

The Berlin Process viewed by Civil Society

Concept Paper

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The Merkel Idea

Under the leadership of the German Chancellor Angela Merkel, in August 2014 was called in Berlin a High Level Conference on the Western Balkans. Its main purpose was to provide a *framework* in which WB6 countries would further their endeavours towards additional progress in their engaged reforms towards a fully-fledged market democracy, complete the reconciliation process, and enhance regional economic cooperation as main basis for sustainable growth and prosperity.

The Berlin Process

Notwithstanding the echo in the WB6 media and public opinion, there is neither a widely accepted definition nor an official explanation of what exactly is the "Berlin Process". Even though it is difficult to find out who coined it first - WB6 leaders or the media - the concept of "framework" stated in the Berlin Final Declaration was converted into a "*process*" in the post-Berlin phase. This terminology shift is not completed as yet by clarifications about this 'process', such as its actors, mechanisms, expected outputs, monitoring, and available resources.

There is only parceled knowledge of how this new initiative and its long-term and

costly connectivity projects interact with the WB6 countries budgetary framework, their strategic planning process or with their European integration path and the respective strategic planning and financial instruments. The shortage of such information has led to initial speculations among local politicians and high expectations of population about significant additional financial resources available to WB6 countries.

WB6 Reaction

Nowadays, officialised ex-post the Berlin Process has been strongly embraced by the WB6 governments and civil society, as well as EU and EU-related structures, as it has (re-)generated a much needed momentum for the institutional regional cooperation. Seven ministerial meetings and five joint statements have followed the 2014 Berlin Conference. This intense high-level diplomatic activity has delineated on-the-go the policy areas of cooperation among the Western Balkan countries, resulting into concrete proposals at the Vienna Summit of August 2015.

However, the practical outcomes as well as the efficiency of this intense institutional activity have been difficult to assess. Apart from the joint statements, press releases and



interviews in the media, no other “Berlin Process” documents have been accessible to the general public. No assessments, studies or research papers do result on this process neither.

The Strategic Component of Connectivity

While it is un-deniable the thawing effect that the Berlin Process has had in the political cooperation so far, it is not yet clear how it has been implemented on the ground, in which specific sectors, and at what cost for the national budgets and for the WB6 populations. The settled ambitions are high and expensive reflecting the high cost of infrastructure connectivity projects in transport and energy. Furthermore, those projects are complex, need highly specialized competencies and coordination during the preparation phase to reach the Single Project Pipeline, have a long-term implementation period, high cross-border relevance, and significant impact on other components of the socio-economic development strategies of WB6.

Consequently, there is a risk for the connectivity projects to remain in the list, and never implemented (or partially). Or worse, their implementation may distort the existing national strategies for development and integration, sectoral strategies, and/or negatively impact the national accounts by increasing the public debt.

Unanswered Questions

While studying this initiative, we have identified the following issues:

- All the joint statements and declarations refer to “long-term investments and financial support from international donors”. It would be useful to clarify

that those projects are the same as the ones already identified under PECEI and SEETO, principally through the WBIF scheme, and to discuss their harmony with IPA II and with the country strategic planning process of WB6.

- It would be useful to discuss why infrastructure investments in energy and transport are given the preference. In the Berlin Declaration, they figure as two of the six fields of action together with open markets and FDI; reduction of current account deficit; competitiveness (and academic quality and VET which has re-entered the priority list together with youth cooperation in Vienna). Why other sectors such as stated in Europe 2020 or in SEE 2020 have been left aside?
- No reference has been made to the effective financial sustainability of the projects. In the short run, almost all the WB6 countries face high unemployment and low growth rates, along with high public debt concerns.
- How the Berlin Process is embedded in the national integration and development strategies? How does it interact with other national strategies, action plans, budgetary planning, and other socio-economic development strategies? Does its timeframe goes beyond 2018?
- Connecting the region will undoubtedly increase the chances of its citizen and companies to lower their operating costs and be more competitive in the EU and world markets. However, without a proper industrial policy that supports the local productive tissue, that encourages the establishment of innovative and high value-added activities, that embeds the WB6



enterprises in the EU supply chain, connectivity infrastructure will convert Western Balkans into a big market of 18.5 million of consumers. Joint economic governance focusing on re-industrialization, and regional and EU supply chains, must at least be on the same par as connectivity projects;

- The Vienna Declaration increases the number of topics under attention. It includes also the fight against extremism and radicalization as well as migration, creating thus a precedent for the inclusion of other issues during the next three remaining years. The swelling of the agenda risks shifting the attention from connectivity to justice and home affairs and/or up-to-minute issues. The lack of a hierarchy of political priorities may undermine the process.
- Finally, the importance given to youth and to the civil society is a strategic development that needs to be capitalized in. This opportunity needs to be completed with a clear vision, realistic plan of activities and be properly supported in the long term.

Understanding the Berlin Process

Against this setting, we will focus on its definition(s), approach, goals, actors, mechanisms, priorities and funding opportunities. We will outline its institutional, legal and policy(ies) framework, the synergy with prior mechanisms, the novelties brought by this process, assess the connectivity argument with reference to its contribution to growth and prosperity in the region, and give an overview of the existing regional initiatives that directly or partially affect the Berlin Agenda. Finally, specific findings will be

drawn for each category of the involved stakeholders, on the way they interact, the national and regional mechanisms and the monitoring component.

The study methodology is based on desk research and interviews with national, regional and international stakeholders. It will be published after the conference and will include the speeches of the invitees as well as the results of discussions.

Getting the most from the Berlin Process

The policy paper will be the first one of its kind produced on the Berlin Process by the civil society. It will serve as a basis for discussion for the conference of 5th November 2015 and as a major contribution for the understanding of this initiative.

This conference will be organized by ShtetiWeb together with Friedrich Ebert Foundation, Konrad Adenauer Foundation and Hanns Seidel Foundation. Distinguished speakers representatives of Albanian Government, Albanian Parliament, and Diplomatic Corps accredited in Albania, Think Tanks, Academia, Regional Partners from WB6, Youth organizations, etc. will participate in the debates.

The policy paper will allow for the establishments of quantitative benchmarks that will make possible a monitoring of the engagements the government has taken in the framework of this initiative. The civil society and other interesting stakeholders such as business and academia will have the opportunity to receive in an understandable format the main information that affects them. We intend to produce a “progress report” in June 2016 – right before the Paris Summit – and repeat the conference after

the Paris Summit, by fall – winter 2016.

The conference will last half a day and is composed of three main pillars:

1. The Berlin Process: A New Momentum for Regional Cooperation

The focus will be point on the recent development of this initiative; its interactions with the EU integration dynamics; and, different marking points of Berlin, Vienna and Paris Summits.

2. Getting the Most from the Berlin Process

The actors, mechanisms, financing sources and the concrete projects under the Berlin Process umbrella will be covered in the panel.

Special attention will be given to the role that the civil society has or should have in this dynamics to better represent the interests of the citizens and increase their benefits.

3. Albania's Roadmap to Paris Summit

Representatives from the Albanian Government and Parliament will have the opportunity to outline the vision and respective work plan towards the Paris Summit. The goal of this panel will be the creation of new synergies and cooperation dynamics between different actors, national and regional, towards a more efficient process.

This concept paper is prepared in the framework of the Conference "Albanian in the Berlin Process: Fall 2015 Stocktaking and Recommendations".

The opinions, findings, conclusions and recommendations expressed in the concept paper are those of the authors and do not necessarily reflect those of the Partners.