

ABRIDGED REPORT ON IMPLEMENTATION OF MAP REA

July-December 2018

December 2018

1. Introduction

Multi-annual Action Plan for a Regional Economic Area (MAP REA), endorsed by the Western Balkan leaders in Trieste on 12 July 2017, has put forward a strategic agenda for the Western Balkans. Western Balkan economies (WB6) are now in full implementation mode and engaged in executing concrete reforms to facilitate further economic and social integration.

This report aims to present the key developments during July-December 2018 along the four components of MAP REA, capturing progress and highlighting the most important milestones. The report is prepared by RCC based on the inputs and reporting delivered by WB6 in several meetings (i.e. MAP REA Coordinators' meeting, WB6 PM Sherpas' meeting, etc.).

The implementation of MAP REA has entered a crucial phase with a broad consensus that 2019 is a delivery year. Only by clearly demonstrating concrete results and impact will the REA become self-sustainable and fully owned by WB6 governments. Many high-level events organised during the reporting period have reviewed the implementation of MAP REA and recognised progress made. Some of these included the Economy Ministers Meeting, as part of the Berlin Process - recognising the transformation potentials of REA and acknowledging the progress made; the WB6 Prime Ministers Summit and Meeting of the Ministers of Foreign Affairs - reaffirming the strong commitment and dedication as well as the necessity to step up efforts in MAP REA implementation; the informal meeting of the WB6 Leaders - committing to concrete steps towards achieving outstanding MAP REA deliverables (i.e. endorsement and implementation of the Regional Investment Reform Agenda (RIRA), extension of the roaming costs reductions for the benefit of all WB6 end-users and the launch of the negotiations towards a mutual recognition agreement on professional qualifications in selected professions); in addition to other important high-level events¹.

The implementation of MAP REA will witness even greater support starting from 2020, as part of IPA MC 2019 package through RCC's operational grant, with RCC assuming greater implementation role in the areas of digital integration, mobility and investment. In addition, dedicated projects on cybersecurity, support for CEFTA, support for WB CIF and other targeted interventions will add further resources towards achieving greater impact in MAP REA implementation.

Several concrete deliverables and results have been reached in time for the WB Prime Ministers Summit. These included: Investments: endorsed RIRA and Reform Action Plans; defined priorities for capital markets development and advancements in smart specialisation; regional investment platform; Mobility: agreement to launch the negotiations on a Mutual Recognition Agreement on Professional Qualifications in four selected professions; agreed Principles for the Model of Recognition of Academic Qualifications; Digital Integration: launched Western Balkans Digital Agenda; established high-level regional dialogue on WB digital transformation - Western Balkans Digital Summit; agreement to continue intra-Western Balkans roaming charges reduction processes and commitment to implement the roadmap on WB-EU roaming charges reduction, etc.

The period following the London Summit has been productive and considerable progress has been noted.

¹ 4 July 2018, Vienna; 9-10 July 2018, London; 27 August 2018, Durres; MFA Informal meeting in New York (margins of UN SC), September 2018; WB6 MFA meeting in Budva, November 2018.

On MAP REA components:

- Investment - Following endorsement of RIRA, individual-economy reform action plans are finalised to adapt RIRA to the needs and specific context of each of the economies involved, with timeframes and responsible institutions clearly identified; detailed regional programme on capital markets was developed and proposed resulting in a decision to expand this work to encompass wider financial markets integration, and involve non-bank financial institutions beyond the capital markets institutions (such as insurance funds, risk capital, venture funds, pension funds, etc.) to diversify the financial markets and provide for greater access to financing opportunities.
- Mobility – Joint Western Balkan Six Statement on Horizon Europe endorsed by the six Ministers responsible for Science addressed to the Austrian Minister of Science and the EU Member States; stepped up efforts to cooperate on Research Infrastructure mapping and preparation of Open Access Protocols to Research Infrastructure in the region for WB6 researchers; launched negotiations on the Agreement on Mutual Recognition of Professional Qualifications of Doctors of Medicine, Dentists, Architects and Civil Engineers; developed Concept of the Database on Professional Qualifications in WB6; endorsed Key Principles for the Automatic Recognition of Academic Qualifications between WB6 by the ministers responsible for education; kicked off work on the Statement on Automatic Recognition of Academic Qualifications in the Western Balkans; continued implementation of the joint exercise on recognition of academic qualifications in the Western Balkans; developed (and in process of testing) Joint Information System to share information, facilitate recognition of academic qualifications and implementation of automatic recognition of academic qualifications in WB6.
- Digital Integration – Negotiations for a new Regional Roaming Agreement (RRA2) have been launched, following WB6 Leaders commitment to continue reductions in roaming charges across the region, with a view of introducing Roam Like at Home regime in WB6; preparations are well underway for the 2019 Digital Summit at the Prime Ministers level to be held on 4-5 April 2019 in Belgrade, with plans to reconfirm the digital transformation commitments and sign the RRA2.

On MAP REA Coordination, Monitoring and Reporting:

- On coordination - RCC Secretariat in cooperation with CEFTA Secretariat has continued to coordinate all regional MAP REA related activities and oversee the overall implementation. Regional dialogue within MAP structures has been facilitated and maintained, aimed at monitoring the implementation of key deliverables, identifying next milestones and targets, etc. The MAP Coordinators meeting (Brussels, 9 October 2018) has reconfirmed the strategic role of MAP Coordinators in reviewing and agreeing on the key deliverables and reaffirming the political commitment of WB6 on MAP REA agenda. On this note, the deliverables to be achieved by the upcoming WB6 Prime Ministers Summit in Poznan have been agreed (see Annex 1).
- On monitoring and reporting – RCC, supported by MAP REA structures in each economy and in cooperation with CEFTA Secretariat, has been carrying out regular monitoring of the MAP REA implementation and its deliverables, and assisted in formulating new deliverables to support the overall objectives. Regular reporting was

conducted through all MAP REA structures² and PM Sherpas³. Finally, business-to-government (B2G) discussions have continued through regular involvement of WB CIF in MAP REA activities and meetings whilst trying to align agendas and ensure greater synergies.

2. Review of implementation per component

TRADE

NOTE: Progress made in the Trade Component will be included upon receipt of the inputs from the CEFTA Secretariat.

INVESTMENT

Overall implementation

The Regional Investment Reform Agenda (RIRA) was developed throughout 2017/2018 and endorsed at the SEE Investment Committee Ministerial Meeting on 11 May 2018, followed by confirmation of this agenda by the region's Economy Ministers at the meeting in Vienna on 4 July and Prime Ministers at the WB6 Summit on 10 July in London. RIRA is the first such initiative in the region aimed at greater harmonisation of WB6 investment policies with the EU standards and international best practices, within the framework of the SEE 2020 Strategy, CEFTA and EU pre-accession and accession processes. It is comprised of a reform schedule for a wide set of investment pertinent policies on investor entry and establishment, retention and protection, and investment promotion. In regards to the latter, the RCC has facilitated, in cooperation with the World Bank, a detailed proposal for Joint Investment Promotion Initiative (JIPI) for promoting the RIRA to the private sector and commenced a series of capacity building initiatives for the region's Investment Promotion Agencies. Since the endorsement of RIRA, the RCC and the region have worked intensively on developing Individual Reform Action Plans (IRAPs) to adapt RIRA agreed priorities to each economy individually. The IRAPs also entail reform implementation period, lead agency, expected outputs, and information on existing government/donor support or needed support for implementation. This work involved series of consultations with involved economies, and has brought together representatives of government institutions (MAP REA CCP and line ministries and agencies) and private sector so as to ensure that all respective priorities are properly addressed within the IRAP, all in order to meet the obligations stipulated by the MAP REA. IRAPs are currently in final stages of development, expected to be adopted by each individual economy by the end of 2018 with implementation commencing as of 2019.

The investment integration work is being coupled with targeted work on regional capital markets integration, also under the framework of MAP REA. The RCC has officially established the Working Group on Capital Markets (WGCM), including relevant line ministries (finance), central banks, securities commissions, and stock exchanges. Given the current state of capital markets development and the potential it might hold for increased competitiveness of the WB6 economies, there is strong interest and ambition in the region to move this agenda forward (with RCC being tasked with coordinating this regional process both on political and expert level). A proposal for a regional programme has been put forward to prepare and implement a regional

² MAP REA Coordinators meeting, 9 October 2018, Brussels

³ 20 June 2018, Brussels; 26 November 2018, Brussels

strategy on capital markets development and help transpose its priorities into individual economy policy reforms efforts. Following the review of the proposal, the WGCM has requested to expand the proposal to cover other policy reforms beyond the capital markets to help increase access to finance, with particular emphasis on non-bank financial institutions (NBFIs), including insurance, pension funds, risk capital, and others. RCC will continue to coordinate this holistic approach towards diversifying the financial markets and increasing access to finance so as to boost growth, employment and economic convergence.

Key achievements at economy level – generic for all economies:

- Inter-ministerial body for RIRA implementation on economy level has been established, thus creating the necessary structure to transpose and implement RIRA in each of the economies;
- Development and adoption of individual-economy reform plans (IRAPs) for RIRA implementation are on track and within schedule;
- Efforts to reach out to private sector in terms of RIRA promotion are on track.

MOBILITY

Overall implementation

Removal of obstacles to mobility of researchers

The Framework Programmes, including the Horizon2020, have been essential instruments for WB in building meaningful research collaborations and creating research networks between the EU and WB, integrating the region into the European Research Area, and building its research capacities and strengthening excellence in research across the region. However, there is space for the next generation of the Framework Programme, namely the Horizon Europe, to contribute more effectively to the closing of the gap between WB and the EU and the preparation of WB for accession to the EU. Therefore, the Ministers responsible for Science have endorsed a Statement on the Horizon Europe Proposal which represents the initial joint position of Ministries responsible for Science of WB6 on the European Commission proposal for Horizon Europe. The Statement welcomed the proposal of the European Commission for Horizon Europe, but it also emphasised the importance of balanced and even geographical spread of investment into research and innovation across Europe and its accession region, including through increased allocation of 3% to the “Sharing of Excellence” measures, without undermining the established excellence criteria.

The preparation of the Statement has been facilitated by RCC, which was tasked to communicate the Statement to the relevant European institutions. To this end the RCC Secretary General addressed the Statement to the Minister of Science of Austria ahead of the first meeting on Horizon Europe proposal during their EU Presidency. The Statement was further shared with all Ministers of Science of the EU Member States. The RCC will continue to support the lobbying efforts throughout the negotiations on Horizon Europe.

The Research Infrastructures Workshop took place on 30th October 2018 in Sarajevo. The meeting was organised by the RCC in cooperation with DG RTD, DG JRC and EU4TECH project. The aim of the meeting was to support peer learning on mapping research infrastructure in the WB6; support the transfer of emerging good practices from those economies which have

undertaken this exercise to those which are in initial stages; discuss potential WB6 mapping of research infrastructure and support exchange of experience on Open Access Policies and Protocols to Research Infrastructures. The participants agreed to step up their work on research infrastructure in the region. Specifically the WB6 agreed to develop policies to open access to the existing research infrastructures (RIs) for researchers from the region for potential endorsement at the Leaders' Summit in 2020, to cooperate in development of national RI Roadmaps as a basis for a regional map of RIs, and to kick off joint work on a WB6 online science hub of public research institutions, RIs and researchers in the region to be potentially launched at the Leaders' Summit in 2020.

WB6 economies also reported on the current state of affairs with regards to their respective Research Infrastructure (RI) mapping processes. **Albania** reported to be in very early stage of initiating the mapping of Research Infrastructure. **Bosnia and Hercegovina** initiated the establishment of a Working Group on Mapping Research Infrastructure with an aim of carrying out the mapping exercise in 2019. Bosnia and Herzegovina expressed the need for financial support to carry out the process. **Kosovo***⁴ made no progress on initiating their Research Infrastructure mapping process. **The Former Yugoslav Republic of Macedonia** has formed a Working Group to conduct the mapping of the Research Infrastructure and preparation of the RI Roadmap. They expressed the need for technical/expert advice to move forward and study visits to other regional partners which are more advanced in this process (i.e. Serbia and Montenegro). **Serbia** completed the RI mapping and is in the advanced stage of drafting their RI Roadmap which is to be adopted early in 2019. **Montenegro** was the first economy to complete the RI mapping, prepare and adopt the RI Roadmap already in 2015. However, Montenegro is currently revising their RI roadmap to modernise it and reflect on the latest international developments. The RI Roadmap is to be completed and adopted by the government in 2019.

Moreover, different European instruments are being utilised to support the development of research infrastructure in the region. Following the agreement to support the **Hadron Cancer Therapy and Biomedical Research with Protons and Heavy Ions** as the research focus of the South East European International Institute on Sustainable Technologies (SEEIIST), at the fourth Steering Committee of the SEEIIST, which took place on 27th November 2018 at IAEA in Vienna, Dr Horst Wenninger was appointed as the chair of the Preparatory Group for the SEEIIST Design Study by the SEEIIST Steering Committee. The preparation of the SEEIIST Design Study is financially supported by the DG RTD. Furthermore, EDIF supported the development of a Road Map for INNOFEIT Centre of Excellence in order to provide financial and advisory support to the building of a recognised Centre of Excellence within the regional innovation eco-system. The EDIF support to INNOFEIT comes as a follow-up of the mapping of leading Research Development and Innovation institutions in the Western Balkans, which created a short list of regional institutions with the highest innovation potential, carried out by EDIF.

Removal of obstacles to recognition of professional qualifications

Following the endorsement of the recommendation to open negotiations on the Agreement on Mutual Recognition of Professional Qualifications of Doctors of Medicine, Dentists, Architects and Civil Engineers (hereinafter: Agreement), the WB6 economies initiated national procedures to appoint the Lead Negotiators and the negotiating teams with a mandate to conduct the negotiations between the WB6 economies on the Agreement. The Agreement aims to establish

⁴ * 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

common and shorter procedures which are fully aligned with the EU Directive on recognition of professional qualifications for recognition of professional qualifications for the applicants holding a professional qualification obtained in one of the WB6 economies enabling them access to and the pursuit of their profession in another economy.

Following the appointment of Lead Negotiators in majority of WB6 economies, first informal meeting of the Lead Negotiators took place on 8th of October 2018 in Brussels. At the meeting the Lead Negotiators endorsed an ambitious negotiations plan with an aim of completing the negotiations ahead of the next Leaders' Summit in July 2019 in Poznan, Poland.

Upon appointment of all Lead Negotiators and negotiations teams in five Western Balkan economies and an expert team with a mandate to follow the negotiations in Bosnia and Herzegovina, the first negotiations meeting took place on 19th and 20th December 2018 in Podgorica. Initial positions on open questions pertaining to the general text of the Agreement were put forward and discussed among the Lead Negotiators. The next two negotiations meetings will take place from 21st to 23rd January and 20th to 22nd February, where negotiations on the open questions on the general text of the Agreement will continue. Moreover, the negotiations on Annexes on Doctors, Dentists and Architects will be opened at the negotiations meeting in January, while in February the negotiations on Annex on Civil Engineers will be opened, as well.

In addition, with an aim of supporting the negotiations the RCC conducted a two-day training session for the negotiations teams on 13th and 14th November 2018 in Tirana. During the training, the experts from the EU Member States presented the concept of the professional qualification and the system of recognition of professional qualifications as outlined in the EU Directive 2005/36/EC, as well as its implementation in Switzerland, Austria and Croatia. The teams discussed the underlying logic of the system and the Directive's key concepts, e.g. permanent vs. temporary stay; automatic vs. general system of recognition; minimum training conditions for the four selected professions; and its implications for the Agreement between the WB6. The training was the first step in the negotiations process, focused on preparing the negotiation teams for the process itself.

Furthermore, the RCC developed the Concept for the Database on Regulated Professions in the WB6. The key objectives of the Database are to support the implementation and monitoring of the Agreement on Recognition of Professional Qualifications of Doctors of Medicine, Dentists, Architects and Civil Engineers, to facilitate cooperation, exchange of information and data between the WB6, and to support the accession preparations of the WB6. The Database on Regulated Professions will mirror the EU database on regulated professions. The Database on Regulated Professions in the WB6 is to be launched at the Leaders' Summit in July 2019 in Poznan.

Removal of obstacles to recognition of academic qualifications

On the 26th of June the Ministers in charge of education from the WB6 economies endorsed a set of key principles for automatic recognition of academic qualifications in the region at the 7th Ministerial Meeting of the Western Balkans Platforms on Education and Training & Research and Innovation organised by DG EAC and DG R&D in Brussels. The endorsed principles form the basis of the model of automatic recognition of academic qualifications aligned with the Lisbon Recognition Convention and based on quality assurance and accreditation aligned with the European Standards and Guidelines for Quality Assurance. The key principles emphasise the

need for good cooperation, swift, reliable and objective exchange of information between ENIC/NARIC centres and the quality assurance bodies in and between the WB6 economies.

Following the June Ministerial Meeting, the Working Group on Recognition of Academic Qualifications met twice, on 26th October 2018 in Belgrade and 13th December 2018 in Sarajevo. The participants initiated the work on the Statement on Automatic Recognition of Academic Qualifications (hereinafter: Statement) between the WB6 and agreed on four meetings ahead of the WB6 Leaders' Summit in July 2019 in Poznan to complete the Statement.

Furthermore, the Ministries of Education and the ENIC/NARIC centres of the WB6 have continued with the implementation of the joint recognition exercise on recognition of academic qualifications, whereby real case studies of requests for recognition of academic qualifications from the region and outside were assessed in line with respective national procedures to determine similarities and differences in procedures and practice of recognition of academic qualifications in the WB6. The outcomes of the exercise will facilitate preparation of the model for automatic recognition of academic qualifications.

In addition, a joint online system which will support cooperation and automatic recognition of academic qualifications between WB6 economies developed jointly by the RCC and ERI SEE based on the agreements made in the previous meetings was presented in beta version for further fine-tuning at the meeting in December. The system will include full information on recognition of academic qualifications in the WB6, quality assurance systems in WB6 and a Database of External Quality Assurance Reports of the Higher Education Institutions from WB6. The joint online system is to be launched at the WB6 Leaders' Summit in July 2019, in Poland.

The Working Group on Recognition of Academic Qualifications continued close cooperation with the European Quality Assurance Register whose Director participated in all of the meetings of the Working Group to ensure alignment with the European Quality Assurance Standards and Guidelines.

Key achievements at economy level

- Research Infrastructure mapping and Roadmaps to be completed by Montenegro and Serbia in 2019; The Former Yugoslav Republic of Macedonia at early stage of conducting the RI mapping; Albania, Bosnia and Herzegovina and Kosovo* yet to initiate the RI mapping;
- All economies established negotiations teams and appointed Lead Negotiators, apart from Bosnia and Herzegovina where expert team has been appointed to follow the negotiations.

DIGITAL INTEGRATION

Overall implementation

Digital integration and the progress being made has received considerable focus during the high-level events held as part of the Berlin process culminating with the launch of the Digital Agenda for Western Balkans (WB DA) on 25 June 2018⁵. Commissioner Gabriel has also stressed the importance of DA in her visits to the WB6 capitals during late 2018. The endorsement of the

⁵ Launched on 25 June 2018; it covers 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.

Statement of Support for the WB DA by the WB Leaders paved the way for the regional structures responsible for digital integration to step up efforts in a number of areas and define clear deliverables to be achieved by Poznan Summit.

Intensified regional work and dialogue relates in particular to the implementation of key deliverables, namely extension of roaming charges reduction to cover the whole WB region and maintaining the high-level regional dialogue on WB digital transformation through the organisation of 2019 Digital Summit (DS 2019). Discussions on a new Regional Roaming Agreement (RRA2) have commenced through the WB Roaming Policy Meetings (6 November 2018 and 13 December 2018, both in Brussels), with encouraging progress made towards the finalisation of RRA2. The main aim is to introduce Roam Like at Home (RLAH) regime in WB region with a transitional period and to extend roaming reductions to all WB6 end-users during a transition period. The WB6 negotiations on this are expected to be concluded in time for the DS 2019, when RRA2 is planned to be signed. The successful signing of RR2 is the prerequisite for the roadmap to reduce roaming charges between the EU and WB6.

Preparations for DS 2019 are well underway. The content and focus of DS 2019 have been already agreed during the DS Summit Steering Committee meetings (29 October 2018, Belgrade and 14 December 2018, Berlin). The DS 2019 is planned to be held on 4-5 April 2019 in Belgrade at the Prime Ministers level with the aim of maintaining high-level regional dialogue on WB digital transformation. This dialogue is conceived as a process with clear objectives and follow-up activities between the Summits, thus the RCC, in cooperation with WB6, will prepare a brief report portraying some of the key developments in digital integration between the Summits.

Progress is also noted in reaching other deliverables, summarised below:

- Maintained regional dialogue and cooperation among WB6 CSIRTs through their regular regional cooperation meetings - two meetings of WB6 CSIRTs have been organised (10 October 2018, Skopje, 27 November 2018, Limassol);
- Extended capacity building opportunities for WB6 CSIRTs – RCC partnered with ITU and DCAF to enable the participation of WB6 CSIRTs in the ITU Cyber Drill (26-30 November 2018, Limassol, Cyprus);
- Prepared study “On cyber security and online radicalisation in the Western Balkans” – commissioned by RCC and launched on 6 December 2018 – providing a comprehensive overview and analysis of cyber security and online radicalisation in WB6;
- Sustained regular ICT regulatory dialogue with the EU: WB-EC Regulators meeting (5 December 2018, Prague) took place alongside the BEREC Plenary meeting;
- Regional study on “Improving Digital Skills in WB6” was developed during December 2018 as part of the RCC Grant Work Programme 2017-2019.

RCC has facilitated all of the regional processes noted above and partnered with other organisations in specific aspects of digital integration agenda, in particular in cyber security. RCC will continue to facilitate all regional processes related to WB Digital Agenda implementation during 2019 and is expected to have an even greater role in implementation of concrete actions as of 2020⁶, thanks to increased EU support. Furthermore, the draft IPA MC

⁶ Actions to be implemented are compliant with needs validated by WB6 in the process of MAP REA needs assessment and SEE 2020 Programing Document 2018-2020, including lowering the cost of roaming, development of e-services and digital skills, capacity building in digital trust and security, establishing cross border recognition of

Programme for 2019 also includes a regional cybersecurity project aimed at aligning national legislation with the Network and Information Security (NIS) Directive, strengthening capacities of WB6 CSIRTs, implementing NIS strategies, etc.

Digital integration, being a priority for WB6, has been on the agenda of many high-level events and activities of different organisations and stakeholders. Namely, the Yearly Start-up Summit (15 November 2018, Sofia), which reviewed the ways to improve framework conditions for start-ups in Central and East Europe and WB, benefitted from a high-level session with the presence of some WB Prime Ministers; Summit100 (1-2 October 2018, Belgrade), gathering 100 most eminent business leaders from SEE, engaged the regional business leaders into the dialogue to shape new vision that would improve business and quality of life in the region; SEE IT Summit (7-9 November 2018, Novi Sad) - 1st international Summit in the hub for IT, telecommunication and innovations, gathering ideas on Future Agro Challenge and Start-ups Technology Challenge; Smart e-Government International Conference (30 November 2018, Belgrade), organised by ReSPA, gathering senior managers from public administration, e-Government policy makers, industry leaders and academics to share knowledge and experience on e-Government service and Trusted Electronic Identification. Key findings and recommendations of the Regional study on Service delivery in WB were also presented during the Conference; 3rd Regional Coordination Conference for Counter-Terrorism and Prevention and Countering Violent Extremism in South East Europe (6 December 2018, Istanbul), presenting among other topics, the regional activities on cybersecurity.

Key achievements at economy level

Albania

The **changes to the law No. 107/2018 on Electronic Communications** were approved on 21 December 2018 and are expected to enter into force in January 2019, giving mandate and authority to the Regulator to regulate roaming prices in compliance with respective international agreements.

The **process of digital switchover (DSO) is advancing** (i.e. public information campaigns conducted, analogue transmission switched off in three regions and almost finalised in Tirana and Durres, Public Broadcaster installed digital transmitters through the whole territory) and finalisation is expected by 15 January 2019 for the biggest regions, Tirana and Durres, with the rest of the territory to follow by the end of 2019.

Preparations of the fully-fledged feasibility study for the **development of broadband networks** are on track. The coordination with all stakeholders is launched and completion of the study is expected by the end of 2019.

Needs and capacities of institutions responsible for cyber security in Albania have been assessed based on the Cyber Security Maturity (CMM) during the workshop organised on 1-3 September 2018 in cooperation and with the support of the World Bank. A follow-on workshop on National Cybersecurity Policy, legal framework and CSIRT operation in cooperation with Korea Internet & Security Agency (KISA) was held on 6-7 December 2018 to support capacity building efforts in the field. A dedicated **Strategy on Cybersecurity 2020-2025 is currently being drafted** pursuant to the Order of PM No. 173 of 9 November 2018, and is expected to be

e-signatures and ensuring participation of WB in programmes and platforms stipulated in WB DA; the actions reflect MAP REA Digital integration measures and Digital Agenda for Western Balkans.

finalised by mid-2019. The list of critical infrastructure has been adopted and the first audit completed. Moreover, the procurement procedure to establish a platform for reporting on incidents has been launched.

Bosnia and Herzegovina

A new Law on Electronic Communications and Electronic Media is being drafted; the draft Broadband Internet Access Strategy is in its final phase. Its action plan is being developed and soon both, draft strategy and its action plan, will enter the public consultation phase and will be submitted for approval to the Council of Ministers.

The 1st phase of DSO has been successfully completed and DVB-T2 standard adopted. In August 2018 the Council of Ministers approved the project for implementation of the third phase-Secondary DVB-T2. The completion of DSO requires further efforts and there is a need to speed up implementation of required actions.

Needs and capacities of institutions responsible for cyber security in Bosnia and Herzegovina have been assessed based on Cyber Security Maturity (CMM) during the workshop organised on 23-25 October 2018 in cooperation and with the support of the World Bank. A follow-up workshop on National Cybersecurity Policy, legal framework and CSIRT operation in cooperation with Korea Internet & Security Agency (KISA) was held on 3-4 December 2018 to support capacity building efforts in the field. A dedicated **Strategy on Cybersecurity is being drafted** and is expected to be finalised in 2018.

Kosovo*

Extension of broadband infrastructure in uncovered rural areas is progressing very well, within the scope of KODE programme. The extension has been implemented in 17 villages across 7 zones of Kosovo*, while projects to extend broadband infrastructure to 19 villages in 7 other zones are being implemented currently and are expected to be finished in 2018. A loan from the World Bank for 20.7 million Euro for investment in broadband during 2019-2023 has been approved by the Assembly. In addition, the establishment of the electronic atlas for broadband infrastructure is at the final stages of implementation and it is expected to be online in 2018.

The transposition of EU Directive 2014/61/EU into national legislation is in progress. Concept Document has been approved by the Government, working group was established, the draft law prepared and support from TAIEX (12-16 November 2018) obtained to screen the draft. The **draft Law on Electronic Identification and Trust Services for Electronic Transactions, transposing eIDAS Regulation, has been developed**, and TAIEX mission (12 - 14 September 2018) supported the screening. The Law is expected to be finalised and sent for approval during the first half of 2019.

The Conference DIGITALKS was organised on 11-12 October 2018 in Pristina to focus discussion on policies and practices to promote innovation and entrepreneurship. The conference benefited also from the presence of Commissioner Gabriel as part of her visit to Pristina to promote the importance and benefits of the Digital Agenda for WB6.

Montenegro

Work is in progress on the **alignment of the Law on Access to and Installation of High-Speed Electronic Communications Networks with EU Directive 2014/61**. In addition, upon adoption of the Law on Electronic Identification and eSignatures, 11 bylaws based on it have been adopted.

Regarding broadband, the process of data collection from operators is progressing well. The upgrading of the existing Data Collection System for mapping EC infrastructure including mapping of air-lines and mapping of broadband access is in progress. This upgrade will also enable broadband access mapping through cooperation with the Montenegrin Real Estate Agency, Monstat and other relevant state and local authorities. Data collection from the operators is expected to be finished by mid-2019, when the system is expected to become operational.

Establishment of the Security Operational Centre, as part of the national CSIRT is planned to be completed by the end of 2018. In addition, the International Conference of Regulators: Development of the regulatory framework for the digital future was held during the reporting period gathering participants from regulatory agencies from WB6, Croatia, Slovenia, Bulgaria, Latvia and Italy.

The drafting of the Digital Innovation Profile of Montenegro has started, in cooperation with ITU. Over 50 meetings with representatives of the public and private sector and financial institutions have been held and the project titled: Innovation digital profile of Montenegro was presented at the beginning of October 2018.

Serbia

The Law on Electronic Communications has been adopted by the Government, with adoption by Parliament expected in December 2018 or January 2019. The Law will, among other things, ensure financial and functional independence of the Regulator.

Mapping of mobile broadband infrastructure is completed, whilst completion of the fixed broadband infrastructure mapping depends on the adoption of the Law on Electronic Communications. In addition, software platform for data collection is procured to enable automatization of data importing from operators and increase transparency for interested target groups. **The Broadband Competence Office has been established within the Ministry of Trade, Tourism and Telecommunications.**

Training centre to enable trainings for public servants working in cybersecurity area is currently being established within CSIRT. Moreover, a Task Force to support the actions in cases of cyber alerts, comprising relevant authorities (Ministry of Interior, Ministry of Defence, CSIRTs, etc.) and private companies, is in the pipeline. Serbia intends to become a member of FIRST, while the first cybersecurity inspector is nominated within the Ministry of Trade, Tourism and Telecommunications.

The Former Yugoslav Republic of Macedonia

Mapping of the white zones is finalised and framework to allow private companies to use state infrastructure is in place. Furthermore, the energy transmission company MEPSO has installed the optic network for high speed broadband - 10 m EUR for 200 km optic network.

Discussions are ongoing on an agreement for roaming prices reduction with Greece (held at the margins of the 83rd International Trade Fair held on 8 September 2018 in Thessaloniki). In addition, a joint meeting with representatives of telecommunications operators and regulatory authorities of Bulgaria is planned for the end of December 2018, following the bilateral MoU for reducing roaming prices signed in November 2017.

A dedicated Cyber Security Strategy and its Action Plan (2018-2022) is adopted. CSIRT successfully organised the first national exercise on responding to cyber incidents and the Regional Cybersecurity Conference – Cooperation and Information Exchange on 9-10 October 2018 in Skopje. A tool for regional information exchange, called MIS platform, developed by Luxembourg team is already in place. Moreover, more than 50 organisations use the platform on voluntarily basis to share information on cyber security. This tool was presented during the Regional Cybersecurity Conference and may also be useful for regional cooperation and exchange of information. In addition, CSIRT carried out capacity building programmes - training for 60 IT experts from public and government sectors. The Former Yugoslav Republic of Macedonia also intends to become member of FIRST.

The proposal to establish a Regional Cyber Security Training and Research Centre in Skopje has been put forward and assessment of organisational and financial resources is in progress. The proposed concept for the Regional Cyber Security Training and Research Centre would fit within the envisioned Technology Park, located in Skopje and would cover: (i) professional training - training centre for public administration officers and Critical Infrastructure owners of WB6, (ii) academic research – academic cooperation and joint collaboration of WB6 research scholars; (iii) technology park – to stimulate innovation, entrepreneurship and economic growth and serve as a major local hub for the ICT and IS start-up community in the region. The Former Yugoslav Republic of Macedonia, which took over the Chairmanship of ReSPA (21st of November 2018), has put forward this initiative to the Board of RESPA.

The National long-term ICT Strategy (assessment) is being prepared. Roadmap for the Strategy and assessment workshops with ICT workforce at different levels of public administration has been completed. The preparation and drafting of a National long-term ICT Strategy will start in December 2018 and its finalisation is expected during 2019.

3. Key milestones and recommendations

1. On MAP REA Components:

- **Investment:** Commence IRAPs' implementation; establish RIRA monitoring mechanism and conduct first impact assessment; propose a regional instrument for RIRA; continue promoting RIRA to the private sector; undertake joint investment initiative and investor outreach; develop financial markets diagnostics and recommendations (including building on the capital markets work performed up to now).
- **Mobility:** Continue joint lobbying efforts based on the Joint Statement on Horizon Europe; intensify efforts to initiate and complete Research Infrastructure mapping and development of Research Infrastructure Roadmaps particularly in Albania, Bosnia and Herzegovina and Kosovo*; continue the efforts to sustain the intensive negotiations dynamics on the Agreement on Mutual Recognition of Professional Qualifications of Doctors of Medicine, Dentists, Architects and Civil Engineers so as to conclude the

negotiations ahead of the Leaders' Summit in 2019; intensify the discussions on the Statement on Automatic Recognition of Academic Qualifications in Western Balkans in 2019 so as to complete the Statement ahead of the Leaders' Summit in 2019; continue the development of the Database on Professional Qualifications and the joint information system for recognition of academic qualifications to be launched at the Leaders' Summit in 2019; continue the implementation of the joint exercise on recognition of academic qualifications to be completed ahead of the Leaders' Summit in 2019.

- Digital Integration: Conclude negotiations on the new Regional Roaming Agreement and sign the Agreement during the Digital Summit 2019; maintain the high-level dialogue on WB digital transformation through the successful organisation of 2019 Digital Summit; advance in the implementation of the Digital Agenda for Western Balkans; consider more proactive approaches to utilisation of WBIF for digital projects; consider participation in EU programme - interoperability solutions for public administrations, businesses and citizens (ISA) - following Montenegro's encouraging experiences.

2. On coordination, monitoring and reporting of MAP REA:

- Strengthen MAP Coordinators governance and leadership of the process through more frequent and predictable MAP Coordinators' meetings to review status, agree on deliverables, provide strategic oversight and guidance; strengthen coordination and dialogue on MAP REA implementation, through more frequent coordination meetings of MAP CCPs (with stable and empowered CCPs with decision making authority); maintain a link with WB PM Sherpas to report on MAP REA implementation, benefiting from their clear mandate to ensure whole-of-government approach; strengthen public awareness and communications on results achieved and opportunities availed through MAP REA implementation.

ANNEX 1 - List of forward looking commitments/deliverables

Trade

- Completed ratification process of Additional Protocol 5 on trade facilitation in all CEFTA Parties;
- Fully populated CEFTA Statistical Portal;
- Additional Protocol 6 on trade in services liberalisation adopted by all Parties;
- Advanced stage of negotiations on Additional Protocol 7 on a trade dispute settlement mechanism;
- Defined time-frame for a joint risk strategy;
- Mutual recognition on Authorised Economic Operators (AEOs) adopted by the Joint Committee;
- Identified e-commerce barriers in CEFTA; and
- Entry into force of the full cumulation and duty drawback within CEFTA.

Investment

- Regional Investment Reform Agenda (RIRA) implementation in place through the adoption of individual-economy action plans; RIRA impact assessment;
- RIRA promotion to private sector intensified, as well as targeted outreach to investors in priority sectors, promoting the WB6 as unique investment destinations;
- Potential instrument for RIRA proposed; and
- Financial diversification (incl. capital markets) regional diagnostic is developed and recommendations endorsed.

Mobility

- Concluded ambitious Mutual Recognition Agreement on Professional Qualifications in four professions;
- Agreed model for Recognition of Academic Qualifications, Joint Information System to facilitate Recognition of Academic Qualifications launched and joint exercise on Recognition of Academic Qualifications completed;
- Joint Guides on Recognition of Academic Qualifications drafted;
- Raised capacities to participate in EU research programmes and integrate fully into the European Research Area; and
- Joint Guides to address Open Access to Research Results and Data prepared.

Digital

- Maintained high-level regional dialogue on digital transformation of WB and organisation of WB Digital Summit 2019;
- Lowered roaming costs for full coverage of WB6 consumers and implementation of WB-EU Roaming Roadmap;
- Advanced implementation of WB Digital Agenda;
- Strengthened cybersecurity capacities and information exchange; and
- Sustained regular ICT regulatory dialogue between WB-EC.