



# Annual Report on Implementation of the Multi-Annual Action Plan for a Regional Economic Area in Western Balkan Six



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# ABBREVIATIONS

|                |  |
|----------------|--|
| <b>BEREC</b>   | Body of European Regulators for Electronic Communications            |
| <b>CCP</b>     | Component Contact Points   |
| <b>CEPT</b>    | European Conference of Postal and Telecommunications Administrations |
| <b>CSIRT</b>   | Computer Security Incident Response Team                             |
| <b>DSO</b>     | Digital Switch Over  |
| <b>EA</b>      | Economies Authorities  |
| <b>EC</b>      | European Commission  |
| <b>ECO</b>     | European Communications Office                                       |
| <b>ENISA</b>   | European Union Agency for Network and Information Security           |
| <b>GÉANT</b>   | pan-European data network for the research and education community   |
| <b>MAP REA</b> | Multi-annual Action Plan for a Regional Economic Area                |
| <b>MFN</b>     | Most Favoured Nation   |
| <b>NC</b>      | MAP Coordinator at economy level                                     |
| <b>RCC</b>     | Regional Cooperation Council   |
| <b>REA</b>     | Regional Economic Area   |
| <b>RLAH</b>    | Roam Like at Home  |
| <b>RRA</b>     | Regional Roaming Agreement   |
| <b>RSPG</b>    | Radio Spectrum Policy Group  |
| <b>SEDDIF</b>  | South European Digital Dividend Implementation Forum                 |
| <b>SEED</b>    | Systematic Electronic Exchange of Data                               |
| <b>WB6</b>     | Western Balkans Six  |
| <b>WRC</b>     | World Radio Conference   |

## EXECUTIVE SUMMARY

The Multi-annual Action Plan (MAP) for a Regional Economic Area (REA) in the Western Balkans Six (WB6), endorsed at the Trieste Summit of 12 July 2017, puts forward a strategic joint agenda for the Western Balkan economies to further regional economic cooperation with a view to unleash the potentials for growth, create conditions for better, transparent and predictable investment climate and improve the overall economic competitiveness of the WB6 economies. The actions introduced in the MAP REA are expected to be implemented until 2020, with some extensions until 2023, focusing on four key components: Trade, Investment, Mobility and Digital Integration.

*A credible enlargement perspective for and enhanced EU engagement with the Western Balkans*, launched on 6 February 2018, demonstrates the embedding of MAP REA within the core EU accession process. The strategy and its flagships on socio-economic development and digital agenda are directly related to MAP REA. Moreover, actions put forward in the Action Plan under “Supporting socio-economic development” and “A Digital Agenda for the Western Balkans” define clear actions to be implemented by 2019 - with some by 2020 - which are fully aligned with the MAP REA objective and actions.

The Declaration made at the Western Balkans Summit in Sofia on 17 May 2018 calls for urgent action to implement the Multi-annual Action Plan for the Development of a Regional Economic Area and announces the continued EU support in the efforts invested by Western Balkans. Moreover, the Statement of support for the digital agenda for the Western Balkans endorsed at the occasion of the EU-WB6 Summit highlights the importance of a market- and investment-friendly environment in the Western Balkans to move faster towards a digital economy, and as part of Sofia Priority Agenda announces the launch of a Digital Agenda for the Western Balkans, including a roadmap to facilitate lowering the cost of roaming; and to launch a substantial technical assistance package for the identification of potential digital investments (including broadband) through Western Balkans Investment Framework/Instrument for Pre-accession Assistance.

The MAP REA actions are aligned with strategic documents in particular with the Economic Reform

Programmes, as the key mid-term economic policy coordination documents. The cross-reference analysis between MAP REA and the ERPs 2018-2020 reveals a good fit between the two strategic frameworks and high prioritisation of MAP REA measures within the ERPs.

The overall coordination for the MAP REA implementation in each WB6 economy is the responsibility of the MAP Coordinator (MAP NC). Moreover, each economy has designated the MAP Component Contact Points (CCPs) for each of the four MAP REA components to steer the work of various working mechanisms within Trade, Investment, Mobility and Digital Integration components of the MAP REA. Coordination, reporting and monitoring in each participating economy is ensured through the MAP NCs while at regional level the coordination role for the Trade component is performed by CEFTA Secretariat and for the Investment, Mobility and Digital Integration components coordination is performed by the RCC Secretariat. Regular reporting to the MAP NCs meeting and PM Sherpas’ meeting, European Commission and other international organisations is in place. In addition, business-to-government (B2G) discussions were held back-to-back with the MAP NCs meetings, organised in cooperation with WB CIF, to ensure greater synergies amongst different actors.

The MAP REA Stock Taking and Needs Assessment report has been finalised. The process of needs assessment was carried out through self-identification of needs, complemented further by desk research and validated through the consultations held in all WB6 capitals. The gaps identified through the process are translated into practical lists of needs across the four areas, categorised as technical assistance/capacity building, analytical support, prospective multi-annual regional project interventions and capital investment support. RCC has supported the regional donor coordination in areas of relevance for MAP REA -the Fourth Meeting on Donor Coordination was held in Brussels on 13 March 2018, having great focus on MAP REA implementation and regional MAP REA-related needs.

The Guidelines on Governance, Coordination and Reporting for the MAP REA and the methodology on MAP REA monitoring and reporting have been

endorsed by the MAP NCs. This report is prepared in compliance with the methodology on MAP REA monitoring and reporting, offering a snapshot of MAP REA implementation. Other horizontal activities to increase visibility and information sharing on MAP REA have been also undertaken.

In the investment policy area, progress is recorded in particular in establishing a harmonised level playing field for investment. The MAP REA measures are focused on the removal of barriers to investments, in the areas of investment entry and establishment, investment protection and retention, and investment attraction and promotion, which will enable the WB6 economies to reap the benefits of economies of scale, and enable geographically diversified businesses, more efficient allocation of resources within a regional market, ultimately providing significant new opportunities for the private sector. To this end, the Regional Investment Reform Agenda (RIRA) has been adopted and the next step ahead will be to translate it into national action plans. The South East Europe Investment Committee (SEEIC) will continue to be the main platform for supporting RIRA, although economies still need to establish focus groups at the level of individual economies to discuss and steer proposed policy reforms.

Furthermore, Western Balkan economies will work on the joint promotion of the region as a unique investment destination. In this endeavour, the region will identify the sectors of economy with common grounds for joint promotion, namely the sectors where the participating economies will identify added value opportunities for development of regional value chains. Identification of priority sectors for investment promotion will be aligned with the MAP REA pillar on smart specialisation.

Lastly, there is a strong need for closer coordination at domestic level amongst relevant stakeholders for successful implementation of MAP REA, namely amongst the MAP National Coordinators, MAP Component Contact Points and line ministries and relevant institutions. To secure quality and sustainability of the regional dialogue, regional platforms for implementation of MAP REA must include adequate representation with pertinent decision-making mandate from the relevant institutions.

In an increasingly global economy, the extent to which international high-skilled mobility channels are formed within the region and between the region and the EU is a question of great importance. Better integration of high-skilled

professionals and academics into professional and research networks, the European Research Area and the European Higher Education Area will yield significant benefits for the migratory region of Western Balkans.

All of the WB6 economies have stepped up efforts and demonstrated good progress in removing obstacles to mobility of researchers. All WB6 economies have prioritised mobility of researchers in their respective strategic frameworks. In response to the identified obstacles to mobility of researchers, which include financial barriers, majority of the economies have created grant schemes to support mobility of researchers at the level of individual economies. All WB6 participate in Horizon2020 with varied success rates, as well as the Marie Curie Skłodowska Actions where success rates of the WB6 researchers are particularly low. With regards to actions aimed at supporting research infrastructure and the development of centres of excellence in the region progress has been slower and variation between economies more prominent.

Despite initial delays, technical preparations for opening of the negotiations on the Mutual Recognition Agreement of Professional Qualifications for Doctors of Medicine, Dentists and Architects have been completed and the joint Working Group on Recognition of Professional Qualifications has agreed at its meeting on 7th of May 2018 to recommend the opening of the negotiations. Provided that all governments finalise their internal procedures and inform the RCC Secretary General thereof, the first meeting of the negotiating teams could take place during July 2018.

The planned actions on removing obstacles to recognition of academic qualifications are ahead of scheduled timeline; therefore, advanced progress in the region can be noted. During December 2017, the participants agreed to launch a joint exercise on recognition of academic qualifications to identify and analyse similarities/differences in recognition of foreign degrees and to suggest further joint action to reduce the differences based on which Joint Guides on Recognition of Academic Qualifications will be prepared. The deepened regional cooperation on recognition of academic qualifications was reinforced by additional domestic efforts to shorten, simplify and create “student-friendly” procedures for recognition of academic qualifications. The new legislative frameworks adopted across WB6 in the last year

open multiple opportunities for MAP measures to contribute significantly to the modernisation of the higher education systems in the region.

Digital integration is characterised by a mixed level of preparedness amongst WB6 with Albania, Montenegro, Serbia and The Former Yugoslav Republic of Macedonia being at moderate level of preparedness regarding chapter 10 of the EU acquis, and Kosovo\*<sup>1</sup> and Bosnia and Herzegovina following behind. Digital transformation of WB6 holds great potential for enhancing growth in the region. The results of a regional analysis on the impact of digital transformation in WB6 shows that 10% increase in the digitisation index is associated with 0.63% GDP growth.

The WB6 are progressing in the transposition of the EU acquis in the area of electronic communications and information society although progress again varies amongst WB6 economies. Broadband mapping has well advanced during 2018, even though the measure is planned to be finalised in 2020. In spectrum policy harmonisation, WB6 economies are at an uneven level of preparation, with regulatory and institutional frameworks that provide for efficient overall spectrum management in place and uneven development in freeing up frequencies. Good progress is being made in harmonising regional roaming policies. Moreover, WB6 have committed to support and facilitate the processes of lowering the roaming costs for the full coverage of consumers in the Western Balkans region. The Western Balkan Digital agenda launched during the Digital Assembly on 25 June 2016 will support the digital transformation of the WB6 and prepare the region to integrate better into the EU Digital Market. Moreover, the Declaration of the Sofia Summit, of 17 May 2018, announced €30 million in technical assistance for digital projects, including broadband, within WBIF. A joint ICT Regulatory Dialogue between WB6 with the European Commission was launched in June 2018 and is foreseen to take place annually.

WB6 are undertaking efforts to improve cybersecurity - in general, they have adopted relevant policies and legislation for privacy, data protection and digital security and prepared some strategies in the area of cybersecurity. They are at an initial stage of alignment with Network and Information Security (NIS) Directive and further efforts to participate in ENISA work and activity is needed. On this note, RCC has recently initiated communication with ENISA

to explore the prospects of participation of WB economies in the work and activities of the agency. All WB6 economies have established CSIRTs but they are underdeveloped and need longer-term capacity building programmes. RCC networked the CSIRTs from the WB6 and provided initial capacity building to their representatives. A regional Conference of CSIRTs is planned to be held in October 2018.

The WB6 Digital Summit organised on 18-19 April 2018, in Skopje - the first ever in this format - reconfirmed the commitment of WB6 to work on a regional digital agenda for the benefit of its citizens and the region as a whole. The conclusions of the Digital Summit reaffirmed the commitment of WB6 to work on: digital skills, trust and security, digital connectivity and digital economy and society. All WB6 economies have established forms of central portals for open data and regular updates of data are carried out. However, no regional dialogue exists as of yet on regional exchange of data. In addition, WB6 economies have adopted e-authentication frameworks and made progress in improving their e-authentication schemes. E-signature legislation is adopted and e-government services are gradually being aligned with the National Interoperability Frameworks. Moreover, there is a commitment to establish a regional framework for recognition of certificates of electronic signature and facilitation of cross-border trusted services. There are several digital hubs and innovation parks across the WB6. Most have been developed with donor funding (including EU, the World Bank, GIZ, USAID and other bilateral donors), private sector funding, or both.

<sup>1</sup> \* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence

# OVERVIEW

## 1.1 INTRODUCTION AND PURPOSE OF THE REPORT

MAP REA aims to promote further trade integration, introduce a dynamic regional investment space, facilitate regional mobility and create a digital integration agenda for WB6 economies. Actions introduced in MAP REA offer synergies with the reform agendas currently undertaken in all WB6 driven by the EU integration process, based on EU rules and principles and following the commitments deriving from the SEE 2020, CEFTA and Stabilisation and Association Agreements. Most of the actions are expected to be implemented until 2020, with some extending into 2023.

The Enlargement Strategy embeds MAP REA within the core EU accession process, having some of its flagships directly related to MAP REA. Moreover, during the Sofia Summit, the EU launched **Sofia Priority Agenda** for the EU and the Western Balkans, annexed to the Declaration, which emphasises actions in socio-economic development, business environment and digital agenda - most of which are already embarked on as part of MAP REA-related reform processes.

This report is organised in two parts. First part provides an overview of horizontal aspects related to the MAP coordination, monitoring and reporting and the second offers a detailed presentation of the implementation of MAP REA across the four components, both at objective and regional level, as well as conclusions and recommendations on key next steps. It aims to take stock of the developments within the four components of MAP REA, describe the state of play and capture the progress made in WB6 as a region. The report is prepared by RCC in cooperation with CEFTA Secretariat in accordance with the endorsed Methodology on MAP REA monitoring and reporting.

The reporting is based on the inputs and contributions provided by the WB6 following predefined reporting templates put forward within the Methodology. The report on MAP REA implementation will enable the WB6 leaders to review the progress, or the lack thereof, in each component. The insights from the monitoring will also help inform further formulation and fine-tuning of the actions, including possible

adjustments to the timelines, making them more realistic and achievable. This report is largely based on qualitative inputs received from the economies. The report also uses data from Balkan Barometer - a survey of public and business perceptions - where appropriate and of added value. The focus of next reports will be to improve user-friendliness, visualisation of progress and impact based on key output indicators - to be defined in close cooperation and consultation with MAP structures.

## 1.2 COORDINATION, MONITORING AND REPORTING

The overall coordination for the MAP REA implementation in each WB6 economy is the responsibility of the MAP Coordinator (MAP NC). In addition, each economy has designated the MAP Component Contact Points (CCPs) for each of the four MAP REA components to steer the work of various working mechanisms within Trade, Investment, Mobility and Digital Integration components of the MAP REA. Coordination, reporting and monitoring in each participating economy is ensured at two principal levels - the first between the representatives in the regional mechanisms and the MAP CCPs, and the second amongst the Component Contact Points and the MAP Coordinator. At the regional level, the coordination role for the Trade component is performed by CEFTA Secretariat, while the Investment, Mobility and Digital Integration components are coordinated by the RCC Secretariat.

Beyond the coordination role, the RCC and CEFTA Secretariats also provide assistance in policy formulation, support to internal coordination processes and cross-sectoral consultations, and support in implementation of actions resulting in regional deliverables.

The coordination mechanisms for MAP REA are established in each WB6 economy, with the appointments of National Coordinators and Component Contact Points finalised. In addition to the internal mechanism, designated persons for each component from CEFTA and RCC Secretariats and DG NEAR of the European Commission are appointed to facil-

itate the coordination of work. Regular meetings of the MAP NCs (i.e. Brussels, on 31 October 2017 and 30 January 2018 in Trieste) and MAP CCPs (Brussels, 12 March 2018 and Tirana, 15 May 2018) are held to review the progress on the MAP REA measures and discuss future activities and deliverables. In addition, business-to-government (B2G) discussions were held back-to-back with the MAP NCs meetings, organised in cooperation with WB CIF, to ensure greater synergies amongst different actors.

RCC has finalised the Stock Taking and Needs Assessment report, in cooperation with the CEFTA Secretariat, undertaking a considerable coordination effort, both at national and regional level, to complete the needs assessment process, mainly through self-identification of needs. The report identifies the major policy gaps and needs, including assistance through bilateral or regional projects, and proposes a set of measures needed to overcome them with a view of effective and timely implementation of the MAP REA as a whole. The findings of the report have been validated through the consultations - meetings held in all WB6 capitals during November 2017 and January 2018 - and presented during the second meeting of MAP NCs. Moreover, the report was shared with all coordination mechanisms across WB6 for comments and suggestions which were duly reflected in the final version. The gaps identified through the process are translated into practical lists of needs across the four areas, categorised as technical assistance/capacity building, analytical support, prospective multi-annual regional project interventions and capital investment support.

The Guidelines on Governance, Coordination and Reporting for the MAP REA and the methodology on MAP REA monitoring and reporting have been endorsed by the MAP NCs. In accordance with the methodology on MAP REA monitoring and reporting, reports on implementation will be prepared twice a year: Annual Report - prepared mid-year to inform the WB6 Prime Ministers Summit; and Abridged Report - prepared at the end of each calendar year. Regular reports to the MAP NCs, the PM Sherpas<sup>2</sup>, European Commission and other international organisations are prepared within the monitoring context.

RCC has supported the regional donor coordination in areas of relevance for MAP REA. The Fourth Meeting on Donor Coordination was held in Brussels on 13 March 2018 with particular focus on MAP

REA implementation and regional MAP REA-related needs - the later systematised by RCC for the three components (i.e. Investment, Mobility and Digital Integration) and CEFTA Secretariat for Trade. Additionally, Economy Fishes with state of play and recommendations were compiled and shared with all the participants of the Fourth Meeting on Donor Coordination.

Other horizontal activities have been undertaken to increase visibility and information sharing on MAP REA. Namely, as part of the RCC Website - MAP REA sub-page<sup>3</sup>, an online calendar for MAP REA activities<sup>4</sup> has been prepared to allow all actors and partners to get information on the events and activities. Leaflet and video to promote the MAP REA and share information with larger audience on the activities and results have also been prepared<sup>5</sup>.

<sup>2</sup> The last reporting for Sherpa was on 11 April 2018 and 20 June 2018.

<sup>3</sup> [http://www.rcc.int/priority\\_areas/39/map-rea](http://www.rcc.int/priority_areas/39/map-rea)

<sup>4</sup> [http://www.rcc.int/events\\_calendar/63](http://www.rcc.int/events_calendar/63)

<sup>5</sup> <https://www.youtube.com/watch?v=VWBjcnJUWuw&feature=youtu.be>

# REVIEW OF IMPLEMENTATION PER COMPONENT

## 1.3 TRADE<sup>6</sup>

### Overall state of play/progress

The Sofia and London summits have put some of the priorities that had to be accomplished by the CEFTA Parties by July 2018. In this respect the majority of CEFTA Parties have ratified the Additional Protocol 5 that entered into force on the 18<sup>th</sup> of April 2018. The CEFTA Joint Committee acknowledged the importance of discussions amongst CEFTA Parties about the best possible instruments to strengthen the enforcement of CEFTA rules through more effective dispute settlement mechanism. The CEFTA Parties agreed to launch negotiations on a trade dispute settlement mechanism, so far referred as the Additional Protocol on CEFTA Dispute Settlement<sup>7</sup>. The draft text has been prepared and is due to internal procedures for the appointments of the negotiating teams. The statistical Portal has been prepared and launched and Parties are populating the data on trade in goods, services, FATS and FDI. Besides the abovementioned achievements, the CEFTA Parties concluded the negotiations on the CEFTA Secretariat's functions, budget and staffing<sup>8</sup>. This one is expected to be enforced until the London Summit.

Besides the main outputs, several other activities have taken place in the context of the MAP, such as the designation of the single date of entry into force of the CEFTA

Decision on Duty Drawback (1<sup>st</sup> of July 2019), the monitoring actions for the smooth implementation of the Agreement like public procurement and competition assessment.

<sup>6</sup> The input for the Trade Component of MAP is provided by the CEFTA Secretariat and is introduced in its integral form, including on referencing the region's economies

<sup>7</sup> In different frameworks such as CEFTA Agreement and the REA Multi-annual Action Plan

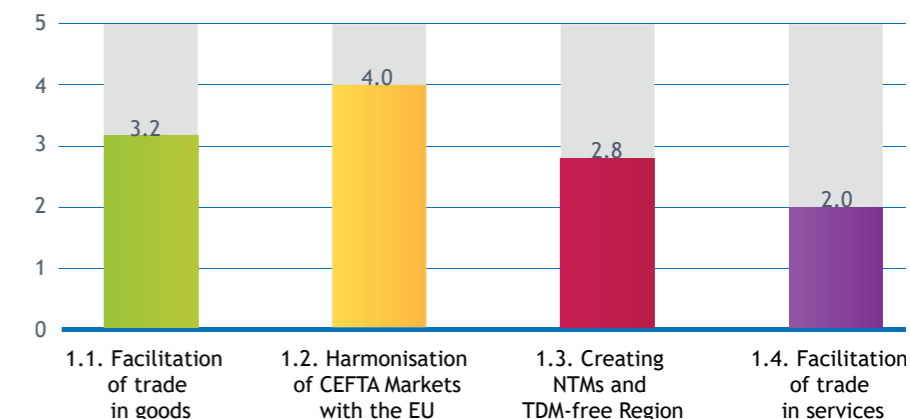
<sup>8</sup> Pending completion of the internal procedure by Bosnia and Herzegovina.

The Parties, on the economy level, have started some of the reforms that would lead to the implementation of the MAP priorities such as the establishment of the National Trade Facilitation Committees which were established in all of the Parties with the objective to enhance the public-private dialog.

The implementation of activities detailed in the MAP is within the realm of responsibility of the CEFTA Parties Authorities, with the support of the regional and international organisations active in the specific policy areas. The Trade Component of the MAP is coordinated by the CEFTA Secretariat for the regional perspective and by the CEFTA Contact Points. CEFTA bodies are involved in the work of all other MAP Components.

Related to the Trade Component, the progress made in the implementation of the MAP was the following as of May 2018 (see Figure below):

Figure 1: Trade - State of Preparedness of MAP Implementation in WB6 at the Level of Objectives<sup>9</sup>



<sup>9</sup> Scores at the level of objectives are simple averages of activity-level scores. Scoring is performed on a scale that assesses the stage of preparedness in MAP implementation, and includes the following scores: 1 - early stage (no actions taken), 2 - some level of preparation (preliminary steps undertaken), 3 - moderately prepared (implementation started, structures and mandates in place), 4 - good level of preparation (implementation advanced with preliminary results evidenced), and 5 - well advanced (measure fully implemented). Further information on scoring available in the Methodology on monitoring and reporting on the Multi-annual Action Plan for a Regional Economic Area in the Western Balkans (MAP).

## Policy 1.1. Facilitation of trade in goods

### Objective 1.1.1. Strengthening the monitoring and enforcement capacity of CEFTA

During the reporting period the CEFTA Parties have discussed the 3 proposed options for the establishment of the Dispute Settlement mechanism. The progress was achieved in dismissing the option No 3 and at the moment the 2 remaining options are under consideration. The negotiations have been launched by the Special Joint Committee conclusion adopted in Pristina on 27 April 2018 that states: "WE acknowledge the importance of discussions amongst CEFTA Parties about the best possible instruments to strengthen the enforcement of CEFTA rules through more effective dispute settlement mechanism. The CEFTA Parties agree to launch negotiations on a trade dispute settlement mechanism, so far referred as the Additional Protocol on CEFTA Dispute Settlement<sup>10</sup>. Negotiations will also take into account further legal analysis and opinions provided by the CEFTA Secretariat. The exploratory talks were held under the auspices of the CEFTA Committee of Contact Points by the Sofia Summit until the official negotiation teams shall be appointed". As the activity is completed the score is 5.

### Objective 1.1.2. Adoption of Additional Protocol 5 and start of its implementation

- Regarding the adoption of validation rules for mutual recognitions, the concept notes have already been prepared. It is expected that the first draft of Implementing Provision of Mutual Recognition of AEO will be submitted to the relevant CEFTA bodies in June 2018. For the mutual recognition of border documents, the draft decision is expected to be submitted in the 4th quarter of 2018. The score is 3, which is moderately prepared.
- During the reporting period the Additional Protocol 5 on Trade Facilitation entered into force for Macedonia, Moldova and Montenegro. Albania and Bosnia and Herzegovina have also ratified the Additional Protocol 5 during the reporting period. The rest of CEFTA Parties are expected to finalise all the required parliamentary ratification

in the first half of 2018. The score is 5 as the AP 5 entered into force for the three CEFTA Parties on 18 April 2018 and is expected to enter into force for all CEFTA Parties by the end of 2018 as planned.

- Regarding the start of Implementation of Mutual Recognition Programmes, there will be regional piloting project to test the mutual recognition of AEO programmes according to the AP 5. The score is 2, as the piloting project will provide necessary feedback for the timely start of mutual recognition of AEO.

### Objective 1.1.3. Concluding Party level IT interconnections for data exchange between Agencies at the national level

- The levels of the investments were provided to the Parties at the Rome meeting of the SEED Steering Committee in June 2017. In the further discussions it is possible that some amounts would be reduced due to the usage of TRACES. The score is 5, as this activity is completed.
- Each CEFTA Party needs to confirm the amount which has been allocated from either their budget or through international assistance. The CEFTA Secretariat cannot report this activity. Based on the reports of the Parties the score is 3 as most of the Parties have secured some of the funding for the hardware.

### Objective 1.1.4. Initiating exploratory talks on joint risk management, border controls and one-stop shop border controls

- Once the AP 5 enters into force for all CEFTA Parties, the relevant action will start. The CEFTA Secretariat will run a questionnaire to analyse the level of preparedness of SPS Authorities for risk management. The tender for the questionnaire is awarded and the company should start with the activities during the next period. The score is 2.
- Once the AP 5 enters into force for all CEFTA Parties, the relevant action will start. There are relevant CEFTA Structures which have been created with an appropriate mandate, the score is 2.

### Objective 1.1.5. Initiating exploratory talks on mutual cooperation between market surveillance control authorities of CEFTA Parties

- The CEFTA Secretariat is in the initial phases of the discussions related to the market surveillance authorities and is working closely with the Quality Infrastructure Project which includes Market Surveillance Authorities. The score is 2.
- The CEFTA Parties have selected two sectors that will be assessed by GIZ. Depending on the results of the GIZ Project one sector will be selected by the CEFTA Parties. The score is 3.
- Development of the timeframe to conclude MRA is relied on the results of actions under b). The Score is 1.
- Assessing potential to extend MRA in other supply chains with regional interest will be dependent on the previous actions b) and c). The score is 1.

## Policy 1.2. Harmonisation of CEFTA Markets with the EU

### Objective 1.2.1. Initiating the application of SAP+ and Full Cumulation

- The derogation of PEM Convention is obtained. There are still a number of CEFTA Parties to conclude the relevant FTAs with EFTA or Turkey in order to complete SAP + cumulation. The score is 4.
- The CEFTA Joint Committee of April 2018 recommended the application of full cumulation to start on 1 July 2019. The score is 4.

### Objective 1.2.2. Potential approximation of CEFTA MFN to EU CET

CEFTA and World Bank will prepare a study on impact assessment of the potential approximation of CEFTA MFN rates to EU CET. The results will be presented at the annual ministerial meeting scheduled for November 2018. The score is 4 and further actions will arise from the results of the Study.

## Policy 1.3. Creating NTMs and TDM-free Region

### Objective 1.3.1. Administrative Cooperation between Competition and State Aid Monitoring Authorities

- The CEFTA has enough legal grounds and a specific Ministerial Decision regulating state aid schemes reporting. There is no concrete progress in other actions. The score is 1.
- The CEFTA has enough legal grounds and a specific Ministerial Decision regulating state aid schemes reporting. There is no concrete progress in other actions. The score is 1.
- The EBRD commenced implementation of the regional project on competition. The competition day was organised in Belgrade in April. CEFTA will cooperate with the EBRD regarding establishment of the links between the Competition Authorities and regular cooperation to bring efficiency in the state aid reporting processes. The score is 2.

### Objective 1.3.2. Eliminating any remaining discriminatory practices in public procurement markets

- The CEFTA Secretariat has outsourced a company that will provide the assessment. At the moment the Inception Report is upon revision by the Parties. The full report was delivered in April 2018. The results were provided to the Parties for consideration with a view to have the final report approved soon. The results will be presented to the Joint Committee during the next meeting of the JC. The score is 4.

### Objective 1.3.3. Systemic Monitoring of NTMs in trade in goods and services

The CEFTA Market Access Barriers Database (MABD) is up and running, and regularly updated. Modalities to improve the identification of NTBs at the local level are to be explored for further efficient inputs in the MABD. Furthermore, the CEFTA Parties have been systemically employing bilateral consultations to eliminate the NTBs amicably. Regarding the elimination of structural NTBs CEFTA needs well-functioning dispute settlement. The score is 3.

## Policy 1.4 Facilitation of free trade in services

### Objective 1.4.1. Implementation of CEFTA Additional Protocol 6 on Trade in Services

- The Additional Protocol 6 is pending adoption by the CEFTA Joint Committee, as the issue of denomination of CEFTA Parties

<sup>10</sup> In different frameworks such as CEFTA Agreement and the REA Multi-annual Action Plan



is still not resolved. The first steps towards securing the future AP6 implementation have been already taken by developing concepts of establishment of contact points for services to secure the fulfilment of the commitment stated in Article 9 para 3. The score is 1.

- b) The constraints on the adoption of AP6 are not allowing this activity to start. The Score is 1.
- c) The tenders have been prepared for this activity and companies selected. The start of the implementation is expected during the month of June 2018. The score is 2.
- d) The activities under this action are planned with GIZ. The first workshop was held in March 2018 to assess the project proposal. The proposal was submitted by GIZ to the BMZ and the positive outcome is expected. The score is 2.
- e) Not started yet
- f) Not started yet
- g) Not started yet
- h) The CEFTA Secretariat has developed the Reporting System on Trade in Services, FATS and FDI Services and an adequate dissemination platform. The CEFTA Statistical Portal is set up and features widespread data covering all aspects of trade in services statistics, FATS and FDI statistics as well as indicators defined and approved by the Working Group on Trade in Statistics and Subcommittee on Trade in Services. The portal is accessible via CEFTA Secretariat website, and data can be read and downloaded in professional and user-friendly manner. The score is 4 due to the population of the data by the Parties.

#### **Objective 1.4.2. Conclusion of agreements on intra-regional regulatory cooperation**

In its Ministerial Conclusions of 27 April 2018, the Parties have considered the importance of trade without regulatory barriers and took steps towards negotiating suitable forms of arrangements amongst regulators in charge of services. The sectors mutually selected by the CEFTA Parties where the potential conclusion of intra-regional cooperation amongst regulatory authorities can be reached included: communication, road transport, tourism and travel, construction and related engineering,

as well as computer related services sectors. The best practice instruments such as harmonisation, sector-specific legally binding agreement and Mutual Recognition Agreements proved to be most efficient in increasing efficiency of intraregional trade.

#### **Objective 1.4.3. Development of disciplines on domestic regulation**

The importance of the domestic regulatory environment as a context for trade has been widely recognised in Article 10 of the Additional Protocol 6 and in the Ministerial Conclusions. The issues should be dealt within the Subcommittee on Trade in Services.

#### **Objective 1.4.4. Launching dialogue on regulatory issues in electronic commerce**

In accordance with Article 28 of CEFTA and Article 18 of the Additional Protocol 6, regional dialogue on regulatory issues in e-commerce is set to be launched, coupled with the activities of the RCC under Digital Integration Agenda. First actions have been dedicated to the analysis of the existing legal framework, barriers in e-cross border trade as well as geo-blocking measures. CEFTA Subcommittee on Services will serve as an umbrella for the activities related to the Electronic Commerce with recommendations and next steps for the trade component.

## 1.4 INVESTMENT

### Overall state of play/progress

The objective of the MAP REA investment agenda is to prioritise and implement reforms in investment-related policies in the WB6 to harmonise them with the EU standards and international best practices, and to promote the region as a sound investment destination to the global business community. This effort is complemented with initiatives to embed smart growth approaches into WB6 economic development strategies through introduction of smart specialisation. Finally, a more diversified private sector access to finance is also addressed through MAP REA with actions aimed at further regional capital markets development to increase business activity through financial intermediators other than banks.

The economies are at different stages of development on the three components of the investment agenda. These differences have been taken into ac-

count when preparing the regional deliverables for MAP REA.

Albania is in the final stages of enacting the Unified Investment Law, to be followed by relevant bylaws (including the Investor Grievance Mechanism). Along with evolving the investment policy legal framework, there is also a strong need to strengthen the capacities of institutions in charge of implementing the investment agenda. Mixed progress is seen in smart growth with a need to focus efforts on adoption of the Strategy on Research and Development, further strengthen the capacity of the National Agency for Science, and formalise the governance structure for the smart specialisation strategy. Albania S3 team has identified relevant experts for data collection, and completed the first phase of the S3 roadmap, with planned support from JRC on the development of the smart specialisation strategy. Furthermore, the mapping of economic, innovative and scientific potential is anticipated to be completed by the end of the third semester of 2018. External expertise will be needed in the process and Albania is seeking funding support from donors and JRC on this.

In Bosnia and Herzegovina, investment policy and legal framework is in place, but in need of improvement, with a particular focus on International Investment Agreements and Bilateral Investment Treaties Reforms, along with the need for capacity building in investment promotion. On other parts of the investment component, although the market authorities, regulators and operators are in place and functional on entity levels, Bosnia and Herzegovina would be well advised to further consolidate its financial market through closer coordination of stock exchanges, securities commissions and line ministries.

Kosovo's\* investment policy and legal framework, although largely in place, would benefit from further upgrading, with a particular focus on International Investment Agreements. In terms of the financial market development, the establishment of the stock exchange or other securities trading platform would help expand and diversify access to finance. Good progress is seen in smart growth, in particular with the set of initiatives on innovation policy which need to be fully implemented once adopted through a coordinated inter-ministerial approach. Support to raise awareness on smart specialisation strategies would be important.

Montenegro's investment framework is in place, but can be subject to further improvements, par-

ticularly on aspects related to modernising the network of bilateral investment treaties and updating their investor-state dispute settlement provisions. Given that Montenegro does not have the investment promotion strategy, developing strategic plans for investments would be needed. Investment promotion in Montenegro needs further support by strengthening the currently understaffed investment promotion agency.

UNCTAD has launched the e-procedures portal in Montenegro to map out all administrative procedures from business establishment to registering an employee, getting an electricity connection, etc. As for the financial markets, Montenegro has adopted the new Law on Capital Markets introducing further compliance with EU acquis in this area and setting the basis for further alignment with implementing directives and regulatory technical standards. Good progress is noted in smart growth, with a set of initiatives on innovation policy that are to be adopted in a coordinated inter-ministerial approach. The new Strategy of Scientific Research Activity (2017-2021) with the Action Plan was adopted by the Montenegrin Government in December 2017 and the Smart Specialisation Strategy (S3) is under preparation. Within the S3 development, Montenegro started with the Entrepreneurial Discovery Process (EDP) in May 2018 and is currently carrying out a second round of consultations with private, public, academic and civil sectors regarding S3 priority sectors. The Ministry of Science implemented the Pilot Call for Innovative Projects in November 2017 and plans to publish the call for larger innovative grants 2018-2020 by the end of June 2018. Furthermore, Montenegro co-signed, along with other (wider SEE) economies a Declaration of Intent for Establishment of the Scientific Institute in South East Europe, which is anticipated to stimulate the education of young scientists and engineers based on knowledge and technology transfer from European laboratories like CERN and others, and would enable international competitive research in South East Europe.

In case of Serbia, although no input has been received as of yet, it can be noted that the legislation pertinent to investments is in place, along with the new Investment Promotion Strategy, with further reform to be undertaken within the RIRA context. Serbia has made considerable progress in capital markets development by having in place an advanced trading platform/stock exchange as well as functional and effective regulators, with some additional needs for policy and technical level improvements. In case of smart specialisation, Serbia

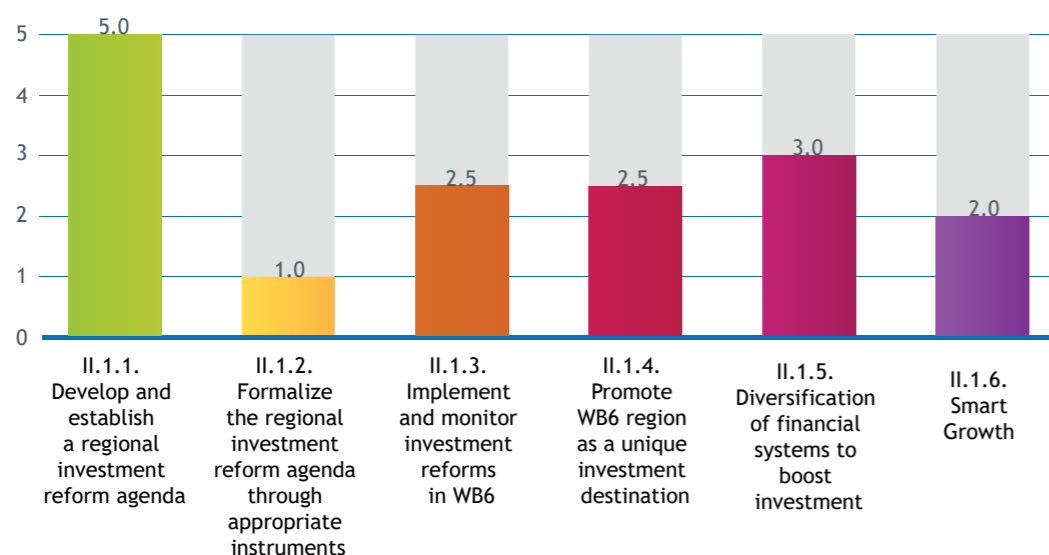
is placed amongst the advanced economies in the region, having S3 platform in place.

The Former Yugoslav Republic of Macedonia has adopted the new programme for investment support as well as the new Law for Financial Support to Investments (Law on Investments) accompanied with the respective by-laws for its implementation. In the financial markets area, The Former Yugoslav Republic of Macedonia has the institutions (regulators and operators) in place, with planned upgrades through policy interventions and technical support underpinned by regional-level dialogue.

Across the region, a strong need is evident for better coordination at the level of individual economies - namely amongst the MAP REA National Co-

ordinators, Component Contact Points and line ministries and relevant institutions. To ensure quality of deliberations and sustainability of the regional dialogue, regional platforms for MAP REA implementation must include adequate representation with clear decision-making mandates from the relevant institutions. In addition to the regional level (via RCC-supported platforms and communications channels), the work of the regional platforms (i.e. working groups on investments, capital markets, and others) must be channelled back into the domestic context and coordinated amongst representatives in the regional platforms with MAP REA National Coordinators. This is necessary so as to align the vertical and horizontal coordination processes of MAP REA implementation.

Figure 2: Investment - State of Preparedness of MAP REA Implementation in WB6 at the Level of Objectives



On the overall state of play, the region stands on a moderate level of preparation in the investment component of the MAP REA. WB6 has advanced in preparing the regional investment reform agenda, building/upgrading the smart specialisation platform, as well as establishing the regional platform

on capital markets and agreeing on the need for a regional strategic approach to this part of the agenda (see Figure 2). The regional deliverables have been agreed upon at the existing/newly established platforms as follows:

Table 2: State of play of the RCC facilitated regional deliverables

| Deliverables   | Output indicator   |
|--|--|
| Consensus on regional investment reform agenda (RIRA) with pertinent set of policies | RIRA endorsed through consultations at individual economy level, and structural regional dialogue through SEEIC-CEFTA Joint Working Group on Investments, SEEIC plenary and ultimately SEEIC ministerial meeting |

| Deliverables  | Output indicator  |
|---|---|
| Reaffirmed mandate of SEEIC-CEFTA Joint Working Group on Investments  | Terms of Reference of SEEIC-CEFTA Joint Working Group on Investments amended with a focus on MAP REA and adopted, with mandated participants in charge of investment policy, investment promotion, investment agreements and CEFTA contact points |
| Established regional capital markets platform   | Working Group on Capital Markets established and official, comprised of representatives from Ministries of Finance, Central Banks, Securities Commissions and Stock Exchanges, with adopted Terms of Reference with a focus on MAP REA            |
| Regional project initiative for financial markets coordination and diversification of access to finance through capital markets | Multi-annual regional programme proposal for capital markets developed under the guidance of the Working Group on Capital Markets   |
| Initiation of introduction of Smart Specialisation to strategic industrial development documents                                | S3 teams established and S3 roadmaps drafted in 5 economies   |

## State of implementation at objective level

### II.1. Investment policy

The WB6 as a region is on a good track in implementation of the investment component of the MAP REA. During the reporting period, all economies delivered necessary inputs and took part in preparation of RIRA, both through individual economy consultations and the regional dialogue (through sessions of SEEIC-CEFTA Working Group on Investments and SEEIC plenary and ministerial fora). Furthermore, the region has focused on the agenda for the diversification of finance through the capital markets, by establishing a new regional platform - Working Group on Capital Markets - and developing a multi-annual regional programme proposal for capital markets development.

RIRA has been developed under the guidance of the SEEIC-CEFTA Joint Working Group on Investments and technical support of the World Bank Group through an EU-funded regional programme on investment policy and promotion. It sets out the pathway for creating a dynamic investment space in the WB6, according to the MAP REA, within the context of the SEE 2020 Strategy and CEFTA legal framework, and pursuant to the individual economy SAAs. It puts the priorities of the private sector at the centre stage while recognising the individual development priorities of the WB6 economies.

In line with these twin objectives, the agenda focuses on core areas of investment policy as well as related policies that matter most to the private sector and the governments of the region. RIRA is

intended to contribute and add value to individual investment reform efforts undertaken by the economies of the region. The agenda acknowledges the differing reform baselines as well as implementation capacities across the economies of the region, as well as the different stages of EU integration process. RIRA ensures transparent and fair competition amongst the economies by mitigating a “race to the bottom” whilst not hindering the interests of the WB6 economies. The ultimate goal of the agenda is to improve the attractiveness of the region as a whole for foreign and intra-regional business, and hence facilitate higher inflow of investments and generate higher entrepreneurial activity, trade, and ultimately jobs. Hence, the WB6 are committed to design and implement a regional investment reform agenda which will lead to greater harmonisation of regional investment policies aligned with EU and international standards and best practices, and will provide significant new opportunities for the private sector.

The WB6 succeeded to implement the MAP REA measures prescribed for the 1st half of 2018 under the investment component, as follows<sup>11</sup>:

#### Objective II.1.1. Develop and establish a regional investment reform agenda

The region has implemented the MAP REA measures for this specific dimension within the timeframe for the first half of 2018. Detailed mapping of foreign

<sup>11</sup> MAP REA Investment component measures not mentioned under this heading are intended for the later stage, after the WB6 Summit in London and are taken into consideration under the Next Steps heading

investments in the WB6 region has been performed, with the input and access to FDI-relevant data provided by the WB6 economies. Based on this data, a comprehensive inventory/database of key investment policy barriers and inhibitors has been identified and compiled, and best practices outlined. This work has been performed through in-depth consultations with the private sector and review of existing analysis, with economies providing necessary data on existing policies, laws, and regulations pertaining to investment, relevant system of incentives as well as legal and other comprehensive protection of the acquired rights of investors<sup>12</sup>. With this, and other data taken into account, a regional investment reform agenda proposal has been formulated and this agenda has been consulted with the participating WB6 economies on the individual economy level.

Given that the RIRA is comprised of heterogeneous mix of policies pertinent to investments, different institutions in charge of those policy areas took part in the consultations and provided their inputs, under the coordination of the MAP REA Investment Contact Points. Individual-economy consultations were used to help align the proposed measures with different investment context in each of the WB6 economies, as well with the diverse priorities contained in individual economy strategic objectives and reform efforts (i.e. Economic Reform Programmes). Following the consultations, RIRA was further discussed through the SEEIC-CEFTA Joint Working Group on Investments, both in direct working group sessions as well as continuous online consultations throughout the reporting period. As the Working Group on Investment operates under the auspices of the SEE Investment Committee (SEE-IC), the final proposal of the RIRA was authorised at the SEEIC Plenary meeting on 27 April 2018 and ultimately endorsed by the Ministers of Economies at the SEEIC Ministerial meeting on 11 May 2018. Based on the final ministerial decision, RIRA will be forwarded to the region's Prime Ministers for adoption at the upcoming WB6 Summit.

RIRA entails measures on the following policy areas:

#### I. Investor Entry and Establishment

1. *Enhancing entry and establishment opportunities for investors*
2. *Improving business establishment policies and procedures*

<sup>12</sup> More than 750 multinational corporations have been surveyed in order to find out what motivates investors' decision-making, with access to new markets (including regional) or new customer being the top priority rather than just the domestic market of one host economy.

#### II. Investment Protection and Retention

3. *Aligning the legal frameworks for investment, including IIAs, with international good practice and EU standards*
4. *Strengthening investment retention mechanisms in the region*

#### III. Investment Attraction and Promotion

5. *Developing a regional investment promotion initiative*
6. *Streamlining incentives, and improving their transparency and governance*

#### **Objective II.1.2. Formalise the regional investment reform agenda through appropriate instruments**

Actions under this objective are planned for the second half of 2018 and no specific activities can be reported to date.

#### **Objective II.1.3 Implement and monitor investment reforms in WB6 as per established regional investment reform agenda**

The regional dialogue on RIRA has been strengthened and guided under the existing RCC's SEEIC-CEFTA Joint Working Group on Investments. The regional platform has developed and endorsed an updated Terms of Reference, with a specific focus given to the implementation of MAP REA Investment component. The updated ToR requires continuous participation in the Working Group by the economies' representatives in charge of investment policy, investment promotion, investment agreements and CEFTA contact points. This work is supported by the MAP REA Investment Contact Points, appointed by the MAP REA National Coordinators. So far, several economies have clearly defined and mandated representation of the relevant public institutions with appropriate decision-making power in implementation of the agreed regional investment reform agenda, while others are anticipated to do so in the upcoming period.

#### **Objective II.1.4. Promote WB6 region as a unique investment destination**

RIRA also includes a joint investment promotion initiative for WB6 in priority sectors. This initiative, also stipulated by the SEE 2020 Strategy, includes identifying and selecting additional priority sectors under the smart specialisation effort that will

have the priority focus in the investment promotion activities in the upcoming period. The operational platform for investment promotion already exists under the RCC's SEEIC-CEFTA Joint Working Group on Investments and its participants mandated by the investment promotion authorities will take the lead in implementing this part of MAP REA. The work on the regional investment promotion takes into account the development of the online regional platform for promotion of the WB6 undertaken by the Chamber Investment Forum - CIF.

#### **Objective II.1.5. Diversification of financial systems to boost investment**

All measures planned to be implemented under this objective during the reporting period have been executed. The RCC supported establishment of a Working Group on Capital Market set up in December 2017, comprising policymakers (Ministries of Finance and Central Banks), capital market regulators (Securities Commissions) and operators (Stock Exchanges) with the objective of spearheading capital market development matters and enhancing coordination on regulatory and supervisory regimes in the region and beyond. Terms of Reference for the Working Group have been adopted, with a focus on implementation of capital markets measures under MAP REA, intended to expand and diversify access to finance beyond the banking sector and contribute to the creation of a more dynamic investment space in the region. Capital markets development needs identified in the first MAP Stocktaking Report were also confirmed by the group, which also put forward other measures and activities, beyond the stipulations of MAP REA, including:

- ▶ Determining detailed gaps, barriers, and needs of development of capital markets, and articulating them into concrete reform proposals: regional strategy for development of capital market
- ▶ Addressing the barriers and challenges to capital market development through targeted policy interventions by integrating them into individual-economy strategic documents and implementing the proposed reforms on the individual-economy levels
- ▶ Establishing new platforms for access to finances (i.e. crowdfunding, venture capital, etc.)
- ▶ Increasing capacity of existing capital market structures and initiating establishment of capital market structures where non-existing
- ▶ Upgrading joint regional trading platforms

These proposals have been consolidated into a concept note for multi-annual regional programme for capital market development that is currently being proposed for consideration for financing and future implementation.

#### **Objective II.1.6. Smart Growth**

Research and innovation policy frameworks and initiatives have been very dynamic in all economies of the region over the past year. Majority of economies have started to engage in developing policies, instruments and institutions to directly support innovation in the private sector, enhance cooperation between the academia and industry, and promote technology transfer and commercialisation of research.

Development of smart specialisation strategies has been placed on the agenda as one of the priorities for 2018 by all economies. Montenegro and Serbia have progressed in the development of the smart specialisation strategies, while the other four economies have initiated the process of the development of smart specialisation strategies by appointing the coordinating institution and the team to work on the preparation of the smart specialisation in early 2018. RCC and the Directorate-General Joint Research Centre (DG JRC) of the European Commission co-organised a joint Workshop on the Governance of Smart Specialisation and Training on the Entrepreneurial Discovery Process (EDP) in the Western Balkans, which was held at the Ljubljana Technology Park in April 2018.

During the course of the workshop, Albania, Bosnia and Herzegovina, Kosovo\* and The Former Yugoslav Republic of Macedonia have completed the first drafts of the Roadmaps for the Development of the Smart Specialisation Strategies, while Montenegro and Serbia have started to prepare operational plans for the implementation of the EDP process. Albania has finalised the first phase of the S3 roadmap having obtained a letter of intention from the JRC regarding the collaboration on the development of smart specialisation strategy. Also, the institutional capacity building phase of the roadmap was concluded, and the desk research of existing policies and strategies related to S3 has been finalised. The decision to have a S3 - while also piloting the Region 2 - was taken in close collaboration and consultation with the RDA2. The Albanian S3 team is working closely with JRC following the steps foreseen in the jointly agreed roadmap. Montenegro started with Entrepreneurial Discovery Process (EDP) in May 2018 and is now holding the second round of consultations with private, public, aca-

demic and civil society sectors regarding S3 priority sectors.

The Western Balkan region has significantly improved innovation performance in the last ten years. However, in catching up with other European regions, the focus of innovation efforts should be enhanced. Although some Western Balkan economies have seen increases in patent activity, patent intensity in the region is still low, while, on the other hand, scientific publication production displays a stable growth trend. Exports are still far more focused on medium- and low-technology products. Innovative efforts mostly accommodate traditionally strong sectors, which do not necessarily reflect the ideal competitiveness paths for economies in the region<sup>13</sup>.

According to the 2018 Balkan Barometer Business Opinion Survey, almost every fourth company in SEE has reported introducing new products and/or services and every third company has improved production and/or service delivery process in the past three years. In terms of sectors, companies from educational-scientific sector tend to innovate more, while those in transport, trade and tourism seem to innovate the least of all compared to other sectors. Only 9% of the introduced innovation comes from cooperation with the universities in the region.

A multi-country IPA project aimed at supporting technology transfer and innovation in the Western Balkans - EU4Tech - managed by DG NEAR and DG Joint Researcher Centre was launched at the beginning of 2016. Fifteen organisations in the ecosystem for TT capacity building in the WB6 have been identified within the project and targeted capacity building and trainings are to commence in 2018.

Furthermore, the European Investment Bank (EIB) is conducting a feasibility study for a regional Centre of Excellence which should propose institution(s)/hub(s) with highest potential for Centre of Excellence based on research agenda, capacity to integrate related fields, enable industrial connectivity, and ensure visibility and sustainability. Due to delays, the study has not yet been made available, but it is expected to be published later in 2018.

Investments to support innovation, as well as commercialisation of public research are of crucial importance. Serbia has set up a functional innovation fund, as did The Former Yugoslav Republic of Mace-

donia. Albania also offers public grants to SMEs that focus on innovation and technology by supporting audit of innovation and technology needs, participation in innovation and technology national and international fairs, procurement of technology-intensive/innovative equipment/machinery, etc. Other economies have started introducing different innovation voucher schemes on a smaller scale. Under the Western Balkans Enterprise Development and Innovation Facility (WB EDIF), the World Bank is implementing technical assistance to support development of an enabling venture capital ecosystem and assist with investment readiness of SMEs. Investment readiness pilots are being implemented throughout the region.

The EU4Tech project, mentioned above, has reviewed existing available TT financial instruments in region. Based on the identified gaps, JRC's thematic expertise and EIB's financial know-how will be used in a synergetic way to launch a small-scale WB6 pilot initiative funded through the multi-country IPA, which will represent the next, and first practical, stage in the efforts to cover the so called "valley of death" between research and industry.

### Obstacles and challenges

The implementation of the investment component of the MAP REA encounters some difficulties and risks that need to be addressed both at individual-economy and regional level. The main challenges relate to capacity of public administration to comply with this demanding agenda, as well as coordination amongst the relevant institutions at the level of each individual economy. Although some technical assistance to support implementation of one part of the measures put forward in MAP REA Investment component has been available, further assistance is needed, particularly on the legal side of RIRA, more comprehensive investment promotion, and implementation of the measures developed under the capital markets segment.

The challenges in implementing investment component measures entail:

- ▶ The level of harmonisation of the domestic legislation with the respective EU acquis is uneven across WB6 as economies are at different stages of EU integration process with own plans for legislative harmonisation process. This may in certain areas collide with the need to have regional positions or deploying regional actions. Due consideration is to be given to this, along with the attention to the different levels

of development and reform priorities in each of the participating economies.

- ▶ Both the available expertise and human capacity is a challenge across the region. The administrations are usually understaffed (particularly investment promotion agencies, but situation is not much different in the ministries either) or lack technical and expert capacity and need support in designing and implementing the activities dedicated to regional cooperation, as this usually represents work on top and beyond the usual scope. Thus, technical assistance is needed at several levels to support the administrations in implementing MAP REA measures.
- ▶ Administrative and bureaucratic obstacles to the implementation of the measures may hinder the process of implementation of agreed MAP REA measures at individual economy levels and dilute the quality of reforms. The effective implementation of reforms will entail a complexed chain of decision-making at the individual economy levels. For this reason, dedicated and effective coordination and communication amongst the relevant stakeholders in each of the economies will be needed amongst to successfully implement the measures.
- ▶ There is a clear need to integrate WB6 closer into the EU programmes and initiatives, as there are several actions intended to facilitate the participation of WB6 in EU programmes, initiatives and institutions. This also requires a proactive and positive response by EU institutions and other potential partners involved, and a need for DG NEAR to coordinate this process.

### Recommendations and next steps

This section provides a blueprint for next steps to be undertaken in the coming period so as to reach the set objectives under the MAP REA Investment component. The recommendations represent a natural sequence of implementation of the Investment component, taking into account that the measures foreseen for the reporting period have been fulfilled.

#### II.1.1. Develop and establish a regional investment reform agenda

- ▶ Formulate individual-economy action plans reflecting the regional investment reform agenda and streamlining the individual-economy reform efforts

- ▶ Adopt individual economy action plans, reflecting the regional investment reform agenda and streamlining the individual economy reform efforts

#### II.1.2. Formalise the regional investment reform agenda through appropriate instruments

- ▶ Conduct analysis and propose options for appropriate instrument(s) acceptable to WB6 economies based on the content of the agreed regional investment reform agenda
- ▶ Decide on the feasibility, format, and scope of appropriate instrument(s) for implementation of the regional investment reform agenda
- ▶ Initiate and conclude negotiations on regionally suitable instrument(s), depending on the decision reached.

#### II.1.3. Implement and monitor investment reforms in WB6 as per established regional investment reform agenda

- ▶ Establish individual-economy focus groups in charge of implementation of agreed investment reforms on individual economy level
- ▶ Review the progress of implementation of the regional investment reform agenda and conduct impact assessment through a regular regional dialogue under the RCC-CEFTA Joint Working Group on Investment Policy and Promotion meetings and reports
- ▶ Report on the implementation and impact of the regional investment reform agenda through the RCC-CEFTA Joint Working Group on Investment Policy and Promotion and SEE Investment Committee Ministerial Platform and the WB6 summit

#### II.1.4. Promote WB6 region as a unique investment destination

- ▶ Implement a small set of focused investment outreach activities in core sectors targeted by the SEE 2020 Strategy
- ▶ Dedicate part of the individual activities of investment promotion agencies to promoting the region as a sound investment destination

<sup>13</sup> Supporting Innovation Agenda for the Western Balkans: Tools and Methodologies, EU (2018). Available at [http://publications.jrc.ec.europa.eu/repository/bitstream/JRC111430/2018-04-24\\_western-balkans-report\\_online.pdf](http://publications.jrc.ec.europa.eu/repository/bitstream/JRC111430/2018-04-24_western-balkans-report_online.pdf)

## 1.5 MOBILITY

### Overall state of play/progress

Retention and subsequent leveraging of human intellectual capital is of fundamental importance for developing knowledge-based economies in the Western Balkans. In an increasingly global economy, the extent to which international high-skilled mobility channels are formed within the region and between the region and the EU is a question of great importance. Better integration of high-skilled professionals and academics into professional and research networks, the European Research Area and the European Higher Education Area, will yield significant benefits for the migratory region of Western Balkans.

The Western Balkan Enlargement Strategy emphasised the need to ensure full integration of the WB6 into the European Research Area and the European Higher Education Area to support integration of the students, researchers and academics into the existing European networks. Furthermore, the Sofia Declaration of the EU - Western Balkans Summit calls for increased efforts on recognition of qualifications.

All of the WB6 economies have stepped up efforts to prioritise and remove obstacles to mobility of researchers, resulting in overall good progress in this area. The WB6 have prioritised mobility of researchers in their respective strategic frameworks. In response to the identified obstacles to mobility of researchers, which include financial barriers, majority of the economies have created grant schemes to support mobility of researchers at the level of individual economies. All of the WB6 participate in Horizon2020 with varied success rates, as well as the Marie Curie Skłodowska Actions where success rates of the WB6 researchers are low. For the first time some of the 2018 EU Progress Reports have flagged the participation rates of the WB6 in the MCSA. In the past year majority of WB6 have conducted specific capacity building measures to support active participation and increased success rates in available EU programmes. In the light of the preparations of the next generation of the EU programmes, in particular the FP9, the WB6 have an opportunity to formulate joint positions and propose concrete measures to tackle the challenges currently faced.

With regards to actions aimed at supporting research infrastructure and the development of centres of excellence in the region, progress has been

slower and variation between economies more prominent. All the WB6 economies apart from Kosovo\* have representatives in the European Strategy Forum on Research Infrastructures (ESFRI). Montenegro completed mapping of research infrastructure and finalised the Research Infrastructure Roadmap in line with ESFRI, while Serbia is in the final stage of completing the mapping exercise and the Research Infrastructure Roadmap. Additional resources and technical expertise is needed to support the mapping of RI and the development of RI Roadmaps in other four economies.

Despite initial delays, technical preparations for opening of the negotiations on the Mutual Recognition Agreement of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers have been completed marking good progress on removing obstacles to recognition of professional qualifications. The joint Working Group on Recognition of Professional Qualifications has agreed on the 7th of May 2018 to recommend the opening of the negotiations on the Mutual Recognition Agreement of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers in a multilateral framework. Based on the recommendation of the Joint Working Group on Recognition of Professional Qualifications the governments of the WB6 are expected to provide the mandates and to appoint the Lead Negotiator, Deputy Lead Negotiator and the negotiation teams. Provided that all governments complete their procedures and inform the RCC Secretary General thereof, the first meeting of the negotiating teams could take place during July 2018. In addition, the Joint Working Group on Recognition of Professional Qualifications also agreed to recommend to the governments to appoint a coordinator for the Database on Professional Qualifications in WB6 with a mandate to coordinate the data collection and submit the data to the Database on Professional Qualifications by the 30th of June 2018.

One of the key conclusions of the JWG on MRPQ was to ensure the alignment of the recognition models proposed in the MRA to the EU recognition model as established in the Directive 2005/36/EC on Professional Qualifications. Therefore, the regional negotiations and efforts to transpose the Directive 2005/36/EC on Professional Qualifications are mutually reinforcing. Significant differences in progress in the transposition of the Directive are noticeable amongst the WB6. To ensure this potential is fully captured, additional resources to support institutional capacity building and ensure expert support on the specificities of the Directive through

active support of the relevant line DGs (DG GROW) throughout the negotiations are indispensable.

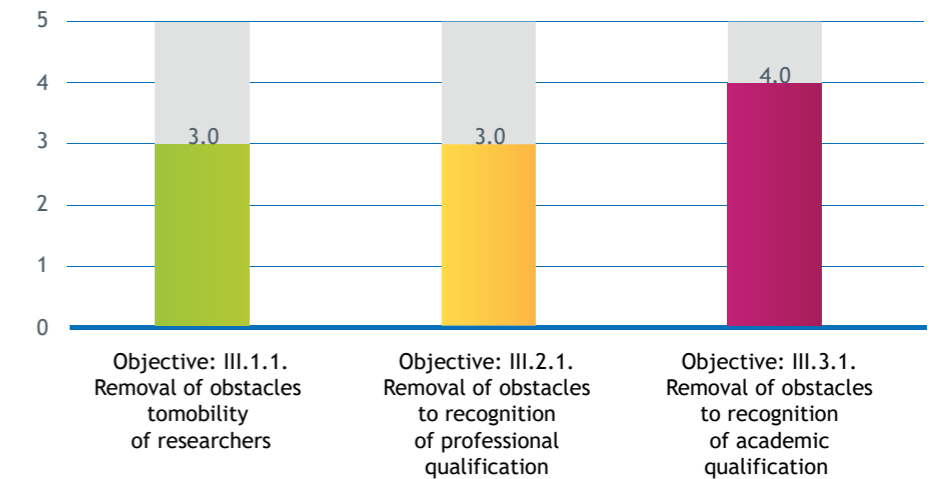
The planned actions on removing obstacles to recognition of academic qualifications are ahead of scheduled timeline; therefore, advanced progress in the region can be noted. The regional and domestic efforts to remove the obstacles to recognition of academic qualifications are particularly timely from an EU perspective as well. The European Higher Education Area Ministerial Conference which took place in May 2018 has reinforced the importance of recognition of academic qualifications. Furthermore, the EU is preparing a Communication of Recognition of Academic Qualifications to be endorsed by the EU Council during the Austrian Presidency of the EU.

The Working Group on Recognition of Academic Qualifications has agreed during December 2017 to launch a joint exercise to identify similarities/differences in recognition of foreign degrees and to suggest further joint action to decrease the differences based on which Joint Guides on Recognition of Academic Qualifications will be prepared. An initial set of principles for recognition of academic qualifications has been discussed and is to be finalised at the next meeting of the Working Group on Recognition of Academic Qualifications. In addition, to facilitate information exchange and increase transparency and cooperation in recognition of academic qualifications, a regional dialogue and regular meetings of the ENIC/NARIC centres and the Quality Assurance Agencies in the WB6 have been estab-

lished. Finally, the Working Group on Recognition of Academic Qualifications has agreed on an initial concept of the joint online system to share information, including on higher education institutions, qualifications and decisions taken. This information would thus be available to all ENIC/NARIC centres and ministries responsible for higher education in the WB6 which puts the process significantly ahead of the proposed schedule.

The deepened regional cooperation on recognition of academic qualifications was reinforced by additional domestic efforts to shorten, simplify and create “student-friendly” procedures for recognition of academic qualifications. The new legislative frameworks adopted across WB6 in the last year open multiple opportunities for MAP actions to contribute significantly to the modernisation of the higher education systems in the region.

Figure 3: Mobility - State of Preparedness of MAP REA Implementation in WB6 at the Level of Objectives



The regional deliverables have been agreed upon at the existing/newly established platforms as follows:

Table 3: State of play of the RCC facilitated regional deliverables

| Deliverables   | Output indicator  |
|--|---|
| Support integration of the WB6 into the EU initiatives on R&D and Open Science policies in the WB6 | WB6 participated in the EU Member States Meeting of the National Contact Points for Open Science as observers<br><br>EU Report on Open Science will for the first time include a chapter on Western Balkans |

| Deliverables   | Output indicator   |
|--|--|
| Completed technical preparations for the opening of the negotiations on the Mutual Recognition Agreement on Recognition of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers | Recommendation on opening the negotiations on the Mutual Recognition Agreement on Recognition of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers agreed by the Joint Working Group on Mutual Recognition of Professional Qualifications<br><br>Draft legal text of the Mutual Recognition Agreement on Recognition of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers prepared |
| Structured approach on Recognition of Academic Qualifications in South East Europe was agreed and endorsed   | Formalised the Working Group on Recognition of Academic Qualification which adopted Terms of Reference and Work Plan for 2018  |
| Initiated work on technical preparation for a model of automatic recognition of academic qualifications in the WB6   | Comparative study which included policy recommendations on removing obstacles to recognition of academic qualifications after a comprehensive consultation process was finalised   |
| Initiated work on the joint information system, i.e. regional on-line system to facilitate recognition of academic qualifications was prepared and discussed with the WG on RAQ  | Principles of a model of recognition of academic qualifications presented and discussed  |
| Kicked-off the network of ENIC/NARIC and QA agencies in the WB6  | Joint Exercise on Recognition of Academic Qualifications outlining the objectives, methodology, results and next steps to facilitate recognition of academic qualifications was initiated  |
|  | First concept of the joint information system, i.e. regional on-line system to facilitate recognition of academic qualifications was prepared and discussed with the WG on RAQ   |
|  | Network of ENIC/NARIC and QA agencies met for the first time in March 2018   |

## State of implementation at objective level

### Policy: III.1. Mobility of Researchers

#### Objective: III.1.1. Removal of obstacles to mobility of researchers

All of the WB6 economies have stepped up efforts marking overall good progress on removing obstacles to mobility of researchers. All WB6 have prioritised mobility of researchers in their respective strategic frameworks. Additional efforts were made by Albania where the National Agency for Scientific Research and Innovation prepared a report for Ministry of Education with the main findings on legal barriers to mobility of researchers, as well as on-line version of the Incoming Researchers Mobility

Guide. In Bosnia and Herzegovina establishment of the Registry of third-country nationals for the purposes of research, studies, training, volunteer service, schemes or educational projects was initiated; together with Ministry of Security and Service for Foreigners' Affairs of Bosnia and Herzegovina. Serbia has identified legal barriers to mobility in the Strategy for Scientific and Technological Development of Serbia for the period from 2016 to 2020 - "Research for innovation" - and prepared an Action Plan be adopted in 2018. In response to the identified obstacles to mobility of researchers, which include financial barriers, majority of the economies have created grant schemes to support mobility of researchers. In Kosovo\* the Ministry of Education and Science has allocated EUR 60,000.00 for mobility for 2018; in 2017, 84 researchers benefited

from this mobility fund. The 2018 Mobility Call has also been announced, and will remain open from February until October 2018 - 23 researchers have been supported during April-May.<sup>14</sup> In The Former Yugoslav Republic of Macedonia the Ministry of Education and Sciences provides financial support to young scientific - research staff with granting scholarships for the academic year 2018/2019 for second and third cycle of studies at the top 10 ranked universities in all scientific fields of study and at one of the first 100 ranked universities in the field of technical sciences according to the Academic Ranking of World Universities (ARWU).

All WB6 economies participate in Horizon2020 with varied success rates, as well as the Marie Curie Skłodowska Actions where success rates of the WB6 researchers seem to be low. According to EU's Progress Report in Albania the applicants to H2020 programme had increased to 249 from 146 in 2016, but the success rate remains comparatively low (7.9% compared to 14.7% overall for Horizon 2020). Furthermore, participation in Marie Skłodowska-Curie Actions have been increasing steadily over the last years, counting a total of 21 funded talented researchers since 2014. Regarding the participation in H2020, Bosnia and Herzegovina has so far 29 successful projects with 45 participants from BiH, and has received EUR 4.1 mil, with success rate 14.4 versus 14.7 EU average. Bosnia and Herzegovina participates in all EU mobility schemes, particularly in MSC Actions. So far, BiH had 1 application in IF, 11 applications in ITN, 16 in RISE, and 2 researches involved in COFUND. Progress report for Kosovo\* states that so far Kosovo\* has participated 10 times in H2020 projects (2 new ones in 2016 and 1 new in 2017) and has had the first experienced researcher funded through the Marie Skłodowska-Curie Actions last year.<sup>15</sup> During 2018, Kosovo\* approved a regulation for the definition and functionalisation of the NCP seeking to increase Horizon 2020 participation. Montenegro's participation in the framework programme Horizon 2020 (H2020) is quoted in progress report to be 13 projects; however it is underscored that the success rates have improved and are close to the European average.<sup>16</sup> According to EU's progress report Serbia continues to be active and successful in the EU research programme Horizon 2020 as well as in EUREKA, COST and the NATO Science

14 19 participating in the international conferences, and 4 others in scientific researchers.

15 <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-kosovo-report.pdf>

16 <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-montenegro-report.pdf>

and Peace for Security programmes. It also emphasises that the number of early-stage or experienced researchers participating in Marie Skłodowska-Curie Actions has increased steadily over the last years, counting a total of 126 funded talented researchers since 2014.<sup>17</sup> The progress report for The Former Yugoslav Republic of Macedonia cites that annual participation in the Horizon 2020 programme has doubled in 2016 and preliminary figures for 2017 show a continuation of this very positive trend. Overall, the Horizon 2020 success rate is low at 9.7%.<sup>18</sup>

Bosnia and Herzegovina, Montenegro, Serbia and The Former Yugoslav Republic of Macedonia have been participating successfully in COST actions which support integration of researchers into European networks and raise their capacity. Albania has joined COST only this year (2018) while Kosovo\* joined COST as a Near Neighbour Country. To support participation of WB6 (and others) in Horizon2020 the EU has opened special sub-programmes - Widening measures, including Twinning, ERA Chairs and Widening Fellowships - in which the WB6 participate.

Matching efforts have been instigated by the WB6 economies which have in the past year conducted specific capacity building measures to support active participation and increased success rates in available EU programmes. In Albania the Ministry of Education and Science through the National Agency for Scientific Research and Innovation has foreseen to train a group of 100 researchers on accessibility and benefit opportunities from the Horizon 2020 programme. In Bosnia and Herzegovina, the National Contact Points for Horizon 2020 organised 20 info days, workshops and seminars in cooperation with universities, development agencies and chambers of commerce. Also, within the same structure, the Guideline for the Horizon 2020 programme was prepared and a grant scheme in the amount of BAM 444,000 was disbursed by the Ministry of Civil Affairs both in 2016 and 2017 as a support to research and academic institutions, SMEs and other R&D institutions for preparing and submitting H2020, COST and EUREKA applications. In Montenegro training to improve the development of project proposals was provided while the H2020 National Office, national focal points, and the system of delegates to the H2020 Programme Committees were reorganised,

17 <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-serbia-report.pdf>

18 <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-the-former-yugoslav-republic-of-macedonia-report.pdf>

and awareness raising measures resumed according to this year's progress report. In The Former Yugoslav Republic of Macedonia an action plan for enhancing participation in Horizon 2020 and MSC actions respectively has been prepared foreseeing promotional activities and capacity building activities.

In the light of preparations for the next generation of the programmes, the so-called FP9 programme, the experience of the WB6 should be taken into account when designing particular instruments and measures of the programme, particularly as the WB6 experiences are not unique and are shared with many Central, Eastern and Mediterranean countries of the EU. Experiences of the FP7 where particular calls were directed at the WB researchers and institutions were highlighted as particularly useful for the capacity building of the WB institutions and have had significant positive impact on the increased success rates of the WB institutions in competing with EU member states on a more equal footing. These actions should be considered for replication in FP9 and possibly the remaining calls under Horizon2020.

Western Balkan economies' active participation in the Programme Committees of Horizon 2020 is important, given the perspective of EU membership highlighted by the European Commission's new enlargement strategy. As concluded at the last meeting of the Western Balkan Platform on Research and Development and Innovation<sup>19</sup>, the Western Balkan ministers might wish to consider addressing a joint letter to the European Commission proposing full voting rights in the Programme Committees to contribute to the discussions undertaken in the committees.

Furthermore, each government has signed several bilateral agreements with economies of the region and outside the region to promote research cooperation. However, the implementation of the bilateral agreements is stalled due to limited financial resources. Therefore, some of the MAP mobility contact points have initiated discussions on a potential multilateral agreement which may elevate some of the existing financial limitations.

With regards to actions aimed at supporting research infrastructure progress has been slower and variation between economies more prominent. All the WB6 economies apart from Kosovo\* have representatives in the European Strategy Forum on Research Infrastructures (ESFRI). Montenegro

<sup>19</sup> See full conclusions here: <https://wbc-rti.info/object/news/17083>

completed mapping of research infrastructure and finalised the Research Infrastructure Roadmap in line with ESFRI, while Serbia is in the final stage of completing the mapping exercise and the Research Infrastructure Roadmap. Albania and The Former Yugoslav Republic of Macedonia have announced preparation of the mapping of research infrastructure in the upcoming period. Only Serbia has ERIC (European Research Infrastructure Consortium) contact point and is one of the founding members of the Central European Research Infrastructure Consortium (CERIC-ERIC) and participates in Digital Research Infrastructure for Arts and Humanities ERIC (DARIAH-ERIC<sup>20</sup>) and European Social Survey ERIC (ESS-ERIC<sup>21</sup>).

The Working Group on Open Science (WGOS) was formed under the auspices of the Regional Cooperation Council (RCC) with the aim of accelerating policy reforms in favour of Open Science in the Western Balkan economies and in particular to ensure synergies between planned and new domestic e-infrastructures to support Open Access and Open Data policies in the region. Ensuring synergies amongst e-infrastructures at European and global level and designating a National Point of Reference for Open Access is essential for integration of the WB into the European Research Area. To support the process of Opening Science in the Western Balkans the DG R&D invited the WB6 to attend as observers the regular meetings of the network of National Points of Reference on Scientific Information (NPR) of EU member states as well as included them into the upcoming cycle of regular EU reporting on Open Science.

The regional initiative, led by Montenegro, to establish a South East European International Institute for Sustainable Technologies (SEIIST) aims

<sup>20</sup> DARIAH is a European Research Infrastructure Consortium(ERIC), a pan-European infrastructure for arts and humanities scholars working with computational methods. It supports digital research as well as the teaching of digital research methods. Currently DARIAH has 17members: Austria, Belgium, Croatia, Cyprus, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Poland, Portugal, Serbia, Slovenia, as well as cooperating Partners with eight non-member countries: Bulgaria, Finland, Hungary, Norway, Romania, Sweden, Switzerland and the United Kingdom. <https://www.dariah.eu/>

<sup>21</sup> The European Social Survey (ESS) is an academically driven cross-national survey that has been conducted across Europe since its establishment in 2001. Prior to the award of ERIC status, the ESS was funded on a round-by-round basis. The central coordination and design was funded through the European Commission's Fifth, Sixth and Seventh Framework Programmes, the European Science Foundation (ESF) and national funding councils in the participating countries.

to build a regional centre of excellence centred around a research nucleus with the newest technology which would offer a first-class research and have long-term effects on economic growth. The initiative has gained wide regional support whereby the Declaration of Intent to establish SEIIST was signed on 25 October 2017 at CERN by Ministers of Science and other representatives of the respective economies. The first meeting of the SEIIST Steering Committee took place on 30 January 2018 in Sofia, during the Bulgarian Presidency of the Council of the EU.

All of the WB6 economies, with an exception of Kosovo\*, have established the EURAXESS Service Centres and associated EURAXESS Jobs Portals, yet little information on researcher job vacancies in the region is available through the EURAXESS portal. Majority of the economies are investing additional resources to raise capacities of their respective EURAXESS offices.

### **Policy: III.2. Mobility of Professionals**

#### **Objective: III.2.1. Removal of obstacles to recognition of professional qualifications**

Despite initial delays, technical preparations for opening of the negotiations on the Mutual Recognition Agreement of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers have been completed marking good progress on removing obstacles to recognition of professional qualifications.

The Working Group on Recognition of Professional Qualifications has agreed on the 7th of May 2018 to recommend the opening of the negotiations on the Mutual Recognition Agreement of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers in a multilateral framework. Based on the recommendation of the Joint Working Group on Recognition of Professional Qualifications the governments of the WB6 are expected to provide the mandates and to appoint the Lead Negotiator, Deputy Lead Negotiator and the negotiation teams<sup>8</sup>. To facilitate the internal governmental procedures the RCC has provided the draft legal text of the Mutual Recognition Agreement of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers.

Once the governments have completed the internal governmental procedures they are to inform the RCC Secretary General. Once all WB6 have completed the procedures and have informed the RCC Secretary General the first meeting of the negotiating teams will be called by the RCC where

the Rules of Procedures for the negotiations will be discussed. If all the governments complete their procedures and inform the RCC Secretary General thereof by the 30th of June 2018 as agreed, the first meeting of the negotiating teams could take place in July 2018.

In addition, Working Group on Recognition of Professional Qualifications also agreed to recommend to the governments to appoint a coordinator for the Database on Professional Qualifications in WB6 with a mandate to coordinate the data collection and submit the data to the Database on Professional Qualifications. To facilitate the establishment of the Database on Professional Qualifications in WB6 the RCC has contracted a service provider to create the Database on Professional Qualifications. The initial data for the Health and Construction sectors has already been collected by the RCC. Therefore, once the governments have appointed the coordinators for the Database on Professional Qualifications the verification of the data, upon which the launching of Database depends, will be possible.

One of the key conclusions of the JWG on MRPQ was to ensure the alignment of the recognition models proposed in the MRA to the EU recognition model as established in the Directive 2005/36/EC on Professional Qualifications. Therefore, the regional negotiations and individual economies' efforts to transpose the Directive 2005/36/EC on Professional Qualifications are mutually reinforcing and enable building technical capacities of the administrations to conduct the negotiations and transpose and prepare for the implementation of the Directive 2005/36/EC on Professional Qualifications at the same time. However, to ensure this potential is fully captured additional resources to support institutional capacity building and ensure expert support on the specificities of the Directive 2005/36/EC on Professional Qualifications through active support of the relevant line DGs (DG GROW) throughout the negotiations are indispensable.

Albania aims to amend the Law No. 10171 (of 22.10.2009.) on Regulated Professions to approximate it with the Directive 2005/36/EC on Professional Qualifications. To this end, a working group was established by the Ministry of Education, Sport and Youth which will conduct a wide consultations process and analyse the current procedures to identify possible issues to address by developing concrete mitigation measures.

Bosnia and Herzegovina has prepared a Roadmap for implementation of EU Directive on Regulated

Professions 2005/36/EC adopted by the Council of Ministers of Bosnia and Herzegovina. Coordination institution and the contact point for the implementation of the Directive on regulated professions at the level of BiH, as well as sub-coordination institution and sub-contact points at entity, canton and Brcko District BiH were nominated in late last year in accordance with the Decision adopted by the Council of Ministers of Bosnia and Herzegovina<sup>22</sup>. Two meetings of the coordinator, contact point, sub-coordination institution and sub-contact points were held (December 2017 and March 2018). To support capacity building of all relevant BiH institutions the Ministry of Civil Affairs applied for TAIEX project Capacity-building for relevant institutions in BiH for transposition of EU Directive on regulated professions in the area of architecture and medicine to be held by the end of the year pending the necessary approvals.

In Kosovo\*, on 28 October 2016, the Parliament of Kosovo\* has approved the Law on Professional Qualifications (no. 05 / L-066) which is aligned with the Directive 2005/36 / EC on professional qualifications. The Law on Regulated Professions approved in 2016 has created the legal bases to open the negotiations on mutual recognition agreements of professional qualifications between Kosovo\* and the other WB economies for Doctors of Medicine, Dentists, Architects and Civil Engineers in a multilateral framework. Even though the need for institutional capacity building on the recognition of professional qualifications and the relevant EU Directives has been recognised, no institutional capacity building has been secured in the past year.

In Montenegro, the draft version of the Law harmonised with Directive 2005/36 and amended Directive 2013/55 has been completed. The Law is to be adopted by the Parliament of Montenegro in the second quarter of 2018. The Law will enter into force with the accession of Montenegro into the EU. In accordance with the draft version of the Law a single point of contact will be established by the state administration authority competent for the economic affairs. Creation of the list of regulated professions will be carried out by the Ministry of Labour and Social Affairs, using exercise of transparency forms, in close cooperation with all relevant ministries which are obliged to deliver suggestions regarding the list of their regulated professions.

Having in mind the importance of the regional cooperation and following up on the agreed conclu-

sions of the Joint Working Group on Mutual Recognition of Professional Qualifications, Montenegro has already conducted initial consultations on the negotiation teams with the relevant ministries and professional chambers. For the time being the recognition of all diplomas and qualifications, regulated or not, permanent stay or temporary stay, is carried out in accordance with the uniform Law on the Recognition of Foreign Educational Credentials and Qualifications Equivalence.

Serbia has prepared a Draft Law on Recognition of Professional Qualifications<sup>23</sup>. Serbia prepared a preliminary list of regulated professions and the database for mutual recognition of professional qualifications has been developed, based on an open source solution that can be installed on any future platform. Furthermore, in order to ensure a system that shall provide minimum training conditions for occupations where an automatic system has been envisaged, the Ministry of Education, Science and Technological Development has sent a factsheet to all relevant institutions so that they may harmonise their curricula with the prerequisites laid down in Directive 2005/36/EC. Analysis of this document is under way.

In The Former Yugoslav Republic of Macedonia the Law on Recognition of Professional Qualification was adopted in 2010. A draft Law and draft by-laws on Mutual Recognition of Professional Qualifications aligned with the Directives 2005/36/EC, 2013/55/EU have been prepared, as well as recommendations for harmonisation of the relevant legislation and alignment of the domestic educational programmes with the minimum training requirements for the professions that are automatically recognised. The draft list of regulated professions has been completed. The database and software (website) for mutual recognition of professional qualifications have been developed, based on an open source solution that can be installed on any future platform. The registry at this moment is incomplete, but the input of the information into the database is planned to start after the transfer of the website into the Ministry's data centre. Furthermore, the institutional capacities of the Inter-Ministerial Group and other relevant actors in the implementation process of the Law on Mutual Recognition of Professional Qualifications have been strengthened through extensive awareness and training activities; including a production of video

<sup>23</sup> The Working Group has 16 members (of which 12 are representatives of relevant ministries and 2 are representatives of the Bureau of the Ministry of Education, Science and Technological Development).

recorded training materials for an online e-learning platform for future generations of newly recruited staff in institutions with an active role in the implementation of the Law and bylaws on Recognition of Professional Qualifications.

With regards to the preparations for the opening of the negotiations on the MRA, the Ministry of Education and Science has continuous coordination with all relevant institutions and professional organisations, especially with those professional organisations responsible for the five regulated professions that are stipulated by the JWG MRPQ for the future Mutual Recognition Agreement.

### **Policy: III.3. Mobility of students and highly skilled**

#### **Objective: III.3.1. Removal of obstacles to recognition of academic qualifications**

The planned actions on removing obstacles to recognition of academic qualifications are ahead of scheduled timeline. The deepened regional cooperation on recognition of academic qualifications was reinforced by additional domestic efforts to shorten, simplify and create “student-friendly” procedures for recognition of academic qualifications. Therefore, advanced progress in the region can be noted.

The regional and domestic efforts to remove the obstacles to recognition of academic qualifications are particularly timely as the European Higher Education Area Ministerial Conference that took place during May 2018 reinforced the importance of recognition of academic qualifications<sup>24</sup> and as the EU is preparing a Communication of Recognition of Academic Qualifications to be endorsed by the EU Council during the Austrian Presidency of the EU.

At the regional level, the Working Group on Recognition of Academic Qualifications has been formalised in December 2017. The Working Group on Recognition of Academic Qualifications operationalised and set forward an ambitious timeline to achieve the objectives set out by the MAP REA ahead of the initial schedule.

Since December 2017, the Working Group on Recognition of Academic Qualifications has agreed to launch the joint exercise on recognition of academic qualifications with an objective to identify similarities/differences in recognition of foreign degrees; to analyse and discuss the differences and to suggest further joint action to decrease the dif-

<sup>24</sup> <http://www.ehea2018.paris/Data/ELFinder/s2/Communique/EHEAParis2018-Communique-final.pdf>

ferences based on which Joint Guides on Recognition of Academic Qualifications will be prepared. Different models for the recognition of academic qualifications have been discussed by the Working Group on Recognition of Academic Qualifications. An initial set of principles for recognition of academic qualifications has been discussed and is to be finalised at the next meeting of the Working Group on Recognition of Academic Qualifications.

In addition, to facilitate information exchange and increase transparency and cooperation in recognition of academic qualifications, a regional dialogue and regular meetings of the ENIC/NARIC centres and the Quality Assurance Agencies in the WB6 have been established.

Furthermore, the Working Group on Recognition of Academic Qualifications has agreed on an initial concept of the joint online system to share information, including on higher education institutions, qualifications and decisions taken, available to ENIC/NARIC centres and Ministries responsible for higher education in the WB6 which puts the process significantly ahead of the proposed schedule.

At the domestic level, all of the legislation is aligned with the Lisbon Recognition Convention and all of the ENIC/NARIC centres are members of the European network of the ENIC/NARIC centres apart from Kosovo\*. Majority of the economies have been investing additional efforts to further simplify and create “student-friendly” recognition procedures over the past year.

In Albania, the secondary legislation on diploma recognition issued by Ministry of Education, Sport and Youth was further improved in January 2018. The number of the required documents for the diploma recognition was reduced to just 4 (the same for the PhD) and the procedure of diploma recognition was further simplified by creating an online application procedure for applicants.

In Bosnia and Herzegovina, the BiH Centre for Information and Recognition of Qualifications in Higher Education (CIP) conducted a comprehensive analysis of regulation on recognition of academic qualifications and found that the practice of nostrification continues to be implemented, contrary to the Lisbon Recognition Convention. Furthermore, the established legislative framework is incoherent, in key recognition issues, and still lacking in other important issues in the area of recognition (for example, joint degrees, regulated professions, non-formal education and informal learning, recognition of qualifications for refugees and displaced

<sup>22</sup> Only nomination of sub-contact point from the Ministry of Education and Culture of Republika Srpska is missing.



persons, etc.). CIP provided several recommendations to support the competent recognition authorities to mitigate some of the identified issues. Furthermore, through the EU funded STINT project a model for recognition of academic qualifications at public higher education institutions has been developed and presented in all public higher education institutions together with training of staff on recognition of academic qualifications.

In Montenegro, initial discussions have taken place with regards to possible changes to create more effective and simplified recognition procedures, especially with regards to the issue of qualification equivalence. Furthermore, Montenegro is in the process of creation of a database of recognition decisions with a clear overview of all recognition applications classified per origin, type of HEI, study programme, type of qualification, etc. The on-line system will facilitate recognition procedures and will be very useful for the planned joint regional online system of cooperation. The Former Yugoslav Republic of Macedonia has already established an automatic recognition procedure for some academic qualifications in an effort to simplify the recognition processes. In this regard the recognition is automatic for qualifications awarded by the higher education institutions in top 500 on the Shanghai ranking list and the Times Higher Education ranking. Furthermore, to facilitate the recognition process in WB6 The Former Yugoslav Republic of Macedonia has signed Mutual Agreements for Recognition of Qualifications with Serbia, entered in force on 22/09/2016, and with Albania, entered in force on 16/02/2002.

To support the procedures for recognition within the EHEA, several tools have been developed in the framework of the Bologna process. The National Qualifications Frameworks help to identify “the relation between the different levels of a national educational system and its main types of qualifications and provide generic learning outcomes for all NQF levels.” (EAR HEI 2016: 102). In Kosovo\*, Montenegro and The Former Yugoslav Republic of Macedonia the NQF has been established through relevant legislation and respective QFs have been referenced to the European Qualifications Framework (EQF) and self-certified against the qualifications framework of the EHEA. In Albania the Law on the Albanian Qualifications Framework (AQF) was adopted in 2010 and is aligned with developments in the EU.<sup>25</sup> However, the NQF has not yet been certified and self-referenced towards the EQF. In

Serbia the Law on the NQF came into force only recently in April 2018.

In addition, the Diploma Supplement describes the qualification and the education system it belongs to, helping to further understand the qualification and thus facilitating its recognition (EAR HEI 2016: 96). With regard to the Diploma Supplement, it seems that majority of higher education institutions in the WB6 are issuing the Diploma Supplement, however it remains unclear to which extent are the HEIs issuing DS automatically, free of charge and in English language as agreed within the Bologna framework.

It is important to note that within the Bologna framework an Advisory Group on the Revision of the Diploma Supplement (DS) has been established with a mandate to make recommendations to the Council of Europe, the European Commission and UNESCO in reviewing the Diploma Supplement, in cooperation with stakeholders. The Advisory Group prepared a comprehensive proposal for revision of the Diploma Supplement which aims to streamline the Diploma Supplement to include references to learning outcomes, as well as information on internships and mobility experiences, references to extracurricular learning achievements and the recognition of prior learning, and recommended to the HEIs to embark on the digitalisation of DS and student data exchange, with a commitment to collect student data in a secure, machine-readable format, in line with data protection legislation. The recommendations of the Advisory Group have been endorsed by the European Higher Education Area Ministers in Paris on 25 May 2018. In the light of the European-level developments, the Working Group on Recognition of Academic Qualifications has agreed to kick-off a joint exercise on Diploma Supplement implementation in the WB6 to facilitate preparation for the implementation of the revised Diploma Supplement in the region following the Ministerial agreements made in Paris.

Quality assurance of HEIs and study programmes is the underlying foundation of the recognition process. All of the WB6 have established QA bodies, but currently only CAQA - Commission for Accreditation and Quality Assurance of Serbia is registered in European Quality Assurance Register. However, the domestic legislation for higher education has undergone significant changes in the past year in Montenegro, Serbia and The Former Yugoslav Republic of Macedonia. In all three economies the new legislation envisages establishment of full-fledged Agencies for Quality Assurance in line with

the European Standards and Guidelines for Quality Assurance. Kosovo\* Accreditation Agency (KAA) functions as an independent agency since 2008, and uses Standards and Guidelines for Quality Assurance based on ESG 2015.

## Obstacles and challenges

The Mobility agenda has seen dynamic progress, in particular in reaching the key milestone in removing obstacles to recognition of professional and academic qualifications. Further implementation will require increased administrative capacities of the authorities involved in the two processes. To support the implementation, technical assistance to build further the domestic institutional capacities will be needed. However, more importantly, the two processes open possibilities to support synergies with the European processes, domestic efforts to transpose the relevant EU acquis and to integrate further into the existing European institutions. To enable the positive spill-overs and release the potential of the multiplying effects contained in these two agendas it is essential to ensure additional financial resources and technical assistance to add on activities which would enable these effects (for instance in supporting the development of the QA systems, their alignment with the ESG and registration of QA bodies from the WB in the EQAR). The recognition agenda benefited from the existing operationalised work plans, a similar joint work plan is missing in the agenda on the Mobility of Researchers. This is partly due to the nature of the actions, which are predominantly in domain of individual economies. However, benefits could be drawn from a joint work plan which would support further the efforts made at the level of individual economies. The main challenges to the implementation of the actions outlined in the Mobility of Researchers of MAP relate to availability of technical assistance to implement some of the actions put forward in MAP, as specified below, and lack of capital investment into research infrastructure.

The challenges in implementing mobility component measures entail:

- ▶ The research systems are specific and varied across the region. This poses challenges to creating a joint operational action plan to address the identified challenges as majority of the actions outlined in the Mobility of Researchers requires targeted domestic measures. However, the potential for joint actions where they can reinforce the measures undertaken at level of individual economies should not be missed.

- ▶ The level of harmonisation of the domestic legislation with the respective EU acquis on recognition of professional qualifications is uneven across WB6. This poses challenges to the dynamics of the planned negotiations in particular if the EU model of recognition is to be fully applied in the WB. On the other hand, it creates an uneven level playing field with regards to technical preparation and capacity of the relevant institutions to conduct the negotiations.
- ▶ The pace of change of the European and domestic strategic and legislative frameworks across all three policy areas of the Mobility component of MAP is extremely high. This provides real opportunities for MAP actions to reinforce the individual efforts to modernise their research and education systems and contributes significantly to full integration of the WB6 into the EU and European frameworks. This also creates additional pressures to ensure that the MAP actions are always fully aligned and up to date with all the developments.
- ▶ WB6 need to increase their exposure to EU programmes and initiatives - there are actions intended to facilitate the participation of WB6 in several EU programmes, initiatives and institutions. In relation to the next generation of EU programmes, there are ample opportunities to formulate joint positions and the existing regional fora should be used by the governments. However, to ensure that the full potential of these opportunities is used, a proactive and positive response by EU institutions and other potential partners is essential.

## Recommendations and next steps

This section provides main recommendations and next steps for all objectives under the MAP REA Mobility component. The recommendations represent the next steps needed to implement the Mobility component and are aligned with the agreed operationalised work programmes and conclusions of operational Working Groups responsible for the implementation of the MAP Mobility component. The recommendations also take into consideration that the measures foreseen for the reporting period have been fulfilled.

### **Policy: III.1. Mobility of Researchers**

#### **Objective: III.1.1. Removal of obstacles to mobility of researchers**

<sup>25</sup> <https://www.ehea.info/pid34250-cid101090/albania.html>

- ▶ Consider operationalisation of a regional work programme on Mobility of Researchers to ensure the full potential of regional cooperation is utilised to reinforce the continuing domestic efforts.
- ▶ Consider preparing a joint Western Balkan position on the next generation of the EU FP9 programme.

**Policy: III.2. Mobility of Professionals**

**Objective: III.2.1. Removal of obstacles to recognition of professional qualifications**

- ▶ Complete internal governmental procedures to open negotiations and appoint negotiating teams by 30 June 2018. Inform the RCC Secretary General of their position on opening negotiations and of the composition of their negotiating teams by the 30th of June 2018.
- ▶ Following the information on the appointments of the negotiating teams the RCC will convene the first meeting of the negotiators.
- ▶ Following the appointment of the negotiating teams the JWG on MRPQ will seize to exist.
- ▶ Ensure technical support of the relevant line DGs (DG GROW) throughout the negotiations.
- ▶ Explore possibilities to support institutional capacity building on the relevant EU acquis (the Directive on professional qualifications) to ensure technical capacity to conduct the negotiations and reinforce efforts to transpose the EU acquis at the level of individual economies.

**Policy: III.3. Mobility of students and highly-skilled**

**Objective: III.3.1. Removal of obstacles to recognition of academic qualifications**

- ▶ Finalise the concept of automatic recognition model for the WB6 by the end of 2018.
- ▶ Finalise the concept and launch the joint information system on recognition of academic qualifications by the end of 2018.
- ▶ Continue the joint exercise on recognition of academic qualifications.
- ▶ Kick-off the joint exercise on Diploma Supplement implementation by the end of 2018.
- ▶ Ensure technical support of the relevant line DGs (DG EAC) throughout the process to ensure alignment with the EU developments on recognition of academic qualifications.

- ▶ Explore opportunities for a comprehensive action to support the development of quality assurance systems across WB6 as an underlying condition for fast track and automatic recognition of academic qualifications.

## 1.6 DIGITAL INTEGRATION

### Overall state of play/progress

The objective of the MAP REA digital agenda-related actions is to integrate the region into the pan-European digital market on the basis of a future-proof digitisation strategy, an updated regulatory environment, improved broadband infrastructure and access as well as digital literacy. Embracing digital transformation, ensuring greater availability of digital infrastructure, and enabling better regulatory framework and level playing field can help our region grow, increase the convergence rates with the EU, improve the business environment and encourage cross-border services; thus offering better life for the citizens.

The Western Balkan Enlargement Strategy puts great emphasis on WB6 Digital Agenda - being one of its flagships - and reconfirmed interest and involvement of EC in implementing this agenda. Moreover, the unprecedented dedication and work of Commissioner Gabriel and EC services has put the WB6 Digital Agenda in focus of EC work, making significant strides in integrating WB in EU's current initiatives and frameworks such as the Western Balkans Investment Framework, the Broadband Competence Office Network, the Cross-border Digital Internship Scheme, the Digital Skills and Jobs Coalition, EU's Code week initiative, etc.

The EU-Western Balkan Summit declaration reaffirmed the importance of the WB6 Digital Agenda for the regional integration, having digital agenda included in the Sofia Priority Agenda and the Statement of support for the Digital Agenda of WB6 endorsed by the WB6 Leaders. Moreover, during the Western Balkans Summit in Sofia EU announced follow-up actions in the area of connectivity, including €30 million in technical assistance for digital projects in the region. The Western Balkan Digital Agenda was launched during the Digital Assembly on 25-26 June 2016 to support the digital transformation of the WB6 and prepare the region to integrate better into the EU Digital Market.

The MAP REA digital agenda is aligned to a great extent with strategic documents in particular with

the Economic Reform Programmes, as the key mid-term economic policy coordination documents. However, the EC assessment of ERPs highlights the need for WB6 economies to further focus on digital agenda-related reform measures within ERPs. Some of the WB6 economies have prioritised digital investment projects within their national single project pipelines (NSSPS).

The recently launched OECD Competitiveness Outlook 2018 recognises the positive steps undertaken by WB6 in expanding broadband and increasing access to e-business and e-commerce. Moreover, the analyses show that WB6 rank closely alongside the Central Europe and Baltics (CEB) in the Network Readiness Index of the World Economic Forum (WEF).

In addition, Network Readiness Index (NRI)<sup>26</sup> for WB6 ranges from the lowest 3.0 points to the highest 4.4 points in the Global Information Technology Report 2016; Digital Economy and Society Index (DESI) - index 2017 - measured by Serbia is 0.3658, ranking it at 27 place; Cybersecurity Index 2017<sup>27</sup> shows that Bosnia and Herzegovina is at initiating stage while Albania, Montenegro, Serbia and The Former Yugoslav Republic of Macedonia are at maturing stage.

The Balkan Barometer 2018 shows that half of the WB6 business community is satisfied with the digital services across WB6 and compared to the last year there is a notable improvement in this context. On the contrary, in comparison with 2016 survey results, public satisfaction with social life and accessibility of public services via a digital channel (online services, website, smartphone app) is significantly lower. For 38% of the public across WB6 the skills needed to be learnt or improved are primarily those related to digital/ICT competences.

The 2018 EU Enlargement report underlines that Albania, Montenegro, Serbia and The Former Yugoslav Republic of Macedonia are at moderate level of preparedness in chapter 10 of the EU ac-

<sup>26</sup> World Economic Forum - Network Readiness Index measure the performance in leveraging information and communications technologies to boost competitiveness, innovation and well-being, on a scale from 1 to 7 points  
<sup>27</sup> ITU Global Cybersecurity Index 2017

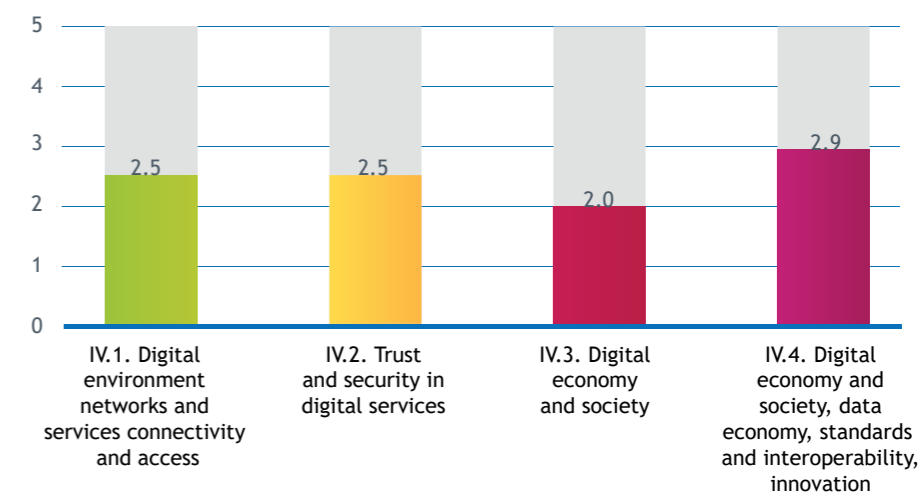
quis with Kosovo\* and Bosnia and Herzegovina following behind.

The WB6 Digital Summit which took place on 18-19 April 2018, in Skopje - the first ever organised in this format - reconfirmed the expressed willingness and commitment of WB6 to work on a regional digital agenda for the benefits of its citizens and the region as a whole. The conclusions of the Digital Summit reaffirmed the commitment of WB6 to work on: digital skills, trust and security, digital connectivity and digital economy and society.

The reporting from WB6 on MAP REA state of implementation in the Digital Integration Component shows that WB6 are at a varied level of implementation and preparation in the digital agenda (please see figure 4), less prepared in developing digital skills and more advanced in roaming policy coordination and promotion of the uptake of smart technologies - although the scoring of the later is positively affected by the successful completion of the WB6 Digital Summit and finalisation of the industry-led study "The Impact of Digital Transformation on the Western Balkans - Tackling the Challenges towards Political Stability and Economic Prosperity" rather than by any more comprehensive digitisation advances in WB6.

The results of the study suggest that the process of digital transformation of societies is growth-enhancing for WB6. Hence, 10 percent increase in the digitisation index is associated with 0.63 percent of GDP growth; 1 percent increase in the digitisation index corresponds to 0.67 percent and 2.12 percent greater productivity in services and manufacturing; 1 percent digital transformation corresponds to 1.16 percent increase in employment.

Figure 4: Digital Integration - State of Preparedness of MAP REA Implementation in WB6 at the Level of Policies/Objectives



WB6 have moderately advanced in harmonising domestic legislation with the respective EU acquis in the area of electronic communications, as part of the EU integration agenda. However, the monitoring of MAP REA implementation does not assess the level of compliance with the respective EU acquis but only takes note on completion of the legislative process.

The regional deliverables in digital agenda, facilitated by RCC and jointly agreed by WB6 to be completed prior to the upcoming high-level Summits in Sofia and London, are successfully implemented (please see Table 4).

Table 4: State of Play of the RCC-facilitated regional deliverables

| Deliverables   | Output indicator   |
|--|--|
| Structured high level regional political dialogue on WB6 digitisation through Annual WB6 Digital Summits based on full WB6 ownership and government-industry collaboration | Western Balkans Digital Summit held in Skopje, on 18-19 April 2018.  |
| Strengthened cybersecurity capacities and enhanced regional cooperation amongst WB6 CSIRTs   | RCC networked the CSIRTs from the Western Balkans and extended capacity building to their representatives. A regional project proposal on cybersecurity capacity building is prioritised in the SEE 2020 Programming Document 2018-2020 and presented in the Fourth Meeting on Donor Coordination.   |
| Commitment to reduce roaming prices (intra WB and WB-EU)   | Statement of support for the digital agenda for the Western Balkans endorsed at the occasion of the EU-WB6 Summit:<br>“WB Leaders have agreed to support and facilitate the processes of lowering the roaming costs for the full coverage of consumers in the Western Balkans region”<br>and<br>“To support the implementation of a roadmap to facilitate lowering the costs of roaming, between the Western Balkans and the European Union”<br>RCC commissioned Study to assess the impact of lowering roaming prices |
| Western Balkans is integrated in EU programmes and initiatives   | Western Balkans is integrated in Broadband Competence Office, digital cross-border traineeship initiative, EU’s Code week initiative;  |
| Technical assistance for digital projects within WBIF  | At the EU-WB Summit in Sofia EU announced €30 million in technical assistance for digital projects, including broadband within WBIF/IPA  |
| Annual ICT regulatory dialogue WB6-EC launched   | First meeting of Western Balkan Regulators and BEREC was held on 15 June 2018  |
| Digital Agenda for Western Balkans   | Launched on 25 June 2018 during the Digital Assembly   |
| Scaled-up regional interventions on digital literacy and skills  | To be announced during the London Summit   |

## State of implementation at objective level

### Policy IV.1. Digital environment networks and services, connectivity and access

#### Objective IV.1.1. Boost digital infrastructure development and regional connectivity, while creating a level playing field for digital networks and services to flourish

The progress in transposing the EU Broadband Cost Reduction Directive is uneven; Albania and The Former Yugoslav Republic of Macedonia have already transposed it while the other three economies are at preparation stage. Montenegro plans to advance with the transposition during 2018 and adopt it by 2019, Kosovo\* has prepared a first draft and TAIEX mission is foreseen to be held during 2018 to support with the screening and Serbia is at preparation phase.

The preparation of the broadband infrastructure mapping is ongoing in all economies. Albania is in the process of updating the atlas of broadband infrastructure; Montenegro started the process of mapping and advancement is expected in 2018; Serbia completed the mobile mapping and the fixed broadband mapping, as part of the new Law on Electronic Communications, currently in the process of adoption; Kosovo\* extended the broadband infrastructure - 4 pilot projects launched and contracts signed - 3 additional pilots expected to be launched by mid-2018 and Electronic Atlas on Broadband Telecommunication Infrastructure is in the process of updating; in The Former Yugoslav Republic of Macedonia, the National Operational Broadband Plan is expected to be completed during 2018 and the mapping of current NGA infrastructure and identifying the areas for intervention (white zones) are finalised. There is good prospect for the broadband mapping to have mature advancement during 2018 in all WB6 economies although the action is to be completed by 2020.

Digital connectivity necessitates outstanding capital investment in broadband, both from the national budgets as well as from private investors. There are some efforts underway in Albania and Serbia to assess overall capital investment needs in broadband infrastructure while in The Former Yugoslav Republic of Macedonia the efforts are concentrated on assessing future public investment in areas where no commercial interest exists (so-called white areas). Moreover, digital has become an eligible sector for WBIF funding as of its last Steering Committee

meeting, with the first digital application endorsed at the WBIF SC meeting in June 2018. The EU announced EUR 30 million support to develop digital projects, including broadband.

The regional dialogue and exchange on business and PPP models to address low connectivity and commercialisation of the spare fibre optic assets is at an early stage. On the annual International Regulatory Conference 2018<sup>28</sup> dialogue for strengthening cooperation amongst the regulatory authorities in the region related to the latest developments in the ICT sector and boosting broadband access was established. Although there are developments in each economy in this regard, there is a need to further improve regional cooperation to share experience and similarities amongst the WB6 economies. In Serbia, the EBRD-led project launched in 2016 will support identification of cost needed for further broadband development - including potential business/financing models for development. The Former Yugoslav Republic of Macedonia intends to establish BCO to improve broadband connectivity in rural areas. In addition, the economy-level intra-sectoral dialogue has been established, especially in view of the ongoing World Bank’s study. Mapping of potential spare optic fibre in almost all economies has been undertaken and awareness on the need to optimise their use has increased. There is a need though to establish a proper regional dialogue upon the completion of the World Bank study, which should provide information and identify commercial models for addressing spare fibre capacities.

Four out of six regulators from WB6 have an observer status to BEREC and their dialogue within the context of BEREC is improving. There is a need though to define proper mechanisms for Bosnia and Herzegovina and Kosovo\* to become associated in this dialogue. Ways to strengthen the regional dialogue amongst WB6 regulators as part of BEREC need to be explored and further strengthened. The first BEREC-Western Balkan meeting was held in the margins of the BEREC plenary session on 15 June 2018 discussing the possible cooperation between BEREC, EU National Regulatory Authorities and WB National Regulatory Authorities. The first meeting focused on regulatory issues and may lead to follow-up activities aiming to share knowledge, expertise and the best practice.

<sup>28</sup> [http://www.aec.mk/index.php?option=com\\_k2&view=item&id=2247&Itemid=465&lang=mk](http://www.aec.mk/index.php?option=com_k2&view=item&id=2247&Itemid=465&lang=mk) - organised by The Former Yugoslav Republic of Republic of Macedonia, on 15-16 of May 2018

The regional interconnection and integration into pan-European GÉANT is not complete - Bosnia and Herzegovina and Kosovo\* are not integrated in GÉANT yet while in The Former Yugoslav Republic of Macedonia only one university is integrated in the network - two more state universities are to be connected through MARNET to GÉANT in 2018. Although regional interconnection and integration is to be completed by 2023, advancement/improvement can be reached through regional actions. To this end, a proposal on cross-border connectivity of WB NRENs is prioritised in the SEE2020 Programming Document 2018-2020 - to be further developed should assistance be secured.

**Objective IV.1.2. Harmonise spectrum policy to ensure timely and efficient availability and boost deployment of standardised 5G networks**

WB6 economies are at an uneven level of preparation in spectrum policy harmonisation. Regulatory and institutional frameworks that provide for efficient overall spectrum management are in place across the region - with uneven development in freeing up frequencies. Albania, Bosnia and Herzegovina and Kosovo\* have not completed the DSO process; in Albania, it is expected that 70% of the population will be covered with digital service by mid-2018; in Montenegro -700 MHz is free and available for mobile radio communication service; in Kosovo\*, the tendering to allow the use of currently unused mobile spectrum is underway.

Broader coordination on radio spectrum issues takes place within RSPG regional group, SEDDIF as well as within WRC-19 preparatory process. A multilateral framework agreement between all SEDDIF members (with the exception of Albania) is already signed in December 2017. Initial regional dialogue on spectrum policy harmonisation took place at the Western Balkans Roaming Policy Meeting, held in April 2018 in Brussels. Good progress is being made in 5G in Montenegro - speeds for 5G prepared and The Former Yugoslav Republic of Macedonia - secondary legislation to implement 5G technology prepared. Upon request from Albania, a dedicated meeting on spectrum policy harmonisation and WB6 readiness for 5G networks was held on 12 June 2018 in Prague, back-to-back with ITU Regional Development Forum for Europe.

On World Radio Conference (WRC) participation and cooperation, economies participate independently in WRC's work. Kosovo\*, not part of WRC, has expressed interest to participate in its work

and other regional groups related to spectrum policy management. Yet, no regional discussion has started on having potential regional positions on aspects of joint interest on WRC, CEPT/ECO. WB6 part-took for the first time at the COM-ITU/CEPT Meeting, held in Prague on 12 June 2018.

**Objective IV. 1.3. Coordinate roaming policies towards a roaming free economic area**

Good progress is being made in harmonising regional roaming policies. Regional Roaming Agreement amongst 4 economies (Bosnia and Herzegovina, Montenegro, Serbia and The Former Yugoslav Republic of Macedonia) is successfully implemented<sup>29</sup>. The WB6 Roaming Policy meeting held in Brussels on 5<sup>th</sup> April 2018 underlined the trends in the 4 participating economies, highlighting the need to focus more on data rather than voice. Moreover, the WB6 confirmed their willingness to extend the scope of the agreement and work on a new successor agreement, potentially with provisions of RLAH within WB6. Experience of EU in particular for RLAH model will be further explored and used. Albania and Kosovo\* have expressed their willingness to join RRA and official letters to inform other 4 economies are submitted. Technical and procedural consultations will follow in this regard. Moreover, WB6 have committed to support and facilitate the processes of lowering the roaming costs for the full coverage of consumers in the Western Balkans region and implementation of a roadmap to facilitate lowering the costs of roaming between the Western Balkans and the European Union<sup>30</sup>.

WB6 economies discuss coordination of roaming policy in regular regional meetings and there is an expressed willingness and need to continue this dialogue, in the future, with the help and facilitation of RCC and EU.

RCC has commissioned a study to assess the impact of abolishment of roaming charges with the EU, with the consultancy procurement finalised and the first findings and results already prepared. A Roadmap to facilitate lowering the costs of roaming, based on voluntary commercial agreement and made in an inclusive approach, as part of the Enlargement Strategy's WB6 Digital Agenda will be prepared by

<sup>29</sup> The wholesale and retail prices were reduced at the level of Roaming III Regulation (i.e. Regulation (EU) No 531/2012 of the European Parliament and of the Council of 13 June 2012 on roaming on public mobile communications networks within the Union Text with EEA relevance)

<sup>30</sup> The Statement of support for the digital agenda for the Western Balkans endorsed at the occasion of the EU-WB6 Summit

EC. There are series of roundtables and discussions organised by Commissioner Gabriel with the operators to support the process of roadmap preparation. The Digital Agenda for Western Balkans, launched on 25 June 2018, will cover lowering the cost of roaming, deployment of broadband, development of e-Government, e-Procurement, e-Health, and digital skills, capacity building in digital trust and security, in parallel to efforts to enhance digitalisation of industries, adoption, implementation and enforcement of the acquis (see also the figure below).



**Policy IV.2. Trust and security in digital services**

**Objective IV.2.1. Enhance Cyber Security, trust services and data protection**

The WB6 economies have adopted relevant policies and legislation for privacy (Directive (2002/58/EC), data protection and digital security. Albania, Kosovo\*, Montenegro and Serbia have adopted dedicated cybersecurity strategies while The Former Yugoslav Republic of Macedonia is at final stages of approval. No uniform progress in implementation of the strategies amongst WB6 is noted. The EU Network and Information Security Directive (NIS) is transposed in Albania and Serbia. Montenegro partially implemented NIS Directive<sup>31</sup> whilst other economies are in process of preparation and/or in public consultation phase. WB6 lacks the capacities to implement the requirements of Annex 1 of the NIS Directive, thus a proposal on capacity build-

<sup>31</sup> CSIRT Team was established, Law on Information Security has been adopted, critical information infrastructure was defined and two cybersecurity strategies have been adopted, 1<sup>st</sup> 2013-2017, 2<sup>nd</sup> 2018-2021

ing in the area of cybersecurity is prioritised in the SEE2020 Programming Document 2018-2020.

Process of critical IT infrastructure identification and the respective legislative approval is ongoing: Albania and Kosovo\* already adopted the legislative acts on critical IT infrastructure; Serbia has identified and adopted the list of ICT systems of particular importance for the public interest, and adopted and implemented internal procedures to report significant incidents; in The Former Yugoslav Republic of Macedonia many of the critical infrastructure operators were identified, but there is no official decision on identification of critical IT infrastructure; and in Montenegro the Methodology and its Action Plan for selecting critical information infrastructure have been adopted - critical sectors and services as well as critical information systems were defined, the Decree on measures for the protection of critical information infrastructure in accordance with the Amendments to the Law on Information Security is to be adopted in the third quarter of 2018. There is no explicit input from the economies on the level of protection of critical IT infrastructure.

All WB6 have established Computer Security Incident Response Teams (CSIRTs). Although underdeveloped and lacking capacity, CSIRTs from WB6 have participated in different bilateral or regional events in the area of cybersecurity. CSIRT from The Former Yugoslav Republic of Macedonia has signed memorandums of understanding with the CSIRTs from Kosovo\* and Albania and regarding other government CSIRTs from WB economies the signing of MoUs is ongoing. Albania is also working on having MoUs with other CSIRTs.

RCC networked the CSIRTs from the Western Balkans and provided capacity building to their representatives. The discussion in this regional format will continue and the discussion will be further formalised through the establishment of permanent groups in the area of cybersecurity with members from ICT ministries and Regulators. A Regional Conference of CSIRTs proposed by The Former Yugoslav Republic of Macedonia is to be organised in October 2018, during the European Cybersecurity month and will gather representatives and heads of all the CSIRTs from the broader region, including all WB6 economies.

Following on the WB6 Digital Summit conclusions, RCC has recently established communication with ENISA in an effort to facilitate WB6 participation in ENISA activities.

### **Policy IV.3. Digital economy and society, Inclusive digital society**

#### **Objective IV.3.1. Develop and strengthen supply of digital skills**

The need to address digital skills development is commonly recognised by WB6. The digital economy allows and encourages remote work and it opens up a world of opportunities for young people, women and disadvantaged groups and the society as a whole. The effort should be focused to identify skills necessary for government leaders, civil servants, and other citizens, especially women, youth and disadvantaged groups and private sector to acquire digital economy competencies.

The progress in developing digital skills across WB6 is uneven although some attempts to develop digital skills programmes exist. Hence, Serbia is at the final stage of approval of the Digital Skill Development Strategy and the Action Plan for IT Industry Development is approved; Kosovo\* has undertaken a study on digital skills with the support of the World Bank aiming to develop a programme focusing on young people; Albania has addressed digital skills as part the Strategy for Secondary Education. In The Former Yugoslav Republic of Macedonia, National Comprehensive Education Strategy 2018-2025 was adopted in January 2018, where one of the priorities is ensuring widespread use of ICT in education, training and digital literacy at all levels (i.e. pre-school, primary education, secondary education, vocational education and trainings, university, etc.) and a new Law on Mathematics and Information Gymnasium was adopted in April 2018. A proposal on digital skills and competences is prioritised within the SEE2020 Programming Document 2018-2020. WB6 Digital Summit also recognised the need to work on digital skills programmes - reaffirming the interest towards integration within the EU Digital Skills and Jobs Coalition, by endorsing the objectives and principles of the Coalition.

Some of the economies have invested efforts in training and increase of knowledge in digital skill for targeted groups. In Kosovo\*, Ministry of Economic Development supported by the World Bank implemented the project Women in Online Work (WoW) - trainings were carried out for unemployed and under-employed young women in 5 municipalities, and additional trainings are carried out through the support of USAID and Helvetas Swiss Intercooperation, with plans of the Government to scale up the work; Serbia is at an advanced stage of preparing a dedicated Digital Skills Strategy; The

Former Yugoslav Republic of Macedonia is preparing a National ICT Strategy - roadmap to be finalised in August 2018 and the draft of the strategy by December 2018 - and has conducted trainings for basic IT skills and advanced IT skills for the unemployed.

There are also mature projects targeting digital skills to be implemented in some economies: in Kosovo\* a 3 MEUR EU IPA 2017 project is being rolled out to develop capacities for digital economy and support for digital businesses; in The Former Yugoslav Republic of Macedonia trainings for advanced IT skills under IPA projects are ongoing - the first centre in The Former Yugoslav Republic of Macedonia and the region, HubIT, under USAID Social Inclusion Project, was opened in Skopje, offering services to young people with disabilities and enabling them to start careers in the IT sector; in Serbia the Government offers incentives to NGOs providing digital upskilling for women - as part of the IT Industry Development Strategy and is funding projects to train retirees in ICT during the first half of 2018. Finally, the World Bank is currently mobilising resources to implement a WB6 wide project dealing with digital skills and scaled-up regional interventions in digital literacy and skills to be launched during the London Summit.

### **Policy IV.4. Digitization, Data economy, Standards and Interoperability, Innovation**

#### **Objective IV.4.1. Promote uptake of Smart Technologies and Accelerate Digitization**

The WB6 High-level Digital Summit organised on 18-19 April 2018, in Skopje - the first ever in this format - reconfirmed willingness and commitment of WB6 to work on a regional digital agenda for the benefit of its citizens and economies. This Summit established a structured high-level regional political dialogue on WB6 digitisation - based on full WB6 ownership and government-industry collaboration and reconfirmed the commitment to engage in a permanent dialogue in this area. Prominent speakers from the region, EU institutions, international organisations, academia, civil society and successful businesses offered a great platform for discussion on all aspects of digital transformation of the WB6 and underlined the challenges ahead. Through the Digital Summit conclusions, the WB6 committed to work on digital skills, trust and security, digital connectivity and digital economy and society. The next Digital Summit will be held in Serbia and RCC will support its co-organisation.

The industry-led study The Impact of Digital Transformation on the Western Balkans -Tackling the Challenges towards Political Stability and Economic Prosperity was presented during the WB6 Digital Summit. The extent to which the study's recommendations will be translated in domestic policies or regional actions will be discussed within regional mechanisms.

With respect to Data Economy, except for Kosovo\*, all WB6 economies are members of the Open Government Partnership initiative. Discussion on regional coordination on OPG can be further promoted through regional mechanism, such as the e-Government Working Group operating under ReSPA's auspices, with a view of jointly formulating future activities in areas that include e-Government/Open Government/Open Data, and e-Participation.

Currently, all WB6 economies have established forms of central portals for open data and regular updates of data are carried out. The data in the upgraded central open data portal of The Former Yugoslav Republic of Macedonia can be exchanged with the Central Europe open data portal and may be available to any interested WB6 economy; in Albania the central portal offers 550 online services to businesses and citizens, a policy on open data is adopted in February 2018 and a special agency on open dialogue established during 2017; Kosovo\* has already established a central portal that aims to improve public services and increase public integrity. No regional dialogue exists as of yet on potential regional exchange of data.

All WB6 economies have adopted e-authentication frameworks and made progress in improving their e-authentication schemes. In addition, WB6 economies have different level of harmonisation of domestic legislation with eIDAS regulation, with Albania, Serbia and Montenegro having already transposed eIDAS in new laws, and in The Former Yugoslav Republic of Macedonia the new draft law is in the process of public consultation. E-government services are gradually being aligned with the National Interoperability Frameworks which are functional in Albania, The Former Yugoslav Republic of Macedonia, recently approved in Bosnia and Herzegovina and to a certain extent in Serbia where e-government services are not yet deployed on the e-NIF framework. A regional project intervention on the cross-border recognition of the certificates with e-signature is jointly prioritised by WB6 in the SEE 2020 Programming Document 2018-2020.

Across the region there are several digital hubs and innovation parks. Most have been developed with

donor funding (including EU, the World Bank, GIZ, USAID and other bilateral donors), private sector funding, or both. The pan-European network of Digital Innovation Hubs Catalogue Project lists around 20 hubs from the region and provides opportunities for cooperation, as do Horizon 2020 and EU Territorial and Cross-border Programmes. The Former Yugoslav Republic of Macedonia has a Fund for Innovation and Technology Development for supporting innovative projects; feasibility study for establishment of Science and Technology Park in The Former Yugoslav Republic of Macedonia has started. Additionally, the project innovation ecosystem in the cross-border area has commenced as part of the IPA 2 Cross-Border Programme between The Former Yugoslav Republic of Macedonia and Albania. Serbia has also set up an innovation fund while other economies have started introducing different innovation voucher schemes on a smaller scale.

### **Obstacles and challenges**

The implementation of the digital component of the MAP REA encounters difficulties and risks that need to be addressed both at domestic and regional level. The main challenges relate to capacity of public administration to comply with this demanding agenda, availability of technical assistance to implement many of the actions put forward in MAP REA and capital investment mainly for broadband infrastructure.

The challenges in implementing digital integration component measures entail:

- ▶ The level of harmonisation of the legislation with the respective EU acquis is uneven across WB6 as economies are at different stages of EU integration process, associated with different dynamics of the legislative harmonisation process. This may in certain areas collide with the need to have regional positions or regional actions and therefore due attention should be given.
- ▶ Administrative capacities and capacity of the domestic structures are not at the level necessary to successfully implement some of the measures. Strengthening the capacities of the structures across all areas of the digital agenda is jointly recognised by the WB6 economies. In particular, in the area of cybersecurity (i.e. WB6 CSIRTS), WB6 digitisation (i.e. agencies dealing with open data, e-services and e-government) require dedicated capacity building programmes to ensure effective implementation of the actions put in MAP REA.

- ▶ General level of knowledge and skills in the area of digital integration needs to be increased. Although MAP REA anticipates regional training programmes for several target groups, namely citizens, IT specialists, women and people from disadvantaged groups, etc. a holistic approach to digital skills and competences is needed. Private sector and government digital skills needs should also be addressed and tailor-made training programmes need to be prepared.
- ▶ Having regional positions in many areas of the WB6 digital agenda is essential. This is particularly important in the area of cybersecurity, where the impact across the region will be high, and in spectrum policy coordination. There is no specific mechanism or instrument to achieve this and therefore additional efforts should be invested to explore prospective regional tools to be used in this respect.
- ▶ WB6 needs to increase its exposure to EU programmes and initiatives - there are actions intended to facilitate the participation of WB6 in several EU programmes, initiatives and institutions. It is unclear how this can be achieved as it involves a broader group of economies than just the WB6. This also necessitates a proactive and positive response by EU institutions and other potential partners involved.
- ▶ Intensify the regulatory dialogue amongst all WB6 regulators and intensify the launched WB6-EC regulatory dialogue.
- ▶ Complete regional interconnection and integration into the pan-European GÉANT.
- ▶ Utilise the available technical assistance in relation to digital connectivity projects, including broadband infrastructure mapping, zoning and identification of most suitable business models or through WBIF.

#### **IV.1.2. Harmonise spectrum policy to ensure timely and efficient availability and boost deployment of standardised 5G networks**

- ▶ Finalise DSO in the whole region, i.e. Albania, Bosnia and Herzegovina and Kosovo\*.
- ▶ Improve regional cooperation on spectrum coordination with a view to address spectrum coordination needs in WB6.
- ▶ Launch regional discussion amongst regulators ahead of ECO, CEPT meetings as well as before WRCs to align regional positions for issues of joint interest.

#### **IV. 1.3. Coordinate roaming policies towards a roaming free economic area**

- ▶ Continue the processes of lowering the roaming costs for the full coverage of consumers in the Western Balkans region.
- ▶ Support the implementation of a roadmap to facilitate lowering the costs of roaming, between the Western Balkans and the European Union.

#### **IV.2. Trust and security in digital services**

##### **IV.2.1. Enhance Cybersecurity, trust services and data protection**

- ▶ Complete the transposition of the EU Directive 2016/1148/EU.
- ▶ Complete the identification of the critical IT infrastructures and seek technical assistance to support the WB6 economies in implementing the requirements of Annex of the EU NIS Directive.
- ▶ Build CSIRTs capacity and strengthen the regional CSIRT network, as well as promote regional cooperation on NIS dialogue and information exchange amongst WB6 CSIRTs.
- ▶ Organise the Regional Conference of CSIRTs with a view to share experience amongst WB6 CSIRTs and other advanced CSIRTs from EU or other partners.

- ▶ Establish cooperation with ENISA including on NIS alignment process and preparation of cybersecurity strategies.
- ▶ Establish forms of cooperation to ensure transfer of knowledge amongst WB6 economies and coordination with partners/organisations active in the area of cybersecurity.

#### **IV.3. Digital economy and society, Inclusive digital society**

##### **IV.3.1. Develop and strengthen supply of digital skills**

- ▶ Engage in regional discussion to define ways in developing digital skills; pilot a regional intervention aimed at enhancing basic digital skills for citizens to engage online; support the WB6 to implement the EU Digital Competence Framework.
- ▶ Pilot a regional intervention aimed at enhancing skills for IT specialists and IT skills for government officials.
- ▶ Scale up pilots already implemented in the region such as WoW, aiming to mobilise and upskill youth, women, and people with disabilities.
- ▶ Scale up the British Council's pilot project on digital literacy and skills.
- ▶ Explore ways how to better integrate WB6 economies in the EU New Skills Agenda for Europe and the EU Digital Skills and Jobs Coalition initiative.

#### **IV.4. Digitisation, Data economy, Standards and Interoperability, Innovation**

##### **IV.4.1. Promote uptake of Smart Technologies and Accelerate Digitisation**

- ▶ Advance with the preparations of the National Interoperability Frameworks in the economies that have not done it so far. Exchange experience and ensure peer-to-peer learning from advanced economies.
- ▶ Coordinate regional activities on interoperability standards and facilitate alignment of standards, complementarity of interoperability frameworks and introduce a pan-European dimension, in line with the European Interoperability Framework (EIF).
- ▶ Involve private sector to assess the multi-faceted benefits of the online platforms and online services.
- ▶ Launch a structured dialogue amongst the appropriate regional authorities responsible

for harmonisation and implementation of legislation with eIDAS regulation.

- ▶ Launch a structured dialogue amongst the appropriate regional authorities to standardise and improve the quality of open data portals and explore potentials to regionally exchange of available data.
- ▶ Start preparations to organise the up-coming WB6 Digital Summit in Belgrade. Re-convene the Steering Committee meeting to contribute to an early and structured multi-stakeholder dialogue in this respect.

#### **Conclusions and recommendations**

The MAP REA implementation is an ambitious endeavour and a credible monitoring and reporting function is essential, both in demonstrating the progress being made, as well as in maintaining the momentum across WB6.

MAP REA actions are increasingly internalised in domestic strategic documents and implementation is in progress. While political commitment is present, the complexity of MAP REA necessitates strong cooperation between MAP Coordinators and Component Contact Points and line ministries, and efficient intra-governmental coordination. This is not always the case - this report does not include inputs from all WB6.

The Western Balkans Enlargement Strategy recognised the importance of the Regional Economic Area, putting it in the core of the EU accession process. The Enlargement Strategy's Action Plan embeds a considerable number of MAP REA measures. Thus, pro-active involvement, advice and guidance of line DGs and DEUs in the implementation of MAP REA will be needed. Furthermore, technical assistance, capacity building and direct implementation support extended through EU-funded actions will be instrumental in achieving MAP REA goals. The Declaration made at the Western Balkans Summit in Sofia on 17 May 2018 calls for urgent action to implement the Multi-annual Action Plan for the Development of a Regional Economic Area and announces the continued EU support in the efforts invested by Western Balkans. Moreover, the Vienna Economy Ministerial meeting and London Summit are also expected to take stock of progress on REA and reaffirm future commitments towards full implementation of REA Roadmap.

Several actions planned under MAP REA are scheduled to begin implementation at a later date, or their start is dependent on other processes, out-

#### **Recommendations and next steps**

This section provides in a blueprint the main recommendations and next steps for all objectives under the Digital Integration Component. The recommendations intend to offer a solution to the main findings and/or needs anticipated in the state of implementation section.

#### **IV.1. Digital environment networks and services, connectivity and access**

##### **IV.1.1. Boost digital infrastructure development and regional connectivity, while creating a level playing field for digital networks and services to flourish**

- ▶ Advance with the transposition of EU Directive 2014/61/EU in all WB6 and complete the broadband infrastructure mapping.
- ▶ Launch the regional dialogue on business incentive models and PPPs to address low connectivity. Organise a regional workshop during the second half of 2018.
- ▶ Participate in the new EU Broadband Competence Office (BCO) Network initiative and establish BCOs.

side of the scope of MAP REA. This depreciates the overall scores as well and it should be taken into consideration when assessing the level of progress made by the WB6 economies so far.

Coordination at economy level needs to be improved, so as to ensure adequate representation at the regional platforms and effective chain of decision making, which is to contribute to more successful implementation of the agreed measures on the individual economy level and consequently regional level. Moreover, where needed, experts should be properly mandated to ensure decision making.

Regional investment reform agenda has been adopted with the next step of translating it into national action plans. The South East Europe Investment Committee (SEEIC) will continue to be the main platform for supporting the regional investment reform agenda, nevertheless economies still need to establish focus groups on the domestic level which will discuss and steer proposed concrete policy reforms. The capacities of the relevant institutions should be increased especially when talking about Investment Promotion Agencies, both human and financial. Western Balkan economies will have to agree on specific sectors they want to promote internationally and work jointly towards development of Joint Investment Promotion Initiative with the aim of promoting WB6 as a single investment destination. What is evident in most of the economies is that investment laws are in place, but what is missing is adequate implementation. There is evident need for further support of diversification of financial markets, particularly capital markets and development of alternative financing instruments in all economies. Needs assessment should be carried out for development of a regional strategy for capital markets development.

The Western Balkan Enlargement Strategy emphasised the need to ensure full integration of the WB6 into the European Research Area and the European Higher Education Area to ensure integration of the students, researchers and academics into the existing European networks providing additional impetus to the Mobility component of MAP.

The Mobility agenda has seen dynamic progress, in particular in reaching the key milestone in removing obstacles to recognition of professional and academic qualifications. These efforts are particularly timely as the European Higher Education Area Ministerial Conference reinforced the importance of recognition of academic qualifications and as the EU is preparing a Communication of Recognition of Academic Qualifications to be endorsed by

the EU Council during the Austrian Presidency of the EU. Furthermore, the Sofia Declaration of the EU - Western Balkans Summit calls for stepping up work on recognition of qualifications.

Further implementation will require increased administrative capacities of the authorities involved in the two processes. To support the implementation, technical assistance to build further the institutional capacities of the relevant authorities will be needed. However, more importantly, the two processes open possibilities to support synergies with the European processes, domestic efforts to transpose the relevant EU acquis and to integrate further into existing European institutions. To enable the positives overflows and release the potential of the multiplying effects contained in these two agendas it is essential to ensure additional financial resources and technical assistance of the line DGs, in particular DG GROW and DG EAC.

The recognition agenda profited from the existing operationalised work plans, a similar joint work plan is missing in the agenda on the Mobility of Researchers. This is partly due to the nature of the actions, which are predominantly in the domain of each economy. However, benefits could be drawn from a joint work plan which would support further the domestic efforts. The potential to influence the next generation of EU programmes for the WB6 should not be missed. The joint activities and the existing regional cooperation for R&D would enable an effective preparation of joint positions if the region wished to do so.

The Digital Integration Component envisages a regional approach to the Digital Agenda for WB6 economies, reinforced further by the Enlargement Strategy and its flagship, to support digital infrastructure development and improved regional connectivity, harmonised spectrum policies, coordinated roaming policies, enhanced cybersecurity, trust services and data protection, and cooperation in policies that stimulate the data economy. WB6 record a mixed level of preparedness in the digital integration. The EU reports 2018 underline that Albania, Montenegro, Serbia and The Former Yugoslav Republic of Macedonia are at a moderate level of preparation in digital agenda while Bosnia and Herzegovina and Kosovo\* are lagging a bit behind. The reporting from WB6 on MAP REA state of implementation in the Digital Integration Component shows that WB6 are at a varied level of implementation and preparation in the digital agenda, less prepared in developing digital skills and more advanced in roaming policy coordination and promotion of the uptake of smart technologies.

WB6 have implemented all regional RCC facilitated deliverables in digital integration. Hence, WB6 Digital Summit held in Skopje on 18-19 April 2018, co-organised by RCC, reconfirmed political commitment to work on a regional digital agenda. Moreover, a structured high-level regional political dialogue on digitisation is established, based on full WB ownership and government-industry collaboration; Regional Roaming Agreement has been successfully implemented leading to substantial decrease of the roaming prices and WB6 have expressed the commitment to continue the processes of lowering the roaming costs for the full coverage of consumers in the Western Balkans region. This effort will be complementary to the EU-led efforts on Roadmap for lowering roaming costs between Western Balkans and EU.; cybersecurity capacities have been strengthened and regional cooperation amongst WB6 CSIRTs enhanced through the established network of CSIRTs from the Western Balkans.

Finally, the monitoring of the MAP REA implementation poses particular challenges listed as follows:

- i. Measures that are continuous in nature are not action oriented or where tangible outputs are difficult to define or quantify require a more systematic effort within the regional structures to properly define intermediary measures and milestones, to articulate the desired outputs, as well as to identify the outcomes and impact, within a coherent logical framework. Moreover, these measures are not properly reported from the economies nor adequately scored, as the progress assessment for these measures is usually “on-going”. To this end, regional mechanism should address the concern to find feasible and appropriate solutions;
- ii. Non-actionable measures need further detailing - many of the measures put forward by MAP REA require additional activities/milestones/steps in order for the action to be implemented. For example - “Coordinate regional positions...”; “Initiate regional cooperation...”; “Foster cooperation ...”, etc. There is a need for these types of actions to be further detailed;
- iii. Reporting from the economies does not relate in full and directly to the implementation of MAP REA measures (i.e. activities and steps undertaken from July 2017) but it rather offers the state of play under all actions. This does not allow monitoring the

progress and risks to replicate the findings of the MAP REA Stock Taking and Needs Assessment Report. The reporting from the WB6 economies should be improved to allow monitoring of progress, and RCC will work with MAP NCs and MAP CCPs to assist in providing further details/methodologies to streamline the inputs;

- iv. Limited availability of technical assistance - almost all measures of MAP REA, except for some of the measures in the Investment Component, require technical assistance for successful implementation. RCC facilitated the process of identification of the regional technical assistance needs, preceded by a self-identification of needs from each WB6 economy and validated through the consultation processes in all WB6 during February 2018. This has been further digested and systematised into practical regional interventions projects included in the SEE2020 Programming Document 2018-2020 and presented during the Fourth Meeting on Donor Coordination. Regional interventions can be further developed should the financial assistance be secured;
- v. Use of existing funds - for some of the identified needs, in particular capacity building on all MAP REA components, the existing TAIEX instrument could be more proactively used, especially in terms of outlining a predictable pipeline of capacity building activities.
- vi. Scores at the level of objectives are calculated as simple averages of all measures-level scores within a given objective. Hence, in objectives where the progress of each measure therein varies the approach used for the scoring may create misperceptions in regard to the implementation status of a specific measure.

# ANNEX 3 - REGIONAL REPORTING TABLE

| Objectives   | Actions   | Timeline  | State of play at regional level   | Scor. |
|--|---|-----------|---|-------|
| <b>I. Trade</b>  |   |           |   |       |
| <b>I.1 Facilitation of free trade in goods</b>                           |   |           |   |       |
| I.1.1.1. Strengthening the monitoring and enforcement capacity of CEFTA  | a. Launching the negotiations on Additional Protocol on CEFTA Dispute Settlement  | 2017-2017 | The ministerial conclusion related to the launch of negotiations on AP 7 is prepared and it is adopted at the SJCM in Pristina on 27 April. The exploratory meeting was held on 16 May in Tirana  | 5     |
|  | b. Adopting Additional Protocol on CEFTA Dispute Settlement   | 2019-2019 | The draft text of the AP7 was sent to the parties for the negotiations and the first round was held in Tirana on 16 of May 2018   |       |
|  | c. Ensuring timely entry into force of Additional Protocol on CEFTA Dispute Settlement  | 2019-2020 | Upon Adoption the AP7 will go to the ratification procedure in all of the Parties   |       |
|  | d. Engaging Public-Private Sector Dialogue for better monitoring of the implementation of CEFTA (continuous action)   | 2017-2023 | NTM report is planned to be prepared and presented at the Ministerial conference at the end of 2018. The cooperation with private sector will be extended to the AEOs and other areas   |       |
| I.1.2. Adoption of Additional Protocol 5 and start of its implementation | a. Adoption of Validation Rules for mutual recognitions in AP 5   | 2018-2018 | The background technical work for drafting Ministerial Decisions on Implementing Provisions was already completed. The Concepts for both Ministerial Decisions were presented by the Secretariat and agreed by the CEFTA Parties.   | 3     |
|  | b. Ensuring timely entry into force of the AP 5   | 2018-2018 | The list of actions stemming from the AP 5 according to time-based planning and level of intervention was presented by the Secretariat in March 2017. The plan also includes the types of financial assistance. The AP 5 entered into force on 18 April for 3 Parties that have ratified it. At this moment 5 Parties have ratified the AP5 | 5     |
|  | c. Start of Implementation of Mutual Recognition Programmes (Border Documents, where applicable (as specified in AP5), and Authorised Economic Operators Programme) | 2020-2020 | Following the adoption of Ministerial Decisions on Implementing Provisions in late 2018, the CEFTA Parties may start mutual recognition programmes provided that the validation schemes to be created by Ministerial Decisions are functioning seamlessly.  | 2     |

| Objectives  | Actions   | Timeline  | State of play at regional level   | Scor. |
|---|---|-----------|---|-------|
| I.1.3. Concluding Party level IT interconnections for data exchange between Agencies at all levels  | a. Developing the feasibility plans for investments at Party level by SEED Maintenance and Development Project  | 2017-2018 | The feasibility plans under various scenarios have been developed and presented to the CEFTA Parties.   | 5     |
|   | b. Ensuring the allocation of adequate financial resources from the budgets to secure internal level connections for the implementation of SEED+  | 2018-2020 | Under each scenario CEFTA Parties have full information of the possible amount of financial resources needed to be allocated from their national budget. Once the relevant DGs of the Commission confirm which scenario will be feasible technically, the CEFTA Parties are expected to allocate budget accordingly. On the donor conference the Parties have requested donor assistance for this action. | 3     |
| I.1.4. Improving joint risk management, border controls and one-stop shop border controls           | a. Developing a timeframe for joint risk management, and where appropriate (as specified in AP5): joint border controls, one-stop shop controls, sharing border control equipment                               | 2018-2019 | The CEFTA structures for risk management systems are up and running to take on board the discussion amongst CEFTA Parties at the regional level.  | 2     |
|   | b. Adoption and implementation of Regional Strategy for joint risk management, and joint border controls, where appropriate (as specified in AP5), one-stop shop controls, and sharing border control equipment | 2019-2020 | Upon the results of the discussions and agreement to be reached by the CEFTA Parties, CEFTA structures would be best placed to adopt the regional strategy on risk management.  | 2     |
| I.1.5. Developing mutual operation between market surveillance control authorities of CEFTA Parties | a. Developing a timeframe for mutual cooperation between market surveillance authorities  | 2018-2019 | The MR of border documents in the context of AP 5 may facilitate the discussion amongst market surveillance authorities.  | 2     |
|   | b. Mapping the regulatory requirements for Mutual Recognition Agreement (MRA) in one supply chain, as selected by the project Support to Facilitation of Trade between CEFTA Parties                            | 2017-2018 | The CEFTA Structures are available to provide the official platform for the topic in the upcoming period.   | 3     |
|   | c. Develop the timeframe to conclude MRA, based on EU compliance, on the selected supply chain  | 2018-2019 | The CEFTA Structures are available to provide the official platform for the topic in the upcoming period.   | 1     |
|   | d. Assess potentials to extend MRA in other supply chains with regional interest  | 2019-2020 | The CEFTA Structures are available to provide the official platform for the topic in the upcoming period.   | 1     |



| Objectives  | Actions  | Timeline  | State of play at regional level  | Scor. |
|---|--|-----------|--|-------|
| <b>I.2. Harmonisation of CEFTA Markets with the EU</b>                                  |  |           |  |       |
| I.2.1. Ensuring the application of SAP+ and Full Cumulation                             | a. Sustaining uninterrupted application of SAP +   | 2017-2018 | CEFTA Parties regularly attend the PEM Joint Committee meetings and emphasise the importance of uninterrupted implementation of SAP+ cumulation. | 4     |
|   | b. Start of Application of Full cumulation and duty drawback in CEFTA  | 2019-2019 | 1 July 2019 adopted by the JC as single date for the start of implementation of full cumulation and duty drawback.                               | 4     |
|   | a. Impact assessment of approximation of CEFTA MFN rates with the EU Common External Tariff  | 2018-2018 | The preparation of relevant project documents is in progress.  | 4     |
| <b>I.3. Creating NTMs and TDM free Region</b>   |  |           |  |       |
| I.3.1. Administrative Cooperation between Competition and State Aid Authorities         | a. Developing the instruments for information exchange between Competition and State Aid Authorities                                   | 2019-2020 | The CEFTA Structures are available to provide the official platform for the topic in the upcoming period.  | 1     |
|   | b. Full and sustainable reporting of state aid including state aid schemes and measures  | 2018-2019 | The legislation is already in place in CEFTA for state aid reporting. The reports delivered by the CEFTA Parties need to be updated.             | 1     |
|   | c. Enhance cooperation amongst competition authorities by supporting the establishment of a structured network to foster peer learning | 2018-2023 | The CEFTA Structures are available to provide the official platform for the topic in the upcoming period.  | 2     |
| I.3.2. Eliminating and remaining discriminatory practices in public procurement markets | a. Monitoring the elimination of remaining discriminatory practices in public procurement markets                                      | 2017-2018 | The results of the CEFTA financed project for monitoring the public procurement will be available soon.  | 4     |

| Objectives  | Actions   | Timeline  | State of play at regional level  | Scor. |
|---|---|-----------|--|-------|
| I.3.3. Systemic Monitoring of NTMs in trade in goods and services         | a. Employing deterring monitoring and enforcement mechanisms to eliminate any remaining NTBs  | 2018-2020 | The CEFTA Market Access Barriers Database is up and running.   | 3     |
|   | <b>I.4. Facilitation of free trade in services</b>  |           |  |       |
|   | a. Adoption of the Additional Protocol 6 by negotiating Parties   | 2017-2018 | Additional Protocol 6 awaits adoption by the CEFTA Joint Committee (the text is agreed, denomination issue to be solved) | 1     |
| I.4.1. Implementation of CEFTA Additional Protocol 6 on Trade in Services | b. Ensuring timely entry into force of Additional Protocol 6  | 2018-2019 | Ratification of the AP6 is pending adoption by JC  | 1     |
|   | c. Development of the sustainable mechanism for monitoring trade in services policies, including screening of legislation and mapping of projects and establishment of the efficient dispute settlement mechanism | 2017-2019 | CEFTA Statistical Portal set up, indicators defined and approved   | 2     |
|   | d. Establishment of the contact point for services  | 2018-2019 | Concept on contact points for services under preparation.  | 2     |
|   | e. Establishment and maintenance of the regional transparency platform on services policies featuring channels of communication to private sector and wider circle of beneficiaries                               | 2018-2023 | Elements of regional platform for services partially defined.  | n/a   |
|   | f. Review of commitments undertaken by the AP6 in non-liberalised sectors with a view to deepen the market opening in these sectors   | 2022-2023 | Action is pending full implementation of AP6   | n/a   |
|   | g. Evaluation of impact of the Agreement on further trade and investment growth, GVC, labour market   | 2020-2023 | Action is pending full implementation of AP6   | n/a   |
|   | h. Establishment and maintenance of the platform for statistical data on trade in services, FATS and FDI  | 2017-2023 | Reporting system operational, dissemination platform created and available to users                                      | 4     |

| Objectives   | Actions   | Timeline  | State of play at regional level  | Scor. |
|--|---|-----------|--|-------|
| I . 4 . 2 . Conclusion of agreements on interregional regulatory cooperation | a. Identification of regulatory barriers that impede trade and proposal for closer cooperation amongst regulatory bodies in sectors and policies of mutual interest   | 2017-2018 | Mapping of regulatory bodies in charge of services completed. Potential barriers for cooperation amongst selected regulators identified. |       |
|  | b. Establishment and maintenance of database with regulatory heterogeneity indices to perform assessment of implications of arrangements on the region  | 2018-2023 | Law firms for compiling data on legislation and policy measures selected.  |       |
|  | c. Identification of suitable forms for cooperation based on soft laws, recognition of international and EU standards, MRAs   | 2017-2018 | Preliminary analysis of potential forms of cooperation amongst regulators performed.   |       |
|  | d. Negotiation and administering the conclusion of selected arrangements  | 2018-2023 | Action will follow decision on regulators and preferred forms of cooperation   |       |
| I . 4 . 3 . Development of disciplines on domestic regulation                | a. Regular review of any issues of domestic regulation in trade in services   | 2018-2019 | First review expected in November 2019   |       |
|  | b. Development of any necessary disciplines in specific sectors to ensure that qualification requirements and procedures, technical standards and licensing requirements do not unnecessarily impede the supply of services across the region | 2022-2023 | Second review expected in 2023   |       |
|  |   | 2020-2023 | Action will follow results of the first review to be completed in 2019   |       |

| Objectives   | Actions   | Timeline  | State of play at regional level  | Scor. |
|--|---|-----------|--|-------|
| I . 4 . 4 . Launching dialogue on regulatory issues in electronic commerce | a. Identify barriers to e-Commerce in CEFTA and assess e-Commerce impact and launch regional dialogue on regulatory issues in electronic commerce   | 2018-2023 | Study on barriers in legislative framework and practice is under preparation                 |       |
|  | b. Assess existing geo-blocking measures (focus on digital content and copyright goods) and examine whether fit for purpose with the aim to prevent unjustified geo-blocking while ensuring investment and innovation incentives at the same time | 2019-2020 | Study on geo-blocking measures to be prepared in 2019  |       |
|  | c. Launch regional actions aimed at increasing citizen's trust in online services (payment, etc.) and coordination on e-Commerce trust marks  | 2018-2020 | Action will follow the results of analysis on barriers in legislative framework and practice |       |
|  | d. Identify and apply the best practice to digital market places to grow SME businesses and drive consumer welfare  | 2018-2023 | Action will follow the results of analysis on barriers in legislative framework and practice |       |
|  | e. Assess necessity of regional action to ensure high quality delivery of goods (e.g., digital content traded cross-border or physical goods purchased and via electronic means) and services at reasonable costs                                 | 2018-2023 | Action will follow the results of analysis on barriers in legislative framework and practice |       |
|  | f. Establish recognition of certificates of electronic signature and facilitation of cross-border certification services  | 2018-2023 | SC on Services will serve as umbrella for the activities related to the Electronic Commerce. |       |
|  | g. Ensure liability of intermediary services providers with respect to the transmission, or storage of information based on EU compliance   | 2019-2021 | Action will follow the results of analysis on barriers in legislative framework and practice |       |
|  | h. Address treatment of unsolicited electronic commercial communications  | 2018-2023 | Action will follow the results of analysis on barriers in legislative framework and practice |       |

| Objectives  | Actions   | Timeline  | State of play at regional level   | Scor. |
|---|---|-----------|---|-------|
| <b>II. Investment</b>   |   |           |   |       |
| <b>II.1. Investment policy</b>  |   |           |   |       |
| <p>The region is on a good track in implementation of measures related to the investment policy, and in timely manner for the first half of 2018, as stipulated by the MAP.</p> <p>Regional Investment Reform Agenda has been drafted, reviewed and endorsed both at individual economy and regional levels (SEEIC-CEFTA Joint Working Group on Investments, SEEIC plenary and ministerial foras). Regional Capital Markets Working Group has been established and prepared a regional activity programme for capital markets development. The smart growth efforts have consolidated the work of the regional R&amp;D platform and SEEIC Working Group on Industrial Policy, and taken the work in introduction of smart specialisation to industrial development agendas further.</p> |   |           |   |       |
| <b>II.1.1. Develop and establish a regional investment reform agenda</b>  | a. Execute detailed mapping of foreign investments in the WB6 region, whereby economies provide access to FDI-relevant data (sectors, re-investments, employment, etc.)   | 2017-2018 | Detailed mapping of FDI has been executed and consolidated at the regional level in the framework of implementation of Western Balkans Regional Investment Policy and Promotion Project, performed in cooperation of the RCC, CEFTA and the World Bank Group and with financial support of the European Commission. The WB6 economies have delivered the information/data on FDI flows, foreign trade, in most cases the investor data as well (inward, outward and potential investors) collected by relevant institutions. Based on this data, FDI mapping report and investor database has been created. | 3     |
|   | b. Identify and compile a comprehensive inventory/database of key investment policy barriers and inhibitors, as well as best practices, through in-depth consultations with the private sector and review of existing analysis, with economies to provide relevant data on existing policies, laws, and regulations pertaining to investment, relevant system of incentives as well as legal and other comprehensive protection of the acquired rights of investors | 2018      | Based on the investor database created, investor survey has been performed.   |       |
|   | c. Formulate a regional investment reform agenda by prioritising and sequencing issues in investment-pertinent policies to be addressed through a regional dialogue in short-term, medium-term and long-term timeframe  | 2018      | A comprehensive inventory/database of key investment policy barriers and inhibitors, as well as best practices is finalised through detailed interviews with the investors base in the region.  |       |
|   | d. Formulate individual-economy action plans reflecting the regional investment reform agenda and streamlining the individual-economy reform efforts  | 2018      | Finalised through preparation of proposal and review of the heterogeneous policy mix of the Regional Investment Reform Agenda (RIRA) through individual economy consultations and regional dialogue of the SEEIC-CEFTA Joint Working Group on Investments.  |       |
|   | e. Adopt individual economy action plans, reflecting the regional investment reform agenda and streamlining the individual-economy reform efforts   | 2018      | RIRA has been endorsed through the decision making processes of the higher instances, namely SEEIC plenary and ministerial platforms and put forward for adoption by the WB6 PMs.   |       |

| Objectives  | Actions   | Timeline  | State of play at regional level  | Scor. |
|---|---|---|--|-------|
| <b>II.1.1.2. Formalise the regional investment reform agenda through appropriate instruments</b>                      | <p>a. Conduct analysis and propose options for appropriate instrument(s) acceptable to WB6 economies based on the content of the agreed regional investment reform agenda</p> <p>b. Decide on the necessity, format, and scope of appropriate instrument(s) for implementation of the regional investment reform agenda</p> <p>c. Initiate and conclude negotiations on regional appropriate instrument(s), depending on the decision reached under b)</p>  | <p>2018</p> <p>2018</p> <p>2018-2020</p>                              | <p>Future activity, scheduled for after July 2018 endorsement by the PMs and beyond. This is recognised as a costly activity to be executed by a team of high profile legal experts and will need additional financial support.</p>  | 1     |
| <b>II.1.1.3. Implement and monitor investment reforms in WB6 as per established regional investment reform agenda</b> | <p>a. Strengthen the regional dialogue on the agreed investment reform agenda under the RCC (SEE Investment Committee) by revising the Terms of Reference of Working Group on Investment accordingly</p> <p>b. Mandate representation of the relevant public institutions with appropriate decision making power in implementation of the agreed regional investment reform agenda</p> <p>c. Establish individual-economy focus groups in charge of implementation of agreed investment reforms on individual-economy level</p> <p>d. Review the progress of implementation of the regional investment reform agenda and conduct impact assessment through a regular regional dialogue under the RCC-CEFTA Joint Working Group on Investment Policy and Promotion meetings and reports</p> <p>e. Report on the implementation and impact of the regional investment reform agenda through the RCC-CEFTA Joint Working Group on Investment Policy and Promotion and SEE Investment Committee Ministerial Platform and the WB6 summit</p> | <p>2017</p> <p>2017</p> <p>2018</p> <p>2018-2020</p> <p>2018-2020</p> | <p>Regional Investment Reform Agenda (RIRA) finalised, by revised and adopted Terms of Reference of the SEEIC-CEFTA Joint Working Group on Investments, focusing on implementation of MAP REA and entailing mandated participation of individual economy officials in charge of investment policy, promotion, and agreements (whilst including coordination with other relevant line ministries), as well as CEFTA contact points.</p> <p>Some progress seen in some of the economies, still this activity needs to be properly established in all economies. Better coordination and chain of decision making from the individual economy level is needed, particularly in coordination between the MAP REA NCs with line ministries in charge of different policy areas under the investment component.</p> <p>Some progress seen in some of the economies, still this activity needs to be properly established in all economies.</p> | 2.5   |

| Objectives   | Actions  | Timeline                               | State of play at regional level   | Scor. |
|--|--|--|---|-------|
| <b>II.1.4. Promote WB6 region as a unique investment destination</b> | a. Develop joint investment promotion initiative for WB6 priority sectors and establish an operational platform of investment promotion tools and techniques<br>b. Implement a small set of focused investment outreach activities in core sectors targeted by the SEE 2020 strategy<br>c. Dedicate part of the individual activities of investment promotion agencies to promoting the region as a sound investment destination   | 2018<br><br>2018-2020<br><br>2018-2020 | The investment promotion agencies are included in the regional platform through the work of the JWGI, initial proposal made as a part of RIRA, and endorsed, with detailed activity plan to follow. Regional investment promotion agencies need more of technical (capacity building) support for implementation of joint regional activities, given their understaffed and under budgeted situation at individual economy levels.  | 2.5   |
|  | a. As a first step in this area, create a regional Capital Market Development Task Force comprising policymakers and regulators to spearhead capital market development matters and enhance coordination on regulatory and supervisory regimes in the region and beyond (including coordination with the Vienna Initiative Working Group on Capital Markets Union)<br>b. Based on analysis on capital markets development, aimed at identifying gaps and opportunities for broader capital markets integration, assess the need for development of a regional strategy for capital markets development | 2017<br><br>2018-2020                  | Finalised, Working Group on Capital Markets established, with adopted ToR focusing on MAP REA and entailing representatives of market authorities (Ministries of Finance and Central Banks), regulators (Securities Commissions) and operators (Stock Exchanges). International partners beyond the region have been identified and invited to support the process (World Bank, European Commission, Vienna 2.0 Initiative, EBRD - SEE Link, and others as deemed necessary)<br><br>Could be marked as finalised, given that the provisions of this measure have been fulfilled. However, this measure is marked on track, since the need for regional strategy for capital markets has been assessed by the newly established Working Group on Capital Markets, and multi-annual regional programme concept proposal is prepared for the July 2018 Summit, entailing preparation and implementation of the regional strategy for capital markets development, establishment of new AZF platforms, increasing capacity of regional capital market structures, as well as upgrading regional trading platforms. The proposal for a regional programme needs substantial financing. | 3     |

| Objectives                  | Actions  | Timeline | State of play at regional level  | Scor. |
|-----------------------------|--|----------|--|-------|
| <b>II.1.6. Smart Growth</b> | a. Establish regional dialogue and knowledge exchange on developing Smart growth strategies based on EU experience and support the development of smart specialisation research and innovation strategies in the WB6 to ensure strategic structural investments and to build competitive advantage<br>i) with the active participation of the business and research and innovation communities, engage with EU-wide smart growth approaches, notably the smart specialisation platforms, to develop and implement smart growth development strategies<br>ii) with the active participation of the business and research and innovation communities, engage with EU-wide work on digitalisation, to develop and implement digital growth strategies<br>iii) develop easier access to finance for business, especially SMEs, start-ups and scale-ups | 2018     | All of the economies have engaged in a dynamic way with development of research and innovation policies whereby all economies have recently adopted R&D strategies, but also engaged in development of innovation policies and instruments which entail a broader understanding of innovation.<br><br>Development of smart specialisation strategies has been placed on the agenda as one of the priorities for 2018 by all of the economies. While Serbia and Montenegro have already progressed in the development of the smart specialisation strategies, the other four economies have initiated the process of the development of the smart specialisation strategies by appointing the coordinating institution and the team to coordinate the preparation of the smart specialisation in early 2018. Albania has finalised the first phase of the S3 roadmap having sent the letter of intention regarding the collaboration on the development of the smart specialisation strategy to DG JRC. Also the institutional capacity building phase of the roadmap was concluded, finalising the desk research of the existing policies and strategies related to S3. The decision to have a national S, as well as to pilot S3 at regional level, in Region 2 of Albania, was taken in close collaboration and consultation with the Regional Development Agency 2. The Albanian S3 team is working closely with JRC following steps as foreseen in the jointly agreed roadmap.<br><br>Regional Cooperation Council (RCC) and the Directorate-General Joint Research Centre (DG JRC) of the European Commission co-organised a joint Workshop on the Governance of Smart Specialisation and Training on the Entrepreneurial Discovery Process (EDP) in the Western Balkans, which was held at Technology Park in Ljubljana on 11-12 April 2018. In the course of the workshop Albania, Bosnia and Herzegovina, Kosovo* and The Former Yugoslav Republic of Macedonia have completed the first drafts of the Roadmaps for the Development of the Smart Specialisation Strategies, while Montenegro and Serbia have started to prepare operational plans for the implementation of the EDP process. Montenegro started with Entrepreneurial Discovery Process (EDP) on 11 May 2018 and is now holding the second round of consultations with private, public, academic and civil sectors regarding S3 priority sectors. | 2     |

| Objectives | Actions | Timeline | State of play at regional level  | Scor. |
|------------|---------|----------|--|-------|
|            |         |          | <p>Research commercialisation is at a very early stage of development in the Western Balkans. There are very few University Technology Transfer Offices and where they do exist they are underfunded, understaffed and have limited capacity to support the technology transfer processes. The Economic Reform Programme of The Former Republic of Macedonia prioritises the establishment of National Technology Transfer Office (NTTO) and preparatory activities for establishment are completed. In October 2016, the draft amendments to the Law on Innovation Activity for providing a legal framework for NTTO and inclusion of the Fund for Innovation and Technological Development as one of the founders of the NTTO were adopted by the Parliament. The NTTO is expected to start functioning in the first half of 2018.</p> <p>Some of the economies, notably Serbia, Montenegro and The Former Yugoslav Republic of Macedonia, have also invested into the development of Science Parks and Incubators, however true Science and Technology Parks are rare in the Western Balkans and should not be confused with technology parks and free trade zones designed to encourage established businesses. Incubators are more common but there are few examples of incubators focusing on start-ups and spinoff with technology based and scalable ideas. At the same time the economies are looking into developing Centres of Excellence with variegated progress between economies.</p> <p>A multi-country IPA project aimed at supporting technology transfer and innovation in the Western Balkans - EU4Tech - managed by DG NEAR and DG Joint Researcher Centre was launched at the beginning of 2016. The project intends to implement a holistic capacity building strategy that will look at the performance of all actors operating in the technology transfer and innovation ranging from academic institutions to early stage investors to science parks to spin-out companies to policy makers. Fifteen organisations in the ecosystem for TT capacity building in the WB6 have been identified within the project and targeted capacity building and trainings have commenced in 2018.</p> |       |

| Objectives | Actions | Timeline | State of play at regional level  | Scor. |
|------------|---------|----------|--|-------|
|            |         |          | <p>Furthermore, the European Investment Bank (EIB) is conducting a feasibility study for a regional Centre of Excellence which should propose institution(s)/hub(s) with highest potential for Centre of Excellence based on research agenda, capacity to integrate related fields, enable industrial connectivity and ensure visibility and sustainability. Due to delays the study has not yet been made available, but it is expected to be published in 2018.</p> <p>Investments to support innovation, as well as commercialisation of public research are of crucial importance. Serbia has set up a functional innovation fund, as well as The Former Yugoslav Republic of Macedonia, Albania as well offers the Innovation Fund for SMEs as a public grant dedicated to Albanian SMEs that have their focus on innovation and technology as well as audit of innovation and technology needs, participation in innovation and technology national and international fairs, purchase of technology/innovative equipment/machineries, etc. while other economies have started introducing different innovation voucher schemes on a smaller scale. Under the Western Balkans Enterprise Development and Innovation Facility (WB EDIF), the World Bank is implementing technical assistance to support development of an enabling venture capital ecosystem and assist with investment readiness of SMEs. Under this programme, the World Bank is conducting an assessment of the venture capital environment in the Western Balkans and is helping put in place the right legislative framework for investment funds. So far, the assessment has been completed in Albania and The Former Yugoslav Republic of Macedonia. Investment readiness pilots are also being implemented throughout the region.</p> <p>The EU4Tech project, mentioned above, has reviewed the existing available TT financial instruments in region. Based on the identified gaps JRC's thematic expertise and EIB's financial know-how will be used in a synergetic way to launch a small-scale Western Balkans 6 pilot initiative funded through the multi-country IPA, which will represent the next, and first practical, stage in the efforts to cover the so called "valley of death" between research and industry.</p> |       |

| Objectives   | Actions   | Timeline | State of play at regional level   | Scor. |
|--|---|----------|---|-------|
| <b>III. Mobility</b>   |   |          |   |       |
| <b>III. 1. Mobility of Researchers</b>   |   |          |   |       |
| All of the WB6 economies have stepped up efforts to prioritise and remove obstacles to mobility of researchers resulting in overall good progress on removing obstacles to mobility of researchers. All of the WB6 have prioritised mobility of researchers in their respective strategic frameworks. In response to the identified obstacles to mobility of researchers, which include financial barriers, majority of the economies have created grant schemes to support mobility of researchers at the level of individual economies.  |   |          |   |       |
| With regards to actions aimed at supporting research infrastructure and the development of centres of excellence in the region progress has been slower and variation between economies more prominent. All the WB6 economies apart from Kosovo* have representatives in the European Strategy Forum on Research Infrastructures (ESFRI). Montenegro completed mapping of research infrastructure and finalised the Research Infrastructure Roadmap in line with ESFRI, while Serbia is in the final stage of completing the mapping exercise and the Research Infrastructure Roadmap. |   |          |   |       |
| <b>III. 1. 1. Removal of obstacles to mobility of researchers</b>  | a. Identify legal barriers for open merit-based, competitive, international recruitment system and remove the identified legal barriers   | 2020     | The WB6 economies have associated status in H2020 with exception of Kosovo* which has an international cooperation partner status. On the other hand, in the European Cooperation in Science and Technology (COST) programme only Serbia, Montenegro, Bosnia and Herzegovina and The Former Yugoslav Republic of Macedonia have membership status. The average success rate for all WB economies in Horizon2020 is 10.9% compared to 14.6% for Horizon 2020 overall.  | 3     |
|  | c. Develop mechanisms and measures to support increased mobility of researchers from WB6 to EU within the existing mobility schemes (for instance Western Balkan Window within the MSC Actions)       | 2019     | With regards to mobility of researchers, the Marie Skłodowska-Curie actions (MSCA) support researchers at all stages of their careers across all disciplines and are opened to all WB6 economies. However, researchers from the WB6 region have difficulty accessing the MSCA, as they face difficulties in competing against the more advanced research systems of the EU. Therefore, Horizon 2020 has opened up a special section to support participation of researchers from the WB6 region (and elsewhere) through Widening measures, including Twinning, ERA Chairs and Widening Fellowships. |       |
|  | d. Develop and implement a pilot scheme to support incoming mobility of post-doctoral researchers to the Western Balkans with an aim to build research excellence networks in the region              | 2019     | In addition to MSCA, the WB6 participate in the Central European Exchange Programme for University Studies (CEEPUS) exchange programme which can be used by professors to undertake mobility related to teaching in Central Eastern Europe region and have a research component if related to teaching.   |       |
|  | e. Map the existing research infrastructure in the region to ensure transparent and available information to researchers interested to cooperate with and in the Western Balkans and to identify gaps | 2019     |   |       |

| Objectives | Actions  | Timeline   | State of play at regional level   | Scor. |
|------------|--|------------|---|-------|
|            | f. Develop a new regional Centre of Excellence to promote collaboration between science, technology and industry and to provide a platform for education of young scientists and engineers, based on the mapping and the identified gaps | 2020       | Furthermore, each government has signed several bilateral agreements with economies of the region and outside the region to promote research cooperation. However, the implementation of the bilateral agreements is often hindered due to the lack of funding from the domestic budgets.<br><br>All the WB6 economies apart from Kosovo* have representatives in the European Strategy Forum on Research Infrastructures (ESFRI). Montenegro completed mapping of research infrastructure and finalised the Research Infrastructure Roadmap in line with ESFRI. Serbia has initiated a systematic mapping of research infrastructure, while other economies are at a very early stage.   |       |
|            | g. Strengthening the capacity of EURAXESS offices in the region and the implementation of Charter and Code principles and Seal of Excellence   | Continuous | In the WB6 economies, only Serbia has ERIC Coordinator. <sup>32</sup> Serbia is also in the process of appointing a Representing Entity to join the Central European Research Infrastructure Consortium (ERIC-ERIC). This is an integrated multidisciplinary research infrastructure, set up as an ERIC by Austria, Czech Republic, Italy, Romania, Serbia and Slovenia. CERIC-ERIC is open to external basic and applied users.<br><br>Several domestic centres of research excellence have been created, most prominent being the Biosense institute in Serbia and the Bio-ICT Centre of Excellence in Montenegro. There is as yet no regional centre of excellence. However, there is an initiative led by Ministry of Science of Montenegro to establish South East European International Institute for Sustainable Technologies aiming to promote collaboration between science, technology and industry, but also to provide platforms for the education and training of young scientists and engineers based on knowledge and technology transfer from European laboratories like CERN and others. The initiative has received Letters of Support from the Ministers responsible for Science from all WB6 economies, as well as Croatia and Slovenia. |       |

32 A European Research Infrastructure Consortium (ERIC) is a legal status granted by the European Commission

| Objectives  | Actions   | Timeline | State of play at regional level   | Scor. |
|---|---|----------|---|-------|
|   | All of the WB6 economies, with an exception of Kosovo*, have established the EURAXESS Service Centres and associated EURAXESS Jobs Portals, yet little information on researcher job vacancies in the region is available through the EURAXESS portal. RCC will support the networking of the EURAXESS contact points and the associated services to build capacity to support researchers from the WB6 in applying and competing successfully for the existing EU mobility programmes. |          |   |       |
| <b>III.2. Mobility of Professionals</b>   |   |          |   |       |
| Despite initial delays, the preparatory work needed to open negotiations on Mutual Recognition Agreement of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers has been completed.   |   |          |   |       |
| The Working Group on Recognition of Professional Qualifications has agreed on the 7th of May 2018 to recommend the opening of the negotiations on the Mutual Recognition Agreement of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers in a multilateral framework. Based on the recommendation of the joint Working Group on Recognition of Professional Qualifications the governments of the WB6 are expected to provide the mandates and to appoint the Lead Negotiator, Deputy Lead Negotiator and the negotiation teams by the 30th of June 2018. In addition, Working Group on Recognition of Professional Qualifications also agreed to recommend to the governments to appoint a coordinator for the Database on Professional Qualifications in WB6 with a mandate to coordinate the data collection and submit the data to the Database on Professional Qualifications by the 30th of June 2018. |   |          |   |       |
| <b>III.2.1. Removal of obstacles to recognition of professional qualifications</b>  | a. Open negotiation on mutual recognition agreements of professional qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers in a multilateral framework   | 2017     | The Working Group on Recognition of Professional Qualifications has agreed on the 7th of May 2018 to recommend the opening of the negotiations on the Mutual Recognition Agreement of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers in a multilateral framework. Based on the recommendation of the Joint Working Group on Recognition of Professional Qualifications the governments of the WB6 are expected to provide the mandates and to appoint the Lead Negotiator, Deputy Lead Negotiator and the negotiation teams by the 30th of June 2018. To facilitate the internal governmental procedures the RCC has provided the draft legal text of the Mutual Recognition Agreement of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers. | 3     |
|   | b. Conclude negotiations on mutual recognition agreements of professional qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers in a multilateral framework  | 2019     |   |       |
|   | c. Establish the Database on Professional Qualifications and Mobility of Professionals in 2018 to be fully operation by December 2019   | 2018     |   |       |
|   | d. Database on Professional Qualifications and Mobility of Professionals fully operational  | 2019     |   |       |

| Objectives  | Actions   | Timeline   | State of play at regional level   | Scor. |
|---|---|------------|---|-------|
|   | e. Build capacity to facilitate the data and information collection for the Database on Professional Qualifications and Mobility of Professionals | Continuous | Once the governments have completed the internal governmental procedures they are to inform the RCC Secretary General. Once all WB6 have completed the procedures and have informed the RCC Secretary General the first meeting of the negotiating teams will be called by the RCC where the Rules of Procedures for the negotiations will be discussed. If all the governments have completed their procedures and informed the RCC Secretary General thereof by the 30th of June 2018 as agreed, the first meeting of the negotiating teams could take place in July 2018.<br><br>In addition, Working Group on Recognition of Professional Qualifications also agreed to recommend to the governments to appoint a coordinator for the Database on Professional Qualifications in WB6 with a mandate to coordinate the data collection and submit the data to the Database on Professional Qualifications by the 30th of June 2018. To facilitate the establishment of the Database on Professional Qualifications in WB6 the RCC has contracted a service provider to create the Database on Professional Qualifications. The initial data for the Health and Construction sectors has already been collected by the RCC. Therefore, once the governments have appointed the coordinators for the Database on Professional Qualifications the verification of the data, upon which the launching of Database depends, will be possible. |       |
|   | f. Explore possibilities to open negotiations and conclude mutual recognition agreements in other sectors and professions of mutual interest      | 2018-2020  |   |       |
| <b>III.3. Mobility of Students and Highly Skilled</b>   |   |            |   |       |
| The actions aimed at removing obstacles to recognition of academic qualifications are ahead of the planned schedule outlined in MAP REA. The Working Group on Recognition of Academic Qualifications has agreed to launch the joint exercise on recognition of academic qualifications, has drafted the initial proposal on the joint online system to share information, including on higher education institutions, qualifications and decisions taken, available to ENIC/NARIC centres and Ministries responsible for higher education in the region, and has discussed proposals on procedure for fast track recognition of higher education qualifications. Furthermore, regular meetings of a network of ENIC/NARIC centres and the Quality Assurance Agencies have been initiated. Furthermore, the regional actions were supported by significant national efforts to simplify the procedures for recognition of academic qualifications. |   |            |   |       |

| Objectives   | Actions   | Timeline | State of play at regional level   | Scor. |
|--|---|----------|---|-------|
| <p>III.3.1. Removal of obstacles to recognition of academic qualifications</p> | <p>a. Draft a proposal on procedure for fast track recognition of higher education qualifications specifying criteria for fast track recognition in the region, on the basis of National Qualification Frameworks (NQFs) being developed in accordance with the Bologna Process and other EU norms, as a basis for established learning outcomes and thus recognition</p> | 2018     | <p>The Working Group on Recognition of Academic Qualifications has been formalised in December 2017. The Working Group on Recognition of Academic Qualifications operationalised and set forward an ambitious timeline to achieve the objectives set out by the MAP REA ahead of the initial schedule.</p> <p>Since December the Working Group on Recognition of Academic Qualifications has agreed to launch the joint exercise on recognition of academic qualifications with an objective to identify similarities/differences in recognition of foreign degrees; to analyse and discuss the differences and to suggest further joint action to decrease the differences based on which Joint Guides on Recognition of Academic Qualifications will be prepared. Different models for the recognition of academic qualifications have been discussed by the Working Group on Recognition of Academic Qualifications. An initial set of principles for recognition of academic qualifications has been discussed and is to be finalised at the next meeting of the Working Group on Recognition of Academic Qualifications.</p> <p>In addition, to facilitate information exchange and increase transparency and cooperation in recognition of academic qualifications, a regional dialogue and regular meetings of the ENIC/NARIC centres and the Quality Assurance Agencies in the WB6 have been established.</p> <p>Furthermore, the Working Group on Recognition of Academic Qualifications has agreed on an initial concept of the joint online system to share information, including on higher education institutions, qualifications and decisions taken, available to ENIC/NARIC centres and Ministries responsible for higher education in the WB6 which puts the process significantly ahead of the proposed schedule.</p> <p>The first meeting of the ENIC/NARI offices and the QA bodies in the region was held in March 2018.</p> | 4     |
| IV. Digital integration  |   |          |   |       |

| Objectives  | Actions   | Timeline | State of play at regional level | Scor. |
|---|---|----------|---------------------------------|-------|
| <p>IV.1. Digital environment networks and services, connectivity and access</p> | <p><b>Digital infrastructure development and regional connectivity:</b> WB6 are at a moderate level of preparation in regard to transposition of the EU Broadband Cost Reduction Directive with Albania and The Former Yugoslav Republic of Macedonia having transposed it while the other three economies are at preparation stage. The preparation of the broadband infrastructure mapping is ongoing in all economies and there is good prospect for the broadband mapping to have mature advancement during 2018 in all economies although the action is to be completed by 2020, except in The Former Yugoslav Republic of Macedonia, where broadband mapping is finished. Regional exchange on business incentive models/use of PPPs and regional dialogue on commercialisation of spare fibre optic assets is yet to be detailed and developed. 4 out of 6 regulators from WB6 have an observer status to BEREC and their dialogue within the context of BEREC is improving. There is however need to define proper mechanisms for Bosnia and Herzegovina and Kosovo* to be part of this dialogue, although no specific actions have been undertaken during the reporting. Additionally, Bosnia and Herzegovina and Kosovo* are not integrated in GÉANT while other four economies participate, not very actively though. For the later, there is a proposal on cross-border connectivity of WB NRENs prioritised in the SEE2020 Programming Document 2018-2020 that can be further developed with the support of donors.</p> <p><b>Harmonise spectrum policy to ensure timely and efficient availability and boost deployment of standardised 5G networks:</b> WB6 are at an early level of preparation in spectrum policy harmonisation. There is uneven development in freeing up frequencies. Albania, Bosnia and Herzegovina and Kosovo* have not completed the DSO process; Albania - DD1 free, 800 MHz; Montenegro - 700 MHz free, Kosovo* the tendering to allow using of unused mobile spectrum in progress. Initial regional dialogue on spectrum policy harmonisation took place at WB6 regional meeting, 5th April - a dedicated meeting to be organised at the latest by June 2018. Additionally, broader coordination on radio spectrum issues takes place within RSPG regional group, SEDDIF as well as within WRC-19 preparatory process. A multilateral framework agreement between all SEDDIF members (with the exception of Albania) is already signed in December 2017. Yet, no regional discussion has started on having a regional position and standing on spectrum policy.</p> <p><b>Coordinate roaming policies towards a roaming free economic area:</b> Regional Roaming Agreement amongst 4 economies is successfully implemented. WB6 are committed to expand the geographic scope of the current agreement and to continue working on a successor agreement - consideration of RLAH within WB6 to be tabled. Experience of EU in particular for RLAH model will be further explored and used. Albania and Kosovo* have expressed their willingness to join RRA and further steps are to be taken. A Roadmap to facilitate lowering the costs of roaming as part of the Enlargement Strategy WB6 Digital Agenda to be developed by EC and presented during the Sofia Summit. Impact assessment of abolishment of roaming charges with EU is in progress and preliminary results are expected by the Sofia Summit.</p> |          |                                 |       |



| Objectives   | Actions  | Timeline     | State of play at regional level  | Scor. |
|--|--|--------------|--|-------|
| <p>IV.1.1<br/>Boost digital infrastructure development and regional connectivity, while creating a level playing field for digital networks and services to flourish</p> | <p>a. Advance right/introduce policy and regulatory measures that would incentivise investments in high speed broadband networks, including transposition of EU directive 2014/61/EU</p>                               | Continuous   | <p>a. WB6 are at a moderate level of preparation in regard to transposition of the EU Broadband Cost Reduction Directive; Albania and The Former Yugoslav Republic of Macedonia already transposed it while the other three economies are at preparation stage. In Kosovo*, the first draft of the law is prepared and a TAIEX mission is expected to support with the screening.</p> <p>b. The preparation of the broadband infrastructure mapping is ongoing in all economies. Namely, Albania has an broadband atlas that is regularly updated - WBIF application for the feasibility study on regional broadband development is also pending approval; Kosovo* is in the process - extended broadband infrastructure 4 pilot projects launched and contracts signed and the uploading of information on electronic communication infrastructure to the domestic database in progress; Montenegro - the process is ongoing and expected to advance during 2018; Serbia, the Law on Electronic Communication is in approval process - enabling the fixed broadband mapping, while the mobile broadband mapping is completed; in The Former Yugoslav Republic of Macedonia Operational Broadband Plan is expected to be completed during 2018. The mapping of current NGA infrastructure and identifying the areas for intervention (white zones) is finalised; in Bosnia and Herzegovina the mapping re-started and the data collection from the entities is ongoing.</p> <p>c. Certain business and PPP models are developed in some economies and interest from IFIs has increased. This needs to be more proactively shared at a regional level as economies share many similarities. In Serbia, the EBRD project launched in 2016 will support identification of cost needed for further broadband development - including potential business models; The Former Yugoslav Republic of Macedonia intends to establish BCO to improve broadband connectivity in rural areas.</p> | 2.1   |
|  | <p>b. Complete outstanding broadband infrastructure mapping and perform analysis of broadband markets and identify network coverage gaps and investments, as well as policy measures required to bridge those gaps</p> | 2020         |  |       |
|  | <p>c. Establish regular exchange on business incentive models for rural and underserved areas and on the use of PPPs to address low connectivity</p>   | 2018-onwards |  |       |
|  | <p>d. Establish regional dialogue on commercialisation of spare fibre optic assets; identify and address legal and regulatory constraints and implement the agreed commercialisation model</p>                         | 2017-2020    |  |       |
|  | <p>e. Strengthen regulatory dialogue amongst all WB6 regulators, as part of BEREC</p>  | Continuous   |  |       |
|  | <p>f. Complete regional interconnection and integration into the pan-European GÉANT</p>  | 2023         |  |       |

| Objectives | Actions | Timeline | State of play at regional level   | Scor. |
|------------|---------|----------|---|-------|
|            |         |          | <p>d. The economy-level intra-sectoral dialogue has been established, especially in view of the ongoing World Bank's Study (Support to foster infrastructure sharing in the Western Balkans). Mapping of potential spare optic fibres in almost all economies is undertaken and awareness on the need to optimise their use has increased. There is a need though to establish a proper regional dialogue upon completion of the World Bank Study, which should provide information and identify commercial models for addressing spare fibre capacities.</p> <p>e. 4 out of 6 regulators from WB6 have an observer status to BEREC and their dialogue within the context of BEREC is improving. There is need though to define proper mechanisms for Bosnia and Herzegovina and Kosovo* to be part of this dialogue.</p> <p>f. Bosnia and Herzegovina and Kosovo* are not integrated in GÉANT while in The Former Yugoslav Republic of Macedonia only one university is integrated in the network. By the end of 2018, two more state universities will be connected through MARNET to GÉANT. Although regional interconnection and integration is to be completed by 2023 advancement can be reached through regional actions. There is a proposal on cross-border connectivity of WB NRENs prioritised in the SEE2020 Programming Document 2018-2020 that can be further developed with the support of donors.</p> |       |

| Objectives   | Actions  | Timeline                            | State of play at regional level  | Scor. |
|--|--|-------------------------------------|--|-------|
| IV.1.2<br>Harmonize spectrum policy to ensure timely and efficient availability and boost deployment of standardised 5G networks | <p>a. Establish predictable, consistent, and harmonised spectrum policy on regional level and strengthen regional cooperation on spectrum policy harmonisation for 5G, as well as for disaster and emergency services</p> <p>b. Coordinate regional positions for the World Radio Conference (WRC), CEPT/ECO</p> | <p>Continuous</p> <p>Continuous</p> | <p>a. WB6 are at an early level of preparation in spectrum policy harmonisation. Regulatory and institutional frameworks that provide for efficient overall spectrum management are in place across the region. There is uneven development in freeing up frequencies. Albania, Bosnia and Herzegovina and Kosovo* have not completed the DSO process; In Albania, it is expected that 70% of the population will be covered with digital service by July 2018, DD1 free for 800 MHz; Montenegro -700 MHz free; Kosovo* the tendering to allow using of unused mobile spectrum is in progress.</p> <p>Broader coordination on radio spectrum issues takes place within RSPG regional group, SEDDIF as well as within WRC-19 preparatory process. A multilateral framework agreement between all SED-DIF members (with the exception of Albania) is already signed in December 2017.</p> <p>Initial regional dialogue on spectrum policy harmonisation took place at Western Balkans Roaming Policy Meeting, held on April 5th 2018 in Brussels. A dedicated meeting in this regard to be organised by the end of May- beginning of June 2018.</p> <p>Good advancement in 5G is also noted in Montenegro and The Former Yugoslav Republic of Macedonia.</p> <p>b. On WRC, economies participate independently in WRC's work. Kosovo* is interested to participate in its work and other regional groups related to spectrum policy management.</p> <p>Yet, no regional discussion has started on having a regional position and standing on WRC, CEPT/ECO</p> | 2.5   |

| Objectives   | Actions  | Timeline                                  | State of play at regional level   | Scor. |
|--|--|---|---|-------|
| IV.1.3<br>Coordinate roaming policies towards a roaming free economic area | <p>a. Continue regional coordination on roaming policies towards a roaming free economic area and prepare mid-term Action Plan for aligning roaming policies with EU RLAH model</p> <p>b. Follow a multi-stakeholder approach to guarantee transparency and predictability so that all relevant views and expertise on roaming policies are sufficiently accounted for</p> <p>c. Assess impact of abolishment of roaming charges in the EU on WB6 in a regional position paper</p> | <p>2018</p> <p>Continuous</p> <p>2018</p> | <p>a. Regional Roaming Agreement amongst 4 economies (i.e. Bosnia and Herzegovina, Montenegro, The Former Yugoslav Republic of Macedonia and Serbia) is successfully implemented. The WB6 Roaming Policy meeting held in Brussels on 5th April 2018 case showed the trends in the 4 participating economies, highlighting the need to focus more on data rather than voice; WB6 confirmed the willingness of the WB6 to extend the scope of the agreement and work on a new successor agreement, potentially with provisions of RLAH within WB6. Experience of EU in particular for RLAH model will be further explored and used.</p> <p>Albania and Kosovo* have expressed their willingness to join RRA and official letters to inform other 4 economies are submitted. Technical and procedural talks will follow in this regard.</p> <p>b. A multi-stakeholder approach with regard to roaming policy is established throughout WB6. Albania has organised a round table with operators on 25 January 2018 while regular regional meetings amongst ICT ministries and regulators from WB6 are organised. Regional dialogue to deepen cooperation in roaming policy was held during the WB6 meeting on roaming policy harmonisation (i.e. Brussels, 5th April 2018).</p> <p>WB6 economies discuss coordination of roaming policy in regular regional meetings facilitated through RCC and there is an expressed willingness and need to continue this dialogue in the future, also with the help and facilitation of RCC and EU.</p> <p>c. RCC has commissioned the consultancy to assess the impact of the roaming charges. The ToR has been prepared and the contract with the consultant signed. The preliminary results to be ready prior to Sofia Summit. The Roadmap to facilitate lowering the costs of roaming as part of the Enlargement Strategy, which is part of the WB6 Digital Agenda to be developed by EC.</p> | 3     |

| Objectives  | Actions  | Timeline   | State of play at regional level  | Scor. |
|---|--|------------|--|-------|
| <b>IV.2. Trust and security in digital services</b>   |  |            |  |       |
| <p><b>Enhance Cybersecurity, trust services and data protection:</b> NIS Directive is transposed in Albania and Serbia whilst the other economies are in the process of preparation and/or in public consultation. In Kosovo* preparation of the concept note I progress expected to be approved by the Government in autumn; legislation on data protection and piracy is generally in place across WB6. Albania, Kosovo*, Montenegro and Serbia have adopted dedicated cybersecurity strategies while The Former Yugoslav Republic of Macedonia is at final stage of approval. Yet, not even a uniform progress in implementation of the strategies is achieved.</p> <p>Mixed progress in regard to the critical IT infrastructure identification and no explicit input on the level of protection. On the current state of implementation, Kosovo* already adopted the law on critical IT infrastructure, Albania completed the identification and approval is pending, Serbia has identified and adopted the list of ICT systems to be protected, The Former Yugoslav Republic of Macedonia critical infrastructure operator recognised but no internal agreement on the definition of critical IT infrastructures, Montenegro will adopt the Decree on measures for the protection of critical information infrastructure in accordance with the Amendments to the Law on information security in the third quarter of this year.</p> <p>All WB6 have established CSIRTs - though underdeveloped and necessitating longer-term capacity-building programmes. RCC networked the CSIRTs from the Western Balkans and extended capacity building to their representatives. A regional Conference of CSIRTs proposed by The Former Yugoslav Republic of Macedonia is to be organised in October 2018 during the European Cybersecurity month. To facilitate the participation to ENISA work, compliant with the WB6 Digital Summit conclusions, RCC has recently sent a letter to ENISA Executive Director seeking a positive standing from ENISA to partake in its work/activities.</p> |  |            |  |       |
| <b>IV.2.1. Enhance Cybersecurity, trust services and data protection</b>  | a. Establish and harmonise cybersecurity, data protection, and privacy regulations on the basis of a level playing field as key for establishing a functioning and efficient DSM approach                  | Continuous | <p>a. The WB6 economies have adopted relevant policies and legislation for privacy, data protection and digital security. The NIS Directive is transposed in Albania, Serbia whilst the other economies are in process of preparation and/or in public consultation. Kosovo* approved the legislation on data protection and piracy is generally in place across WB6. Albania, Kosovo*, Montenegro and Serbia have adopted dedicated cybersecurity strategies while The Former Yugoslav Republic of Macedonia is at final stage of approval - yet, uniform progress in implementation of the strategies has not been achieved.</p> | 2.5   |
|   | b. Identify and ensure protection of critical IT infrastructures   | Continuous |  |       |
|   | c. Set up regional dialogue and information exchange platform amongst WB6 CSIRTs (Computer Security Incident Response Teams), advance CSIRTs' capacities and strengthen institutional links with EU CSIRTs | Continuous |  |       |
|   | d. Establish regional dialogue and information exchange platform amongst authorities in charge of Network and Information Security (NIS)   | Continuous |  |       |

| Objectives   | Actions | Timeline | State of play at regional level  | Scor. |
|--|---------|----------|--|-------|
| <b>IV.2.2. Enhance Cybersecurity, trust services and data protection</b> |         |          |  |       |
|  |         |          | <p>b. Mixed progress amongst WB6 in regard to critical IT infrastructure identification. Process of critical IT infrastructure identification and the respective legislative process is ongoing; Kosovo* already adopted the law on critical IT infrastructure, Albania has identified and the Government Decree approval is pending, Serbia has identified and adopted the list of ICT systems to be protected, The Former Yugoslav Republic of Macedonia - many of the critical infrastructure operators were identified, but there is no official decision on identification of critical IT infrastructure; Montenegro started the process of identification and expects this to be completed in the next years.</p> <p>No explicit input from the economies on the level of protection of critical IT infrastructure.</p> <p>c. All WB6 have established CSIRTs - though underdeveloped and necessitating longer-term capacity-building programmes. CSIRTs from WB6 have participated in different bilateral or regional events in the area of cybersecurity.</p> <p>d. RCC networked the CSIRTs from the Western Balkans and extended capacity building to their representatives. The discussion in this form of CSIRTs will continue. A regional Conference of CSIRTs proposed by The Former Yugoslav Republic of Macedonia is to be organised in October 2018 during the European Cybersecurity month. The main purpose is to gather representatives and heads of all the National CSIRTs from the region (10 countries, including WB6 economies).</p> <p>CSIRT from The Former Yugoslav Republic of Macedonia has signed memorandums of understanding with the CSIRTs from Kosovo* and Albania. Currently communication with other government CSIRTs from WB economies on potentially signing MoUs.</p> <p>To facilitate the participation to ENISA work, compliant with the WB6 Digital Summit conclusions, RCC has recently sent a letter to ENISA Executive Director exploring prospects to partake in ENISA work/activities.</p> |       |
|  |         |          |  |       |

| Objectives  | Actions   | Timeline   | State of play at regional level   | Scor. |
|---|---|------------|---|-------|
| <b>IV.3. Digital economy and society, Inclusive digital society</b>   |   |            |   |       |
| <p><b>Develop and strengthen supply of digital skills:</b> Develop digital skills is jointly recognised by WB6 and need to upscale digital skills programme is underlined. However, the progress is uneven. There are attempts to develop digital skills programmes. Hence, Serbia is at the final stage of approval of the Digital Skill Development Strategy, Kosovo* has undertaken a study on digital skills with the support of the World Bank aiming to develop a programme focussing on young people. Some of the economies have invested efforts in training and increase of knowledge in digital skill for targeted group. In Kosovo*, as part of Women Online Work (WoW), women were targeted in 5 municipalities (USAID and Swis Intercooperation support) during the last year - the programme will be extended to all municipalities in the upcoming 5 years. The Former Yugoslav Republic of Macedonia has conducted training for basic IT skills and advanced IT skills for unemployed people. National Comprehensive Education Strategy 2018-2025 was adopted in January 2018, where one of the priorities is ensuring widespread use of ICT in education, training and digital literacy and in April 2018, the new Law on Mathematics and Information Gymnasium was adopted. The Former Yugoslav Republic of Macedonia stimulated the companies to employ persons with disabilities in all measures for employment. Additionally, Kosovo* through IPA 2017 funds - 3 mln Euro until 2021 - will develop human capacities for digital economy and support for digital businesses. In The Former Yugoslav Republic of Macedonia trainings for advanced IT skills under IPA grant projects are ongoing and in Serbia, the Government offers incentives to NGOs who implement digital skills projects for women - as part of the IT Industry Development Strategy. Additionally, Government founded project to train retired people is planned during the first half of 2018.</p> <p>A proposal on digital skills and competences is prioritised within the SEE2020 Programming Document 2018-2020. Additionally, WB6 Digital Summit recognised the need to work on digital skills programmes and reaffirmed the interest of WB6 to integrate within the EU Digital Skills and Jobs Coalition, by endorsing the objectives and principles of the Coalition and other EU initiatives in the area.</p> |   |            |   |       |
| <b>IV.3.1. Develop and strengthen supply of digital skills</b>  | a. Initiate regional cooperation on certified re/qualification digital skills programmes  | 2018       | <p>a. Develop digital skills is jointly recognised by WB6 and need to upscale digital skills programme is underlined. However, the progress is uneven. Serbia is at the final stage of approval of the Digital Skill Development Strategy, while the Action Plan for IT Industry Development provides for activities related to human capacity development. Kosovo* has undertaken a study on digital skills with the support of the World Bank aiming to develop a programme focussing on young people. A proposal on digital skills and competences is prioritised within the SEE2020 Programming Document 2018-2020. Additionally, WB6 Digital Summit recognised the need to work on digital skills programmes - reaffirming the interest towards integration within the EU Digital Skills and Jobs Coalition, by endorsing the objectives and principles of the Coalition. In The Former Yugoslav Republic of Macedonia, National Comprehensive Education Strategy 2018-2025 was adopted in January 2018, where one of the priorities is to ensure widespread use of ICT in education, training and digital literacy in all areas: pre-school education, primary education (general), general secondary education, vocational education and trainings, university</p> | 2     |
|   | b. Pilot a regional intervention aimed at enhancing basic digital skills for citizens to engage online  | Continuous |   |       |
|   | c. Pilot a regional intervention aimed at enhancing skills for IT specialists, that would be closely linked to the demand from and coordinated with digital businesses in WB6 and EU; | 2018       |   |       |

| Objectives  | Actions  | Timeline | State of play at regional level   | Scor. |
|---|--|----------|---|-------|
| <b>IV.4. Digitisation, Data economy, Standards and Interoperability, Innovation</b> |  |          |   |       |
|   | <p>d. Set up and implement regional training and employability enhancement programme aiming to mobilise and upskill un/underemployed population (women) to seek revenue generation opportunities through online work platforms; with particular emphasis on youth, women, and people with disabilities</p> | 2018     | <p>education, research and innovations, adult education, as well as teachers. The new Law on Mathematics and Information Gymnasium was adopted in April 2018.</p> <p>b. Some of the economies have invested efforts in training and increase of knowledge in digital skills for targeted groups. In Kosovo*, as part of Women Online Work (WoW), women are targeted in 5 municipalities (USAID and Swis Intercooperation support) during the last year and training was conducted - the programme will be extended to all municipalities in the upcoming 5 years; Serbia is at an advanced stage of preparing a dedicated Digital Skills strategy; The Former Yugoslav Republic of Macedonia is preparing a ICT Strategy, has conducted training for basic IT skills and advanced IT skills for unemployed people. 135 people have been trained during 2017 and 300 more is targeted for 2018.</p> <p>c. In Kosovo*, support from IPA 2017 - 3 mln Euro until 2021 - to develop human capacities for digital economy and support for digital businesses. In The Former Yugoslav Republic of Macedonia trainings for advanced IT skills under IPA grant projects are ongoing.</p> <p>d. The first centre in The Former Yugoslav Republic of Macedonia and the region, HubIT, under USAID Social Inclusion Project was opened in Skopje, offering services to young people with disabilities and enabling them to start careers in the IT sector. By supporting this project and through the operational plan, The Former Yugoslav Republic of Macedonia stimulated the companies to employ persons with disabilities in all measures for employment. In Serbia, the Government offers incentives to NGOs who implement digital skills projects for women - as part of the IT Industry Development Strategy. Additionally, Government founded project to train retired people is planned during the first half of 2018.</p> |       |

| Objectives   | Actions  | Timeline    | State of play at regional level   | Scor.       |
|--|--|-------------|---|-------------|
| <p><b>IV.4.1.1. Promote uptake of Smart Technologies and Accelerate Digitisation</b></p> | <p>a. Set up regional cooperative dialogue on digital transformation challenges and prospects in WB</p> <p>i. Assess the state of play of the business environment and the multi-faceted benefits an accelerated and regional Digital Transformation would create in the Western Balkans</p> | <p>2017</p> | <p>a. The industry-led study The Impact of Digital Transformation on the Western Balkans - Tackling the Challenges towards Political Stability and Economic Prosperity along with the policy brief is finalised and presented during the WB6 Digital Summit. Discussions on the extent to which the recommendations will be translated in domestic policies or regional actions should be discussed in regional mechanisms.</p> <p>The WB6 Digital Summit organised on 18-19 April 2018, in Skopje - the first ever organised in this format - reconfirmed the expressed willingness and commitment of WB6 to work on a regional digital agenda for the benefits of its citizens and the economy as a whole. The conclusions of the Digital Summit reaffirmed the commitment of WB6 to work on: digital skills, trust and security, digital connectivity and digital economy and society.</p> | <p>2.85</p> |
|  |  |             |   |             |

| Objectives   | Actions   | Timeline  | State of play at regional level  | Scor.       |
|--|---|---|--|-------------|
| <p><b>IV.4.1.1. Promote uptake of Smart Technologies and Accelerate Digitisation</b></p> | <p>ii. Organise annual regional WB6 Digital Summits so as to contribute to a continuous dialogue amongst WB6 authorities, non-governmental organisations, companies, chambers, and academia</p> <p>b. Foster Data economy (Big Data, Open Data and Open Government):</p> <p>i. Support an open data region and improve quality of open data portals through regional cooperation and best practice exchange</p> <p>ii. Strengthen regional coordination on use, exchange and safe and reliable flow, access and transfer of data and integration within the European data ecosystem and economy</p> <p>c. Align standards, complement interoperability frameworks and introduce a pan-European dimension, in line with EIF:</p> <p>i. Coordinate regional activities on interoperability standards and facilitate development of standards and interoperability initiatives</p> <p>d. Foster cooperation amongst digital hubs:</p> <p>e. i. Facilitate Business Investments in research and Innovation and in the Creation of Start-Ups</p> | <p>2018-onwards</p> <p>Continuous</p> <p>Continuous</p> <p>Continuous</p> <p>Continuous</p> <p>Continuous</p> | <p>b. With respect to Data Economy, except for Kosovo*, all WB6 economies are members of the Open Government Partnership initiative. All WB6 economies have established forms of central portals for open data. No regional dialogue yet on how this data can be regionally exchanged - The Former Yugoslav Republic of Macedonia upgraded central open data portal which can be harvestable by central Europe open data portal and may be available for any interested WB6 economy.</p> <p>Discussion on regional coordination on OPG should be further stirred at regional mechanism. RESPA launched the E- to Open Government - Regional Comparative Analysis Report in 2016 - the e-Government Working Group members and ReSPA staff discussed and jointly formulated future ReSPA activities, including e-Government / Open Government / Open Data, and e-Participation.</p> <p>c. All WB6 economies have adopted e-authentication frameworks and made progress in improving their e-authentication schemes. In addition, WB6 economies have different level of harmonisation of their legislation with eIDAS regulation, with Albania, Serbia and Montenegro having already transposed eIDAS in new laws, and in The Former Yugoslav Republic of Macedonia the new draft law is in the process of public consultation. The interoperability platform is functional in Albania, The Former Yugoslav Republic of Macedonia, recently adopted in Bosnia and Herzegovina and to a certain extent in Serbia where e-government services are not yet deployed on the e-NIF framework. E-government services are gradually being aligned with the National Interoperability Frameworks.</p> <p>d. Across the region there are several digital hubs and innovation parks. Most have been developed with donor funding (GIZ, USAID, EU, the World Bank, bilateral donors and private sector companies). The pan-European network of Digital Innovation Hubs Catalogue Project lists around 20 hubs from the region and provides opportunities for cooperation, as do Horizon 2020 and EU Territorial and Cross-border Programmes.</p> | <p>2.85</p> |
|  |   |   |  |             |

| Objectives   | Actions  | Timeline     | State of play at regional level   | Scor. |
|--|--|--------------|---|-------|
|  | ii. Pilot regional cooperation (“twinning”) initiatives amongst technology/innovation parks and assess demand and prospects for establishment of regional digital innovation hubs. | 2018-onwards | The most advanced amongst WB6 - The Former Yugoslav Republic of Macedonia - has a Fund for Innovations and Technology Development for supporting innovative projects; Feasibility study for establishment of Science and Technology Park in The Former Yugoslav Republic of Macedonia has started - to be financed under the European Union Integration Facility (EUIF) tool, available under IPA II 2014-2020.<br><br>Additionally, the project innovation ecosystem in the cross-border area (CBC Innov8) as part of the IPA 2 Cross-Border Programme between The Former Yugoslav Republic of Macedonia and Albania officially started in January 2018 and will last 28 months. The Fund is in partnership with Europartners Development from Albania (Lead Partner), National Center for Innovation and Entrepreneurial Learning Development (NCRIPU) from The Former Yugoslav Republic of Macedonia and Agency for Research, Technology and Innovation from Albania (ARTi).<br><br>To be developed at a later stage |       |
| <b>Securing the human and financial resources needed for the implementation of the Action Plan</b> |  |              |   |       |
|  | a. Prepare a needs assessment of resources needed to implement the Action Plan   | 2017         | MAP REA Stocktaking and Needs Assessment prepared and presented at the Donor Coordination Meeting.  | 5     |
|  | b. Secure human and financial resources that can be mobilised to meet the needs identified under a)  | Continuous   | Regional needs identified and systematised as regional project interventions to be potentially financed by donors.<br><br>Coordination with potential donors is ongoing   | 4     |
|  | c. Organise a donor coordination conference in order to coordinate donor support and mobilise the additional resources needed to implement the Action Plan                         | 2017         | Forth Meeting on Donor Coordination with clear focus on MAP REA organised on 13 March 2018.   | 5     |



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