



WESTERN BALKANS SUMMIT VIENNA 2015

Final Declaration by the Chair of the Vienna Western Balkans Summit 27 August 2015

One year after the Berlin Western Balkans Summit, the heads of government, foreign ministers and economics ministers of Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro, Serbia, as well as Croatia, Slovenia, last year's host Germany, future hosts France and Italy, representatives of the European Commission and the European External Action Service and International Financial Institutions met in Vienna on 27 August 2015 for the second Summit Meeting on the Western Balkans in the framework of the 'Berlin process'.

General Progress and the European Perspective

1. The Berlin process has been demonstrating strong political support for the European perspective of the Western Balkans. It has also created a positive momentum for regional cooperation in the Western Balkans. This has helped the six Western Balkan countries achieve substantial progress in different areas, notably on connectivity. We have agreed to continue meeting in this format in order to implement the agenda agreed in Berlin last year and expanded in Vienna today and to push forward the various projects which have emerged in the course of the year.

2. The Western Balkans region has come a long way since the violent breakup of former Yugoslavia, notably in the areas of political and economic stability, as well as in regional cooperation. All of the countries in the Western Balkans firmly believe that their future lies in the European Union. The Council of the European Union has repeatedly reaffirmed its unequivocal commitment to the European perspective of the Western Balkans. Each country's progress towards the European Union depends on its individual efforts to comply with the Copenhagen criteria and the conditionality of the Stabilisation and Association Process. In this context the Austrian Government reiterates its strong support for the enlargement process of the entire region.

Regional Cooperation and the Solution of Bilateral Disputes

3. While there has been good progress in establishing a web of regional cooperation structures over the last years, more efforts are needed to solve outstanding bilateral disputes. Furthermore, concrete steps from political leaders in the Western Balkans towards lasting reconciliation in the region are necessary.

Reconciliation is essential to promote stability and support the creation of an environment in South East Europe conducive to overcoming the legacy of the past.

4. All participants welcome the successful conclusion of four important agreements in the context of the normalisation process between Belgrade and Pristina and underline the importance of its steady continuation. With regard to the name dispute between Macedonia and Greece, efforts need to be intensified to find a compromise.

5. The participating States take note of the study presented in the margins of the Summit addressing bilateral disputes in the region, which continue to affect the relations between the countries. The participating States committed themselves to intensify their efforts to address those disputes and to abstain from misusing outstanding issues in the EU accession process and welcome the support of the European Commission and the EEAS in the resolution of bilateral disputes. The yearly Summits within the Berlin Process will be used to monitor progress on the solution of such disputes as laid down in the annex on regional cooperation and the solution of bilateral disputes.

6. The participating States welcome the signature of the border agreement between Bosnia and Herzegovina and Montenegro in the margins of the Vienna Summit as a first important step in this direction.

7. Participating States pledge to make full use of the EU macro-regional strategies for the Danube and the Adriatic-Ionian regions as well as of the OSCE, the Central European Initiative and other relevant regional initiatives with a view to fully exploiting their potential.

Rule of Law and Good Governance

8. Acknowledging the progress made, more efforts are needed to accelerate domestic reform processes, notably in the areas of rule of law, economic governance and public administration reform, as well as in the fight against corruption and against organized crime, thereby increasing stability and prosperity in the region.

9. With regard to the situation in Macedonia, the participants welcomed the agreements reached under the auspices of Commissioner Hahn. Now it is paramount that all sides strive to put the national interest ahead of party and personal ambitions in order to fully implement the agreements. Shortcomings in the areas of rule of law and media, as identified in the independent experts' report, must be addressed without delay. In the case of Bosnia and Herzegovina the participants welcomed the new EU approach, which allowed for the entry into force of the Stabilisation and Association Agreement, and called for the swift

implementation of the reform agenda.

Fight against Extremism and Radicalisation

10. The participants are convinced that the threat posed by radicalisation, terrorism and violent extremism and in particular by foreign terrorist fighters travelling via or from Western Balkan countries to Syria and Iraq, requires strengthened cooperation and increased exchange of information and best practices in the areas of shaping common values, preventing radicalisation, facilitating de-radicalisation and responding to terrorist activities. The EU considers the Western Balkans countries as key partners in combating violent extremism and terrorism and welcomes respective cooperation endeavours for this purpose, in particular joint activities based on the Vienna Declaration on Tackling Together Violent Extremism adopted on 20 March 2015 and on the Western Balkans Counter Terrorism Initiative currently developed by the EU.

Migration

11. All of the participants agree that particular attention must be paid to the fact that the Western Balkans route has become the primary transit route of mixed irregular migratory flows from the Eastern Mediterranean to the European Union and that this recent development also poses significant challenges for border management and asylum systems in some Western Balkans countries. In this regard the participating States take note with appreciation of the various ongoing efforts undertaken by European Union institutions and agencies as well as individual EU Member States and regional fora such as the Forum Salzburg, which aim at stepping up the Western Balkan countries' capacities in the areas of border management, in particular the fight against trafficking in human beings, and asylum through strengthened cooperation and additional support. These efforts are based on the willingness of the Western Balkan countries to fully assume their own responsibilities in the field of migration, asylum and border management with a view to their European perspective. In this context the preparation of a high level conference addressing the challenges of the Western Balkans route is of particular importance with a view to further developing this cooperation and support.

12. At the same time the participants note that all Western Balkans countries have achieved significant progress in the areas of rule of law and respect of fundamental rights. The Council of the EU noted with regard to the Western Balkan countries that a majority of national lists of safe countries of origin include these countries. This suggests that the Western Balkan countries could be considered as safe countries of origin by all EU Member States.

Economic Prosperity and Connectivity

13. Improving the living conditions in the region, especially giving youth a real perspective for their future and increasing their trust in well-functioning institutions, is the ultimate aim of the reform process. Accordingly, economic policy and its governance in the Western Balkan countries will be further enhanced through the preparation of annual Economic Reform Programs (ERPs). In this context, the participating States agree on the need of sectoral structural reforms, aiming to improve physical and human capital, industrial structures, the business environment and trade integration in order to boost competitiveness, employment and long-term growth in the Western Balkan countries. The participating States also underline the responsibility of social partners to further economic prosperity. The Western Balkan countries recognize the significance of systematically involving the social partners in the economic reform process.

14. Transport Connectivity: All participants particularly welcome the substantial progress achieved in this area, notably the agreement by the Western Balkan six Prime Ministers in Brussels in April on the regional core transport network corridors, and the further agreement (in Riga in June) on the core network corridors, projects to be implemented by 2020 and the appointment of corridor coordinators. This will enhance the connectivity between the Western Balkans countries as well as with the EU network. The European Commission will continue to facilitate this process.

15. The Western Balkan countries recognise the importance of an efficient project implementation in cooperation with the concerned lead International Financial Institution. This is required in order to make full use of the approximately EUR 1 billion from the IPA II program available as potential co-financing for key connectivity related investments over the 2015-2020 period.

16. The South East Europe Transport Observatory (SEETO) has estimated that it would cost EUR 7.7 billion to implement the priority projects. Findings of a study by the Vienna Institute for International Economic Studies (wiiw) show that such a comprehensive infrastructure investment package could lead to an additional growth push of up to one percentage point per year for the countries of the region over a period of 15 years. Some 200.000 new jobs could be created in the region.

17. The Western Balkan countries have agreed on the list of six transport infrastructure investment projects reflecting core priorities and the necessary maturity for imminent implementation which will be proposed for inclusion in the IPA 2015 multi-country program. They include an intermodal terminal, two bridges and three railway projects.

18. The Western Balkan countries have agreed to a priority list of 'soft measures' in transport, which have been prepared by the SEETO in cooperation with the

Transport Ministers. The Western Balkan countries will ensure that they are all fully implemented before the Summit in France.

19. The participants call on all concerned parties to work together to overcome the obstacles to the Transport Community Treaty.

20. **Energy Connectivity:** The Western Balkan countries have agreed to a short list of four investment projects to be proposed for inclusion in the IPA 2015 multi-country program. They include power interconnectors and reinforcement to the region's electricity transmission system. Additional Projects of Energy Community Interest (PECI), whether electricity or gas, will be proposed for funding in subsequent years.

21. The participating States welcome the proposed list of above-mentioned projects, six in the area of transport and four in the area of energy, as an important milestone. These projects are scheduled to receive some EUR 200 million in EU funding.

22. The Western Balkan countries have decided to establish a regional energy market by establishing power exchanges and a regional balancing market as well as making the best use of the already existing Coordinated Auction Office. The Western Balkan countries agree on the priority list of 'soft measures' in energy covering specific national issues to implement the Energy Community *acquis* and have invited the Energy Community Secretariat to take the lead to develop the regional energy market and to help implementing these 'soft measures'. The Western Balkan countries will ensure that these issues are implemented before the next Summit in France.

23. The core transport network corridors, the list of 10 projects under IPA 2015 as well as the 'soft measures' on transport and energy can be found in the annex on connectivity. Further details will be made available through a publication by the European Commission, available on the day of the Summit.

24. All the participants congratulate the Energy Community headquartered in Vienna on its 10th Anniversary. The Energy Community is the most advanced instrument for promoting sectoral reform and integration into the EU internal energy market.

25. **Investment Planning:** Each country of the Western Balkans has established National Investment Committees and draft single project pipelines which should become credible planning mechanisms ensuring that the countries have the fiscal space to take up the necessary loan financing to get all the projects implemented on time. The priority transport and energy projects mentioned above are reflected in both national investment planning and sector strategies.

Market integration – Trade Facilitation, Mobility and Joint Growth Initiatives

26. **Trade Facilitation:** The Western Balkan countries commit to bring to a successful closure the on-going negotiations in CEFTA on a framework agreement to facilitate trade, thus allowing the Trade Facilitation Agreement to be signed by all parties before mid-2016. The Western Balkan countries will demonstrate the commitment to this process by starting its implementation before the Summit in France.

27. **Mobility:** The Western Balkan countries commit to take practical steps over the next year to introduce visa facilitation for businesspeople, professional and skilled labour, where visa regimes are still in place. Furthermore, and over the medium term, the Western Balkan countries will support a comprehensive approach to the recognition of professional qualification as a cornerstone to labour mobility, and task the Regional Cooperation Council (RCC) to coordinate this work as the umbrella institution.

28. **Growth:** The Western Balkan countries will work to complement the trade and transport facilitation with other instruments such as special economic zones - cross border economic zones, export processing zones, and industrial parks. This will foster further development of regional value chains called for in the Berlin Conference. The Western Balkan countries task the RCC to coordinate development of the economic corridors concept together with CEFTA, SEETO and participating governments, and prepare inputs for the next Summit in France.

29. The participants appreciate the joint initiative of the Serbian and Kosovo Chambers of Commerce to establish a permanent cooperation platform among all the Western Balkans Chambers of Commerce with the aim to identify and stimulate regional economic cooperation and investment projects. Furthermore, the participants welcome the purchasing initiative by the German business community which will help boost growth and employment in the region.

Youth, Education, Science and Research

30. Improving the perspective of young generations is of paramount importance in ensuring stability, sustainable development and progress of the region. In this context the participating States underline the need to enhance youth mobility between the EU and the region and in the region itself.

31. The participating States agree to continue with the work on the basis of the "Positive agenda for the Youth in the Western Balkans", which was launched at the Foreign Ministers Meeting in Brdo in April 2015 and note with satisfaction the progress that was already achieved in developing concrete proposals and ideas, welcoming the proposal of the European Commission to organise an Enlargement Conference in the first half of 2016 focusing on youth issues.

32. The participating States applaud the agreement signed today (see annex on youth exchange), upon the initiative of the Prime Ministers of Serbia and Albania, to establish a Regional Youth Cooperation Office of the Western Balkans and welcome the support of the German-French Youth Office in setting it up.

33. Higher Education, Science and Research: The participating States commit themselves to encouraging their universities in offering an appropriate number of cooperation programmes and studying opportunities for students from the Western Balkans under the Erasmus+ programme. All participants welcome the 'Western Balkans Youth Window' established under Erasmus+ in 2015 providing opportunities for capacity-building in the youth sector. The Western Balkan countries agree to establish Erasmus+ National Agencies in order to be able to benefit fully from the Erasmus+ programme and increase cooperation and mobility in education and youth.

34. Mobility of the youth within the region shall be encouraged by promoting and enhancing existing programs such as CEEPUS (Central European Exchange Program for University Studies) and by setting up additional joint degree programmes where students study both in the region as well as in the EU. In this regard, the participating States strongly encourage their universities to ensure the mutual recognition of diplomas within the shortest possible timeframe - on the basis of the Lisbon Recognition Convention.

35. The participating States welcome last month's '1st Joint Science Conference Western Balkans' in Berlin/Halle recommending to allocate 3% of national GDP for education, science and research, and to establish regional Centres of Excellence. The Participants welcome the suggestions to reduce brain drain and to install a science-politics-society dialogue for decision-making taking into account existing platforms in the field, such as the Steering Platform on Research for the Western Balkan Countries facilitating the interaction among Western Balkan Countries, as well as the online information Platform on Research Technology and Innovation for the Western Balkan Countries (WBC-RTI.INFO). The Austrian Academy of Science has agreed to hold the next round of the 'Joint Science Conference Western Balkans' in Vienna.

36. Dual Vocational Education: The introduction or expansion of dual vocational training is a key element to tackle growing global competition, high youth unemployment and an increasing lack of skilled labour. The participating States agree to support the development of a vocational training system in the region. Austria is willing to work on the improvement of the vocational education and training system in the region based on the 'Roadmap to a sustainable apprentice system'. A conference bringing together dual vocational training experts, companies and potential funding agencies as well as European actors is envisaged for the beginning of 2016.

37. The participating States re-iterate their support for regional co-operation in education and training and recognise the work done since 2012 under the Western Balkans Platform on Education and Training. The continued cooperation to strengthen reform efforts of the education systems in the region should be encouraged in order to provide youth with relevant basic and transversal skills required by the regional labour market. The participants further welcome the establishment of the Education Reform Initiative of South Eastern Europe (ERI SEE) as a regionally-owned international institution and ask the European Commission and the RCC to assist in furthering the work of the ERI SEE towards an increased use of the European cooperation instruments and funds.

Civil Society

38. The participating States welcome the holding of a civil society segment in the margins of the Summit and the substantial civil society contributions which were made on main topics of the Summit. It is a voice which needs to be nurtured and present in the EU integration process of the Western Balkan countries. The participants welcome the proposal to make civil society an additional important element of the Berlin Process.