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French Engagement in the Western Balkans

Boosting Strategic, Political,
Economic and Societal Cooperation

Edited by

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Executive Summary

After years of lower interest, France has signaled its ambition to re-engage in the Western Balkans. It is not starting from scratch. Historical affinities with the countries of the region abound, in culture, sciences, politics and economy. But shifting priorities in the past decades have eroded French presence in the region. To regain a foothold in this important part of Europe, France has taken a series of initiatives aimed at boosting its engagement.

In 2016, it hosted the Berlin Process summit; in 2017, it launched with Germany an initiative to coordinate the drive against firearms trafficking in the Western Balkans; in 2018, it expanded the intervention mandate of the French Development Agency (AFD) to all Western Balkans countries and adopted a national Strategy for the Western Balkans; in 2020, after a two-year stalemate, it withdrew its reservations against the opening of accession negotiations with Albania and North Macedonia, while drawing the contours of the revised enlargement methodology.

Drawing from a series of consultations in the region and structured cooperation with partner think-tanks, this policy paper is conceived as an independent, expert contribution to French efforts at re-engaging with the Western Balkans. It explores perceptions of French re-engagement in the region and reflects the potential of the 2019 Strategy for the Western Balkans in light of the forthcoming French Presidency of the European Council and in the context of the grands débats on the future of Europe.

Résumé

Après plusieurs années marquées par un certain retrait, la France a fait part de son ambition de se réengager dans les Balkans occidentaux. Cette ambition s'inscrit dans une continuité historique. La France et les pays de la région sont en effet liés par de nombreuses affinités, tant au niveau culturel ou dans les sciences que dans la politique ou l'économie. Mais au cours des dernières décennies, un glissement des priorités françaises en matière de politique étrangère a érodé la présence française dans la région. Pour reprendre pied dans cette partie importante de l'Europe, la France a donc lancé une série d'initiatives visant à dynamiser son engagement.

En 2016, elle a accueilli la Conférence du Processus de Berlin. En 2017, elle a lancé l'initiative franco-allemande sur la lutte contre les trafics illicites d'armes à feu dans les Balkans occidentaux. En 2018, elle a étendu le mandat d'intervention de l'Agence française de développement (AFD) à l'ensemble des pays des Balkans occidentaux et adopté une stratégie nationale pour les Balkans occidentaux. En 2020, après deux ans de blocage, elle a levé ses réserves quant à l'ouverture des négociations d'adhésion avec l'Albanie et la Macédoine du Nord, et s'est dans le même temps appliquée à redessiner les contours de la politique d'adhésion.

S'inspirant d'une série de consultations dans la région et d'une coopération structurée avec des groupes de réflexion partenaires, ce document d'orientation est conçu comme une contribution indépendante d'experts aux efforts français de réengagement dans les Balkans occidentaux. Cette étude se penche ainsi sur les perceptions du réengagement français dans la région et sur le potentiel de la stratégie nationale pour les Balkans occidentaux de 2019 dans le contexte, notamment (mais pas seulement), de la Présidence française du Conseil de l'Union européenne (PFUE) et de la Conférence sur l'avenir de l'Europe.

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Introduction

After years of lower interest, France has signaled its ambition to re-engage in the Western Balkans. It is not starting from scratch. France has played an important role in the past, with public figures such as Alphonse de Lamartine, Justin Godard, Robert Badinter and Bernard Kouchner leaving a mark in the region. Historical affinities between France and the countries of the region abound – in culture, sciences, politics and economy.

However, at the turn of the century, the engagement of France in the *poudrière balkanique*¹ slackened due to shifting priorities and declining strategic ambitions. With the gradual *effacement* of its presence,² France left a void in the region. It is against this backdrop that awareness has grown in Paris in recent years about the need to “geographically reinvest in the Western Balkans”.³ To regain a foothold in the region and boost its engagement, France has taken a series of initiatives. In 2016, it hosted the Berlin Process summit and played an important role in establishing the Regional Youth Cooperation Council (RYCO). In 2017, it launched with Germany an initiative to coordinate the drive against firearms trafficking in the Western Balkans. In 2018, it expanded the intervention mandate of the French Development Agency (AFD) to all Western Balkan countries. French economic operators have since then gained in prominence. In 2019, France initiated, again with Germany, an intergovernmental dialogue on the Kosovo-Serbia dispute and adopted a national Strategy for the Western Balkans. In 2020, after a two-year stalemate, it withdrew its reservations against opening accession negotiations with Albania and North Macedonia, while drawing the contours of the revised enlargement methodology.

This re-engagement of France in the Western Balkans, progressing at a promising pace, has yielded mixed results so far. While responding to actual needs and opportunities, it is perceived in the region as tentative rather than decisive, and partial rather than comprehensive.

This policy paper is conceived as an independent contribution to French efforts at re-engaging with the Western Balkans. Its starting point is the 2019 Strategy for the Western Balkans, on the full potential of which it seeks to capitalize. What has been achieved by France in the past few years? What is the margin of progression? Where can France make a difference? What are

1. See, for instance, A. Madelain, *L'expérience française des Balkans (1989-1999)*, Tours: Presses universitaires François Rabelais, 2019; F. Le Moal, *La France et l'Italie dans les Balkans (1914-1919)*. Paris: L'Harmattan, 2006.

2. See J.-A. Dérens, “L’effacement de la France dans les Balkans”, *DGAP Working Paper 2010/9*, 2010.

3. Élysée (August 27, 2019), Speech of French President Emmanuel Macron at Ambassadors’ conference, available at: www.elysee.fr. [accessed November 1, 2021]

the main obstacles it faces? How can France effectively boost its political, diplomatic, economic, civil society and cultural cooperation in the Western Balkans?

The initiative “France and the Western Balkans – towards strategic engagement” was launched early in 2020 by a group of expert organizations⁴ in order to answer such questions, and specifically to:

- explore how to intensify economic, political and societal cooperation between France and the Western Balkans, and
- contribute to reflection on the implementation of the French Strategy on the Western Balkans through recommendations *from the region*.

From March to November 2021, a series of workshops⁵ and conferences were organized across the Western Balkans to discuss the potential of French re-engagement in the region; two regional expert-based quantitative surveys⁶ were carried out to ascertain perceptions of and expectations from French re-engagement; and qualitative research⁷ has been conducted to gain deeper understanding of the subject matter. This policy paper, written by the experts coordinating “France and the Western Balkans – towards strategic engagement”, builds on this deliberative work and policy research.⁸

4. Euro Créative (Paris), Centre franco-autrichien pour le rapprochement en Europe (Paris/Vienna), Institut français des relations internationales (Paris), Cooperation and Development Institute (Tirana), European Policy Institute (Skopje), European Policy Centre/CEP (Belgrade), Observatoire des Balkans/Fondation Jean Jaurès (Paris).

5. Three thematic workshops and conferences were organized in 2021 on 1) political and diplomatic cooperation (online); 2) societal cooperation (hybrid) and 3) economic cooperation (online).

6. The surveys were conducted online between April and September 2021. They targeted citizens from the countries of the Western Balkans exposed to French re-engagement, even indirectly, through their work (national administrations, business community, academia, civil society organisations, regional organisations). The first survey (N₁=52) sought to assess general perceptions about French re-engagement. The second survey (N₁=57) focused on civil society cooperation. Additional research targeting larger cohorts would be necessary to refine and generalize the findings.

7. Besides desk research, a series of eight semi-structured interviews were conducted with high-ranking officials and key experts from the Western Balkans.

8. The views and opinions expressed in the different chapters of this policy paper are strictly those of the chapters' authors.

How Is French Re-Engagement Perceived in the Western Balkans?

According to the survey conducted in the framework of this project, the image of France in the Western Balkans today is mixed. On the one hand, almost half of the respondents hold a positive image of France; few (13%) claim that France has a negative image, while the remaining do not voice a clear assessment. But this relatively positive image, widely shared among the experts surveyed, hardly compensates for more critical views of French engagement in recent years. An important element is trust, but this, in the eyes of some, was shattered by the French position in the European Council in 2018-2019 regarding the opening of accession negotiations with Albania and North Macedonia. For instance, 25% of the respondents believed that France has not proven to be a reliable partner for their country's EU aspiration and 33% opposed the statement that "France contributes to the advancement of the EU accession process overall". While many would still agree with the former statement and see France as a reliable partner, the above perceptions among a significant number of experts are not unproblematic. In fact, the French approach to the region was designated as "hesitant" by 51% of the respondents (it was the adjective most chosen among a list of 14 options).

However, these critical perceptions, which point to the need for boosting mutual understanding, are not only negative; they point to significant potential. Almost half of the respondents (45%) viewed France as playing a positive role in their country. Importantly, this positive role extends beyond issues related to EU accession. In culture and education, for instance, the importance of cooperation with France was largely acknowledged by 67% and 33% of the respondents, respectively.

Perceptions about French leadership are, likewise, rather mixed. While only 6% of the respondents saw France as a leading power in the Western Balkans, most acknowledged French leadership in EU affairs (only 12% disagreed). This leadership in EU affairs, perhaps unlike Germany, is not believed to be rooted in the French economy (the relative weight of which the respondents tended to underestimate). Nor can it be traced back to a societal model with which France can be associated (only 20% of respondents viewed France as a societal model). What stands out in the survey is the acknowledgment of French political leadership in EU affairs, with a potential

to tap vis-à-vis the countries of the Western Balkans. The 2019 national strategy is an important step in this direction.

Efforts in this area are already bearing fruit: 78% of respondents perceived a change in the approach of France to the region and agreed that France “is re-engaging”. Unfortunately, for 49% of the respondents, this re-engagement might not be relevant enough to make a difference. Although widely known (by 81% of respondents), the Strategy on the Western Balkans does not seem to have a game-changing echo in the region. Only 8% of respondents believed it had been properly communicated and explained. This assessment points to the need for strengthening public diplomacy and improving communications on French re-engagement.

Despite this shortfall in communications, the French strategy has been received rather positively: 60% of respondents believed that it lays the foundations for positive re-engagement, even though, for most of them (45%), its results are yet to be felt. The adjectives mostly associated with this strategy are “cooperative” (50%) and “result-driven” (38%), but also “subjective” (43%) and unclear (20%). Only 5% of respondents expect the strategy by itself to lend a new impetus to France-Western Balkans relations. While building on it, a more strategic re-engagement of France should therefore extend beyond the existing document, while articulating the diverse initiatives already in place.

The overall picture of French re-engagement in the Western Balkans indicates, in summary, that doubts remain as to the level of engagement France is aiming at. Critical or skeptical assessments view French re-engagement as tentative rather than decisive, and partial rather than comprehensive, but very few cast doubt on its actual re-engagement. More importantly, many welcome its potential.

Boosting Political Cooperation

By **Ardita Abazi Imeri and Stefan Ristovski**
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French engagement in the Western Balkans in the past has been marked by France's bold moves with Nato's Kosovo force KFOR,⁹ the UNPROFOR mission in Bosnia, mediation in the armed conflict in North Macedonia in 2001 and the Ohrid Framework Agreement, and then opening the path to rapprochement of the Western Balkan countries with the EU at the Zagreb Summit in 2000 under the auspices of the French Presidency of the Council. This initial engagement of France was followed by two decades of declining interest,¹⁰ before France signaled its intention to re-engage.

After blocking the opening of accession negotiations for Albania and North Macedonia for almost two years on the alleged ground that the EU needed to reform before accepting any new member, France published in 2019 a new strategy for the Western Balkans.¹¹ However, it does not mention EU accession, thus casting doubt on its intentions with regard to the European perspectives offered to the countries of the region in the 2000 Zagreb Summit.

To make its engagement genuinely strategic and credible in the region, France should start by filling this gap, reiterating its support for the accession of the Western Balkans to the European Union and assuming constructive leadership on enlargement issues. Overcoming the current blockade that hinders the opening of Albania's and North Macedonia's accession negotiations is a priority, where French re-engagement could have strong political impact.¹² Any failure in sustaining the Western Balkans' European trajectory could have dramatic consequences for the countries of the region and the EU alike, including in terms of security and migration.¹³

In the absence of short-term developments on the enlargement front, active involvement by France through EU institutions as a member state, together with the other member states, is needed to address the various

9. BalkanInsight, "How to Understand France's 'Bad Cop' Role in the West Balkans", May 24, 2019.

10. *Ibid.*

11. Ambassade de France en Macédoine du Nord, "Stratégie française pour les Balkans occidentaux", available at: <https://mk.ambafrance.org>. [accessed on November 1, 2021]

12. European Council on Foreign Relations, "How Macron Can Strengthen the EU in the Western Balkans", available at: <https://ecfr.eu>. [accessed on November 1, 2021]

13. International Institute for Peace, "The Promise of the European Union towards the Western Balkans: Reflections on the French Perspective", available at: www.iipvienna.com. [accessed on November 1, 2021]

political challenges, starting with unresolved disputes, and to strengthen security in the region. Meanwhile, the Balkan countries need to make progress with respect to reconciliation and the resolution of bilateral disputes, in a European spirit, as well as to strengthen fundamental reforms, notably with respect to the rule of law, based on the revised accession methodology.¹⁴

Boosting French Diplomatic Engagement *vis-à-vis* Bilateral Disputes

Bilateral issues are a dangerous plague that runs against the spirit of European integration, but they are by no means a peculiarity of the Western Balkans. The cases of North Macedonia and Kosovo-Serbia illustrate a more systematic issue in the European Union, with important regional implications; the EU, unable to express a coherent position, is hindered by member states' uncompromising use of key prerogatives, including for domestic purposes. This inability of the EU to send a coherent message and overcome internal blockages (with regard to North Macedonia's naming dispute with Greece before the Prespa Agreement; the opening of accession negotiations with North Macedonia and Albania more recently; and Kosovo's recognition) is a source of systemic vulnerability, which external actors like Russia readily exploit in their public diplomacy.¹⁵ It is a key impediment to member states' efforts at building a more strategic, autonomous EU.

Among the urgent issues that France should address is the blocking of North Macedonia by Bulgaria. The Prespa Agreement, which ended a three-decade dispute with Greece, was a major breakthrough, but, despite its European significance,¹⁶ it has remained largely unrewarded, as it was immediately followed by Bulgaria's blockage. The ethno-nationalist and populist grounds for such a blockage, in addition to devaluing the European spirit of EU membership, delegitimize the Prespa Agreement and its considerable achievements. France should get involved diplomatically and underline the symbolic power of the only agreement resolving a longstanding bilateral dispute in the Western Balkans before other countries question the value of compromise, which is essential to the pursuit of European political unification. The involvement of France would serve the cause of fairness, commitment and good neighborliness. It would help to restore the declining credibility of the EU in addressing bilateral issues, especially if the Prespa Agreement is to serve as an inspiring example for the Belgrade-Pristina

14. Ministry of Europe and Foreign Affairs, "Jean-Yves Le Drian's Participation in the Meeting of Foreign Ministers of the Berlin Process for the Western Balkans", June 8, 2021, available at: www.diplomatie.gouv.fr. [accessed on November 1, 2021]

15. F. Marciacq, "Neither Accession, Nor Resilience? The European Union in the Western Balkans against the Backdrop of Geopolitical Rivalry", *Journal for Intelligence, Propaganda and Security Studies*, Vol. 15, No. 1, 2021.

16. P. Mirel, "Union européenne-Balkans occidentaux : pour un cadre de négociations d'adhésion renouvelé", *Fondation Robert Schuman : Question d'Europe*, No. 529, 2019.

dialogue; North Macedonia's blockage by Bulgaria has regional implications, not least in sending a disincentivizing signal to neighboring countries in their approach to dispute settlement.

France is particularly well-positioned to act on this question. It has a broad experience in promoting good-neighbourliness, is committed to multilateralism in international affairs in general and can count on the expertise of a dedicated Ambassador for intergovernmental commissions, cooperation and transborder relations in particular. Moreover, the French strategy recognizes the importance of resolving bilateral disputes. **Its commitment could be extended by stepping up French engagement in support of good neighborliness in the (Western and non-Western) Balkans.** This engagement would imply communicating French support for a more strategic European solidarity, guided by common values and principles rather than membership privileges and automatism by default. Calling for "balanced compromises"¹⁷ or calling on the involved parties to refrain from misusing outstanding bilateral disputes does not send a clear message of engagement. Nor does it reflect a strong vision of the guiding principles upon which European sovereignty can be built. Skilled diplomacy, with "ears to the ground and eyes on the horizon",¹⁸ would help to translate the French vision of European political unification into the Western Balkans, where the strategic autonomy of the EU is at play. Clear messages, echoed by embassies of like-minded countries across the Balkans, could make a difference. For instance, in the case of the blockade on North Macedonia's EU accession talks, the expression of clear reservations about the intentions of Bulgaria to join the Schengen Area could hinge more clearly on its defiance of good neighborliness.

Such engagement in support of good neighborliness in the Balkans should cover all relevant issues in the wider Balkan region. These are typically enmeshed in complex networks of issues and often have regional implications. Bulgaria's veto of North Macedonia, for instance, has affected Albania's European path through the current coupling of the two countries' accession process. Also, the deterioration of the situation in Bosnia-Herzegovina should be understood in a regional perspective, with Croatia and Serbia in the background.¹⁹ Likewise, the lack of EU unity on Kosovo recognition arguably hinders Serbia's readiness to compromise on the same issue.²⁰ The failed meeting in July 2021 showed

17. Even President Macron, when receiving Prime Minister Zaev, said he expected a balanced compromise to be reached between Bulgaria and North Macedonia. See Elysée, "Déclaration conjointe du Président Emmanuel Macron et du Premier ministre de la République de Macédoine du Nord Zoran Zaev", June 10, 2021, available at: www.elysee.fr. [accessed on November 1, 2021]

18. D. Copeland, *Guerrilla Diplomacy: Re-thinking International Relations*, Boulder: Lynne Rienner Publishers, 2009.

19. European Western Balkans, "How Will Western Balkans Deal with Security Challenges and Past Conflicts?3? Mai 1, 2019.

20. B. Huszka, Beáta, "The Power of Perspective: Why EU Membership Still Matters in the Western Balkans", ECFR Policy Brief, January 7, 2020.

how hard it is for both Serbia and Kosovo to make concessions in the dialogue,²¹ while recent tensions demonstrate how easily tensions between the two countries can intensify.²² The EU's reluctance to grant visa liberalization to Kosovo, which remains one of the few incentives, along with its full recognition as a sovereign state, has narrowed the possibilities for the EU to persuade the Kosovo government to take steps to resolve its bilateral dispute with Serbia.²³ **France should accordingly continue its efforts at fostering dialogue between Kosovo and Serbia, including through the Franco-German initiative launched in 2019.** Given the erosion of the EU's credibility and the contested profile of its representatives in the region (the High Representative for Common Foreign and Security Policy and the Special Representative for the Belgrade-Pristina Dialogue come from two non-recognizers, while the Enlargement commissioner comes from Hungary), these dialogue-fostering efforts are extremely important. The distribution of roles points to the limitations of the EU approach to bilateral disputes in general. However, having previously been among the countries opposing visa liberalization for Kosovo, France will have to do more to restore trust on Kosovo issues.

Besides committing itself to liberalize its visa regime, France could **support the launch of a track-2 initiative on Kosovo recognition that would bring together think-tanks from the five EU non-recognizers, EU recognizers and the Western Balkan Six (WB6).** The aim of this initiative would be to promote dialogue among the member states on the Kosovo recognition issue in light of the debates on the EU's strategic autonomy, and to promote dialogue and cooperation between Kosovo and different segments of society in selected EU member states.

Other regional initiatives launched by France could seek to **intensify inter-parliamentary cooperation**, e.g. through the organization of an interparliamentary conference of the Berlin Process, and **cooperation on the level of local governments.**

More generally, France could use its Presidency to **launch preparations for a Summit on Good Neighborly Relations and Regional Cooperation in the Western Balkans.** France could build on the achievements of the Berlin Process in this area, where indeed "real additional progress" can be made. Its diplomatic leadership would be key to reinstalling regional cooperation at the center of the EU integration process and move the idea of strategic autonomy higher on the EU agenda. At the Summit on Good Neighborly Relations, France could even suggest conditioning the allocation of EU funds to respect for the EU's good neighborliness principle, reiterate its support for democratic forces, and

21. Euractiv, "Very Little Progress at Serbia – Kosovo Talks", July 20, 2021.

22. Radio Free Europe/Radio Liberty, "Tensions High As Kosovo, Serbia Continue Border Standoff", September 29, 2021.

23. B. Huszka, "The Power of Perspective: Why EU Membership Still Matters in the Western Balkans", *op. cit.*

explore ways to mediate in bilateral and ethno-national disputes in a more structured way. France could use this opportunity to strengthen its cooperation with Germany (on a bilateral basis), in a Quint format (with Germany, Italy and the United Kingdom), Weimar (with Germany and Poland) or Weimar Plus (with Germany, Poland and Austria).

Also, **France could seek to push regional cooperation in the Western Balkans higher on the EU's agenda.** France has reintegrated the governing board of the Regional Cooperation Council (RCC), but regional cooperation should not be limited to soft issues involving the six countries of the Western Balkans. It should include more sensitive bilateral issues (which in fact are regional) as well as bilateral issues with EU neighboring member states. France could, for instance, suggest empowering the RCC and explore ways of giving the organization a political mandate.

In a related area, **France could boost its diplomatic support for the Observatory on History Teaching in Europe** established in November 2020 as an Enlarged Partial Agreement of the Council of Europe, and the accession of those Western Balkan states that have not joined yet (Bosnia-Herzegovina, Montenegro and Kosovo). In the context of rising populism, history education that encourages multi-perspectivity and critical thinking is key to developing a culture of democracy. By bringing to the fore practices that encourage history teaching in line with Council of Europe values, the Observatory aims to contribute to strengthening resilience against the manipulation and distortion of history, and will help to promote peace and dialogue.

Addressing Migration Challenges

The EU is the most attractive destination for 70% of Western Balkan citizens considering moving abroad.²⁴ This is no surprise considering the number of Western Balkan citizens who have already migrated into the EU – 2.98 million individuals between 2008 and 2018 – whether by applying for first-time residence permits (54%), moving illegally (27%) or seeking asylum (19%).²⁵ In France, the migration picture is slightly different: in the past 10 years, Western Balkan citizens have predominantly sought asylum (53%) or moved illegally (25%). Only 22% of them arrived after applying for a residence permit (22%).²⁶

If the EU and France want to address this issue systematically, they need to tackle the push and pull factors for these migration trends.²⁷ High

24. RCC, *Balkan Barometer 2020*.

25. European Policy Institute of Kosovo, “Western Balkans Migration to the EU: And a Curious Case of Albania”, 2019.

26. Author's calculation based on Eurostat, Migration & asylum, available at: Eurostat. Migration & asylum – Overview, <https://ec.europa.eu>. [accessed on November 1, 2021]

27. Carnegie Europe, “The EU Is a Dishonest Broker on Western Balkan Demographics, March 11, 2021.

unemployment and lack of job opportunities,²⁸ as well as environment issues, have been identified as key factors accelerating emigration.²⁹ Rule-of-law issues, corruption and nepotism, and organized crime also contribute to shaping decisions on migrating.³⁰ Western Balkan countries do not take sufficient action to address structural challenges and reform,³¹ while the well-settled Western Balkan diaspora in some member states provide higher-than-average remittances.

Some member states express reluctance (and refrain accordingly) to grant Kosovo visa liberalization, others ride the wave of immigration to their own benefit. Germany has already opened its labor market and attracts a considerable number³² of both low-skilled and skilled workers from the Western Balkans. Their emigration creates dramatic labor shortages in essential sectors such as health care. The new EU Pact on Migration and Asylum might even accentuate this problem.³³ While the talent partnerships might help EU member states to fill their labor market shortages (thanks to new legal migration paths), the scheme fails to provide tangible benefits for the sending countries. With a declining stock of skilled labor, the countries of the region can be expected to face mounting challenges in advancing their political, social and economic transformation. **To address this crucial issue, France could put forward innovative measures that promote circular migration.** A key element would be to find ways to facilitate the return of immigrants to their country of origin; their reintegration in Western Balkan labor markets; and support for returnees' entrepreneurship. An important milestone would be the adoption of a fair and concerted brain-drain prevention strategy. The experience of Ireland could be inspiring in this respect.³⁴

On the front of illegal and asylum-seeking migration, the new Pact on Migration and Asylum recognizes the need for a tailor-made approach to the Western Balkans to respond constructively to shared challenges.³⁵ Since the beginning of the migration crisis, the number of irregular crossings has fallen dramatically compared to 2015, but the Western Balkans route has remained

28. World Bank Group/The Vienna Institute for International Economic Studies (2018), *Western Balkans Labor Market Trends*.

29. S. Beharic, *et al.*, "One Way Ticket No More: Seven Ideas for a Prosperous Western Balkans", 2020.

30. R. Matoshi and I. Mulaj, "The Paradox of Large Scale Emigration for Economic Reasons from the Western Balkans", *MPRA Paper* No. 107848, 2021; BalkanInsight, "Balkan Brain Drain 'Won't Stop Without Economic, Democratic Progress'", October 29, 2020.

31. European Commission, "2019 Economic Reform Programmes of Albania, Montenegro, North Macedonia, Serbia, Turkey, Bosnia and Herzegovina and Kosovo. The Commission's Overview and Country Assessments", *Institutional Paper* No. 107, 2019.

32. J. Bither and A. Ziebarth, "Creating Legal Pathways to Reduce Irregular Migration? What We Can Learn from Germany's 'Western Balkan Regulation'", 2018.

33. European Commission, "Talent Partnerships: Commission Launches New Initiative to Address EU Skills Shortages and Improve Migration Cooperation with Partner Countries", June 11, 2021.

34. A. Vracic, "Luck Like the Irish: How Emigration Can Be Good for the Western Balkans", *ECFR Policy Brief*, January 2019.

35. Communication from the Commission on a New Pact on Migration and Asylum, September 23, 2020, available at: <https://eur-lex.europa.eu>. [accessed on November 1, 2021]

active, and the trend is rising. The number of illegal entries almost doubled in 2020, while in the first half of 2021 there was an increase of 90% compared to the same period in 2020.³⁶ Illegal border crossing is fueling organized crime in the region as criminal groups are largely responsible for smuggling operations.³⁷ Smugglers put migrants' lives in danger and in some cases those of police officers too.³⁸ Inconsistencies among EU member states' pushback approaches have created instability when it comes to managing the migrant crisis along the Balkan route.

To increase convergence on these issues, France could suggest launching a biennial structural EU-Western Balkans dialogue on migration challenges, on both the political and operation level. This platform could enhance cooperation and coordination on common challenges like irregular migration, asylum and border management, managing the outward migration from the region to the EU. Supporting the development of Western Balkan institutional capacities is key in this area. This could imply upgrading coordination, if not integration, with the European Asylum Dactyloscopy Database (EURODAC).

Support from the Pre-Accession Assistance instrument remains relevant for enhancing the operational capacities of the Western Balkan countries facing migration challenges.³⁹ Still, the funds are insufficient for establishing a sustainable system of migration management along the Balkan route. **Given the importance of this topic, France could offer to increase its bilateral support in terms of border police capacity-building and financial support for accommodation capacity.** This increased cooperation should extend to civil society. **France could, for instance, fund a dedicated programme for civil society organizations (CSOs) working on migration issues.** Civil society could be a trusted partner in implementing effective monitoring mechanisms on the ground, flagging issues, and advising how various agreements in the region and agreements with the EU could be best implemented.

Cooperation with the European Border and Coast Guard Agency (Frontex) is essential for the countries of the Western Balkans to effectively counter illegal/irregular migration issues and cross-border crime. However, progress is hampered by Bulgaria, which is blocking the signing of North Macedonia's Frontex status agreement,⁴⁰ while Bosnia-Herzegovina's

36. Frontex, "July: Increase in the Central Med and Western Balkans", August 12, 2021, available at: <https://frontex.europa.eu>. [accessed on November 1, 2021]

37. Europol/Frontex/Easo (2020), "Tackling Migrant Smuggling in the Western Balkans: Illegal Immigration along Western Balkan Route and Neighbouring Countries, July 2018–June 2019", 2020, available at: www.statewatch.org. [accessed on November 1, 2021]

38. *Ibid.*

39. In the period 2017–2019, the IPA mechanism allocated €216 million to the WB countries (Serbia, North Macedonia, Bosnia and Herzegovina, Montenegro, Albania and Kosovo) while in 2015, the EU allocated an additional €141 million. The funds were used to upgrade equipment, asylum facilities, drafting of asylum laws and support of border police and the integrated border management system.

40. Euractiv, *Bulgaria Blocks North Macedonia Frontex Agreement*, October 22, 2020.

agreement is stalled for want of ratification.⁴¹ This prevents Frontex from lawfully conducting joint operations across the region. Bulgaria's blockade also restricts Frontex from providing technical assistance to and operating on North Macedonia's borders. **France would have a card to play here, by exerting pressure on Bulgaria and the Bosnian Presidency to overcome the stalemate and complete the conclusion of Frontex status agreements with North Macedonia and Bosnia-Herzegovina respectively.**

Countering Terrorism

One of the key issues the EU needs to address in the Western Balkans, for its own security as well as that of the countries of the region, is the fight against terrorism. Persistent internal issues, coupled with political instability, fragile economies, relatively high levels of poverty and corruption, and incomplete security system reforms, constitute a fertile ground for radicalization and violent extremism to thrive.

To address some of these issues, in particular those related to foreign fighters' recruitment in the Balkans, a Joint Action Plan on Counterterrorism⁴² has been adopted as part of the EU's measures to combat terrorism. Its implementation through joint operational cooperation between countries on repatriation has yielded generally positive results, despite notable irregularities in the imposition of repressive measures (police operations, judiciary procedures, prison conditions).

These irregularities have undermined the effectiveness of the approach, fueled radicalization and recidivism among returned fighters, including women and children, and caused frustrations within broader families. To alleviate this issue, CSOs appear to be an important factor in building trust between returned families and public institutions. Ongoing initiatives and projects that focus on reintegration and resocialization should be supported more actively.⁴³ CSOs are more trusted than public institutions in the first stages of reintegration; this trust should be used to the advantage of (local) policymakers.

To step up its engagement in this area, **France could initiate a security dialogue with partners from the region.** It could use this security dialogue to share its experience and assessments of current practices regarding the prevention, rehabilitation, treatment and support of fighter returnees. French experience would be beneficial to the countries of the Western Balkans and could be shared through a series of trainings and workshops involving state and non-state actors active in the field of

41. BalkanInsight, "Dodik Stops Bosnia from Cooperating with Frontex", February 20, 2020.

42. European Commission, "Prevention of Radicalisation: The Commission Steps Up Support in the Western Balkans with a New €1.55 Million Project", April 19, 2021, available at: <https://ec.europa.eu>. [accessed on November 1, 2021]

43. These efforts are mainly funded by international donors (the Netherlands, EU and GCERF).

counterterrorism. Such security dialogue should approach the issue of terrorism comprehensively. CSOs should be recognized as pivotal partners but engagement should not be limited to soft security cooperation (between police, court or prosecution administrations). France should take a leading role in integrating intelligence cooperation into the picture of concerted, multilateral and multi-layered responses.⁴⁴

This security dialogue could furthermore extend to non-Islamic foreign fighters, who remain largely under the radar of state security institutions (for instance, Serbian fighters returning from Ukraine).⁴⁵ **France could in this sense contribute to refining the definition of right-wing violent extremism at the EU level and also explore ways to boost security cooperation in this field.**⁴⁶ Research indicates that right-wing extremism typically builds on border and ethno-centric disputes, ethnic victimization and anti-LGBTQI+ or misogynist narratives.⁴⁷ While distinct from Islamic radicalism, right-wing violent extremism is nonetheless linked to it; they are the two (mutually supportive) faces of the same coin.

44. European Council on Foreign Relations, “The Best Defence: Why the EU Should Forge Security Compacts with Its Eastern Neighbours”, November 3, 2020, available at: <https://ecfr.eu>. [accessed on November 1, 2021]

45. Connekt Regional Report, “Regional Perspectives on Radicalisation and Violent Extremism in the Balkans”, 2021.

46. Council of the European Union, “Right-Wing Violent Extremism and Terrorism in the European Union: Discussion Paper”, August 30, 2019, available at: www.statewatch.org. [accessed on November 1, 2021]

47. L. Kelly, *Overview of Research on Far Right Extremism in the Western Balkans*, K4D Helpdesk Report, Brighton, UK: Institute of Development Studies, 2019.

Boosting Economic Cooperation

By Ardian Hackaj

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The Strategy for the Western Balkans adopted in Paris in 2019 underlines the goal for France to enhance economic cooperation with the region. The margin of progression is considerable: the region's trade with France is dwarfed by Germany's by a factor of eight. This growth potential in a region of Europe that is two hours' flight from Paris and has great infrastructure needs has not remained unnoticed. Major investors from France have already increased their presence in the peninsula. Meanwhile, the Agence française de développement (AFD) was given a mandate in late 2018 to support convergence towards European Union standards in the Western Balkans – standards that should comply with the Paris Agreement on Climate.

However, to avail of the best opportunities that the Western Balkans offer, French economic actors need to further develop their knowledge of the region, expertise in adapting to local conditions, and their local networks. French state support to small and medium enterprises (SMEs) and big companies should adapt to their different profile and needs, while EU programs and alliances among business associations can be the unifying factors that bring together European economic actors in a common approach towards the Balkans. The French Presidency of 2022 can provide the basis for the design of a WB6 industrial policy harmonized with and part of the EU one.

The French Economic Footprint in Serbia

Serbia is, by virtue of its size, population and history, France's main partner in the Western Balkans. French FDI in the country has been steadily increasing since 2012,⁴⁸ slowing slightly only in 2019. In that year, France was the seventh largest investor in Serbia, accounting for €276 million (or about 8% of total FDI stock), and the sixth largest over the 2010-2019 period (with €1.3 billion), behind the Netherlands, Russia, Austria, Luxembourg and Germany.

48. Direction générale du Trésor, "Échanges commerciaux France-Serbie", available at: www.tresor.economie.gouv.fr. [accessed on October 4, 2021]

The main areas of French exports to Serbia are sales of mechanical, electrical and electronic equipment, transport equipment, chemical products, perfumes and cosmetics, pharmaceutical products, and agricultural and agri-food exports. The main areas of Serbian exports to France are rubber and plastic products, agricultural and food products, chemical products, perfumes and cosmetics, transport equipment, and mechanical, electrical and electronic equipment.

In 2020, trade between France and Serbia reached €1 billion,⁴⁹ including €585 million in exports and €483 million in imports, having more than doubled since 2010 when the interim trade agreement between the EU and Serbia came into force. The balance of trade, which was slightly in deficit in 2017, was balanced in 2018 and has remained positive for France since 2019, standing at €101 million in 2020.

However, the Covid-19 pandemic has reduced bilateral trade, which is down by 3.4% compared to 2019.⁵⁰ After a sharp decline in exports in the first half of 2020 (-25.7%), exports increased again in the second half; they show an overall annual decline of only 3%. In 2020, France remained Serbia's ninth largest supplier (2.8% of total Serbian imports) and 15th largest customer (2.7% of total Serbian exports).

Currently, over 120 French companies employing around 12,000 people are operating in Serbia. The French presence is quite strong in the public infrastructure sector, starting with the solid-waste treatment facility in Vinca, where Suez-Itochu is involved.

One of the main French operators is the Michelin subsidiary Tigar Tires, installed in Pirot since 2002. It now employs more than 3,500 people (and is the fourth largest exporter in the country). In 2020 Tigar Tires was the fifth largest company in Serbia and the 63rd largest in Europe's South-East region (which also includes Romania, Bulgaria, Slovenia and Croatia).⁵¹ Concerning transport equipment, the subsidiary of the Lohr company in Vojvodina is notably specialized in the manufacture of large trailers for trucks. In 2016, the Trigano group also acquired the assets of Zastava Inpro, a Serbian state-owned company specializing partly in the manufacture of trailers. The French company Mecafor, which has been producing components for the aviation industry in Kikinda since 2016, is building a new facility of 3,000 m² where it will produce aircraft turbines, this investment being worth €3 million.

Vinci operates the Nikola Tesla airport in Belgrade since December 2018, through a 25-year concession contract with the Serbian government. A €730 million investment plan – partly financed by Proparco (the AFD

49. Direction générale du Trésor, "IDE et présence française en Serbie", available at: www.tresor.economie.gouv.fr. [accessed on October 4, 2021]

50. CCI France Serbie, "Les échanges commerciaux entre la France et la Serbie en 2020", available at: www.cafs.rs. [accessed on October 4, 2021]

51. SEENews, "Southeast Europe's Top 100 Biggest Companies", 2021.

100% private-sector subsidiary) is foreseen to grow passenger numbers by up to 15 million by 2043.

A consortium of Alstom and Egis, in partnership with Power China, is to build the Belgrade metro. The overall cost of the project is estimated to €4.4 billion. Egis is to deliver the metro designs, while the group of French companies gathered around Alstom will deliver the part related to high technology – the rail cars, vehicles, the signalization, the safety elements and other features.⁵² The memorandum of understanding was signed with the Serbian Ministry of Finance, the City of Belgrade, Power China, and Alstom and Aegis Rail in January 2021 for works of a total value of €581 million, of which €127 million is provided to improve the efficiency of the electricity distribution network, while €454 million will be invested in the construction of the first metro line.⁵³

In the same sector, and in the wake of the Belgrade metro development, RATP – the operator of the entire public transport system in Paris, including subway, tram, city rail, bus and other forms of transport – is looking into the possibility of cooperating with the City of Belgrade in optimizing the public transport system. RATP is working with Belgrade Metro and Trams on setting up the operation phase of the new metro lines.

In the rail industry, the World Bank is cooperating with the AFD through a 50% joint co-financing of phase one of the Multi-Phase Programmatic Approach for Serbia Railway Sector Modernization Project. The phase one budget of \$125 million was approved on March 17, 2021 by the World Bank Board of Directors (together with an overall financing envelope of \$400 million). The project has three key outcomes: a 5% increase in network usage; a 23% reduction in fatalities on the rail network; and a 10% increase in the market share of national cargo rail over the next 10 years.

In renewables, IEL OIE Balkan Renewable Energy Beograd, a partner of the French company Akuo Energy Central Europe in the project to construct the Basaid wind farm in Kikinda, is investing €120 million in the construction of an 85MW wind farm, with 15 turbines. Meanwhile, the French giant EDF is scouting for potential locations in Serbia to construct geothermal power plants to provide remote heating for industrial processes. The feasibility study for four locations – Vranje, Subotica, Kikinda and Ruma – has been completed.

52. Ekapija, “Falconi: Subway Project as Driving Engine of Economic and Trade Relations”, February 17, 2021.

53. Government of Serbia, “Memorandum of Understanding for “Belgrade Metro” Project Signed”, www.srbija.gov.rs. [accessed on October 4, 2021]

The French Economic Footprint in Bosnia-Herzegovina

Trade between France and Bosnia-Herzegovina, amounting to €242.78 million in 2019,⁵⁴ is partly made up of French goods exported to Bosnia-Herzegovina for further processing before being reimported to France. French exports to Bosnia-Herzegovina remain limited, although they increased by 4.2% in 2019, reaching €87.7 million. They are concentrated on outward processing in the fields of textiles and leather, paper and cardboard for packaging, and metal parts and components. French imports from Bosnia-Herzegovina rose by 7.2% in 2019 (worth €155.07 million).

According to the Bosnian Institute of Statistics, France, with a market share of 1.2%, is the country's eighth largest European supplier after Germany, Italy, Croatia, Slovenia, Austria, Poland and Hungary, and the country's 14th largest supplier, well behind Serbia, Turkey, the United States, China, Russia and others.

The stock of French FDI in the country is small, at just €10.8 million in 2019, or 0.15% of the total FDI stock in the country, according to data from the Central Bank of BiH. The French presence is accounted for by regional subsidiaries (such as Lactalis through its Croatian subsidiary Dukat). The presence of Accor Hotels through the Novotel Sarajevo Bristol Hotel should also be mentioned.

The French Economic Footprint in Montenegro

Trade relations between France and Montenegro are modest. Trade amounted to €39.2 million in 2019.⁵⁵ The trade balance is positive in favor of France (€27.2 million), up 27% compared to 2018. French exports to Montenegro, which reached €33.2 million in 2019 (+21.8%), are mainly concentrated on transport equipment, which accounts for almost two-thirds of total exports. France is Montenegro's eighth largest supplier (2.3% market share), far behind Serbia, Germany and China. French imports, which amounted to €6 million in 2019, up 3.2% on the previous year, represent only 1.5% of Montenegro's total imports, and consist mainly of chemicals, perfumes and cosmetics as well as industrial equipment.

The stock of French FDI in Montenegro amounted to €133 million in 2018.⁵⁶ This includes the €55.5-million investment package supporting the

54. Direction générale du Trésor, "Échanges commerciaux France-Bosnie-Herzégovine", available at: www.tresor.economie.gouv.fr. [accessed on October 4, 2021]

55. Direction générale du Trésor, "Échanges commerciaux France-Monténégro", www.tresor.economie.gouv.fr. [accessed on October 4, 2021]

56. Direction générale du Trésor, "IDE et présence française au Monténégro", available at: www.tresor.economie.gouv.fr. [accessed on October 4, 2021]

establishment in the country of Société Générale in 2005 (although the latter left Montenegro through the sale of its assets to the Hungarian OTP group in 2019). According to the Central Bank of Montenegro, French FDI inflows amounted to €4.1 million in 2019 (€5.4 million in 2018), representing 0.69% of total FDI inflows. From 2015 to 2020, FDI from France amounted to €41 million, which is 0.9% of total FDI in Montenegro in that period. Around a quarter of that amount was investment in real estate.

In the energy sector, Akuo Energy invested, with the support of Proparco, in the Krnovo wind farm (72MW) aiming to supply clean electricity to 5% of the population. Valgo is also involved in the decontamination project of the Bijela shipyard. Several large pharmaceutical (Sanofi, Servier) and cosmetics (L'Oréal) groups have opened commercial offices in Montenegro. Air France and Montenegro Airlines signed a code-share agreement in 2014. A club of Franco-Montenegrin companies promotes bilateral economic relations.

The French Economic Footprint in Albania

Trade between France and Albania has generally increased over the period 2010-2019.⁵⁷ The year 2019 marks a reduction in the volume of trade, observable in both French exports to Albania (-20%) and French imports from Albania (-3%). France's trade deficit with Albania increased in 2019, reaching -€36.3 million, as a direct consequence of the large decrease (-94%) in French exports of petroleum products. Textile products remain the leading item in Albanian imports from France. In 2019, France was Albania's eighth supplier and 10th customer, while the country ranks 103rd among France's suppliers (€85.5 million) and 135th among its customers (€49.2 million).

The main areas of Albanian exports to France are textiles and leather, machinery and equipment for general use, and petroleum products, the share of which has varied greatly in recent years. The main areas of French exports to Albania are food, textile and foundry products.

French companies have been present in Albania mostly as sub-contractors for other Western companies, for example: Spiecapag & Technip PMC, subcontracted by the Trans-Adriatic Pipeline (TAP); and the Alstom €100 million contract concluded with the Norwegian company Statkraft, whereby the French company provides six Francis turbine-generator units and auxiliaries to the Statkraft subsidiary in Albania, Devoll Hydropower (2013). However, both projects have now been completed and the French companies have left the country.

57. Direction générale du Trésor, "Relations bilatérales France-Albanie", available at: www.tresor.economie.gouv.fr. [accessed on October 4, 2021]

IDEMIA SA is the main shareholder in ALEAT, a company that since 2008 has produced and distributed identity cards and biometric passports to Albanian citizens. Egis prepared in 2011-2013 the complete Feasibility Study for the Tirana tramway line Kombinat-Kinostudio, with a French government grant of more than €700,000 (however, this project has seen no further development since then). In the banking sector, Société Générale left the country in 2019, as did Crédit Agricole. However, an increased interest in renewable energy is noticeable recently: the French-owned Voltalia has won two bids to construct and operate two wind farms in Albania: one in Karavasta and the other in Spitalla; and, in close cooperation with the German KfW, AFD is cofinancing the reform of the Albanian energy sector.

The French Economic Footprint in North Macedonia

Trade between France and North Macedonia has been growing steadily since 2012. It amounted to €190.5 million in 2019, but in absolute terms it remains modest.⁵⁸ France accounts for less than 2% of the country's imports, compared to 11.5% for the UK and 11.4% for Germany. France has a trade surplus of €6.3 million. French exports are mainly made up of transport equipment, while imports include mainly mechanical equipment, and electrical, electronic and computer equipment.

French exports to North Macedonia totaled €98.4 million in 2019, up +23.6% compared to 2018. This places France 19th among the countries supplying North Macedonia, with a market share of 1.5%. North Macedonia is the 119th customer of France. The main areas of these exports are transport equipment, and mechanical, electrical, electronic and computer equipment.

French imports from North Macedonia in 2019 amounted to €92.1 million, up 51.8% compared to 2018. With a market share of just under 1%, France is the country's 20th largest customer and North Macedonia is France's 99th largest supplier. The main areas of these imports are mechanical equipment, electrical, electronic and computer equipment, and textiles, clothing, leather and footwear.

In terms of FDI, between 2002 and 2017 French FDI stock totaled just \$711 million. The most important acquisition was that of Ohridska Banka by Société Générale, although the latter withdrew a couple of years ago, citing the small market as the reason (Sparkasse took over its share).

Egis is quite active in the country, especially in providing technical expertise. Financed through French public funds, Egis prepared the feasibility study for the Skopje wastewater treatment plant. The French company NGE was selected to build the wastewater collection system with

58. Direction générale du Trésor, "Relations bilatérales France-Macédoine du Nord", www.tresor.economie.gouv.fr. [accessed on October 4, 2021]

EU funds; this may be the largest infrastructure project that French companies have won in North Macedonia. Egis is also preparing studies related to flood protection for the Crna River and has been tasked with supervising the works on the Demir Kapija-Smokvica highway (Corridor X).⁵⁹ It is expected that France will become a more important player now, as North Macedonia's government signed a contract with AFD in 2021.

The French Economic Footprint in Kosovo

France recorded an increased trade surplus with Kosovo in 2019 of €16 million.⁶⁰ According to Kosovo Customs, France is Kosovo's 16th largest supplier, with a market share of around 1.4%, and its 22nd largest customer. French exports to Kosovo, which had been relatively stable since 2009, increased strongly in 2019 to reach €20.5 million (+51%). A sharp rise in French exports of automotive products (+€6.6 million) largely explains the increase in the trade surplus with Kosovo. The main areas of these exports are second-hand vehicles and agri-food products. Imports from Kosovo, which were down slightly in 2018, rose by 39% in 2019 to €4.4 million. The main areas of these imports are textiles and metal products.

French companies operating in Kosovo include the Aéroport de Lyon, associated with the Turkish engineering firm Limak in managing and operating Pristina airport; Mazars, Egis Route, Interex (a subsidiary of Intermarché), and BNP Paribas, present through its Turkish subsidiary TEB. Other French investment projects are currently being studied: for instance, the development of a 90MW wind farm by Akuo Energy, and the construction of the Pristina wastewater treatment plant, to be financed by a concessionary loan from DG Trésor.

Agence française de développement (AFD)

In 2018, the AFD mandate was extended to the Western Balkans and it joined the Western Balkans Investment Framework, the EU financial blending mechanism. Before that, France had no financing mechanism capable of properly supporting state or private sector endeavors in the region. The scope of action of the AFD covers the EU Connectivity Agenda, the promotion of economic development, and the strengthening of social cohesion across the

59. Denesen (September 17, 2019), АМБАСАДОРОТ ТИМОНИЕ: Постојат три причина за малите француски инвестиции во Македонија, available at: <https://denesen.mk>; Government of the Republic of Macedonia. Министерот Сугарески изврши увид во изградба на автопатот Демир Капија-Смоквица, available at: <https://vlada.mk>; Sakam da Kazham. ЗА ЕДНА И ПОЛ ГОДИНА ВАРДАР ЌЕ ДОБИЕ КОЛЕКТОРИ ЗА ОТПАДНИ ВОДИ, available at: <https://sdk.mk>. [accessed on October 4, 2021]

60. Direction générale du Trésor, "Relations bilatérales France-Kosovo", available at: www.tresor.economie.gouv.fr. [accessed on October 4, 2021]

region. Its instruments include concessional loans, sovereign and non-sovereign loans, guarantees, disaster risk loans, subsidies, budget support, project preparation assistance, peer-to-peer cooperation, etc.

The AFD has concluded bilateral agreements with Serbia, Albania, Montenegro, North Macedonia and Kosovo, while an agreement with Bosnia-Herzegovina is under preparation. The AFD has signed mutual reliance agreements with the European Investment Bank, the KfW and the World Bank. The sectors in which the AFD has been engaged are civil society, social, energy, IT, water, health, SMEs and urban transport. With its headquarters in Belgrade and two country offices in the region employing 10 people, the AFD's cumulative commitment in the region was expected to reach €550 million by the end of 2021.

Other endeavors where AFD is currently engaged include the financing of smart-city innovation aimed at digitalizing capital cities in the region, and the financing of the WB6 Lab, aimed at creating a start-up incubator for social entrepreneurship in all six Western Balkan countries.

AFD financing and technical assistance are delivered through PROPARCO (AFD's 100% private-sector subsidiary already involved in Belgrade airport and the Montenegro wind farm), and Expertise France for cooperation and delivery of technical assistance.

Conclusions and Recommendations

The French economic presence in the Western Balkans features mainly big companies, such as Michelin, Egis, Alstom and Vinci, attracted by large investments and sizeable public contracts, and by SMEs that have found an almost accidental niche, mostly in production of goods to be exported outside the WB6. The challenges for French economic operators in the region reflect this distribution: **small and fragmented national markets for big companies** and the **need for tailored support for the SMEs**.

While French companies had long been active in the Western Balkans, **the added presence of AFD has provided additional financing muscle and technical support for viable initiatives to become mature projects**. The memorandum of understanding with the World Bank and KfW and the entry into the Western Balkans Investment Framework (WBIF) has allowed AFD to gain wider exposure to the opportunities that the region offers, as well as to pool financial and human resources.

The reorganization of the French institutional economy and business support in 2013⁶¹ around the Trésor (for intergovernmental relations) and Business France (for b2b) and the closure of the Business France office in

61. French embassies also play an important role in promoting, supporting and safeguarding French enterprises in the region.

Athens (which covered the whole WB6 region) brought in the bilateral chambers of commerce in every WB6 country. However, to the best of our knowledge this move was not preceded by an **assessment of the capacities of those local chambers of commerce**, nor was it accompanied by assessment of the new scheme regarding its impact in the overall French economic footprint in respective WB6 countries. Our first recommendation would be to do just that.

Our second recommendation would be to **assess the structure and modality of payment for services provided by Business France and/or the chambers of commerce**. While such payment is affordable for big companies, tailored services and locally adapted modalities of support could lower the cost for French SMEs interested in the region. Different national and EU financing schemes, including the Pre-Accession Assistance Instrument IPA III, should be actively explored to this effect.

Since 2016, no high-intensity **promotional events of WB6 businesses in France** have taken place. Our third recommendation consists of boosting such activities and supporting them financially and logistically. These would be key for providing the right image in France of the Western Balkans' economic potential.

From a sector approach, the latest positioning in the energy sector has made French companies very visible pioneers of clean energy in the region, as well as vectors of modern clean energy generation technology and business practices. The combination of private-sector presence with regulatory and policy-making support by AFD offers a comprehensive range of support tools to French actors interested in the Balkans. Our fourth recommendation is to **identify those “islands of excellence” and promote them to the French and larger EU audience**.

Long-term commitment, as in the case of Michelin and Vinci (or the eventual partnership of Alstom with Belgrade Metro & Tram), lays the ground for multifaceted cooperation whereby French technical assistance, financing, works and the operational phase are dealt with as a unique package, including the development of local human resources. Our fifth recommendation is to **build up expertise in project governance in WB6, package it in “transferable modules”, and promote it to the interested French economic actors**.

As French businesses are relative latecomers in the Western Balkans, they can profit from the experience and expertise of German, Austrian, Italian, Slovenian, Greek and other EU colleagues that have been in the region for a longer time. Our sixth recommendation is to **set up a knowledge transfer mechanism building on the expertise, experience and networks of sister EU enterprises acclimated to the WB6 environment**.

For the next steps, challenges remain in consolidating the current French surge into the Balkans. Those large investments already made by French groups in the region have the potential to spearhead broader cooperation with French SME sub-contractors. Proper mechanisms need to be put in place to identifying, establish and accordingly support the integration of Western Balkan markets into French-steered value and supply chains. Many French actors, after the infrastructure investment phase is over, will deal with the phase of operations and then move up into the value chain. It is under these conditions that a strategy for the WB6 – that includes reshoring, synergy with the Economic and Investment Plan and its 10 Flagships project, and in harmony with the Green Transition – may be of strategic interest. Our seventh and last recommendation is to use the opportunity of the French Presidency of the Council in 2022 to **prepare a Comprehensive Strategy of French Economic Presence in the Western Balkans that is consistent with the EU Enlargement Strategy; to complement it with a proper Action Plan and budget that links with the EU Financial Framework 2021-2027 and IPA III envelope.**

Boosting Societal Cooperation

By Strahinja Subotić, Miloš Pavković and Kristina Nikolić
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The Strategy for the Western Balkans adopted in Paris in 2019 recognizes the importance of supporting gender equality projects, reconciliation and young people across the region. This approach, which is consistent with French global and European priorities, implies engaging with organizations in the area of civil society, culture and youth in the Western Balkans. Cooperation in these areas is, after all, one of the key elements of soft power. However, much remains to be done in order for France to foster the full potential in these areas in the Western Balkans.

The expert-based survey conducted in the framework of this project points to a very average level of societal cooperation between France and the countries of the region (2.7 on a scale from 1 to 5).⁶² Nevertheless, the survey also indicates a strong potential for furthering societal cooperation (3.9 out of 5).⁶³ Moreover, respondents tend to think that investing in societal cooperation would enable France to reach wider goals in the Western Balkans (3.9 out of 5).⁶⁴ Given French ambitions in the region and beyond, this type of cooperation can be seen as fertile ground for maximizing French re-engagement.

Engaging Civil Society Organizations

Civil society cooperation is hampered by a major constraint: a lack of mutual knowledge and working contacts between organizations in France and those in the Western Balkans. One third of the experts surveyed in the framework of this project cannot cite a single civil society organization (CSO) from France, while others may be familiar with the work of one or just a few. This lack of knowledge is problematic, and it is reciprocal. Only a few French CSOs focus on the region. However, in the survey, those French CSOs that are active in the Western Balkans typically demonstrate a formidable knowledge of the work of CSOs from the region. This limited and yet genuine interest is a strong signal that there is potential for boosting civil society cooperation.

62. The research included a scale from 1 to 5, where: 1 = underdeveloped; 5 = fully developed.

63. The research included a scale from 1 to 5, where: 1 = no potential; 5 = significant potential.

64. The research included a scale from 1 to 5, where: 1 = totally disagree; 5 = totally agree.

First of all, **France should update its Western Balkans Strategy in order to place stronger emphasis on societal cooperation.** The current strategy makes no mention whatsoever of any CSOs or think tanks. Societal cooperation seems to be sidelined in favor of an overly securitized strategy. Although the strategy refers to the Regional Youth Cooperation Office (RYCO), any update should reflect better how France plans to engage with regional civil societies in a more comprehensive and meaningful manner.

Tapping this potential would involve committing financial resources to CSOs from France and for the region to intensify interactions, expand mutual knowledge and build common projects. The return on investment of such support would go beyond civil society cooperation. It would be key to sustaining the empowerment and professionalization of CSOs from the Western Balkans, which in the end are key allies in promoting rule-of-law reforms and democracy. French engagement in this area could thus have far-reaching implications in promoting good governance.

This engagement should, however, not be limited to CSOs operating in capitals. **French embassies and other stakeholders should keep a close eye on CSO activities outside WB capitals that reach out to French counterparts, and be ready to support their projects.** Some CSOs outside WB capitals have developed considerable expertise, but their survival is even more fragile than that of those operating in capitals, due to more difficult access to funding partners. As the Western Balkan countries are quite centralized, the ability for CSOs from outside the key centers to have their voices heard is quite limited; by engaging with them as well, France would be able to decentralize its approach, anchor its influence on a broader basis and gain a wider perspective on the issues that Western Balkan countries face.

An approach that could bring consistency to French engagement in this area would be to **rely on existing foundations and their deployment of activities in the Western Balkans, or else support or establish such foundations, both political and non-political.** These foundations could act as key intermediaries between French and Western Balkan CSOs while supporting cooperation with French authorities and embassies. They would also benefit the reputational and operational anchoring of French think tanks across Europe, e.g. through advancing partnerships with Western Balkan think tanks, and the international diffusion and decentralization of their influence. This would help to positively shape the overall image of France as a country that is able and willing to engage with the Western Balkans in a multi-layered manner.

To increase French responsiveness – a *sine qua non* to strategic engagement – **the autonomous financial pool of French embassies in the Western Balkans should be allocated more funds.** Embassies should be given more leeway in their engagement with civil society, in order to make the French approach more effective and proactive. This would lead to quicker and more effective project development, application, and implementation of future projects. By demonstrating the advantages of less bureaucratic approaches, this would also offer a counterpoint to China and Russia's parallel and increasing engagement with local citizens.

With its Presidency of the Council, **France has a unique opportunity to send a strong signal in favor of civil society cooperation. In the Western Balkans, this could be done by responding favorably to countless calls from France and the region to include Western Balkan CSOs and think tanks in the final stages of the Conference on the Future of Europe.** Also, civil society cooperation should be emphasized at the Western Balkans Summit that will be held under the French Presidency of the Council in June 2022. Although Western Balkan CSOs, with the support of EU think tanks, have already organized and registered events on the official Portal of the Conference,⁶⁵ their contribution remains insufficiently appreciated, despite very progressive ideas.⁶⁶ France could repair this anomaly at little cost during its Presidency while taking credit for extending discussions with the Western Balkans beyond the sheer horizon of accession.

Finally, **France should consider endorsing the original think-tank initiatives, such as the model of staged accession.** What is innovative about the model is that it aims to break the current enlargement impasse by envisioning two accession and two membership stages,⁶⁷ with gradual economic and institutional incentives laid out while safeguarding the EU's integrity. As the eventual implementation of this model is expected to bring benefits to the citizens of the region, France's endorsement of this initiative would also help to solidify its image as a proactive player in the eyes of regional citizens.

65. An example is a conference organized in October 2021 by the European Policy Centre (CEP) with the title "Europe Complete". See: <https://cep.org.rs>.

66. See for example the idea to develop and introduce a model of staged accession.

M. Emerson, M. Lazarević, S. Blockmans and S. Subotić (2021), "A Template for Staged Accession to the EU", European Policy Centre (CEP) and the Centre for European Policy Studies (CEPS), 2021, available at: www.ceps.eu.

67. The proposed stages are as follows: I Initial accession stage; II Intermediate accession stage; III New member state stage; IV Conventional membership. The crucial passage from Stage II to Stage III for the new member states, given especially their access to QMV voting rights in the Council and right to have elected members of the European Parliament with voting rights, would require a Treaty of Accession based on Article 49 TEU. This would provide a sufficient legal basis for such institutional steps since the Treaty of Accession has the same top-level legal status as the EU's founding treaties (Lisbon). See: M. Emerson, M. Lazarević, S. Blockmans and S. Subotić (2021), "A Template for Staged Accession to the EU", *op. cit.*

Investing in Youth and Education

The survey conducted in the framework of this study points to very positive attitudes in the Western Balkans towards the French educational system and the opportunities for career specialization; 90% of respondents expressed a wish to pursue studies or specialization in France if given the opportunity. The two key advantages of education and specialization in France that were singled out were the high quality of the offered programmes and the possibility to widen one's network of contacts. Despite high demand, the availability of study and specialization programmes for Western Balkans citizens is seen as moderate, with a survey rating of 2.9 out of 5.⁶⁸ Most of the respondents considered studying in France very difficult due to little available financial support. France could seek to capitalize on this demand from the region and attract more effectively high-potential students and young professionals. This would boost the image of France as a land of opportunity.

This lack of financial resources could be overcome by **increasing the number of French scholarships for citizens from the Western Balkans**. The current scholarships are insufficient in both value and in number for meeting the needs of students from the region, considering that most of them sponsor short-time student mobility. Such an increase should not come at the cost of French contribution to EU programmes.

France should, with the governments of the region, work at promoting **strategic cooperation between French and Western Balkan universities**. The aim should not only be to promote French education among Western Balkan students, but also to encourage students from France to go to the region. Twinning or joint-degree programs that would enable students to finish one year or more of study at one of the French universities (or in the Western Balkans for French students) would be a very good result of strategic cooperation. Another positive step in that direction would consist of organizing promotional activities where alumni students could share their experiences and help other students interested in studying abroad.

To target high-potential young professionals from the Western Balkans, **France could open up its internship schemes to Western Balkan students more broadly**. For instance, to date, only citizens of the EU and European Economic Area (EEA) are allowed to apply for participation in the programmes of *Volontariat en entreprise* (VIE) and *Volontariat en administration* (VIA). The inclusion of Western Balkan citizens – with a corresponding budget increase for the VIE and VIA programmes – would boost France's positioning as a knowledge-based economy.

68. The research included a scale from 1 to 5, where 1 = not available; 5 = fully available.

France could also build on the success of its Regional Incubator for Social Entrepreneurs (RISE) programme. French institutes, together with their partners, are supporting this project, which aims to empower young people in the Western Balkan region to develop innovative ideas that contribute to reconciliation and cooperation. The RISE programme, which covers the entire Western Balkans, focuses on both youth reconciliation and youth social entrepreneurship. The idea of this initiative is to financially support young entrepreneurs in developing social business ideas through workshops, mobility programs and financial assistance. The success of this initiative, piloted by France, could inspire new similar programmes, perhaps in the field of renewable energy, where French enterprises demonstrate leading engagement.

On the EU level, **the French government could use the Presidency of the Council to suggest that the European Commission include the Western Balkans in the ALMA programme.** Recently announced by the Commission, ALMA (Aim, Learn, Master, Achieve) is a new Erasmus-style placement scheme aimed at helping youth find their way into the job market by combining support for education, vocational training or employment in their home country with work placement in another EU country. Considering that young people from the Western Balkans are equally, if not more, subject to the negative consequences of the Covid-19 pandemic on the labor market as compared to their EU counterparts, extending ALMA to the Western Balkans would expand specialization opportunities for the region's citizens.

Still on the EU level, **France could advocate for the inclusion of Western Balkans countries in the EURES targeted mobility scheme.** The EURES (European Employment Services) is envisioned by the Commission as an initiative that promotes professional mobility, tackles intra-EU mobility challenges and supports jobseekers. Including the Western Balkans in the scheme would increase opportunities for the professional development of workers from the region. As EURES is already open to non-EU citizens (from Norway and Iceland), including Western Balkan citizens should not be insurmountable.

Finally, **France should continue promoting the Erasmus+ Programme through the Campus France offices in the Western Balkan countries.** Although these offices have information on their websites about this study programme in France and EU countries in general, there is scope for stronger promotion. The key issue here remains that only Serbia and North Macedonia are programme countries within Erasmus+, while Albania, Bosnia-Herzegovina, Kosovo, and Montenegro are only partner countries. The difference in status lies in the fact that only Serbia and North Macedonia can fully participate in the implementation of the action plan of the programme. This is not the case with the other four countries, which have a lower level of cooperation within the Erasmus+ network. By

supporting the remaining four countries in levelling up their status from partner countries to programme countries, the region would gain an invaluable opportunity to expand its access to education at French and European universities in general.

Tapping the Potential of Cultural Cooperation

Culture is an area that allows France to outmatch other competitors with little effort. In the Western Balkans, French culture is already widely respected and seen in a positive light. French language is taught in a number of schools, French artists are celebrated across the region, and several cultural and historical events are commemorated together, mostly in remembrance of World War I. Further boosting this French engagement would therefore yield excellent gains for little cost, given the receptiveness of Western Balkan societies to French *rayonnement culturel*. The survey indicates indeed that France is underusing its cultural capital in the region (cultural ties between France and the Western Balkans are rated 2.9 out of 5, for instance)⁶⁹ and that its influence is limited by the belief that respect for one another's culture is not reciprocal (most of the respondents believed that their country had a quite poor image in France).

To instill a new dynamic, **French embassies and French institutes could step up their support for organizing cultural events, such as exhibitions, festivals, concerts, cultural exchanges and “*journées françaises*”**. One interesting project, for instance, would be to launch a French School Festival in the Western Balkans, bringing together pupils from France and the Western Balkans. The festival could be supported by a French-Western Balkans' Penfriend Programme, encouraging Western Balkans pupils to learn French and experience French culture. Such programmes could include short-term exchanges (up to two weeks, for example). Inspiration for launching such a programme could be found in the EU-Serbia “Joy of Europe” programme (a cross-European dance festival with a long tradition).

Initiatives of this kind could be supported by a communications campaign in the media promoting French-Western Balkan friendship and cultural cooperation. Other countries readily use national TV stations to shape their image. For instance, in Belgrade, the US embassy regularly communicates in the media on positive aspects of Serbian-American cooperation (in commemorating the WWI partnership, the anniversary of the Halyard Operation or the group of Serbian-Americans who worked on the Apollo moon-landing programme in the 1960s and 1970s).

69. The research included a scale from 1 to 5, where 1 = underdeveloped; 5 = developed.

To promote French language education in the Western Balkans, French institutes could offer more affordable language courses so that learning French from the best would be not a privilege but a sustainable choice. This should not, however, be limited to capital cities. Such promotion should take place in different urban and rural areas, relying on schoolteachers with a professional track record. Schoolteachers could also be enticed to offer courses to adults by joining an adult-teaching vocational training programme in France. Using schoolteachers as multipliers would allow French culture and language to penetrate more broadly across the whole Western Balkans.

On the EU level, **cultural organizations from France could be further encouraged to take part in the EU's programmes aimed at boosting cultural cooperation with the Western Balkans.** In that regard, the Creative Europe programme, for which France provides substantial funds, can be singled out. It is one of the EU's most notable projects, the aim of which is to encourage cultural exchanges and cooperation. Its culture strand supports cultural exchanges, networks, platforms, and projects in which organizations dedicated to culture can engage. Although an EU-based programme, it applies to the Western Balkan countries, which is why it can serve as a valuable platform for mutual exchanges. As of now, French organizations participate in such programmes to a limited extent. Yet, the fact that the culture strand supports areas such as architecture, cultural heritage, design, literature and publishing, music, and performing arts means that the possibilities for cooperation offered by this programme are vast. Support for cross-border connections and platforms for cooperation between artists, representatives of the creative industry, and cultural workers, opens the door for French cultural stakeholders to go to the Western Balkans, and *vice versa*.

More generally, **the French government could use the Presidency of the Council and Conference on the Future of Europe to launch the idea of a "European Youth Month", allowing pupils under 18 from all over Europe (including the Western Balkans) on a given month to spend one month in a school located in a different country and be hosted by local families.** Pupils from the Western Balkans and EU member states would have the chance to study and live in a different country for one month at a crucial age in their life, to familiarize themselves with the lifestyle and culture of fellow Europeans, and to practice a new language. The time would be right for this proposal, particularly as the European Commission recently proposed to make 2022 the Year of European Youth.

Concrete Actions Ahead of the Paris Summit on the Western Balkans

The French Presidency of the Council offers a unique window of opportunity for boosting strategic cooperation with the Western Balkans -also on the bilateral level. In the months to come, some concrete actions, requiring minimal preparations, could be implemented, with the support of the authors of this study, their respective organizations and network.

The first action could be to organize an **Expert Forum in Paris**, in the margin of Western Balkans Summit of June 2022. The event should gather the representatives of French think-tanks and research institutes working on European and Southeastern European affairs. Its purpose would be to mobilize this community in support of French re-engagement and promote public interest. A certain number of experts from the countries of the Berlin Process could be invited to join the discussions. The topic chosen could include the priorities underlined in this study (e.g. good-neighborliness). The organization of the event could be delegated to one of French think tanks.

The second action could be to organize a **Western Balkan Young Leaders' Forum in Paris**, in the margin of Western Balkans Summit of June 2022. The event would convene a limited number of participants preliminarily selected by the French Embassies in the region. These multipliers, or high-potential personalities, should have a proven track-record in promoting political, economic or societal cooperation with France and be fluent in French. The Young Leaders' Forum could include a series of meetings with French personalities and explore the possibility of establishing a structured mentoring program. The organization of the event could be supported by French civil society organizations, the Tirana EU Youth Capital 2022 and other organizations from the organizations

The third action could be to start preparations for a **French-Western Balkans Business Forum** to be held in 2022. The organization of a roundtable with the MEDEF, French Chambers of Commerce in the region and Western Balkan think tanks specialized in economic cooperation and investment would be a first step allowing the various organizations to establish and strengthen connections. The pooling of their respective expertise and networks would then be key to convene a successful Business Forum. The support of established business networks (e.g. Austrian) could also be explored to magnify the Forum's impact and attractiveness.

Finally, a fourth action could be to **strengthen the communication part of the French Strategy on the Western Balkans** and use the French Presidency of the Council as sounding board of French strategic re-engagement in the region. An adequate communication strategy should use multi-layer channels to signal French interests (track-1, 2 and 3 public diplomacy) and target audiences both in France and the Western Balkans. In France, a series of public events discussing the importance of the Western Balkans in light of the EU's quest for strategic autonomy would contribute to shape discourses and shed a positive light on French leadership. In the Western Balkans, a series of public events devoted to the tryptic of the French Presidency of the Council (*relance, puissance, appartenance*) would signal the broader strategic scope of French EU ambitions in and for the region.



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