



TRIESTE WESTERN BALKANS SUMMIT

Declaration by the Italian Chair

In the framework of the Western Balkans Process, Italy welcomed in Trieste on 12th July 2017 the Heads of Government, Foreign Ministers and the Ministers of Economy of Albania, Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, as well as Austria, Croatia, France, Germany, Slovenia, United Kingdom and representatives of the European Union and the International Financial Institutions. Western Balkans Ministers of Transport also met together with Italian and EU Institutions.

The Trieste Summit offered the opportunity to build on the achievements of previous Summits - Berlin (28 August 2014), Vienna (27 August 2015), Paris (4 July 2016) – and to progress further in several areas of cooperation, in particular in the connectivity agenda, which is and will remain the core element of the process, and in the regional integration process. The Summit recalled the need to provide appropriate responses to global challenges and confirmed the importance of strengthening reforms on the rule of law, fundamental rights, economic development and competitiveness in order to deliver results to citizens.

Participants unanimously reaffirmed their unequivocal support for the European perspective of the Western Balkans, as stated in the Conclusions of the European Council of 9 March 2017, while stressing the need for a renewed reform effort in the Region. In underlying the complementary nature of the Western Balkans process and the enlargement negotiations, they commended the progress made so far in the European path by all Western Balkan participants, while acknowledging the different stages achieved individually and confirming that everyone will be judged on its own merits.

The future of the Western Balkans lies in the European Union, a Union open to those European countries which respect its values and are committed to promoting them. In Rome, at the celebration of 60th anniversary of the signing of the Treaties, the EU advocated for a stronger and more differentiated Europe. Now, in Trieste we pledge to work for a better inclusion of Western Balkans, with a view to consolidate and unite the continent. Integrating the Western Balkans with the EU is a strategic investment in peace, democracy, prosperity, security and stability of Europe as a whole.

In Trieste participants agreed on the need to renew the political engagement to make sure that each of the Western Balkan partners makes irreversible steps forward in the European path and that democratization, stabilization and association efforts are not put on hold due to internal divisions or to external influences. In this perspective we welcomed the reiterated commitment of the Western Balkans to promote good neighborly relations and mutual cooperation in the region. Solving pending issues and avoiding nationalist rhetoric can help open the way to a brighter future, one where many will be better off thanks to stronger stability and better economic conditions. In Trieste, participants reaffirmed their support for the reform in the Western Balkans with a view to help them fulfill all economic and political requirements for accession to the EU.

Deepened regional cooperation will facilitate reconciliation and foster the EU individual accession aspirations. Participants greatly valued the complementary contribution of other regional processes, as the Brdo-Brijuni process, and of regional institutions and mechanisms, as the Central European Initiative, the Regional Cooperation Council, the Adriatic Ionic Initiative, the Regional Anti-corruption Initiative, which strive for the common objective of strengthening the regional cooperation dimension and building a prosperous and inter-connected area.

Participants welcomed the growing desire and capability of ownership of the process coming from the region, as demonstrated also by the high number of regional ministerial meetings and the Western Balkans Summit in Sarajevo in March.

BRINGING THE WESTERN BALKANS CLOSER

Connectivity

The 'Connectivity agenda' focusing on regional and TEN-T relevant transport and energy infrastructure and reforms is moving forward and delivering results. It will remain the key item on our agenda: well-connected and functioning infrastructure networks drive economic growth, provide business opportunities, attract investments and generate jobs.

The Trieste Summit reviewed progress in the implementation of the projects that were launched at the 2015 and 2016 summits and welcomed the start of important construction works. More will follow before the end of the year. The participants agreed on 7 additional connectivity projects with a total investment of over 500 million, of which €194 million in EU grant co-financing and the balance loans from the EIB and the EBRD and national funding by the Western Balkans. This brings total connectivity funding since 2015 to more than €1.4 billion for a total of 20 investment projects.

Moreover, the Connectivity Europe Facility (CEF) has been mobilized for the first time in the region, providing an EU grant of €11.4 million. Reporting was provided on the implementation of 'connectivity reform measures' in transport and energy which were agreed at the 2015 and 2016 Summits, including the road-map for establishing a well-functioning regional electricity market. The link between the Western Balkan Regional Electricity Market and the EU's Internal Electricity Market will be developed through the 'Central and South Eastern Europe Gas Connectivity' initiative. The Summit invited the CESEC Electricity and the Energy Community Secretariat to explore opportunities for cooperation with the neighboring EU Member States building on the WB6 Memorandum of Understanding on Regional Electricity Market Development and the Treaty establishing the Energy Community (Title III). The initiatives for market coupling with the Western Balkan markets that have been taken are welcomed as steps to make the best use of the Trans-Balkan Electricity Corridor.

While overall good progress is noted on preparatory work, Western Balkan leaders acknowledged the need to increase their efforts in order that measures are completed and make a real difference on the ground to attract investments and reap their full benefit, taking into account that a sustainable energy policy and the fight against climate change are intrinsically interlinked. The European Commission, the South East European Transport Observatory and the Energy Community Secretariat will continue supporting this work.

The Summit noted the efforts undertaken to take forward the two energy efficiency initiatives announced at the Paris Summit and expressed satisfaction with the launching of the REEP + initiative. The Summit reviewed the progress on a Regional Strategy for Sustainable Hydropower in the Western Balkans, which was announced at the Paris 2016 Summit and will be

further developed to define guidelines for hydropower development in the region, which ensure respect for EU environmental acquis and relevant international agreement.

The Summit warmly welcomed the signature by the European Union and five partners of the Western Balkans of the Transport Community Treaty. The Summit regretted that Bosnia and Herzegovina was unable to sign and invited Bosnia and Herzegovina to join as soon as possible. In this context it noted the need for the Western Balkans partners to urgently agree on the seat of the secretariat and ensure – with the support of the European Commission – that it is operational by the time of the next Summit. The Treaty represents the beginning of new era of cooperation between the EU and the Western Balkans. The essence of the Transport Community is to bring the Western Balkans closer to the EU by creating a fully integrated transport network among the Western Balkans themselves as well as between the region and the EU, and to reach convergence with the transport operating standards and policies of the EU.

Regional economic integration and development

The Summit highly appreciated the Western Balkans leaders' joint initiative to accelerate regional economic cooperation and developing a Regional Economic Area, based on CEFTA and EU rules and principles as reflected in Stabilisation and Association Agreements (SAAs), which will progressively allow an increased free movement of goods, services, investment and skilled workers, in full coherence with each country's path.

This 'Regional Economic Area' will help unleash the vast potential of the region of about 20 million people by creating better and more sustainable economic opportunities for all, and attract greater volumes of Foreign Direct Investment than the current individual efforts. Participants welcomed the Leaders' presentation and adoption of a multi-annual Action Plan for a Regional Economic Area, covering trade, investment, mobility and digital economy (Action Plan appended to this Declaration). This work is neither an alternative nor a parallel process to the European integration: it will reinforce the capacity of Western Balkans economies to meet the EU accession economic criteria, and to implement EU *acquis* on a regional scale before joining the EU. It will also increase prosperity and employment. The Regional Cooperation Council is invited to review and inform the Western Balkans Summits and/or Sherpas on regular basis on the progress achieved as regards the deliverables defined in the implementation of this action plan with the involvement of Central European Free Trade Agreement - CEFTA - structures.

This also includes initiatives for improving regional smart specialisation and creating value chains, and accelerating innovation and technology transfer. In addition to the private sector support below, the European Commission announced support actions of over €7 million to help turn the Regional Economic Area into concrete business opportunities.

Private sector and SMEs development

A dynamic business environment is essential for the diversification and modernization of the economy and the creation of job opportunities and growth. Participants agreed to work towards a more dynamic investment environment in the Western Balkans building on entrepreneurship within the region, using regional strengths, including young people and scientific expertise. The growth of computerized manufacturing and the digitization of economic processes can have great benefits for the economies of the Western Balkans. At the same time the setup of the necessary IT infrastructure and reliable legal frameworks for IT services poses a challenge. In order to combine existing efforts and to develop recommendations for the future cooperation, the Western Balkans will hold an IT Summit together with the European Commission, the Regional Cooperation Council and business representatives, taking into account certain priorities identified

in the EU Digital Single Market approach. Participants also encouraged the further development of innovative partnership between the public and private sector, including via the introduction of dual elements and other forms of work based learning in the VET systems of the Western Balkans.

Participants welcomed the results of the Business Forum where platforms available to SMEs for financing needs and assistance were presented and discussed, thus improving their performance. The Business Forum also focused on the potential of co-operation between SMEs in sectors such as energy and environment, infrastructure, innovation. Training in order to increase the regional entrepreneurial skills has been identified as a promising sector for capacity building initiatives. Opportunities for business involving Western Balkans SMEs were successfully explored in Business to Business meetings.

The European Commission announced additional financing of €48 million, which will be channeled through the Western Balkan Enterprise Development and Innovation Facility, to boost entrepreneurial capacity and new financing opportunities to the companies in the region.

As part of this common effort to intensify the private sector contribution to trade creation and economic growth, a Secretariat of the Chambers of Commerce of the Western Balkans has been inaugurated in Trieste and has started to operate.

HUMAN CONNECTIVITY

A positive agenda for Youth

Parties welcomed progress in implementation of the 'Action Plan for Youth Work and Youth Policy' prepared at the EU-Western Balkans Youth meeting in Ljubljana and today, as a result of the Youth Forum – a gathering of 60 young people from the region and the EU here in Trieste – have taken good note of the recommendations presented on mobility, inclusion, entrepreneurship and participation. Universities of the Adriatic-Ionian area showed willingness to contribute through their declaration. The European Commission has taken measures to improve the uptake in the EU's Erasmus+ programme in the Western Balkans – a good contribution to the celebration of the 30th anniversary of Erasmus - supporting the mobility of young volunteers, youth workers, students and academic staff, as well as institutional capacity building.

The Regional Youth Cooperation Office (RYCO) – a tangible result of the joint efforts since the Berlin Summit - has now started its work and presented its first work programme to foster cooperation among the youth of the region. In this connection, a suggestion was made that RYCO implement a “citizen's laboratory” and set up a project dedicated to preventing radicalization. The participants welcomed EU's financial support for implementation of its programme and promised to ensure pro-active cooperation and support with RYCO. They thanked the German-French Youth Office for its contribution in establishing RYCO.

In view of the successful completion of the Young Civil Servants pilot scheme – endorsed at the 2016 Paris Summit – participants strongly welcomed its continuation for the following 2 years allowing 30 young officials per year from each of the Western Balkan partners to benefit from executive training in the EU and subsequent regional exchange in the public administrations across the region. The inclusion of the Western Balkans in the 'European Youth Portal' was welcomed to help young people from the region take advantage of the opportunities to work, learn, volunteer, and travel in the European Union.

Governance, Rule of Law and Prevention and Fight against Corruption

Improving governance and the rule of law is an essential requirements for EU accession and for building a sound economic fabric. Countries respectful of the rule of law can lessen the

negative effects of corruption, avoiding that bad governance, poor management of public money, and less competitive markets undermine the trust of citizens in democratic institutions and processes. Corruption affects all. It is in the common interest of EU's Member States and the Western Balkans to ensure that efficient anti-corruption policies are in place and are working and have a strong political backing.

In order to contribute to these developments and mainstream the anticorruption dimension, the Italian National Anticorruption Authority (ANAC) chaired in Trieste a workshop with partner institutions from the Western Balkans and the Regional Anticorruption Initiative (RAI), working on five issues: prevention of corruption; transparency; public procurement; whistleblowing and conflict of interest. Thematic seminars will follow, with the cooperation of the European Commission, so as to deepen know-how and to contribute to improving operational capacity. The initiative showed the substantial interest of partners to effectively address and cooperate on integrity issues.

Participants welcomed the final declaration agreed at the workshop (in annex) which identifies a set of commitments to improve the capacity to respond to corruption.

Science

EU Member States and leaders of the region decided to start the process of establishing the Western Balkans Research Foundation as a self-governing international institution, following the proposal made by the 3rd Joint Science Conference of the Western Balkans Process, held in June 2017, in Paris. They welcomed the willingness of the Italian Government to host the Foundation in Trieste. The Foundation is intended to award personal grants to junior scientists willing to build up excellent research teams and labs and groups in the Balkans, and support mobility with European counterparts in order to better link EU research with the Western Balkans. Participants mandated a Group of scientists and envoys to study the project's financial and technical feasibility and negotiate all necessary arrangements by the next Western Balkans Summit.

Participants further welcomed the concept of an Expert Group initiated by the Joint Science Conference for the elaboration of the Western Balkans Action Plan for Smart Growth and urged relevant actors from academia, universities, business and civil society as well as international financial institutions to engage in this undertaking. Appreciation was expressed for the European Commission's efforts in research and innovation as well as science and knowledge services through Horizon 2020 – the EU Research and Innovation Program open to the Western Balkans, and through its Joint Research Centre's initiatives.

Participants welcomed the announcement made by Italy to hold the next Joint Science Conference of the Western Balkans Process in Rome in 2018 and expressed their gratitude to the German Academy Leopoldina for its continued efforts in supporting the cooperation of scientists.

Outstanding bilateral issues

Participants took note with satisfaction of the Western Balkans reiteration of their solemn commitment to further support each other on their respective European paths and of their pledge to resolve their political differences within the framework of their democratic institutions and by strengthening mutual political dialogue. The EU partners recalled that building good neighborly relations is a cornerstone of the path towards the European Union and reaffirmed their readiness to support the Western Balkans resolve in any possible way.

Participants welcomed the Report by the previous French presidency on Boundary location processes in the Western Balkans and confirmed their readiness to examine future initiatives conducive to progress in this direction.

Civil Society

Participants stressed the importance of civil society as an independent, active, engaged and respected partner, contributing to the informed choice of political leaders, policy implementation and a better perception of public opinion expectations. They took note with interest of the recommendations stemming from the Civil Society Forum, including the RECOM initiative, demonstrating that the Summits are part of a common endeavor.

FIGHT AGAINST TERRORISM, EXTREMISM, RADICALIZATION AND ORGANIZED CRIME

The Summit recognized that, as the Global Strategy for the European Union's Foreign and Security Policy underlines, countering terrorism and preventing violent extremism and radicalization leading to violence are common threats, requiring a tailor-made approach, based on the understanding of local realities and the wider regional framework of cooperation. Returning foreign terrorist fighters pose a regional and global challenge: we will promote information sharing with Interpol and Europol, proactive engagement with the European Counter-Terrorism Centre and the Police Cooperation Common Centres, implementation of the Police Cooperation Convention for Southeast Europe and stronger border management cooperation.

In order to prevent radicalization and violent extremism parties committed to engaging with civil society and local communities; co-operating with detention facilities; building alternative and positive narratives to counter extremist ideological influences; fostering collaboration within the EU's Radicalization Awareness Network. The importance of organizing timely deradicalisation, rehabilitation, and reintegration programs was recognized. Participants agreed on the need to combat the misuse of the internet by terrorists and welcomed the work carried out under the EU Internet Forum. It is critical to identify and sever the links between terrorist groups and transnational organized crime networks involved in human, drugs and firearms trafficking: cooperation in this field will be continued, as well as in fighting money laundering and financing of terrorist activities. The EU's support through the Western Balkans Counter Terrorism Initiative and the Integrative Internal Security Governance (IISG) initiative were welcomed. On firearms trafficking, parties agreed on the importance of increasing the engagement with Europol and of the South Eastern and Eastern Europe Clearinghouse for the Control of the Small Arms and Light Weapons project. In addition, a proposal was made to enhance the fight against trafficking of small arms and light weapons (SALW) by increasing the physical security of weapons stockpiles and by encouraging voluntary handover campaign.

In order to be successful in responding to the common threats of terrorism, violent extremism, radicalization and transnational organized crime, effective cooperation is required across the EU and South Eastern Europe. Parties committed to use their shared instruments and networks to the fullest extent and to work together in a spirit of partnership, within the scope of the enlargement policy, learning from and strengthening one another, in the common endeavor of ensuring safety and security for our citizens. The sustainable prevention of radicalization requires a comprehensive approach, also taking into consideration the socio-economic situation, including reduction of youth unemployment.

PREVENTING IRREGULAR MIGRATION

Better management of migratory flows is a continental challenge. The response must be effective and guided by the principles of solidarity, partnership and shared responsibility. This calls for further cooperation between the European Union and the Western Balkans, which have been

affected by massive movements in recent years and were able to be part of the solution through an ongoing intense coordination both within the region and with the EU.

This common effort must be continued, in order to enhance border management and control capabilities, prevent irregular migratory flows and fight against organized crime networks, smugglers and traffickers of human beings, while ensuring respect of human rights and international protection to those who are eligible, in full compliance with international obligations.

Participants stressed again the importance of constantly monitoring the development of potential new migration routes through the region to the European Union. Readiness and capacity to deal with new and evolving needs and challenges must be ensured by all parties.

THE FUTURE OF THE PROCESS

Participants welcomed the readiness of United Kingdom to host the 2018 Summit of the Western Balkans, agreed to continue the process beyond 2018 and expressed great satisfaction with the prospect of further high level events in the region.