

JOINT DECLARATION

By

The President of the Republic of Serbia, Prime Minister of the Republic of Albania and the Prime Minister of the Republic North Macedonia

On

IMPLEMENTING THE EU FOUR FREEDOMS IN THE WESTERN BALKANS

We, aware of the responsibility to shape the destinies of our countries, commit to strengthen peace, equality, rule of law and prosperity for present and future generations in South - East Europe.

RECOGNIZING the importance of our joint EU accession perspective and full commitment to mutual support, respect and assistance on the European path,

We invite our fellow leaders in the Western Balkans Six to join us in this effort.

EXPRESSING readiness to strengthen regional cooperation to generate economic growth, reduce unemployment, combat illegal migration, fight transnational organized crime, and improve the social welfare of our citizens, as well as to increase trade, investments and employment in the Western Balkans Six area,

TAKING INTO CONSIDERATION the process of the establishment of the Regional Economic Area (REA) in the Western Balkans Six as envisaged by the Multi-annual Action Plan adopted at the Summit of the Western Balkans Prime Ministers in Trieste in July 2017, as part of the Berlin Process,

REITERATING the commitment to achieve the Regional Economic Area in the Western Balkans Six based on all-inclusiveness and on the EU principles of "four freedoms": the free movement of goods, services, people and capital, drawing on commitments made by countries of the region including also CEFTA, WTO, as well as WTO Trade Facilitation Agreement, MAP REA, and others.

REAFFIRMING our commitment to the Multi-annual Action Plan (MAP), we welcome the progress that has been made so far in the four pillars: trade, investment, mobility, and digital integration,

TAKING INTO CONSIDERATION and SEEKING TO ACCELERATE THE IMPLEMENTATION OF the "Stabilization and Association Agreement between the European Communities and their Member States and the Republic of Serbia", the "Stabilization and Association Agreement between the European Communities and their Member States and the Republic of Albania" and "Stabilization and Association Agreement between the European Communities and their Member States and the Republic of North Macedonia," and our commitments reflected in the February 2018 EU strategy "A Credible Enlargement Perspective for an Enhanced EU Engagement with the Western Balkans."

Hereby we announce our intention to deepen the Regional Economic Area in the Western Balkans.

Since Thessaloniki Summit (2003), the process of regional cooperation was seen as an instrument of the EU enlargement in the Western Balkans. With the beginning of Berlin Process (2014) and Trieste Summit (2017), the concept of regional cooperation was raised to another level by introducing concrete measures in the fields of infrastructure, trade, investment, mobility and digitalization, to mention but some. The project of building a common market and integrated region was also reflected later on in the February 2018 EU Strategy 'A Credible Enlargement Perspective for an Enhanced EU

Engagement with the Western Balkans'. This effort is broadly considered to be essential in creating new opportunities of development and increasing capacities of generating higher levels of growth in the region.

The EU has been the key driver of transformation of the entire region, at least, since the promise of enlargement was laid out. Pending EU membership, the region itself requires a significant boost of growth immediately. Accordingly, Western Balkans leaders should be more substantially engaged in unleashing the potential of development that is still unexploited in the Balkans. A more active and creative approach to the circulation of goods and capital, movement of people and cross-border cooperation, integration of services and labour is needed. The leaders of the region must take the responsibility to shape the future of the region and introduce policies which aim to ensure free movement of human and material capital. This is pivotal not solely in making the region more integrated, but also in inciting the overall development across the Western Balkans as a whole. The process of European integration goes through the process of regional cooperation.

All six Western Balkan participants seek membership to the European Union. Notwithstanding this, the structural gaps between the EU and Western Balkans remain substantial. The GDP at market prices in the EU-28 is more than 100 times greater than that of the Western Balkans Six, which in 2018 totalled some Euro 108 billion, while the average unemployment rate in the EU, for the same year, is almost three times lower than that of the Western Balkans Six. This shows that Western Balkan leaders face an urgent need to tackle this structural imbalance, which might very easily turn into an impediment to joining the EU in the longer term. In addition, unresolved issues within the Western Balkan Six are hampering economic development and lowering the quality of life of its citizens.

To date, the process of regional cooperation has shown concrete benefits for the people of the Western Balkans. Since 2010, more than 600,000 jobs were added to Western Balkans economies and more than 500,000 highly educated workers entered the labour force. This contributed to stronger export performance and greater competitiveness and presence in wider international markets. The process of regional cooperation as foreseen within the framework of the *Multi-Annual Plan for Regional Economic Area* will additionally strengthen these positive trends.

Western Balkan leaders must act according to the new political and economic environment in the region. The overwhelming majority of Western Balkan citizens believe that regional cooperation can positively contribute to their economies. Business leaders express concern about bureaucratic constraints that impede expansion in regional markets. Stronger political commitment is needed to create the proper conditions for higher and more sustainable levels of economic growth.

Full and free movement of goods, services, capital and labour throughout the entire region is the best way for a small region to generate growth in an increasingly changing and globalized economy. This endeavour would bring together approximately 20 million people in a common and unified market by improving living standards across the region, providing opportunities for our citizens and preparing the entire region for the EU membership for tomorrow. This project takes inspiration from other existing and successful models of open regions such as Benelux or Nordic Region. The ultimate goal of this endeavour is to emulate some of the best practices that would finally put end to custom barriers at our borders and ensure free movement of persons, goods and services in the Western Balkans.

As a first step we commit ourselves to eliminate border checks and other impediments to free movement within the region as soon as possible and no later than 2021.

According to the World Bank, trucks spend approximately 26 million hours a year at border crossing points within the Western Balkans. This shows room for considerable improvement to our current approaches, which make our economies slower and more expensive than required to compete in global economy.

People will be able to travel across the region with a valid ID. They should be able to work anywhere in the region once they are qualified in one place. Diplomas should be recognized across the region. We will intensify cooperation against transnational organized crime and pledge to help one another in responding to emergencies such as natural disasters.

This is a bold initiative and we will continue working to achieve practical results and solidarity so that our citizens see benefits.

To that end we will meet again in Ohrid on November 10.