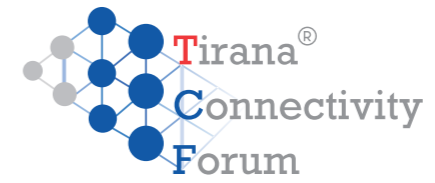


# **BUILDING BETTER BALKANS TOGETHER**

Tirana Connectivity Forum 2021

May 2022



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**#TCF2021**

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# About the Paper

## Disclaimer

The information and data in the Tirana Connectivity Forum Paper has been obtained from sources that the authors believe to be reliable, accurate, and trustworthy.

This year, the paper provides a much larger space. For that, the authors of the paper have used the conference recordings and adapted them to the written document language. Every deviation from the original meaning as stated in the panels, is authors' only responsibility and cannot be attributed to the panelists.

Also, the authors have drawn their own take-aways after each panel. Therefore, the Paper including the opinions, conclusions and recommendations as expressed by the authors are their own, and cannot construed as reflecting the views of any other party.

To listen to the panelists' statements, the interested parties can consult the audio copy of the TCF recordings, made publicly available at:

Day 1:

<https://www.youtube.com/watch?v=lb-Gy0tc04Yk>

Day 2:

<https://www.youtube.com/watch?v=r-7Cywq7iFoE>

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# Imprint

## About the Tirana Connectivity Forum (TCF)

Tirana Connectivity Forum is the only such event covering connectivity, reforms and enlargement in the South East Europe region<sup>1</sup> (SEE6). The Forum is an annual European benchmark that gathers different stakeholders from think tanks to policy-makers involved in EU Enlargement, Regional Cooperation and Connectivity dynamics impacting the Balkans peninsula.

TCF aims to create a critical mass of knowledge on the means, resources, mechanisms and impact of multi-layered connectivity in relation to growth, development, reforms, regional cooperation and the convergence of the SEE6 with the European Union (EU). TCF publishes the annual Tirana Connectivity Forum Paper.

## About the Tirana Connectivity Forum Paper

Since its first edition in 2015, TCF in collaboration with its partners regularly publishes the Tirana Connectivity Forum Paper which contributes to creating a critical mass of knowledge on the Berlin Process, connectivity, regional cooperation and enlargement. This document also serves as a link and knowledge transmission vector from one Summit to the next. The publication provides a balanced mix of TCF proceedings and its main conclusions complemented with innovative insights, research products and arguments on interactions between multi-layered connectivity and growth, development, reforms and regional cooperation. Its main contribution is to provide innovative and impact-oriented ideas and scenarios for ever stronger linkages and speedier convergence of the SEE6 with the EU.

<sup>1</sup> The SEE6 comprises Albania, Bosnia & Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia.

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# List of Abbreviations

<b>ADA</b>	Austrian Development Agency
<b>CEMA</b>	Centre of Excellence for Maritime Affairs
<b>CIF</b>	Chambers Investment Forum
<b>CSO</b>	Civil society organization
<b>CSTTF</b>	Civil Society and Think Tank Forum
<b>DG NEAR</b>	Directorate-General for European Neighbourhood Policy and Enlargement Negotiations
<b>EIP</b>	Economic and Investment Plan
<b>EUSAIR</b>	EU Strategy for the Adriatic-Ionian Region
<b>FES</b>	Friedrich Ebert Stiftung
<b>GIZ</b>	German Agency for International Cooperation
<b>HSS</b>	Hanns Seidel Stiftung
<b>IPA III</b>	Instrument of Pre-Accession III
<b>KAS</b>	Konrad Adenauer Stiftung
<b>MAP REA</b>	Multi Annual Action Plan on Regional Economic Area
<b>NEM</b>	New Enlargement Methodology
<b>NGO</b>	Non-governmental organization
<b>RYCO</b>	Regional Youth Organization Office
<b>SEE6</b>	South-East Europe Six
<b>SOGDE</b>	Southeast Europe Society (Südosteuropa - Gesellschaft e.V.)
<b>TCF</b>	Tirana Connectivity Forum
<b>TEN-T</b>	Trans European Transport Network
<b>WB6</b>	Western Balkan Six

# BACKGROUND

The 7<sup>th</sup> edition of Tirana Connectivity Forum was organized on 7–8 October 2021 by the Cooperation and Development Institute in Tirana, in partnership with Konrad Adenauer Foundation, Friedrich Ebert Foundation and Hanns Seidel Foundation and supported by Europe House Albania. TCF2021 was part of the official calendar of the Slovenian Presidency of the Council of the European Union. It took place in a hybrid format at the premises of Europe House in Albania and online.

Under the theme “*Building Better Balkans Together*”, the Forum provided a platform where the connectedness between EU and SEE6, the SEE6 institutional reforms and the relevance of good governance in the above processes were assessed, discussed, debated and reviewed. The goal was to upload the conclusions and lessons learned into a more efficient, impactful and sustainable policy-making dynamics that is tailor-made to SEE6 development needs, and contributes to a speedier convergence of the region with the EU.

Witnessing the increased presence of connectivity initiatives, the multiplication of the actors involved in the region and of available financing possibilities, TCF21 focused particularly on political will and good governance as preconditions for the success of investment in the publicly funded SEE6 infrastructure. Building on the achievements of

the Western Balkans Summit in Berlin in June 2021, it allocated a very important place to the contribution of CSOs and think tanks in this dynamic.

The official agenda of the forum can be consulted at: [www.tiranaconnectivityforum.org](http://www.tiranaconnectivityforum.org).

# BUILDING BETTER BALKANS TOGETHER

Throughout TCF21 the word “together” held many connotations. Firstly, it described the joint cooperation efforts amongst South East Europe 6 countries when engaging in the current post-COVID recovery and growth efforts. It also depicted the interlinked efforts of the region supported by its EU partners for deep institutional reforms, a speedier convergence and quicker Enlargement pace. Finally, the Forum brought into focus the necessity to involve all the actors – EU, government, businesses and civil society – at the service of a virtuous dynamics towards full EU membership.

In all the TCF21 panels, the debates dissected what “together” means and its added value for policy-makers. Panellists and audience presented and debated best cases of cooperation at the national, regional and EU scale in order to increase the relevance, impact and efficiency of policy-making; bringing into the policy-making cycle new relevant actors and interest groups; and how to valorise the SEE6’s best asset: its human capital. The second part of the Forum moved the discussions towards innovative and concrete ideas that contribute to good governance during policy-making and project-implementation cycles with special attention to the



transparency and accountability of their financing mechanisms.

## Need to focus on Good Governance

The rationale linking all the panels of TCF21 is SEE6 institutional good governance. To be fully democratic, legitimate, efficient, resilient and sustainable our SEE6 institutions must be well governed, transparent and accountable. In practical terms, those preconditions must become paramount for the disbursement in the region of the EUR 30bn package earmarked for the Economic and Investment Plan (EIP) and its 10 flagship projects.

But how can local institutions that suffer from

structural weaknesses be trusted partners of the EU and of international development banks? How to avoid the capture of these large projects by vested interests? Does SEE6 local administration have the required expertise and competencies to produce mature financing dossiers when identifying, implementing and operating EU-supported large infrastructure projects? **How to make sure those EU financial transfers to the SEE6 respond to the legitimate needs of SEE6 citizens (rather than local elites’ interests) and are implemented under the EU standards of good governance?**

TCF21 was designed and prepared right after the promulgation of the Economic and

Investment Plan (EIP) and the promotion of its 10 flagship projects. Earmarked for a 30bn financial injection in grants and in loans for the period 2021–2027, the EIP for the Western Balkans is a major vector of growth, development and reforms in the region. But **to contribute to the region’s development, to its convergence with the EU and to the requirements of the Green Agenda, all by increasing the resilience of SEE6 economies, the EIP must be equipped with a delivery mechanism where transparency and accountability to the SEE6 citizen duly complement its normative power and in-built efficiency.**

The International Monetary Fund has identified the management of public investment in the SEE6 region as exhibiting significant weaknesses, an issue also recognized by DG NEAR and regularly mentioned by EU Multi-country Action Programmes for Connectivity. Poor governance and the limited progress of SEE6 countries in addressing shortcomings in the rule of law can lower the EIP’s impact on growth. Captured and/or incompetent institutions in charge can amplify the gaps with the EU and move the Balkan countries away from their convergence path with the EU.

At the same time, SEE6 infrastructure is feeling the influence of many new connectivity initiatives emerging around the world. The most visible sign of this “competition” is the existence of parallel project prioritization pipelines in almost all SEE6 countries. As a result, the National Single Project Pipeline that uses EU methodology to produce mature projects and procure them co-exists with other

project lists that prioritize and finance infrastructure projects through *ad-hoc* mechanisms, selection and/or contracting criteria. This **availability of alternative financing sources for projects that do not fulfil EU criteria, weakens the EU conditionality and may impact the pace of reforms as well as SEE6 progress towards full membership.**

**EU-designed but locally adapted good governance mechanisms that focus on transparency and accountability, contribute to tackling the SEE6 structural weaknesses.** In this regard, stronger and better collaboration with SEE6 specialized CSOs, think tanks and other interest groups throughout the entire policy-making and / or project cycle becomes a paramount condition for their successful implementation. The pooling of CSO and specialized expertise along with local knowledge can deliver the benefits of a redesigned EIP delivery process and of its financing mechanism.

### **Good Governance Allies: WB6 Businesses and CSOs**

For the first time, the Multiannual Action Plan for a Regional Economic Area in the Western Balkans 6 (MAP REA) adopted by Prime Ministers of the WB6 at the Berlin Process Summit in Trieste in 2017 singles out a regional non-governmental structure as key actor. The prominent role of the WB6 Chambers Investment Forum (CIF) in the continuous and interactive dialogue of EU with the private sector is recognized as one of the key commitments of the region in delivering MAP REA. Consequently, CIF WB6

has received a much welcomed political and financial support by EU Commission, by different IFI or by bilateral development structures such as Austrian Development Agency or GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit etc. This continuous and significant support has contributed in amplifying the SEE6 business agency in EU policies impacting the region.

While the CIF WB6 gives voice to WB6 business, promotion of the region as “a unique business destination” remains incomplete without the support, contribution and commitment of its people. As a workforce, the people of the Balkans are a key factor to efficient enterprises and local growth, while as citizens they keep local institutions accountable and efficient. However, **while SEE6 citizen are considered as final beneficiaries of EU funds, no fit for purpose mechanisms exists yet to include them as stakeholders of EU policies and / or of resulting programs.**

In awareness of their role and responsibilities, since 2015 many Balkans CSOs have raised the issue of the missing voice of SEE6 citizens in the EU policy theatre. **Specialized SEE6 think tanks have stepped up their advocacy by regularly producing professional monitoring reports including concrete proposals on how to improve implementation of the Berlin Process and of Connectivity Agenda projects.** They have brought in their unique knowledge of the local context and their expertise, especially on transparency, rule-of-law challenges and the environmental impact directly affecting infrastructure projects in the Balkans region.

As a direct result of SEE6 CSO advocacy and outreach, the Chair’s Conclusions of the Sofia Summit of Western Balkans in 2020 acknowledged the necessity to embed the best EU standards into EIP delivery mechanisms. The 2021 Berlin Civil Society and Think Tank Forum (CSTTF) doubled down on the importance of integrity compliance in infrastructure projects, and on the role that the citizenry organized in CSO and think tanks must play in keeping responsible authorities accountable through transparency and monitoring, and by providing their expertise throughout the entire project cycle.

Through all those efforts, an action-oriented regional coalition of think tanks, professional associations, and specialized and activist NGOs is slowly taking shape throughout the region. **Our goal is to go beyond strictly monitoring legal texts, policies and / or projects, but also engage in the good governance mechanisms that regulate the infrastructure project lifecycle throughout the design, financing, implementation, handover and operation phases.**

This will increase the legitimacy of EU action in SEE6. But for this to happen, it requires from EU to inform and engage relevant SEE6 think tanks and specialized CSOs in the decision-making cycle on vital public policies, project prioritization, access to information, monitoring and evaluation of all phases of development and implementation of important infrastructural projects. **Above all, local CSOs are EU best ally in the fight against the systemic corruption that considerably diminishes economic and social benefits deriving from domestic and foreign investments.**

The EIP and its 10 flagship projects represent a unique opportunity to more decisively introduce good governance conditionality in the EU’s financial aid to the SEE6. Non-governmental actors have an irreplaceable role in enforcing those rules and keeping private contractors as well as governmental actors accountable. **The final goal would be for EU infrastructure good governance standards to become the norm applicable for any other investor in the SEE6 and in full accordance with EU rules, norms and good practice.**

Concretely, applying accountability in the implementation of EUR 30bn for the period 2021–2027 is a huge leverage for EU and WB6 citizens, and a democratic opportunity that must be used. Supporting civil society in this endeavour helps it increase its own capacities and agency. Identifying best practices and centres of excellence in different areas across the region, and supporting them to interconnect with their counterparts in the EU, increases the legitimacy of EU support to growth, development and to the engaged reforms in the Balkans.

### **Economic and Investment Plan as an Entry Point**

Never has the region been more connected. Transport networks, energy links, business connections and people’s mobility have been developing, diversifying and intensifying. The SEE6 normative framework regulating these trends is being harmonized with the EU *acquis*, while local political will and stronger ownership have been expressed through new initiatives such as “Open Balkans”.

But where do the Balkan people stand in all this? As consumers they can define themselves by what they buy, own, watch – or don't. As citizens they see themselves as connected to, and an integral part of social and political systems that include national, regional and EU level – all three at the same time. But what kinds of mechanism allow Balkan citizens to contribute even while keeping the policy-makers accountable in these three interwoven systems?

The EU Economic and Investment Plan provides an optimal entry point for citizen action in all three of these levels. **As specialized NGOs and think tanks lie at the base of the interaction web connecting local, national, regional and EU, their input is needed for a fully-fledged accountable, transparent and legitimate EIP delivery mechanism.** NGO networks can be the connective tissue that channels the EU taxpayers and SEE6 citizens interest for a better identification, financing and implementing of infrastructure projects. Building on that, on 15 September, a group of likeminded SEE6 CSOs and think tanks sent an **Open Letter**<sup>2</sup> to the European Union requesting to participate formally in the new good governance mechanism of the Western Balkans Investment Framework.

2. <https://cdinstitute.eu/wp-content/uploads/2021/09/WB6-CSO-s-Open-Letter-to-the-EU-Institutions.pdf>

## Next steps

Connecting the policy-makers with the reality of the WB6 is the task of the TCF. While TCF21 set the tone for concrete, practical and impact-oriented action, TCF22 is currently being designed with the security concern in mind. Under the title “Securely Connected” it will fully immerse in preparation of the new TEN-T regulation where the Western Balkans will have their own transport corridor, on the security of our institutions and how connectivity affects it, and will continue to offer its expertise and critical mass of knowledge for efficient policy-making and project management.

# DAY 1. THE PRECONDITIONS OF POLITICAL WILL AND GOOD GOVERNANCE

## Keynote Address by H.E. Edi Rama



This year, the Tirana Connectivity Forum was addressed by the Prime Minister of Albania H.E. Edi Rama.

His intervention took place just a day after the EU-Western Balkan Summit in Brdo on 6 October 2021, where the Western Balkan leaders shared with the 27 EU member states their assessment on the current situation impacting both EU and SEE6, not only about enlargement but also on the overall challenges that are becoming increasingly interconnected.

During his keynote speech, the Prime Minister of Albania focused on the efforts undertaken by the SEE6 countries to join the EU, and on the support that the EU must provide to successfully complete the transformation and engaged reforms in the Western Balkans. Although the enlargement process will take time, the EU should already start including the Western Balkans in their joint actions and respective policies. As in the Brdo Summit, Prime Minister Rama stated that the European Union should stick to its promises and come up with a decision about the opening of negotiations with Albania and North Macedonia:

*“I believe Western Balkans must be supported in the process of transformation. The Economic [and Investment] plan is one of the most important instruments that the EU has to push transformation forward.”*

The Economic and Investment Plan is quite ambitious, very challenging, and will make available a significant amount of funds for the region. In this context a main challenge is the SEE6's capacity to prepare mature projects and also to work together on



EU-funded projects to build stronger infrastructure interconnections, railways, digital interconnection and interconnection of energy networks. Prime Minister Rama further added: *“Investments in connectivity, coupled with the joint efforts to make our region barrier-free as soon as possible especially for the non-barrier tariffs is the right thing to do and the right way to go”*.

While talking about the Open Balkans initiative, the Prime Minister explained that this initiative will act as an additional mechanism to improve the capacities *“that we have at our disposal so that we can do more in this direction”*. Investments in connectivity, coupled with the joint efforts to make our region barrier-free as soon as possible in terms of the non-barrier tariffs is the right thing to do and the right way to go. Open Balkans being inspired by the Berlin process *“is a sign of ownership of the Berlin process from the region, [it can be considered] as a mechanism serving as a project implementation unit – a PIU of the Berlin process. And this is a systemic continuation of the objectives of the Berlin process”*.

Prime Minister Rama emphasized the importance of regional cooperation and connectivity while designing and building important transport corridors but also commented on the fragmentation of the region: *“Every road segment, every railway segment, every digital segment, energy or whatever we do in an interconnected network, cannot be built in a fragmented way and cannot be separated from the other [networks]. If we build a highway or a railway stretching from point A to the point B and we lack connectivity or [apply different] standards or do not a share [the same] goal, then building it would be*

*meaningless”*. The Albanian Prime Minister mentioned the most important infrastructure projects where the country is engaged such as the Adriatic – Ionian Corridor, Tirana – Durres Railway, the increasing interest on the Prishtina – Durres Railway, the development of the new commercial port in Durres and the development of the Durres – North Macedonia link.

The digital connectivity and its impact to young people’s lives and careers took a very important part in Prime Minister’s address. *“We have many talented young people, as in any country in the region, who need to be accompanied through a comprehensive and inclusive way of introducing them to the digital world. We plan to overhaul the IT curriculum in our schools to usher in a new era, because the old-school labs and teaching fails to full and deal with the nowadays challenges. We will also commit financial efforts to support coding and programming so that as many young people as possible involve in coding”*.

Prime Minister Rama closed by mentioning the remaining challenges that still have to be tackled in order to build long-term resilience and enable a post-COVID-19 social economic recovery across the whole of South Eastern Europe.

## Building Better Balkans Together – The Connectivity Agenda

The first panel of Tirana Connectivity Forum 2021, *“Building Better Balkans Together – The Connectivity Agenda”*, kicked off with a high-level panel focused on the concrete challenges of implementing connectivity infrastructure projects. In the panel moderated by Mr. Knut Frankenstein, former MEP and European Parliament rapporteur for Albania, EU high officials and highest authorities covering infrastructure in the region jointly discussed their mutual infrastructure projects in the Western Balkans, the challenges and problems, how each country sees the process of developing infrastructure and where they can cooperate. In this context, the Economic and Investment Plan enables a new momentum to enhance connectivity in all its dimensions.

After the introduction where Mr. Knut Fleckenstein provided a short overview of the Connectivity Agenda and its expected impact on the development and Accession pace of the SEE6, Mr. David McAllister, Member of the European Parliament and Chair of Committee on Foreign Affairs (AFET) shared the perspective of AFET as well as the European Parliament’s role on Enlargement. Commenting on the EU-Western Balkan Summit, Mr. McAllister added:

*“We have to admit that the progress has been slower than expected on both sides. We have to invest more efforts in moving the enlargement process forward. On one hand, we must reinforce the merit-based process, unlock blockages, and fulfil our commitments. On the other hand, all the countries of the region must redouble genuine reconciliation, democracy building and reform efforts”*.

According to Mr. McAllister, *“Building Better Balkans together”* means bringing tangible benefits for people in inclusive societies. This should be achieved by advancing education, economic growth, jobs, sustainable trade supporting green and digital transitions, and enabling connectivity under the framework – all key components of viable democratic institutions and the functioning of the rule of law.

Further on, the Chair of AFET underlined the importance of the new instrument for Pre-Accession Assistance (IPA III) which will bring genuinely and strategically targeted, conditional, visible and sustainable support to candidate and potential candidate countries in the face of joint challenges. EU financing is to mobilize the resources needed for implementing the EIP and the Green Agenda. The EIP and its flagship initiatives are based on a policy-driven approach with a strategic outlook that also includes an improved strategic planning and implementation process on the one hand and strategic communication visibility of EU funding on the other. Its dynamic and performance-based approach based on monitoring and evaluation of thematic priorities will replace country envelopes.



Mr. McAllister ended by underlining that increased conditionality means that the assistance can be adjusted or suspended in cases where fundamental values, democracy, human rights and the rule of law are being undermined. For this to function, an enabling environment for free media and civil society is essential.

Given its engagement in neighbourly connectivity and mobility, Montenegro is a pioneer in cross-border cooperation initiatives with its neighbours, stated Mr. Mladen Bojanic. In his speech he focused on the challenges, the advantages and how this experience can be replicated across internal WB6 borders, as well as on those countries' borders with the EU. Mr. Bojanic provided detailed information on joint projects between Montenegro and Albania in both Shkodra lake traffic in inland waterways and in the rail sector between Montenegro and Serbia. According to Mr. Bojanic, such integrated cross-border projects represent a win-win situation for all these neighbouring countries, their businesses, their citizens and the overall regional economy.

As Kosovo's access to EU and world markets goes through its Western Balkans neigh-



bours, cross-border planning and regional cooperation is obligatory when planning and implementing transport and energy infrastructure. In this regard, Mr. Liburn Aliu stressed that regional cooperation is key for the development of Kosovo transport and energy networks, and explained the integration of Kosovo's geographical position in connectivity infrastructure planning.

Mr. Aliu added that the government in Kosovo is investing in new policies in order to further develop the infrastructure, keeping in mind environmental protection as well as connectivity in relation to cross-border points with Albania and North Macedonia. Through investment and re-investment in the electrification and modernization of rail transport, Kosovo is aiming to decrease its impact on climate change.

As connectivity and geopolitics are connected, there is a need to further elaborate where the WB6 countries stand in the larger EU connectivity strategy. As Ambassador-at-large for Connectivity at the European External Action Service and based on her experienced and knowledge of the region, Ms. Romana Vlahutin explained the lessons to be drawn from implementation of the EU

Connectivity Agenda in the Western Balkans that can be transposed on a larger scale. *“Connectivity is of prime importance for the region, but also an integral part of the EU comprehensive connectivity agenda. Connectivity defines trade routes and as such it also defines supply chains”*, Ms. Vlahutin said.<sup>3</sup>

Ms. Vlahutin considers the EIP to be a very ambitious plan and a massive chance for the region to push for the energy transition and digital transition. Upgrading connectivity and letting go of the current fragmentation will directly contribute to a generational jump in the region's development. When we talk about connectivity we cannot talk about one country, not even one region, but we have to talk about the larger space. Ms. Vlahutin also mentioned the absorption capacity of the region and its human capital, where she added: *“In order to keep people in the region, in order to help the region, become more competitive, we really need to invest in knowledge transfer and skill transfer. [For that to happen] we have to double down on technical assistance”*.

All the Western Balkans countries have set their priorities to further develop transport connections within the country, across the region and between the region and the EU, through different transport corridors as well as energy networks. In this inter-connectivity effort, given the budget for public investment, the number and size of ongoing infrastructure projects Serbia can be considered as a frontrunner in connectivity infrastructure in the Western

<sup>3</sup> EU-Japan Study on Connectivity Cooperation in the Western Balkans, Eastern Partnership Countries and Central Asia.

Balkans. Notwithstanding the challenges regarding infrastructure development and cross-border cooperation, all these projects have one goal: to speed up travel times and thereby contribute to the overall connectivity of the region so as to ensure the economic growth and stability of the entire peninsula.

## TCF Takeaways

Debates were focused on the role that connectivity in infrastructure has for the growth and development of the region, and in the progress of SEE6 countries towards EU membership. The launch of the EUR 30bn Economic and Investment Plan and its 10 connectivity flagship projects provides a visible roadmap built upon and geared towards efficiency, good regional cooperation and political will. The empowerment of new actors such as the presence of the European Parliament in the Western Balkans Investment Framework governance mechanisms will increase transparency and accountability of EIP funds.

Decoupling economic cooperation from political disputes is one of the advantages of the EIP. Connecting intra-SEE6 infrastructure, businesses, people and institutions responds to mutual interest of all the actors involved and provides tangible outcomes for citizens.



## Talk with German Political Foundations: Cooperation for Development

Since 2015, the three German political foundations Friedrich Ebert Foundation (FES), Konrad Adenauer Foundation (KAS) and Hanns Seidel Foundation (HSS) have been traditional partners of the Tirana Connectivity Forum. In this context, a special talk with the representatives of these foundations took place at this year's edition.

The aim of this session was to draw lessons learned from FES, KAS and HSS participation in the Tirana Connectivity Forum and discuss this unique cooperation format. The panel was composed of Ms. Stine Klapper, Head of Office Friedrich Ebert Foundation Albania (FES), Dr. Tobias Rüttershoff, Head of Albanian Office of Konrad Adenauer Foundation (KAS) and Dr. Klaus Fiesinger, Regional Director for Southeastern Europe of Hanns Seidel Foundation (HSS), and was moderated by Mr. Christian Hagemann from Southeast Europe Society (Südosteuropa - Gesellschaft e.V. – SOGDE).

During the talk, the German political foundations presented their work in Albania and how they can cooperate in specific projects outside Germany, taking as an example the Tirana Connectivity Forum.

Asked if the specific features of the Berlin Process and the Connectivity Agenda allow for this kind of cooperation across the political spectrum, Ms. Klapper replied: *“The idea why we’re all supporting it is that the Berlin Process specifically and European integration more in general, enjoys pretty much a very broad consensus in Germany and among different German political parties, but also in general of the foreign policy of Germany”*.

Dr. Fiesinger added that *“...this kind of projects cross the party boundaries and I believe that the Berlin Process and particularly connectivity is an issue that can support this [cooperation] model of nonpartisan or cross partisan issues”*. Dr. Fiesinger also pointed out that the Berlin Process on top of a government-to-government format, also provides the right platform for a multi-actor and multisector cooperation among all society components.

Commenting on ideological differences, Dr. Rüttershoff added: *“It is clear to everybody that the political foundations are coming from a different political spectrum. They have different ideas, different cooperation partners. This is the so-called pluralistic approach in Germany which has been proved [to function] very well and I think it must be emphasized despite of all these differences”*.

Regarding the added value of the long-term commitment of German political foundations to this initiative, Dr. Fiesinger concluded: *“What is, in my opinion, the added value is that here we are not only participating together in some debate, having some analysis. But the added value is that [in TCF] we also come up with concrete recommendations on how to transpose all these bigger theories made by the politicians, into concrete projects”*.



Dr. Klaus Fiesinger & Stine Klapper  
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Christian Hagemann



Stine Klapper & Dr. Tobias Rüttershoff  
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During this talk, the representatives of FES, KAS and HSS also commented on the role of Germany in the Western Balkans as well as the future perspective of the Berlin Process under a new German government.

### TCF Takeaways

TCF is a special endeavour where political foundations from across a wide spectrum have built a successful long-term partnership focused on tangible impact on the ground. Through leading by example in concrete collaboration efforts that have a direct and measurable impact in the SEE6 countries, the three German political foundations show the way on how sectoral knowledge and political clout can be woven together to deliver high-impact actions and concrete benefits for citizens.

#### Panel

Stine Klapper, Head of Albanian Office Friedrich Ebert Foundation

Dr. Tobias Rüttershoff, Head of Albanian Office of Konrad Adenauer Foundation

Dr. Klaus Fiesinger, Regional Director for Southeastern Europe of Hanns Seidel Foundation

Moderated by Christian Hagemann, Deputy Director, Südosteuropa-Gesellschaft e.V. – digital participant

## Building Better Balkans Together: Accountability and Good Governance

During the third panel the discussions shifted from political will, intergovernmental relations and regional cooperation to the accountability and good governance of Enlargement instruments with a focus on EU financial assistance to the SEE6.

How different stakeholders engaged in EU action in SEE6 can work together was one of the key topics discussed throughout this panel. In the debate, the word “stakeholder” goes beyond the political actors, the states, the European Union or the international finance institutions, to also include societal actors. Because to be legitimate, transparent, accountable and efficient any delivery mechanism should be able to connect citizens with policy-making and allow them to exercise their democratic prerogatives. Moreover, such financial delivery mechanisms must also be able to access the critical knowledge and expertise that societal actors have, and put it at the service of better public policies.

### The main topics discussed covered:

- How do the principles of accountability and conditionality condition assistance

and connectivity between the European Union and the SEE6 countries?

- What is the role of the EU member states in the new Enlargement methodology, and how does it translate into practice?
- What are the real challenges for the biggest financing institution involved in Western Balkans infrastructure financing?
- How does the Western Balkans Investment Framework apply the conditionality principle in project financing?

In his presentation, Mr. Maciej Popowski, Acting Director-General of DG NEAR, focused on how the New Enlargement Methodology (NEM) – where the Fundamentals Cluster conditions progress in the other chapters – improves the impact of EU financial transfers to the WB6, the accountability, and finally the application of the conditionality principle. NEM is specifically designed to deliver a higher credibility, more predictability, more dynamism and a stronger political steering.

With regard to the Economic and Investment Plan, Mr. Popowski underlined the importance of the investment package of €9 billion in EU grant funding, and up to €20 billion in loans through the new Western Balkans Guarantee Facility. The primary focus is given to the nine EIP priority areas implemented through the 10 distinct flagship projects. “We take accountability very seriously for the successful implementation of these flagship projects. It is important that implementation of fundamental reforms [in SEE6] is on track including dialogue and

cooperation with public administration and public financial management. We need an accountable administration to work with us. This will lead to a solid institutional legal framework in place so that things work well [during implementation]”, Mr. Popowski added.



**Ms. Sabine Stöhr**, Director for the EU Financial Framework and EU Policies at the German Federal Foreign Office, focused on the practical implications of the “increased role of member states” as stated in the New Enlargement Methodology, and on the elements from the Berlin Process that are or can eventually be transposed into the EIP and IPA III delivery mechanisms. She underlined the issues of accountability and conditionality, while stressing the importance of free independent judiciary and of mechanisms that fight corruption. Ms. Stöhr also added: “Our expectation is that the civil society can contribute more to the planning and the implementation of the EIP projects”.

Through the “reconfirmation of the political will and also with the new methodology and supported by the investment plan, we have

all the instruments in principle on the table. If we make best use of them then we will be able to make a difference both in concrete projects in connectivity, but also when it comes to the issues of structural reforms, of good governance, of anti-corruption, which are a precondition for allocating the funds, and at the same time a precondition for good development in good future of the Western Balkan countries”, she concluded.

Further on, Mr. Alessandro Bragonzi, Head of European Investment Bank (EIB) regional representation for the Western Balkans, discussed the Bank’s assessment on the importance of good governance in all infrastructure project phases [identification – implementation – operation] in the Balkans, as well as some of the instruments that EIB uses to include local civil society actors and other citizens’ representatives. Mr. Bragonzi mentioned the eventual impact that the EIP will have on the good governance mechanism for infrastructure financing in the region. According to him, the EIP



is a blueprint for sustainable development and a clear confirmation of the EU’s key role as principal partner of the region. On top of direct financial support thanks to this plan, we will have EU norms and standards that will be embedded into those infrastructure projects.

“One of the key objectives is to make this process transparent, not only the procurement but also the environmental and social requirements so that they are in line with the European standards. It’s important with reference to accountability and governance, that countries that present this project to us [for financing] first are aware of these needs and requirements so that they, identify [and submit] projects that are mature and of good quality”, Mr. Bragonzi concluded.



As a representative of the CSO sector, Ms. Ana Krstinovska, President of the NGO Estima, focused on how WB6 citizens can have their interests promoted and defended in the current situation where they are supposed to be represented (in structures such as the Western Balkans Investment Framework) by national institutions affected by

“structural weakness”. Ms. Krstinovska highlighted the role of the CSOs as indispensable partners for the EU, and the necessity of finding the right mechanisms to assure the permanent involvement of CSOs in the Connectivity Agenda (CA) delivery mechanisms.

As Ms. Krstinovska pointed out, the issues affecting implementation of CA are actually the same governance issues targeted by the fundamentals cluster. Corruption and conflict of interest, weaknesses in public procurement, public finance management, disrespect for the rule of law, lack of transparency, accountability and institutional capacity all condition the work of local institutions as well as the progress in all the negotiating chapters. All these issues lead to project delays and to increased costs, which ultimately are borne by the taxpayer whether they are in the EU or in the Western Balkans. In the longer term they entail also a number of issues related to project viability, sustainability and finally the utility for citizens in the region. EU-funded projects are not immune to these issues.

Ms. Krstinovska concluded by stating that: “Civil society involvement will not automatically lead to a solution to these problems. But it will increase the pressure on the government to do better to overcome the entrenched weaknesses in the local institutions; to be more accountable; and finally, will provide them with input to come up with better- and high-quality solutions, both at the project and at the policy level, which will ultimately benefit the Western Balkan citizens”.

Intervening after this first round of exchanges, Mr. Peter Grk, Secretary-general



Ana Krstinovska © Cooperation & Development Institute

of Bled Strategic Forum and National Coordinator for the Western Balkans at the Ministry of Foreign Affairs in Slovenia, provided the rationale connecting the TCF21 panel debate and the conclusions of the Brdo Western Balkans Summit. *“The Brdo declaration allows for big things to happen in the future! It paves the way to have this positive pressure from the EU and civil society in the region [needed] to implement the necessary reforms in the area of fundamentals”*, Mr. Grk said.

*“Europe’s future is very much dependent on its further consolidation. The European Union is going to be under pressure to play a significant and responsible role in the new geopolitical reality. In this sense, the Brdo Summit showed the way in terms of connectivity agenda, the common regional market agenda and also provided enough impetus to [such] things as scientific research or youth cooperation”*, he continued.

Mr. Grk highlighted that is important to exercise some positive pressure on the governments of the countries in the region, whether such positive pressure comes from the European Union or from civil society. This is necessary in terms of fundamentals, but also needed on the big projects whether in infrastructure, energy or other sectors. According to Mr. Grk, the EU Western Balkans Summit is a real opportunity to actually apply this positive pressure and make good use of this €9 billion in grants which has been earmarked for the Western Balkans.



Peter Grk & Ardian Hackaj © Cooperation & Development Institute

Mr. Grk also encouraged reinforcement of the role of civil society in the region. As a watchdog CSOs should monitor the progress and benchmarks for EIP flagships not just in relation with the rule of law and all the other fundamental criteria, but, also in line with the Green Agenda of the European Union and the fight against climate change.

### TCF Takeaways

The New Enlargement Methodology creates the right conditions for more credibility, more predictability, more dynamism and a stronger political steering during Enlargement. Those advantages can and should also be used during the implementation of the EIP. The participation of CSOs in all the policy-making steps and project cycle management phases is an added value as it complements the top-down approach exercised by the EU with bottom-up pressure for increased accountability. It is also a sine-qua-non element of local legitimacy.

With the NEM and the EIP, the EU Commission, the EU Council, the EU Parliament and the EU member states have the necessary instruments to make a difference both in concrete projects and in SEE6 structural reforms with the goal of improving good governance and enforcing anti-corruption as a precondition for allocating EU funds. In that angle the EU-promoted concept of inclusive partnership should be valorised through a systemic involvement of CSOs. To that goal, SEE6 CSOs should properly supported, duly consulted and have timely ac-

cess to relevant information allowing them to play a meaningful role during the design, implementation and associated monitoring processes of programmes – and projects.

### Panel

Sabine Stöhr, Director for the EU Financial Framework and EU Policies at the German Federal Foreign Office – digital participant

Maciej Popowski, Acting Director-General – DG NEAR – digital participant  
Alessandro Bragonzi, Head of EIB regional representation for Western Balkans – digital participant

Ana Krstinovska, President of ESTIMA, North Macedonia

Peter Grk, Secretary-general of Bled Strategic Forum & National Coordinator for the WBs at the MFA Slovenia

Moderated by Ardian Hackaj, Coordinator of Tirana Connectivity Forum



Ana Krstinovska, Peter Grk & Ardian Hackaj © Cooperation & Development Institute

## DAY 2. ECONOMIC AND INVESTMENT PLAN AND SEE6 HUMAN CAPITAL

**Keynote address  
by H.E. Olta Xhaçka**

The second day of the Tirana Connectivity Forum was greeted by the Albanian Minister for Europe and Foreign Affairs, H.E. Olta Xhaçka. The Minister emphasized the commitment of Albania to good neighbourly relations, its engagement with the EU integration process and the potential presented by the Open Balkans initiative. Minister Xhaçka underlined the fact that Albania and the Western Balkans have always served as a bridge between East and West. Being surrounded by EU member states, the Western Balkans remain firmly anchored on their way to full EU membership.

Further developing the subject of the European integration, the Minister emphasized the progress that Albania has achieved in fulfilling the EU conditions, and the increasing support from EU member states that previously have been sceptical about the country's advancement. However, the EU must be clearer in its conditions and related rewards in terms of the SEE6 country achievements.

*“Albania and the Western Balkans want to become part of the European Union. In Albania the support for European integration is at*



*levels that today are unimaginable for any EU member state. We are working hard, to do everything to narrow the gap in development, modernization and rule of law that separates us from the EU. A lot of work and a lot of progress has been made, which are recognized today even by those who were once the most sceptical about the achievements of Albania. What has changed is not our desire and commitment to the European dream. The paradigm that has defined our relation with the EU must evolve to adapt to current situation”, the Minister added.*

Minister Xhaçka ended by underlining that the full EU membership objective remains the focus of all the Balkan countries. The Connectivity Agenda is one of the main instruments further linking the region with the EU, and the Balkan countries amongst them, hence contributing to better regional cooperation, laying the ground for higher growth and directly improving the mobility conditions for WB6 citizens.

## Human Capital in Post-COVID Maritime Transport

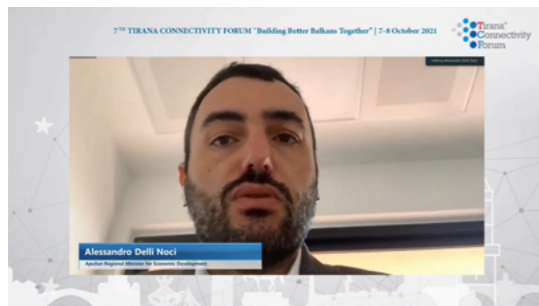
The panel on “Human capital in Post-COVID Maritime Transport” was initially addresses by Alessandro Delli Noci, the Apulian Regional Minister for Economic Development.

During his intervention, Mr. Delli Noci focused on green investments using technologies and methods of innovation that can configure connections between East-West and North-South in the South Adriatic area: actually, the Mediterranean corridor and the

Corridor VIII. “This cross-border connectivity vision goes beyond the concept of infrastructure. It includes the economic flows and mobility of human capital. A sustainable and cross-border development has to include the intangible factors and those factors must be connected on both sides of the border. From the university to production centers, from research institutes to specialist training we must be able to build stable relationship that connect different layers of connectivity. Moreover, the developments in the infrastructure sector need to be accompanied by structural reforms” he added.

Mr. Delli Noci also referred to the Economic and Investment Plan supported by EU as an opportunity for the growth and development for whole South Adriatic area. Puglia region offers an excellent access point for Albania and Montenegro to the EU corridor





map. In addition, Mr. Delli Noci emphasized the commitment of Puglia to in the development of the Southern Adriatic connectivity.

*“Thanks to Interreg Italy-Albania-Montenegro programmes we will be able to put together the best skills to define together with the European Union, a common agenda for connectivity in our region. Our aim is to develop a trilateral policy-making platform to support the connectivity agenda in Puglia, Albania and Montenegro, and further on to Europe and to Maritime links with the Italian ports. The goal is to establish a green oriented strategic hub among Puglia, Albania and Montenegro that serves as entry gate to the EU. This is our first contract commitment for building better Balkans together and developing and promoting the cross-border connectivity agenda in the South Adriatic Area,”* ended Mr. Delli Noci.

The panel discussion then focused on mobility, trade patterns and the role of human capital in dealing with the consequences of the COVID-19 pandemic, taking as an example maritime transport and the fragmentation of the sector in the SEE6. High-level officials on maritime transport and educational policies & human capital presented their findings and debated on the consequences of COVID-19 for the world exchange flux, the reshoring phenomenon as well as on endog-

enous initiatives springing from the Western Balkans.

The debate covered the fundamentals that define waterborne connectivity infrastructure in the 21<sup>st</sup> century, the required human capital skills, and the critical knowledge of the people as an indispensable component for quick adaptation, increased resilience and improved efficiency of maritime exchanges impacting the SEE6. As a result of the COVID-19 pandemic the whole world is rewiring itself, with direct implications for a new business model, growth targets, security parameters and innovative concepts. At this point in time, it appears that innovation and human capital have become the new currencies and provide significant comparative advantages. This is why the development and introduction of new technologies and management concepts go hand in hand with education and training of the workforce.

The COVID-19 pandemic has shown that technological innovation is fundamentally transforming education and at the same time updating the skills required for modern work in the maritime industry. Therefore, training and education have become a key driver for higher efficiency and growth. An adapted, forward-looking and pandemic-proof education system should focus in the specific skills that are in demand in the real world and address the disconnection between SEE6 employers' needs and workforce availability.

After a short overview of recent infrastructure developments including the move of the Durres port to the new port in Porto Romano, Mr. Pirro Vengu, CEO of Durres Port Authority, focused on the newly established

initiative Centre of Excellence for Maritime Affairs (CEMA), its rationale and the expected benefits from such a development not only for the Durres Port Authority but also for other national and regional partners.

*“When we think of human capital in ports and maritime industry, we do not think only about dockers or port operators. Human capital in our industry has to do with everything from the seafarers in the ships to the client that receives its goods or services from, let’s say, a container that comes from Asia or even far beyond. So, it’s the whole network of operators that is concerned by our policies about human capital in the maritime industry”*, said Mr. Vengu.

Among the key messages drawn from the panel discussion, the fragmentation of human capital received special attention. Mr. Vengu added: *“We have a fragmented political reality in the EU vis-a-vis the Western Balkans and [as a consequence] we have this fragmentation of human capital that is reflected in [unfulfilled] needs in certain maritime industries. Current training institutions, academia or universities don’t necessarily meet those needs. So, the best way is to really invest in human capital infrastructure to connect the dots between the needs of the private sector and, what our institutions and authorities are ready to invest in. Our intent is to ensure that our needs for the new port [Porto Romano] and maritime administration can be met through the Centre of Excellence for Maritime Affairs, and built on best examples coming from the EU, and the world”*.

According to Mr. Vengu, the region also suffers from infrastructure fragmentation. *“When you look at the region from a port perspective you see a very fragmented transport infrastructure. There are Ten-T core networks*

*identified by the EU, but these core Ten-T networks don’t necessarily reflect the priorities of the region in terms of connectivity, so there’s a discrepancy that we must acknowledge. Moreover, we also must address the second fragmentation – logistic fragmentation of our systems”*, he concluded.

Likewise, Mr. Deda Djelovic, Acting CEO of Bar Port Authority, explained how COVID-19 has changed the way the port operates while focusing also on the long-term Bar Port Authority development plans. Mr. Djelovic underlined the strategic importance of the human resources component and possible cooperation with the Durres Port Authority not only on infrastructure projects but also on joint human capital development policies and actions. *“The human capital is the key point, the key element of functioning of any port. Without having it in an optimal level and used with the full capacity, there is no real ambition for the port to achieve any excellency parameters”*, Mr. Djelovic added. According to Mr. Djelovic the fragmentation of human capital in the region remains a challenge.



Mr. Giuseppe Di Paola, EU Strategy for the Adriatic-Ionian Region (EUSAIR) Coordinator, DG Regional & Urban Policy, explained the main takeaways of the July 2021 EUSAIR workshop on investment in skills and educa-



tion for a more sustainable blue economy in the Adriatic-Ionian region. Focusing on the Western Balkans agenda on innovation, research, education, culture and youth, Mr. Di Paola explained how the EUSAIR format and policies address the human resources challenges that were presented by the CEOs of the Durres and Bar ports.

Mr. Di Paola concluded by addressing the need for a multi-actor cooperation mechanism to support training and education in the sector; the need to invest in improving engineering schemes for shipbuilding; the absolute necessity to integrate more digital skills in the marine technology and in maritime transport sector; and the measures and instruments that directly impact the efficiency and conditions of waterborne workers' mobility.

### TCF Takeaways

Waterborne-related human resources have become the new systemic actor contributing jointly with the quality of available infrastructure towards the efficiency of operations. They also directly impact the resilience factor of different port systems facing systemic crises such as the COVID-19 pandemic. To address the infrastructure and logistic fragmentation SEE6 port authorities are working from a bottom-up perspective to promote endogenous initiatives such as CEMA and/or stronger port cooperation in addressing human resources needs.

In that endeavour, the EU and specialized EU-connected initiatives such as EUSAIR provide EU policy orientation and standards as well as targeted actions and support measures for WB6 waterborne actors

to improve their workforce quality towards standards of excellence.

#### Panel

Keynote Address by Alessandro Delli Noci, Apulian Regional Minister for Economic Development – digital participant

Pirro Vengu, CEO of Durres Port Authority

Deda Djelovic, Acting CEO of Bar Port Authority – digital participant

Giuseppe Di Paola, EUSAIR coordinator within the IPA/EUSAIR/Accession negotiations team, Unit of Macro-regions, Transnational / Interregional / External Cooperation, Enlargement, DG Regional & Urban Policy – digital participant

Moderated by Kristijan Lezaic, Transport Community Treaty Secretariat

## CONNECTING - YOUTH

### What is There for Youth in the Economic and Investment Plan?

As per tradition, during TCF2021 a panel dedicated to young people also took place under the auspices of the “Connecting Youth” Platform<sup>4</sup>. This session of TCF focused on bringing the youth perspective to EU policies such as the Economic and Investment Plan. The reason is because EIP aims to deliver major projects for the re-



gion in diverse areas such as infrastructure, digitalization, human capital development, the Green Agenda, etc., directly impacting youngsters. Hence youth involvement is crucial right from the planning stage of these projects.

Throughout the year, Connecting Youth has advocated for greater involvement in sectoral policies, seeing young people not just as beneficiaries but rather as partners for change who can contribute starting from the planning stage of these policies. This panel discussion served to bring different actors involved throughout this process together with high level policy-makers.

The panel discussion welcomed Ms. Jagoda Shahpaska, Minister of Labour and Social Policy in North Macedonia, who explained the implementation of Youth Guarantee scheme in North Macedonia, making the country a pioneer in the region. As the Economic and Investment Plan provides Youth Guarantee as the main Flagship Project under the Human Capital Development Theme, the Minister shared among other things the lessons learned, recommendations for homologues in other WB6 countries, and also recommendations for youth organizations that can play a role in the success of this scheme. According to the Minister, Youth Guarantee scheme has helped providing employment, education and traineeship for thousands of young people in North Macedonia. Alongside the inter-institutional need for cooperation, the Minister also highlighted the partnership with CSOs as a key element for the successful implementation of the project.

The discussion followed with Mr. Albert Hani, Secretary General of the Regional Youth Organization Office (RYCO), who shared information about the RYCO's support for school exchanges and programmes to advance social entrepreneurship skills among youth in the region. He further elaborated on how this support can have an impact on youth involvement in EIP not just as bene-

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[www.connecting-youth.org](http://www.connecting-youth.org)



ficiaries, but as change partners as well. In this perspective, Mr. Hani emphasized that in the new RYCO strategy they will embed key pillars of the EIP and Youth Guarantee to ensure that youth in the region get the best out of all these investments.

Ms. Dafina Peci and Mr. Nedim Alibegovic, both representatives of partner organizations of the Connecting Youth Platform, shared with the audience the challenges that youth in our region face when it comes to being informed and involved in policy-making. According to them, Connecting Youth has provided an optimal platform for youth connectivity which informs and includes youth in different sectors of policy-making. The partners of the Platform have drafted a joint position paper laying the ground for a high-impact approach allowing youth participation in such macro projects/investments.

The Connecting Youth platform will con-

tinue its work in involving youth in sectoral policy-making through evidence-based research, and policy-influencing in close collaboration with youth partner organizations in the WB6 region.

#### Panel

H.E. Jagoda Shahpaska, Minister of Labour and Social Policy in North Macedonia

Albert Hani, RYCO Secretary General

Dafina Peci, Secretary General of National Youth Congress of Albania

Nedim Alibegovic, Secretary General of Youth Council of Federation of Bosnia and Herzegovina

Moderated by Gresa Smolica, Western Balkans Youth Cooperation Platform / CDI

## CONCLUSIONS

The Tirana Connectivity Forum 2021 debated the challenges, discussed the conditions to be met, scanned the actors and analysed the resources needed to increase the region's connectedness with the EU as a precondition for its development and resilient growth.

The forum focused specifically on the Economic and Investment Plan and its 10 Flagship Projects, shed light on factors that support or inhibit their efficient implementation, and followed up on the 2021 Berlin Process Civil Society and Think Tank Forum (CSTTF) recommendations concerning the role of specialized CSOs and think tanks in EIP good governance.

Being earmarked for financial injection of 30bn in grants and loans, the EIP is a major factor of change in the region. But to contribute to the region's development, its convergence with the EU, the requirements of the Green Agenda and the increased resilience of SEE6 economies, the EIP must be equipped with a delivery mechanism where transparency and accountability are key. In that regard, stronger and better collaboration with SEE6 specialized CSOs, think tanks and other interest groups throughout the entire project cycle becomes a paramount condition for its successful implementation.



Since 2015, specialized SEE6 think tanks have produced monitoring reports and have come up with concrete proposals on the implementation of Berlin Process and Connectivity Agenda projects. They have brought their unique knowledge of the local context and their expertise in dealing with transparency, rule of law challenges and environmental impact directly affecting infrastructure projects in SEE6 countries.

The Chair's Conclusions of the Sofia Summit of Western Balkans in 2020 acknowledged the necessity to embed the best EU stan-

dards into the EIP delivery mechanisms. The 2021 Berlin CSTTF doubled down on the importance of integrity compliance in infrastructure projects, and on the role that citizens organized in CSOs and think tanks must play in keeping responsible authorities accountable through transparency and monitoring, and by providing their expertise throughout the entire project cycle.

We have added to this paper the letter that CSOs sent to the EU. TCF22, planned for 26–28 September 2022, will dedicate important space to the follow-up of this initiative.





# OPEN LETTER

Request from specialized Western Balkans Civil Society Organizations for their formal participation in the new Western Balkans Investment Framework's good governance mechanism

To the:

Slovenian Presidency of the Council of the European Union

President of the European Council, Honorable Mr. Charles Michel

President of the European Union Commission, Honorable Ms. Ursula von der Leyen

President of the European Union Parliament, Honorable Mr. David Maria Sassoli

High Representative/VP, Honorable Mr. Joseph Borrell

Commissioner for Neighborhood and Enlargement, Honorable Mr. Oliver Varhelyi

15 September 2021

## Open Letter to the European Union

### Request from specialized Western Balkans Civil Society Organizations for their formal participation in the new Western Balkans Investment Framework's good governance mechanism

Honorable EU Representatives,

The EU Economic and Investment Plan for the Western Balkans (EIP) aims to support the post-pandemic recovery of the region and its economic convergence with the EU, to contribute to the building of a Regional Common Market and to make possible for the regional economies to take a stronger position in the European value chains, thus directly contributing to the EU's strategic autonomy in the long term.

Up to EUR 30bn will be the financial muscle put at the service of recovery, economic development, and green transition in the WB6 for the next seven years, out of which EUR 9bn will be IPAIII funded grants provided by the EU.

To be delivered through the Western Balkans Investment Framework (WBIF), this amount represents a qualitative jump in the financial assistance to the region towards a project- based development model that goes in parallel with countries' reforms.

But while the WBIF governance is being updated to reflect IPAIII requirements, WB6 homegrown problems that directly impact the successful preparation, implementation and operation of EIP flagship projects are dealt with only partially.

No remedies are proposed to deal with identified WB6 structural weaknesses such as low involvement of local authorities, capacity constraint at beneficiary level, or change of governments and subsequent alteration of political will required to push forward with the implementation of EIP flagship projects. Issues falling in the category of Fundamentals, such as corruption and conflict of interest, public procurement and rule of law do not figure in the framework factors conditioning the delivery of EIP.

At the 23<sup>rd</sup> (WBIF) Steering Committee meeting of December 2020, the need for specific EU conditionality regarding the EUR 30bn disbursement has been partially acknowledged through the obligation for accompanying reforms. However, no specific benchmarks, neither any information about the “carrot and stick” mechanism applying to EIP project financing has been provided.

The welcomed WBIF focus on the project “eligibility criteria” rightly brings into the limelight the quality of National Sector Strategies and of Sector Project Pipelines and the administrative capacity of WB6 administrations. But the proposed EU technical assistance falls short of dealing with good governance challenges affecting the preparation phase, where the most important challenge is integrity compliance and political will.

Also, while the emergence of connectivity initiatives around the world is also being felt in the WB6, the increasing presence of third actors in the peninsula does not appear in the WBIF risk list either.

In the region we are witnessing parallel prioritization pipelines: one that produces the mature projects as per the EU methodology, and other ones that prioritize and finance infrastructure projects through alternative mechanisms and criteria different and unrelated to EU’s.

Infrastructure project governance is the soft underbelly of EU Enlargement in WB6: if designed wrongly, it can derail the whole economic conditionality as embedded into the Economic and Reforms progress of the WB6 countries. Wrong infrastructure prioritization can affect country’s mid-term economic projections; financial overstretch in project financing and any resulting liabilities will impact the 3-year budgetary plans, and; corruption in public works will endanger the structural reform agendas.

But what is even more important, when we talk about good governance in infrastructure projects, we are talking about the practical and tangible implications of the rule of law in the everyday life of WB6 citizens.

In the new Enlargement methodology, the progress achieved in the Fundamentals cluster, conditions the advancement of negotiations in the Transport, Energy or Digital chapters, and is reported as such. But in the case of EU supported infrastructure initiatives such as in the EIP, the WB6 citizens will not need to consult the yearly EU country reports to learn about the adoption of the *acquis* or progress of reforms, and how they may impact their life. They will assess infrastructure’s utility immediately because they will use it (or not) every day.

How to effectively embed accountability in the EIP so that it protects the interests of EU taxpayers, of IFI shareholders and of WB6 citizens all by making it compliant to IPAIII requirements?

We believe that when dealing with hybrid states, the active participation of specialized CSOs and think tanks in the EIP good governance mechanisms, practically and immediately contributes to the correct handling of the structural weaknesses of WB6 institutions.

Specialized WB6 CSOs and think tanks have regularly produced since 2015 high quality monitoring assessments and analyses on the impact and challenges of the Connectivity Agenda (CA) projects. They have brought their unique knowledge of local context and their expertise in producing concrete proposals of how to improve CA governance.

By intervening into the way WB6 infrastructure is planned, implemented and operated WB6 specialized think tanks and CSOs are trying to bridge the democratic deficit in policy making, all by contributing to the efficiency of how EU taxpayer’s money is spent in our region.

The phenomena of policy capture, embezzlement, abuse of functions, trading in influence etc., have been identified as direct causes for misallocation of state revenues, wastage of resources, inflated prices, reduced quality, and negative impact on environment, health, and safety of WB6 citizens. By participating in policy-making and project implementation, WB6 CSO and think tanks directly represent and defend the WB6 citizens’ interest.

In June 2021, the consequences of special laws drafted to contract infrastructure projects in Serbia or in Albania, political prioritization of highway tracks in Kosovo, alternative national project pipelines in Montenegro, low quality of infrastructure project preparation in North Macedonia, environmental impact in Bosnia and Herzegovina, substantial use of Public Private Partnerships and change of project parameters in Albania have all been dissected, debated, discussed and resulted in policy recommendations during the Civil Society Forum (CSF) “Road to Berlin”.

For those WB6-wide policy recommendations to not remain paper exercise, we have decided to formally request for the specialized CSO and Think Tanks to become part of the new EIP delivery mechanism. Given the weight of the sovereign-backed loans in the EIP financing and taking into account the “structural weaknesses” of WB6 administrations in charge, the CSO participation in the good governance mechanisms of EIP and 10 Flagship projects will definitely contribute to its transparency and accountability.

In the spirit and the letter of inclusive partnership principle as figuring in the Regulation of the EU Parliament and of the Council establishing the IPAIII, First Reading, we believe that this is an appropriate situation where the EU can ensure that relevant stakeholders of beneficiaries such as civil

society organization are duly consulted, have timely access to information that allows the said CSOs to play a meaningful role during the design, implementation and associated monitoring process of programs.

Based on our expertise, experience, local knowledge, knowledge of EU programing, and building on the policy recommendations CSF of Western Balkans Summit in Berlin 2021, we kindly request that:

- the appropriate and adapted transparency and accountability mechanisms to EU and to WB6 taxpayers must be embedded into the new WBIF good governance mechanism. They should cover all the stages of project-cycle from identification to operations included;
- the new WBIF governance mechanism must create space and the right conditions for the WB6 specialized CSOs and Think Tanks to formally contribute into its good governance throughout all the EIP policy-making components and flagship project phases. The role of civil society should be enhanced also in programs and actions implemented through responsible institutions and government bodies, and not only as a direct beneficiary of EU assistance.

Honorable EU Representatives,

Through this open letter we are kindly requesting for formal participation of CSOs in the national and WBIF's programming and implementation cycle, through appropriate mechanisms, to obtain the best value for money for the benefits of our citizens.

*Prepared in Belgrade, Podgorica, Prishtina, Sarajevo, Skopje, and Tirana  
(Follows list of signatories up to 15<sup>th</sup> September 2021)*

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sessions

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