens' dialogue on the future of enlargement. A second similar event was organised in parallel to the Paris summit, as the latter gave civil society limited access to state representatives. Thus, although civil society participation has not been seen as consistent, the initiatives mentioned above have provided a useful platform for exchange of insights on the Berlin Process, and various follow-up events have been organised. In April 2017, the <u>civil society forum</u> held in Tirana presented key recommendations in four thematic areas: youth cooperation; rule of law and anti-corruption; business environment and innovation; and bilateral Issues. The forum recommended promoting youth mobility, both between the WB6 countries and between them and the EU; developing a network of youth research institutions; fostering associations of professionals and SMEs and giving them a voice in policy-making; and abstaining from misuse of outstanding bilateral issues in the EU accession process, among others.

The <u>civil society forum</u> in Trieste, to be held as part of the Western Balkans summit series, will again bring together representatives of civil society organisations wishing to contribute to the development of the Berlin Process. The forum will address the main items on the summit agenda, but is also expected to launch a debate on issues such as the environment, energy, climate change, migration, media freedoms and the possible role of civil society in adding to the efficiency of the Berlin Process.

After Trieste

Conceived as a tool to give regional cooperation a fresh impetus and to advance the Western Balkans' EU integration, the Berlin Process has so far shown that despite the existing complex intra-regional relations, political will for cooperation can be summoned at the highest level, with help from a few EU Member States (Austria, Croatia, France, Germany, Italy, Slovenia and the UK). The challenges ahead include reinforcing synergies with the regional initiatives already on the ground, to facilitate work on the key issues facing the region. The WB6 are urged to become more active participants in the Berlin process, increasingly taking ownership and influencing its future priorities. The next and last, as initially planned, 2018 summit will be important for making strategic decisions for the region's further development and stability. The UK had announced it would host the 2018 summit, but no firm decision has been taken about the venue as yet.

Apart from the need for continued engagement of all parties involved, a recent <u>stocktaking conference</u> introduced a new issue in the debate: the importance of communicating the Berlin Process's activities and achievements. Concerns that communication largely <u>remains unrealised</u> are expected to be allayed, and developments to be more efficiently brought to the attention of decision and opinion-makers, and the citizens.

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