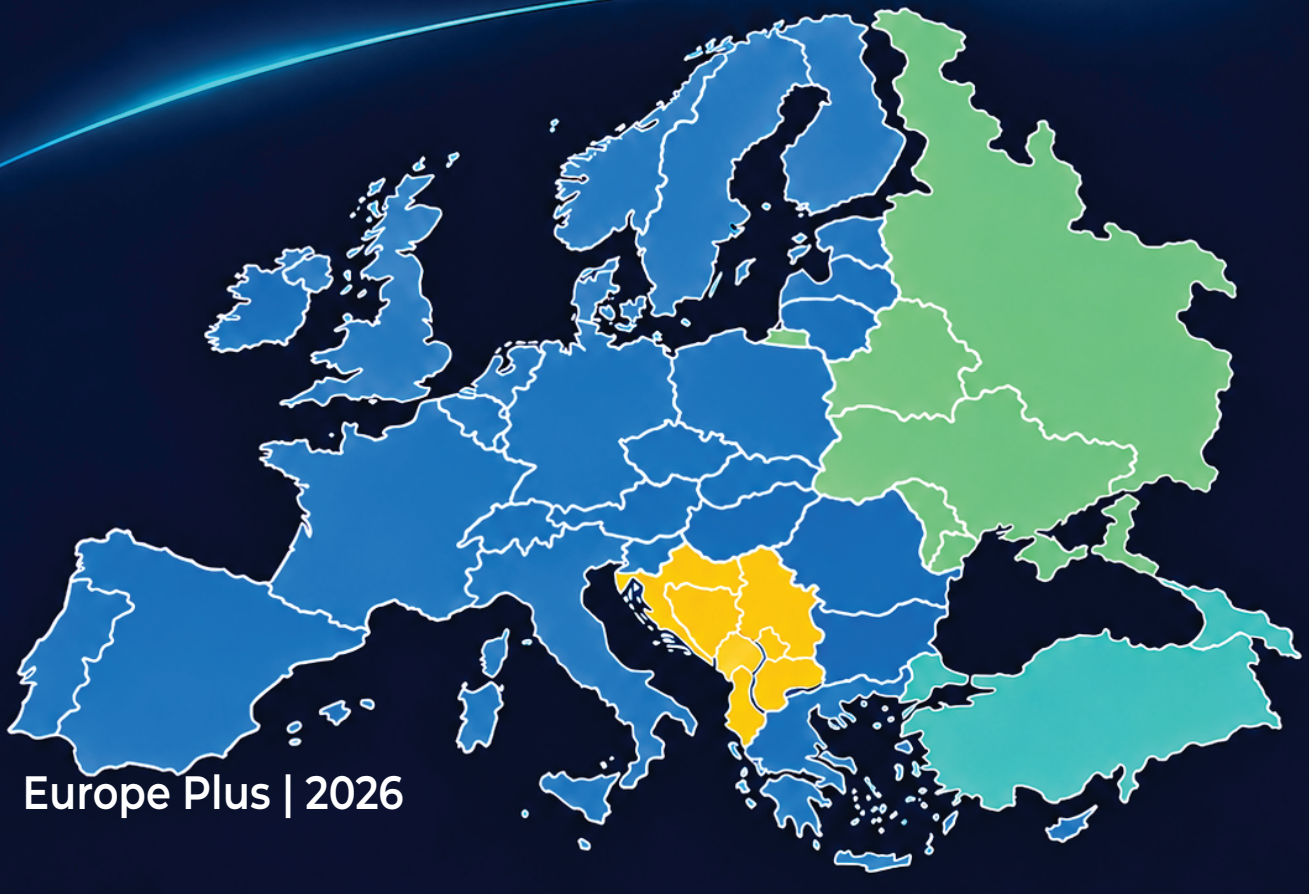
Regional Cooperation

as a Pathway to the Common Regional Market and gradual integration prior to EU Accession



Europe Plus | 2026



Regional Cooperation

as a Pathway to the Common Regional Market and gradual integration prior to EU Accession

Disclaimer

This publication was produced by Europe Plus within the framework of the Regional Executive Programme for Cooperation and Transformation (REPACT).

The contents of this publication are the sole responsibility of Europe Plus and do not necessarily reflect the views, opinions, or positions of the project's donors, partners, or any other institution or organisation supporting or cooperating in the implementation of the project.

This publication is an intellectual product developed for research, policy analysis, capacity-building, and advocacy purposes.

Copyright © 2026 Europe Plus. All rights reserved.

Brief extracts from this publication may be quoted or reproduced for non-commercial purposes, including research, education, and policy analysis, provided that full acknowledgement is given to Europe Plus as the source. No part of this publication may be reproduced, republished, translated, adapted, distributed, stored in a retrieval system, or transmitted in any form or by any means, in whole or in part, for commercial purposes or without prior written permission from Europe Plus.

CONTENTS

I. Context 5

II. Historical overview of the Regional Cooperation in the Western Balkans 6

III. The Berlin Process 7

IV. Operationalizing Regional Cooperation: REA, CRM and the Growth Plan 8

IV.a The Growth Plan for the Western Balkans and its connection to CRM 11

IV.b CRM 2.0 (2025–2028) 11

IV.c Governance of the Common Regional Market (CRM) 12

4

This material is designed as an orientation tool for trainers delivering this module. It provides key context, strategic objectives, and essential deliverables, but it is not exhaustive. Trainers are encouraged to elaborate, provide examples, and adapt the content based on the participants' needs, local context, and recent developments. The bullets highlight priority points, while the narrative sections offer a coherent overview, serving as a flexible framework for discussion, exercises, and case studies.

I. Context:

The Common Regional Market (CRM) is a key initiative for deepening regional economic cooperation in the Western Balkans and a practical stepping-stone toward participation in the EU Single Market. In the context of evolving EU enlargement methodologies, emphasizing gradual integration, performance-based access, and credibility, the CRM occupies a strategic space between association and full EU membership.

The EU is increasingly offering staged access to policies and programmes prior to full accession, providing candidate countries with a results-oriented pathway while addressing enlargement fatigue. The CRM aligns closely with this logic, serving both as a policy instrument and a test of institutional readiness for phased EU integration.

Implementation challenges such as limited administrative capacity, weak coordination, and uneven political commitment, mirror structural issues identified in accession processes, underscoring the need for effective governance and accountability mechanisms.

Through this curriculum, participants will gain a comprehensive understanding of regional cooperation in the Western Balkans and its transformative power, particularly when combined with EU-aligned reforms. The participants will acquire analytical tools to:

- Understand EU enlargement dynamics and the role of staged integration.
- Assess the CRM's impact on regional economic integration.
- Evaluate the political economy, governance, and implementation challenges.
- Translate regional commitments into concrete institutional and policy outcomes.

Through case-based learning and policy simulations, the course bridges theory and practice, fostering a shared regional understanding of integration as a process driven by performance, sustained implementation, and credibility, not just formal negotiations.

By January 2026, this approach has moved from a conceptual framework towards implementation, with the EU Growth Plan, the Reform and

Growth Facility and the Common Regional Market 2.0 providing a structured mechanism for linking reforms, regional cooperation and access to selected benefits of EU integration prior to accession.

II. Historical overview of the Regional Cooperation in the Western Balkans

Regional cooperation in the Western Balkans (WB) has been a strategic priority since the post-1990s conflicts and the dissolution of Yugoslavia. Its institutional foundations emerged in the early 2000s through the EU's Stabilization and Association Process (SAP), which explicitly linked regional cooperation to the EU accession perspective.

Early frameworks, notably the Stability Pact (1999–2008) and the Regional Cooperation Council (RCC) from 2008, focused primarily on post-conflict stabilization, political dialogue, and confidence-building. While the establishment of the RCC marked a shift toward regionally owned mechanisms, economic integration remained limited and cooperation largely formal, constrained by bilateral disputes, weak institutional capacity, and the absence of tangible, citizen-centred outcomes. Until the mid-2010s, regional cooperation was predominantly externally driven and perceived mainly as an EU conditionality rather than an intrinsic regional priority.

The Berlin Process, launched in 2014, fundamentally reoriented this approach by prioritizing political ownership, accountability, and deliverables. It emphasized infrastructure connectivity, youth mobility, and economic cooperation as means to generate practical interdependence. Flagship initiatives, including the Connectivity Agenda, the Western Balkans Investment Framework, the Regional Youth Cooperation Office (RYCO), and the Green Agenda, marked a shift from declaratory commitments toward implementation.

Most critical milestone was the adoption of the Regional Economic Area (REA) in 2017, which moved regional cooperation from confidence-building toward pre-accession economic integration by operationalizing the four freedoms at the regional level in alignment with the EU acquis. This logic was consolidated further with the endorsement of the Common Regional Market (CRM) at the 2020 Sofia Summit, positioning regional cooperation as a preparatory stage for participation in the EU Single Market.

The Berlin Process thus introduced an important form of enlargement innovation, compensating for stalled accession negotiations through sectoral integration, regulatory convergence, and the provision of regional public goods. However, its non-binding nature, persistent bilateral disputes, and fluctuating political commitment underscore the fragility of progress. In the absence of a credible accession horizon, functional cooperation risks losing legitimacy.

These dynamics underpin the EU Growth Plan for

the Western Balkans, which builds directly on the Berlin Process by linking reform implementation, regional market integration, and access to EU funding. By 2026, the Growth Plan has entered the implementation phase, with Reform Agendas providing the basis for monitoring progress and accessing financial support through the Reform and Growth Facility. The Berlin Process therefore functions as the conceptual and institutional precursor to the Growth Plan, normalizing gradual integration prior to accession. Yet the sustainability of this model depends on delivering visible socio-economic outcomes, particularly for young people. Persistently high emigration intentions, 68% of young people in the region report plans to leave according to the 2025 Balkan Barometer, highlight the risk that regional cooperation, without tangible opportunities, may fail to retain human capital and public trust.

III. The Berlin Process

Why it mattered

The Berlin Process was launched in 2014 as a high-level political initiative to reaffirm the European Union's commitment to the European perspective of the Western Balkans at a time when the enlargement process was facing clear political and institutional constraints. It aimed to sustain reform momentum, preserve credibility in EU-Western Balkans relations, and ensure continued engagement beyond the formal accession framework. By mobilizing political attention from key EU Member States, the Process helped keep the region firmly anchored to the EU's strategic, political and normative orbit.

At the same time, the Berlin Process was designed to complement the enlargement process by promoting concrete cooperation in areas essential for long-term stability and integration, including regional connectivity, economic integration, youth cooperation, reconciliation and the rule of law. Through a flexible, intergovernmental format, it encouraged tangible deliverables and regional ownership, reinforcing the understanding that sustainable accession requires not only national reforms but also functional regional cooperation and trust-building among Western Balkan partners. It reoriented the approach by prioritizing political ownership, accountability and deliverables and implementation. It emphasized infrastructure connectivity, youth mobility, and economic cooperation as means to generate practical interdependence. Flagship initiatives include:

- Connectivity Agenda
- Western Balkans Investment Framework (WBIF)
- Regional Youth Cooperation Office (RYCO)
- Green Agenda

The most critical milestone was the adoption of the Regional Economic Area (REA) in 2017, which shifted regional cooperation from confidence-building toward pre-accession economic integration by operationalizing the four freedoms at the regional level and aligning them with EU market rules. This logic was consolidated

with the endorsement of the Common Regional Market (CRM) at the 2020 Sofia Summit, positioning regional cooperation as a preparatory stage for participation in the EU Single Market in line with the revised enlargement methodology. The approach was later reconfirmed by the Growth Plan for the Western Balkans. However, the Berlin Process remains structurally fragile. Its non-binding political nature, combined with persistent bilateral disputes, fluctuating political commitment, and the risk of becoming a parallel stream to EU integration, undermines its sustainability and impact. Without a clear and credible EU perspective, regional functional cooperation risks losing legitimacy and may revert to transactional cooperation rather than delivering lasting integration outcomes.

The legacy of the Berlin Process is increasingly reflected in the EU's gradual integration approach, where candidate countries are expected not only to advance accession negotiations but also to demonstrate readiness for gradual participation in selected EU policies and market areas before membership.

IV. Operationalizing Regional Cooperation: REA, CRM and the Growth Plan

Adopted under the Berlin Process in 2017, the Regional Economic Area constituted the first structured framework aimed at enabling the free movement of goods, services, capital, and labour across the WB6, while aligning regional economies more closely with EU norms. Its achievements have laid the foundation for deeper regional cooperation and significantly improved the prospects for development and investment

Key Achievements include:

- Free movement of goods and services: REA has facilitated regional trade by reducing barriers and bureaucratic procedures, enhancing competition and market access across the region.
- Free movement of capital and labor: The initiative has promoted sustainable regional investment and allowed professionals to move more easily, boosting workforce development and enterprise capacity.
- Alignment with EU standards: REA has driven Western Balkan economies toward compliance with EU norms, increasing regional attractiveness for foreign investment and paving the way for deeper EU integration.
- Enhanced regional economic integration: By connecting WB6 markets, REA has strengthened economic cooperation and reduced market fragmentation.
- Increased investment and competitiveness: Improved business climate and removal of unnecessary barriers have spurred regional investment and strengthened competitiveness of local and international businesses.

Building on these foundations, the Common Regional Market (CRM) 2021–2024 established the first implementation cycle for deeper regional economic integration and created the basis for CRM 2.0 (2025–2028), which represents the current framework for advancing regional integration.

The CRM is a regionally owned and led initiative, fully aligned with EU rules and standards. Guided by the four freedoms - free movement of goods, services, capital, and labor - it aims to strengthen competitiveness, dismantle barriers, and create a unified economic space. By enhancing regional cooperation and integration, the CRM seeks to transform the WB6 economic landscape, promoting free trade, attracting foreign investment, and fostering policy alignment and regulatory harmonization.

In essence, the CRM represents a practical and ambitious roadmap for a more connected, dynamic, and investment-friendly Western Balkans and especially it is instrumental to gradual integration prior to accession. It is made up of targeted actions in four key areas:

1. Regional trade area: free movement of goods, services, capital and people, including crosscutting measures, such as the Green Lanes, to align with EU-compliant rules and standards and provide opportunities for companies and citizens. These measures were designed to align with EU standards, thereby facilitating smoother integration with the EU market.
2. Regional investment area, aimed to align investment policies with the EU standards and best international practices and promote the region to foreign investors.
3. Regional digital area aimed to integrate the Western Balkans into the pan-European digital market, improve digital connectivity and modernize digital infrastructure with the aim to provide faster, cheaper and less costly services for the citizens.
4. Regional industrial and innovation area aimed to transform the industrial sectors, shape value chains they belong to, and prepare them for the realities of today and challenges of tomorrow.

The CRM has delivered measurable results, including increased intra-regional trade, enhanced labour mobility, and reduced border waiting times. Key achievements include:

- establishment of Green Lanes within the WB and with neighboring EU Member States, reducing border delays and generating trade-cost effects equivalent to an estimated 2% reduction in ad valorem tariffs.
- the implementation of “Roam Like at Home” in the WB from 2021 and the subsequent significant reduction of EU-WB roaming tariffs from October 2023.
- progress on the free movement of workers and services through mutual recognition of professional and academic qualifications.

- the operational integration of four WB economies into SEPA, with Albania, Montenegro, and North Macedonia executing their first transactions, substantially lowering the cost of cross-border payments.



Table 1 source: *Regional Cooperation Council*

CRM 2.0 (2025–2028) further deepens this agenda by explicitly aligning CRM objectives with the EU Growth Plan for the Western Balkans, extending cooperation to digital transformation, investment facilitation, and human capital development.

Adopted by the European Commission in November 2023, the Growth Plan places regional economic cooperation at the core of the Western Balkans' EU integration and socio-economic convergence pathway. Advancing regional cooperation through the CRM constitutes one of its four central objectives. Enhanced financial support, through the €6 billion Reform and Growth Facility, is conditioned on the implementation of reforms that promote regional integration and regulatory convergence with EU standards.

As such, regional cooperation under the Growth Plan is no longer merely declaratory but is embedded in a structured incentive framework linking reforms, funding, and market integration.

In practice, this entails operational support for CRM deliverables, such as mobility facilitation, regulatory harmonization, and infrastructural interoperability, ensuring that the benefits of cooperation are tangible for businesses and citizens. This reinforces the notion that deepened regional cooperation could function both as a driver and a precondition for accelerated EU integration in the Western Balkans.

IV.a The Growth Plan for the Western Balkans and its connection to CRM

The EU Growth Plan for the Western Balkans builds directly on the Berlin Process by linking:

- reform implementation
- regional market integration
- access to EU funding

Thus, the Berlin Process functions as the conceptual and institutional precursor to the Growth Plan, normalizing gradual integration prior to accession. Its key features:

- €6 billion Reform and Growth Facility (RGF)
- Conditionality based on reform delivery
- Regional integration as a prerequisite for funding

What does this mean in practice: Regional cooperation under the Growth Plan is no longer merely declaratory but embedded in a structured incentive framework linking:

- reforms
- funding
- market integration

Operational support focuses on CRM deliverables such as:

- mobility facilitation
- regulatory harmonization
- infrastructure interoperability

This reinforces the idea that deepened regional cooperation is both a driver and a precondition for accelerated EU integration.

IV.b CRM 2.0 (2025–2028)

CRM 2.0 builds on the achievements of CRM 1.0 (2021–2024) and, as of 2026, represents the active implementation framework for regional economic integration in the Western Balkans. Fully aligned with the EU Growth Plan, CRM 2.0 aims to consolidate previous gains, accelerate implementation, and address gaps in economic, digital, and human capital integration.

The strategic objectives include the operationalization of the four freedoms to enhance trade and mobility, harmonization of investment policies and support for industrial value chains, digital transformation and integration into the EU Digital Single Market, workforce upskilling and youth mobility, and the promotion of green and sustainable development.

Implementation is based on conditional funding through the €6 billion Reform and Growth Facility (RGF), robust monitoring with regional dashboards and annual progress reports, and regional ownership led by WB6 governments with active involvement of the private sector, civil society, and youth.

Key Deliverables (2025–2028):

- Elimination of trade barriers within WB6 and with EU neighbors.
- Expansion of Green Lanes and cross-border e-commerce.
- Harmonized investment incentives and development of regional industrial hubs.
- Digital infrastructure modernization and interoperable e-government services.
- Programs to retain youth, develop skills, and enhance labor mobility.
- Green transition projects and support for sustainable economic practices.

CRM 2.0 is expected to increase intra-regional trade and investment, enhance labor mobility and recognition of qualifications, improve digital services and infrastructure, boost youth retention and human capital development, and align WB economies with EU standards, supporting gradual pre-accession integration.

IV.c Governance of the Common Regional Market (CRM)

Governance of the CRM is built on a functional and distributed model in which political steering, regional coordination and sectoral implementation are clearly differentiated but closely interconnected. At the strategic level, CRM is anchored in the political ownership of the Western Balkan partners through the Berlin Process, ensuring that the initiative serves as a practical instrument for gradual integration into the European Union rather than a stand-alone regional cooperation framework. This level provides overall direction, priority-setting and alignment with national reform agendas and EU accession processes.

At the coordination level, the Regional Cooperation Council (RCC) acts as the central governance hub of the CRM, ensuring coherence across its different pillars, monitoring regional progress and facilitating inter-institutional coordination. RCC plays a key role in translating political commitments into structured implementation frameworks, measurable objectives and regular progress reporting, while maintaining alignment with EU standards and policy priorities. This coordination function is essential to prevent fragmentation and ensure consistency across policy areas.

Implementation is carried out through specialized sectoral structures, notably CEFTA and the Transport Community Permanent Secretariat (TCT Secretariat). CEFTA leads the implementation of trade-related measures, including customs facilitation, free movement of goods and services, and the reduction of non-tariff barriers, effectively serving as a testing ground for Single Market-type rules. In parallel, the Transport Community Secretariat supports regulatory alignment with the EU acquis in transport, monitors reforms and investments, and promotes common standards in connectivity and mobility. Together, these structures make the governance of the CRM operational, performance-oriented and directly linked to real implementation capacity, positioning the CRM as a functional bridge between regional cooperation and future participation in the EU Single Market.