



**WESTERN
BALKANS
SUMMIT**
VIENNA 2015

Addendum

Vienna Western Balkans Summit 2015

Annex 1

Connectivity

The connectivity agenda has been fuelled by political leadership given by the Berlin process and the reinforced cooperation of the Western Balkan 6. This has been combined with substantial technical efforts by the countries supported by SEETO and the Energy Community Secretariat.

This has allowed the Western Balkan countries to make significant progress on the connectivity agenda since the Summit last year. The results are reflected in the Summit conclusions. Given their significance, they are reflected in more detail in this connectivity annex:

The three core network corridors to be extended for the Western Balkans as well as priority projects along sections of these corridors and on other important sections of the core network for possible EU funding over the next six years are included on pages 2-3.

An overview of the 10 transport and energy infrastructure investment projects which are proposed for EU co-financing under the 2015 Instrument for Pre-Accession programme feature on page 4.

The 'soft' measures on transport and energy are listed on respectively pages 5-6 and 7-9. They include specific time lines for each measure, and progress with regard to their implementation will be reviewed at the next Summit in France in 2016.

The regional core transport network for road, rail and inland-waterways are included in the connectivity information package distributed separately at this Summit.

CORE NETWORK CORRIDORS OF THE TRANS-EUROPEAN TRANSPORT NETWORK (TEN-T)

Indicative Extension of the Core Network Corridors in the Western Balkans

EXTENDING THE TRANS-EUROPEAN TRANSPORT NETWORK (TEN-T)

The vision for Trans-European Transport Networks (TEN-T) reflect that rail, road, air and sea transport links are seen as key drivers not just for closer integration between Member States and their peoples, but also for increasing economic competitiveness.

The TEN-T has two layers: the “core network”, which carries the most important passenger and goods flows; and the “comprehensive network”, which ensures access to the core network. The “core network corridors” facilitate the development of the core network.

In June 2015, WB6 Transport Ministers met with EU Transport Commissioner, Violeta Bulc, at the TEN-T Days in Riga, and tentatively identified three core network corridors to be extended for the Western Balkans as well as priority projects along sections of these corridors for possible EU funding over the next six years.

Extending the core network corridors to the Western Balkans ensures closer integration with the EU as well as the basis for leveraging investment in infrastructure, such as EU support through the Western Balkans Investment Framework and the Connecting Europe Facility.

The core network corridors, once completed, will provide quality transport services for citizens and businesses, with seamless integration within the region as well as with the EU. The priority projects will help remove bottlenecks, promote interoperability, and build missing cross-border connections.

MEDITERRANEAN CORRIDOR – PRE-IDENTIFIED PROJECTS

Rijeka – Zagreb – Belgrade/Sarajevo – Ploce || Rijeka – Ploce – Bar – Tirana/Dürres – Igoumenitsa

Croatia/Montenegro border – Bar – Montenegro/Albania border – Lezhe – Albania/Greece border	Road	Studies (feasibility study, detail design, EIA) and works.
Albania/Montenegro border – Lezhe – Tirana – Albania/Greece border	Road	Studies and works for sections Thumane – Kashar/Vore, Lezhe bypass and Tirana bypass. Studies ongoing, works needed on Tepelena bypass.
Croatia/Bosnia and Herzegovina border – Sarajevo – Ploce	Road	Works for the following sections: Odžak – Svilaj, border crossing and cross-border bridge Svilaj over Sava River; Odžak – Vukosavlje – Podnovlje – Rudanka – Doboj south; Tarčin-Konjic; Mostar North – Počitelj.
Bosanski Šamac/Šamac – Sarajevo	Rail	Works for the section Sarajevo – Podlugovi (BA).
Sarajevo Airport	Airport	Works for increasing operational capacity.

OTHER SECTIONS ON THE CORE NETWORK – PRE-IDENTIFIED PROJECTS

Croatia/Bosnia and Herzegovina border – Gradiška – Banja Luka – Travnik	Road	Works for border crossing and cross-border bridge Gradiška over Sava River.
Niš – Dimitrovgrad – Serbia/Bulgaria border	Rail	Works for section Prosek – Staničenje – Dimitrovgrad. Studies and works for electrification and upgrading of signalling of section Niš – Dimitrovgrad. Studies for bypass Niš.
Kičevo – Gostivar	Road	Works for construction of motorway.

ORIENT / EAST-MED CORRIDOR – PRE-IDENTIFIED PROJECTS

Budapest – Belgrade – Podgorica – Bar || Belgrade – Niš – Kumanovo / Pristina – Skopje – Thessaloniki

Belgrade – Novi Sad – Serbia/Hungary border	Rail	Studies and works for reconstruction and modernization of the existing line and construction of second track from Novi Sad to the border with Hungary.
Belgrade – Niš	Rail	Studies and works for reconstruction and modernization of existing line and construction of the second track on the section Stalać – Djunis.
Belgrade node	Road	Works for completion of Belgrade by-pass section Strazevica – Bujanj Potok.
Niš – Pristina	Road	Studies and works for reconstruction of the road Niš – Pristina.
Pristina – Kosovo*/the former Yugoslav Republic of Macedonia border	Road	Works for motorway construction.
Serbia/the former Yugoslav Republic of Macedonia border	Rail	Construction of the joint border station (Tabanovce).
Beljakovce – the former Yugoslav Republic of Macedonia/Bulgaria border	Rail	Works for section Beljakovce to Kriva Palanka. Studies ongoing, works for construction of section Kriva Palanka border with Bulgaria.
Rankovce – Kriva Palanka – the former Yugoslav Republic of Macedonia/Bulgaria border	Road	Studies ongoing, works for sections Rankovce – Kriva Palanka. Studies and works for section Kriva Palanka – Deve Bair (border with Bulgaria).
Belgrade – (Vrbnica) – Bar	Rail	Works needed for upgrading of existing line (overhaul of superstructure, tunnels, bridges, signalization) of the section Vrbnica (Serbia/Montenegro border) – Bar (Montenegro)
Kraljevo – Pristina – Gorce Petrov	Rail	Works for section Fushë Kosovë/Kosovo Polje - Border Station with the former Yugoslav Republic of Macedonia. Studies and works for section Fushë Kosovë/Kosovo Polje – Leshak.
Belgrade – Bar	Road	Studies (preliminary design, detail design and EIA) and works for the section Mateševo-Andrijevića. Studies (preliminary design, detail design and EIA) for by-pass Podgorica (Capital – Smokovac – Farmaci).

RHINE/DANUBE CORRIDOR – PRE-IDENTIFIED PROJECTS

Vukovar – Novi Sad – Belgrade – Drobeta-Turnu Severin/Brčko – Sisak

Sava	IWW	Studies and works for rehabilitation of the Sava River Waterway (Sisak – Brčko – Belgrade).
Sava	IWW	Works for demining of the Sava River right bank from the confluence of Drina River to the confluence of Una River.
Port of Brčko	Riverport	Reconstruction and upgrading of functional facilities in the Port of Brčko.
Danube	IWW	Studies and works for river training and dredging works on critical sectors of the Serbia/Hungary joint stretch.
Danube	IWW	Works for river training and dredging works on 6 critical sectors on the Danube River including supervision and environmental monitoring of works between Bačka Palanka and Belgrade.

*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.



CONNECTIVITY AGENDA

Co-financing of Investment Projects in the Western Balkans in 2015¹

#	Reference	Beneficiary	IFI	Description / Title	Investment € million	Grant € million	Grant in %
IPA/WBIF 2015 Co-financing					538.8	144.9	27%
ENERGY PROJECTS							
1	WBIF CF 1001 ALB ENE	Albania	KfW	Albania – the former Yugoslav Republic of Macedonia Power Interconnection (I): Grid Section in Albania	70	14	20%
2	WBIF CF 1002 MKD ENE	the former Yugoslav Republic of Macedonia	EBRD	Albania – the former Yugoslav Republic of Macedonia Power Interconnection (II): Grid Section in the former Yugoslav Republic of Macedonia	49	12	24%
3	WBIF CF 1015 MNE ENE	Montenegro	KfW	Trans-Balkan Electricity Corridor (I): Grid Section in Montenegro	127	25	20%
4	WBIF CF 1003 SER ENE	Serbia	KfW	Trans-Balkan Electricity Corridor (II): Grid Section in Serbia	28	6.6	24%
TRANSPORT PROJECTS							
5	WBIF CF 1006 BIH TRA	Bosnia and Herzegovina	EIB	Mediterranean Corridor (CVc): Bosnia and Herzegovina – Croatia Road Interconnection	109	22	20%
6	WBIF CF 1009 BIH TRA	Bosnia and Herzegovina ²	EIB	Mediterranean Corridor (R2a): Bosnia and Herzegovina – Croatia Road Interconnection	34.4	6.8	20%
7	WBIF CF 1010 KOS TRA	Kosovo	EBRD	Orient/East-Med Corridor (R10): the former Yugoslav Republic of Macedonia – Kosovo* – Serbia Rail Interconnection	80.9	38.5	48%
8	WBIF CF 1008 MNE TRA	Montenegro	EIB	Orient/East-Med Corridor (R4): Montenegro – Serbia Rail Interconnection	40	20	50%
IPA 2015 Serbia					78.2	62.5	80%
9	IPA 2015/038-442	Serbia	n/a	Orient/East-Med Corridor (CX): Serbia – the former Yugoslav Republic of Macedonia Rail Interconnection	62.7	47	75%
10	IPA 2015/038-442	Serbia	n/a	Orient/East-Med Corridor (CX): Intermodal Terminal in Belgrade, Serbia	15.5	13.8	89%
Total					616.5	205.7	33%

¹Subject to a final decision by the budgetary authorities.

²This investment project in Bosnia and Herzegovina is subject to a full assessment by the national investment committee in the beginning of September 2015.

Western Balkans Core Transport Network Soft Measures

Medium-term Regional Actions (2020 Goals)	Short-term Regional Actions (2016 Goals)
1. Opening of the transport market	
1.1 Implementation of rail reform strategy	<ul style="list-style-type: none"> • Rail market opening on the pilot basis on the Orient/East Med Corridor • Definition of a framework for implementation of EU Freight Corridors, extended to the Western Balkans
2. Establishment of competitive, reliable and safe transport system	
2.1 Improvement of road safety <ul style="list-style-type: none"> ○ Targeting the reduction of fatalities by 20% compared to reference year 2014 	<ul style="list-style-type: none"> • Adoption of Road Safety Inspection (RSI) guidelines and curriculum and delivering of trainings
2.2 Trade and Transport Facilitation	<ul style="list-style-type: none"> • Development and implementation of <i>System of Exchange Excise Data (SEED) Plus</i> to support the CEFTA Framework Agreement on exchange of data and simplification of inspections <ul style="list-style-type: none"> ○ <i>Signature of a legally binding document – protocol on an exchange of transport data in cooperation with CEFTA</i>
2.3 Intelligent Transport System (ITS) deployment on the Core Network	<ul style="list-style-type: none"> • Definition of strategic framework for implementation of ITS on the Core Network
2.4 Establishment of functioning maintenance system ensuring no section in poor/very poor condition by 2020	<ul style="list-style-type: none"> • Adoption of Maintenance plan for 2016-2020 for the entire Core Network

Medium-term National Actions (2020 Goals)	Short-term National Actions (2016 Goals)
3. Increasing the effectiveness of Border Crossing Procedures	
3.1 Effective Border Crossing Agreements	<ul style="list-style-type: none"> • Implementation of the border crossing agreement between Serbia and the former Yugoslav Republic of Macedonia • Conclusion of negotiations between Bosnia and Herzegovina and Croatia for all border-crossing points (BCPs) • Implementation of the border crossing agreement between Montenegro and Albania as a part of Adriatic – Ionian highway project
3.2 Implementation of Integrated Border Management (IBM) strategy	<ul style="list-style-type: none"> • Implementation of IBM at Common Crossing Points (CCPs) between Serbia and Kosovo <ul style="list-style-type: none"> ○ Provide one parking lane on each side of the Common Crossing Point of Merdare/Merdarë

Energy soft measures

I. Regional Measures towards the development of a regional market – for France 2016

1. Spot Market Development

- Establishment of an organised wholesale electricity market in the form of an electronic trading platform
- Development of an agreement for market coupling open to all operators of power exchanges in the WB6 states and neighbouring countries

2. Cross-border Balancing

- Development, between transmission system operators (of the WB6 States in a first stage), of a coordinated integration path towards a regional balancing market with the implementation of regional imbalance netting as one of the key elements for cross-border balancing

3. Regional Capacity Allocation

- Agreement between all system operators of the region to establish a regionally coordinated calculator of available capacity

II. National Measures in consultation with the Secretariat – paving the way to France 2016

1. Spot Market Development

- Remove major legal and contractual obstacles to establishing organised electricity markets and market coupling based on the reports of the Secretariat (March 2016)
- Adhere to a power exchange or, if economically justified (considering liquidity and economic viability), create an own power exchange, enabling wholesale market trade (July 2016)
- Ensure liquidity of the domestic electricity markets by appropriate regulatory measures such as contract reviews, capacity releases, virtual power plants etc. (July 2016 target)
- Coupling of organised day-ahead electricity markets with at least one neighbouring country (July 2017)

2. Cross-border Balancing

- Legal possibility for transmission system operators to acquire balancing services from all operators in the national and in perspective of a regional market under competitive conditions (March 2016)

- Adoption of a market-based balancing model allowing for the non-discriminatory cross-border exchange of balancing services (March 2016), including
 - o Abolition of procurement of balancing services based on annual contracts with the national incumbent at regulated tariffs
 - o introduction of non-discriminatory market-based, transparent balancing rules and close to real time balancing market
 - o Develop and implement non-discriminatory and transparent imbalance settlement mechanism
- Establishment of a functioning national balancing market based on above model (July 2016)

3. Regional Capacity Allocation

- EMS (Serbia) and KOSTT (Kosovo) to implement the Framework and Inter-TSO Agreement (September 2015)
- Binding agreements between TSOs from the former Yugoslav Republic of Macedonia, and Serbia with SEECAO on coordinated allocation (November 2015)
- Introduction of a coordinated capacity calculation process for the allocation of day-ahead capacities based on a regionally coordinated congestion forecast (July 2016)
- The Western Balkan Countries to support signing of agreements between SEECAO and relevant EU Member States (July 2017)

4. Cross-cutting measures

- The former Yugoslav Republic of Macedonia to comply with the obligation to grant eligibility to all electricity customers (October 2015)
- Eliminate price regulation of generation and for other than small enterprises and household customers, and adopt national action plans for phasing out price regulation in general (January 2016)
- Legal and functional unbundling of distribution system operators and supply companies (March 2016)
- Ensure independence of national energy regulatory authorities based on pre-defined indicators (January 2016)
- Apply for observer status in ACER based on a positive opinion of the European Commission (July 2016)
- Unbundle and certify transmission system operator in line with the Third Energy Package (June 2016)
- Increase effectiveness of national administrative authorities, including for competition and State aid, by strengthening their independence and financial means and requiring

them to notify the Secretariat of pending proceedings, and take due account of the Secretariat's opinion (July 2016)

- Timely implementation of the Trans-European Network Regulation once incorporated in the Energy Community *acquis* with regard to licensing and permitting as well as one-stop shop procedures (January 2017)

Vienna Western Balkans Summit 2015

Annex 2

JOINT DECLARATION ON THE ESTABLISHMENT OF THE REGIONAL YOUTH COOPERATION OFFICE OF THE WESTERN BALKANS

We, the Prime Ministers of the Western Balkans participants, meeting in Vienna, in the framework of the Conference on the Western Balkans,

in the presence of Chancellor Werner Faymann, Chancellor Angela Merkel, Prime Minister of Croatia Zoran Milanović, Prime Minister of Slovenia Miro Cerar, High Representative/Vice-President of the European Commission Federica Mogherini, the Minister of Foreign Affairs and International Cooperation of Italy, Paolo Gentiloni, and the Ambassador of France Pascal Teixeira da Silva,

- Bearing in mind the objective set in the "Berlin Process" to expand transnational exchanges, among young people in particular;
- Striving to give substance to regional cooperation by way of identifying common and mutual interests aimed at strengthening people-to-people contacts and enhancing trust at the service of civic regional cooperation;
- Considering that joint action across the region and connection of young people are of critical importance for furthering European integration, promoting and disseminating European values, fostering of the European spirit, as well understanding the concept of European Union and its importance for citizens;
- Being aware that closer ties among young people will foster the spirit of understanding, tolerance and friendship and cognisant that the region can only attain progress by applying the principles of equality, inclusiveness, solidarity and cooperation;
- Committed to expanding and strengthening friendship among the youth in the region, and to promoting and pursuing policies, programmes and joint activities in areas that are of direct interest to the youth;
- Following the best European examples of dealing with the bitterness of the past and looking forward to a better future that is built on regional cooperation and inspired by the model of the Franco-German Youth Office;

- Considering that sustainable regional cooperation among young people is a required mechanism to foster the spirit of understanding, tolerance, friendship and cooperation in our region and beyond;
- In the light of the Joint Declaration on Youth Cooperation adopted by the Ministers of Foreign Affairs of Western Balkans in Tirana, on 22 May 2015, and the Positive Agenda for Youth in the Western Balkans, launched during the Brdo Summit of the Ministers of Foreign Affairs, on 23 April 2015,

have agreed to the following:

- Support the regional exchange of youth, and their sharing of ideas, as a ground for future cooperation prospects in our region, based on the values of co-existence, tolerance and respect of human rights and diversity, as well as commitment to inclusion and security;
- Further step up regional cooperation among youth and youth-dedicated institutions and ensure implementation of joint programs for young people with the focus on the principles of democratic governance, sustainable economic development, education and innovation;
- Create the Regional Youth Cooperation Office of the Western Balkans, as a regionally-owned structure that leads and coordinates youth cooperation in our region;
- Task relevant institutions of the participants to develop, in close collaboration with the Working Group on regional youth cooperation¹ concrete proposals for the mission, structure, activities and financing of the Regional Youth Cooperation Office, to be finalized by 1 March 2016;
- Financially contribute to the establishment and functioning of the Regional Youth Cooperation Office;
- Support the active participation of civil society in the work of the Regional Youth Cooperation Office;
- Seek funding from the European Union and its member states, as well as from regional and international organizations and donors to provide additional support through existing funding mechanisms.

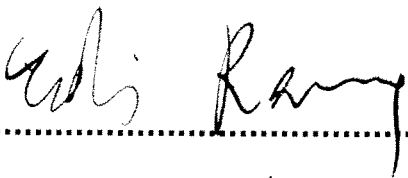
¹Parties to the Working Group shall have two representatives each: one representative from Youth Ministry/Directorate for Youth/National Youth Agency and one representative from youth organizations. The Franco-German Youth Office will provide the Working Group with technical assistance.

Aiming to:

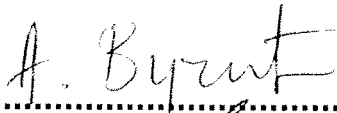
- Promote the spirit of reconciliation and cooperation between the youth in our region by designing joint programmes which acknowledge the best values and cultural traditions of our peoples;
- Encourage and support youth in our region to fight and distance themselves from the practices and phenomena of racism, xenophobia, hate speech, discrimination on grounds of ethnicity, religion and native language;
- Cooperate in the area of academic and scientific communities by boosting cooperation between universities, academic research institutions;
- Promote mobility between the youth in our region and the European Union member states, within the existing or/and new programmes and student mobility schemes;
- Devise and implement joint projects in the context of European programmes, like Erasmus +, Europe for Citizens, EASI, and others, in function of promoting student exchanges, internships, mobility and common projects;
- Bolster activism and volunteering among youth, including the establishment of cooperation among youth and organizations dealing with young people from the region, and encourage youth participation in decision-making-processes;
- Establish a joint regional research platform on youth scientific and vocational training in the areas of IT, infrastructure, tourism, energy and agriculture, in line with the specific national and regional needs and priorities;
- Promote youth employment and entrepreneurship by presenting models of good practices from the region, and by encouraging mobility to gain work experience/vocational training and employment;
- Establish adequate mechanisms for youth vocational training that match labour market demands and criteria;
- Establish contacts with sister organizations based across Europe, in order to organize joint activities that contribute to peace, reconciliation, integration and progress;

- Encourage and support youth cultural activities with focus on the best regional traditions and on the modern art, as important elements of youth and people-to-people cooperation;
- Organize joint activities for improving health quality amongst the youth;
- Organize joint youth activities on environmental protection and engage youth in voluntary activities to the benefit of the society.

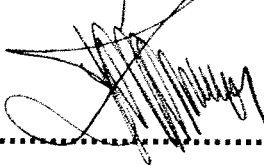
The Prime Ministers:



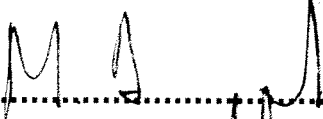
Republic of Albania



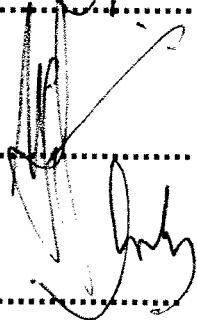
Republic of Serbia



Bosnia and Herzegovina



Montenegro



Republic of Macedonia

Kosovo*

Done in Vienna, on 27 August 2015

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

Vienna Western Balkans Summit 2015

Annex 3

Regional Cooperation and the Solution of Bilateral Disputes

The governments of the Western Balkans - gathered in Vienna in the presence of Austria, Croatia, France, Germany, Italy, Slovenia, the European Commission, and the EEAS - commit themselves to a resolution of all open bilateral questions in the spirit of good neighborliness and shared commitment to European Integration. The governments agree that they will not block, or encourage others to block, the progress of neighbors on their respective EU paths.

The governments of the Western Balkans commit themselves to resolve any open questions through bilateral negotiations or other means of peaceful settlement of disputes, including international arbitration, in accordance with international law.

The governments of the Western Balkans will report annually at the Western Balkans summit on the progress made in regard to bilateral relations and outstanding bilateral questions. The first report will be prepared by the governments for the summit in France in 2016. Subsequent annual reports will be presented at the following summits.

The governments of the Western Balkans invite the governments of neighboring EU member states to join this commitment.

The Western Balkans Foreign Ministers:

Ditmir Bushati
Scm
H. H. H.
H. H. H.
H. H. H.

Done in Vienna, on 27 August 2015