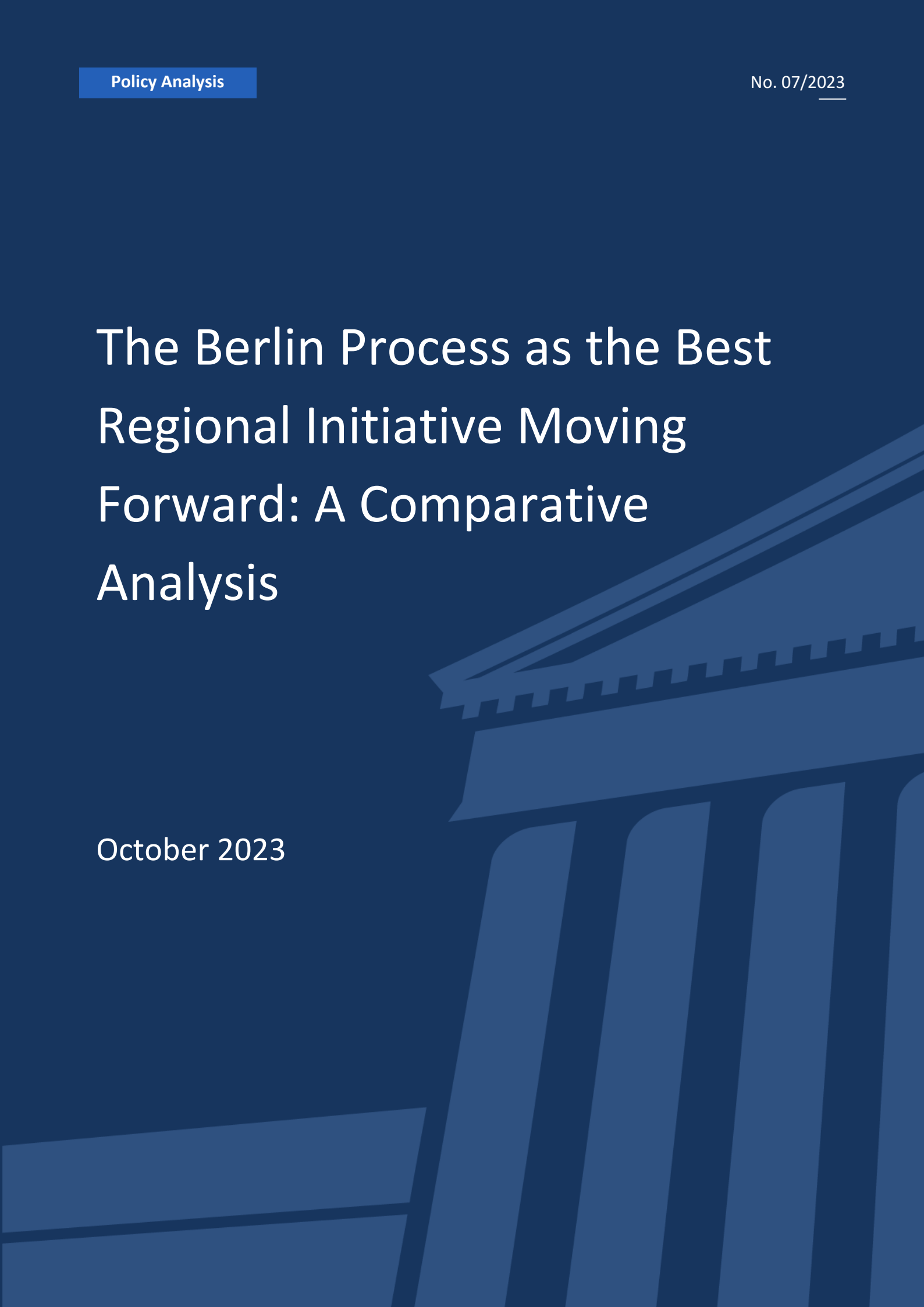


The Berlin Process as the Best Regional Initiative Moving Forward: A Comparative Analysis

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INTRODUCTION

The Western Balkan countries have, for a long time now, sought more advanced levels of regional integration as a means to signal their improved ability to integrate into the EU's own integrated regional mechanisms. The Western Balkan countries are keen on signaling through concrete steps and regional moves that they are ready to join the EU's Western Balkan Common Regional Market and accede to its economic regional integration model.

To date, there are a number of integration and/or regional cooperation initiatives across the Western Balkan region. The most renowned ones are: the Central European Free Trade Agreement (CEFTA), the Stabilization and Association Agreement (SAA), the Regional Economic Area (REA), the Regional Council for Co-operation (RCC), Common Regional Market (CRM), the Berlin Process (BP), and, most recently, the so-called mini-Schengen Open Balkans initiative. The ever-growing variety of initiatives and linked actors and partners encompassed has muddled the clarity on best way forward, and specifically what would be the best way forward for Kosovo in particular.

This Policy Analysis will provide, in Chapter 1, a comprehensive overview of ongoing and sought-after regional initiatives with the aim to solidify Western Balkan regional integration, in order to best assess what is what, what is working, and what should be the way forward. The Analysis argues, in Chapter 2, that unclear initiatives such as the Open Balkan should not be pursued, while the Berlin Process has proven to be and remain the most significant and consequential initiative to best attain eventual Euro-Atlantic integration of Kosovo and its Balkan neighbors. Similarly, the Berlin Process appears to be the most appropriate to achieve the goal of a common regional market and economic regional integration, as presented in Chapter 3. Concluding remarks are then offered at the end of the Analysis on capitalizing on this way forward.

1. OVERVIEW OF KEY REGIONAL INITIATIVES INSOFAR

At the end of the day, at the core of all these agreements/initiatives is the aim to enhance regional cooperation by stimulating trade volume, improving economic competitiveness and removing trade barriers. This section shortly presents the existing regional cooperation initiatives and mechanisms, their main purpose and characteristics. This enables distinguishing between the several initiatives, as well as identifying similarities.

a. The Regional Council for Co-operation (RCC)

In February 2008 the Regional Council for Co-operation (RCC) was officially launched in Bulgaria by Ministers of Foreign Affairs of the South-East European Cooperation Process. It is a regionally-led cooperation framework co-funded by the EU with a view to promote and advance the European and Euro-Atlantic integration of Southeast Europe. The RCC focuses on improved economic competitiveness, increased volume of trade and exports, boosted investments (foreign and domestic), and the generation of more jobs, amongst others. Over the years, its agenda has shifted towards key interventions in a more limited number of areas – for instance, currently the main focus of this Council is on increased mobility, enhanced connectivity, and improved competitiveness in SEE.

b. The Central European Free Trade Agreement (CEFTA)

The Central European Free Trade Agreement (CEFTA) is a trade agreement originally signed by the Visegrad countries back in 1992. Upon accession of these countries to the EU, the agreement was extended to cover the Western Balkan countries and Moldova. As a consequence, the 2006 CEFTA agreement replaced all the bilateral agreements which had until then been in force between the concerned signatory countries - Albania, Bosnia and Herzegovina, Montenegro, Croatia, Macedonia, Moldova, Serbia and Kosovo. Looking at Kosovo in particular, UNMIK signed the CEFTA agreement on behalf of Kosovo in December 2006, and it entered into force in July 2007.

In short, CEFTA is a pre-accession mechanism to the EU whose main function is to achieve a degree of free trade between any given EU candidate and potential candidate countries. The CEFTA implies four priority areas: trade facilitation, trade in services, investment, and transparency, in order to boost socio-economic development through trade development and investment promotion. As such, the aim is to remove barriers to trade reciprocity among member states, creating favorable conditions for trade diversification and development; stimulation of trade and economic cooperation; intensification of economic relations for mutual benefits and for the contribution towards EU integration; and development of trade relation with EU and for integrating multilateral trade system.

c. The Western Balkans Regional Economic Area (REA)

Linked to the Sofia Declaration of 2018 and with its inception at the 2017 Trieste Summit of the Berlin Process, the Regional Economic Area¹ was envisaged and supported by the EU as an upgrade to the CEFTA process together with Western Balkan partners. Looking ahead, it is also one of the roots of the Common Regional Market (CRM), which would emerge later in 2022, within the Berlin Process. Its main objective is to boost private investments in the region without creating additional institutional structures, but instead via a Multi-Annual Action Plan (MAP) which foresees the implementation of far-reaching interventions. In this way, the MAP looks to ensure and strengthen the implementation of what has been already agreed within CEFTA. These actions fall under four components: trade, investment, mobility and digital integration. For instance, while CEFTA fosters investment by means of fair, stable, and predictable rules between the eight parties to the agreement, the REA takes it a step further by designing and implementing a Regional Investment Reform Agenda, which will in turn lead to greater harmonization of regional investment policies aligned with EU and international standards and best practices.² Given the global outlook, the ultimate goal of this initiative is therefore to increase the attractiveness of the region for foreign and intra-regional business, and hence stimulate higher inflow of investments and increase entrepreneurial activity, trade, and jobs among the Western Balkan six.

¹ More precisely, it aims “to transform [the] Region in which goods, services, investments, and skilled people move freely without tariffs, quotas or other unnecessary barriers, where trade is facilitated higher than WTO Rules, aiming at recognition of all border documents, where applicable (as specified in Additional Protocol 5), procedures, and programmes related to trade once the EU alignment by one or more CEFTA Parties is reached.”

² Loxha, A. (2018). Regional Economic Area for the Western Balkans: broader trade implications and implementation challenges for Kosovo. Group for Legal and Political Studies, April 2018. Available at: <https://rb.gy/v7q2v>

Advantages and shortcomings linked to the above mechanisms

Data suggests that CEFTA and associated trade agreements, such as the Stabilization and Association Agreement (SAA), have indeed increased regional cooperation - particularly trade between CEFTA countries and the EU. Nevertheless, the share of trade (imports and exports) to the EU remains more significant than the share concerned in intra-CEFTA operations. Concretely, during the 2012-2020 period, the EU was the largest trading partner of the six South Eastern European (SEE) countries. The proportion of trade with EU since 2012 has doubled for most countries.

Looking specifically at the case of Kosovo, its position in CEFTA remains unequal. For example, both Albania and North Macedonia have imposed several barriers towards Kosovo producers.³ In this instance, representatives of producers in Kosovo reported that Albanian authorities prevented producers from Kosovo by means of several obstacles such as: excise duties on beer, Albanian custom clearance procedures, scanner payments, and notarization of product analyses.⁴ On the other hand, North Macedonia established tariff barriers in 2019 on fish products from Kosovo, to which the Kosovo Government responded by imposing reciprocity measures for certain North Macedonian products.⁵ The latter kept on by once more imposing barriers for Kosovar beverage products and flour. All such barriers have violated the CEFTA agreement and caused losses and disruptions for businesses and producers. This disparity has contributed to increased doubts in Kosovo about the credibility and even success of similar new initiatives.

At the June 2021 Tirana Summit, Prime Minister Kurti declared that: “Within the framework of CEFTA, Kosovo has always been treated unequally and unfairly. In its current form, CEFTA cannot prepare the region for EU membership. We need improvement and acceleration. Within the Regional Cooperation Council (RCC), due to Serbia's non-recognition of Kosovo, all initiatives turn into disputes about terminology. Given these facts, we cannot claim that future initiatives will solve the current obstacles, unless we change the current framework of cooperation. Furthermore, the current framework does not address issues related to democratic participation, dealing with the past, the fight against corruption, government accountability, judicial independence and media freedom.”⁶ Given the barriers Kosovo has faced in regional initiatives so far, one cannot expect the new ones to be successful if they do not strive to address issues currently hampering implementation of current ones.

d. The Berlin Process (BP)

Since its launch in 2014, the Berlin Process has become a flagship initiative, arguably the main driving force behind further EU enlargement waves, with the aim of boosting regional cooperation and sectoral integration among the six Western Balkan countries.

The Berlin Process (BP) was launched in Berlin on the 28th of August 2014 by German Chancellor Angela Merkel, aimed at enhancing regional cooperation of the Western Balkans, as

³ *Ibid*

⁴ Radio Free Europe, “Mini-Schengen for eliminating CEFTA barriers”, 21 November 2020. Available at: <https://rb.gy/v7q2v>

⁵ *Ibid*.

⁶ Office of the Prime Minister of Kosovo, PM Kurti in Tirana Summit: Kosovo cannot engage in initiatives that are designed to deny its citizenship, we will engage only as equals, 10 June 2021. Available at: <https://rb.gy/8ngcf>

they simultaneously work on their further integration into the European Union.⁷ The BP serves as an accelerating tool rather than a substitute for the EU accession process. In fact, it is a reinforcing instrument at the service of the EU accession perspective and of the economic and political ties between the WB6.⁸

Over the years, it has become the most prominent driving force behind enlargement. It lays the foundations for strengthening regional cooperation in the political, economic, cultural and infrastructural domains. Of note, the flagship output of the BP is the Connectivity Agenda, focusing primarily on physical, digital and people-to-people connectivity. So far, there have been summits in Berlin (2014), Vienna (2015), Paris (2016), Trieste (2017), London (2018), Poznań (2019) and virtual summits organised by Bulgaria and North Macedonia in 2020 and by Germany in 2021 and 2022.

This Policy Analysis argues that the BP is the best way towards the goal of a common regional market and economic regional integration among the Western Balkan-six. It further argues that the BP is not only the best way forward, but that the Open Balkan Initiative should not be pursued due to categorical shortcomings regarding its inception, leadership, and implementation. The next chapter delves into what is the Open Balkan Initiative, why it appears to be failing the region's aims, and why to bet on the Berlin Process as the best chance at a credible EU-supported and Balkan-owned mechanism.

2. THE OPEN BALKAN (OB) INITIATIVE AND ITS LACKING VISION

Just before the Sofia Summit of 2020, leaders from Albania, North Macedonia and Serbia introduced the idea of establishing a regional cooperation mechanism, initially informally known as "Mini-Schengen". In July 2021, it was officially named the Open Balkan Initiative (OB) by leaders Rama, Vucic and Zaev. During this inception moment, two Memoranda of Understanding were signed - on ease of exports and imports and free trade, on free access to labour market, and on the agreement on cooperation in cases of natural disasters, were signed.

Of relevance, Kosovo did not participate in the inception meetings for this initiative despite the Washington Agreement stipulating that both Kosovo and Serbia would join the "mini-Schengen". On the other hand, despite receiving invitations, Bosnia-Herzegovina and Montenegro declared they intention to remain as observers, namely during the Ohrid Summit of June 2022, with Bosnia and Herzegovina later on noting their opposition to the Initiative as a whole⁹. Montenegro, in particular, has stated to believe that Serbia will reap far bigger economic benefits from the initiative than other member states since the country is the largest producer of agricultural and food products, and that this concerned their hope for success of OB.¹⁰

The three leaders claim that OB aims to integrate the region economically, following the economic integration model of the European Union as the countries aspire to become members of the EU (aiming to accelerate accession). However, the OB is still far from creating a proper structure such as formal international organization or a customs union in essence, rather than something resembling a 'Balkan Union'. Different from the other initiatives, the OB claims its

⁷ Picciano, N. (2021). "The Western Balkans and Never-Ending Mega Infrastructural Projects: Is the Berlin Process Delivering Results?" Policy Analysis 11/2021. Available at: [GLPS PolicyAnalysis BerlinProcess.pdf](https://www.glpolicy.org/PolicyAnalysis/BerlinProcess.pdf) ([legalpoliticalstudies.org](https://www.glpolicy.org/))

⁸ *Ibid.*

⁹ Euractiv, Alice Taylor, "Rama: Open Balkan fulfilled its mission, time to focus on the Berlin Process", 03 July 2023. Available at: <https://rb.gy/2q9xd>

¹⁰ Montenegro believes that Serbia will reap far bigger economic benefits from the initiative than other member states since the country is the largest producer of agricultural and food products.

novelty from its regional ownership – however, as it has been advertised so far, it seems to borrow most aspects from existing (abovementioned) EU-supported mechanisms. In fact, it does not appear to offer any significant novelties from the above-mentioned mechanisms, which all share the same objective: to have the four freedoms established as a guarantee for economic development and foreign direct investment (FDI) inflow. All such initiatives see EU integration/membership as the final, non-negotiable goal. Furthermore, unlike the OB initiative, the other initiatives include all six Western Balkan states and were introduced with greater transparency and clarity. Kosovo's absence, despite Washington Agreement provisions, is a vital shortcoming, and Kosovo is therefore the only country strictly against it.

To date, the attention of public and media has been channeled towards political statements/promises. The attention on analyzing the signed agreements, required political preconditions and implications the initiative could have, is disproportionately lower. This analysis assesses what the OB initiative intends to do so, as well as elaborate on several issues that concern the Initiative, including other stakeholders' take.

2.1. The agreements signed

In Tirana, on December 21st, the Governments of the Republic of Albania, of Serbia and of North Macedonia signed a tripartite Agreement on conditions for free access to the labor market in the Western Balkans, and an Agreement on the interconnection of schemes for the electronic identification of citizens. from the Western Balkans and the Agreement for cooperation in the field of veterinary medicine, food safety and phytosanitary policies

a) Agreement on the conditions for free access to the labor market in the Western Balkans.

The agreement opens by stating that citizens of the three states “shall have the right to move, stay and work freely within the territory of the Contracting Parties”. Despite sounding promising, the agreement foresees that access to labour market has to be approved from the host country in each individual case, offering access for 2 years period only, with the option of renewal but also potential to be revoked for several reasons.

This said, the agreement only regulates the rights related to working in another country. It lacks to regulate the unlimited rights to free movement, stay or labour without the need for approval of the host as proclaimed and as it exists in the EU.

b) Agreement between the Council of Ministers of the Republic of Albania and the Government of the Republic of Serbia and the Government of the Republic of North Macedonia for cooperation in the field of veterinary medicine, food and animal food safety and phytosanitary in the Western Balkans.

The agreement aims to regulate the recognition of test reports issued by accredited laboratories. It also changes the place where controls should be carried. With this agreement, controls will be carried out at customs terminals, at the closest place outside the border inspection point (for plants and plant products) or at the point of destination (for live animals, food of animal or non-animal origin, composite products, animal feed and animal by-products). The agreement also specifies (i) the necessary documents that shipments should include in order to meet domestic import requirements and (ii) which plants and plant products require phytosanitary certificates. In terms of timeframe, this agreement is only decided for five years, after which it is automatically renewed for one-year periods.

This agreement does not offer any novelty since it essentially regulates the formal-legal aspects of this issue and facilitates trade of live animals, food and animal feed of animal, non-animal and mixed origin, plants, plant products and other objects. Moreover, it is important to

note that it preserves existing requirements under domestic regulations for the import and export of such goods. In fact, it expressly does so. The content of the agreements suggests that they do not offer means to really create a single market for movement of goods, services, capital and people – as mentioned above, similar to what the EU offers.

c) Agreement on the interconnection of the electronic identification schemes of the citizens of the Western Balkans.

“With the Agreement on the interconnection of schemes for the electronic identification of citizens of the Western Balkans, the citizens of North Macedonia, Albania and Serbia are given access to electronic services on the national portals of these countries by creating an electronic identifier "Open Balkans", offering means for accessing the labor market in the three countries, as well as other services in the field of business or other areas of common interest to the citizens of the region.”¹¹

d) Agreement between the Government of the Republic of Serbia and the Council of Ministers of the Republic of Albania for the mutual recognition of authorizations of the authorized economic operator - security and insurance (AEOS).¹²

The agreement states that it primarily aims to provide cross-border services, elimination of obstacles in electronic business, with a view to enabling the use and equal legal effect of qualified trust services in both countries. More precisely, qualified trust services which are provided by the service providers, shall be mutually recognized if registered in appropriate registers: (i) Register of qualified trust service providers in the Republic of Serbia; (ii) Register of trust service providers and electronic identification schemes in the Republic of North Macedonia.

"The Contracting Parties shall mutually recognize the qualifying electronic signature and/or seal creation devices that are registered in an appropriate register or a list, the appropriate registers or list being: 1) Register of qualified electronic signatures and electronic seal creation devices in the Republic of Serbia; 2) List of electronic signatures and electronic seal creation devices in the Republic of North Macedonia." The agreement does not have a finite timeframe and is in force until the EU accession of any of the Contracting Parties. This agreement is sealed by diplomatic means and any issues to be resolved, such as termination by any party, should be done by using diplomatic means – this suggests that no specific implementation structures are foreseen to be established.

e) Agreement between the Government of the Republic of North Macedonia and the Council of Ministers of the Republic of Albania on the mutual recognition of authorizations of the authorized economic operator - security and safety (AEOS)¹³

The agreement foresees the mutual recognition of authorizations of the authorized economic operator - security and safety (AEOS) issued by respective two countries provided that the legislation and implementation of AEOS program of the States of Parties are fully aligned with acquis. The agreement also sets the criteria for granting such status.

¹¹ Government of the Republic of North Macedonia (official website), 21 December 2021. Available at: <https://vlada.mk/node/27283?ln=sq>

¹² “[Law on ratification of the Agreement between the Government of the Republic of Serbia and the Government of the Republic of North Macedonia on mutual recognition of qualified trust services.](#)”

¹³ The Government of North Macedonia (official website), the Agreement between the Government of the Republic of North Macedonia and the Council of Ministers of the Republic of Albania on mutual recognition of authorised economic operator – security and safety (AEOS) authorization. Available at: <https://rb.gy/gnled>

In practice, this means that the Customs Administration of respective countries allocates the AEOS status to business entities which meet special safety and security conditions, earning the trust of the customs service, which in turn considers them reliable partners. Hence, business entities from Albania with that status will be able to use the advantages in processes at the Serbian or North Macedonian customs organs. This agreement foresees that parties can resolve any differences regarding issues related to this Agreement through consultations, thus suggesting no mechanisms are foreseen to ensure its proper implementation.

2.2. Overview different stakeholders' take on the OB Initiative (EU, USA and Russia)

Both representatives from the United States¹⁴ and the European Union¹⁵ attended the June 2022 Ohrid Summit, and noted the OB Initiative as good. Yet, they also noted that it should be used as a tool to achieve greater European Integration, or accelerate EU integration process, and not be a means in itself. Concretely, European Commissioner for Neighborhood and Enlargement, Oliver Várhelyi claimed that the OB Initiative is a good initiative that can enable the region to finally meet the challenges it faces for many years, not to say decades. He mentioned that “as long as this initiative is based on accelerating the adaptation to EU rules and norms, Western Balkans can start reaping benefits regionally and of course, the EU will be there with the Economic and Investment Plan to help it bring these benefits even at a higher level.” He highlighted that the countries should aim to fully make use of existing structures that EU is supporting, be it CEFTA or RCC, since they already offer all the infrastructure to help the region move to the next level.

In addition to that, and similarly, US Special Envoy to the Western Balkans, Gabriel Escobar, stated he wanted more clarity on how it is supposed to function.

Russia, on the other hand, has endorsed the OB initiative and acknowledged it as an initiative of Aleksander Vucic. Russian Foreign Minister Sergey Lavrov declared in the leadup to the Ohrid Summit that “NATO and EU want to turn the Balkans into a project of their own called ‘closed Balkans’” - hinting at Russian support for the project. The institutions of the Republic of Kosovo reacted swiftly by declaring that this statement proves the project, headed by Serbia, a close ally that has refused to enforce sanctions against Moscow, is aimed at Russian hegemony in the Balkans.”¹⁶

2.3. Issues and concerns related to the OB Initiative

a) Ambiguous mechanisms to ensure implementation

The existence of clear political relations is an important political precondition for successful implementation of any regional initiative. The Western Balkan region's internal disputes remain a significant obstacle for implementing existing regional initiatives and agreements and have significantly marginalized their benefits - CEFTA being one of them. An important bilateral issue, which has disproportionately affected Kosovo, is naturally the non-

¹⁴ Also, he claimed that “cross-border cooperation in the Western Balkans should be aimed at greater European integration,”. Available at: <https://rb.gy/nqoqn>

¹⁵ European Commissioner for Neighborhood and Enlargement, Olivér Várhelyi also attended the Summit. Despite calling it a good initiative and a means to addressing long standing issues of the region, he claimed that “but of course, it can also be a lever to accelerate the way into the European Union” Ibid.

¹⁶ Euractiv, Alice Taylor, “Varhelyi to attend Open Balkan meeting amid claims of Russian backing”, 08 June 2022. Available at: <https://rb.gy/apjoi>

recognition of the Republic of Kosovo by Bosnia and Herzegovina and Serbia. Given that free trade between the six Western Balkan countries already exists for more than 10 years within the CEFTA framework, the question remains on the added-value the OB Initiative can provide to CEFTA and other existing initiatives. This is important to be addressed given Kosovo's facing of successive unfair and discriminatory treatment wherein regional agreements. Another case of point is Serbia's refusal to implement the agreements already reached within the framework of the EU-facilitated dialogue between Kosovo and Serbia.

Without ensuring that a proper mechanism addressing these issues exist, the initiative offers no regional credibility or validity, most of all for Kosovo to join. This is an important prerequisite to ensure fair treatment. To date, the promoters of the OB Initiative have failed to define the mechanisms that will ensure a successful and fair implementation of agreements. If accountability lines are not clearly defined among initiating countries that promote discriminatory treatment of fellow state parties to the agreements, let alone often autocratic tendencies, how can the citizens expect this Initiative to offer a better option or perspective?

b) Lacking transparency

Another point of concern is the lacking transparency on procedures and processes surrounding the OB Initiative. For instance, Kosovo was publicly invited to join without it being clarified how the countries are going to be represented – will Kosovo be represented as sovereign state? If yes, can it be rightfully viewed as *de-facto* recognition from Serbia? To date, the promoters of this initiative have not touched upon this issue.

Further, the adopted stance of dismissing criticism towards the OB Initiative, pressuring skeptical countries to join instead of trying to address concerns is in itself a sign of bad faith and lacking integrity. Some argue that “high-level of distrust of all neighbors towards Serbian leadership prevents any initiative coming from Belgrade. With Bosnia and Herzegovina, Kosovo and Montenegro laying many question marks on the inclusivity nature of the OB Initiative, the legitimate is to wonder whether the initiative is bringing back the dissimilar and divisive treatment of the Western Balkans?”¹⁷ Moreover, it is a signal that the promoters are dedicated to exclusion rather than inclusive of all Western Balkan countries as the non-negotiable and cross-cutting premise.

Related to this is the constant lack of efforts to offer proper inclusion of the public on the content, or provide hard access to the agreements. The general public has not been granted proper situational awareness of the OB Initiative, despite its self-proclaimed groundbreaking nature and attempt to revolutionize citizens' lives. So, the lack of clarity and access to information runs deep – from what status Kosovo would have to citizens' awareness.

c) Pervasive inequality among state parties

Linked to the above repeated and unaddressed unfair treatment of Kosovo, is the economic disparity existing among state parties to the OB Initiative. After all, the countries that are to benefit the most both financially and politically are those that have economic superiority. For this reason, it can be expected that Serbia may benefit more than others¹⁸. Yet, the

¹⁷ *Ibid*

¹⁸ “Serbia's economy is about 14 times the size of Montenegro's, for example. Serbia's economy is about double the size of Albania's and North Macedonia's combined. Serbia will always benefit more from open barriers (the four freedoms) than its neighbors; Serbia will be able to produce higher-value goods for export, growing even more dominant. Giving an autocratic state like Serbia under Vucic even more power is irresponsible. It would be different if Serbia were a committed democracy, embracing the Western order.”

proponents of the initiative endorse it as if all economies of the region have the same size, character and influence.

On another related note, the improvement the OB Initiative can bring in terms of trade impact depends, in a capitalist and global market as is, on countries' regime nature. If joining countries are all Western-oriented democracies when it comes to trade and market flows, then there is scope for political benefits – however, in the case with Serbia, a country that has territorial and political ambitions and history of destabilizing neighbors, trust is not as secure.¹⁹ Observers have even argued that “Such a design, with a supervening power and supervening goals and values, is the antidote to bitter resentments like those in former Yugoslavia. The ability and temptation to exploit economic power – or nurse grudges from uneven economic benefits – would be dampened by the common accretion of EU values and reforms.”²⁰

d) Inferior duplication of the Berlin Process regulation framework?

Regional cooperation is in principle designed to benefit everyone - yet the experience of earlier regional initiatives has not supported this claim. This is the case of the OB Initiative. Criticism and distrust have followed its idea, be it from countries skeptical to join, to also experts, civil society organizations and the media raising concerns.

The opinion in the Western Balkans is mainly divided into: (i) those who consider the market already open and cooperation to be defined through existing, more concrete agreements, and (ii) others who see it as an opportunity for improvement.

Most of the arguments related to the benefits or added value of OB Initiative are, in actuality, not supported by analysis or data. The immediate reduction of barriers is one the proclaimed aims of the initiative. However, considering that the market is already open and cooperation is defined through existing, more concrete agreements, the standing difference the OB Initiative brings is that it originates from the three Western Balkan countries. This means that the initiative actually disregards the trust-building mechanism by not being accountable to European values and policies, contrary to other initiatives. It therein not only allows the undermining of existing democratic reform processes and fight against corruption, but also provides grounds for abuse of existing policies by leaders of countries with autocratic tendencies.²¹ Moreover, there is insofar no discussion about the budget and costs related to the OB Initiative contrary, unlike the Berlin Process which comes with a defined budget. More precisely, the Berlin Process has a budget of EUR 30 billion, whereas the OB Initiative does not offer a defined budget or action plan.

From the publicly-available information available, it is clear that the focus of OB Initiative overlaps with existing initiatives. Despite overlapping focuses, the Berlin Process has a clear set of standards that must be applied as stipulated by the EU acquis. The same is not the case with the OB initiative. It is still unclear how it will be regulated. To date, only agreements are being signed. At the end of the day, the reality is that “the initiators and advocates of the Open Balkan project avoid explaining how the Initiative will be reconciled with the Berlin Process and

¹⁹ DW, E. Elezi, “‘Open Balkan’ could worsen political problems in the region”, 18 August 2023. Available at: [‘Open Balkan’ could worsen political problems in region – DW – 08/18/2022](#)

²⁰ Balkan Insight, Edward P. Joseph, BIRN, “Open Balkan (s) in not just unwise. It’s dangerous”, 15 June 2022. Available at: [Open Balkan\(s\) is Not Just Unwise. It’s Dangerous | Balkan Insight](#)

²¹ The Balkan regional geopolitical love in light or darkness must end to non-transparent, non-inclusive overlapping processes that do not align with the main values and policies of the EU-US-NATO integration and development, which converge in a developed and consolidated democracy, as and regional and international integration and cooperation, not fraudulent, but sincere. [The Open Balkans or the Berlin Process? - Daily News (txtreport.com)]

Enlargement Policy, as well as further Common Regional Market and how feasible it would be to create two frameworks that intend to regulate the same issues.”²² This, all in all, may be the most telling warning sign. Although Berlin Process was stalled, it still offers a specific plan and brings the Western Balkans closer to European integration.

Putting all the above reasons together, it is clear that the OB Initiative should not be pursued anymore. Indeed, very recently Albanian Prime Minister Rama confirmed this assessment in stating that the OB initiative is a “closed idea”²³. What is now on the table is the Berlin Process – along with its German leadership and clearer vision of benefitting all countries equally towards a common regional market.

Looking ahead, the final chapter focuses on the way forward – the Berlin Process. The paper assess why the Berlin Process should be the way forward to best achieve the intended aim of a common regional market and economic regional integration within the six countries if the Western Balkans, and how this preludes a step towards European integration.

3. THE BEST WAY FORWARD: THE BERLIN PROCESS AND WHAT IT OFFERS

The Berlin Process offers as main goals to facilitate Western Balkans’ economic growth, and to promote peace in the region. It also brings many different stakeholders together in encompassing high-level actors (government leaders from Germany, the European Commission and the European Council and the Western Balkans), but also non-governmental bodies and businesses in connection to the Process’ goals, as set in its inception in 2014.

Following a period of stalled progress, the 9th Western Balkans Summit of the Berlin Process, held once more in Berlin, showed signs of bringing the mechanism alive again. Of note, German Chancellor Scholz reiterated his commitment for upcoming enlargements of the European Union to include the Western Balkans countries, and has linked the success of this EU enlargement to the Berlin Process. After all, as seen more in-depth above, what the OB Initiative offered was a leadership role to Serbia in the Western Balkans, as one of the few countries, part of the initiative in itself, and as the strongest economic power in the region. As such, the benefits to be reaped from the initiative belonged more to bigger countries than small ones, as would be the case of Albania and, surely, Kosovo, for instance.

For reference, the Berlin Process had made the radical advancement of bringing the six Western Balkans countries together under three legally-binding agreements on mobility, on the freedom of movement, and the mutual recognition of higher education diplomas and professional qualifications in the areas of medicine and architecture, build on this initiative. “The signing of these three mobility agreements connected the six hopeful candidates and harmonized their standards and societies in a way unlike before, with direct impact to citizens. Furthermore, the agreements certainly signaled a particularly relevant milestone to the Republic of Kosovo. The agreements did not alienate the newborn country in any way, rather integrating it in the same terms as the other five countries, including Serbia”²⁴. The reinvigoration of the Berlin Process was indeed a very welcomed step. It renewed expectations in the mobility agreements

²² Heinrich Boll Stiftung, “Open Balkan – a tool for avoiding principles of rule of law as a roadmap to the EU?”, 17 June 2022. Available at: <https://rb.gy/b145v>

²³ Euronews Albania, “Did PM Edi Rama unilaterally decide to end the Open Balkan Initiative?”, 02 July 2023. Available at: <https://euronews.al/en/did-pm-edi-rama-unilaterally-decide-to-end-open-balkan-initiative/>

²⁴ Group for Legal and Political Studies, “Berlin Process Success: Situating the New Policy and Legal Agreements”, May 2023. Available at: <http://www.legalpoliticalstudies.org/wp-content/uploads/2023/06/GLPS-Policy-Analysis-Berlin-Process-Success-Situating-the-New-Policy-and-Legal-Agreements.pdf>

signed, focusing on the freedom of movement of the citizens in the Western Balkans. More precisely, it allows citizens of the Western Balkans to travel with identity cards within the region and facilitates the recognition of qualifications.²⁵ All things considered, this renewed momentum arguably presents the last nail on the coffin of the OB Initiative as led by (only) three of the six Western Balkan countries.

The Berlin Process is the most defined, high-level, and inclusive mechanism with the clear-set goal to bring all six Western Balkan countries together. At the Berlin 2022 Summit in the framework of the Process, all actors present from the EU and region agreed on concrete means to advance on the EU's Economic and Investment Plan for the Western Balkans, and on the Common Regional Market. The **Common Regional Market (CRM)** is a key achievement to advance on, and includes the three milestone agreements on mobility. In fact, the CRM has long been a defined goal of the Berlin Process, as already defined in its inception framework back in November 2020.

Seeking to boost regional economic integration, the CRM looks to promote a Western Balkan region that is connected and inclusive on economic matters, adopting a similar model to the one used in the EU and its now-unique economic inclusivity among Member States. The CRM is therefore necessarily connected to economic integration, at a regional level, on matters related to energy, digital, research and innovation, and trade. While such progress is certainly already a goal in itself, such a common regional market or precursor of economic regional integration would certainly help the countries successfully advance along the EU accession path, in showing their ability to join an integrated market with neighboring countries and different governments. So, in enabling a CRM, the Berlin Process offers the region a way into their goal of common regional market and economic regional integration and, in turn, enabling the six countries to be more "appetizing" and ready-made future Member States of the EU and its many regional integration mechanisms.

On the EU side, what is on the table? EU leaders have made it clear that they want to focus on executing a common regional market in the Western Balkans, linked to the EU's plan to reinvigorate the region by means of its Economic and Investment plan for the Western Balkans. This was previously discussed and agreed in the 2020 BP Summit held in Sofia²⁶. At this event, the Declaration on Common Regional Market was signed, and a key point of discussion was precisely the Economic and Investment plan (in this case, for 2020). In more recent times, in the last Berlin summit, within the Berlin Process as well, the regional investment plan was once again discussed. The EU is eager to advance EU prospects and structures in the Western Balkans by means of an investment plan. As per the outcome of the 2022 Western Balkan Summit, a Western Balkans Investment Framework (WBIF) was adopted. The "WBIF is a joint financial platform of the European Commission, financial organisations, EU Member States and Norway aimed at enhancing cooperation in public and private sectors investment for the socio-economic development of the region, and contributing to the European perspective of the Western Balkans"²⁷. The WBIF encompasses many different types of connectivity investments the EU would lead into promoting togetherness of the region – an example would be road and rail interconnections, electricity corridors, and further investments in education and energy

²⁵ The Berlin Process for the Western Balkans: Four Recommendations to Achieve Progress (news article) (wiiw.ac.at)

²⁶ German Ministry of Foreign Affairs, "The Berlin Process – 2020", consulted 27 August 2023. Available at: <https://www.berlinprocess.de/en/the-berlin-process-2020>

²⁷ European Commission, "Economic and Investment Plan Endorsed Flagship Projects - Western Balkans Summit 2022 Berlin, 3 November", consulted 28 August 2023. Available at: <https://rb.gy/v79yv> .

structures²⁸. In short, the WBIF is at the core of the implementation of the EU's policy priorities and investment flagships of the Economic and Investment Plan for the Western Balkans.

Indeed, investing in the Western Balkans' regional economic integration has long been a priority for the EU. However, while very concrete advancements have been made – namely by means of the Berlin Process' aforementioned three mobility agreements – there is still a lot that needs to be materialized before the goal is reached. For instance, while the WBIF has flagship projects with clearly-defined timelines, budgets and implementers, the full completion of the Western Balkan regional economic area is still lacking a definite workplan with concrete expected timelines and actors/partners. Nevertheless, what the Berlin Process is offering is a path, and one that has already delivered along the way. The way ahead now requires a tangible offer, besides making sense on paper.

This Analysis highlights the key need to capitalize off this successful initiative, and to ensure it does not fall under the tracks due to a lack of vision-breakdown. In other words, the vision is there, but the breakdown of charges, actors, payments, investments, partners, needs and deliverables should be prioritized now in order to materialize the vision. Balkan leaders should showcase their sense of local ownership of results and push for the upcoming October 2023 Berlin Process Summit to seek as the key deliverable to be a workplan on achieving economic regional integration in the Western Balkans. Building on EU support – and experience – on this matter, and the existent Common Regional Market and CEFTA framework, leaders should hammer down the concrete way to go about the next step. Step by step, the accession tunnel indeed starts to become brighter.

For this reason, the Analysis argues that any regional initiative that should come up in the following years – since the trend is that more and more are invented and efforts then, inevitably, become strained – be integrated within the Berlin Process. Besides its core shortcomings, one of the biggest wrongdoings of the OB Initiative was seemingly duplicating the Berlin Process intentions and procedures, but worse. After all, the Berlin Process is able to encompass many strands of development cooperation and economic investment in the Western Balkans, such as “accelerating the development of sustainable transport infrastructure, instigating the green transition and regional cooperation, which are important milestone towards alignment with the EU and enlargement ambitions”²⁹. Indeed, Albanian Prime Minister said it best: “ Rama said it “was an initiative born out of the need to push forward the Berlin Process and has fulfilled the mission for which it was born. We must now plunge headlong into the Berlin Process because we have this opportunity”³⁰.Despite Serbian President Vucic noting, disapprovingly, that the Berlin Process was an initiative from “abroad”, in the current geopolitical landscape of international relations among sovereign states, it appears to be best that a Western Balkan initiative be endorsed from abroad, namely the EU, if the end goal of the countries is in fact European integration.

In sum, all regional initiatives should be channeled towards and from the umbrella of the Berlin Process. The latter has credibility and assurances from key global actors, even though retaining an important sense of local ownership in Balkan leaders.

²⁸ *Ibid.*

²⁹ European Investment Bank, “Berlin Process Summit for the Western Balkans”, consulted 28 August 2023. Available at: <https://www.eib.org/en/events/eu-western-balkans-summit-2022> .

³⁰ Euractiv, “Rama: Open Balkan fulfilled its mission, time to focus on Berlin Process, 3 July 2023, online via <https://www.euractiv.com/section/politics/news/rama-open-balkan-fulfilled-its-mission-time-to-focus-on-berlin-process/> .

CONCLUDING REMARKS

The Western Balkans are renowned for their proximity to Europe in distance and values, yet in their infamous lengthy accession path as well. The pre-accession path includes showing efforts to move closer to being ready to be an EU Member State, namely a country that is credibly ready to join a social, economic, financial, and political regional inter-governmental organization. For this reason, the six Western Balkan countries have not only been dedicated to domestic reforms and improvements, but also very much looking to advance their own regional mechanisms, as a sign of readiness for EU accession. While the CEFTA framework, the Stabilization and Association Agreement (SAA), the Regional Economic Area (REA), the Regional Council for Co-operation (RCC) and Common Regional Market (CRM) offer sound supporting mechanisms, often led or promoted/initiated by the EU, leaders in the region have also started looking in the way of the Berlin Process and, most recently, the Open Balkans Initiative.

What this Analysis argues is that the OB Initiative does not offer a credible way forward. Most importantly – and shockingly - the Open Balkans Initiative insists on dismissing criticism and shunning Kosovo from proper equal or fair treatment in what is supposed to be a regional initiative seeking inclusivity. Other concerns of ambiguity and lacking transparency persist, which may have led to the Initiative's demise already, even before it properly began to deliver on its many promises. The Analysis therefore argues that the Berlin Process is the way forward. What it offers to the region, under the solid leadership of Germany but also very much taken on with Balkan-ownership, including hosting duties of summits, is real prospects of common regional market and economic regional integration. This is what the region most needs to advance along its EU accession path.

This is also what the EU has stated to want to most focus on in the region, with a new fifth package delivered under the EU's Economic and Investment Plan "to accelerate the European perspective of the region"³¹. This priority is clear. What is now most pressing is to get a is there any tangible offer from the EU besides the renewed investments already put into the region.

³¹European Commission, "European Commission launched an additional €2.1 billion investment package for the Western Balkans under the Economic and Investment Plan", 30 June 2023. Available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3641

Policy Analysis

Policy Analysis in general is a policy advice paper which particularly aims to influence the key means through which policy decisions are made in both local and central levels of government. The purpose of Policy Analysis is to address, more in-depth, a particular problem, to examine the arguments related to a concerned policy, and to analyze the implementation of the policy. Through Policy Analysis, Group for Legal and Political studies seeks to stimulate wider comprehensive debate on the given issue via presenting informed policy-relevant choices and recommendations to the key stakeholders and parties of interest.



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