

The Contribution of EUSAIR and EUSDR to the implementation of Economic and Investment Plan for Western Balkans

Concept note

The discussion will try to answer how to utilize the existing links between EIP and EUSDR and EUSAIR as functional policy and cooperation frameworks. The issues of cooperation and coordination will be of key importance to maximize mutual co-benefits and impact in Western Balkans. The discussion will explore concrete examples on how the MRS could be the vehicle that accelerates the implementation of EIP.

The main aim of the Economic and Investment Plan (EIP) is to spur the long-term economic recovery of the region and foster regional economic integration. It will support a green and digital transition in the Western Balkans, the implementation of reforms required to move forward on the EU path, and bring the region closer to the EU Single Market.

The plan identifies ten investment flagship initiatives in key areas for economic development such as sustainable transport and energy connectivity, the green and digital transformation, strengthening the competitiveness of the private sector and support to health, education and social protection, including a youth guarantee to create job opportunities for young people.

The EU will mobilize up to €9 billion of grant funding from the Instrument for Pre-Accession Instrument IPA III for the period 2021-2027 to support economic convergence with the EU.

With consequences of COVID-19 stirring a sense of urgency, the question on how to accelerate the implementation of the Plan is self-evident.

The EU Strategy for the Adriatic-Ionian Region (EUSAIR) and the EU Strategy for the Danube Region (EUSDR), where the Western Balkans countries play an important role, are functioning policy and cooperation frameworks that can significantly foster implementation of regionally agreed processes on the ground. Macro-regional strategies act as a bridge between EU and local policymaking. They can also be a vehicle that is ready to facilitate and deliver implementation of EU initiatives in the Western Balkans region. How can they contribute to the implementation of the Economic and Investment Plan in Western Balkans and why are we discussing it now?

As the MRS do not have their own resources, the start of the programming period 2021 – 2027 presents the best opportunity for all macro-regional strategies to bridge the gap between their needs and funding opportunities. They have to decide on their key strategic priorities with true macro-regional value-added and embed them in national/regional programming documents of participating countries across the region. Embedding is expected to increase programs' impacts through better cooperation and coordination. The EUSAIR and EUSDR have both successfully

determined their "flagship" topics that are of strategic importance to their respective macro-regions and hence, to Western Balkan countries, where IPA III will be the main funding source. Macro-regionally approved flagships are essentially agreed actions ready to be delivered through existing cooperation framework.

Careful desk research (table 1) shows that there is a significant overlap between the EIP flagship initiatives and strategic "flagship" topics of EUSAIR and EUSDR to be embedded in the Cohesion Policy and IPA programming documents. Naturally, the strongest links can be identified in the areas of connectivity, environment and economic development. For example in the case of **EUSAIR Environmental Quality Pillar**, more detailed desk research reveals many links between the EUSAIR strategic flagship topics and proposed actions in the chapters of EIP. The strategic topics of **EUSDR Priority Area on rail-road-air mobility** have even more links with proposed actions in the EIP chapter of Investing in Sustainable Transport. Both cases serve as a good basis for discussion; in addition to these thematic areas being co-coordinated by countries from Western Balkans: Bosnia & Herzegovina and Serbia.