



***ANNUAL REPORT ON
IMPLEMENTATION OF THE MULTI-
ANNUAL ACTION PLAN FOR A
REGIONAL ECONOMIC AREA IN
WESTERN BALKANS***

Contents

Abbreviations..... 3

Executive summary 5

Overview..... 8

 1.1 Introduction and purpose of the report 8

 1.2 Coordination, monitoring and reporting 9

Review of implementation per component..... 10

 1.3 *Trade*..... 10

 Overall state of play/progress 10

 State of implementation at Policy level..... 11

 1.4 *Investment* 17

 Overall state of play/progress 17

 State of implementation at objective level 23

 Obstacles and challenges 26

 Recommendations and next steps..... 26

 1.5 *Mobility*..... 27

 Overall state of play/progress 27

 State of implementation at objective level 30

 Obstacles and challenges 33

 Recommendations and next steps..... 33

 1.6 Digital integration..... 34

 Overall state of play/progress 34

 State of implementation at Policy level..... 38

 Obstacles and challenges 46

 Recommendations and next steps..... 47

Conclusions and recommendations 49

Abbreviations

A2F	Access to Finance
AEO	Authorised Economic Operator
AFSA	Albanian Financial Supervisory Authority
AP6	Additional Protocol 6
AP5	Additional Protocol on Trade Facilitation
B2G	Business-to-government
BCO	Broadband Competence Office
BEREC	Body of European Regulators for Electronic Communications
BIT	Bilateral Investment Treaty
BoA	Bank of Albania
CCP	Component Contact Points
CEFTA	Central European Free Trade Agreement
CEPT	European Conference of Postal and Telecommunications Administrations
CRMF	Common Risk Management Framework
CSIRT	Computer Security Incident Response Team
DESI	Digital Economy and Society Index
DIH	Digital Innovation Hubs
DSO	Digital Switch Over
EA	Economies Authorities
EEA	European Economic Area
EC	European Commission
ECO	European Communications Office
ENISA	European Union Agency for Network and Information Security
ERP	Economic Reform Programmes
EU	European Union
FATS	Foreign Affiliates Statistics
FDI	Foreign Direct Investment
GÉANT	pan-European data network for the research and education community
ICT	Information and Communications Technology
IFICO	International Financial Institutions Coordination Office
IIA	International Investment Agreement
IPA	Instrument for Pre-accession Assistance
IPR	Intellectual Property Rights
ISA ²	Interoperability solutions for public administrations, businesses and citizens
JRC	Joint Research Centre
JWGI	Joint Working Group on Investments
MABD	Market Access Barriers Database

MAP REA	Multi-annual Action Plan for a Regional Economic Area
MFN	Most Favoured Nation
MiFID	Markets in financial instruments directive
MoFE	Ministry of Finance and Economy
MoC	Memorandum of Cooperation
MoU	Memorandum of Understanding
MoFTER BiH	Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina
MRA	Mutual Recognition Agreement
NC	MAP Coordinator at economy level
NTM	Non-Tariff Measures
PM	Prime Minister
RCC	Regional Cooperation Council
REA	Regional Economic Area
ReSPA	Regional School for Public Administration
RIRA	Regional Investment Reform Agenda
RLAH	Roam Like at Home
RRA2	Regional Roaming Agreement
RRDC	Regional Research and Development Cloud
RSPG	Radio Spectrum Policy Group
R&D	Research and Development
S3	Smart Specialisation Strategy
SEE	South East Europe
SEED	Systematic Electronic Exchange of Data
SEEIC	South East Europe Investment Committee
STP	Scientific Technology Park
UNCTAD	United Nations Conference on Trade and Development
WB	Western Balkans Six
WB DA	Digital Agenda for Western Balkans
WBG	World Bank Group
WB CIF	Western Balkans Chamber Investment Forum
WBIF	Western Balkans Investment Forum
WRC	World Radio Conference

Executive summary

The Multi-annual Action Plan (MAP) for a Regional Economic Area (REA) in the Western Balkans Six (WB)¹ helps boost regional economic cooperation through: furthering regional trade integration, enhancing competitiveness and unleashing potentials for growth, promoting the region as an unique space for investment, creating better conditions to ensure free movement of professionals and skilled people, and connecting digitally businesses and citizens.

The European Commission Communication “*A credible enlargement perspective for and enhanced EU engagement with the Western Balkans*” (the Strategy for the Western Balkans), launched on 6 February 2018, reiterated the importance of MAP REA for further strengthening of trade, investment, digital integration and mobility within the region and between the region and the EU and the unequivocal EU perspective of Western Balkans. The successful implementation of MAP REA will help integrate the markets into European and global value chains and promote digitisation of the region’s economies.

The 2019 Communication on EU Enlargement Policy recognises Regional Economic Area as a key feature for improving living standards in the Western Balkans and acknowledges key achievements in the MAP REA implementation, including but not limited to Regional Roaming Agreement that led to substantial reduction of roaming charges as of July 2019 and will introduce elimination of roaming charges by July 2021; the entry into force of Additional Protocol on trade facilitation (AP5) to the Central European Free Trade Agreement (CEFTA) to support faster, easier and less costly trade transactions in April 2018; the launched implementation of the Regional Investment Reform Agenda (RIRA); and the adoption of the Individual Reform Action Plans (IRAPs) on RIRA implementation and the agreed text of declaration on recognition of Academic Qualifications. As essential elements of the Stabilisation and Association and enlargement processes, regional cooperation and good neighbourly relations are deeply embedded in the regional economic area and as such play important role in fulfilling commitments made at the Western Balkans Summit in Sofia on 17 May 2018.

As stipulated by the 2019 Communication on EU Enlargement Policy, the Flagship Initiative 3 – Supporting socio-economic development and the Sofia Priority agenda focuses on fostering progress in implementation of REA, adapting the existing frameworks to boost investment in the region, more strategic use of Economic Reform Programmes and supporting education and social reforms². In its assessment of ERPs 2019-2021, European Commission underlines continued economic growth for all respective economies with the necessary reforms to be speeded up so as to reduce macroeconomic risks and unlock long-term growth potential. Western Balkans economies are encouraged to continue implementing all aspects of MAP REA to integrate into the regional and European markets, to further strengthen

¹ Endorsed by WB Prime Ministers at the Trieste Summit of 12 July 2017

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2019 Communication on EU Enlargement Policy, COM(2019) 260 Final, https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-communication-on-eu-enlargement-policy_en.pdf

connectivity in transport and energy and create a digital space with more integrated labour market to tap into new employment possibilities³.

More concretely, Albania is encouraged to implement those trade-related activities that have been rolled over to 2019. European Commission recommends Bosnia and Herzegovina to improve legislative framework regulating science and research development, as well as to develop smart specialisation strategy as part of MAP REA commitments. Serbia is encouraged to fully realise the potential of trade integration with the EU and economies in CEFTA and to pursue MAP REA commitments with determination. Kosovo*, Montenegro and the Republic of North Macedonia are advised to continue with the implementation of all MAP REA aspects so as to increase Foreign Direct Investment (FDI) in tradable sectors.

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. Dedicated projects on cybersecurity, support for trade within CEFTA context, support for Western Balkans Chamber Investment Forum (WB CIF) and other targeted interventions will tap into further resources towards achieving greater impact in MAP REA implementation. Additional support will be granted for the trade pillar of REA to Fostering Regional Economic Integration. The Western Balkans Guarantee in the amount of EUR 100 million (in addition to the 2019 EUR 50 million, with the overall amount to be committed in a single Commission financing decision by the end of 2019) will be provided to enable scaling-up of investments in areas that directly contribute to sustainable socio-economic development and regional integration, particularly boosting the region's competitiveness and job creation. The support through the Western Balkans Enterprise Development and Innovation Facility will be enabled in order to implement the EU commitments under Flagship 3 of the EU Strategy for the Western Balkans related to start-ups, innovation, access to finance and support for the private sector. The Western Balkans Investment Framework (WBIF) will continue with investment support for the implementation of mature regional projects in the area of connectivity.

The Western Balkans Prime Ministers Summit, held on 4-5 July 2019 in Poznan as part of Berlin Process, recognised the importance of regional cooperation and reaffirmed the strong commitment of Western Balkans to the Regional Economic Area, particularly when delivering priorities in each of the four pillars. The Summit welcomed the achievements in implementing MAP REA and recognised that the current trade-related difficulties have affected the capacity of the region to fully deliver.

The Balkan Barometer 2019 Public Opinion Survey speaks of encouraging improvement in citizens' perceptions on regional integration with more than half of all respondents viewing EU accession favourably. Regional cooperation remains important with an overwhelming majority of respondents (74%) agreeing that it can contribute to the political, economic or security situation in their respective economy.^[1] Balkan Barometer 2019 Business Opinion Survey found that businesses identify bureaucratic constraints as the most important obstacle to exporting from SEE region, whereas 48% of business leaders still see their economy as a

³ The Commission assessments of the 2019-2021 Economic Reform Programmes (ERP), https://ec.europa.eu/neighbourhood-enlargement/policy/policy-highlights/economic-governance_en

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

^[1] Balkan Barometer Public Opinion Survey 2019

good place to invest. The vast majority of companies report that they are on their own when it comes to research and development activities with only 8% to have cooperated with universities on developing different Research and Development (R&D) or technology development projects. The importance of digital skills and digitalisation is widely recognised by SEE managers while 80% of large SEE companies are making great efforts to organise various training, workshops or seminars to improve their employee's digital skills.^[2]

During the reporting period, concrete and tangible results were achieved across all MAP REA components. In the trade component, the region has seen notable progress with the Additional Protocol on trade facilitation entering into force, Decision on mutual recognition of Authorised Economic Operators (AEO) adopted, the text of the Additional Protocol on trade in services liberalisation agreed and internal procedures for approval in progress, study on e-commerce prepared, etc. As of 1 July 2019, full cumulation and duty drawback regime will be in place enabling the duty drawback in trade within CEFTA Parties. However, the current trade-related difficulties have affected the capacity of the region to deliver fully on the implementation of MAP REA.

The reporting period has marked the launching of the implementation of RIRA, as well as development and adoption of corresponding IRAPs. RIRA is to enable reforms in investment entry and establishment, protection and retention policies, as well as investment attraction and promotion, whereas IRAPs are economy-specific tools for implementation of RIRA in each of the Western Balkans economies. The region has embarked on preparation of the Joint Investment Policy Statement to develop regionally acceptable standards for negotiating international investment agreements and BITs in line with the investment policy framework and EU standards. Furthermore, Western Balkans investment outreach initiative has been developed to present the region as a unique investment destination. Work towards a regional Strategy for Financial Markets Diversification to Support Growth has also commenced and concrete mechanisms for capital markets' improvement in a form of a practical toolkit have been launched.

In the Mobility component, WB joined efforts in removing obstacles to mobility of researchers and students. In regard to the recognition of professional qualifications, despite the progress made, the negotiations on a Mutual Recognition Agreement on Professional Qualifications were not possible to be completed in time for the Poznan Summit. Taking into account the commitments under MAP REA, WB agreed on the text of the Declaration on Recognition of Academic Qualifications. In addition, the regional action plan on open science was agreed with an aim to strengthen and open the research infrastructure and enhance innovation capacity in the Western Balkans. In the meantime, WB continues to be involved in the EU-funded projects within Horizon 2020 in the area of e-Infrastructures that are crucial for fostering open science and enabling circulation of knowledge.

The successful implementation of Digital Agenda for Western Balkans was reconfirmed at the 2nd Digital Summit in Belgrade in April 2019, when the WB signed Regional Roaming Agreement (RRA2). The Agreement will lead to the abolition of roaming charges for the end users in the region by July 2021 and pave the way for the reduction of tariffs between the WB and the EU. WB continued their increased participation in the EU digital frameworks (Broadband Competence Office, Digital cross-border traineeship initiative; EU's Code Week,

^[2] Balkan Barometer Business Opinion Survey 2019

ISA²). Increased uptake of WBIF digital infrastructure broadband projects shows the awareness of the region to maximise the usage of available funds. The annual EU-Western Balkans Information and Communications Technology (ICT) Dialogue was launched and regional cooperation among WB Regulatory Authorities maintained.

Overview

1.1 Introduction and purpose of the report

MAP REA implementation is in its second year and has already generated positive results in all components. As referred to in the Strategy for the Western Balkans and reinforced in the high-level events held during 2018 (i.e. EU-WB Summit, 17 May 2018, Sofia; WB Summit, 9-10 July 2018, London; informal meeting of WB PM, 27 August 2018, Durres; WB Summit, 4-5 July, Poznan), WB should step up its efforts in operationalising MAP REA measures with the aim of enhancing political stability, economic prosperity, cultural and social development.

The EU's Strategic Agenda 2019-2024, prioritises the following policies to steer the EU's work: protection of citizens and freedoms; development of economic base as the European model for the future; greener, fairer and more inclusive future; and the promotion of Europe's interest and values in the world. The above-mentioned measures reflect some of the key policies already addressed in the EU Strategy for the Western Balkans (i.e. strengthening the rule of law, engagement in security, support for socio-economic development and digital agenda), internalised in the MAP REA and reflected to a large extent in the strategic documents of the Western Balkans.

The report covers the period from July 2018 to June 2019⁴ and builds on the results of the first year of implementation. It is divided into three parts, namely: *the first part* describes the horizontal process on the MAP REA coordination, monitoring and reporting by delineating roles and responsibilities of all parties involved and explains the methodology; *the second part* provides a comprehensive overview of the MAP REA implementation across the four components, both at the level of objectives and at the regional level; *the third part* summarises the information in a form of overall conclusions and brings forth the recommendations for further consideration. Annexed to the report is the regional reporting table as an overview of all activities implemented at the regional level. 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 Western Balkans economies. The data used is predominantly based on the qualitative inputs, although, where necessary, data from Balkan Barometer – an annual public and business opinion survey on region's present perceptions and its expectations – are used to illustrate and support key developments and findings.

The report serves a dual purpose, enabling the WB leaders to review the progress, or the lack thereof, in each component and inform on the further formulation and fine-tuning of the actions, including possible adjustments needed. In close cooperation with the relevant MAP

⁴ Inputs from the economies received as follows: Trade on 20 May; Investment from 22 April to 10 June; Mobility from 22 April to 30 April, with inputs from three economies still missing, Digital in April 2019.

REA structures in each economy, the main emphasis during the collection of inputs has been on the accuracy and completeness, timely reporting and validation.

1.2 Coordination, monitoring and reporting

The overall coordination for the MAP REA implementation in each WB economy is the responsibility of the established MAP REA structures (MAP REA Coordinator and MAP REA Component Contact Points (CCPs)). Coordination, reporting and monitoring in each participating economy are ensured through the MAP REA structures and at regional level through CEFTA Secretariat for Trade component and RCC Secretariat for the Investment, Mobility and Digital Integration components.

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. Regular reporting to the MAP Coordinators meeting and Prime Ministers' (PM) Sherpas meeting, European Commission and other international organisations is in place, as well as business-to-government (B2G).

Permanent regional coordination, monitoring and reporting has been maintained at all levels, strategic (MAP REA Coordinators and WB PM's Sherpas) and operational level (MAP REA CCPs). Progress has been reviewed and adjustment measures have been proposed, whenever needed. Moreover, the priorities, milestones and targets for 2019 have been put forward, with the objective to be validated and adopted within MAP REA structures until the end of 2019.

Regular MAP REA Coordinators meetings (9 October 2018 and 26 March 2019) have reconfirmed the strategic role of MAP REA Coordinators in reviewing and defining key deliverables by and beyond WB Prime Ministers Summits. In addition, MAP REA CCPs meeting (19 March 2019) provided an opportunity to discuss the process of monitoring of MAP REA implementation and preparations of this Annual report, as well as to elaborate on the implementation of deliverables by Poznan Summit and discuss the prospective 2019/2020 priorities.

Regular reporting to WB PM Sherpas (26 November 2018 and 22 May 2019) helped in defining the reviewing of the progress in MAP REA implementation as well as addressing sensitive aspects related to concrete deliverables. In addition, business-to-government discussions were held back-to-back with the MAP REA Coordinators meetings organised in close consultation with WB CIF to align agendas and ensure greater synergies.

The Abridged Report on MAP REA implementation for the period July-December 2018 has been prepared and shared widely with Western Balkans, international organisations and other parties interested in regional cooperation and integration.

Other horizontal activities have been undertaken for the sake of increasing the visibility and sharing information on MAP REA activities. In this respect, MAP REA sub-page⁵ and the online calendar for MAP REA activities⁶ have been updated.

⁵ http://www.rcc.int/priority_areas/39/map-rea

⁶ http://www.rcc.int/events_calendar/63

Review of implementation per component

1.3 Trade⁷

Overall state of play/progress

In the framework of the Berlin Process, the sixth Summit took place in Poznan. This sixth high-level meeting set up deliverables for CEFTA Parties that had to be accomplished before the Summit, as a continuation of the Berlin Process. The objectives and actions with the outlined timeline for the Region are defined in Annex III of MAP REA. According to the timeline CEFTA Parties made a significant progress during the reporting period (July 2018-June 2019).

Following the above mentioned, six out of seven CEFTA Parties have ratified the Additional Protocol 5 that entered into force on 18th of April 2018. Moreover, CEFTA Parties agreed on the final consolidated version of the CEFTA Joint Committee Ministerial Decision on establishment of the validation procedure for the mutual recognition of CEFTA Parties' national Authorised Economic Operators' Programmes regarding the safety and security on 16th Subcommittee on Customs and Rules of Origin, held on 4th and 5th April, and approved by the Committee on Trade Facilitation and Committee of Contact Points, held on 17th and 18th April. Furthermore, CEFTA Parties agreed on the Guidelines for the mutual recognition of CEFTA Parties AEO. The methodology of mutual recognition will be used in other areas of trade and the AEO recognition will have an impact as a pilot for other areas.

CEFTA Parties agreed on the final text of the Additional Protocol 6 and started with an internal procedure for adoption. The statistical Portal has been prepared and launched, CEFTA Parties are populating the data on trade in goods, services, FATS and FDI. At this moment, the statistical portal is fully populated on the level of availability of data in all CEFTA Parties. By the end of May 2019, all CEFTA Parties will update preliminary data on goods and the final data at the end of July. For trade in services data, CEFTA Parties agreed to upload data by October 2019 for the year 2018.

The CEFTA Joint Committee, at its meeting in Pristina on 27th of April 2018, 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, referred as the Additional Protocol 7 on CEFTA Dispute Settlement. On 18th March 2019 the Workshop on the negotiations of Additional Protocol 7 was held in Tirana where several conclusions were taken. The negotiations are going on in the framework of the contact points, and upon the nomination of negotiation teams and finalised internal procedures in all CEFTA Parties, the negotiations will start. At the moment, three out of seven CEFTA Parties did finalise their internal procedures.

During the Special Joint Committee held in Tirana on 18th April 2019, CEFTA Parties approved the CEFTA budget for 2019 and Selection Committee Report for the three staff members. Strengthening of the CEFTA Secretariat in its full capacity in order to implement

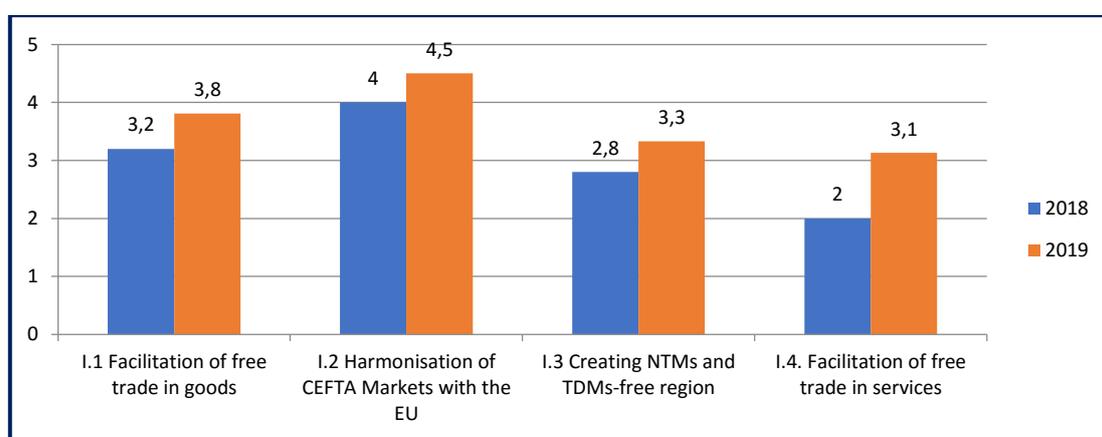
⁷ The input for the Trade Component of MAP REA is provided by the CEFTA Secretariat and is introduced in its integral form

all commitments and the EU projects has been agreed by the Joint Committee through launching further vacancies.

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 (1st of July 2019).

Moreover, The CEFTA Secretariat signed the Systematic Electronic Exchange of Data (SEED+) Agreement with the European Commission (5.3 MEUR) on 21st December 2018, as implementing tool for the expansion of electronic exchange of data to Veterinary, SPS and health certificates. At the moment CEFTA Secretariat is covering the cost of maintenance of the SEED System until July 2019.

Figure 1: Trade – State of Preparedness of MAP Implementation⁸



Important note: Scoring for trade has a slight change from the report of 2018. It has exempted from the overall score all measures that have not started yet.

State of implementation at Policy level

Policy 1.1. Facilitation of trade in goods (3.81 out of 5)

Objective 1.1.1. Strengthening the monitoring and enforcement capacity of CEFTA (3.25 out of 5)

- a) The launch of the negotiations on the Additional Protocol on dispute settlement has been done in the previous reporting period. The score is 5.
- b) During this reporting period, CEFTA Parties have continued the discussion on the 2 proposed options for the establishment of the Dispute Settlement mechanism. On 18th March 2019 the Workshop on the negotiations of Additional Protocol 7 was held in

⁸ 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 is available in the Methodology on monitoring and reporting on the Multi-annual Action Plan for a Regional Economic Area in the Western Balkans (MAP).

Tirana where several conclusions have been taken. The negotiations are going on in the framework of the CEFTA Contact Points. Upon the nomination of the negotiation teams and finalised internal procedures in all CEFTA Parties, the negotiations shall start. At the moment, three out of seven CEFTA Parties did finalise their internal procedures. The score is 3.

- c) The entry into force of the Additional Protocol 7 will be subject to the ratification upon finalisation of the negotiations. The score is 1.
- d) The Public-Private Sector dialogue for better monitoring of the implementation of CEFTA is an ongoing activity. CEFTA Parties have regular meetings with the private sector directly or within their institutions, organisations and associations. On the regional level, the participation of the private sector in CEFTA activities is done through the implementation of the GIZ Trade Facilitation Programme, as well as participation of the producers of the selected sectors (metal and vegetables) in the activities of CEFTA. Furthermore, at the meeting of the CIF WB, held in Trieste on 23rd April 2019, it was agreed to work towards the conclusion of a Memorandum of Understanding (MoU) regarding cooperation and common activities on further trade facilitation between CEFTA Secretariat and CIF WB, together with tGIZ. CIF WB will provide full support for the implementation of the agreed solutions for dispute settlement mechanism within CEFTA Parties and will arrange regular meetings with the economic operators and customs authorities for all WB economies. The score is 4.

Objective I.1.2. Adoption of Additional Protocol 5 and start of its implementation (4 out of 5)

- a) CEFTA Parties agreed on CEFTA Joint Committee Ministerial Decision on establishment of the validation procedure for the mutual recognition of CEFTA Parties' national Authorised Economic Operators' Programmes regarding the safety and security on 16th Subcommittee on Customs and Rules of Origin, held in Sarajevo on 4th and 5th April 2019, which was approved by the Committee on Trade Facilitation and Committee of Contact Points, held in Tirana on 17th and 18th April 2019. The Guidelines on validation procedure for the mutual recognition of CEFTA Parties' national Authorised Economic Operators have also been prepared and agreed. It is expected that the Decision on the implementing provisions of the Mutual Recognition Agreement (MRA) of Border Documents will be elaborated and proposed to the CEFTA Joint Committee for adoption during 2019. The score is 4.
- b) Additional Protocol 5 on Trade Facilitation entered into force on 18th April 2018. North Macedonia, Moldova, Montenegro, Albania, Bosnia and Herzegovina and Serbia have ratified the Additional Protocol 5 during the reporting period. The remaining CEFTA Party is expected to finalise the required parliamentary ratification procedure in the first half of 2019. The score is 4.
- c) During the reporting period three regional Pilot validation missions took place with the aim to test the mutual recognition of AEO programmes, according to the AP 5. It is planned to have one more regional Pilot validation mission programme in 2019. Moreover, CEFTA Parties have selected vegetables as the sector for implementation of the mutual recognition of border documents. In addition, during Ad-Hoc expert group meeting on electronic exchange of data in SPS held in Skopje on 25th March 2019, Albania, as a Chair in Office, and North Macedonia, as a Chair of Subcommittee on

Agriculture and SPS measures, were selected as pilot Parties for 4 agreed vegetable products: cucumber, apples, tomatoes and eggplants. The Pilot programme started in April 2019. The score is 4.

Objective I.1.3. Concluding Party level IT interconnections for data exchange between Agencies at the national level (5 out of 5)

- a) Developing the feasibility plans for investments at Party level by SEED Maintenance and Development Project is completed. The score is 5.
- b) The WB 6 CEFTA Parties have stated that they have secured adequate financial resources in their budgets for the implementation of the SEED+. The score is 5.

Objective I.1.4. Initiating exploratory talks on joint risk management, border controls and one-stop-shop border controls (3 out of 5)

- a) A time frame for joint risk management is defined and it is expected that the Pilot programme will start in June 2019, while the Strategy on risk management is planned for the CEFTA week. Where appropriate, other time frames will be developed under the model of risk management when the Strategy is adopted. The score is 3.
- b) The work on the Joint risk strategy is underway. The preliminary findings and conclusions of the progress on establishing CEFTA Common Risk Management Framework (CRMF) related to the Results on the validated Risk Profile and Pilot programme have been presented at 16th Subcommittee on Customs and Rules of Origin, held in Sarajevo on 4th and 5th April. CEFTA Risk Profile Format was created as well as 25 Profiles. 14 Risk profiles are validated. The Joint Risk Strategy will be presented at the CEFTA Week in December 2019. The score is 3.

Objective I.1.5. Initiating exploratory talks on mutual cooperation between market surveillance control authorities of CEFTA Parties (2.33 out of 5)

- a) The exploratory talks between the Market Surveillance Authorities will be held and the preparation of the database of unsafe products in the CEFTA Region (which is the obligation from AP5 and planned under the SEED+) will be developed in the second half of 2019. Moreover, the collaboration of the Market Surveillance Authorities will identify their needs in the Quality Infrastructure that will lead to the expansion of MAP REA to the quality infrastructure issues which is needed for the successful implementation of Regional Economic Area. The score is 2.
- b) CEFTA Parties have selected vegetables as the sector for implementation of the mutual recognition of border documents. In addition, during Ad-Hoc expert group meeting on electronic exchange of data in SPS held in Skopje on 25th March 2019, Albania, as a Chair in Office, and North Macedonia, as a Chair of Subcommittee on Agriculture and SPS measures, were selected as the pilot Parties for 4 agreed vegetable products: cucumber, apples, tomatoes and eggplants. The Pilot programme started in April 2019. The score is 4.
- c) Development of the timeframe to conclude MRA relies on the results of actions under b). The Score is 1.

- d) Assessing potential to extend MRA in other supply chains with regional interest will be dependent on the previous actions b) and c).

Policy 1.2. Harmonisation of CEFTA Markets with the EU (4.5 out of 5)

Objective I.2.1. Initiating the application of SAP+ and Full Cumulation (4 out of 5)

- a) The derogation of PEM Convention is obtained. There are still a number of CEFTA Parties which are to conclude the relevant FTAs with EFTA or Turkey in order to complete SAP + cumulation. CEFTA Parties agreed on the joint position referring to the working document TAXUD/6901027/18-EN and Related to the TAXUD Note to the Delegates of the pan-Euro-Med Joint Committee and to the Contact Points in the Missions to the EU of the Contracting Parties to the pan-Euro-Med Convention, Ref. (2019)2309561 from 1.4.2019. On proposed ways forward and implementation of Revised PEM Convention, the CEFTA Parties agreed to strongly support that the revision of the current Convention be done through a decision of the PEM Joint Committee adopted by consensus. Some Parties still miss the adaptation of the rules of origin in their bilateral FTAs within PEM, and some Parties are still waiting for the conclusion and entry into force of the Free Trade Agreements with Turkey and EFTA. The score is 3.
- b) CEFTA Parties agreed to start full cumulation and duty drawback in the regional trade on 1st July 2019. The Guidelines on unified implementation of full cumulation and duty drawback among CEFTA Parties are prepared and agreed on 16th Subcommittee on Customs and Rules of Origin held in Sarajevo on 4th and 5th April 2019. The score is 5.

Objective I.2.2. Potential approximation of CEFTA MFN to EU CET (5 out of 5)

The conclusions from the Assessment prepared by the World Bank on the approximation of MFN Tariffs to EU CET were presented on the 16th Subcommittee on Customs and Rules of Origin, held in Sarajevo on April 4th and 5th. CEFTA Parties supported the findings. The Joint Committee will adopt an appropriate conclusion in June 2019. The score is 5.

Policy 1.3. Creating NTMs and TDM-free Region (3.33 out of 5)

Objective I.3.1. Administrative Cooperation between Competition and State Aid Monitoring Authorities (2 out of 5)

- a) The CEFTA Secretariat has completed the monitoring exercise for the implementation of CEFTA Articles on competition and on State Aid. The report was submitted to CEFTA Parties. During the meeting held in Skopje on 17-18 July 2018 CEFTA Parties discussed running the administrative cooperation between competent competition authorities and state aid pursuant to the provisions of the CEFTA 2006 Agreement and the Multi-annual Action Plan for a Regional Economic Area. Continuation of negotiations on the mutual cooperation in the Competition and State Aid is planned in the second half of 2019. The score is 3.
- b) Some of the CEFTA Parties have notified state aid schemes and measures to the CEFTA Secretariat. The reporting depends on the action a). The score is 2.

- c) Enhancing cooperation amongst competition authorities by supporting the establishment of a structured network to foster peer learning depends on the actions a) and b). The score is 1.

Objective I.3.2. Eliminating any remaining discriminatory practices in public procurement markets (4 out of 5)

- a) The Public Procurement report is prepared and is waiting for the adoption. The score is 4.

Objective I.3.3. Systemic Monitoring of NTMs in trade in goods and services (4 out of 5)

The CEFTA Market Access Barriers Database (MABD) is up and running, and regularly updated. Upon the adoption of Additional Protocol 6 the extension of MABD will be required in order to extend to trade in services. The Non-Tariff Measures (NTM) SC held in Pristina in November 2018 adopted the outline of the NTM Report. During the next reporting period it is planned to deliver the first NTM Report. The score is 4.

Policy 1.4 Facilitation of free trade in services (3.13 out of 5)

Objective I.4.1. Implementation of CEFTA Additional Protocol 6 on Trade in Services (3.33 out of 5)

- a) The CEFTA Parties agreed on the final text of the Additional Protocol 6 and started with the internal procedure for adoption. The score is 4.
- b) CEFTA Parties agreed to adopt the Additional Protocol 6 (AP 6) before the Poznan Summit. After the adoption, the ratification procedure will be necessary for all Parties. The Score is 1.
- c) GIZ project “On the proposal on the creation of the CEFTA Database Applied Policy on Trade in Services” will start after the approval of CEFTA Contact Points. The score is 2.
- d) The Parties have designated and nominated the Contact Points for services thus establishing them. The score is 5.
- e) The platform for the Services legislation will be developed under the basis of the STRI indicators and will be launched until the Poznan Summit. The score is 4.
- f) Not started yet as the AP6 is not adopted yet.
- g) Not started yet as the AP6 is not adopted yet.
- h) The CEFTA Secretariat has developed the Reporting System on Trade in Services, Foreign Affiliates Statistics (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 a professional and user-friendly manner. The score is 4.

Objective I.4.2. Conclusion of agreements on intra-regional regulatory cooperation (3.66 out of 5)

- a) The Report on regulatory barriers that impede trade was elaborated during 2018, recommending the sectors where future cooperation could be enhanced by eliminating regulatory barriers. The score is 5.
- b) Establishment of the regulatory database in services sector in CEFTA Parties was extended till June 2019. The score is 4.
- c) Identification of suitable cooperation based on the soft laws, recognition of international and EU standards, MRAs – Based on the report that was adopted in 2018, the CEFTA Parties will engage in the selection of the Sector to pilot a possible way of cooperation between the Parties that should lead to the conclusion of the Arrangements (soft laws, International or EU standards or MRAs) between the CEFTA Parties that would lead to the elimination of the existing regulatory barriers. This is one of the post-Poznan Priorities adopted at the MAP coordination meeting in Tirana on 19th March 2019. The score is 2.
- d) Negotiation and administrating the conclusion of selected arrangements depends on the action c).

Objective I.4.3. Development of disciplines on domestic regulation (3 out of 5)

- a) The first review of the development of disciplines on domestic regulation is expected in November 2019. The score is 3.
- b) The action will follow the results of the first review to be completed in 2019.

Objective I.4.4. Launching dialogue on regulatory issues in electronic commerce (2.5 out of 5)

- a) The project on e-commerce barriers was awarded in November 2018 and was afterwards presented to the CEFTA Parties on the Subcommittee on Trade in Services, held in Pristina on 21 November 2018. The Project team presented to the CEFTA Parties the Inception Report that was presented and adopted in January 2019. At the moment the team is working on data mining related to the e-commerce statistics. It is expected that the report with the recommendations will be available in 2019, depending on the availability of data. The experts will take account of the work achieved under the digital component. The score is 4.
- b) The Chairmanship priorities for 2019 have prescribed the exploratory talks in the Intellectual Property Rights (IPR) area and involving the IPR Authorities in the work of CEFTA. The Assessment will provide for the prevention of unjustified geo-blocking in the CEFTA Parties. This activity will take account of the work achieved under the digital component. The score is 1.
- c) Not started yet.
- d) Not started yet.
- e) Not started yet.
- f) Not started yet.
- g) Not started yet.
- h) Not started yet.

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 Western Balkans to harmonise them with the EU standards and international best practices, and to promote the region as a unique investment destination to the global business community. This effort is complemented with initiatives to support industrial development by embedding smart growth approaches into Western Balkans economic development strategies through the introduction of smart specialisation. Finally, a more diversified private sector access to finance is also addressed through MAP REA with actions aimed at further financial market deepening and diversification of access to finance opportunities so as to increase financial means for business activity through financial intermediators other than banks.

Western Balkans economies made progress in upgrading their investment policy framework mainly through the adoption of modernised investment-related laws and establishment of mechanisms for arbitration and intellectual property rights. Recent or pending justice reforms in several economies are expected to strengthen investor confidence. Efforts to streamline business establishment procedures have been noteworthy and several Investment Promotion Agencies have been modernised or restructured to improve the way they conduct their key functions. The reporting period has marked the launching of the implementation of RIRA, stipulating reforms in investment entry and establishment, protection and retention policies, as well as investment attraction and promotion, with the ultimate aim to improve business environment, present Western Balkans as a unique investment destination, and enable seamless investments flow in the region. Correspondingly, the Individual Reform Action Plans (IRAPs) have been developed and adopted, as tailor-made tools for implementation of RIRA in each of the Western Balkans economies, taking into account different levels of development and specificities of each one of them. IRAPs have outlined the policy priorities, and have also designated measures, the timeline for reforms and identified institutions in charge. In respect to the latter, the Western Balkans economies, but Bosnia and Herzegovina, established inter-institutional platforms for the implementation of IRAPs. Given the heterogeneous composition of investment-pertinent policies of RIRA and IRAPs, these platforms are combined of various institutions (ministries, agencies) in charge of specific policy components.

Given that a year has passed since the adoption of RIRA, but due to the fact that IRAPs have been adopted just recently, the first year of RIRA monitoring and evaluation has been marked mostly by analytical work, and establishment of structures on the economy level for its implementation, whereas more concrete assessment of reforms and their impact is anticipated in the future period. Since the adoption of IRAPs, the region has engaged in intensive consultation with the World Bank Group (WBG) and under the framework of the RCC's SEEIC-CEFTA Joint Working Group on Investments, being in charge of the RIRA, into comprehensive policy gap assessment initiated for the areas of investment entry and protection. The assessment of the policies pertinent to investment entry has been finalised, with identified gaps and needs for reforms in the respective areas in each of the economies, where the decision making for priority measures implementation will be taken as of Fall 2019. In case of investment protection, the analysis of the investment protection measures stipulated by the existing network of the International Investment Agreements will be done by the end of 2019, with the set of measures proposed and implementation of reforms commenced, so as to align the International Investment Agreements (IIAs) with the EU rules and standards. This

information and the above-mentioned deliverables have been discussed at the meeting of the RCC's SEEIC-CEFTA Joint Working Group on Investments and SEE Investment Committee, on 23rd May and 14th June 2019, respectively.

Having the prospective formalisation of RIRA as the next important step in reaffirming the commitment of the region to reform the investment policy framework to international and especially EU standards, the region has embarked on preparation of Joint Investment Policy Statement, with a focus to develop regionally acceptable standards for negotiating international investment agreements and bilateral investment treaties in line with the investment policy framework and standards of the European Union. These standards will be developed along the lines of aforementioned assessments in the second half of 2019 and the first half of 2020, with the intention to agree on the specific standards for the next Western Balkans Summit.

On the promotion of the region as a unique investment destination, and based on intense coordination with Investment Promotion Agencies, Western Balkans investment outreach initiative has been developed, and target markets and priority sectors selected (automotive and light manufacturing for Albania, Bosnia and Herzegovina, Kosovo*, Serbia, and North Macedonia, and tourism investments for Montenegro). Outreach will be conducted during the second half of 2019 and beyond. In order to support this endeavour, the region has commenced series of extended capacity building sessions for Western Balkans Investment Promotion Agencies, aiming to improve the services to investments throughout the full cycle, encompassing: promotion, facilitation, and after-care.

Progress on investments policy and promotion has been coupled with a MAP REA priority on diversification of financial systems to boost investment. In this area, the region has built on the work done previously on ground-setting for regional capital markets integration and expanded into overall Western Balkans financial markets deepening. Under the RCC's Working Group on Financial Markets (expanded from previously established Working Group on Capital Markets⁹) and with the technical assistance of the WBG, regional cooperation in the area of financial markets diversification has been intensified, with an aim to expand access to finance opportunities in the Western Balkans from currently bank-centric to differentiated products for financing the economic activities. Consequently, the region has commenced preparation of a regional diagnostics for financial markets diversification to support growth, namely through analysis and policy reform proposals in the areas of credit deepening, development finance, non-banking financial products, capital market, financial infrastructure and Fintech.

Although a higher level of concrete policy reforms is anticipated to commence as of the second half of 2019, each economy has made important steps in preparing the grounds for their implementation. Extensive analysis has been performed in the investment entry and establishment component, with identified gaps, as well as the priorities for investment promotion and capacity building needs. The work on investment protection and retention is more time-consuming in terms of assessments and will be finalised by the end of 2019.

Albania's legislation on investment entry and establishment is partially approximated with the EU policies, with plenty of work to still be done so as to achieve full approximation and

⁹ As per conclusions of the Working Group on Capital Markets transformation into Working Group on Financial Markets, December 2018

harmonisation of those policies. The Unified Investment Law has not yet been enacted and this activity is to be done by the end of 2019, along with the pertinent by-laws (including the Investor Grievance Mechanism). Capacity building is still recognised as needed to strengthen the institutions in charge of the implementation of RIRA and corresponding IRAP, as well as in investment promotion. On implementation of RIRA, Albania has held the necessary consultations with respective institutions in charge of each RIRA policy dimension in order to enable the smooth coordination with inputs/comments from the relevant authorities and agencies, along with the representatives of private/civil sector (representatives of National Investment Council and Union of Chamber of Commerce as a member of CIF) and academia. The Albanian Action Plan of RIRA – IRAP has been officially approved through a Decision of the Council of Ministers no 64, dated 13.2.2019, and since then Albania has finalised entry gap analysis. In order to ensure smooth coordination of IRAP implementation, Albania has established inter-ministerial MAP REA working group for the “Investment” pillar by an Order of the Minister of Finance and Economy no. 237, dated 12.9.2018. The inter-ministerial working group will act as a coordination platform for collaboration among all sectors in terms of policy development planning, administration, legal initiatives and other stakeholder groups (civil society, private sector, and universities) in order to achieve progress in policy development and implementation and monitoring of RIRA reform actions. On the investment promotion side, and preparation of the investor outreach programme, Albania has selected the automotive light manufacturing as a target sector, and Germany as a target market, with plans for implementation as of November 2019. In financial markets, Albania has been actively participating in the RCC’s Working Group on Financial Markets, while internally it has strengthened cooperation among financial market institutions, namely Bank of Albania (BoA), Ministry of Finance and Economy (MoFE), Albanian Financial Supervisory Authority (AFSA) as the member of the inter-institutional working group for implementation of the investment policy agenda. On the smart growth front, Smart Specialisation Strategy (S3) team and the individual-economy analytical team has been officially established and started participating in the events and activities coordinated by DG Joint Research Centre (JRC).

In Bosnia and Herzegovina investment policy and legal framework is mostly 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. Detailed mapping of FDI has been executed in Bosnia and Herzegovina and consolidated at the regional level, along with the data on FDI flows, foreign trade, and 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 have been created. Based on the investor database created, investor survey has been performed and a comprehensive inventory of key investment policy barriers and inhibitors, as well as best practices, finalised. During the reporting period and with technical assistance from the World Bank Group, Bosnia and Herzegovina has put together a comprehensive list of laws and regulations affecting investment entry and establishment as the first output of the entry gap analysis along with the identified potential entry barriers. Furthermore, the in-depth work on the analysis of International Investment Agreements of Bosnia and Herzegovina is ongoing. Bosnia and Herzegovina adopted IRAP in January 2019 by the Council of Ministers’ decision. Furthermore, Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina (MoFTER BiH) has conducted a detailed mapping of Bilateral Investment Treaties (BITs) that Bosnia and Herzegovina has concluded, along with a comparative analysis of Bosnia and Herzegovina’s BITs with a new generation of international investment agreements and EU standards. The MoFTER BiH also shared results of the “Reform Options - Bosnia and Herzegovina’s Bilateral Investment Treaties” project

implemented together with the National University of Singapore with the other WB economies. This study was presented to the RCC's SEEIC-CEFTA Joint Working Group on Investments (JWGI). On the development of the regional instrument for RIRA implementation, Bosnia and Herzegovina has proactively drafted the Joint Policy Statement, which was reviewed and finalised at the session of the RCC's SEEIC-CEFTA JWGI and SEEIC plenary meeting on 23rd May and 14th June 2019, respectively. Bosnia and Herzegovina is the only remaining economy still working on establishing Working Group for implementation of Investment Reform Action Plan aiming to encompass the necessary stakeholders from relevant authority levels (state and entities). On the investment promotion, Bosnia and Herzegovina has targeted automotive light manufacturing as a priority sector for investor outreach, with Germany and potentially Austria as target markets, with plans to commence implementation of the investor outreach programme in November 2019. 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 benefit from further consolidation of its financial market through closer coordination of stock exchanges, securities commissions and line ministries, especially from the entity levels; given the existing specificities, coordinated approach with all levels of authorities is very much needed in order for Bosnia and Herzegovina to participate in the process of regional financial markets coordination and reap the benefits of it in the most effective manner.

Kosovo's* investment policy and legal framework would benefit from further upgrading, with a particular focus on harmonisation with the EU, and establishing investment protection mechanisms within the scope of International Investment Agreements and grievance mechanisms. IRAP was adopted in March 2019 by the Government decision. In order to enable IRAP implementation, Kosovo* has established a focus group in charge of the implementation of agreed investment reforms. The working group is functionalised as of November 2018 and includes relevant institutions, civil society and business associations. In terms of investment promotion, automotive light manufacturing has been targeted as the priority sector, along with ICT, with Germany, Austria and Switzerland selected as target markets for investor outreach. This activity is expected in November and December 2019 and is supported by capacity building as per identified needs for this activity. In the meantime, Kosovo* has prepared investment entry and establishment analysis and identified the main barriers, and is also working on the extensive analytics of investment protection and retention with the technical assistance of the WBG, which is to be finalised by the end of 2019. In terms of the financial market development, since Kosovo* does not have the capital market, its establishment and enabling securities trading would help expand and diversify access to finance. With a continuing trend of good progress on smart growth from the previous reporting period, the work on preparation of the SMART Strategy is underway.

Montenegro's investment framework is mostly in place, but can be subject to further improvements, particularly given that Montenegro does not have the investment promotion strategy and developing strategic plans for investments would be needed. Progress has been made on investment entry, since the Ministry of Finance and MIPA, with the financial contribution of the ONE UN programme and the technical assistance from United Nations Conference on Trade and Development (UNCTAD), have created e-regulations Montenegro portal, providing information related to administrative procedures in Montenegro. Investment promotion in Montenegro needs further support by strengthening the currently understaffed Investment Promotion Agency. During the reporting period, Montenegro has conducted full screening of legal frameworks for investment and mapping of IIAs in force. Information on the Status of Bilateral Investment Agreements and the necessity of implementing the reforms

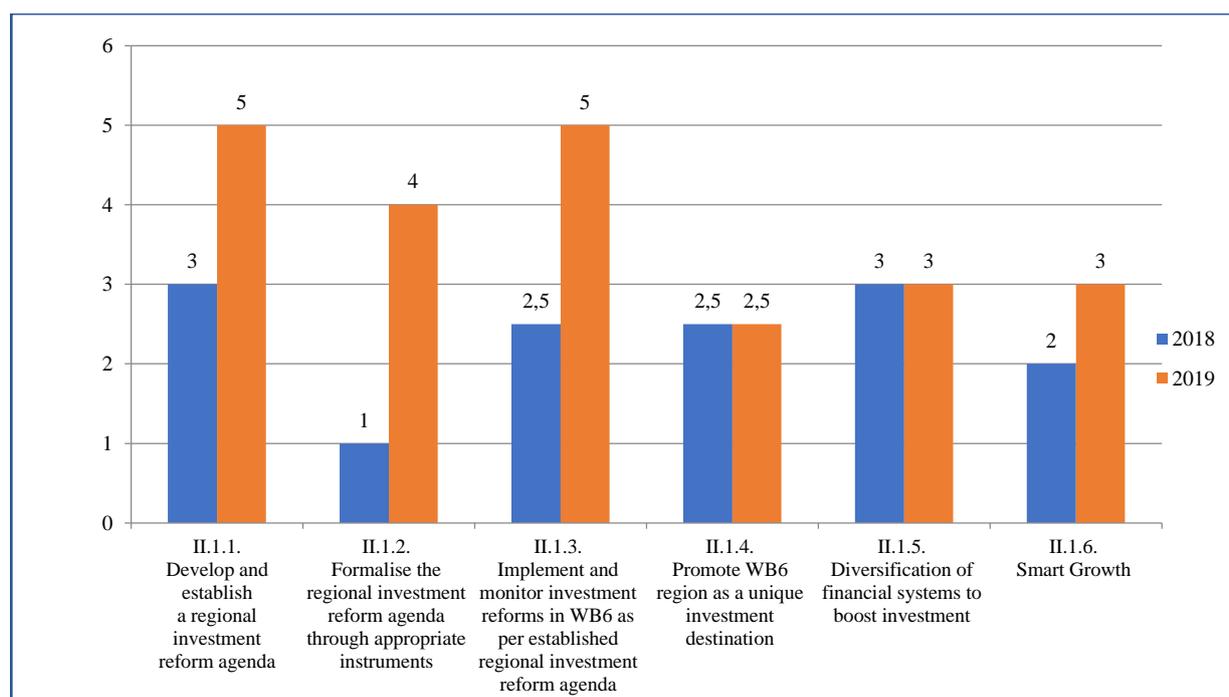
in accordance with the EU and generally accepted international standards was adopted by the Government of Montenegro at the session held on 19 July 2018, with the corresponding working group established. The Ministry of Economy has prepared Information on final activities related to defining the IRAP in May 2019, and the IRAP was subsequently adopted by the Government of Montenegro as part of the Information on implemented activities regarding MAP REA. Detailed mapping of FDI has been done and Montenegro has created investor database, conducted investor survey and prepared a comprehensive inventory of key investment policy barriers, as well as best practices. Inter-governmental Working Group for RIRA implementation is established, and Montenegro has, with the technical assistance of the WBG, conducted mapping of legislation relevant for investment entry and protection, and has included private sector in the process. On the investment promotion, Montenegro has selected tourism as the target sector, with an intention to start the outreach campaign by the end of 2019. In this context, the working team for implementation of investor outreach campaign has been established, comprised of MIPA, Secretariat for Development Projects and Ministry of Sustainable Development and Tourism. On the financial markets front, Montenegro has been actively participating in the RCC's Working Group on Capital Markets. In this area, Montenegro introduced a new Law on Capital Market and the Markets in Financial Instruments Directive (MiFID) of the EU as the key drivers for capital markets development. From May 2018 until February 2019, the Entrepreneurial Discovery Process has been conducted and the Government of Montenegro adopted the Guidelines for Smart Specialisation Strategy – S3 (2018-2024) on 20th December 2018. The process of preparing the S3 has continued and has been implemented in compliance with the JRC methodology, with the participation of Montenegro in the S3 platform and continuous support of the JRC experts, with S3 Strategy adopted by a Government decision on 20 June 2019.

Republic of North Macedonia has actively participated in the development of IRAP, which was finalised in December 2018, and adopted in January 2019. During the reporting period, extensive mapping of investment entry barriers has been done, with analysis of investment protection legislation (particularly International Investment Agreements) to be finalised by the end of 2019. On the investment promotion front, North Macedonia has worked extensively with the technical assistance of the WBG and selected automotive light manufacturing as the target sector and Germany as the target market for investor outreach campaign that is to take place in November and December 2019. In diversification of financial markets, Republic of North Macedonia has established the Council for Capital Market Development, aiming to develop a Strategy for capital market development until September 2019. Work is ongoing in the improvement of the legal framework for factoring, with an intervention in the existing Law on financial companies. On smart growth, extensive communication is ongoing with DG JRC and S3 Platform, with mapping of strategic documents related to S3 completed, along with quantitative analysis of economic, innovative and research capacities completed and qualitative analysis preparatory phase launched.

In the case of Serbia, extensive mapping of investment entry barriers has been done, with analysis of investment protection legislation (particularly International Investment Agreements) to be finalised by the end of 2019. IRAP has been adopted at the Government session of April 2019, within the context of the Action Plan for Implementation of Regional Investment Reform for the period from 2019 to 2020. In order to ensure its smooth implementation, Serbian Government has established the Working Group for RIRA, composed of the delegates from Ministry of Economy, Ministry of Trade, Tourism and Telecommunications, Ministry of Finance, Development Agency of Serbia, Serbian Business Registers Agency, and Chamber of Commerce and Industry of Serbia. On the investment

promotion side, Serbia has selected automotive industry (light manufacturing) as the target sector for investor outreach, with Southern Germany and Northern Austria as the target markets. The activities of investor outreach are to start in October 2019. In the meantime, a list of potential modules has been prepared for further capacity building related to investment promotion, particularly in communication skills, presentation skills, and project management. Serbia has been active in the RCC's Working Group on Financial Markets and has contributed to the definition of priorities on the regional level within this priority area. Furthermore, 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. Having Practical Guide for capital markets development prepared with the technical assistance of the WBG, this document has been recognised as an advanced tool by the rest of the region and will serve as a best practice example to be adapted to other capital markets in the Western Balkans, as per their needs and specificities. In the case of smart specialisation, Serbia is placed amongst the advanced economies in the region, having S3 platform in place and is in the process of developing the Smart Specialisation Strategy. Furthermore, it has supported increased public-private dialogue in this area.

Figure 2: Investment - State of Preparedness of MAP REA Implementation



On the overall state of play, the region stands on a good level of implementation of the investment component of the MAP REA. WB has commenced the implementation of the regional investment reform agenda by adopting pertinent Individual Reform Action Plans and establishing inter-institutional working groups for RIRA implementation, as well as work on building/upgrading the smart specialisation platform and on development of the regional financial diversification agenda (see Figure 2). The regional deliverables agreed upon have been achieved as follows:

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

Deliverables	Output indicator
Implement RIRA through individual-economy action plans (IRAPs)	IRAPs developed and adopted in each Western Balkans economy, with extensive legislation assessment in policy areas of investment entry & establishment, and protection & retention.
Reach out to the private sector regarding RIRA promotion	Investor outreach campaign prepared, target sectors and target markets identified for all Western Balkans economies' investor targeting, and private sector integrated in all activities (CIF, Foreign Investors Councils network)
Propose potential instrument for RIRA implementation	Joint Policy Statement expected to be adopted, with a focus on developing regional standards for negotiations of International Investment Agreements
Develop a regional strategy on financial markets coordination and diversification of access to finance through capital markets	Agreement to work on the joint strategy, priority areas identified, and practical guideline for capital markets on a single economy case adopted as a model to be adapted to the rest of the region

State of implementation at objective level

II.1. Investment

The WB as a region is on good track in implementation of the investment component of the MAP REA. During the reporting period, all economies have developed and adopted RIRA-corresponding IRAPs and have engaged in their implementation with an extensive investment entry and establishment gap analysis, as well as an assessment of the list of IIAs and BITs networks existing in the region. In order to reaffirm commitment to RIRA implementation through an appropriate instrument, the region has designed, based on the proposal of Bosnia and Herzegovina, a Joint Investment Policy Statement, with a focus on the commitment to develop and adopt the regionally acceptable standards for negotiations of International Investment Agreements.

The WB succeeded to implement the MAP REA measures prescribed for the first half of 2018 under the investment component, as follows¹⁰:

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

The activities of investment mapping, barriers to investments mapping, and formulation of the regional investment reform agenda have been completed during the previous reporting period. In this reporting period, the region has successfully formulated individual-economy action plans reflecting the regional investment reform agenda and streamlining the individual-economy reform efforts. IRAPs have been successfully adopted in all Western Balkans economies, with pertinent preparatory work (analytical in this phase) for their implementation commenced. Concrete reform proposals are anticipated at the end of 2019 as well as the commencement of their implementation.

¹⁰ MAP REA Investment component measures not mentioned under this heading are intended for the later stage, after the WB Summit in London and are taken into consideration under the Next Steps heading

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

Having formalisation of RIRA as the next important step in reaffirming the commitment of the region to reform the investment policy framework to international and especially EU standards, extensive analysis has been performed with the technical assistance of the World Bank Group, with proposals forwarded to the Western Balkans for consideration of the following potential instruments:

- Regional Investment Treaty – legally binding international treaty, entailing a ratification process specific to each economy;
- CEFTA additional protocol or chapter on investment – legally binding protocol under the existing CEFTA Agreement;
- SEEIC Ministerial decision on regional investment policy – political consensus, with no legal stipulations, within the existing South East Europe Investment Committee ministerial platform (WB ministers of economy);
- Regional standards for the negotiation of IIAs – a document/guideline with no legal stipulations that can serve as a tool for negotiating IIAs regarding the specific text of treaty provisions, and for developing stronger negotiating position with third parties;
- Regional Investment Policy Statement – flexible instrument with no legal stipulations that can serve for the creation of common legal definitions and understanding of legal concepts, providing guidance to the negotiators of agreements and accession talks.

These options have been thoroughly discussed in a regional dialogue format, at the RCC's SEEIC-CEFTA Joint Working Group on Investments workshop and meeting, held on 7th May and 23rd May 2019, respectively. The legal options were discharged as unacceptable to the region, with remaining options for having a joint policy statement and prospectively regional standards for negotiations of IIAs. Meanwhile, representatives of Bosnia and Herzegovina have undertaken an initiative and drafted a proposal for a Joint Policy Statement, which was during the discussions enriched with a focus on developing regional standards for negotiation of International Investment Agreements. These options have also been discussed at Sherpas meeting held on 22nd May, with a recommendation of the EC that the region takes proposal from Bosnia and Herzegovina into consideration. At the occasion of the SEEIC meeting held on 14th June 2019, the region has developed a draft Joint Investment Policy Statement, with a focus to develop regionally acceptable standards for negotiating international investment agreements in line with the investment policy framework and standards of the European Union. These standards can be developed along the lines of the aforementioned assessments in the second half of 2019 and the first half of 2020, with the intention to agree on the specific standards for the next Western Balkans Summit (Summer 2020).

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

The regional dialogue on RIRA has been enabled by the participating economies to the RCC's SEEIC-CEFTA Joint Working Group on Investments during the previous reporting period, with all economies mandating their relevant officers in charge of investment policy, investment promotion, investment agreements and CEFTA contact points. Furthermore, the private sector (CIF, Foreign Investors Council) is being invited to the platform (and also during individual-economy consultations) so as to enrich its work with the voice of the business. During the reporting period all economies have established inter-institutional working groups so as to enable smooth implementation of RIRA and corresponding IRAPs, with certain challenges identified in Bosnia and Herzegovina due to various authority levels.

The progress on implementation of RIRA has been prepared for its first year of implementation and presented to the RCC's SEEIC-CEFTA JWGI on the occasion of its meeting of 23rd May, followed by verification at the SEEIC meeting of 14th June 2019.

Objective II.1.4. Promote WB region as a unique investment destination

RIRA also includes a joint investment promotion initiative for WB 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 WB undertaken by the CIF. During the reporting period, the region has, with the technical assistance of the WBG, identified priority sectors for attracting investments: automotive and light manufacturing for Albania, Bosnia and Herzegovina, Kosovo*, Serbia, and Republic of North Macedonia, and tourism investments for Montenegro. Outreach will be conducted during the second half of 2019 and beyond in the target markets that were identified by each economy. In order to support this endeavour, the region has commenced series of extended capacity building sessions for Western Balkans Investment Promotion Agencies, aiming to improve the services to investments throughout the full cycle, encompassing: promotion, facilitation, and after-care. As another activity to follow, and given that investment promotion is a highly competitive priority area, consultations will be held with the Western Balkans Investment Promotion Agencies on how to integrate regional priorities in individual-economy efforts.

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

The work previously done on capital markets has been upgraded and expanded into overall financial markets deepening of the Western Balkans, aimed at further financial market deepening and diversification of access to finance opportunities so as to increase financial means for business activity through financial intermediators other than banks. In this context, analysis and preparations have commenced for the development of regional Strategy for Financial Markets Diversification to Support Growth, namely through analysis and policy reform proposals in the areas of credit deepening, development finance, non-banking financial products, capital market, financial infrastructure and Fintech. This analytical work conducted by the WBG will be finalised by the end of 2019, along with priorities to be included in the regional strategy and implemented through the forthcoming individual economy action plans. The latter is expected to be a deliverable for the next Western Balkans Summit (Summer 2020). The aim of this activity is to develop a regional strategy that will lead to the improvement of financial services to the business, but also diversify the opportunities for A2F from traditional banking and credit activities to alternative ones. The main goal is to provide more A2F possibilities for businesses and to enable this with a regulatory framework in line with the EU standards. Since capital markets work has commenced during the previous reporting period and has already advanced, the RCC's Working Group on Financial Markets (expanded from the previously established Working Group on Capital Markets), in cooperation with the World Bank, has put in the forefront a chapter on capital markets by proposing the concrete mechanisms for their improvement in a form of a practical toolkit. Practical guidelines for capital markets development have been outlined at a single economy example (Serbia) with an agreement from the rest of the region to replicate and adapt it to the rest of the Western Balkans economies, as per needs and specificities of each market.

Objective II.1.6. Smart Growth

During the reporting period, Western Balkans has made progress in S3 development, with Montenegro being the first economy to adopt the S3 Strategy in June 2019. It is anticipated this priority will be taken further by other economies in work coordinated and supported by the DG JRC, as there is still considerable work to be done.

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. Although some technical assistance to support the 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 WB as economies are at different stages of EU integration process with own plans for legislative harmonisation process. Due consideration is to be given to this, along with the attention to different levels of development and reform priorities in each of the participating economies. However, this work still needs carefully defined and tailor-made solutions and actions in order to achieve greater harmonisation of investment policies with those of the EU.
- Both the available expertise and human capacity are 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 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 complex chain of decision-making at the individual economy level. For this reason, dedicated and effective coordination and communication amongst the relevant stakeholders in each of the economies need to be maintained to successfully implement the measures.

Recommendations and next steps

This section provides a blueprint for the next steps to be undertaken in the coming period so as to reach the set objectives under the MAP REA Investment component.

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

- Initiate and conclude negotiations on the regionally suitable instrument(s), depending on the decision reached. In this particular case, this work could prospectively entail

articulating regionally acceptable standards on negotiating IIAs and BITs and agreeing on them, anticipated to be finalised until the next Western Balkans Summit (2020).

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

- Although the targets for this priority area have been met, there is still a need for regular review of the progress of implementation and impact of the regional investment reform agenda through a regular regional dialogue under the RCC-CEFTA Joint Working Group on Investment Policy and Promotion meetings and reports, and SEE Investment Committee Ministerial Platform and the WB summit.

II.1.4. Promote WB 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.

1.5 Mobility

Overall state of play/progress

All of the Western Balkans economies have stepped up efforts to prioritise and remove obstacles to mobility of researchers resulting in overall good progress. All of the Western Balkans economies pay particular attention to increasing participation of researchers in the European Union programmes. To this end all of the economies have implemented awareness raising and information disseminations actions. Furthermore, all have established national grant schemes to support mobility of researchers and participation of researchers in international conferences. Furthermore, at the regional level, the Ministers responsible for science of the Western Balkans Six prepared and issued an initial statement on the Western Balkans participation in the Horizon Europe, a European Commission's € 100 billion worth prestigious research and innovation funding programme in July 2018 with an aim of raising particular issues of concern for the Western Balkans. The Statement was addressed to the Commissioner for Research, Innovation and Science, as well as to the EU Member States. A follow-up statement is planned for September 2019 to address concerns of the Western Balkans with particular elements of the Horizon Europe proposal.

With regard to actions aimed at supporting research infrastructure, progress has been slower and variation between economies more prominent. However, at the regional level, WB have agreed to launch a regional research cooperation hub to enable networking between researchers, including a regional research infrastructure map and complete and endorse a regional open access protocol to research infrastructure to ensure mobility and cooperation between researchers in the region.

Significant progress has been made in developing a regional centre of excellence, specifically in concrete steps taken to establish the South East European International Institute for Sustainable Technologies (SEEIIST). The SEEIIST steering committee agreed on the Hadron Cancer Therapy and Biomedical Research with Protons and Heavy Ions as the thematic research focus of the Institute and received funding of 1 million EUR from Horizon 2020 for the first phase of the design study – an important first step in operational establishment of the SEEIIST.

The negotiations on the Draft Agreement on Mutual Recognition of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers have been initiated on 19th December 2018 when the first negotiations meeting took place. An intense negotiations process of monthly negotiating meetings, which involved Ministries of Education, Labour, Health and Construction, as well as the Chambers of Doctors of Medicine, Dentists, Architects and Civil Engineers, took place in a constructive spirit between the delegations. At the 7th negotiations meeting held in Brussels on 14th of June 2019 there was no consensus between the participants under which framework to continue the negotiations. As the conditions to continue the negotiations were not there, the negotiations were discontinued.

As part of the process of supporting the negotiations and in line with the actions outlined in the MAP REA, an online proto-type of the Database on Regulated Professions in the Western Balkans fully aligned with the EU Database on Regulated Professions (in open source and ready for data entry) has been completed and guidelines for entry of data have been prepared.

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 prepared the text of the Declaration on Recognition of Higher Education Qualifications, which sets forward a model for automatic recognition of academic degrees and periods of study abroad from public higher education institutions, as well as automatic recognition of entry level qualifications for higher education; developed platform on higher education systems aimed at promoting opportunities to study in the Western Balkans, along with student friendly guidelines on recognition procedures for public use; and developed Database of Quality Assured higher education institutions, fully aligned with the European Quality Assurance Register Database (DEQAR), and joint information system aimed at enabling swift exchange of information and collaboration between recognition bodies.

Furthermore, the regional actions were supported by significant national efforts to reform the higher education legislative frameworks. One of the priorities addressed in the new higher education legislation for all of the economies is the establishment of the independent quality assurance bodies which need to be fully aligned with the *Standards and Guidelines for Quality Assurance* in the *European Higher Education Area* (ESG). Recognising the importance of these reforms for building trust and further supporting automatic recognition of higher education qualifications in the region, the economies have agreed to intensify cooperation in the area of quality assurance by supporting peer-learning, staff exchange and preparing harmonised operational guidelines and procedures for external quality assurance, i.e. accreditation and reaccreditation of institutions or programmes.

Figure 3: Mobility - State of Preparedness of MAP REA Implementation

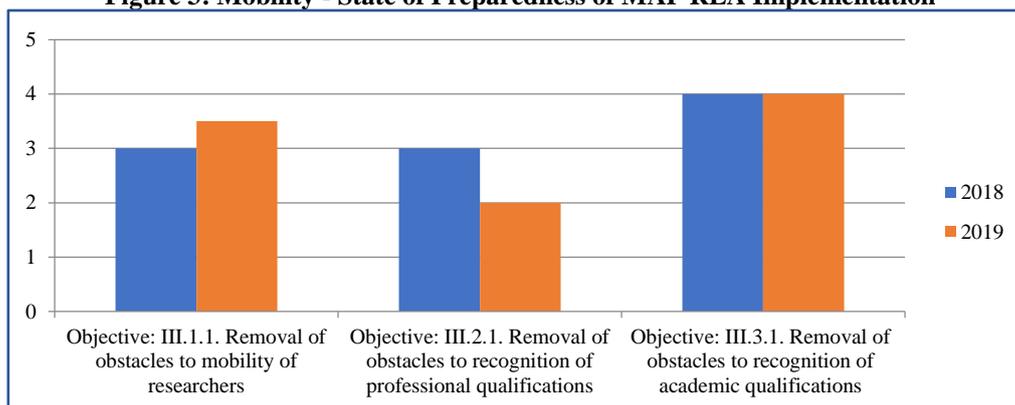


Table 3: State of play of the RCC facilitated regional deliverables

Deliverables	Output indicator
Developed Database on Regulated Professions for Western Balkans fully aligned with the EU Database on Regulated Professions ¹¹	The proto-type of the Database on Regulated Professions for Western Balkans with the EU Database on Regulated Professions in open source fully developed. Guidelines for entry of data into the Database on Regulated Professions for Western Balkans completed.
Developed a model for automatic recognition of academic qualifications in the Western Balkans	Declaration on Recognition of Higher Education Qualifications, which sets forward a model for automatic recognition of academic qualifications and periods of study abroad from public higher education institutions, as well as entry level qualifications for higher education completed.
Developed platform on Western Balkans' higher education systems aimed at promoting opportunities to study in the region	Online platform on Western Balkans' higher education systems which includes public, student-friendly information on higher education system, accredited higher education institutions and recognition procedures completed. Guidelines for entry of information sent out to competent authorities to complete the entry of information.
Developed Database of Quality Assured higher education institutions, fully aligned with the European Quality Assurance Register Database (DEQAR)	Database of Quality Assured higher education institutions, fully aligned with the European Quality Assurance Register Database (DEQAR) developed in open source. Guidelines for entry of data completed and sent out to competent authorities to complete the entry of information.
Established joint information system aimed at swift exchange of information and collaboration between recognition bodies	Operationalised joint information system in open source. Initial training with the Ministries of Education

¹¹ <http://ec.europa.eu/growth/tools-databases/regprof/>

	and ENIC/NARIC offices held to support capacity building on use and operationalisation of the joint information system.
Agreed regional action plans on open science and on research infrastructure with the aim to support the development of open science policies, open the research infrastructure and enhance innovation capacity in Western Balkans	Western Balkans economies continued to participate in the EU Open Science working groups. Training and peer-learning activities on mapping research infrastructure held.

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 WB economies have stepped up efforts marking the overall good progress on removing obstacles to mobility of researchers. All WB have prioritised mobility of researchers in their respective strategic frameworks. All WB economies participate in Horizon2020 with varied success rates, as well as the Marie Curie Sklodowska Actions where success rates of the WB researchers seem to be low. However, all of the economies have invested resources into promotion, awareness raising and capacity building to enable higher participation rates in both programmes. Furthermore, all of the economies have grant schemes to support mobility and participation of their researchers in international conferences.

In the light of preparations for the next generation of the EU programmes, the so-called Horizon Europe programme, the experience of the WB should be taken into account when designing particular instruments and measures of the programme, particularly as the WB 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. To address the joint concerns and the needs of the Western Balkans economies vis-à-vis participation in the Horizon Europe programme, the Ministers responsible for science of the Western Balkans Six, prepared and issued an initial statement on the Western Balkans participation in the Horizon Europe. The Statement was addressed to the Commissioner for Research, Innovation and Science, as well as to the EU Member States.

A follow-up statement is planned for September 2019, which may also address Western Balkans economies' active participation in the Programme Committees of Horizon 2020 with full voting rights, which given the perspective of EU membership highlighted by the European Commission's new enlargement strategy is of particular importance to the region.

With regard to actions aimed at supporting research infrastructure, progress has been slower and variation between economies more prominent. All the WB economies, apart from Kosovo*, have their 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 in 2015 and has initiated a comprehensive, bottom-up upgrading of the Research Infrastructure Roadmap to align it with the new strategic framework in Montenegro. Serbia has completed its first mapping exercise and adopted the Research Infrastructure Roadmap in line with ESFRI in 2019. Republic of

North Macedonia has initiated work on its first Research Infrastructure Roadmap by establishing the Working Group on Research Infrastructure and is in the stage of developing the mapping methodology, while Albania, Bosnia and Herzegovina and Kosovo* are yet to take first formal steps to initiate the process. At the regional level, peer-learning and capacity building workshops on research infrastructure mapping have been held and a peer-learning exchange scheme has been designed and is to be launched in September 2019. Furthermore, the Western Balkans economies have agreed to launch a regional research cooperation hub to enable networking between researchers, including a regional research infrastructure map and complete and endorse a regional open access protocol to research infrastructure to ensure mobility and cooperation between researchers in the region.

The regional initiative to establish a South East European International Institute for Sustainable Technologies (SEEIIST) aims 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. Since the signing of the Declaration of Intent to establish SEEIIST on 25 October 2017, significant progress has been achieved as at the second SEEIIST Steering Committee meeting, held on 30 March 2018 in Tirana, a unanimous decision was taken to support the Hadron Cancer Therapy and Biomedical Research with Protons and Heavy Ions which were agreed as the thematic research focus of the Institute. Moreover, the Steering Committee reached an agreement on a Draft Memorandum of Cooperation (MoC). Furthermore, SEEIIST received funding of 1 million EUR from Horizon 2020 for the first phase of the design study of the SEEIIST – an important first step in operational establishment of the SEEIIST.

All of the WB 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. Most of the economies are aiming to raise capacities of their respective EURAXESS offices, albeit with limited resources. At the regional level a comprehensive mapping of EURAXESS capacity building needs was prepared with an aim of developing joint training exercises, as well as to support the exchange of information on researcher job vacancies at the regional level.

Policy: III.2. Mobility of Professionals

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

Despite initial delays in appointing Lead Negotiators and negotiations teams on the Mutual Recognition Agreement of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers, the negotiations on the Draft Agreement on Mutual Recognition of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers commenced on 19th December 2018 when the first negotiations meeting took place in Podgorica, Montenegro. An intense negotiations process of monthly negotiating meetings, which involved Ministries of Education, Labour, Health and Construction, as well as the Chambers of Doctors of Medicine, Dentists, Architects and Civil Engineers, took place in a constructive spirit between the delegations.

At the 7th negotiations meeting held in Brussels on 14th of June 2019 there was no consensus between the participants under which framework to continue the negotiations. As the conditions to continue the negotiations were not there, the negotiations were discontinued.

As part of the process of supporting the negotiations and in line with the actions outlined in the MAP REA, a proto-type of the Database on Regulated Professions in the Western Balkans

fully aligned with the EU Database on Regulated Professions (in open source) and guidelines for entry of data have been prepared.

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

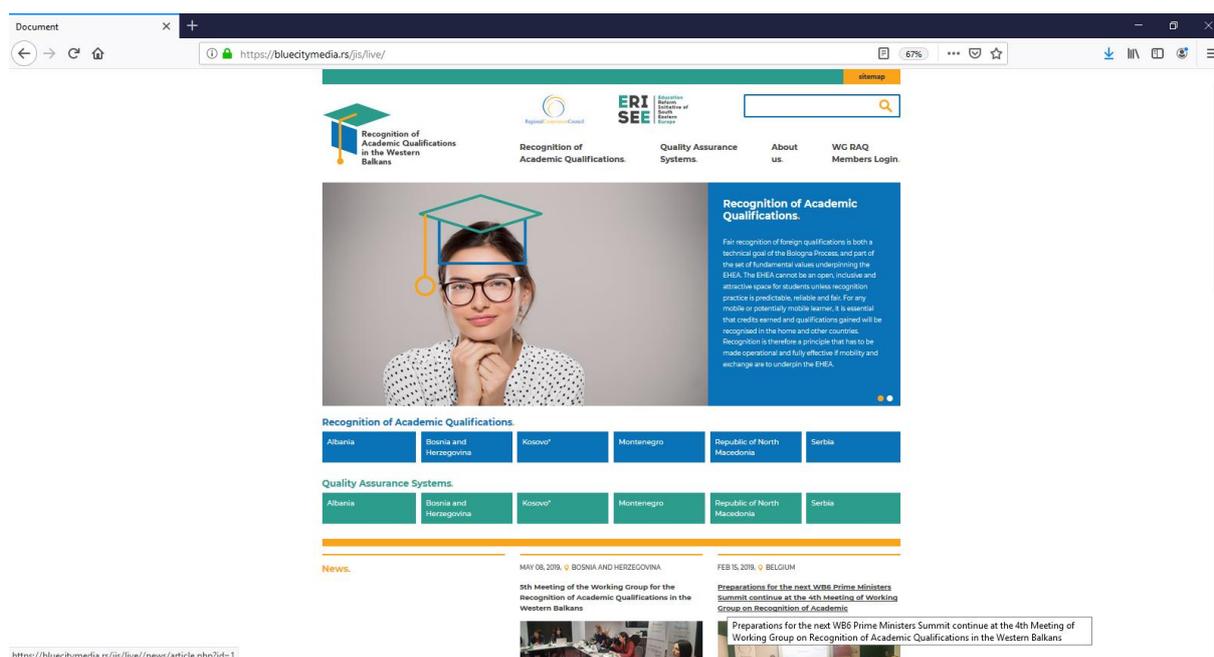
Objective: III.3.1. Removal of obstacles to recognition of academic qualifications

Taking into account the commitments undertaken in the Multi-annual Action Plan for a Regional Economic Area, as well as the importance of full integration of the Western Balkans into the European Higher Education Area and European Education Area, the Working Group on Recognition of Academic Qualifications completed the Declaration on Recognition of Higher Education Qualifications in the Western Balkans. The Declaration enables automatic recognition of first and second cycle higher education qualifications in the region in line with the principles of the Lisbon Recognition Convention and the European Qualifications Framework, as well as the entry level qualifications (i.e. secondary education qualifications which give access to higher education or Matura exams where they exist). Furthermore, the Declaration sets forward the principle of completing the recognition procedures within two weeks of receipt of the request and free of charge for students.

In view of enhancing recognition procedures to the benefit of all graduates, the Declaration mandates the Working Group on Recognition of Academic Qualifications to initiate expert discussion and prepare expert recommendations on recognition of higher education qualifications issued prior to the implementation of the Bologna system of three cycle studies and the third cycle academic degrees by the next Western Balkans Summit in 2020.

Acknowledging the importance of fostering transparency and building trust in each other's higher education systems to achieve automatic mutual recognition, as well as the reforms of the legislative frameworks across the Western Balkans economies which aim at aligning quality assurance systems with the most recent Standards and Guidelines for Quality Assurance in the European Higher Education Area (ESG), the Declaration aims to enhance the regional cooperation in quality assurance by supporting peer-learning opportunities, e.g. staff exchanges between Quality Assurance bodies or ministries, as well as to work jointly on implementation of the ESG with an aim of preparing harmonised operational guidelines and procedures for external quality assurance, i.e. accreditation and reaccreditation of institutions or programmes.

Furthermore, to operationally support recognition of academic qualifications in the region, the Working Group on Recognition of Academic Qualifications developed an online platform which provides information on higher education systems in the Western Balkans Six aimed at promoting opportunities to study in the region. Along with student friendly guidelines on recognition procedures, the platform includes a database of Quality Assured higher education institutions, fully aligned with the European Quality Assurance Register Database (DEQAR). Finally, the platform has a non-public joint information system aimed at enabling direct communication and swift exchange of information and collaboration between the staff employed in the recognition offices (ENIC/NARIC offices) and will be upgraded to enable direct communication with the Quality Assurance bodies in the region in the next year.



Obstacles and challenges

The Mobility agenda has been particularly dynamic between the London and Poznan Summit.

Negotiations on the Draft Agreement on Recognition of Professional Qualifications were launched in December 2018; however, as consensus on the framework for the Agreement was not reached they were not completed in time for the Poznan Summit. Significant efforts in finding a consensus on the way forward will be needed.

On the other hand, progress on the recognition of academic qualifications and the research mobility agenda was significant both in terms of preparing the agreed deliverables in time for the Poznan Summit and in agreeing on the priorities for the next phase of cooperation.

Further implementation will require increased administrative capacities of the authorities involved in the two processes of supporting recognition of academic qualifications and intensified cooperation on the research mobility agenda. To support the implementation, technical assistance will be needed to build further the domestic institutional capacities. 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.

Recommendations and next steps

This section provides main recommendations and next steps for all objectives under the MAP REA Mobility component.

Policy: III.1. Mobility of Researchers

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

- Launch a regional research cooperation hub to enable networking between researchers, including a regional research infrastructure map;
- Complete and endorse a regional open access protocol to research infrastructure to ensure mobility and cooperation between researchers in the region.

Policy: III.2. Mobility of Professionals

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

- Ensure technical support of the relevant line DGs (DG GROW, DG TRADE) in finding a consensus on the framework for recognition of professional qualifications.
- Explore possibilities to support institutional capacity building on the relevant EU acquis (the Directive on professional qualifications) to ensure technical capacity 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

- Ensure successful implementation of the model of automatic recognition of academic qualifications outlined in the Declaration on Recognition of Higher Education Qualifications;
- Carry out comparison of National Qualifications Frameworks in the region;
- Prepare expert recommendations on recognition of academic qualifications issued prior to the implementation of the Bologna system of three cycle studies and the third cycle academic degrees;
- Establish an informal Western Balkans Network of Quality Assurance bodies and a regional peer-to-peer evaluator’s network in alignment with the European Standards and Guidelines for Quality Assurance in the European Higher Education Area and prepare harmonised operational guidelines and procedures for external quality assurance.

1.6 Digital integration

Overall state of play/progress

Implementation of MAP REA measures from July 2018 shows progress and confirms the importance of this agenda for regional digital integration and transformation. The interventions implemented at regional and economy level are designed to spur digital transformation of the region, improve connectivity and sustain the regional dialogue on digital agenda so as to support the alignment of policies with EU Digital Single Market principles as well as increase capacities to enforce EU acquis related to digital and information society.

During the last year, progress has been noted in digital integration at both regional and economy level, mainly in roaming policy, cybersecurity, regional dialogue on WB digital transformation, etc. (please refer to table 4 for additional details).

Table 4: **State of play of the RCC facilitated regional deliverables**

Deliverables	Output indicator
Implement Digital Agenda for the Western Balkans	The implementation of Digital Agenda for the Western Balkans started and progressing.
Maintain structured high-level regional dialogue on the digital transformation of Western Balkans - based on	<ul style="list-style-type: none"> • The organisation of the Second Digital Summit held on 4th-5th April 2019;

full WB ownership and government-industry collaboration	<ul style="list-style-type: none"> New Western Balkans Agreement “<i>On the price reduction of the roaming services in public mobile communication networks in the Western Balkans region</i>” signed, with the objective to introduce the Roam Like At Home regime as of 1st July 2021. The implementation has already started.
Strengthen cybersecurity capacities and maintain regional dialogue and cooperation among WB CSIRTs	Extended capacity building to CSIRTs network.
Launch annual EU–Western Balkans ICT Dialogue and maintain regional cooperation among WB Regulatory Authorities	The preparations for the first ICT dialogue to be held on 9 July 2019 finished.
Participation of WB NRAs in BEREC under new working arrangements and BEREC data collection process	Regulatory dialogue with BEREC has improved, three meetings held so far, in June 2018, December 2018 and June 2019.
Increased participation of the region in EU digital frameworks	Continuation of increased WB participation in EU digital frameworks, such as Broadband Competence Office, Digital cross-border traineeship initiative, EU’s Code Week, ISA ² .
Increased uptake of WBIF digital infrastructure broadband project and increased awareness on the technical assistance package for identification of potential digital investments through WBIF/IPA	Efforts to absorb funds through submission of mature projects were stepped up. Several proposals were submitted under WBIF, from which close to 1.2 million Euro technical assistance has been awarded.
Launched regional dialogue on interoperability framework and initiated consultation process with EC on ISA ² programme	Process for joining ISA ² started. First meeting held on 4 April 2019. Upgrades to the existing interoperability platform are continuous.
Initiate regional discussion on recognition of trusted services	Mutual recognition process for trusted services between WB ongoing. Agreement on recognition of trusted services between Serbia and Montenegro signed.

One of the key achievements in the reporting period has been the signing of the new RRA2, on 4th April 2019 in Belgrade, which provides a very clear signal to the citizens and businesses of the region that the WB DA can deliver clear and measurable benefits. In addition, the permanent high-level regional dialogue on WB digital transformation has been maintained as a platform to steer strategic discussions pertaining to digital transformation at the highest level - the second WB Digital Summit which took place on 4-5th April 2019, in Belgrade showed the commitment of WB economies to work together towards the implementation of digital agenda.

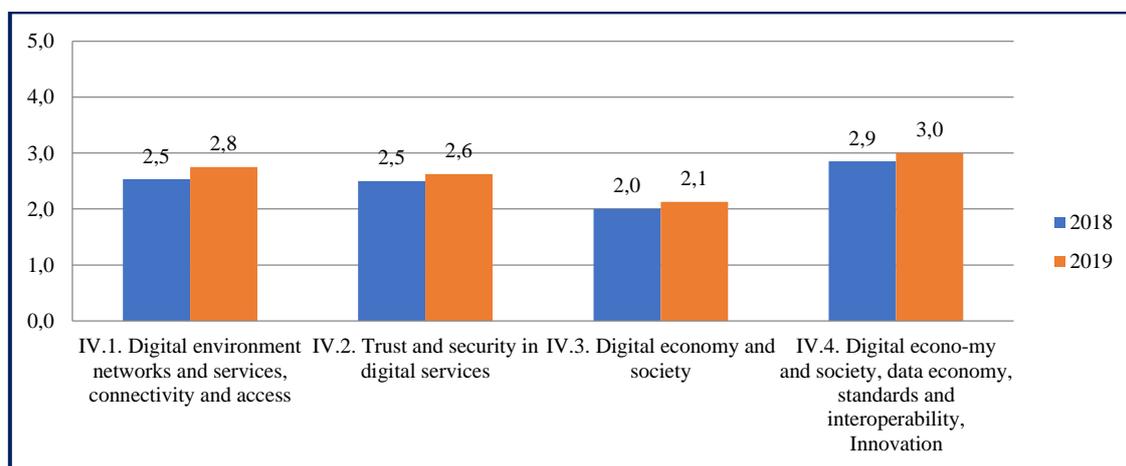
The 2018 assessment of Digital Economy and Society Index (DESI) for WB shows that convergence with EU Digital Single market has mixed trend, with gaps in the connectivity (i.e. *coverage of fixed broadband, subscriptions to fixed and mobile broadband, coverage of high-speed networks, etc.*) and digital skills (i.e. *basic digital skills, share of ICT specialists in the workforce and graduates in STEM¹²*). DESI 2018 provides also encouraging development in WB - WB are catching up or already outperforming EU28 average in the citizen Internet use dimension. In almost half of business technology integration indicators, Western Balkans met EU28 performance levels; however, significant differences exist in the performance of

¹² STEM stands for science, technology, engineering and mathematics

individual Western Balkans economies. In addition, the region is developing faster than the EU in the move from fixed to mobile telephony.

Implementation of digital integration measures has recorded progress in all policy areas. Figure 4 shows the level of preparedness in the implementation of MAP REA digital measures as well as a comparison with the level of preparedness in 2018.

Figure 4: Digital Integration - State of Preparedness of MAP REA Implementation



Importance of digital transformation is increasing and WB economies are including digital sector more prominently in the National Single Project Pipelines (i.e. Albania, Montenegro and Republic of North Macedonia have already included, in Serbia the process is expected to be finalised within 2019 and the other two economies will do so in the future). In addition, ERPs, the key strategic reform document for WB, have included concrete reform measures in the area of digital – an increasing trend is seen in the last launched ERPs with proposed reform measures in all WB economies. On the latter, the assessment made by European Commission on ERPS 2019-2021 recognises efforts of the WB in prioritising reform measures in the area of digital (see more details in table 5).

Table 5: European Commission assessment of the ERPs 2019-2021

WB economy	EC Assessment
Albania	Albania performs reasonably well in terms of mobile broadband penetration (around 63%) while fixed broadband penetration in households remains a challenge. Approximately 38% of the population has access to fixed internet whilst the gap between internet access in rural and urban areas remains huge. e-commerce is hindered by challenges in consumer protection legislation and lack of digital skills is still present.
Bosnia and Herzegovina	E-authentication still has not been introduced because of the varying legal frameworks across the different administrative levels. The economy needs to address the issue of non-harmonised laws on electronic signature and lack of interoperability of e-signature schemes at various levels. The digitalisation is still at a very low level and falls well below the average performance of SEE economies on the use of and access to information communication technologies. Non-implementation of the DSO prevents the economy from reaping the benefits of the digital dividend. It is highly recommended to fully implement the law on electronic signature.
Kosovo*	The Government is making efforts to move to a digital economy with targets of 2013-2020 Digital Agenda being met. Mobile telephone penetration has reached over 112% and fixed broadband penetration increased from 48.5% in 2012 to 93.90% in the second quarter of 2018 with a challenge to extend coverage in rural areas. Cybersecurity remains a problem with ARKEP clearly lacking adequate financial and human resources.
Montenegro	Access to broadband networks is seen as key to the further digitalisation of the economy. ICT

	strategy sets an ambitious goal of 100% household coverage with high-speed broadband (above 30 Mbit/s) by 2020. Despite intensive efforts, legislative and infrastructure hurdles are likely to significantly delay this process. The government should consider financial and policy incentives for rural broadband and invest in a digital skills development programme. A more proactive approach on issues such as cross-border data transfers and data protection and cybersecurity would also be advisable.
Republic Of North Macedonia	The digitalisation of the economy is progressing, but it is still hampered by the low level of digital skills and high costs of digital services. The access to internet of households reached 79.3% in 2018. Mobile broadband penetration is expanding (73% in 2018) whilst fixed broadband penetration remains limited. The population's insufficient digital literacy is a significant obstacle to further digitalisation of the economy and a specific strategy addressing digital skills is still missing. The use of electronic signatures is limited to a few institutions and the interoperable system is only used by a few institutions.
Serbia	Digital transformation is a key priority for Serbia. Improve broadband roll-out, which is still below the EU average, is a key challenge for public policy. The lack of broadband prevents uptake of e-government and business services and is slowing down the transformation of the economy. Provisions of business-to-business and public services over the network are assessed as being very weak. Investment of the ICT sector in research is above the national average, but still low compared to EU averages. Some ICT firms and researchers are highly successful in the EU Horizon 2020 programme, pointing at pockets of global excellence. Ensuring the links between the ICT sector and traditional industries so as to speed up the latter remains a challenge.

Balkan Barometer 2019 shows positive sentiments on digitalisation and implementation of digital integration measures of MAP REA. Hence, majority (58%) of businesses see digitalisation of public services as the key avenue for increasing transparency and predictability of government conduct; digital skills are widely recognised by WB managers, especially in the case of exporters and large companies, as important for the business conduct - 50% of businesses are providing some form of education and training for their workforce on digital skills; more than 76% of the citizens are internet users whilst 45% of citizens highlight the concerns regarding data security.

Participation of WB in the Western Balkans Investment Forum (WBIF)/Instrument for Pre-accession Assistance (IPA) for digital infrastructure broadband projects has improved. To this end, several proposals have been submitted under WBIF, from which close to 1.2 million Euro worth technical assistance has been awarded.

Digital integration has been on the agenda of many high-level events and activities of different organisations and stakeholders organised from July 2018. Namely, the Yearly Start-up Summit (15th 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 in a 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 (30th November 2018, Belgrade), organised by Regional School for Public Administration (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.

State of implementation at Policy 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

Progress in transposing and aligning national legislation with the EU Broadband Cost Reduction Directive and development in the broadband rollout is ongoing throughout the region. Thus, in Albania the changes to the Law on Electronic Communications have been approved; in 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; in Kosovo* the transposition of EU Directive 2014/61/EU into national legislation is in progress - Concept Document already approved by the Government and working group for its finalisation was established; in 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 the Republic of North Macedonia most of the provisions from EU directive 2014/61/EU have been transposed into the Law for Electronic Communications; in Serbia the Law on Broadband Communications Infrastructure, transposing Directive 2014/61/EU is under preparation.

All economies have progressed in broadband mapping and broadband rollout. Hence, in Albania preparations of the fully-fledged feasibility study for the development of broadband networks is expected to be finalised by the end of 2019 whilst ATLASI, a centralised information system for the electronic communication networks has been established and administrated by the Regulators; in Bosnia and Herzegovina preparation for broadband mapping has started; in Kosovo* extension of broadband infrastructure in uncovered rural areas is progressing very well - extension implemented in around 40 villages, the electronic atlas for broadband infrastructure is operational and a loan from the World Bank (20.7 million Euro for investment in broadband during 2019-2023) has been approved by the Parliament; in Montenegro the process of data collection from operators related to broadband mapping is progressing well and the process is expected to be completed and the portal to be operational within 2019; in the Republic of North Macedonia mapping of the white zones is finalised and framework to allow private companies to use state infrastructure is in place, National Operational Broadband Plan is adopted and the portal of the Single Point of Information is operational; in Serbia mapping of mobile broadband infrastructure has been completed, whilst completion of the fixed broadband, despite progress in data collection, depends on the adoption of the Law on Electronic Communications.

Western Balkans economies are working toward the establishment of the Broadband Competence Office (BCO)/BCO contact points. BCO are established in Kosovo* and Serbia as part of the ministries responsible for ICT; in the Republic of North Macedonia it is foreseen in the National Broadband Operational Plan while the contact person has already been appointed. With the aim to support WB participating in EU BCOs network, RCC facilitated the participation of BCO contact points of WB in the EU BCO workshop held on 11-12 June 2019, in Warsaw.

EU has launched a substantial technical assistance package to WB through WBIF/IPA for identification of potential digital investments. RCC took a proactive role in promoting the instrument and flexibilities offered by the instrument. On this note, with the support of DG NEAR and DG CONNECT, IFICO and WBIF Country Managers, in the period between 28th

January and 1st February 2019, RCC organised training and awareness-raising workshops on WBIF support for the digital sector in all WB capitals. Following this effort, encouraging developments are noted and five proposals have submitted under the current WBIF calls, from which close to 1.2 million Euro worth technical assistance has been awarded¹³.

The World Bank is working on the study on the usage and availability of optical networks over the power distribution networks in Western Balkans - feasibility study on Digital Balkan Highway is completed; in addition, Kosovo* has submitted a proposal for IPA regional project on commercialisation of spare fibre optic assets.

Regulatory dialogue with BEREC has improved and regular ICT regulatory dialogue with the EU has been established. WB National Regulatory Authorities (WB NRAs) and BEREC held three meetings so far (on 15 June 2018, 5 December 2018 and 13 June 2019). Additionally, WB Regulatory Authorities have been participating in BEREC under the new working arrangement as of mid-March 2019, allowing the participation of all WB NRAs in BEREC Board of Regulators, BEREC working groups and BEREC Management Board. This new working arrangement will support peer-to-peer learning and increasing of the capacities of WB NRAs to implement roaming policy compliant with EU principles and practice.

Lastly, the Annual ICT Regulatory Dialogue between Western Balkans and EC as part of Digital Agenda has been launched and the first meeting is planned for 9 July 2019, back-to-back with the meeting of digital CCPs planned for 10 July 2019.

The regional interconnection and integration into pan-European GÉANT has not been completed in all economies¹⁴. However, some progress has been noted, as Kosovo* completed the feasibility study for connecting to GEANT Network - project to be implemented during 2019-2020, in the Republic of North Macedonia the existing link of MARNET to GÉANT POP in Sofia is upgraded from 1Gbps to 10Gbps.

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

Regulatory and institutional frameworks that provide for efficient overall spectrum management are in place across the region. Progress is noted in freeing up frequencies: in Albania, digital divided one, 800MHz band freed up and issued for LTE networks (the first individual authorisation issued in February 2019) whilst discussions regarding the future use of 700 MHz band were initiated in January 2019; the first individual authorisation issued in February 2019; in Bosnia and Herzegovina the Decision to introduce the 4G network has been adopted; in Montenegro speeds for 5G are prepared, 700 MHz band is free and available for the mobile radiocommunication service, the range of 3400-3600 MHz is busy and the Mtel approval is valid until April 2022 while the range of 3600-3800 is free and no tendering procedure for these bands will be held before 2020; in the Republic of North Macedonia the tender procedure for radio frequencies in 2100 MHz band has been launched, process for freeing up 700 MHz band has already started - to be finished by September 2019, authorisations for this frequency band to be granted by the end of 2020, and 5G Development Plan has been adopted.

¹³ Two new digital infrastructure projects approved by WBIF Steering Committee in its meeting of 25 June 2019

¹⁴ In Albania RASH is connected with GEANT with fibre optic network from 2017

At the regional level, MoU on 5G has been signed among Serbia, Bulgaria and Greece, whilst some coordination effort between Albania and the Republic of North Macedonia on spectrum harmonisation has been noted.

Progress has been noted in the process of digital switchover (DSO). In Albania it is finalised for the biggest regions, Tirana and Durres, whilst the whole territory is expected to be completed by the end of 2019; in Bosnia and Herzegovina 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.

Broader coordination on radio spectrum issues takes place within RSPG regional group, SEDDIF as well as within World Radio Conference (WRC)-19 preparatory process. The World Radio Conference 2019 will be held in October 2019 and preparations from the economies are ongoing. Kosovo* is not part of WRC but has expressed interest to participate in its work and other regional groups related to spectrum policy management. To support capacity building in the area of spectrum harmonisation and 5G networks the Regional Radiocommunication Seminar 2019 for Europe (RRS-19-Europe) was organised by ITU in cooperation with the European Conference of Postal and Telecommunications Administrations (CEPT) on 24 to 27 June 2019, in Tirana, also supported by the Ministry of Infrastructure and Energy of Albania. RCC partnered with ITU and facilitated the participation of WB in the capacity building seminar as well as organised a side meeting on spectrum harmonisation in WB alongside the seminar. This meeting, among other objectives, helped the economies to align their positions for the upcoming WRC 2019 and identify potential regional initiatives on spectrum coordination.

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

The Agreement “On the price reduction of the roaming services in public mobile communication networks in the Western Balkans region” (RRA2) was signed on 4 April 2019, in Belgrade with the final aim to introduce RLAH regime by 1 July 2021. The WB embarked on a successful, constructive and all-inclusive process of negotiations among ICT ministries and Regulators to conclude the new Roaming Agreement. To this end, the RCC facilitated the whole process of negotiations having 4 successful rounds of negotiations held (on 6 November 2018, 13 December 2018, 24 January 2019 and 8 February 2019, all in Brussels). The negotiations were held in a constructive spirit, with substantial technical support extended from EC line DGs (i.e. CONNECT and NEAR).

RRA2 will bring a substantial impact to the citizens with the decrease of prices for voice/data and SMS. Moreover, implementation of RRA2 will have immediate positive effects on people’s life. The signing of the Agreement is a milestone for the roaming charges reduction between the EU and WB. The signing of the Agreement marks a crucial step toward the establishment of RLAH regime by July 2021 and paves the way for the eventual decrease and elimination of roaming charges between the EU and WB.

The implementation of RRA2 is entrusted to the Western Balkan’s Regulators for electronic communications and compliant with the Agreement. WB has already launched a coordinated work to ensure smooth, uniform and efficient implementation of RRA2. The first meeting of a series of consultation meetings was held on 13 May 2019 to address all needs connected with RRA2 implementation as well as align communication with WB citizens and operators on all

aspects related to RRA2 enforcement. Coordination Body with nominated representatives from the Regulators has been established and two meetings have already been held (21 May 2019, Ohrid and 31 May 2019, Podgorica).

To ensure proper implementation of RRA2, WB have completed all legislative changes needed – yet the approval of the law on electronic communications in Serbia is to be finalised. In addition, WB has embarked on a transparent and all-inclusive process of consultation with all stakeholders to ensure that their needs and concerns are well addressed. To this end, meetings with operators after the signing of the Agreement have been held in each WB economy.

In addition to the above-mentioned and to support the implementation of roaming regulation and RRA2 WB Regulators have committed to putting in place a monitoring mechanism of roaming traffic and prices similar to the one conducted by BEREC in the EU/European Economic Area (EEA), known as the International Roaming Benchmark BEREC Data Report. This monitoring exercise will support WB to (i) assess the evolution of the roaming market both at retail and wholesale level in the whole region, (ii) monitor the RRA implementation, and (iii) monitor the evolution of roaming prices between the EU and the WB region.

Additional bilateral advancement has been recorded on roaming policy, namely, MoU between the Ministry of Information Society and Administration of the Republic of North Macedonia and the Ministry of Digital Policies, Telecommunications and Media of the Republic of Greece was signed on 19th February 2019 with the aim to reduce prices when citizens are roaming in the neighbouring economy's operators at the level of EU Roaming III Regulation within a period of three years.

Policy IV.2. Trust and security in digital services

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

Cyberspace in WB remains vulnerable, as an increased number of cyber threats continue to present a challenge not only for private users but also for business, public sector and operators of essential services, which are additionally vulnerable due to the lack of solid frameworks for networking, cooperation and rapid information exchange. However, progress is recorded in all economies in the area of cybersecurity in particular in preparing strategic documents and transposing the EU respective acquis. Hence, in Albania a dedicated Strategy on Cybersecurity 2020-2025 is being prepared and its approval is expected by mid-2019; in Bosnia and Herzegovina the drafting of a dedicated strategy is underway; in Montenegro the action plan for the implementation of the Strategy for Cyber Security 2018-2021 covering 2019 has been prepared; in the Republic of North Macedonia a dedicated Cyber Security Strategy and its Action Plan (2018-2022) have been adopted and the National ICT and Cyber Security Council established; in Serbia the Action Plan for implementation of the Cyber Security Strategy has been adopted.

Legislative harmonisation to comply with EU NIS Directive has progressed throughout the region. Hence, in Albania by-laws on critical infrastructures in line with NIS Directive and list of critical infrastructure have been adopted and the first audit of critical infrastructure completed; in Bosnia and Herzegovina work to draft the Law on Information Security and Security of Network and Information Systems consistent with NIS directive is planned for

2019-2020; in Kosovo* the Concept Document on electronic identification and trust services for electronic transactions has been developed and adopted by Government, the first draft Law on Electronic Identification and Trusted Services in Electronic Transactions has been prepared; in Montenegro, drafting of the Law on e-Government has started whilst the bylaws to the Law on Electronic Identification and eSignatures have been adopted; in the Republic of North Macedonia preparation for the Draft Law on Network and Information System Security in line with NIS Directive has started and the draft of the new Law on Personal Data Protection has been finalised and a methodology for the identification of critical infrastructure developed; in Serbia, amendments to the Law on Information Security have been finalised and approval by Government is pending, critical infrastructure of ICT operators of essential services has been recognised, 13 out of 17 bylaws of the Law of Electronic Document, Electronic Identification and Trust Services have been adopted and the 4 remaining will be finalised in a few months.

Good development has been recorded in the recognition of trusted services - Serbia and Montenegro signed the Agreement on mutual recognition of qualified trust services in April 2019.

All WB economies have established Computer Security Incident Response Teams (CSIRTs). Although WB CSIRTs still lack capacities, they are investing a lot in capacity building. Needs and capacities of institutions responsible for cybersecurity have been recently assessed in Albania, Bosnia and Herzegovina and the Republic of North Macedonia based on the Cyber Security Maturity whilst in Montenegro capacities are assessed in cooperation with DCAF.

Many regional events and conferences have been organised or planned at the regional and national level (i.e. Regional Conference on Cybersecurity, October 2018, in Skopje and Regional Conference, 5-6 June 2019, in Ohrid; National Conference in Montenegro and other workshops in other economies). Regional dialogue and cooperation among WB CSIRTs has been maintained through their regular regional cooperation meetings (10 October 2018, Skopje, 27 November 2018, Limassol, 5 April 2019, Belgrade). RCC has partnered with ITU and DCAF to extend capacity building opportunities for WB CSIRTs (Cyber Drill 26-30 November 2018, Limassol). In addition, WB CSIRTs have organised training at the national level based on the needs and specific situation of each CSIRT. In order to have a regional approach to training and capacity building in the area of cybersecurity, a proposal to establish a Regional Cyber Security Training and Research Centre in Skopje has been put forward by the Republic of North Macedonia. In addition, under Multi-country IPA 2019 a new project for capacity building and acquis transposition and enforcement is under preparation.

Exchange of information on cyber threats has gained great attention in the Western Balkans. Efforts have been invested in each economy, hence, in Albania the categories of cyber incidents and the format and elements of the report, including content and method of documenting security measures have been approved; in Kosovo* the platform for receiving and recording the various incidents related to security of networks and electronic communications services is operational; in Serbia an incident response system has been established; in the Republic of North Macedonia a tool for information exchange, called MIS platform, is already in place. A regional approach to ensure regular exchange of information on cyber incidents is needed and therefore further efforts should be invested to establish the regional platform for the exchange of information between the WB CSIRTs.

Cooperation with the European Union Agency for Cybersecurity (ENISA) is crucial to support the increase of capacities of the WB to address the challenges in the area of cybersecurity. Under the new ENISA mandate, there are prospects for greater exposure of WB to the work and activities of ENISA.

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

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

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 gaps in digital skills in the region are still high and the need to address them through regional and national interventions is recognised in all WB economies. The progress in developing digital skills across WB is uneven although some attempts to develop digital skills programmes exist. Inspired by human-driven digital economy standing of EU¹⁵, WB are putting great emphasis on capacities and skills in the digital sector to ensure that all citizens reap the benefits of digital transformation.

Digital skills are usually addressed through the Strategies for Education. WB economies do not have dedicated strategies for digital skills except Serbia where a dedicated strategy is at final stage of approval. In addition, in Kosovo* a study on digital skills with the support of the World Bank aiming to develop a programme focusing on young people exists; in Albania, digital skills are addressed within the Strategy for Secondary Education; in the Republic of North Macedonia the National Comprehensive Education Strategy 2018-2025 is in force. At the regional level, there are already scaled-up regional interventions on digital literacy and skills. Thus, 21st Century Schools in the WB programme, designed by the British Council, was launched during the London Summit and aims to improve digital skills and perspectives for the employment of young people in the whole region.

In December 2018 a regional study on “Improving Digital Skills in WB” was developed. The report provides an analysis of digital skills in the WB focusing on three target groups: citizens, labour force and ICT professionals and offers regional recommendations and potential regional initiatives in the area of digital skills¹⁶.

Participation of WB in EU Code Week has been improved. EU Code Week is a grassroots initiative which aims to bring coding and digital literacy to everybody in a fun and engaging way and it is becoming very popular. In 2017 the initiative registered over 1.2 million people (with impressive female participation at 46%) whilst in 2018 it reached 2.7 million people in 72 countries, with most activities taking place in schools. Participation of WB in EU Code Week is encouraging - nearly 70,000 people participated in EU Code Week in 2018 (over 130 schools in the Republic of North Macedonia attended the EU Code Week). The ambition is to see students in at least 50% of all schools in the EU and the Western Balkans with an

¹⁵ Conclusions on the Future of a highly digitised Europe beyond 2020: "Boosting digital and economic competitiveness across the Union and digital cohesion" https://www.consilium.europa.eu//media/39667/st10102-en19.pdf?utm_source=dsms-auto&utm_medium=email&utm_campaign=Post-2020+digital+policy+%e2%88%92+Council+adopts+conclusions

¹⁶ Regional Approach for Improving Digital Skills in WB Economies, Centre for Information and Development (CID), Albania, December 2018

understanding of coding and the development of crucial competencies related to computational thinking, such as problem-solving, collaboration and analytical skills by 2020. Support from the Code Week Ambassadors from WB is instrumental in supporting WB participation in EU Code Week events.

Some of WB economies are engaged in several initiatives and programmes at the national level; Kosovo* will undertake concrete activities to bridge the digital and business skills gap in a sustainable manner as part of the IPA 2017 funded project “EU Support for the Competitiveness of Kosovo*’s ICT Sector” (€3 million, starting in 2019 for the period of 3 years); moreover, as part of KODE project support through a loan from the World Bank, €1.65 million will be invested in training for young people and their connection to online working opportunities, primarily catering for unemployed or underemployed young men and women; in the Republic of North Macedonia the Operational Plan on Active Employment Measures and Programmes and Labour Market Services for 2018 produced excellent measures and results and the adopted Operational Plan for 2019 anticipates a support of 700.000 EUR for training in IT and digital skills¹⁷.

Some events have been organised in some of the economies, namely - All digital week and the International Day of Girls in ICT in Montenegro and the Conference DIGITALKS organised in Pristina focussing on policies and practices to promote innovation and entrepreneurship.

Policy IV.4. Digitisation, Data economy, Standards and Interoperability, Innovation

Objective IV.4.1. Promote uptake of Smart Technologies and Accelerate Digitisation

Regional dialogue on WB digital transformation has been set up through the Digital Summit(s) organised yearly and conceived as a process rather than annual summits. The second WB Digital Summit, which took place on 4-5 April 2019 in Belgrade, reconfirmed the expressed willingness and commitment of WB to work on concrete and actionable activities at regional level, mainly to establish roaming free region by July 2021, embark upon the mutual recognition process for trusted services, engage in actions to build the resilience to cyber-attacks and step up the region’s cybersecurity capacity (through maintaining regional dialogue among the WB CSIRTs and establish a regional platform for exchange of information between WB). In addition, WB committed in Belgrade, among other things, to work towards the deployment of high capacity digital networks and establishment of Broadband Competence Offices/contact points (BCO), address digital skills needs, better absorb funds under WBIF, improve interoperability and participate in ISA² programme, foster cooperation among Digital Innovation Hubs in WB, monitor the digital transformation using the DESI, etc. The Digital Summit 2020 will be held in Albania.

Progress is noted in all WB economies, in particular with respect to harmonising the legislation with EU acquis connected with interoperability as well as to its enforcement and preparation of other strategic documents supporting digital transformation. Thus, in Albania

¹⁷ The programme covers concrete training programmes such as Pilot Trainings on Digital Skill Demands with co-funding, Trainings on Advanced IT Skills and Trainings on Advanced IT Skills with co-funding, Introductory Trainings on IT Skills online

the National Interoperability Framework is in place and progress in e-services is noted¹⁸; in Bosnia and Herzegovina the ICT Development Policy was adopted and the Inter-working Group responsible to coordinate all activities in the area of interoperability at all levels of Government is being established; in Montenegro preparation of the Digital Innovation Profile is underway, unique list of priority infrastructure projects in the field of digital infrastructure has been adopted, national system for eID and Electronic Payment of Administrative Fees developed, preparations for a new national interoperability framework to be harmonised with new European Interoperability Framework (EIF) started; in the Republic of North Macedonia preparation of the National Long-term ICT Strategy is advancing - expected to be finalised during 2019, process for joining ISA² started, upgrades to the existing interoperability platform are continuous¹⁹. In addition, all WB economies have adopted e-authentication frameworks and made progress in improving their e-authentication schemes, harmonising domestic legislation with eIDAS regulation, etc. (please also see Objective IV.2.1)

With respect to Data Economy and work under OGP initiative as well as central portals for open data, upgrade of existing portals and other IT tools has been noticed in some economies whilst in other a new portal for open data has been launched. Thus, in Albania, as part of OPG, the Bilingual “opendata.gov.al” portal has been established, while Public Consultations portal has been online since 2016; in Kosovo* the Action Plan on OPG and portal for open data is in place; in Montenegro a new portal has been launched having 15 public sector institutions included and already a total of 65 data sets published, English version sub-portal for e-licence has been established as part of eGovernment portal, the portal for eParticipation and ePetition has been established and Action Plan for OGP adopted; in the Republic of North Macedonia the Open Data Strategy with Action Plan 2018-2020 has been adopted and monitoring meeting on its implementation held, the Open Data Charter has been adopted, a new Open Data Portal has been launched including 197 datasets from 45 institutions, making 24 catalogues in 8 groups.

Progress has been noted in strengthening regional coordination on the use, exchange and safe and reliable flow, access and transfer of data. Kosovo*, Albania and the Republic of North Macedonia have committed to the Regional Research and Development Cloud (RRDC), aiming to gather and collect open data coming from the three economies and enabling students, young people, start-ups and businesses to access them. The project also includes an IoT Platform and smart city cases for the upcoming years. RRDC aims to establish R&D Cloud infrastructure for the three economies, serve the digital transformation of industry and public sector, provide a platform that will involve start-ups and IT industry, and identify and adopt suitable policies for trust, security and privacy.

Establishment of Digital Innovation Hubs (DIH) as one-stop-shops will help companies to become more competitive with regard to their business/production processes, products or services using digital technologies. In Albania TechSpace was launched in February 2019 and is currently fully operational, being the largest technology lab in Albania to support start-ups and students to reinforce and encourage them in delivering projects and ideas in the field of Information and Communication Technology²⁰; in Montenegro the Programme of Incentives

¹⁸ Governmental Interoperability Platform has almost 600 e-services and 800,000 registered users, 49 electronic systems are connected to the Governmental Interoperability Platform, 52 million transactions were performed in it in 2018.

¹⁹ In 2018 the number of transactions on the platform reached 7.6 million, doubled compared to 2017

²⁰ As of April, almost 500 youth have been registered to TechSpace and 80-100 of them work daily at TechSpace with an average stay of 3-4 hours

for Innovative Startups 2019-2021 has been adopted; in the Republic of North Macedonia the first call under the support instrument Co-financed Grants for Establishment, Operations and Investments of Business-Technology Accelerators has been launched, three accelerations have been awarded grants in maximum amount of 500.000 EUR each, a Feasibility Study for Establishing a Scientific Technology Park (STP) has been delivered and the opening ceremony of the initial premises of the STP was held in March 2019.

Obstacles and challenges

The implementation of the digital component of the MAP REA is very challenging. It requires strong administrative capacities, financial and technical assistance support and capital investment, in particular for broadband infrastructure. It should be noted that there is missing information from some of the economies on concrete objectives limiting the possibility to fully portray the development across the region.

The challenges in implementing digital integration component measures entail:

- The level of harmonisation of the legislation with the respective EU acquis is uneven across WB as economies are at different stages of EU integration process, associated with different dynamics of the legislative harmonisation process and therefore due attention should be given to careful and tailor-made design of actions.
- Monitoring of digital transformation in WB to assess compliance with the EU acquis for electronic communications and information society, as well as convergence with the Digital Single Market is still limited due to a lack of data. The DESI for 2018 showed lack of data across Western Balkans. Thus, sound processes to monitor digital transformation and progress need to be developed.
- Administrative capacities and capacity of the domestic structures to successfully implement MAP REA and DAWB measures are still not at the desired level. Some new regional WG need to be formalised (i.e. digital skills, spectrum harmonisation, etc.) whilst the existing ones strengthened (i.e. WB CSIRTS, agencies dealing with open data, e-services and e-government). On this note, dedicated capacity building programmes to ensure effective implementation of the actions put in MAP REA are needed.
- The general level of knowledge and skills in the area of digital integration needs to be increased. No dedicated strategies to address digital skills gaps exist although there are efforts throughout the region to organise training programmes for several target groups. However, a holistic approach to digital skills and competences is needed. Greater participation of the private sector is also pivotal.
- WB needs to increase its exposure to EU programmes and initiatives – there are actions intended to facilitate the participation of WB in several EU digital programmes, initiatives and institutions. Although increased participation of WB in EU digital programmes, initiatives and institutions (i.e. EU Code Week, EU BCOs Network, ISA², ENISA, etc.) has been noted, yet this needs to be more regular. On this note, RCC will play a greater role in this regard by facilitating the participation of WB in EU digital programmes, initiatives and institutions more prominently starting from 2020.

Recommendations and next steps

This section provides a blueprint of the main recommendations and next steps for all objectives under the Digital Integration Component.

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

- Complete the transposition of EU Directive 2014/61/EU in all WB economies and complete the broadband infrastructure mapping where not completed yet;
- Advance with the establishment of the BCOs in the Western Balkans and facilitate networking to ensure peer-to-peer learning;
- Participate in the EU BCO Network initiative and establish BCOs;
- Promote the principles and measures proposed by European Gigabit Society within the WB context;
- Intensify the regulatory dialogue amongst all WB regulators and participate effectively in the launched WB-EC regulatory dialogue;
- Complete regional interconnection and integration into the pan-European GÉANT;
- Increase capacities to absorb the funds available under WBIF for technical assistance in relation to digital connectivity projects and implement successfully the approved projects.

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

- Finalise DSO in the economies where the process is still ongoing;
- Improve regional cooperation on spectrum coordination with a view to addressing spectrum coordination needs in WB;
- Maintain the regional dialogue on spectrum policy harmonisation;
- Intensify regional discussion amongst regulators ahead of European Communications Office (ECO), European Conference on Postal and Telecommunications (CEPT) meetings as well as before WRCs to align regional positions on issues of joint interest.

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

- Ensure the smooth and efficient implementation of the Western Balkans Roaming Agreement;
- Maintain regular regional dialogue on roaming policy and embark on regional solutions and actions when needed;
- Regular impact assessments and analyses of roaming price reductions, dynamics in volume of telecommunication traffic and other relevant parameters;
- 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 where not completed;
- Complete the identification of the critical IT infrastructures, where not completed yet and seek technical assistance to support the WB economies in implementing the requirements of EU NIS Directive Annex;
- Build CSIRTs capacity and strengthen the regional CSIRT network, as well as promote regional cooperation on NIS dialogue and information exchange amongst WB CSIRTs;
- Establish the regional platform for exchange of information between the WB CSIRTs and ensure full functionality of the platform;
- Cooperate with ENISA and participate in its work where this may become compatible with its new mandate;
- Engage in regional discussions to identify the best model to mobilise and share training resources to increase capacities of public administration at large as well as of critical infrastructure and civil society 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 and establish a regional multi-stakeholder WG to define ways of developing digital skills;
- Develop dedicated strategies, including programmes for closing the gender gap and boosting employability, inspired by the EU Digital Education Action Plan, to address digital skills gaps and accommodate market needs;
- Pilot a regional intervention aimed at enhancing skills for targeted groups such as women, government officials, etc.;
- Promote the Declaration on Gender-Balanced Company Culture throughout the Western Balkans and participation in the EU Network for Women in Digital;
- Explore ways how to better integrate WB economies in the EU New Skills Agenda for Europe and the EU Digital Skills and Jobs Coalition initiative;
- Support and promote participation in Code Week, the Digital Opportunity Traineeship scheme, and other EU programmes for digital skills;
- Participate in the EU Digital Competence Framework.

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

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

- Launch regional discussion and complete the assessment for establishing the platform for the recognition of certificates with e-signature;
- Maintain a regional structured dialogue amongst the authorities responsible for harmonisation, and implementation, of legislation with eIDAS regulation;
- Take concrete steps aimed at making use of the EU Digital Service Infrastructure and joining ISA2 programme;
- Accelerate preparations of the National Interoperability Frameworks in the economies that have not done it yet. Exchange experience and ensure peer-to-peer learning from advanced economies;
- Engage in regional activities in the area of interoperability standards and facilitate alignment of standards, the complementarity of interoperability frameworks and introduce a pan-European dimension, in line with the EIF;

- Launch a structured dialogue amongst the appropriate regional authorities to standardise and improve the quality of open data portals and explore potentials to exchange the available data regionally;
- Increase capacities to absorb the funds available under WBIF in relation to digital infrastructure projects;
- Launch a structured dialogue to improve the quality of online eGovernment service and eDelivery and exchange experience in line with the Single Digital Gateway Regulation;
- Start preparations to organise the upcoming WB Digital Summit in Tirana. Re-convene the Steering Committee meeting to contribute to an early and structured multi-stakeholder dialogue in this respect.

Conclusions and recommendations

From July 2018, the region has seen important developments and recorded some tangible results in the implementation of MAP REA. Despite a mixed track record across the four components in the implementation of MAP REA, the region managed to deliver in some concrete areas. Hence, the Additional Protocol on trade facilitation entered into force, the text of the Additional Protocol on trade in services liberalisation has been agreed, the Western Balkans Roaming Agreement was signed on 4 April 2019 in Belgrade and its implementation started as of 1 July 2019, the high-level structured dialogue on WB digital transformation has been maintained and the Second Digital Summit was organised on 4-5 April 2019; WB NRAs participated for the first time in BEREC under the new working arrangements and the region also participated in the work of the EU Broadband Competence Offices Network the text of the Declaration on Recognition of Higher Education Qualifications has been agreed; Regional Investment Reform Agenda (RIRA) has been developed and advanced through preparation and adoption of Individual Reform Action Plans (IARPs); the work in the area of financial market has been extended with diagnostics being prepared as well as preparation of practical guidelines for capital markets development.

The Poznan Summit recognised the importance of regional cooperation, welcomed the achievements obtained in implementing MAP REA and committed to make best effort to deliver on the next year's priorities in four components of MAP REA.

Despite the progress achieved across the four components, the MAP REA implementation experienced certain challenges. The ongoing bilateral trade disputes reduced the regional capacity to implement certain measures, thus affecting the overall implementation of MAP REA. Due to a lack of consensus, the negotiations on the Mutual Recognition Agreement on Recognition of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers were not possible to be completed as planned for the Poznan Summit.

The political calendar of meetings/summits imposes quick deadlines which call for greater efforts within MAP national and regional structures to allow for fast track coordination and consultation aimed at aligning and agreeing on a regional approach across all MAP REA components.

Work ahead remains on strengthening the social dimension of the Regional Economic Area so that the economic policies ensure inclusion, equality, including gender equality, and a socially fair transition, closely aligned with the European Pillar of Social Rights. Efforts will be

further dedicated to developing cooperation with local authorities on their direct involvement in the implementation of MAP REA so as to promote closer regional cooperation and socio-economic development of the region.

The analysis of the ERPs 2019-2021 and linkages with MAP REA measures shows that WB economies are prioritising MAP REA measures within the ERPs. European Commission urges the WB economies to continue implementing all aspects of MAP REA to further strengthen connectivity in transport and energy and create a digital space with more integrated labour market to tap into new employment possibilities.

There has been an increase in IPA funds to further support the implementation of MAP REA measures and in a reform agenda outlined in Economic Reform Programmes of each economy. Despite the inclusion of MAP REA activities within Economic Reform Programmes, there is a need for due attention to the implementation of MAP REA as a whole.

On monitoring and reporting of MAP REA measures implementation, there are several challenges that affect the overall reporting results. In order to tackle these obstacles and deliver more in the next reporting year, it is necessary to reflect upon the following:

- i. Reporting on MAP REA is based on each economy input, which necessitates timely submission and accurate information. Given that the overall assessment is impacted by the quality of received inputs, those measures that are not properly reported run the risk of not being included in the scoring and assessment.
- ii. Scoring of activities for MAP REA measures should be reconsidered in a way that it addresses the following:
 - Propose new ways and tools for monitoring newly introduced activities;
 - Some of the activities reported do not relate to the implementation of MAP REA measures, but rather reflect the overall progress, which leads to the inability to fully monitor these actions in accordance with the agreed methodology.
- iii. Reducing the potential for ambiguity in the report by providing accurate and valid information. Usefulness and added value of submitted input are of crucial importance for the quality of this report as it leads to better assessment and ranking of the economies' progress across all four components.

Annexes

Annex 2 – Regional assessment of the implementation of MAP REA measures

Objectives	Actions	Timeline	State of play at regional level	Scoring
I. Trade				
I.1 Facilitation of free trade in goods				
I.1.1. Strengthening the monitoring and enforcement capacity of CEFTA	a. Launching the negotiations on Additional Protocol on CEFTA Dispute Settlement	2017-2017	The negotiations are going on in the framework of the CEFTA Contact Points.	5
	b. Adopting Additional Protocol on CEFTA Dispute Settlement	2019-2019	The draft text of the AP7 and the Comparative table of AP 7 were sent to the Parties.	3
	c. Ensuring timely entry into force of Additional Protocol on CEFTA Dispute Settlement	2019-2020	Upon the nomination of the negotiation teams and finalised internal procedures in all CEFTA Parties, the negotiations shall start.	1
	d. Engaging Public-Private Sector Dialogue for better monitoring of the implementation of CEFTA (continuous action)	2017-2023	Public-Private Sector dialog for better monitoring of the implementation of CEFTA is an ongoing activity, CEFTA Parties have regular meetings with the private sector within their National Trade Facilitation Committees. CEFTA Secretariat and CIF WB agreed to work towards the conclusion of a MoU regarding cooperation and common activities concerning further trade facilitation, together with GIZ.	4
I.1.2. Adoption of Additional Protocol 5 and start of its implementation	a. Adoption of Validation Rules for mutual recognition in AP 5	2018-2018	CEFTA Parties agreed on CEFTA Joint Committee Ministerial Decision on establishment of the validation procedure for the mutual recognition of CEFTA Parties' national Authorised Economic Operators' Programmes regarding the safety and security, the Guidelines on validation procedure for the mutual recognition of CEFTA Parties' national Authorised Economic Operators have also been prepared and agreed on. It is expected that Decision on the implementing provisions of the MRA of Border Documents will be elaborated and proposed to the CEFTA Joint Committee for adoption during 2019.	4
	b. Ensuring timely entry into force of the AP 5	2018-2018	The AP 5 entered into force on 18 April 2018. Six CEFTA Parties have ratified Additional Protocol 5.	4
	c. Start of Implementation of Mutual Recognition Programmes (Border Documents, where applicable (as specified in AP5), and Authorised Economic Operators Programme)	2020-2020	After the adoption of CEFTA Joint Committee Ministerial Decision on establishment of the validation procedure for the mutual recognition of CEFTA Parties' national Authorised Economic Operators' Programmes regarding the safety and security CEFTA Parties will start mutual recognition programmes. Three regional Pilot validation missions with the aim to test the mutual recognition of AEO programmes took place. It is planned to have one more regional Pilot validation mission programme in 2019.	4

<i>Objectives</i>	<i>Actions</i>	<i>Time line</i>	<i>State of play at regional level</i>	<i>Scoring</i>
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	Activity implemented.	5
	b. Ensuring the allocation of adequate financial resources from the budgets to secure internal level connections for the implementation of SEED+	2018-2020	The WB 6 CEFTA Parties have stated that they have secured adequate financial resources in their budget for implementation of SEED+.	5.
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	A time frame for joint risk management is defined and it is expected that the Pilot programme will start in June 2019, while the Strategy should be developed until December 2019.	3
	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	The preliminary findings and conclusions of the progress on establishing CEFTA Common Risk Management Framework (CRMF). CEFTA Risk Profile Format was created as well as 25 Profiles. 14 Risk profiles have been validated. The Joint Risk Strategy it under preparation.	3
I.1.5. Developing mutual cooperation between market surveillance control authorities of CEFTA Parties	a. Developing a timeframe for mutual cooperation between market surveillance authorities	2018-2019	The Exploratory talks between the Market Surveillance Authorities will be developed in the second half of the 2019.	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	CEFTA Parties have selected vegetables (cucumber, apples, tomatoes and eggplants) as the sector for implementation of the mutual recognition of border documents. The Pilot programme started in April 2019.	4
	c. Develop the timeframe to conclude MRA, based on EU compliance, on the selected supply chain	2018-2019	Development of the time frame to conclude MRA depends on the results of action under the point b).	1
	d. Assess potentials to extend MRA in other supply chains with regional interest	2019-2020	Assessing potentials to extend MRA in other supply chains with regional interest will depend on the previous actions b) and c).	N/A
<i>I.2. Harmonisation of CEFTA Markets with the EU</i>				
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.	3
	b. Start of application of full cumulation and duty drawback in CEFTA	2019-2019	1 July 2019 was adopted by the JC as single date for the start of implementation of full cumulation and duty drawback.	5
I.2.2. Potential approximation of CEFTA MFN to EU	a. Impact assessment of approximation of CEFTA MFN rates with the EU Common External Tariff	2018-2018	CEFTA Parties supported the findings and conclusions on the Assessment prepared by the World Bank on the approximation of MFN.	5

<i>Objectives</i>	<i>Actions</i>	<i>Time line</i>	<i>State of play at regional level</i>	<i>Scoring</i>
CET				
<i>I.3. Creating NTMs and TDM free Region</i>				
I.3.1. Administrative Cooperation between Competition and State Aid Monitoring Authorities	a. Developing the instruments for information exchange between Competition and State Aid Authorities	2019-2020	The CEFTA Secretariat has completed the monitoring exercise for the implementation of CEFTA Articles on competition and on State Aid. The report was submitted to CEFTA Parties and the establishment of the CEFTA Committee for Competition and State Aid was proposed. Continuation of negotiations on mutual cooperation in the Competition and State Aid is planned in the second half of 2019.	3
	b. Full and sustainable reporting of state aid including state aid schemes and measures	2018-2019	The legislation for state aid reporting is already in place in CEFTA. Some of CEFTA Parties notified State Aid schemes to the CEFTA Secretariat. The reporting depends on the actions under point a).	2
	c. Enhance cooperation amongst competition authorities by supporting the establishment of a structured network to foster peer learning	2018-2023	Enhancing cooperation amongst competition authorities by supporting the establishment of a structured network to foster peer learning depends on the actions under points a) and b).	1
I.3.2. Eliminating any remaining discriminatory practices in public procurement markets	a. Monitoring the elimination of remaining discriminatory practices in public procurement markets	2017-2018	The Public Procurement report is prepared and is waiting for the adoption of recommendations of the Joint Committee.	4
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 (MABD) is up and running, and regularly updated, upon the adoption of Additional Protocol 6 the extension of MABD will be required in order to extend to trade in services.	4
<i>I.4. Facilitation of free trade in services</i>				
I.4.1. Implementation of CEFTA Additional Protocol 6 on Trade in Services	a. Adoption of the Additional Protocol 6 by negotiating Parties	2017-2018	The CEFTA Parties agreed on the final text of the Additional Protocol 6 and started with the internal procedure for adoption.	4
	b. Ensuring timely entry into force of Additional Protocol 6	2018-2019	The CEFTA Parties agreed to adopt the AP6 before Poznan Summit, and after adoption, the ratification procedure will be necessary in all Parties.	1
	c. Development of the sustainable mechanism for monitoring trade in services policies, including screening of legislation and mapping of projects and	2017-2019	GIZ project "On the proposal on creation of the CEFTA Database Applied Policy on Trade in Services" will start in June 2019 after the approval of CEFTA Contact Points.	2

<i>Objectives</i>	<i>Actions</i>	<i>Time line</i>	<i>State of play at regional level</i>	<i>Scoring</i>
	establishment of the efficient dispute settlement mechanism			
	d. Establishment of the contact point for services	2018-2019	The Parties have designated and nominated the Contact Points for services, thus establishing them.	5
	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	The platform for the services legislation will be developed under the basis of the STRI indicators and will be launched until the Poznan Summit.	4
	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	The statistical portal is populated on the level of availability of data in all CEFTA Parties. By the end of April all CEFTA Parties will update preliminary data on goods and the final data at the end of July. For trade in services data, CEFTA Parties agreed to upload data by October 2019.	4
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	The Report on regulatory barriers that impede trade was elaborated during 2018, recommending the sectors where future cooperation could be enhanced by eliminating regulatory barriers.	5
	b. Establishment and maintenance of database with regulatory heterogeneity indices to perform assessment of implications of arrangements on the region	2018-2023	Establishment and maintenance of database in services sector in CEFTA Parties was extended till June 2019.	4
	c. Identification of suitable forms for cooperation based on soft laws, recognition of international and EU standards, MRAs	2017-2018	Identification of suitable cooperation based on the soft laws, recognition of international and EU standards, MRAs – Based on the report adopted in 2018, the CEFTA Parties will engage in the selection of the sector to pilot a possible way of cooperation between the Parties that should lead to the conclusion of the Arrangements (soft laws, international or EU standards or MRAs) between the CEFTA Parties that would lead to the elimination of the existing regulatory barriers.	2
	d. Negotiation and administering the conclusion of selected arrangements	2018-2023	Negotiation and administering the conclusion of selected arrangements depends on action c).	N/A
I.4.3. Development of disciplines on domestic regulation	a. Regular review of any issues of domestic regulation in trade in services	2018-2019 2022-2023	First review expected to be in November 2019.	3

<i>Objectives</i>	<i>Actions</i>	<i>Time line</i>	<i>State of play at regional level</i>	<i>Scoring</i>
	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	2020-2023	Action will follow results of the first review to be completed in 2019.	N/A
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	The project on e-commerce barriers was awarded in November 2018 and was subsequently presented to the CEFTA Parties on the Subcommittee on Trade in Services, held on 21 November 2018. The Project team presented to the CEFTA Parties the Inception Report that was presented and adopted in January 2019. At the moment the team is working on data mining related to the e-commerce statistics. It is expected that the report with the recommendations will be available in May 2019. The experts will take account of the work already achieved under the digital component and will consult with RCC and digital contact points in this area.	4
	b. Assess existing geo-blocking measures (focus on digital content and copyright goods) and examine whether they are fit for purpose with the aim to prevent unjustified geo-blocking while ensuring investment and innovation incentives at the same time	2019-2020	The Chairmanship priorities have prescribed the exploratory talks in the Intellectual Property Rights (IPR) area and involving the IPR Authorities in the work of CEFTA. The Assessment will provide for the prevention of unjustified geo-blocking in the CEFTA Parties. This activity will take account of the work already achieved under the digital component and the Secretariat will consult with RCC and digital contact points in this area.	1
	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	N/A
	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	N/A
	e. Assess necessity of regional action to ensure high quality delivery of goods (e.g. digital content traded cross-border or physical goods purchased via electronic means) and services at reasonable costs	2018-2023	Action will follow the results of analysis on barriers in legislative framework and practice	N/A
	f. Establish recognition of certificates of electronic signature and facilitation of cross-border certification services	2018-2023	SC on Services will serve as the umbrella for activities related to the Electronic Commerce.	N/A
	g. Ensure liability of intermediary service 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	N/A
	h. Address treatment of unsolicited electronic	2018-	Action will follow the results of analysis on barriers in legislative framework and practice	N/A

<i>Objectives</i>	<i>Actions</i>	<i>Time line</i>	<i>State of play at regional level</i>	<i>Scoring</i>
	commercial communications	2023		
II. Investment				
II.1. Investment policy				
II.1.1. Develop and establish a regional investment reform agenda	a. Execute detailed mapping of foreign investments in the WB region, whereby economies provide access to FDI-relevant data (sectors, reinvestments, employment, etc.)	2017-2018	Done in the previous reporting period	5
	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	Done in the previous reporting period	
	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	Done in the previous reporting period	
	d. Formulate individual-economy action plans reflecting the regional investment reform agenda and streamlining the individual-economy reform efforts	2018	Done during this reporting period (until the end of 2018), IRAPs developed and reviewed by the Western Balkans economies at the individual-economy consultation series, as well as regular sessions of the RCC's 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	Done during this reporting period, IRAPs adopted at regular government procedures in all Western Balkans economies in the period from January to May 2019	
II.1.2. Formalise the regional investment reform agenda through appropriate instruments	a. Conduct analysis and propose options for appropriate instrument(s) acceptable to WB economies based on the content of the agreed regional investment reform agenda	2018	Done during this reporting period, as of beginning of 2019 the options proposed to the Western Balkans on: 1) Regional Investment Treaty (RIT) – legally binding international treaty, entailing a ratification process specific to each economy; 2) CEFTA additional protocol or chapter on investment – legally binding protocol under the existing CEFTA Agreement; 3) SEEIC Ministerial decision on regional investment policy – political consensus, with no legal stipulations, within the existing South East Europe Investment Committee ministerial platform (WB ministers of economy); 4) Regional standards for the negotiation of International Investment Agreements (IIAs) – a document/guideline with no legal stipulations,	4

<i>Objectives</i>	<i>Actions</i>	<i>Time line</i>	<i>State of play at regional level</i>	<i>Scoring</i>
			that can serve as a tool for negotiating IIAs on the specific text of treaty provisions, and for developing stronger negotiating position with third parties; 5) Regional Investment Policy Statement – flexible instrument with no legal stipulations, that can serve for creation of common legal definitions and understanding for legal concepts, providing guidance to the negotiators of agreements and accession talks	
	b. Decide on the necessity, format, and scope of appropriate instrument(s) for implementation of the regional investment reform agenda	2018	In May and June 2019, at the occasions of the meetings of the RCC’s SEEIC-CEFTA JWGI, Joint Investment Policy Statement has been selected and finalised, with a focus on development of regionally acceptable standards for negotiations of International Investment Agreements	
	c. Initiate and conclude negotiations on appropriate regional instrument(s), depending on the decision reached under b)	2018-2020	Regionally acceptable standards for negotiations of International Investment Agreements will be developed and negotiated through a regional dialogue of the regular sessions of the RCC’s SEEIC-CEFTA JWGI and individual economy consultations over the course of next period	
II.1.3. Implement and monitor investment reforms in WB as per established regional investment reform agenda	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	2017	Done in the previous reporting period	5
	b. Mandate representation of the relevant public institutions with appropriate decision making power in implementation of the agreed regional investment reform agenda	2017	Done in the previous reporting period	
	c. Establish individual-economy focus groups in charge of implementation of agreed investment reforms on individual-economy level	2018	Inter-institutional working groups established in all economies, with Bosnia and Herzegovina pending due to internal challenges of different levels of authorities	
	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	2018-2020	First RIRA monitoring and evaluation report prepared, with the need for regular annual update in the future period	
	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 WB summit	2018-2020	First RIRA monitoring and evaluation report presented to the RCC’s SEEIC-CEFTA JWGI, with the need for regular annual presentations in the future period	
II.1.4. Promote WB region	a. Develop joint investment promotion initiative for WB priority sectors and establish an operational	2018	Priority sectors for attracting investments identified: automotive and light manufacturing for Albania, Bosnia and Herzegovina, Kosovo*, Serbia, and Republic of North Macedonia, and	2.5

<i>Objectives</i>	<i>Actions</i>	<i>Time line</i>	<i>State of play at regional level</i>	<i>Scoring</i>
as a unique investment destination	platform of investment promotion tools and techniques		tourism investments for Montenegro.	
	b. Implement a small set of focused investment outreach activities in core sectors targeted by the SEE 2020 Strategy	2018-2020	Outreach will be conducted during the second half of 2019 and beyond in target markets prioritised for each economy. In order to support this endeavour, the region has commenced series of extended capacity building sessions for Western Balkans Investment Promotion Agencies, aiming to improve the services to investments throughout the full cycle, encompassing: promotion, facilitation, and after-care.	
	c. Dedicate part of the individual activities of investment promotion agencies to promoting the region as a sound investment destination	2018-2020	This activity will be done as of late 2019; given that investment promotion is a highly competitive priority area, consultations will be held with the Western Balkans investment promotion agencies on how to integrate the regional priorities into individual-economy efforts.	
II.1.5. Diversification of financial systems to boost investment	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)	2017	Done in the previous reporting period. Given the expansion of work to financial markets, the regional platform expanded accordingly.	3
	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	2018-2020	Done in the previous reporting period on capital markets, with a concept programme for regional capital markets development designed. In the meantime, the work done previously on capital markets has been upgraded and expanded into overall financial markets deepening of the Western Balkans. In this context, analysis and preparations have commenced for the development of regional Strategy for Financial Markets Diversification to Support Growth, namely through analysis and policy reforms proposals in the areas of: credit deepening, development finance, non-banking financial products, capital market, financial infrastructure and Fintech. This analytical work conducted by the World Bank Group will be finalised by the end of 2019, along with priorities to be included in the regional strategy and implemented through the forthcoming individual economy action plans. The latter will be a deliverable for the next Western Balkans Summit (Summer 2020). On the capital market side, practical guidelines for capital markets development have been outlined at one single economy example (Serbia) with an agreement from the rest of the region to replicate and adapt it to the rest of the Western Balkans economies, as per needs and specificities of each market.	

<i>Objectives</i>	<i>Actions</i>	<i>Time line</i>	<i>State of play at regional level</i>	<i>Scoring</i>
II.1.6. Smart Growth	<p>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 WB to ensure strategic structural investments and to build competitive advantage</p> <p>i) with the active participation of 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</p> <p>ii) with the active participation of business and research and innovation communities, engage with EU-wide work on digitalisation, to develop and implement digital growth strategies</p> <p>iii) develop easier access to finance for businesses, especially SMEs, start-ups and scale-ups</p>	2018	Done in the previous reporting period. During the 2019 reporting period, this priority has been taken over by the DG JRC, through an EU-funded programme, where the Western Balkans economies have made some progress in development of S3 strategies, but with considerable work remaining to be done.	3
III. Mobility				
III. 1. Mobility of Researchers				
III.1.1. Removal of obstacles to mobility of researchers	a. Identify legal barriers for open merit-based, competitive, international recruitment system and remove the identified legal barriers	2020	Initial study carried out. WB agreed to take actions at national level.	3.5
	b. Identify institutional barriers to mobility of researchers, including working conditions, recruitment systems and promotion criteria, and remove identified barriers	2020	Initial study carried out. WB agreed to take actions at national level.	
	c. Develop mechanisms and measures to support increased mobility of researchers from WB to EU within the existing mobility schemes (for instance Western Balkans Window within the MSC Actions)	2019	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. Furthermore, substantial efforts were placed on promotional activities at the national level by all economies. At regional level, following the conclusions of the meeting of the Western Balkans Working Group on Research and Development (R&D) that took place in Brussels on 13 June 2018, the ministries responsible for science of the Western Balkans Six, prepared and issued an initial statement on the Western Balkans participation in the Horizon Europe, a European Commission's € 100 billion worth prestigious research and innovation funding programme. A follow-up statement is planned for September 2019.	

<i>Objectives</i>	<i>Actions</i>	<i>Time line</i>	<i>State of play at regional level</i>	<i>Scoring</i>
	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	Several programmes to support mobility of researchers, including incoming mobility to the Western Balkans, have been developed. However, funding has not been secured.	
	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	Montenegro has adopted the Research Infrastructure Roadmap in 2015 and is currently in the process of revising it to align it with the new strategic framework for science; Serbia has completed and adopted the Research Infrastructure Roadmap in 2019; while the Republic of North Macedonia has formed a Working Group on Research Infrastructure Roadmap. Albania, Bosnia and Herzegovina and Kosovo* have not initiated the process of RI mapping. Furthermore, at the regional level, WB have agreed to launch a regional research cooperation hub to enable networking between researchers, including a regional research infrastructure map and complete and endorse a regional open access protocol to research infrastructure to ensure mobility and cooperation between researchers in the region.	
	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	Significant progress has been made in developing a regional centre of excellence, specifically in concrete steps taken to establish the South East European International Institute for Sustainable Technologies (SEEIIST). At the second SEEIIST Steering Committee meeting, held on 30 March 2018 in Tirana, a unanimous decision was taken to support the Hadron Cancer Therapy and Biomedical Research with Protons and Heavy Ions which were agreed as research focus of the Institute. Moreover, SC reached an agreement on a Draft Memorandum of Cooperation (MoC). Furthermore, SEEIIST received funding from Horizon 2020 for the design study – an important first step in operational establishment of the SEEIIST.	
	g. Strengthening the capacity of EURAXESS offices in the region and the implementation of Charter and Code principles and Seal of Excellence	Continuous	First regional meeting of the EURAXESS offices took place in 2018. Joint, regionally shared training needs have been identified through a mapping exercise. The first regional training based on the identified needs should take place in 2019.	
III.2. Mobility of Professionals				
III.2.1. Removal of obstacles to recognition of professional qualifications	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 negotiations on the Draft Agreement on Mutual Recognition of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers have been initiated on 19 th December 2018 when the first negotiations meeting took place.	2
	b. Conclude negotiations on mutual recognition agreements of professional qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers in a multilateral framework	2019	At the 7 th negotiations meeting held in Brussels on 14 th of June 2019 there was no consensus between the participants under which framework to continue the negotiations. As the conditions to continue the negotiations were not there, the negotiations were discontinued.	
	c. Establish the Database on Professional Qualifications and Mobility of Professionals in 2018 to be fully	2018	A proto-type of the Database on Regulated Professions in the Western Balkans fully aligned with the EU Database on Regulated Professions (in open source) and guidelines for entry of	

<i>Objectives</i>	<i>Actions</i>	<i>Time line</i>	<i>State of play at regional level</i>	<i>Scoring</i>
	operation by December 2019		data have been completed.	
	d. Database on Professional Qualifications and Mobility of Professionals fully operational	2019	Process of operationalising the Database has not been initiated.	
	e. Build capacity to facilitate the data and information collection for the Database on Professional Qualifications and Mobility of Professionals	Continuous	Process of operationalising the Database has not been initiated.	
	f. Explore possibilities to open negotiations and conclude mutual recognition agreements in other sectors and professions of mutual interest	2018-2020	Not initiated.	
III.3. Mobility of Students and Highly Skilled				
III.3.1. Removal of obstacles to recognition of academic qualifications	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	2018	The Working Group on Recognition of Academic Qualifications has prepared the text of the Declaration on Recognition of Higher Education Qualifications, which sets forward a model for automatic recognition of academic degrees and periods of study abroad from public higher education institutions, as well as automatic recognition of entry level qualifications for higher education.	4
	b. Adopt and implement a proposal on procedure for fast track recognition of higher education qualifications specifying criteria for fast track recognition in the region	2020	Declaration on Recognition of Higher Education Qualifications sets forward a model for automatic recognition of academic degrees and periods of study abroad from public higher education institutions, as well as automatic recognition of entry level qualifications for higher education. It furthermore sets forward commitments to develop recommendations for recognition of pre-Bologna degrees and third cycle academic degrees.	
	c. Establish an operational sub-regional network of ENIC/NARIC centres	2019	Regular meetings of the ENIC/NARIC centres took place in the framework of meetings of the Working Group on Recognition of Academic Qualifications. The ENIC/NARIC centres took active part in drafting the Declaration on Recognition of Higher Education Qualifications and are actively providing information for the joint platform on higher education, including the student friendly guidelines on recognition procedures for public use.	
	d. Develop a joint online system to share information, including on higher education institutions, qualifications and decisions taken, available to ENIC/NARIC centres and Ministries in the region	2020	The platform on higher education systems aimed at promoting opportunities to study in the Western Balkans, along with student friendly guidelines on recognition procedures for public use developed; Database of Quality Assured higher education institutions, fully aligned with the European Quality Assurance Register Database (DEQAR), developed as well as the joint information system aimed at swift exchange of information and collaboration between recognition bodies.	
	e. Strengthen cooperation and exchange of information between Quality Assurance Agencies in the region	Continuous	Regular meetings of the Quality Assurance Agencies have been initiated. Furthermore, the Declaration on Recognition of Higher Education Qualifications aims to strengthen further the	

<i>Objectives</i>	<i>Actions</i>	<i>Timeline</i>	<i>State of play at regional level</i>	<i>Scoring</i>
			cooperation on quality assurance systems by establishing a regional peer-to-peer evaluator's network in alignment with the European Standards and Guidelines for Quality Assurance in the European Higher Education Area and preparation of harmonised operational guidelines and procedures for external quality assurance.	
IV. Digital integration				
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	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	Continuous	Progress in transposing and aligning national legislation with the EU Broadband Cost Reduction Directive and development in broadband rollout is ongoing throughout the region. Broadband mapping has not yet been completed in all economies.	2,6
	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	2020	Western Balkans economies are working toward the establishment of the Broadband Competence Office (BCO). So far the BCO are established in Kosovo*, Serbia and the Republic of North Macedonia.	
	c. Establish regular exchange on business incentive models for rural and underserved areas and on the use of PPPs to address low connectivity	2018-onwards	Regulatory dialogue with BEREC has improved and regular ICT regulatory dialogue with the EU has been established and maintained. In addition, EU-WB ICT dialogue was held on 9 July 2019, back-to-back with the meeting of digital CCPs held on 10 July 2019.	
	d. Establish regional dialogue on commercialisation of spare fibre optic assets; identify and address legal and regulatory constraints and implement the agreed commercialisation model	2017-2020	Some progress has been noted on the regional interconnection and integration into pan-European GÉANT, although not complete in all economies.	
	e. Strengthen regulatory dialogue amongst all WB regulators, as part of BEREC	Continuous		
	f. Complete regional interconnection and integration into the pan-European GÉANT	2023		
IV.1.2 Harmonise spectrum policy to ensure timely and efficient availability and boost deployment of standardised 5G networks	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	Continuous	Regulatory and institutional frameworks that provide for efficient overall spectrum management are in place across the region. Progress is also noted in freeing up frequencies.	2
	b. Coordinate regional positions for the World Radio Conference (WRC), CEPT/ECO	Continuous	At regional level, Memorandum of Understanding on 5G has been signed among Serbia, Bulgaria and Greece, whilst some coordination efforts between Albania and the Republic of North Macedonia on spectrum harmonisation has been noted. Progress is noted in some economies on the digital switchover (DSO). Albania finalised DSO for the biggest regions, whereas Bosnia and Herzegovina successfully completed the 1 st phase of DSO with DVB-T2 standard adopted. In addition, progress in preparations for 5G has been noted in some of the economies.	

<i>Objectives</i>	<i>Actions</i>	<i>Time line</i>	<i>State of play at regional level</i>	<i>Scoring</i>
			The meeting of the spectrum policy coordination and harmonisation in Western Balkans was held on 27 June 2019, back-to-back with ITU Regional Radiocommunication Seminar 2019 for Europe (RRS-19-Europe) held on 24-27 June 2019 in Tirana.	
IV. 1.3 Coordinate roaming policies towards a roaming free economic area	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	2018	The Agreement “On the price reduction of the roaming services in public mobile communication networks in the Western Balkans region” (RRA2) was signed on 4 April 2019, in Belgrade with the final aim to introduce Roam Like At Home (RLAH) regime by 1 July 2021. With the aim to support RRA2 smooth implementation several meetings were organised (i.e. 13 May 2019 to address all needs connected with RRA2 implementation, Coordination Body meetings to align implementing Regulators held on 21 May 2019 and 31 May 2019)	3.75
	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	Continuous		
	c. Assess impact of abolishment of roaming charges in the EU on WB in a regional position paper	2018	In addition to the above and to support implementation of roaming regulation and RRA2 WB Regulators have committed to put in place a monitoring mechanism of roaming traffic and prices similar to the one conducted by BEREC in the EU/EEA, known as the International Roaming Benchmark BEREC Data Report. This monitoring exercise will support WB to (i) assess the evolution of the roaming market both at retail and wholesale level in the whole region, (ii) monitor the RRA implementation, and (iii) monitor the evolution of roaming prices between the EU and the WB region. MoU between the Ministry of Information Society and Administration of the Republic of North Macedonia and the Ministry of Digital Policies, Telecommunications and Media of the Republic of Greece was signed on 19 February 2019 with the aim to reduce prices when citizens are roaming in the neighbouring economy’s operators at the level of EU Roaming III Regulation within a period of three years.	N/A
IV.2.Trust and security in digital services				
IV.2.1. Enhance cybersecurity, trust services and data protection	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	Progress is recorded in all economies in the area of cybersecurity, in particular in preparing strategic documents and transposing the EU respective acquis. Hence, legislative harmonisation to comply with EU NIS Directive has progressed throughout the region.	2.6
	b. Identify and ensure protection of critical IT infrastructures	Continuous	Good development is recorded in the recognition of trusted services - Serbia and Montenegro have signed Agreement on mutual recognition of qualified trust services in April 2019.	
	c. Set up regional dialogue and information exchange platform amongst WB CSIRTs (Computer Security Incident Response Teams), advance CSIRTs’ capacities	Continuous	Despite the lack of capacities, all WB have established Computer Security Incident Response Teams (CSIRTs). WB CSIRTs have organised training at national level based on the needs	

<i>Objectives</i>	<i>Actions</i>	<i>Timeline</i>	<i>State of play at regional level</i>	<i>Scoring</i>
	and strengthen institutional links with EU CSIRTs		and specific situation of each CSIRT, while many regional events and conferences have been organised or planned both at regional and national level.	
	d. Establish regional dialogue and information exchange platform amongst authorities in charge of Network and Information Security (NIS)	Continuous	Exchange of information on cyber threats has gained great attention in the Western Balkans. Efforts have been invested in each economy, but a regional approach to ensure regular exchange of information on cyber incidents is needed.	
IV.3. Digital economy and society, Inclusive digital society				
IV.3.1. Develop and strengthen supply of digital skills	a. Initiate regional cooperation on certified re/qualification digital skills programmes	2018	Dedicated strategies for digital skills are not yet in place in the WB with the exception of Serbia where a strategy is at final stage of approval. However, scaled-up regional interventions on digital literacy and skills do exist. The British Council initiative: 21 st Century Schools in the WB programme aims to improve digital skills and perspectives for young people in the region. Some of WB economies are engaged in several initiatives and programmes dedicated to digital skills at the national level. In addition, several events have been organised in some of the economies (i.e. All digital week and the International Day of Girls in ICT in Montenegro; the Conference DIGITALKS, 11-12 October 2018 in Pristina)	2.1
	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 WB and EU	2018		
	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	2018		
IV.4. Digitisation, Data economy, Standards and Interoperability, Innovation				
IV.4.1. Promote uptake of Smart Technologies and Accelerate Digitisation	a. Set up regional cooperative dialogue on digital transformation challenges and prospects in WB	2017	The 2 nd Digital Summit was held in Belgrade on 4-5 April 2019 and contributed to the following aspects of digital transformation: roaming free region by July 2021, the mutual recognition process for trusted services, actions to build the resilience to cyber-attacks and step up the region's cybersecurity capacity, the regional platform for exchange of information between WB, deployment of high capacity digital networks and establishment of Broadband Competence Offices (BCO), digital skills needs, better absorption of funds under Western Balkans Investment Framework (WBIF), etc.	N/A
	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			
	ii. Organise annual regional WB Digital Summits so as to contribute to a continuous dialogue amongst WB authorities, non-governmental organisations, companies, chambers, and academia	2018-onwards	The Digital Summit 2020 will be held in Albania.	3

<i>Objectives</i>	<i>Actions</i>	<i>Timeline</i>	<i>State of play at regional level</i>	<i>Scoring</i>
	b. Foster Data economy (Big Data, Open Data and Open Government): i. Support an open data region and improve quality of open data portals through regional cooperation and best practice exchange	Continuous	Progress is noted in all WB economies, in particular with respect to harmonising the legislation with EU acquis connected with interoperability as well as to its enforcement and preparation of other strategic documents supporting digital transformation. All WB economies have adopted e-authentication frameworks and made progress in improving their e-authentication schemes, harmonising domestic legislation with eIDAS regulation, etc.	
	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	Continuous	With respect to Data Economy and work under Open Government Partnership (OGP) initiative as well as central portals for open data, upgrade of existing portals and other IT tools has been noticed in some economies whilst in other a new portal for open data has been launched.	
	c. Align standards, complement interoperability frameworks and introduce a pan-European dimension, in line with EIF: i. Coordinate regional activities on interoperability standards and facilitate development of standards and interoperability initiatives	Continuous	Progress has been noted in strengthening regional coordination on the use, exchange and safe and reliable flow, access and transfer of data. Kosovo*, Albania and the Republic of North Macedonia have committed to the Regional Research and Development Cloud (RRDC), aiming to gather and collect open data coming from the three economies and enabling students, young people, start-ups and businesses to access them. The project includes an IoT Platform and smart city cases.	
	d. Foster cooperation amongst digital hubs: a. i. Facilitate Business Investments in research and Innovation and in the Creation of Start-Ups	Continuous	Across the region there are several digital hubs and innovation parks. Establishment of Digital Innovation Hubs (DIH) as one-stop-shops will help companies to become more competitive with regard to their business/production processes, products or services using digital technologies. Cooperation with EU DIHs should be reinforced.	
	ii. Pilot regional cooperation (“twinning”) initiatives amongst technology/innovation parks and assess demand and prospects for establishment of regional digital Innovation hubs.	2018-onwards		