

**WESTERN BALKANS LEADERS DECLARATION
ON COMMON REGIONAL MARKET**

A catalyst for deeper regional economic integration and a stepping stone towards EU Single Market

Today marks an important milestone for the Western Balkans.

WE, the leaders of the Western Balkans Six (WB6), have agreed to enhance economic cooperation in the region by developing Common Regional Market, based on the EU rules and standards, to increase the attractiveness and competitiveness of the region and to bring the region closer to the EU markets. As one of the steps towards the future establishment of the Common Regional Market, and building upon the commitments and results of the Regional Economic Area, we adopted today in Sofia an Action Plan, based on the four freedoms and enriched with trade, digital, investment, innovation and industry areas. With a population of nearly 18 million people, our region is an important market for the EU and a transit area for European and international goods, with a skilled workforce for companies ready to invest.

WE are unwavering in our resolve to see WB6 as full members of the European Union and consider the Common Regional Market a step in that direction. Therefore, the steps towards the establishment of the Common Regional Market should proceed in parallel with an accelerated integration and “phasing-in” to the EU’s Single Market. The Zagreb Declaration of 6 May 2020 as well as the 2020 Enlargement Package has reaffirmed support for a closer regional economic integration bringing the region and its companies closer to the EU Internal Market. A larger regional market holds great potential for WB6 firms to integrate into the European value chains and strengthen their competitiveness in the European and global marketplace.

WE welcome EU’s support in this area, not least for introducing a comprehensive Economic and Investment Plan for the Western Balkans. The aims of the Common Regional Market will be greatly facilitated by the investments in productive sectors and sustainable infrastructure envisioned by the Economic and Investment Plan. By envisioning the establishment of the Common Regional Market, we acknowledge the complementarity with the EU Economic and Investment Plan for the Western Balkans, aimed at paving the way to a deeper economic integration with the EU market.

An overwhelming majority of our citizens and businesses welcome regional cooperation. The achievements in the areas of trade, investment, mobility, energy, transport, digital infrastructure and other sectors have made people-to-people and business contacts in the region easier and cheaper, and have created opportunities that would otherwise remain out of reach for our citizens and our businesses.

Such regional economic potential must be achieved - now more than ever - given the devastating effects that COVID-19 pandemic induced on the region. We consider the steps towards the Common Regional Market an important instrument to tackle the mid- and long-term effects of the pandemic. An enhanced market integration of WB6 could bring an additional 6.7% of GDP growth to the region. It is thus our strong conviction that the Common Regional Market agenda will generate new opportunities for our citizens and business communities. We welcome the *Communication¹ from the European Commission on Green Lanes* recognizing the strong need for enhanced cooperation with all

¹ Communication from the Commission to the European Parliament, the European Council and the Council on upgrading the transport Green Lanes to keep the economy going during the COVID-19 pandemic resurgence as of 28 October 2020.

neighbouring EU countries and business communities in the implementation and coordination of Green Lanes measures and express readiness to launch discussions with the EC and EU Member States in this regard.

WE are committed to inclusive regional cooperation in order to become fully-fledged members of the EU, equal participants in the EU policies, programmes and the Single Market, aligning further with EU rules and standards and expanding opportunities for citizens and business communities. **By implementing the CRM agenda, WB6 commit to the free movement of goods, services, capital and people;** increasing investment opportunities through harmonising investment policies with the EU standards and best international practices; integrating the Western Balkans into the pan-European digital market and transforming the industrial sectors, shaping regional value chains and integrating them into EU value chains to prepare the region for the realities of today and challenges of tomorrow.

Furthermore, in the upcoming four years, we commit, amongst other things, to:

1. Extend Green Corridor and Green Lanes to all BCP/CCPs in WB6, including the EU and the neighbouring EU Member States, so that we expand the Green Corridors/Green Lanes concept beyond intra WB6; and expedite implementation of trade facilitation measures so as to cut waiting times to 70% of the current ones;
2. Expand the network of Mutual Recognition Programmes to other goods and services, including certificates and testing results for industrial and agricultural products; professional qualifications; and licenses in tourism, selected financial services and other key services sectors;
3. Implement freedom of movement for students, researchers and professors and for individuals based on IDs and remove work permits for intercompany transfers and service providers;
4. Attract investment leads in promising sustainable regional value chains;
5. Reduce the costs of regional payments and prepare for joining the Single Euro Payment Area (SEPA);
6. Support the regional innovation ecosystem to include it in European supply chains so as to encourage the region's digital transformation, skills development and green and circular economy in particular and establish a regional innovation fund/early stage innovation scheme;
7. Provide fixed broadband internet access for at least 95% of households in each economy; cover at least one main regional corridor with 5G by the end of 2025 and key industrial cities with 5G in each WB6 by the end of 2023;
8. Establish free-roaming region and reduce roaming charges between Western Balkans and the EU.

WE are confident that a strong and thriving Western Balkans represents an indispensable contribution to European economy and security and helps shape the future of our shared continent. The Common Regional Market agenda represents a vision of prosperity for our citizens as they seek to enjoy the same freedoms as their counterparts in the European Union and as the WB6 moves closer towards integration in the European Union.