Q&A: A credible enlargement perspective for and enhanced EU engagement with the Western Balkans

In his 2017 State of the Union address, President Jean-Claude **Juncker** reaffirmed the European future of the Western Balkans countries: "If we want more stability in our neighbourhood, then we must also maintain a credible enlargement perspective for the Western Balkans". As the President said: "The European Union will be greater than 27 in number. Accession candidates must give the rule of law, justice and fundamental rights utmost priority in the negotiations". The merit-based prospect of EU membership for the Western Balkans is in the Union's own political, security and economic interest, it is a geostrategic investment in a stable, strong and united Europe based on common values. The Strategy aims to generate a renewed reform momentum in the region to address the specific key challenges the Western Balkans face. It also enhances EU support to the efforts of the Western Balkans in their European paths, with additional funding and resources. A Western Balkans Summit is taking place in Sofia on 17 May where EU Leaders will continue discussions and engagement with their Western Balkans counterparts.

The EU's enlargement policy must be part and parcel of the larger strategy to strengthen the Union by 2025. The Strategy is part of the broader Roadmap for a More United, Stronger and more Democratic Union in line with which the Commission puts forward initiatives aimed at improving the democratic, institutional and policy framework for the Union of 2025. Our Union must be stronger, more solid and more efficient before it can be bigger.

What is new in the Strategy?

The Strategy presents the very essence of the challenges which the Western Balkans face on their European paths. What is new is the strong renewed encouragement for the partners to address the reforms needed and give guidance on the steps needed in order to advance as quickly as possible on the paths towards EU accession. For Serbia and Montenegro — where accession talks are already under way — it sets out the indicative steps needed to complete the accession process in a 2025 perspective. In addition, with flagship initiatives in six key areas, the Strategy significantly enhances the EU's engagement with our Western Balkans partners. It sets out our vision for our joint future and how to achieve this.

Is the Commission changing its enlargement policy?

The Strategy clearly spells out that the EU door is open to further accessions when — and only when — the individual countries have met the criteria. The Commission is not changing its enlargement policy: the process is and remains merit-based. Each country will be assessed on its own achievements.

How will the Strategy be put into practice?

The enlargement perspective of the Western Balkans is first and foremost in the hands of the countries themselves. They must act with determination and urgently redouble their efforts, address vital reforms — notably in the area of rule of law, independence of the judiciary and fundamental rights — and complete their political, economic and social transformation. For its part, the EU will be upgrading its policies to better support the transformation process in the region. The Strategy sets out an Action Plan with six concrete flagship initiatives targeting specific areas of common interest: rule of law, security and migration, socio-economic development, transport and energy connectivity, digital agenda, reconciliation and good neighbourly relations. Concrete actions in these areas are foreseen between 2018 and 2020.

What are the six flagship initiatives?

The flagship initiatives support the transformation of the Western Balkans in a number of specific areas where reinforced cooperation is of mutual interest. Concrete actions between 2018 and 2020 are foreseen for the six identified areas. Here are a few examples:

- Rule of law: Expanding detailed Action plans for alignment to EU standard to all the Western Balkans. Enhancing the assessment of reform implementation, including through new advisory missions.
- Security and migration: Stepping up joint cooperation in fighting organised crime, countering terrorism and violent extremism and improving border security and migration management with the support of EU tools and expertise. Enhancing coordination with EU agencies on border security and migration management.
- Socio-economic development: Boosting the provision of guarantees for private investment, support to start-ups and SMEs and greater trade facilitation. Increase focus on employment and social policies, with greater financial assistance to support the social sector, in particular education and health. Funding under Erasmus+ will be doubled.
- Transport and energy connectivity: Initiatives within the region and with the EU including new investment support. Expanding the EU's Energy Union in the region.
- **Digital Agenda**: Setting up a roadmap to lower roaming costs, supporting the deployment of broadband and of eGovernment, eProcurement, eHealth and digital skills.
- Reconciliation and good neighbourly relations: Supporting the fight against impunity and transitional justice, including through a Regional Commission to establish facts about war crimes. Increasing cooperation in education, culture, youth and sport; promoting cultural heritage and the Creative Europe programme.

How will the new flagship initiatives be implemented? Will the financial support for the Western Balkans be increased?

In order to support the implementation of the new flagship initiatives under this strategy, the Commission proposes to top up the existing funding for the Western Balkans until 2020 under the Instrument for Pre-Accession Assistance in addition to the €1.07 billion already foreseen for the region for 2018. Increased funding will be required for important investments, in particular in infrastructure, be it transport, energy or digital. A dedicated coordination group will be established in Spring to ensure implementation of the initiatives.

What are priority reforms for the Western Balkans to sustain the credible enlargement perspective?

The most pressing issue for the Western Balkans is addressing reforms in the area of rule of law, fundamental rights and good governance and to work together on reconciliation and good neighbourly relations. The region must embrace these fundamental EU values much more strongly and credibly. Not respecting them is also a deterrent to investment and trade. Second, the region's economies must be strengthened. They remain uncompetitive, with too much undue political interference and an underdeveloped private sector which affects growth and jobs in particular for the youth of the region. Third, there are still bilateral disputes between countries in the region which remain to be solved. The EU will not accept importing these disputes and the instability they entail. Definitive and binding solutions to disputes with neighbours must be found and implemented before a country accedes.

Does the EU commit to 2025 as accession date for new countries?

The year 2025 is neither a fixed nor a target date for accession. It indicates a possible time-perspective, reflecting the strong European commitment to a credible enlargement perspective for the Western Balkans. By that date, the EU could become larger than 27 Members. Accession negotiations are already well underway with Montenegro and Serbia. With strong political will, the delivery of real and sustained reforms, and definitive solutions to disputes with neighbours, they could potentially be ready for membership in a 2025 perspective. This perspective is extremely ambitious. Whether it is achieved will depend fully on the objective merits and results of each country.

Does the Strategy only apply to the "frontrunners" Serbia and Montenegro, without including the entire region?

The Strategy covers the whole Western Balkans region. Montenegro and Serbia are currently the only candidates engaged in accession negotiations and are therefore identified as current frontrunners. The Strategy sets out an indicative illustration of the steps required for Montenegro and Serbia to complete the accession process in a possible 2025 perspective. But the Strategy states clearly that other countries may catch up or overtake each other depending on objective progress accomplished.

So will Montenegro and Serbia join the EU in 2025?

The timing will remain in the hands of the two counties and will depend on their objective own merits. The possible 2025 perspective is ambitious. It requires strong political will and the achievement of substantial and concrete results. **Montenegro** needs to achieve concrete results notably in the

area of rule of law and the fight against corruption and organised crime. For **Serbia**, a strong and sustained political will is necessary to reach consensus on the substantive reforms necessary on the rule of law, and the economy, to promote reconciliation. This needs to be underpinned by comprehensive normalisation of relations with Kosovo. In order for the ambitious 2025 perspective to be realised, a comprehensive legally binding agreement on normalisation will need to have been concluded and implemented.

Is the normalisation of relations between Kosovo and Serbia a condition for Serbia to advance on its EU path?

The progress on the European paths of both Serbia and Kosovo is firmly linked to progress on the normalisation of their relations. Without effective and comprehensive normalisation of Belgrade-Pristina relations through the EU-facilitated Dialogue there cannot be lasting stability in the region. A comprehensive, legally binding normalisation agreement is urgent and crucial so that Serbia and Kosovo can advance on their European path.

What is the Strategy offering to the countries that were not "labelled" frontrunners? What are their prospects for joining the EU? Will they have a different treatment and less consideration from the Commission?

All Western Balkan countries have the chance to move forward on their respective European paths. The Commission assesses all the countries in a fair and objective manner on the basis of their own merits and at the speed at which they achieve progress. As the only countries in the region negotiating at present, **Montenegro** and **Serbia** are the current front-runners in the process. However, other countries may catch up or overtake each other depending on objective progress accomplished. Albania and the former Yugoslav Republic of Macedonia are making significant progress on their European path and the Commission is ready to prepare recommendations to open accession negotiations, on the basis of fulfilled conditions. The Commission will start preparing an Opinion on Bosnia and Herzegovina's membership application following receipt of comprehensive and complete answers to its Questionnaire. With sustained effort and engagement, Bosnia and Herzegovina could become a candidate for accession. Kosovo has an opportunity for sustainable progress through implementation of the Stabilisation and Association Agreement and to advance on its European path once objective circumstances allow.

What if future Member States block other Western Balkans countries to join?

The frontrunners on the EU path have a strategic interest in being advocates, not spoilers, of the aspirations of their neighbours. The countries of the region are inter-dependent and will progress faster if they help each other along the way. All countries must abstain from misusing outstanding issues in the EU accession process. With the new strategy the Commission recommends that special arrangements and irrevocable commitments must be put in place to ensure that new Member States are not in a position to block the accession of other Western Balkan candidates.

Joint statement by Vice-President Ansip, Commissioners Bieńkowska and Gabriel following the European Parliament's vote to end unjustified geoblocking

"The European Parliament voted to end unjustified discrimination when people shop online in the European Union. Banning unjustified geoblocking is great news for consumers in Europe.

Thanks to the European Parliament, another building block of the Digital Single Market has been put in place delivering concrete benefits to citizens and businesses. It is a great step forward for e-commerce in Europe.

We are encouraged that all EU institutions share a common vision on what the future of the Digital Single Market will look like.

From Christmas 2018, people will not have to worry about a website blocking or re-routing them just because they — or their credit card — come from a different country. Wherever they are in the EU, they will be able to access goods and services online.

But this achievement does not stand alone to make e-commerce more comfortable and easier for consumers and businesses alike: it is an important piece of the puzzle together with more transparent and affordable cross-border parcel delivery prices, simpler value added tax rules for e-commerce and stronger consumer protection. We also call for an agreement on harmonised rules for the sale of digital content and online purchases. All these elements are crucial for creating a well-functioning and competitive Digital Single Market.

It is high time to step up efforts and conclude the pending legislative initiatives for making the European Digital Single Market a reality for all."

Background

Consumers and businesses — especially SMEs — show an increasing interest in shopping and selling across the EU. Online sales of products are growing by 22% per year. However, frequently traders still refuse to sell to customers from another EU Member State or to offer equally advantageous prices in comparison with local clients.

The European Parliament, the Council and the Commission reached a political agreement to end unjustified geoblocking in November 2017. Today's plenary

vote in the European Parliament will be followed by the adoption of the Regulation in a Council meeting in the coming weeks.

The Regulation will enter into force nine months after the day of publication in the Official Journal, which is planned for March 2018.

In addition to the end of unjustified geoblocking, EU citizens and businesses will benefit from several e-commerce legislations proposed by the Commission:

- The revised <u>Consumer Protection Cooperation</u> Regulation will improve the EU-wide cooperation mechanism for consumer protection. It entered into force on 16 January 2018 and will apply from 17 January 2020.
- The new VAT rules for electronic commerce, adopted in December 2017, will make it easier to collect VAT when consumers buy goods and services online. They will also make it much simpler for online businesses to comply with VAT obligations. Member States must now implement the new rules.
- Rules for more transparent and affordable cross-border parcel delivery prices. This will allow consumers and small e-retailers to buy and sell products and services online more easily and confidently across the EU. A political agreement was reached in December 2017. Formal approval of this regulation is still pending.
- The Digital Contracts <u>proposals</u> from December 2015 are currently under negotiation by co-legislators. These proposals aim at harmonising rules for the sale of digital content and online purchases for all 28 EU countries.
- New rules for broadcasters to obtain more easily the authorisations they need from right holders to transmit online programmes in other EU Member States. The proposal from September 2016 is currently under negotiation by co-legislators.

For More Information

<u>EU-Norway agreement signed,</u> <u>strengthening the prevention of VAT</u>

fraud

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Press release: EU Auditors to examine food safety policy

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Petr Osvald presented #CohesionAlliance at the V4 Ministerial Meeting in Budapest

Cohesion policy is becoming the most important investment tool supporting growth and jobs in the European Union

Petr Osvald (Member of Plzeň City Council, Czech Republic / PES Group), Chairman of the CoR Commission for Territorial Cohesion (COTER) presented the views of the CoR at the meeting of Ministers for Regional Development of Visegrad countries (Czech Republic, Hungary, Poland and Slovakia) together with Croatia and Romania on 2 February 2018 in Budapest. The meeting, organised by the Hungarian Presidency of V4, adopted a joint Statement that

underlined that the Cohesion policy is one of the most important and successful tools in fostering economic development and contributing to the better functioning of the Single Market, as well as the main investment policy of the EU.

Participants agreed that Cohesion policy needs to remain a priority for all regions of the EU, with less developed regions and Member States remaining its main focus. To make the case for a stronger cohesion policy after 2020, the CoR, together with leading EU territorial associations, launched the #CohesionAlliance: a grass-roots movement open to anyone who believes that EU cohesion policy must continue to be a pillar of the EU's future. Since its launch in October last year, the Alliance has continued to attract new signatories every day, including regional and local authorities, business associations, academia, trade unions and think tanks. The CoR welcomes the broad convergence between many of the priorities set out by the #CohesionAlliance and those outlined in the joint Statement of the V4 adopted today.

Furthermore, the CoR plenary session adopted the own-initiative opinion drafted by Petr Osvald on "Integrated Territorial Investments" (ITI) vesterday. The recommendations recall that ITI provide an important opportunity for the delivery of a genuine place-based approach, where local and regional authorities can play an active role in shaping and optimising local and regional development. They also recommend drawing on experience to date and building on existing examples of good practice to optimise the regulatory context of ITI post-2020. In particular, the CoR recommends that it should be mandatory for all Member States to facilitate the implementation of ITI in the next programming period — this will help the ITI tool to fulfil its potential both as a key instrument for implementing Cohesion policy and for capacity-building and multilevel governance. The ITI approach should be more fully exploited beyond urban areas and implemented more widely in rural and functional areas; the CoR also highlights the specific potential of the tool to contribute to addressing the increasing inequalities at sub-regional level highlighted by the Seventh Cohesion Report.

Referring to his report, Mr Osvald said that he welcomes the positive impact of the Cohesion policy across European territories. However he regrets that there "has been a considerable delay in the implementation of Integrated Territorial Investment and that the tool has not yet been able to produce all of the synergies that it could and should produce. However, this cannot and must not be extrapolated to suggest that implementing EU cohesion policy through integrated territorial investment is not effective." He added that "integrated approach should also enable the creation of thematic links between neighbouring regions, taking into account the interests or requirements of lower territorial units. Such as cross-border projects are very important for all Visegrad countries".

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