

NALAS Position Paper: EU Strategy for the Western Balkans

1. Executive Summary

The communication of the EU Commission on a credible enlargement perspective for the Western Balkans describes the new momentum in EU-Western Balkans relations as a historic window of opportunity for the region. It outlines the EU Strategy for the Western Balkans and is an expression of a key priority of the current Bulgarian Council Presidency. The final approved CoR Opinion on EU Enlargement Strategy includes a number of NALAS proposals/statements and supports the role of NALAS as regional network representing local authorities.

The NALAS Position Paper underlines the unequivocal advocacy in favour of local government involvement in the enlargement process in order to be sustainable and inclusive. Local government participation is in fact absolutely essential. The success of the EU's enlargement to the Western Balkans will heavily depend on local and regional government extended engagement in the accession process. For EU integration to be successful in time a **BOTTOM-UP APPROACH** is required for the region. Change processes can only be sustainable and generate the desired impact if they are supported from the local level upwards.

Besides these general comments, there are several topic related statements which target decentralization and democracy, the importance of the sub-national level in the enlargement process, supporting social economic development and EU Support Instruments. For instance, the paper highlights that the Multi-Country Indicative Strategy (2014-2020) IPA II does not address local authorities as layer of governance. The lack of components designed for local development and the specific needs of cities, towns and local government entities speak for themselves. Local Authorities are not considered as key actors under IPA II. NALAS invites the EU to involve Local Government Associations actively and be part of the IPA negotiation, programming, monitoring and evaluation process for the period beyond 2020 (IPA3).

2. A new momentum

EU foreign affairs chief Federica Mogherini's trip to several Western Balkan countries in March 2017 was the spark that made EU leaders express their concern and reaffirm their commitment to support stability and to deepen political and economic ties with and within the region. In accordance, the EU Council Summit conclusions of 9 March 2017 refer to the situation in the Western Balkans as "*fragile*" stressing the importance of reforms, good neighbourly relations and assert its "*unequivocal support for the European perspective of the Western Balkans*". It was made clear that **the EU remains committed and engaged at all levels** to support the countries of the region in conducting EU oriented reforms and projects.

The EU Commission's communication of 6 February 2018 entitled "*A credible enlargement perspective for and enhanced EU engagement with the Western Balkans*" is in direct line with the above-mentioned Council statement. In fact, the Strategy is expression and reaction on a perceived alarming situation in the neighbouring region of the EU and at the same time a new momentum for the EU in its relations with the Western Balkans. The Commission's communication is indeed the first comprehensive strategy paper on the region since the 2003 EU-Western Balkan Summit in

Thessaloniki opened a credible European perspective of a common European future to all Balkan nations. Unequivocal statements of EU leaders underline the importance the Union addresses to support in tandem with the six Western Balkan countries the transformation of the region and to anchor the Western Balkans as integral part of Europe in a future EU 27+. Federica Mogherini pointed out the direction the strategy clearly indicates for both the EU and the WB6 in a common effort based on mutual interests to drive comprehensive reforms and to commit to shared values and standards: *“This strategy shows the path we have ahead of us: for all our six partners to overcome once and for all the past, for all of us to together to make the process of the Western Balkans towards the European Union irreversible and keep reuniting the continent”*¹. The communication of the EU Commission on a credible enlargement perspective for the Western Balkans describes the new momentum in EU-Western Balkans relations **as a historic window of opportunity for the region to unequivocally bind their future to the EU** and firmly commit to the choice they made through sustained efforts and irreversible reforms.²

The new enlargement prospects for the Western Balkans reflect the EU’s very own political, security and economic interests vis-a-vis current geostrategic challenges. Peace, stability and growth of the Western Balkans contribute undeniably to the general objective of a stronger and sound Union, reason the EU is committed to step up its support to accompany and to guide the WB6 on their accession path.

The EU Commission’s communication outlining the EU Strategy for the Western Balkans is expression of a key priority of the current Bulgarian Council Presidency. The actual dynamic in EU-

Western Balkan relations is likely to continue during the preceding Council Presidencies in the near future.³ One of the three priorities in the roadmap for the upcoming Austrian Presidency in the second half of 2018 focuses on stability in its neighbouring countries and working towards EU accession for the Western Balkan countries.

As a result of the Bulgarian Council Presidency’s invitation, the Committee of the Regions (CoR) drew up recommendations and ahead of a debate on enlargement at the EU-Western Balkan Summit in Sofia in May 2018 adopted the proposals on 22 March in an exchange with Johannes Hahn, the EU Commissioner for European Neighbourhood Policy & Enlargement Negotiations. In preparation of the CoR’s Opinion on *“Enlargement: Inclusion of Western Balkan Local and Regional Authorities in EU’s Macro-regional, Cross-border and other Transnational Cooperation Initiatives”*⁴, NALAS was invited to present its statements/proposals together with DG NEAR during the CIVEX Commission’s single exploratory debate on 6 February 2018 in Brussels in parallel to the Commission’s presentation of its Communication on a credible enlargement perspective for the Western Balkans in Strasbourg.

1 See: Strategy for the Western Balkans: EU sets out new flagship initiatives and support for the reform-driven region, Strasbourg, 6 February 2018, http://europa.eu/rapid/press-release_IP-18-561_en.htm

2 See Communication from the EU Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions *“A credible enlargement perspective for and enhanced EU engagement with the Western Balkans”*, Strasbourg, 6 February 2018, COM(2018) 65 final, p.2

3 EU Council Presidencies: Austria 2nd half 2018 - Romania 1st half 2019 - Croatia 1st half 2020

4 See CIVEX-VI/032 OPINION *“Enlargement: Inclusion of Western Balkans Local and Regional Authorities in the EU’s Macro-regional, Cross-border and other Transnational Cooperation Initiatives”*, 128th plenary session, 22-23 March 2018, Brussels

The final approved CoR Opinion includes a number of NALAS proposals/statements⁵ that were presented to the CIVEX Commission on 6 February 2018 and, last but not least, supports *expressis verbis* the role of NALAS as regional network representing local authorities under pos. 20 regarding the importance of the sub-national levels in the enlargement process as follows:

The European Committee of the Regions ...

...is pleased to note that, especially at local level in the Western Balkan countries, cross-border cooperation has been stepped up through the exchange of experience, transfer of know-how, transfer of best practices and the introduction of new methods and approaches. The activities and initiatives undertaken by local and regional associations and organisations such as The Adriatic-Ionian Euroregion (AIE) and the regional network NALAS – the Network of Associations of Local Authorities of South East Europe should be highlighted in particular here, and they should be integrated and promoted to a greater extent at European level;

3. EU sets-out new flagship initiatives and support for the Western Balkans

Identifying as key priorities and most pressing issues the rule of law, fundamental rights and governance, the EU Commission calls on credible and comprehensive efforts and reforms in these crucial areas in order to step up and strengthen the enlargement process of the WB6. To support the transformation process in the region the EU Commission presents 57 actions⁶ outlined in the Action Plan of the Strategy in the framework of 6 flagship initiatives to further strengthen its cooperation

targeting areas of mutual concern: (i) rule of law (ii) security and migration (iii) socio-economic development (iv) transport and energy connectivity (v) digital agenda and (vi) reconciliation and good neighbourly relations.

To operationalise the Western Balkan Strategy, implement the Action Plan and deliver the outlined 57 actions, the Commission will increase by EUR 500 million the IPA funds until the end of 2020 in addition to the EUR 1.07 billion of pre-accession assistance already foreseen for 2018. The majority of the increased funds will be assigned to the regional envelope. For the period beyond 2020, IPA 3 shall reduce the gap between countries outside and the ones inside the EU by integrating WB6 into actual EU programmes as full beneficiaries. Furthermore, the Western Balkan countries shall be involved in the preparatory stage of IPA3. In the context of increased funding sufficient absorption capacity in the WB6 is likely to be an important issue for the imminent future. For the time being until the EU Summits in Sofia and London, the EU Commission will gradually deliver on the content of the six flagship initiatives and its actions.

4. NALAS positions/statements regarding the EU Strategy for the Western Balkans

In general terms, the EU Strategy clearly highlights the importance the Western Balkan region has for the Union and commits to support the ambitious transformation process via tailor-made

⁵ NALAS proposals/statements are reflected in the CoR Opinion in the following sections: "General Comments" (Pos. 9 and 10); "The importance of sub-national levels in the enlargement process" (Pos. 18-20); "Decentralisation & Democracy" (Pos. 24, 25, 27) and "The economic situation and macro-regional strategies in the WB" (Pos. 46, 48 und 50).

⁶ See Annex to the Communication from the EU Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "A credible enlargement perspective for and enhanced EU engagement with the Western Balkans", Strasbourg, 6 February 2018, COM(2018) 65 final

cooperation and assistance in the framework of the six flagship initiatives and increased financial resources within the scope of the pre-accession instruments.

Even though Local Governments (LGs) and Local Government Associations (LGAs) are not explicitly mentioned as key stakeholders, the Strategy refers to an inclusive enlargement process where the EU remains committed and engaged at all levels. Municipalities are in fact mentioned in the context of exchanges of administrations in the region and the facilitation of local partnerships across the Western Balkans with those in EU countries via the support of EU technical assistance.⁷

The reference to all levels of government becomes even more evident when related to the public administration reform process where the strengthening of governance at all levels is held of paramount importance. Here, the Strategy calls for an *“appropriate balance between central, regional and local government”* to be found.⁸

By inviting all Western Balkan countries to urgently redouble efforts to implement in practice the necessary reforms, the EU emphasizes the necessity to bring *“all stakeholders on board from across the political spectrum and from civil society”*⁹, which does include the local government level.

General comments

1. NALAS' appreciation of the EU Strategy for the Western Balkans underlines the unequivocal advocacy in favour of local government involvement in the enlargement process in order to be sustainable and inclusive. Local government participation is in fact absolutely essential. The success of the EU's enlargement to the Western Balkans will heavily depend on local and regional government extended engagement in the accession process.
2. For EU integration to be successful in time a **BOTTOM-UP APPROACH** is required for the region. Change processes can only be sustainable and generate the desired impact if they are supported from the local level upwards.

Decentralisation and democracy

3. Decentralisation as a pillar of the democratic reform process is crucial for social cohesion, stability and peace in the Western Balkans and for the future of Europe.
4. If Europe strives to be close to its future citizen, then it has to go local! A functional bottom-up approach is built on an effective coordination and cooperation between local and central government level.
5. The promotion of LOCAL DEMOCRACY is key to contribute to reconciliation and stabilisation in the region and the preparation of EU integration of the Western Balkans.

The importance of the sub-national levels in the enlargement process

⁷ See COM(2018) 65 final, p.1 and p.9

⁸ Ibid, p.05

⁹ Ibid, p.2

6. Having in mind that **over 60% of the EU acquis is implemented at the local level**, while **40% of EU funds within the EU is attributed to territorial communities**, their empowering is a crucial element of successful European integration and implementation of the new EU Enlargement Strategy for the Western Balkans. NALAS can mobilise its network for systematic involvement of local governments in the new flagships initiatives bringing added-value to their impact on the ground, independently of possible political changes at national levels. In most WB6 countries regions don't exist, therefore bigger importance of supporting local governments in using EU funds and participating in all stages of implementation is even more prominent!
7. LGAs and LGs should be considered as strategic partners in the enlargement and reform processes since they are **powerful knowledge hubs** and promoters of EU integration at local level. Their knowledge of the *"situation on the ground"* is an **essential asset** for the EU enlargement process to reach out to all citizen. They are indeed an area where bottom-up is a useful direction for both central government and the EU.
8. Since Local Governments are both **policy makers and service providers**, a more inclusive consultation process at all stages on planning and decision-making on issues affecting Local Governments is required. We call on the EU for greater involvement of LGAs as a point of principle and matter of political strategy to build good will and enthusiasm from the community upwards absolutely vital for successful implementation of the enlargement process in the region.

Supporting socio-economic development

9. Cities in the Western Balkans have an important role to play in the enlargement process as drivers of economic growth and development in their territory since they are central to their regions. The economic growth and job creation agenda in WB cannot be fully achieved without tapping into potentials of local economic development (LED) and improving of business climate at local communities. NALAS can contribute to strengthening the role of LGs in local economic development, carrying out stocktaking of LED experiences, identify best practices, promote new models and increase LGs absorption capacities by upscaling existing bridge-funding facilities for the local level. It would fully fit into the SEE 2020 and REA agenda.
10. Considering NALAS' organisation and coordination of National Local Government Associations, the network has the potential to act as a Covenant of Mayors office in the region, ensuring recruitment of cities and providing tailored support to develop and implement their Sustainable Energy and Climate Action Plans. For this role NALAS has the full support of the Energy Cities and the Council of European Municipalities and Regions.
11. The Smart City concept is directly related to digitalisation agenda of REA. NALAS has the capacity to promote the trends and facilitate exchange with cities from EU member states, link experience of EU MS to challenges and opportunities in candidate countries and peer-to-peer on best practises.

EU support instruments

- 12.** The Multi-Country Indicative Strategy (2014-2020) IPA II does not address local authorities as layer of governance. The lack of components designed for local development and the specific needs of cities, towns and local government entities speak for themselves. Local Authorities are not considered as key actors under IPA II. NALAS invites the EU to involve Local Government Associations actively and be part of the IPA negotiation, programming, monitoring and evaluation process for the period beyond 2020 (IPA3).

- 13.** NALAS invites the EU to **assure policy instrument coherence** throughout different geographical areas and extend thematic programmes like “Civil Society Organisations (CSO) and Local Authorities (LA)” to the Western Balkans and to allow focus on infrastructure projects and concrete initiatives in the field.

- 14. To improve absorption capacity** at local level capacity development is an essential pre-condition in line with the improvement of EU funding instruments. EU projects/programmes are still too complex to be coped with given the circumstances within local administrations and the diversity of realities they represent. The Commission’s efforts/promises to simplify EU Fundraising via project/programme access is largely counteracted by increasingly sophisticated and complex fund control mechanisms. A balance should be struck between feasible auditing/control mechanisms and the capacity on the spot at regional and local level to be able to put them into practice. NALAS invites the EU **to simply the rules** governing its funding instruments and to streamline pre-and co-financing requirements and cumbersome application procedures.

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