



RegionalCooperationCouncil



MULTI-ANNUAL ACTION PLAN FOR A REGIONAL ECONOMIC AREA (REA)

Economies at a Glance:
State of Play and Way Forward



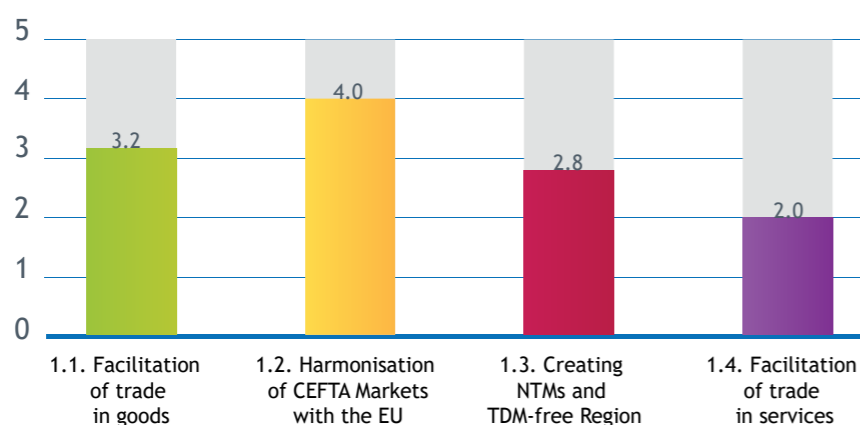
June 2018

ACHIEVED DELIVERABLES AT REGIONAL LEVEL

Trade

1. Entry into force of CEFTA Additional Protocol 5 on trade facilitation;
2. Agreement to launch negotiations on a trade dispute settlement mechanism - Additional Protocol 7; and
3. Operationalised CEFTA Trade Statistics portal.

Trade - state of play at objective level in WB6

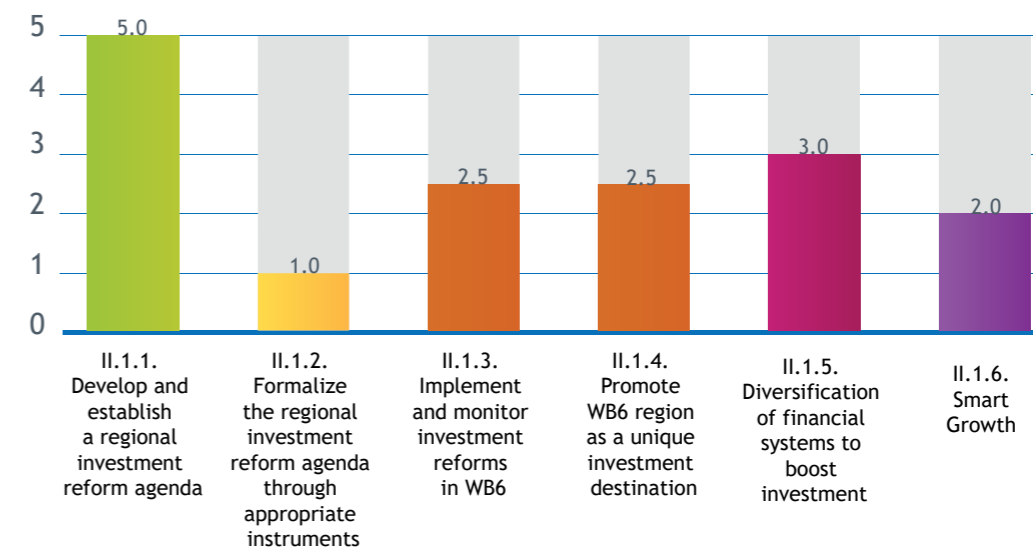


The input for the Trade is provided by the CEFTA Secretariat

Investment

1. Endorsed Regional Investment Reform Agenda including a set of policy areas to be subject to reform and joint/regional investment promotion agenda; Reaffirmed mandate of the regional working mechanism on RIRA;
2. Launched online Investment Platform aiming at joint regional investment promotion;
3. Established regional capital markets platform and developed regional programme for diversification of capital markets; and
4. Advanced preparation of Smart Specialization (S3) strategies: S3 working platforms established & S3 Roadmaps drafted.

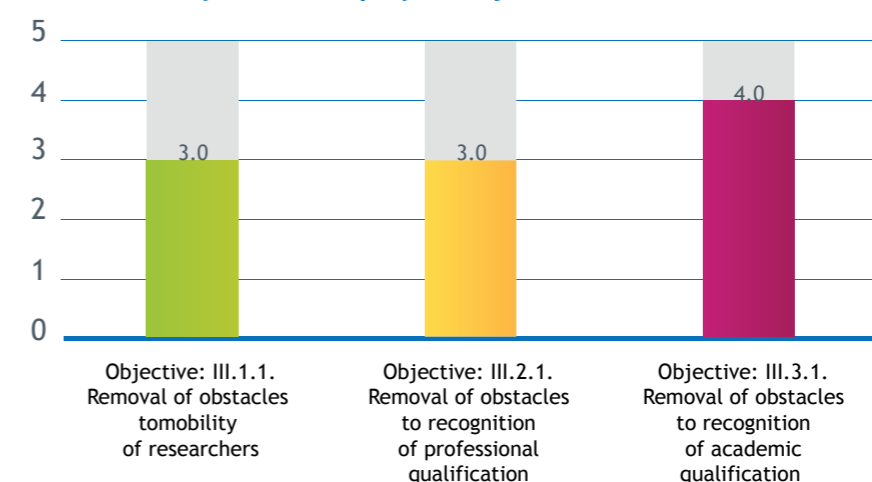
Investment - state of play at objective level in WB6



Mobility

1. Agreement to open negotiations on a Mutual Recognition Agreement (MRA) on Professional Qualifications for selected professions;
2. Principles for the Model of Automatic Recognition of Academic Qualifications in WB6 endorsed by the Ministers responsible for Higher Education at the Ministerial meeting of the Western Balkan Platform on Education and Training;
3. Joint Exercise on Recognition of Academic Qualifications in implementation;
4. Established network of WB6 ENIC/NARIC and Quality Assurance Agencies;
5. Joint WB6 position on Horizon Europe prepared;
6. Established network of EURAXESS centres in WB6 and operational plan on raising capacities of EURAXESS in WB6 agreed; and
7. WB6 integrated in EU initiatives on R&D and Open Science policies (EU Report on Open Science for the first time includes the WB6).

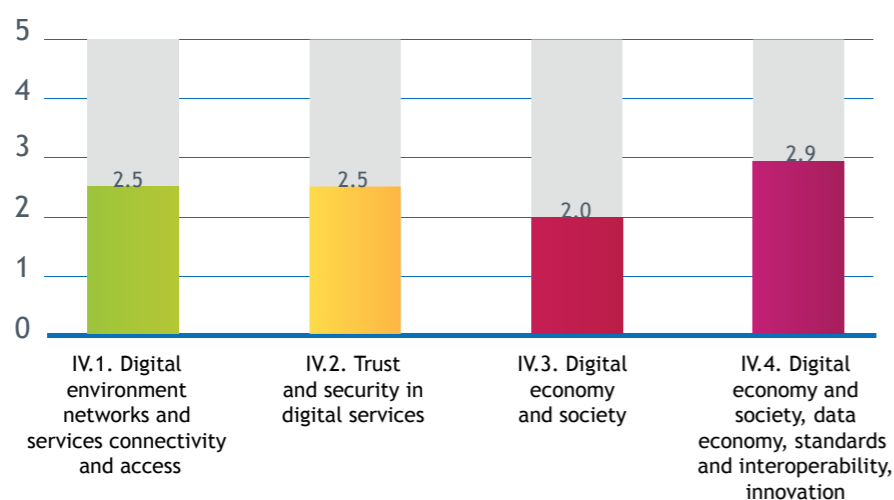
Mobility - state of play at objective level in WB6



Digital Integration

1. Digital Agenda for Western Balkans launched;
2. Structured High-level regional political dialogue on digital transformation of WB is established - based on full WB ownership and government-industry collaboration;
3. Agreement to continue the processes of lowering the roaming costs for the full coverage of consumers in the WB region and support the implementation of a Roadmap to facilitate lowering roaming WB-EU;
4. Strengthened cybersecurity capacities and extended capacity building to CSIRTs network;
5. Annual ICT regulatory dialogue WB - EC launched;
6. WB increasingly integrated in EU digital frameworks, including Broadband Competence Office, Digital cross-border traineeship initiative; EU's Code Week;
7. Substantial technical assistance package for identification of potential digital investments launched through WBIF/IPA; and
8. Scaled-up regional interventions on digital literacy and skills.

Digital Integration - state of play at objective level in WB6



NEXT DELIVERABLES AND MILESTONES AT REGIONAL LEVEL



Trade:

- All Parties have ratified the AP 5 (I.1.2.b);
- The Statistical Portal is fully populated (I.4.1. h);
- The AP 6 is adopted by Parties (I.4.1.a.);
- The negotiations on the AP7 have well progressed (I.1.1.a);
- The time frame for joint risk Strategy is prepared (I.1.4.a);
- The Mutual recognition on AEOs is Adopted by the Joint Committee (I.1.2.a);
- eCommerce barriers in CEFTA are identified (I.4.4.a)

Investment:

- RIRA implementation in place through individual-economy action plans (II.1.1. d & e); RIRA impact assessment (II.1.3.d & e);
- RIRA promotion to private sector intensified, as well as targeted investors outreach in priority sectors, promoting the WB6 as unique investment destination (II.1.4. a & b & c);
- Potential instrument for RIRA proposed (II.1.2. a & b & c);
- Capital markets regional strategy developed and endorsed (II.1.5. a & b)

Mobility

- Advanced stage of Negotiations on MRA (III.2.1. b);
- Agreed model for Recognition of Academic Qualifications, Joint Information System to facilitate Recognition of Academic Qualifications launched and completed joint exercise on Recognition of Academic Qualifications (III.2.2.a., b., c., d.);
- Joint Guides on Recognition of Academic Qualifications drafted (III.2.2.a.,b.,c.);
- Raised capacities of regionally networked EURAXESS centres (III.1.1.g.);
- Joint Guides to address Open Access to Research Results and Data prepared (II.1.6.; III.1.1.e.)

Digital Integration

- Maintained high-level regional dialogue on digital transformation of WB-WB DS 2019 (IV.4.1.a);
- Lowered roaming costs for full coverage of WB6 consumers and implementation of WB-EU Roaming Roadmap (IV.3.1);
- Advanced Implementation of WB DA;
- Strengthened cybersecurity capacities and information exchange (IV.2.1.c & d);
- Sustained regular ICT regulatory dialogue between WB-EC (IV.1.1.e)



FUTURE STEP HIGHLIGHTS



TRADE

Advance with implementation of AP5 and build capacities of customs administration



INVESTMENT

Adopt relevant bylaws, policies and strengthen cooperation



MOBILITY

Align Quality Assurance System with the European Standards and Guidelines



DIGITAL INTEGRATION

Finalize digital switchover and advance in broadband mapping

TRADE



State of play and summary of progress: Additional Protocol 5 (AP5) has been ratified on April 5th 2018; Albania has adopted the Decision of Council of Ministers no. 651, dated 10.11.2017 “For implementing provisions of law no. 102/2014, “Customs Code of the Republic of Albania”, that is fully in line with the requirements of AP 5; The legal base for Authorized Economic Operator (AEO) is fully aligned with EU AEO Program. Albania lacks customs equipment, facilities and resources for the implementation of AP 5 in areas of risk management, joint border controls, one stop shop, etc. The mandate of the National Trade Facilitation Committee (NTCF) covers trade facilitation and trade policy making process, and therefore all trade related measures will be coordinated and monitored by the NTFC.

Albania has aligned its domestic legislation with the EU Regulation 765/2008, defining the requirements for accreditation and market surveillance relating to the marketing of products. The amendments of the Public Procurement Rules were adopted in December 2017 and the State Aid Report for 2017 will be adopted by mid-2018. The transposition of the Services Directive - partially compliant - is completed and the law no. 66/2016 “On services in the Republic of Albania” is in force from December 2016 providing the basis for the sectorial harmonization in this regard.

Next steps:

- Developing the internal coordination system and providing financial and capacity building related to IT services as required for SEED+ implementation on the national level;
- Capacity building for the implementation of the new Customs Code; and
- Nominating negotiation team and adopting the draft text for the negotiations of AP 7.

INVESTMENT



State of play and summary of progress: Investment policy legal framework is still under preparation, which needs to be properly enacted so as to demonstrate credible implementation track record. There is a strong need for strengthening the institutional capacities in charge of investment agenda. Albania has achieved some progress in smart growth by adopting the national Strategy on Scientific Research, Technology and Innovation for the period 2017-2020. Albania also started the process of developing a Smart Specialisation Strategy (S3) by establishing a coordinating structure and preparing the first draft of the S3 Roadmap in April 2018. Four funds: Competitiveness Fund, Innovation Fund, Star-up Fund and the Creative Economy Fund are being implemented from 2014 to support Albanian SMEs to increase their competitiveness.

Next steps:

- Adopting the unified Law on Investment and completing and adopting pertinent bylaws, considering the relevance for implementation of all recommendations provided by UNCTAD’s Investment Policy Review Report;
- Establishing an inter-institutional working group for investment policy agenda;
- Establishing the national platform for Investor-State Dispute Settlement mediation and prevention mechanisms;
- Strengthening cooperation among financial market institutions, namely Bank of Albania (BoA), Ministry of Finance and Economy (MoFE), Albanian Financial Supervisory Authority (AFSA) and the newly established Albanian Stock Exchange;
- Promoting a fully functional Foreign Investors Grievances Mechanism; and
- Mobilising resources needed for the preparation of Smart Specialisation Strategy (S3).

MOBILITY



State of play and summary of progress: Albania has achieved some progress in removing obstacles to mobility of researchers by completing an analysis of the existing barriers to mobility and has taken steps to facilitate incoming mobility by preparing an online mobility guide. There is still a need to increase efforts to promote and support mobility of researchers and continue efforts to map the R&D infrastructure. Some progress has been made regarding the removal of obstacles to Recognition of Professional Qualifications - Albania has established a working group led by Ministry of Education, Sports and Youth to amend the current legislation on regulated professions and approximate it with the Directive on Professional Qualifications. Albania needs to build capacities of line Ministries regarding recognition of professional qualifications and finalise the amendments to the Law on Regulated Professions. Good progress was achieved in removing obstacles to Recognition of Academic Qualifications, in particular with regards to shortening the administrative procedures and introducing an online recognition system.

Next steps:

- Identifying national and institutional measures to increase capacity of researchers to compete in the Marie Curie Sklodowska mobility actions and to ensure greater participation and success rates in Horizon 2020;
- Completing the mapping of R&D infrastructure;
- Continuing to strengthen the capacity of the National Agency for Scientific Research and Innovation;
- Stepping up efforts on transposition of the Directive on Professional Qualifications and building institutional capacity of all relevant Ministries on Recognition of Professional Qualifications; and
- Investing additional efforts to ensure independence of QA and accreditation bodies and alignment with the European Standards and Guidelines (ESGs).

DIGITAL INTEGRATION



State of play and summary of progress: Overall moderate preparedness in the digital integration, with more pronounced need for strengthening efforts on completing digital switchover - it is expected that 70% of the population will be covered with digital services by mid 2018; some progress is made in updating the Atlas of broadband infrastructure to support addressing the low fixed broadband penetration levels; there is some progress in the process of adoption of the secondary legislation stemming from the new law on the development of high-speed electronic communication networks, with public consultation phase completed. On spectrum harmonisation, the National Allocation Table in line with the final acts of WRC-15 and with ECA has been adopted. Albania has completed internal procedures to join the Regional Roaming Agreement and consulted with operators all aspects therein. A prefeasibility study on broadband development supported by UNDP covering four regions and 13 municipalities has been prepared. Albania has applied to WBIF for TA to undertake a fully-fledged feasibility study, cost analysis and plan for broadband development.

Next steps:

- Adopting bylaws foreseen by the Law No. 120/2016;
- Developing a Feasibility Study on Broadband Development (other than the current pilots) - to be finalised during 2018;
- Amending the Law on Electronic Communications in order to set ground for roaming prices regulation;
- Completing the broadband mapping;
- Finalising the digital switchover;
- Considering participation in regional initiatives on spectrum harmonisation and signing bilateral agreements;
- Developing programmes to increase capacities of CSIRTs; and
- Continuing processes for reducing roaming cost for full coverage of WB6 citizens and for implementing the Roadmap for reducing roaming costs between WB and EU.

BOSNIA AND HERZEGOVINA



FUTURE STEP HIGHLIGHTS



TRADE

Adopt bylaws related to new Customs Policy Law



INVESTMENT

Improve existing legislation on investments, including IIAs and BITs network



MOBILITY

Build capacity for recognition of professional qualifications



DIGITAL INTEGRATION

Develop new law on Electronic Communications and advance with digital switchover

TRADE



State of play and summary of progress: The Additional Protocol 5 (AP5) was ratified by Bosnia and Herzegovina and the National Trade Facilitation Committee was established. Bosnia and Herzegovina has completed the incorporation of its trade data into the CEFTA Statistical Portal.

Next steps:

- Adopting bylaws related to the new Customs Policy Law in order to be able to implement AP 5;
- Completing internal administrative procedure and publishing the Decision 3/2015 in the Official Gazette;
- Nominating negotiation team and adopting the draft text for the negotiations of AP 7;
- Completing the ratification procedure of AP 6 when adopted by all CEFTA Parties; and
- Adopting the Decision on establishing four National Working Groups on CEFTA SCs by the Council of Ministers in accordance with the CEFTA Decision 1/2015.

INVESTMENT



State of play and summary of progress: Investment policy and legal framework is in place. Nevertheless there is a need for improvement in terms of ensuring its proper and timely implementation. Financial market is functional, with relevant institutions in place and operational. However, consolidation of financial market through coordination of stock exchanges and securities commissions of both entities is needed. Some progress was made in smart growth by adopting the Revised Scientific Strategy for the period 2017-2022. Furthermore, Bosnia and Herzegovina initiated preparations for the S3 strategy and is in its early stage.

Next steps:

- Improving the existing legislation on investments (Law on FDI);
- Increasing the capacity of Investment Promotion Agency;
- Improving the existing IIAs and BITs framework by including international reform oriented standards and provisions pertinent to the EU investment policy reflected in IIAs/BITs;
- Increasing the capacity for arbitrary processes and further enhancing platforms for Investor-State Dispute Settlement mediation and prevention mechanisms;
- Improving coordination of implementation of the investment agenda with relevant institutions;
- Increasing coordination of market regulators and operators;
- Improving financial market services via existing operators; and
- Establishing the Working Group on Smart Specialisation Strategy (S3).

MOBILITY



State of play and summary of progress: Bosnia and Herzegovina has achieved some progress in mobility of researchers with activities on establishment of the registry of third-country nationals for the purposes of research, studies, training, schemes or educational projects. Bosnia and Herzegovina also distributes annual grants to support research and academic institutions, SMEs and other R&D institutions for preparing and submitting H2020, COST and EUREKA applications. It needs to further its efforts to develop incentives to promote and support mobility of researchers and initiate efforts for mapping the R&D infrastructure. Early progress has been made in removal of obstacles to Recognition of Professional Qualifications, several activities through EU funds were undertaken to approximate with the EU Directive on Regulated Professions, however there is a need to continue building capacities of line Ministries and professional Chambers on recognition of professional qualifications. Bosnia and Herzegovina made good progress in removing obstacles to Recognition of Academic Qualifications, as a general legal and institutional framework for the recognition of foreign higher education documents / qualifications is established and efforts have been made to establish cooperation between the competent bodies for recognition.

Next steps:

- Continuing and expanding national measures to increase capacity to compete in the Marie Curie Sklodowska mobility actions and to ensure greater participation and success rates in Horizon 2020;
- Initiating the R&D infrastructure mapping;
- Supporting the creation of inter-ministerial working group, intensify the work on drafting the horizontal law and the list of currently regulated professions; and
- Supporting the capacity building in recognition of professional qualifications.

DIGITAL INTEGRATION



State of play and summary of progress: Early level of preparedness, with more pronounced need for strengthening efforts on completing digital switchover. The draft Broadband Strategy is prepared and the public consultations are ongoing. There is limited progress in broadband mapping - the process re-started and collection of data is in progress. On Electronic Communication and Electronic Media Law, the interinstitutional working group has been established and drafting is in progress. Some progress has been made in data economy with the Interoperability Framework adopted; still there is a need to address the low fixed broadband penetration levels, adopt the secondary legislation stemming from the new law on the development of high-speed electronic communication networks and advance in spectrum harmonisation.

Next steps:

- Developing a new Law on Electronic Communications and Electronic Media;
- Finalising the digital switchover;
- Completing the broadband mapping;
- Adopting a Cybersecurity Strategy and a Cybersecurity Law;
- Drafting a Law on the protection of critical IT infrastructure;
- Drafting a new Law on electronic identification and trust services for electronic transactions in the internal market instead of the old e-Signature legislation from 2006;
- Increasing capacities of CSIRTs;
- Establishing NERN at state and entity levels;
- Strengthening efforts in promoting smart technologies and accelerating digitalisation; and
- Continuing processes for reducing roaming cost for full coverage of WB6 citizens and for implementing the Roadmap for reducing roaming costs between WB and EU.



TRADE



State of play and summary of progress: Implementation of Additional Protocol 5 requires amendments of legislation. These changes would need to be assisted and followed by the capacity building through the assistance in drafting of legislation and training of public authorities in charge of the implementation of the legislation.

Kosovo* already has a new Law on Services No. 05 / L-130, which entered into force since March 2017. This Law stipulates additional obligations for the harmonization of all legal acts and bylaws with this Law. In preparation for implementation of Additional Protocol 6 Kosovo* has adopted the Administrative Instruction for the Point of Single Contact for Services.

Kosovo* does not have experience with the Dispute Settlement and the planned negotiations on the CEFTA Dispute Resolution Mechanism would need additional technical assistance.

Next steps:

- Ratifying AP 5 and CEFTA Decision 3/2015;
- Adopting AP6;
- Adjusting Customs Law and Regulation on Customs Procedure; and
- Nominating negotiation team and adopting the draft text for the negotiations of AP 7.

INVESTMENT



State of play and summary of progress: Investment policy and pertinent legal framework is in place, but in need of further improvement, with particular focus on International Investment Agreements. Law on Strategic Investments and relevant normative acts have been adopted and are being implemented. A national platform as an official body would be useful so as to coordinate with all line ministries on the effective implementation of the investment agenda. Financial market is underdeveloped, with missing legislation, authority and operator(s). Some progress has been made in smart growth with the national programme for research in place, the new Law on Innovation and Technology Transfer in parliamentary procedure and a new National Strategy for Innovation drafted. The newly established Ministry of Innovation and Entrepreneurship, in early 2018, aims to adopt the Law on Innovation and Entrepreneurship and will also work on drafting and adoption of secondary legislation deriving from this Law, including establishing the National Innovation and Entrepreneurship Council and inter-ministerial mechanisms in the field of innovation. Furthermore, work on the development of smart specialisation strategy has been initiated.

Next steps:

- Improving capacity of Investment Promotion Agency;
- Improving and amending legislation pertinent to economic zones;
- Establishing a national body for coordination and effective implementation of investment reform agenda, including relevant line ministries;
- Establishing coordination of financial markets by improving and adopting relevant legislation and setting body/institution in charge of financial market, as well as operator (stock exchange);
- Ensuring capacity building and expertise, as well as administrative support to the Ministry of Innovation and Entrepreneurship, and effective support in the implementation of Innovation Strategy; and
- Raising awareness and expediting the establishment of governance structure to start the development of Smart Specialisation Strategy (S3).

FUTURE STEP HIGHLIGHTS



TRADE

Ratify AP5 and adjust Customs law and Customs procedures



INVESTMENT

Establish coordination of financial markets and setting the relevant legislation framework



MOBILITY

Ensure independence of Quality Assurance Agency and full alignment with the EU Standards and Guidelines



DIGITAL INTEGRATION

Implement digital switchover and expedite NIS Directive transposition

**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*

MOBILITY



State of play and summary of progress: Kosovo* has made some good progress in mobility of researchers with a number of mobility grants for researchers provided and the new Office for Sponsored Programmes and Research established at the University of Pristina. There is also a slight increase compared to previous years in Horizon 2020 participation and a first researcher from Kosovo* obtained Marie Skłodowska-Curie grant last year. Kosovo* is still at an early stage of removal of obstacles to Recognition of Professional Qualifications, the Law on Regulated Professions is largely aligned with the EU acquis with a need to focus efforts on developing necessary structures and the rules for recognition of professional qualifications to facilitate cross-border movement of professionals. There is good progress in removal of obstacles to Recognition of Academic Qualifications, with a need to create opportunities for ENIC/NARIC centre to network with European ENIC/NARIC centres, as it is not part of the existing European network.

Next steps:

- Implementing the national measures aimed at increased capacity of researchers to compete in the Marie Curie Skłodowska mobility actions and to ensure greater participation and success rates in Horizon 2020, as identified also in the Kosovo* ERP 2018-2020;
- Initiating the R&D infrastructure mapping;
- Building capacity on recognition of professional qualifications and stepping up efforts to establish the State Examination Agency and State Council for the Regulated Professions as provided for in the national legislation;
- Investing additional efforts to ensure the autonomy and independent operation of quality assurance mechanisms and accreditation bodies and alignment with the ESGs; and
- Supporting capacity building and networking of the ENIC/NARIC office with the ENIC/NARIC offices in the region and Europe. Developing an IT support system for ENIC/NARIC office.

DIGITAL INTEGRATION



State of play and summary of progress: Early level of preparedness with varied progress in different areas of digital integration; good progress in extending the broadband infrastructure with pilot projects launched in 4 regions and contract signed with 3 new pilots launched; some progress in relation to the transposition of the Broadband Cost Reduction Directive, with the first draft of the law prepared; some progress to date in the alignment with the Network and Information Security Directive - the Concept Document prepared and approval by the Government expected in autumn 2018; the progress in the implementation of the digital switchover is limited and effort to join GÉANT and develop the interoperability platform is needed.

Next steps:

- Implementing the Digital Switchover Strategy (due since June 2015);
- Adopting the Law transposing EU Directive 2014/61 in 2018;
- Advancing with the development of Electronic Atlas on Broadband Telecommunication Infrastructure with maps of Infrastructure, Services and Investments;
- Completing the broadband mapping;
- Advancing in the transposition of the Network and Information Security Directive (NIS);
- Increasing capacities of CSIRTs;
- Joining GÉANT network;
- Developing a central interoperability platform;
- Joining the Open Government Partnership initiative;
- Starting the implementation of the project for rural broadband infrastructure development, through the World Bank loan; and
- Continuing processes for reducing roaming cost for full coverage of WB6 citizens and for implementing the Roadmap for reducing roaming costs between WB and EU.

MONTENEGRO



FUTURE STEP HIGHLIGHTS



TRADE
Adjust customs legislation related to AEO



INVESTMENT
Develop Investment Promotion Strategy



MOBILITY
Build capacity of professional bodies for recognition of professional qualifications



DIGITAL INTEGRATION
Complete broadband mapping and expedite identification of IT critical infrastructure

TRADE



State of play and summary of progress: For the implementation of the measures that are related to AP 5 Montenegro would need amendments of the legislation. These changes would need to be assisted and followed by the capacity building through the assistance in the drafting of the legislation and the training of the public authorities in charge of the implementation of the legislation. Some training needs to be provided to the private sector in order to facilitate the implementation of the measures with the concrete results for the economy (e.g. AEO).

Current legal framework of the Program of Authorized Economic Operators (AEO) is compliant with EU legislation; National AEO Expert in CEFTA AEO network is appointed. Customs Administration of Montenegro will undertake all necessary activities within its jurisdiction for adoption of Implementing Provisions for Mutual Recognition of Authorized Economic Programme by the end of 2018.

Diagonal SAP+ cumulation of origin with trade partners in the PEM zone (CEFTA Parties, EU, Turkey and EFTA States) is effectively implemented.

Montenegro is ready for the adoption of the AP 6; once adopted it will mostly require administrative measures. The needs for assistance in this area would concentrate more on the capacity building of the authorities to implement the AP 6.

Next steps:

- Signing MoU among national authorities on the exchange of data related to border documents;
- Adjusting customs legislation related to the AEO; and
- Nominating the negotiation team and adopting the draft text for the negotiations of AP 7.

INVESTMENT



State of play and summary of progress: Investment policy legal framework is mostly in place, with e-procedures portal established with information for all administrative procedures for starting a business. Yet, there is no Investment Promotion Strategy while the Investment Promotion Agency is understaffed - in need for strengthening and with the Secretariat for Development Projects assuming part of responsibilities. Network of Bilateral Investment Treaties exists and is in force, however with certain outdated provisions, which need improvement. Investment legislative framework can be subject to further improvements, particularly on aspects related to modernising the network of bilateral investment treaties, investor-state disputes settlements and developing national strategic plans for investments. Stronger coordination is necessary, so as to intensively involve line ministries in effective implementation of the investment reform agenda. Montenegro has made significant progress in smart growth, by adopting the Strategy on Scientific Research Activity (2017-2021) and the Smart Specialisation Strategy (S3) to be completed by the end of 2018. Within the S3 development, Montenegro started with Entrepreneurial Discovery Process (EDP) and is now holding the second round of consultations with private, public, academic and civil sectors regarding S3 priority sectors. The Ministry of Science implemented the Pilot Call on Innovative Projects with the call for larger innovative grants for 2018-2020 to be launched soon. Furthermore, pertinent steps on improvement of the innovative capabilities of SMEs in the manufacturing industry through encouraging the use of consulting services have been taken. Capacity building efforts are under way to enable better success rates for scale-ups and innovative SMEs covered by the Horizon 2020 application process, in particular the SME Instrument of Horizon 2020 programme. On financial markets, the new Law on Capital Markets has been adopted, with stronger compliance with EU acquis which sets the basis for further alignment with implementing directives and regulatory technical standards.

Next steps:

- Developing and adopting an investment promotion strategy;
- Increasing capacity of the Investment Promotion Agency, so as to be fully equipped, staffed and functional;
- Raising awareness about the importance of developing the investor-prevention mechanism through involving intermediaries in solving potential disputes;
- Developing a centralised system for Investor-State Dispute Settlement (ISDS);
- Revising BITs to be in compliance with the modern models of the agreements;
- Setting up a coordination mechanism on a national level, for effective implementation of investment reform agenda; and
- Finalising the Smart Specialisation Strategy (S3).

MOBILITY



State of play and summary of progress: Montenegro has made very good progress in mobility of researchers; participatory capacities of applicants, i.e. success rates, have improved and are close to the European average. Training was provided to improve the development of project proposals and the H2020 National Office and its internal structures were re-organised, accompanied by wide awareness raising measures targeted at the academic community. Montenegro is in an advanced stage of progress in both removal of obstacles to Recognition of Professional Qualifications and Recognition of Academic qualifications. The Law on recognition of professional qualifications for pursuing of regulated professions in line with the EU acquis is to be adopted within 2018. On Recognition of Academic Qualifications the existing regulation is aligned with the Lisbon Recognition Convention and Montenegro is in the process of developing appropriate database of recognition decisions with a clear overview of all application classifications which will be useful for the joint regional online system.

Next steps:

- Identifying further tailor-made measures to increase capacity of researchers to compete in the Marie Curie Sklodowska mobility actions and to ensure greater participation and success rates in Horizon 2020;
- Coordinating initiatives to ensure synergy and multiplying effects (e.g. development of R&D infrastructure to align with S3);
- Continuing to build capacities of line Ministries and professional qualification bodies with regards to the recognition of professional qualifications; and
- Ensuring alignment with European Standards and Guidelines for Quality Assurance in functioning of newly established quality assurance bodies envisaged in the recently adopted legislation on HE (Agency for Control and QA of HE, Council for Higher Education).

DIGITAL INTEGRATION



State of play and summary of progress: Overall moderate progress towards digital transformation in trust services; a draft Law on access and installation of high-speed electronic communications networks is prepared; Montenegro started the process of mapping in 2017 and good advancement is expected by the end of 2018; good progress is noted in adopting the bylaws for the law on e-signature, development of Open Data Portal, adoption of cyber security strategy, action plans for Information Society Strategy and implementation of the Regional Roaming Agreement; there is some progress in harmonising spectrum policy, introduction of 5G - speeds for 5G prepared; there is progress in IT critical infrastructure identification - process started and expected to be completed later.

Next steps:

- Advancing with the adoption of the Law on Access and Implementation of High-speed Electronic Communications aligned with EU Directive 2014/61;
- Adopting the new Law on Public Private Partnership;
- Completing broadband mapping and speeding up the broadband access to citizens;
- Increasing capacities of CSIRTs;
- Implementing the Law on electronic identification and e-signature;
- Expediting the identification of Critical Information Infrastructure Protection;
- Considering the establishment of a Council for Information Society at national level;
- Strengthening efforts in promoting smart technologies and accelerating digitalisation;
- Updating e-government regulation and procedures; and
- Continuing processes for reducing roaming cost for full coverage of WB6 citizens and for implementing the Roadmap for reducing roaming costs between WB and EU.



TRADE



State of play and summary of progress: The Government of Serbia has adopted the draft law on Ratification of Additional Protocol 5 (AP5) and the Decision 3/2015 on Amendments to the Decision of the CEFTA Joint Committee 3/2013 allowing for application of full cumulation and duty drawback in CEFTA and methods of administrative cooperation. This draft Law has been sent to the Parliamentary procedure. There is a lack of resources, facilities and border control equipment. Moreover, hardware would be necessary in order to fulfill the commitments related to the SEED+ Project. Serbia is actively working on the implementation of SAP + and the National Trade Facilitation Committee was established.

Next steps:

- Ratifying AP 5 and CEFTA Decision 3/2015;
- Adopting AP6;
- Adjusting the Customs Law and Regulation on Customs Procedures;
- Capacity building for the implementation of CEFTA and Trade Component of MAP REA; and
- Nominating negotiation team and adopting the draft text for the negotiations of AP 7.

INVESTMENT



State of play and summary of progress: Legislation pertinent to investments is largely in place, with a need for further improvement, particularly in the area of IIAs and incentives for investments. New Investment Promotion Strategy is in place, along with analyses on incentives and other policies pertinent to investment. Coordination with line ministries on effective implementation of investment reform agenda needs improvement. Capital market is well developed, although in need of policy reform. Serbia has achieved significant progress in smart growth. Serbia has adopted the Strategy of Research and Technological Development for the period 2016-2020 and is expected to finalise the smart specialisation strategy in 2018. Serbia has a long-established well-functioning Innovation Fund and has put significant efforts in development of Scientific Parks.

Next steps:

- Completing the Law on Alternative Investments Funds within 2018;
- Developing centralised system for Investor State Dispute Settlement (ISDS);
- Raising awareness on the importance of involving intermediaries with a view of solving disputes in arbitrary processes;
- Establishing a national platform as an official body that would coordinate implementation of investment reform agenda with all line ministries; and
- Finalising and adopting the Smart Specialisation Strategy (S3).

FUTURE STEP HIGHLIGHTS



TRADE

Ratify AP5 and adjust Customs law and Customs procedures



INVESTMENT

National platform to coordinate implementation of investment reform agenda



MOBILITY

Ensure implementation of Lisbon Recognition Convention in the recognition practices



DIGITAL INTEGRATION

Expedite the approval of the law on Electronic Communications

MOBILITY



State of play and summary of progress: Serbia has made significant progress in Mobility of Researchers with a strategic framework and instruments in place. Legal barriers to mobility are identified in the Strategy for Scientific and Technological Development and an action plan is to be adopted in 2018. R&D Infrastructure Roadmap has been submitted to EC for comments. Serbia continues to be active and successful in the EU research programme Horizon 2020 as well as in EUREKA and COST. Participation in Marie Skłodowska-Curie Actions has increased steadily over the last years. There has been mixed progress in removal of obstacles to Recognition of Professional Qualifications, additional efforts are needed to complete the adoption of the Law on Recognition of Professional Qualifications and to raise understanding and capacity for recognition of professional qualifications for the coordinating Ministries, line ministries and professional Chambers. Serbia has made good progress in removal of obstacles to Recognition of Academic Qualifications with the Law on National Qualification Framework coming into force in April 2018 and a new Agency for Higher Education to be established which should, among others, be responsible for recognition procedures and quality assurance.

Next steps:

- Speeding up finalisation and adoption of the horizontal law on the Recognition of Professional Qualifications and Regulated Professions and the needed capacity building on recognition of professional qualifications;
- Capacity building for the ENIC/NARIC offices; eEnabling the IT system support to the work of ENIC/NARIC office; ensure full application of the Lisbon Recognition Convention in recognition practices; consider simplification of the recognition procedure where possible and use of online tools to support the process; and
- Ensuring alignment with the ESGs in setting up the new Quality Assurance bodies envisaged in the recently adopted legislation on higher education (HE); ensuring expert and administrative support and capacity building for the envisaged Quality Assurance Agency.

DIGITAL INTEGRATION



State of play and summary of progress: Overall moderate level of preparedness, with marked advancements especially related to freeing up 800 MHz and 700 MHz band and calculating the national DESI index; the mobile mapping is completed and the fixed broadband mapping to be adopted, as part of the new law on Electronic Communications; some efforts to assess overall capital investment needs in broadband infrastructure are invested - additionally EBRD project will provide further support in this regard; there is good progress in implementing the Regional Roaming Agreement and concluding bilateral roaming MoUs. There is some progress in the area of cybersecurity - a list of ICT systems of particular importance for the public interest identified and adopted, and internal procedures to report significant incidents adopted and implemented; Digital Skill Development Strategy is at the final stage of approval while the Action Plan for IT Industry Development has been approved; some progress in the area of digital skills is also noted.

Next steps:

- Preparing and adopting the Law on Broadband Infrastructure transposing Directive 2014/61/EU;
- Adopting the new law on Electronic Communications and the respective bylaws to finalise the process of broadband mapping;
- Adopting the Digital Skill Development Strategy;
- Advancing with the outstanding secondary legislation foreseen by the Law on Electronic Document;
- Increasing capacities of CSIRTs;
- Implementing the 2018 retraining programme in the IT sector and upscaling other digital skills programmes;
- Continuing processes for reducing roaming cost for full coverage of WB6 citizens and for implementing the Roadmap for reducing roaming cost between WB and EU; and
- Intensifying the preparations for Western Balkan Digital Summit 2019.

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA



FUTURE STEP HIGHLIGHTS



TRADE

Adopt new Customs law and amending trade law



INVESTMENT

Implement the new Economic Growth Plan and investment legislation



MOBILITY

Initiate mapping of R&D infrastructure (link to S3 Strategy)



DIGITAL INTEGRATION

Adopt Cybersecurity Strategy and expedite NIS Directive transposition

TRADE



State of play and summary of progress: Additional Protocol 5 is ratified in January 2018. For the implementation of the measures arising from AP 5 there is a need to amend the legislation. These changes would need to be assisted and followed by capacity building through the assistance in the drafting of the legislation and the training of the public authorities in charge of the implementation of the legislation. Some training needs to be provided to the private sector in order to facilitate the implementation of the measures with the concrete results for the economy (e.g. AEO). Some IT support would be as well needed in order to successfully implement the tasks envisaged in the AP 5.

Additional Protocol 6 is pending adoption and when adopted it will mostly require the swift completion of administrative measure (e.g. ratification, nomination of the Service contact points). The needs for assistance in this area would concentrate more in the capacity building of the authorities to implement the AP 6. Assistance in the preparation for the harmonization of the services legislation with the EU Acquis is needed and that would lead to the possible deeper regional integration in the future implementation of the AP 6.

Next steps:

- Adopting the new Customs Law that is in procedure;
- Adopting the amendments to the Trade Law;
- Adopting the new Law for Services; and
- Nominating the negotiation team and adoption of the draft text for the negotiations of AP 7.

INVESTMENT



State of play and summary of progress: Progress has been made in developing the new programme to support investment and new law in the area of investments has been adopted while there is a need for supporting experts dealing with the investments. National platform as an official body should be established so as to coordinate effective implementation of investment agenda with all line ministries. There is some progress in smart growth, specifically an important step has been made by adopting a formal decision to start the procedures for Smart Specialisation Strategy (S3) preparation and formalising the S3 governance structure. Innovation and Technological Development Fund has been in place for few years now. In addition, National Technology Transfer Office is in the process of establishment with key preparatory activities completed.

Next steps:

- Implementing the new law on financial support to investment, based on transparency, accessibility and equal treatment;
- Implementing provisions of the new Economic Growth Plan;
- Revising the existing International Investment Agreements, as well as investment pertinent policies in order to be in line with the EU standards;
- Capacity building of investment experts of all line ministries and institutions and establishing national body for effective implementation of the investment reform agenda;
- Mobilising resources to prepare the analytics for the development of Smart Specialisation Strategy (S3); and
- Ensuring capacity building, expert and administrative support to the National Technology Transfer Office.

MOBILITY



State of play and summary of progress: There is good progress in mobility of researchers, and annual participation in the Horizon 2020 programme has doubled over the past few years. Promotional and capacity building events for Horizon 2020 took place. Good progress was noted on removal of obstacles to Recognition of Professional Qualifications with the Draft Law on Mutual Recognition of Professional Qualifications and its draft bylaws being prepared and in line with the EU acquis. Moreover the database and software for mutual recognition of professional qualifications have been developed, based on an open source solution that can be installed on any future platform. On removal of obstacles to Recognition of Academic Qualifications good progress was made with the legal framework being aligned with the Lisbon Recognition Convention. The newly proposed Law on Higher Education foresees establishment of Agency for Quality Assurance in Higher Education as an independent body.

Next steps:

- Continuing to implement the activities to support and build capacity to apply and effectively use Horizon2020;
- Starting the mapping of the R&D infrastructure (could also be linked to smart specialisation analytics);
- Building capacity of line Ministries and professional bodies for recognition of professional qualifications and finalising the list of regulated professions and creating the national database;
- Supporting further capacity building and networking of the ENIC/NARIC office; and
- Ensuring capacity building, expert and administrative support to the foreseen Quality Assurance Agency to ensure alignment with the European Standards and Guidelines for Quality Assurance.

DIGITAL INTEGRATION



State of play and summary of progress: Overall good progress in digital component, with pronounced progress in the national broadband mapping - the mapping of current NGA infrastructure and identifying the areas for intervention (white zones) is finalised and the National Operational Broadband Plan is expected to be completed during 2018; Western Balkan Digital Summit 2018 was successfully organised - the first ever in this format and ambition; good progress in spectrum policy harmonisation - secondary legislation to implement 5G technology prepared, implementation of Regional Roaming Agreement and concluding bilateral roaming MoU; Cyber Security Strategy preparation has advanced and it is in the final stage of approval; many of the critical national infrastructure operators were identified, but there is no official decision on identification of critical IT infrastructure; preparation of a national long-term ICT Strategy is on track, while the finalisation of the strategy is expected by the end of 2018.

Next steps:

- Finalising the National Operational Broadband Plan;
- Adopting a new Law on Personal Data Protection;
- Advancing with critical IT infrastructure identification;
- Increasing capacities of national CSIRT and improving its coordination network; continuing with signing of MoUs with other national/government CSIRTs from the region; speeding up the process of NIS Directive transposition and adoption of the Cyber Security Strategy;
- Advancing the upgrade of the central open data portal;
- Adopting the draft law to harmonise with eIDAS- EU regulation 910/2014;
- Advancing the establishment of Science Technology Park in Skopje;
- Strengthening capacities of MARNET and developing its infrastructure;
- Strengthening the National Office for Technology Transfer to serve industry needs; and
- Continuing processes for reducing roaming cost for full coverage of WB6 citizens and for implementing the Roadmap for reducing roaming costs between WB and EU.



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