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LIMITE

ELARG COWEB

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NOTE

From: To:	Presidency Working Party on the Western Balkans Region Working Party on Enlargement and Countries Negotiating Accession to the EU
Subject:	Non-paper on accelerated/gradual integration for COELA Capitals (24 November 2022)

Delegations will find enclosed the non-paper on accelerated/gradual integration for COELA Capitals meeting (24 November 2022).

The annex contains State of play of involvement of Western Balkans in EU Decentralised Agencies and EU Programmes and Mapping of participation of the Western Balkans in Union Programmes.

ADVANCING ACCELERATED/GRADUAL INTEGRATION

The concept of accelerated integration and "phasing in" to individual EU policies can be placed under the larger umbrella of positive conditionality measures intended to reinvigorate the accession process and leverage reform progress of the enlargement partners, notably in key fundamental areas. It can provide concrete visible benefits for citizens already during the accession negotiations, thereby boosting public support and fostering the potential for strategic communication.

Calling for the acceleration of the accession process, the June 2022 European Council invited the Commission, the High Representative and the Council to further advance the gradual integration between the European Union and the Western Balkans region already during the enlargement process itself in a reversible and merit-based manner, building on the revised methodology.

With a view to enhance the EU integration of the Western Balkans region and prompted by the new sense of urgency in the changed geopolitical context, the Czech Presidency of the Council of the European Union has taken stock of these efforts in view of examining proposals to advance the implementation of accelerated/gradual integration measures, in particular in areas of key mutual and strategic interest.

I. Accelerated integration measures based on the negotiating frameworks

As part of their accession negotiations, significant progress in reforms by **Montenegro** and **Serbia** should lead to **accelerated substantive integration** with the European Union and "phasing-in" to individual EU policies, the EU market and EU programmes with a view to unleashing the potential of such integration. Support measures should include **increased financial support** and **enhanced governance**, including participation in the Commission work and debriefings from relevant Council meetings¹. In terms of substantive integration and on top of the above general approach, the negotiating frameworks for **Albania** and **North Macedonia** shift the focus specifically to trade and creating a strong European preference. As a result of the ongoing screening process, which is carried out per clusters, priorities for accelerated integration in key areas can be agreed between the EU and the candidate countries, prioritising areas of mutual strategic interest.

The determining factor for identifying such areas would be the adoption and implementation of relevant *acquis*, possibly linked to opening or closing benchmarks. Additional IPA III allocations could match opening certain clusters or fulfilment of interim benchmarks (fundamentals related). Other incentives could include the participation in relevant committees and programmes. The ongoing *acquis* screening process with Albania and North Macedonia could be used to identify the potential for accelerated/gradual integration in key areas of common and strategic interest.

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¹ On the issue of participation of Western Balkan countries in Council meetings cf. the legal service contribution 6566/22 from March 16, 2022 (LIMITE)

Such accelerated/gradual integration measures with greater economic potential should include removing technical barriers to trade, while ensuring a level playing field. Primary focus should be on areas where the candidate countries already have the capacity and expertise for exports to the EU, areas of mutual strategic interest where the candidate country has significant production, but needs to meet EU norms and standards (e.g. critical raw materials), as well on policies with a vast untapped potential (e.g. digital/green economy). In terms of increased financial support, priority should be given to strenghtening local economy and creating a European preference to the extent possible. Such a discussion should also reflect on legal constraints for EU internal market integration provisions stemming from the Stabilisation and Association Agreements (with the Western Balkan partners) as compared to possibilities offered by the Deep and Comprehensive Free Trade Agreements (with the associated countries, Ukraine, Moldova, Georgia).

The discussion should continue on the basis established by the revised enlargement methodology as part of the positive conditionality measures. It can be expanded to other emerging EU policies including Fit for 55 with a view to building institutional capacity to advance the EU accession, promoting cooperation and trust, as well as increasing socio-economic benefits for citizens.

II. Broader gradual integration measures for the region as a whole

Much by way of regional integration, both within the Western Balkans region itself and with the Union takes place outside the specific framework of the accession negotiations, from participation in community programmes and agencies, to specific areas of gradual integration through regional cooperation.

In the area of economic integration, the Common Regional Market is a two-step process: first, enhancing co-operation within the region and second, building a bridge to the EU's single market. The prime example of this is roaming: with intra-regional roaming in place, discussions are underway on reducing the roaming charges between the EU and the Western Balkans. Another example is the work on integrating the region into the Single Euro Payments Area (SEPA).

Other regional agreements also offer considerable opportunities. The respective treaties of the Transport Community and Energy Community offer the possibility for the region to join the EU transport and energy markets in a number of areas, provided the Western Balkans partners comply with the relevant EU *acquis*, including in the number of technical standards pertaining to safety, security, interoperability, etc.

To map out the involvement of the Western Balkans partners in EU policies, the annex provides an overview of the state of play with regard to participation of individual partners in relevant EU Decentralised Agencies and EU Programmes.

III. Reflection on further enhanced engagement with the Western Balkans in the framework of preparations for the discussions in the FAC

Following a substantive discussion of the Foreign Affairs Council on Western Balkans in May 2021, the High Representative J. Borrell invited Member States to put forward concrete proposals to strengthen the EU engagement and enhance the cooperation with the region. The input generated by this call for action was discussed in the COWEB working party, with participation of COELA. As a

result of these deliberations, and upon suggestions by the High Representative, the Foreign Affairs Council in May 2022 has considered the implementation of a series of actions for enhanced engagement with the Western Balkans and Ministers underlined the urgent need to further strengthen the EU's engagement with the region. The issue will continue to be discussed on the regular basis at the FAC to give guidance for further elaboration at the Council preparatory bodies.

Concrete proposals contributing to the enhanced engagement with the Western Balkans were discussed in the following areas:

- Cooperation on Common Security and Defence Policy and Common Foreign and Security Policy
- Tackling hybrid threats, in particular foreign information manipulation and interference, including disinformation, and building cyber resilience
- Preventing trafficking in small arms and light weapons
- Military/defence capacities
- Judicial affairs
- Migration challenges
- Cybercrime
- Counter-terrorism
- Energy supply and security
- Trans-European Network for Transport (TEN-T)
- Innovation, Research, Education, Culture, Youth and Sports
- Food security
- Trade
- Roaming
- Participation in EU Agencies
- Regional cooperation

Soft powers:

- Strategic communication
- School exchanges
- Trips to Brussels and EU capitals for young adults/pupils
- Participation in the European Diplomatic Academy
- Support to WB correspondents in Brussels

The COWEB and FAC deliberations have provided for a comprehensive stock taking of the EU-Western Balkans relations and potential for identifying areas where accelerated/gradual integration could be envisaged.

In the same vein, in a non-paper of May 2022, Austria outlined that in the context of the Russian war of aggression against Ukraine, the geopolitical landscape has changed and the crisis is jeopardising the EU neighborhood. It argued that the enlargement process in its current form is leading to several impasses and frustrations and a rethink of the process is suggested. This would entail a gradual integration on the way to full membership based on a merit-based process. Among others, following guiding proposals are suggested:

- Gradual integration of the partners into policy areas of benefit for them, including progressive integration into the single market and inclusion in several policy fields such as trade, climate, energy, research health etc., participation in CFSP/CSDP and in EU-Agencies
- The merit-based approach should be centered on a more quantified assessment of reform progress with a strong focus on fundamental reforms and a principle of reversibility
- Gradual access to EU funds to enhance reforms
- Regular invitation of the Western Balkan partners on the margin of informal Council meetings and possibly observer status at the other EU institutions
- A new European economic and values community for other neighboring countries

Given the wide scope of policy areas and initiatives discussed in the context of accelerated/gradual integration, it is advisable to properly take stock of all available approaches. Some of the measures can tangibly boost the EU-Western Balkans relations.

IV. Conclusion / Final remarks

The potential of existing cooperation platforms with the Western Balkans is yet to be fully exploited. New channels for deepening the integration of the Western Balkans can provide additional incentives. It is of utmost importance that the discussion on accelerated/gradual integration reflects the changed geopolitical and security context in Europe following Russia's war of aggression against Ukraine, while complying with the parameters of the revised methedology. Building on the transformative impact of the EU enlargement policy, accelerated/gradual integration measures should move towards deepening sectorial cooperation and, in particular, gradual integration into the EU single market based on fulfilling the necessary technical standards of the relevant internal market chapters. In this context, it is adviseable to explore how best to provide legal base for deeper co-operation with the Western Balkans to the match possibilities offered by the Deep and Comprehensive Free Trade Agreements.

Furthermore, areas of geostrategic importance such as security, including in the energy sector, resilience to hybrid threats, including to cyber and disinformation should be given a particular weight. Relevant aspects of these areas, along with cooperation on CFSP and CSDP matters and CFSP alignment should be also assessed and discussed as part of the EU foreign policy actions towards the Western Balkans, in parallel of and complementary to the enlargement policy, as part of the regular FAC discussions on Western Balkans.

At the same time, accelerated/gradual integration will have to be based on a firm conditionality and merit-based approach. Creating a specific toolbox for accelerated/gradual integration that would assess individual measures or programmes based on their potential to leverage reforms in exchange for accelerated integration could be considered.

Creating an inclusive, sustainable and beneficial process of accelerated/gradual integration is a challenge, but the groundwork has already been laid. The work is ongoing with partners on specific measures within and outside of existing regional processes which should be consolidated and made more visible and systematic.

Annex: State of play of involvement of Western Balkans in EU Decentralised Agencies and EU Programmes

	Albania	Bosnia and Herzegovina	Montenegro	North Macedonia	Serbia	Kosovo		
A. Engagement through formal cooperation agreements and IPA funding								
1. EBCGA (European Border and Coast Guard agency)	Status Agreement entered into force 1 May 2019; Joint Operation (JO) Flexible Operational Activities Western Balkans in Albania launched in May 2019. Since January 2021 the operation continues as JO Albania Land. JO Albania Sea launched in March 2021.	Status Agreement initialled in October 2019; signing by BA Presidency blocked in February 2020; signature pending.	Status Agreement signed on 7 October 2019; entered into force on 1 July 2020. JO Montenegro (at land border with Croatia) launched in July 2020. Maritime Operational Activities launched on 14 October 2020. In 2021, the JOs continued as JO Montenegro Land and JO Montenegro Sea.	Status Agreement Signed October 2022.	Status Agreement signed in November 2019. Ratified by Serbia on 25 February 2021 and entered into force 1 May 2021. Operations started on 16 June 2021.	Working Arrangement on operational cooperation signed in 2016. Update to be proposed in 2022.		
2. European Union Asylum Agency (EUAA)	Joint Roadmap to support the further development of an asylum and reception system in line with EU standards in place.	Joint Roadmap to support the further development of an asylum and reception system in line with EU standards adopted in January 2021.	Joint Roadmap to support the further development of an asylum and reception system in line with EU standards endorsed in the margins of the Brdo Ministerial in early December 2021.	Joint Roadmap to support the further development of an asylum and reception system in line with EU standards in place.	Joint Roadmap to support the further development of an asylum and reception system in line with EU standards in place.	Joint Roadmap to support the further development of an asylum and reception system in line with EU standards has been technically finalised and is awaiting formal endorsement.		
3. Europol	Agreement on Operational and Strategic Co-operation signed in 2013.	Agreement on Operational and Strategic Cooperation signed in 2016.	Agreement on Operational and Strategic Cooperation signed in September 2014.	Agreement on Operational and Strategic Cooperation signed in 2011.	Agreement on Operational and Strategic Cooperation signed in 2014.	Working Arrangement on strategic cooperation signed on 27 July 2020.		

	Albania	Bosnia and Herzegovina	Montenegro	North Macedonia	Serbia	Kosovo
4. CEPOL European Union Agency for Law Enforcement Training	Working Arrangement in place since May 2013. Single Point of Contact in region in place.	Working Arrangement in place since 2014. Single Point of Contact in region in place.	Working Arrangement in place since September 2011. Single Point of Contact in region in place.	Working Arrangement in place since 2017. Single Point of Contact in region in place.	Working Arrangement in place since September 2017. Single Point of Contact in region in place.	Working Arrangement in place since 2017. Single Point of Contact in region in place.
5. EMCDDA European Monitoring Centre for Drugs and Drug Addiction	Working Arrangement signed in March 2019.	No working arrangement signed	No Working arrangement signed	No Working arrangement signed	Working Arrangement signed in December 2020.	Working Arrangement signed in September 2020.
6. Eurojust	Cooperation Agreement (signed on 5 October 2018; entered into force on 1 November 2019).	Cooperation based on EJ Regulation; BiH appointed EJ Contact Points.	Cooperation Agreement (signed on 3 May 2016; entered into force on 3 June 2017).	Cooperation Agreement (signed on 28 November 2008; entered into force on 23 June 2010).	Cooperation Agreement (signed on 12 November 2019; entered into force on 11 December 2019).	Cooperation based on EJ Regulation; Kosovo appointed EJ Contact Points.
7. EASA European Union Aviation Safety Agency	implementation of the sign 2006, the ECAA agreemer representative under Secur	ed EU aviation agreements (rtners it is the European Con	nmon Aviation Area (ECAA	a) agreement: On 9 June
	Safety Assessment of Foreign Aircraft (SAFA) 2012 Safety + Standardisation 2015	SAFA 2012 Safety + Standardisation 2015	SAFA 2012 Safety + Standardisation 2015	SAFA 2013 Safety + Standardisation 2015	SAFA 2014 Safety + Standardisation 2015	No working arrangement

	Albania	Bosnia and Herzegovina	Montenegro	North Macedonia	Serbia	Kosovo		
		J. J						
B. Engagement through formal cooperation agreements with no IPA funding								
8.BEREC Office	BEREC has participation agreements signed with all six Western Balkans, giving them a <i>de facto</i> observer status. WB6 representatives can participate in the work of BEREC (plenary, working group, Board of Regulators, Management Board) and of the BEREC Office. These representatives can express their opinion but have no voting rights. This includes also provisions related to initiatives carried out by BEREC, financial contributions and staff to the BEREC Office. Each partner (including the 6 Western Balkans) makes its own contribution to the budget of BEREC office.							
C. Engagement the	rough IPA programmes to	prepare the Western Bal	kans for future particip	ation				
9. ECDC European Centre for Disease Prevention and Control	Non-legally binding Lette beneficiary. Contribution agreement si		entation of the ECDC-IP	A6 project are signed with Nat	ional ECDC Correspondents i	n each Western Balkan IPA		
10. EEA European Environment Agency	The six Western Balkan partners participate in the European Environment Information and Observation Network (Eionet) on a similar basis as the 33 EEA member countries, and are referred to as EEA cooperating countries'. The objective of the current ongoing project is to continue supporting the participation of the WB partners in the full range of EEA and Eionet activities as per EEA Strategy 2021-2030. The WB countries are, since December 2019, routinely invited as observers to the EEA Management Board meetings on a rotational basis.							
11. ECHA European Chemicals Agency	Contribution Agreement s	igned						
12. EFSA European Food and Safety Authority	Contribution Agreement s	igned						
13. EIGE European Institute for Gender Equality	Contribution Agreement s	igned						
14. EMA European Medicines Agency	Contribution Agreement s	igned						

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15. EMSA	Contribution Agreement s	igned				Not included among project beneficiaries
European Maritime Safety Agency						
16. ERA	Contribution Agreement s	igned				
European Union Agency for Railways						
18. EU-OSHA	Contribution Agreement s	igned				
European Agency for Safety and Health at Work						
19. Eurofound	Contribution Agreement s	igned				
European Foundation for the Improvement of Living and Working						
Conditions						
D. Other engagem	ent					
20. EU Agency for Fundamental Rights (FRA)			o FRA. Participation is based ard of FRA. IPA has funded to			Association councils. Subsequently, ussed.

MAPPING OF PARTICIPATION OF THE WESTERN BALKANS IN UNION PROGRAMMES

	Albania	Bosnia and Herzegovina	Montenegro	North Macedonia	Serbia	Kosovo
1 Civil Protection Mechanism	-	-	Yes	Yes	Yes	-
2 Competitiveness of Enterprises and SMEs (COSME)	Yes	Yes	Yes	Yes	Yes	-
3 Creative Europe – Culture sub- programme	Yes	Yes	Yes	Yes	Yes	-
4 Creative Europe – Media sub-programme	Yes	Yes	Yes	Yes	Yes	-
5 Customs 2020	Yes	Yes	Yes	Yes	-	-
6 Employment and Social innovation Programme (follow-up of Progress)	-	-	Yes	Yes	Yes	-
7 Erasmus+	Yes	Yes	Yes	Yes	Yes	-
8 Europe for Citizens	Yes	Yes	Yes	Yes	Yes	-
9 Fiscalis 2020	Yes	-	Yes	Yes	Yes	-
10 Horizon 2020	Yes	Yes	Yes	Yes	Yes	-
11 Justice Programme	Yes	-	-	-	-	-