



CHAIR'S CONCLUSIONS: BERLIN PROCESS FORUM OF ECONOMY MINISTERS

“COMMON REGIONAL MARKET - A STEPPING STONE TOWARDS THE EU SINGLE MARKET”

The Berlin Process' Ministers of Economy, representatives of the European Union, and other partners to the Berlin Process met on September 26th 2023 in Tirana, to discuss on the Common Regional Market (CRM) - a stepping stone towards the EU's Single Market.

As part of Albania's chairmanship of the Berlin Process, and in preparation for the next Berlin Process Summit, which will be held on October 16th 2023, in Tirana, the Berlin Process Forum of Economy Ministers reflected on the achievements, priorities, and main challenges in the implementation of the Action Plan for the Common Regional Market. The Ministers discussed the advancement of the regional integration through the Berlin Process as an important instrument for accelerating the economic convergence of the region with the European Union.

Western Balkans: Closer to the EU Single Market, Today and Tomorrow

The Ministers emphasised that the early alignment with the EU Single Market has been achieved through trade agreements between the EU and its candidates, through the Stabilisation and Association Agreements and through CEFTA, among the candidates themselves. These agreements were instrumental to enable a first level of economic alignment and a free trade area as a first step towards EU membership.

Ministers expressed strong support for further economic alignment of the Western Balkans with the EU Single Market, through the EU enlargement process, as mutually beneficial for the region and for the EU.

Ministers called for further phasing in and accelerated integration to individual EU programs and policies, as defined in the EU accession negotiations' methodology. The further implementation of the Economic and Investment Plan of the European Commission for the Western Balkans, which aims to integrate the region more closely with the EU, focusing on trade in goods, electronic commerce, and integration in sustainable value chains, is deemed a valuable future step.

Ministers called for enhanced cooperation with the EU to build on current prominent examples such as the CEFTA – Transport Community (TCT) initiative introducing intra-Western Balkans Green Lanes, their extension to the border crossing points (BCP) with the EU, and the

RCC-led initiative on the reduction of the roaming costs between the WB6 and the EU. Ministers also commended the conclusion of Memoranda of Understanding between four Western Balkan countries and three neighbouring EU member states, which enabled electronic exchange of customs data, with the view to accelerating the clearance of goods and reducing waiting time at the BCPs. Ministers invited the remaining WB countries to conclude similar arrangements with their neighbouring EU Member States. Ministers urged for renewed efforts to improve EU-Western Balkans customs cooperation in order to implement fully the respective MoUs. Currently their implementation has been plagued by limitations on customs cooperation.

Ministers commended the EU's decision to extend its Trans-European Transport Network (TEN-T) to the Western Balkans and emphasized the necessity of improving regional road and railway infrastructure. The Ministers welcomed the adoption of the Safe and Sustainable Transport Programme of the EU at the WBIF Board Meeting in Oslo.

Ministers welcomed the work on the roadmap for taking forward the EU-CEFTA/Western Balkans Green Lanes, for establishing coordinated border management at the EU-Western Balkans border crossing points, as well as the proposal for a second phase of the Trade and Transport Facilitation Programme (TTFP 2). The second phase should support the implementation of the roadmap's measures related to the trade and border-crossings infrastructure improvements.

Taking note of the achievements under the Regional Suppliers Development programme implemented by the Western Balkans 6 Chamber Investment Forum (WB6 CIF), and welcoming the role played by the private sector in the implementation of the CRM, Ministers expressed strong support for continuation of this WB6 CIF led programme. The Ministers supported further interlinking this programme with national support mechanisms in the region, to ensure SMEs participation in multinational supply chains and establishing new regional partnerships between WB6 companies.

Ministers welcomed the continuation of cooperation through the Regional Challenge Fund (RCF) in the Western Balkan initiated by the BMZ and KfW and implemented by the Western Balkans 6 Chamber Investment Forum (WB6 CIF) to support youth employability and economic growth. They support the continuation of this programme through vocational training and job creation to offer young people better prospects at home.

Ministers welcomed the recent announcement of EU Commission President, Ursula von der Leyen on a New Growth Plan for the region.

Ministers encouraged the proposal to work together for joint projects inspired from the success of current EU initiatives in digital transformation and green agenda such as WiFi4EU, 5G, cross-border corridors and in sustainable and smart mobility. Ministers agreed that this new EU policy should provide effective and result-oriented means to bring citizens and businesses of the Western Balkans closer to the EU Single Market.

Ministers also proposed several initiatives that are lodged into the Growth Plan for the Western Balkans, such as:

- Trade and Transport Facilitation Programme 2.0.

- An integration of the Western Balkans into the European Raw Materials Alliance, an initiative which is underpinned by a geopolitical as well as an economic rationale.
- Integrating the region's Central Banks Payment Systems to the European one.
- Establishing business development and advisory services which would prepare and strengthen regional entrepreneurs to compete and thrive in the Single Market.

Strengthening of economic convergence - a necessity for integration

Ministers reiterated that Common Regional Market Action Plan has been developed to spur economic growth development of the region and bring it closer to the EU. Founded on the four freedoms – movement of goods, services, people, and capital – it facilitates movement of goods and services through recognition programmes, reduce waiting times at BCPs and Common Crossing Points (CCP) by 30%, increase mobility, and render payments cheaper and more efficient. To date, the WB region has signed a roaming agreement, three mobility agreements, has established Green Corridors and Green Lanes, has adopted new transitory rules of origin and two framework recognition programmes for authorised economic operators and for trade in fruits and vegetables.

Ministers recalled that the finalisation of the Western Balkans Common Regional Market is of particular importance to improving competitiveness, the business environment and deepening regional economic integration. Completing these steps would significantly increase the Western Balkans' economic growth and attractiveness as a destination for investments and bring it closer to EU Single Market.

Ministers commended the technical work done under the CEFTA framework which yielded seven agreed Joint Committee Decisions, along with seven other JC Decisions, and one Additional Protocol currently being negotiated. In order to fully benefit from these arrangements, the Ministers called for the CEFTA Joint Committee to swiftly adopt the agreed Decisions and CEFTA Parties to implement them without delay.

The Ministers urged for the acceleration of the rollout of the measures across the Western Balkans, which would bring concrete and direct benefits for companies and people in the region. This should include recognition of validated AEO programmes, testing results for industrial products, EU-approved food establishments in the region, licenses for travel agencies and tour operators, and qualifications for licensed professions such as engineers, nurses, midwives, pharmacists, and veterinary surgeons. Furthermore, a package facilitating electronic commerce should be adopted and implemented and electronic exchange of data should be extended to all trade documents.

Ministers recognized the important role played by the policy analysis on convergence and growth issues provided by various international organisations such as World Bank, OECD, EBRD, etc. Their data driven reports have been crucial to informing policymaking on regional cooperation. As a further step, Ministers proposed the establishment of a dedicated centre which will observe the pace and path of regional convergence.

We commend the Regional Cooperation Council for supporting the implementation of policy agendas under the Common Regional Market and contributing to greater convergence of Western Balkan with EU. In addition, we praise the work led by RCC in completing the negotiations on the Agreement on Recognition of Professional Qualifications – nurses,

midwives, veterinary surgeons and pharmacists, and urge the signature of the agreement within the Tirana Summit.

Ministers reflected on key challenges in implementing the regional integration agenda, which will speed up economic convergence of the region with the European Union. They put forward a list of commitments to be delivered by the next Berlin Process Summit, as per the attached Annex.

Integration of the region's payment systems to facilitate trade and prepare the Western Balkans for an eventual integration into the Eurozone

Ministers recognise the critical role of payment systems for the functioning of markets. Cost and time-efficient payments make trade cheaper and allow competitive firms to grow and offer consumers easier access to goods and services. A sound and efficient payment system supports the development of financial intermediation, the deepening of financial markets and enhancement of financial stability thus creating a climate in which investors can expand their businesses.

Ministers recognised the importance of the European Union's Single Euro Payment Area (SEPA), which is tasked to effectively bring domestic and cross-border payments within the EU to the same level of cost, time efficiency and safety. Opening SEPA for non-EU members represents a unique opportunity for the Western Balkans to significantly reduce costs of payments within the region and with the EU. Furthermore, the Ministers took note that the European Union's Cross-Border Payment Regulation (924/2009) ensures that payment charges for cross-border payments are not higher than the ones for domestic payments and call for CEFTA to create similar framework for the region.

To this end, the Ministers will closely follow the progress of the EU funded project implemented by the World Bank aimed at achieving interoperable and fast payments within the region and with the EU. They will also pay close attention to meet the participation criteria in the Eurosystem's payments infrastructure in order to ensure secure and efficient payment processing as well as a level playing field. This process will require technical assistance for setting up the necessary regulatory frameworks and infrastructure in line with the SEPA conditions and Eurosystem criteria.

Considering these arguments, the Ministers expressed full political support and pledged to prioritise activities aimed at preparing SEPA membership in line with the European Payment's Council eligibility requirements.

Aiming to strengthen regional cooperation and accelerating the integration into the European Union, the WB6 agree on advancing with the fulfilment of the SEPA requirements and ideally join SEPA as a common block.

In addition to SEPA membership, the Ministers called for setting up instant payments in the region, facilitating supply of services, further development of the FinTech industry in the region, enabling the use of QR code-initiated payments and adopting a framework for limiting the cost of intra-WB(6) payments. This would ensure the interoperability of cross-border services based on electronic IDs and digital documents. All activities are coordinated within the Working Group on Financial Markets of the Regional Cooperation Council and with the support of the CEFTA Secretariat.

Annex – Common Regional Market

Forward-looking commitments

We noted the commitments to deliver the following:

a) CROSSCUTTING TRADE MEASURES

- Expand CEFTA-TCT Green Lanes to all main BCPs with the EU MS;
- Conclude Memoranda of Understanding between the Western Balkans and neighbouring EU Member States to expand Green Lanes to all BCPs;
- Enable full implementation of Green Lanes with the EU and electronic exchange of pre-arrival data in both directions, followed by the establishment of an adequate legal base;
- Adopt a framework with harmonized working hours of the agencies involved in clearance of goods;
- Increase the number of intra-CEFTA bilateral agreements on joint BCPs/CCPs;
- Increase the number of one-stop controls at intra-CEFTA BCPs, following the TCT Action Plan on Transport Facilitation;
- Adopt the CEFTA Additional Protocol on Dispute Settlement;
- Establish the CEFTA Subcommittee on Competition and State Aids;
- Establish cooperation between public procurement agencies;
- Adopt the CEFTA framework for cooperation of consumer protection and market surveillance authorities;
- Adopt the CEFTA JC Decision on Enhancing Cooperation on Trade-related Statistics;
- Establish cooperation within CEFTA on trade related environment issues;
- Adopt the CEFTA JC Decision on Trade Related Aspects of Intellectual Property Rights;
- Agree and implement Guidelines on transparency and notification of measures affecting trade in services.

b) FREE MOVEMENT OF GOODS

- Adopt the JC Decision on the Recognition of the Results of Conformity Assessment;
- Adopt the JC Decision on the recognition of AEO programmes for Parties who have completed the recognized validation;
- Adopt the JC Decision on reduction of trade costs;
- Adopt the JC Decision on the establishment of an electronic system to facilitate risk management in goods;
- Adopt the JC Decisions facilitating trade in veterinary products;
- Adopt Guidelines detailing the mandatory processes of notifying, certifying, and monitoring trade in fruit and vegetables;
- Enable the exchange of electronic data through CEFTA TRACES NT and the delivery of data to CEFTA databases (AEOs, certificates management, unsafe/noncompliant products, etc.) in accordance with CEFTA protocols and provisions.

c) FREE MOVEMENT OF SERVICES

- Identify areas for further liberalisation of trade in services based on the Review of AP6;
- Adopt the CEFTA JC Decision on the Disciplines on Services/Domestic Regulation;
- Adopt the CEFTA JC Decision on facilitation of trade in tourism services;

- Agree on the CEFTA framework for facilitating supply of payment services and standards for interoperable QR initiated payments;
- Agree on the Roadmap for facilitation of third-party liability vehicle insurance;
- Adopt the CEFTA JC Decision on inter-Party parcel delivery;
- Adopt the CEFTA JC Decision for the establishment of the general system of recognition of professional qualifications;
- Sign the Agreement on Recognition of Professional Qualifications for Nurses, Pharmacists, Veterinary Surgeons, and Midwives signed;
- Pre-implementation steps of the Agreement on the Recognition of Professional Qualifications for Doctors of Medicine, Dentists and Architects;
- Establish the Joint RCC-CEFTA Working Group on the Recognition of Professional Qualifications;
- Adopt the CEFTA JC Decision on facilitation of electronic commerce;
- Adopt the CEFTA JC Decision on the prevention of the unjustified geo-blocking.

d) FREE MOVEMENT OF CAPITAL

- Eliminate the regulatory and legislative gaps with SEPA membership closed;
- Identify the set of actions to access European Central Bank (ECB) Target Instant Payment Settlement (TIPS).

e) FREE MOVEMENT OF PEOPLE

- Adopt the CEFTA JC Decision on the removal of the work permit requirements for professional activities;
- Launch the negotiation on the Agreement on Access to Study in Higher Education;
- Complete the regional overview on recognition of pre-University diplomas;
- Begin the implementation of the Agreement on Freedom of Movement and Stay;
- Begin the implementation of the Agreement on Recognition of Higher Education Qualifications;
- Explore options towards the establishment of a regional Joint Master's Degree programme in ICT, including the assessment of sustainable financial means.

f) REGIONAL INVESTMENT AREA

- Develop regional guidance criteria and procedures, based on EU standards and policy, for FDI screening mechanisms to be used across the region;
- Develop a regional database of investment incentives.

g) REGIONAL DIGITAL AREA

- Complete the set of policy reforms contained in the "Roadmap for Lowering Roaming Charges between the EU and WB" to ensure a stable, predictable, and competitive environment in the telecom sector until the end of 2023;
- Start implementation of EU-WB data roaming charges reduction as of October 1st 2023;
- Agree on a glide path for data roaming charges for 2023-27 period between the EU and WB;
- Begin implementation of pilot cross-border/boundary use cases in the WB;
- Develop a fully operational interactive IT monitoring tool for tracking the digital transformation progress in the Western Balkans;

- Establish a network of donors and partners, including in the academia and private sector, to enhance the regional response to cyber threats;
- Deploy e-freight in the Western Balkans and implement the Regulation (EU) 2020/1056 on electronic freight transport information facilitated by the Transport Community Permanent Secretariat.

h) REGIONAL INNOVATION AND INDUSTRIAL AREA

1. Innovation area

- Create a programme to support Digital Innovation Hubs in the region;
- Launch a scientific diaspora matchmaking program;
- Launch a regional “Women in STEM mentorship programme”.

2. Industrial area

- Finalize a model for a Green and Circular Economy Stakeholder Platform;
- Establish a Regional Green Start-ups Network;
- Encourage the establishment of creative hubs in the region, through experience sharing and development of joint proposals and tools;
- Support the growth of SMEs, in particular women and young people, supported under the Regional Network of Women in Entrepreneurship;
- Establish a Regional Supply Chain Protocol, based on the Regional Supplier Development Programme/RSDP and its implementation;
- Enhance the existing regional SMEs online platform, including the creation of a market intelligence database for key product/market portfolios;
- Establishment of the Automotive Training Academy;
- Establishment of the Regional Manufacturers Cluster;
- Establishment of a Regional framework on common standards for a circular economy, sustainable production, and consumption.

3. Sustainable tourism

- Intensify steps towards the certification and implementation of at least one pilot WB cultural route in line with the Council of Europe Cultural Route rules and procedures;
- Launch the WB joint online platform for promotion and coordination of regional tourism routes, tourism operators and services;
- Establish the Western Balkans Tourism Crisis Committee (WBTCC);
- Initiate actions towards a harmonized and comparable system of tourism regional statistics in line with European and global standards.