



Weekly Briefing

Serbia external relations briefing:

Berlin Process vs. Open Balkan Initiative: (EU)compatible or not

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Summary

In 2003, the European Union made a promise of accession to the Western Balkan region. Twenty years after, it hasn't been fulfilled yet. The failed rapprochement of the Western Balkan countries with Brussels has been replaced by more and more rounds of meetings. An example of this is the annual "Berlin Process" EU-Western Balkan summits held since 2014. In the meantime, while waiting to join the EU, Balkan countries, at least three of them, organized themselves in cooperation model called the Open Balkan Initiative.

Introduction

The Berlin Process is an initiative launched in 2014 by the Federal Republic of Germany towards the countries of the Western Balkans, with the primary goal of accelerating their European integration, economic and infrastructural development, as well as improving regional cooperation. Thanks to the strengthening of its role in the Western Balkans, Germany managed to include Austria, France and Italy in the Berlin process. Facing with the fact that the previous forms of regional cooperation in the Balkans are not developing in the desired direction, especially after the failure „Western Balkan Six“¹ and after numerous consultations with the leaders of the countries of the Western Balkan region and the European Union, Angela Merkel started with their annual gatherings at which very specific areas of cooperation including European integrations are being debated.² In order to involve a certain number of other subjects in this new regional framework of cooperation in the Western Balkans, labeled as the “Berlin Process”, a decision was made that meetings will take place every year in a different host country.

According to the official Berlin Process webpage, achieved results could be listed in four types of outputs, such as: economic, political and security, social and ecological transition cooperation projects.³ Among them as the most important stand out the adoption of the Action

¹ Western Balkan Six was made of Serbia, so-called Kosovo, Montenegro, Bosnia and Herzegovina, North Macedonia and Albania.

² Драган Ђукановић, Милан Крстић, „Берлински процес – немачка „западнобалканска иницијатива“, Српска политичка мисао, број 4/2016, год. 23. vol. 54, стр. 172.

³ Berlin process, German cooperation, <https://www.berlinprocess.de/#about-berlin-process-section>, accessed on: 30/11/2023.

Plan for the common regional market in 2020 and in November 2022 signed agreements on mutual recognition of identity cards, university diplomas and professional qualifications.⁴

However, no matter to all results that have been accomplished, Western Balkan countries still remained far from its European Union membership. Within Berlin process, some insurmountable obstacles were encountered. Taking into account that the Berlin Process (BP) refers to all six actors from the Western Balkans, one of those obstacles was that decisions are made by consensus. Therefore, in order for something to be implemented within BP, all six actors must agree to it and must jointly make a decision. Considering some bilateral tensions that exist in the region, it was simply not possible to agree on all those decisions that were important for regional cooperation, and the need arose for those countries that want to move forward and that can agree to move forward, to find a way to do it. Thus, the Open Balkan was born. Therefore, it was created as a response to the ineffectiveness of the Berlin process and the impossibility of achieving all the benefits of regional cooperation through that one consensual decision-making in which everyone must agree in order for something to be done. When comes to the founding leaders of the Open Balkans, they see this regional cooperation as a complement, not an alternative, to integration into the European Union.

There are experts who emphasize that the Open Balkan has particular utility. Namely, it is especially useful because it can be “turned on and off” when needed. Within the Open Balkan, an agreement can be reached and cooperation between three, four, five actors from the Western Balkans can be lifted to the next level. But, the Open Balkan, unlike the Berlin Process, suffers from lack of the institutionalization which can be turned into great disadvantage.

The European Union and Western Balkans countries through the prism of the EU's position on Berlin process and the Open Balkan

Although Brussels officials often repeat that the European Union supports its partners in the Western Balkans on their path of integration, it is obvious that something is missing. No matter to support, these countries are still far from the membership. Being aware of the lack of special integrative ingredient, Balkan countries, or at least three of them, spontaneously developed idea of closer economic cooperation between themselves within format of cooperation called Open Balkan.

⁴ “Otvoreni Balkan” se može pokazati kao loša ideja, Anadolu Agency, 21/06/2022, <https://www.aa.com.tr/ba/analiza-vijesti/analiza-otvoreni-balkan-se-mo%C5%BEE-pokazati-kao-lo%C5%A1a-ideja/2618782>, accessed on: 30/11/2023.

Despite the fact that initiatives that contribute to the development of economic cooperation and the removal of tariff and other barriers between the countries of the Western Balkans represent a good step towards the integration of the region into the European Union and likewise should be welcomed by the EU, with Open Balkan it wasn't the case.

Ms. Ursula von der Leyen, President of the European Commission, visiting Albania in 2021, avoided supporting the Open Balkans and emphasized the importance of the Berlin Process, in which all six countries of the region participate. Members of the European Parliament went a step further and in one of the adopted resolutions called for the expression of “strong reservations regarding any regional cooperation initiative that does not include all six countries of the Western Balkans and is not based on EU rules, such as the Open Balkans initiative.”⁵ The resolution of the European Parliament that does not look favorably on the Open Balkans and the various signals sent by the European officials do not promise that the EU's support for this initiative will increase soon. The reason for the EU's suspicion towards the Open Balkans lies in the lack of a clearly expressed position that it follows the EU standards and regulations and that it is in the function of the European integration process, the absence of an organized management structure and the division that this initiative has caused in the region.

At 2023 Berlin Process Summit, held for the first time out of the EU – in Tirana on October 16, the EU leaders said that the membership process of the Western Balkan countries in the European bloc should be accelerated. German Chancellor Olaf Scholz said that 20 years after the countries of the region the accession was promised, it must happen very soon. This is a message that has been heard more and more recently, but the question is what will happen specifically in order to really accelerate that path.⁶ Scholz said that the Berlin Process is the best instrument to speed up the European integration of the entire Western Balkans and that the Berlin Process as a program of cooperation, and cooperation is needed more than ever. He said that the numerous crises in the Western Balkan region underscore the urgent need for cooperation and overcoming disagreements.

⁵ EP adopted resolution on enlargement, European Western Balkans, 22 November 2022, <https://europeanwesternbalkans.com/2022/11/23/ep-adopted-resolution-on-enlargement/>, accessed on: 30/11/2023.

⁶ Koliko su usklađene poruke iz EU o proširenju: Lideri EU u Tirani opet o ubrzanju članstva, Kosovo ponovo glavna tema, Euronews Serbia, 17/10/2023, <https://www.euronews.rs/srbija/politika/102487/koliko-su-uskladene-poruke-iz-eu-o-prosirenju-lideri-eu-u-tirani-opet-o-ubrzanju-clanstva-kosovo-ponovo-glavna-tema/vest>, accessed on: 30/11/2023.

The President of the European Commission, Ursula von der Leyen, said at the opening of the Summit that “we live on a burning planet” and that in these moments everyone needs best friends, and that the Western Balkans is the best friend the European Union could wish for.⁷

“Let's work to join the EU, to prove that it is possible to have sustainable peace and sustainable prosperity,” von der Leyen said.⁸

She pointed out that the goal of the Berlin process was to achieve real progress in reforms and achieve regional cooperation. Von der Leyen said that the economies of the EU and the Western Balkans are still far apart, that the economies of the Western Balkans make up only 35 percent of the average of the EU countries.

She pointed out that the countries of the Western Balkans must get closer to the common market of the EU and that the EU will open certain areas for Balkan companies, but that “opening the door is not enough”, and that the countries of the Western Balkans must round off their market and give access to their neighbors in their markets.

Von der Leyen said that for progress reforms are needed, while for those who implement them the EU money will be available. As she explained, that plan includes an investment package for the Western Balkans worth six billion euros, which, however, will be invested only after the reforms necessary for the EU accession have been implemented.⁹ At a joint press conference with German Chancellor Olaf Scholz and Albanian Prime Minister Edi Rama, she said that these reforms will bring the Western Balkans closer to the European Union, and that the region will become more attractive for investors.

“We have proposed an investment package worth six billion euros, consisting of two billion euros in grants and four billion euros in loans. However, the money will be invested only after the reforms are implemented. So, it is conditional. It works well in the European Union and I believe it will work in the Western Balkans,” von der Leyen said.¹⁰

She emphasized that it is necessary to bring the economies of the countries of the Western Balkans and the European Union closer together, adding that for the EU membership, it is necessary to implement reforms. That is to say, there is a need to bring European and Western

⁷ Samit Berlinskog procesa u Tirani: zemlje Zapadnog Balkana što pre u EU, Glas Amerike, 16. oktobar 2023, <https://www.glasamerike.net/a/balkan-berlinski-proces-srbija-kosovo-albanija-evropska-unija-eu-nemacka-francuska-dijalog-integracije/7312467.html>, accessed on: 30/11/2023.

⁸ Ibidem.

⁹ Fon der Lajen: Evropska komisija predložila šest milijardi evra za Zapadni Balkan, ali posle reformi, Tanjug, 16. oktobar 2023, <https://www.tanjug.rs/svet/politika/54824/fon-der-lajen-evropska-komisija-predlozila-sest-milijardi-evra-za-zapadni-balkan-ali-posle-reformi/vest>, accessed on: 30/11/2023.

¹⁰ Ibidem.

Balkan economies closer together and speed up the reforms needed to join the European Union. In this respect, new plan for the economic growth of the Western Balkans has the potential to double the value of the economies of the Western Balkans in this decade, explained von der Leyen.

A new plan which European Commission proposed for the growth of the Western Balkans is based on four pillars¹¹:

The first pillar: “Strengthening economic integration in the EU2 single market”. This will depend on the adaptation of the countries of the region to the rules of the single market and, in parallel, the opening of their market in the relevant sectors to the neighboring countries.

Second pillar: “Strengthening economic integration within the Western Balkans through a common regional market”. According to the experience of the EU, this will affect the potential economic growth of ten percent.

The third pillar: “Acceleration of fundamental reforms”. It also means the rule of law, which helps attract foreign direct investment and strengthens regional stability.

The fourth pillar: “Increasing financial assistance to support reforms”. Among them is an aid proposal of six billion euros.

The EU document specifies that at least three billion euros (two billion in grants and one billion in soft loans) will go into investments through the Investment Framework for the Western Balkans (WBIF)¹². The remaining three billion euros of soft loans to Western Balkan governments will be available for use on the condition that they implement reform plans. Payments will be made twice a year, based on requests submitted to the EU by partners from the Western Balkans and after the European Commission checks that the conditions for payment and preconditions, such as macro-financial stability, good management of public finances, transparency and budget control, have been met. The document of the European Commission states that it is a “necessary prerequisite” for Belgrade and Pristina and that they

¹¹ Commission presents a new Growth Plan for the Western Balkans including €6 billion in grants and loans to accelerate economic convergence with the EU, European Commission, Directorate-General for Neighbourhood and Enlargement Negotiations, November 8, 2023, https://neighbourhood-enlargement.ec.europa.eu/news/commission-presents-new-growth-plan-western-balkans-including-eu6-billion-grants-and-loans-2023-11-08_en, accessed on: 30/11/2023.

¹² New €6 billion growth plan to bring Western Balkans closer to joining the EU, Directorate-General for Communication, European Commission, 8 November 2023, https://commission.europa.eu/news/new-eu6-billion-growth-plan-bring-western-balkans-closer-joining-eu-2023-11-08_en, accessed on: 30/11/2023.

“engage constructively” in the dialogue on the normalization of relations with the mediation of the EU.

Since the countries of the region in their trade relations with the European Union also benefit from the relevant Stabilization and Association Agreements, the European Commission proposes to go even further - by making changes to these agreements in order to enable equal conditions on the market and between the countries that are in to the enlargement process with EU member states. All these goals are in line with the ideas implemented through the Berlin Process, as well as the creation of the “Common Regional Market”. There is no doubt that the implementation of these proposals will increase the freedom of movement of goods, workers and services among the countries of the region, including between EU countries.

Speaking about the plan, which includes the formation of a single regional market in the Western Balkans, von der Leyen said that the common regional market of the countries of the Western Balkans will increase the GDP of the region by 10 percent, and in order to access the single market of the EU, it is necessary to implement a reform in order to bring the countries of the region economically closer to the members of the Union.

The potential for further integration of the Western Balkans into the corresponding parts of the single market should be supported by strengthening infrastructure ties with the EU, primarily by implementing the “Global Gateway¹³” strategy in the Western Balkans.

Apart the four-pillar plan, the European Commission (EC) also intends to propose amendments to the Stabilization and Association Agreement (SAA) in order to introduce a mechanism that would enable SAA bodies to extend the rights and obligations of the EU acquis to the Western Balkans, when the conditions are met. Additionally, the EC proposes that the EU should make a bold offer to the region, an offer that provides opportunities for strengthening socio-economic convergence and bringing our partners closer to the EU single market in many areas, in addition to significant additional financial support. It is also proposed as a measure to encourage agricultural trade, encourage innovation by developing a special European Innovation Council, accelerate the transfer and upgrade of technological and social innovation solutions to achieve climate-neutral and smart cities.

¹³ The Global Gateway stands for sustainable and trusted connections that work for people and the planet. It helps to tackle the most pressing global challenges, from fighting climate change, to improving health systems, and boosting competitiveness and security of global supply chains. European Commission, https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/global-gateway_en, accessed on: 30/11/2023.

Governments of the Western Balkans countries have a responsibility to communicate and work effectively on the growth plan and its implementation. As measures to support integration into the single market, it is proposed to encourage innovation, increase the valorization of knowledge and protect investment in new products, establish a structured network of cooperation between partners from the Western Balkans, then encourage the development of the agricultural and food industry, including fisheries and aquaculture, in accordance with the EU standards.

Furthermore, there is necessity to make the Western Balkan region more resistant to cybercrime and strengthen the joint fight, including increasing participation in trainings and events organized by the EU Agency for Cyber Security (ENISA).

The host of the Summit, Albanian President, Mr. Edi Rama said that the EU does not have a correct relationship with the countries of the Western Balkans and requested that, at least for the beginning, all the countries that already have open accession negotiations should be granted observer status.¹⁴ “Thank you for everything you have invested and are investing in the Western Balkans, but I am concerned that most of us from the EU visit us, but very few of us from the Western Balkans go to the EU, that is, become EU members,” said Rama.¹⁵

Serbian Minister of Foreign Affairs, Mr. Ivica Dačić, said that Serbia attaches great importance to the “Berlin Process”, as a forum that contributes to strengthening regional cooperation, to reconciliation and encouraging regional development, but above all as a catalyst for the European integration process of the Western Balkans, because full membership of the European Union is Serbian key foreign policy priority. Serbia especially supports the concept of establishing a Common Regional Market in the Western Balkans as its application will expand opportunities for promoting economic cooperation in the region. On 28 April 2023, the National Assembly of the Republic of Serbia ratified all three regional agreements signed at the previous “Berlin Process” Summit in Berlin, which entered into force on 21 June 2023 pertaining to our country. The Republic of Serbia will continue to participate constructively in all activities within the “Berlin Process” that accelerate European integration processes and benefit the region as a whole.

¹⁴ Koliko su usklađene poruke iz EU o proširenju, op. cit.

¹⁵ Ibidem.

Conclusion

Berlin Process was launched in 2014 at the initiative of then German Chancellor, Ms. Angela Merkel. It was set as a platform for high-level cooperation between high official representatives of the Western Balkan Six (WB6) and their peers in Berlin Process host countries. The Process also involves the EU institutions, international financial institutions and the region's civil society, youth and businesses. Economic, political and security, social and ecological transition projects were its results. From the other hand, the Open Balkan Initiative emerged in 2021 from Mini-Schengen, i.e. from Economic Forum on Regional cooperation which gathered Albania, North Macedonia and Serbia. The goal is to encourage regional cooperation in this part of Europe and establish a common market that enables the free movement of capital, products, services and labor. Not only that Berlin Process includes all six Balkan countries, unlike the Open Balkan with only three, the level of the EU support which first one has is much higher than the second one. Would it be possible to preserve both or one will be abandoned?