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ANNEXES 1 to 5

ANNEXES

to the

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

2023 Communication on EU Enlargement policy

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Annex 1. The fundamentals of the accession process

The **rule of law, fundamental rights, the functioning of democratic institutions and public administration reform – and the economic criteria** form the core of what is known as the ‘**fundamentals**’ of the EU accession process. Quality of institutions and governance is the basis for enhancing competitiveness, prosperity and societal well-being, and underpin the ability to comply with the *acquis* across the board. Credible and irreversible reforms on the fundamentals are therefore crucial for enlargement countries to secure progress on their respective EU accession paths.

In a number of enlargement countries some progress was noted on **justice reform**, on **fundamental rights**, and in the functioning of the **public administration**, including public financial management. A steady intensification of work on the respective reform agendas was noted particularly in Moldova and Ukraine. Overall, progress towards fulfilling the **economic accession criteria** remained too slow to substantially narrow the economic gap with the EU.

There are good examples in the enlargement countries of reform agendas being driven forward to transform institutions and societies in the light of the opportunity of EU accession. However, many obstacles remain. Although not uniform across countries, there is generally a negative and worrisome pattern of diffused political and institutional resistance to change, in particular to strengthening the **fight against corruption**. A constant commitment to prevent corruption and maintaining a culture of integrity remains an important priority, including through mainstreaming of anti-corruption measures across the most vulnerable sectors. Law enforcement and judicial bodies require greater empowerment and the independence necessary to guarantee a meaningful and impartial fight against corruption. Worryingly, elements of state capture persist, with threats to democratic stability, high-level corruption and undue influence by oligarchs still being observed, alongside attempts by organised criminal networks to interfere with the countries’ economies, political systems, administrations and media environments. All these challenges need to be urgently addressed through systemic and comprehensive approaches.

A key indicator that these tendencies are addressed will be a credible track record of proactive investigations, prosecutions and final convictions related to corruption, organised crime and money laundering. It is essential for the enlargement countries to demonstrate the effectiveness of their investigative agencies, prosecution services and criminal courts. To be credible, all actors in the rule of law chain should produce solid results through targeted financial investigations, resulting in systematic confiscation of the proceeds of crime.

On **fundamental rights**, there is some progress in some of the enlargement countries towards greater understanding of the importance of these rights and freedoms being guaranteed. At the same time, some negative trends of recent years have continued, with gender-based violence remaining prevalent, while freedom of the media continued to be hindered by political and economic interests, which weakens control over public authorities, opens space for foreign interference and undermines communication about the EU. In some countries, some positive initiatives are being put in place on the rights of the child and the rights of persons with disabilities. In practice, however, the protection of fundamental rights is negatively affected by insufficient implementation of laws and policies and the ineffectiveness of redress mechanisms across the board. Challenges remain in ensuring effective protection from all forms of hatred and discrimination, including that which is directed towards minorities.

Functioning of democratic institutions

Stable and consolidated democratic processes are a central pillar of the EU accession process. The Commission has begun implementing strengthened and streamlined engagement with the enlargement countries on the general framework for democracy, whether this concerns the electoral process, the functioning of Parliament (including its oversight role in government performance and policymaking and the still-excessive reliance on accelerated procedures in many cases), or the role of civil society. Most countries continued to be affected by marked political polarisation, lack of cross-party cooperation, and a shrinking space for civil society.

Several **elections** took place in the reporting period in enlargement countries including in Albania, Bosnia and Herzegovina, Kosovo, Moldova, Montenegro, and Türkiye. In most countries, reforms are still pending to address outstanding recommendations from the Office for Democratic Institutions and Human Rights at the Organization for Security and Cooperation in Europe (OSCE/ODIHR). The Group of States Against Corruption (GRECO) standards related to political party financing are also yet to be addressed in North Macedonia and Bosnia and Herzegovina.

As regards **parliamentary work**, polarisation remained often a visible feature. Lack of effective cross-party dialogue resulted in prolonged political impasse and stagnation of reforms. This was observed for instance in Montenegro, Albania, North Macedonia and Georgia. In some cases, plenary debates were marked by tensions, offensive language and occasional violent incidents, as was the case in Georgia and Kosovo. In Ukraine, despite the extraordinary circumstances, Parliament has demonstrated resilience and strong political will, particularly in areas vital for Ukraine's integration with the EU. Legislative tasks were carried out systematically, ensuring an uninterrupted democratic decision-making process.

Judiciary and fundamental rights

The entrenchment of the rule of law requires stable, well-functioning institutions. This requires an independent, impartial, accountable and high-quality **judicial system**, which operates efficiently and with adequate resources, free from undue external interference, and whose decisions are executed effectively and in a timely manner. Progress was achieved in some cases, with judicial reforms advancing, for instance, in **Albania, Moldova, Serbia and Ukraine**. However, in most enlargement countries, judicial bodies remain exposed to many challenges and vulnerabilities. Attempts by politicians to publicly influence or attack magistrates, particularly when they deal with sensitive cases, remained a dangerous recurrent practice in several countries. Institutional arrangements that negatively affect the independence of judges and prosecutors remained in place, ultimately affecting the balance and separation of state powers. As a result, the judiciary's credibility remained overall rather low, with the public generally noting the impunity of perpetrators. In several countries, justice reforms reveal limited implementing capacity even where there is political will. Effectiveness of investigative and judicial authorities, resulting in a credible track record of results, is essential for further accession progress. **Georgia's** legal framework on the functioning of the judiciary requires further reforms and avoiding negative steps. Serious backsliding continued in **Türkiye** and the structural deficiencies, notably related to the independence of the judiciary and the lack of checks and balance in the Presidential system, remained in place.

The **fight against corruption** remains a priority for governments in the enlargement countries. **Corruption**, including high-level corruption, continues to be widespread, and entanglement of public and private interests remains an issue of concern. In some cases, corruptive practices and influence exercised by **oligarchs** can trigger risks of state capture.

Progress in preventing and fighting corruption effectively is slow and requires a sustained systemic approach and dedicated action in key sectors vulnerable to corruption. There is a need to initiate or continue to mainstream anti-corruption measures in key sectors, to undertake targeted risk assessments to feed policymaking, and to roll out effective reform plans. Stronger political will and clear reform efforts are still needed to improve transparency and a culture of integrity and to develop further a convincing track record of investigations, prosecution and final convictions, including at high level. Anti-corruption strategies and action plans are in place and need to be updated and implemented in a systematic and structured manner, including through appropriate budgetary resources and dedicated monitoring to ensure their effective implementation. Public procurement, political party financing, public finance management, energy, transport, health, water, infrastructure, natural resources and education remain areas particularly prone to corruption and require more robust and ambitious measures. As regards repression, the generally low track record triggers concerns about the effectiveness of investigations and the judicial follow-up.

Throughout the enlargement countries, **fundamental rights** are generally enshrined and protected by law, but challenges remain in ensuring their effective implementation. The legislative and policy frameworks are gradually being completed as a result of countries' accession to European human rights instruments and alignment with the EU *acquis*. This is notably the case on data protection reforms. However, implementation continues to be slow, and systemic gaps remain in the funding of policies adopted to strengthen human rights protection, leaving many sectors dependent on donors. Based on the experience of Albania, North Macedonia and Serbia, the accession as observer of other candidate countries to the European Union Agency for Fundamental Rights will contribute to the development of a comprehensive monitoring and data collection system ensuring a more effective implementation of human rights legislation, policies, and strategies.

In much of the region, the Ombudsperson institutions and other independent and regulatory bodies such as equality bodies play a key role in monitoring the States' actions to respect, protect and fulfil **human rights**, as per their international obligations. However, their effective independence, resources and capacities remain insufficient, as does the follow-up on their recommendations. Governments in the region need to consistently address all the recommendations of international and regional human rights monitoring bodies, including on prison conditions and the prevention of torture and ill-treatment. This is notably the case in countries such as North Macedonia, Moldova and Serbia, where recommendations of the European Committee for the Prevention of Torture have not been systematically addressed. Civil society continues to supplement or even replace government action in providing services to persons in vulnerable situations, for instance by running shelters for victims of sexual and gender-based violence or trafficking in human beings in Albania and Serbia. In the Western Balkans, the concerns and recommendations in the previous years' reports remain largely valid and need to be addressed as a matter of urgency. In Türkiye, the human rights situation continued to deteriorate and remains a serious concern, including as regards non-implementation of certain judgements of the European Court of Human Rights, notably in the Kavala case.

Freedom of expression, media freedom and pluralism are key pillars of a democratic society and must be upheld. There was limited to no progress, or backsliding, on addressing past recommendations in the Western Balkan region. In several countries, the media landscape is marked by deep political polarisation. Pluralism, independence and the development of quality professional journalism are undermined by media concentration and political influence over the media in a number of countries. Poor labour conditions persist for journalists, which can lead to self-censorship. Cases of threats, intimidation and violence

against journalists and derogatory remarks by public officials continue to cause serious concern throughout the region. Efforts are being made in some countries to tackle this phenomenon, but all countries need to ensure systematic judicial follow-up on all cases. Insufficient protection of journalists and ineffective follow-up on cases can have a chilling effect on the exercise of media freedom.

In general, public broadcasters' independence is undermined by insufficient funding and political influence. The independence of media regulators needs to be guaranteed, including through merit-based appointments in management structures. Where this is not the case, such as in Serbia, regulators must act impartially and exercise their mandates to the full. The effective functioning of independent self-regulatory bodies also needs to be further supported. All countries need to increase transparency on media funding. Efforts to fight Russian disinformation have led to the suspension of broadcasting licences in Moldova and blocking of web resources in Ukraine. In Türkiye, serious backsliding on freedom of expression continued. Journalists, human rights defenders, lawyers, writers, opposition politicians, students and social media users continued to systematically face criminal charges and convictions.

In most countries, the authorities have been working towards putting in place the legal and institutional framework to implement commitments in the field of **gender equality and in combating gender-based violence**, particularly to transpose the provisions of the Istanbul Convention. The Convention has been ratified by all enlargement partners except Kosovo, due to status issues, and Türkiye, whose withdrawal was confirmed as final by its Council of State. However, more efforts are needed to make gender equality a reality and to ensure the sustainability of policies. Gender-based violence remains present in much of the region. All countries need to strengthen assistance to victims of all forms of violence. A trend of increased use of derogatory terms or hate speech targeting women politicians, journalists and human rights defenders in public discourse is a concern, notably in Türkiye, Montenegro, Serbia and North Macedonia. There are also instances of hate speech and violence against lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ) persons, whose fundamental rights in several countries are often challenged.

Laws and policies on **non-discrimination**, combating hate crime and hate speech are generally in place, but remaining gaps and shortcomings in legislation, including in relation to protected grounds need to be addressed. Equality bodies and other institutions tasked with promoting equal treatment and implementing and monitoring non-discrimination policies need to be provided with sufficient means to fulfil their mandate including assistance to victims, conducting surveys, and publishing reports and recommendations needs to be ensured.

While mechanisms for strengthening the **rights of the child** are generally in place, interinstitutional coordination needs to be substantially improved throughout the region, notably in Kosovo and North Macedonia, to ensure effectiveness of child protection systems, in line with the best interests of the child. Ensuring effective access to education for children in Ukraine and for displaced Ukrainian children remains challenging. Child-friendly justice systems need to be further developed and alternatives to detention made available and used more systematically, with detention used only as a very last resort and for the shortest appropriate period of time. Violence against children and early marriages remain serious concerns. Reliable and comparable data disaggregated by age and sex is in most cases missing and is essential for addressing violence against children. Continued institutionalisation of children without parental care and of children and persons with disabilities is a concern in many countries, particularly Georgia, Moldova, Ukraine and

Bosnia and Herzegovina. Only North Macedonia has achieved full deinstitutionalisation of children from large-scale institutions. While efforts are being made to strengthen the mechanisms to enforce the **rights of persons with disabilities**, much higher levels of investment will be needed to ensure full compliance with the UN Convention on the Rights of Persons with Disabilities, notably as regards transition to community-based care, independent living, accessibility and inclusion.

The rights of persons belonging to **minorities** remain unevenly protected throughout the region. Legal frameworks and implementing mechanisms still need to be completed in Albania, Georgia, Moldova and Ukraine, while recommendations of the Advisory Committee of the Framework Convention on National Minorities need to be addressed by Serbia and North Macedonia. The **Roma** remain the most deprived community and are frequently victims of discrimination, hate-motivated incidents, as well as social and economic exclusion.

Justice, freedom and security

The Western Balkans and Türkiye continue to be hotspots of criminal activities and organised crime groups active in the EU, serving as an important transit point for migrant smuggling, victims of trafficking in human beings and illicit commodities entering the EU via different variations of the Balkan route. Criminals and criminal networks from the region also have a significant impact on serious and organised crime in other parts of the world, including in Latin and South America where they play an important role in the global cocaine trade, the transit for heroin trafficked to the EU, and facilitate the entry of victims of trafficking in human beings, irregular migrants and illicit commodities into EU countries. The criminal infrastructure developed for trafficking heroin and synthetic drugs is used for cocaine trafficking across the Balkan routes in both directions as well as to Black Sea ports.

Organised crime groups from Moldova and Georgia are active in migrant smuggling, organised property crime, trafficking in human beings, cyber-dependent crime, non-cash payment fraud, excise fraud, firearms trafficking and other related crimes such as document fraud. Many of these groups are poly-criminal, meaning that they traffic more than one illicit commodity. Ukraine is located at the crossroads of smuggling illegal goods to the EU and is also a source, transit and destination country for trafficking in human being. Despite the war-related challenges including stretched institutional capacities due to significant losses of personal equipment and reduced financing to fight organised crime, relevant Ukrainian institutions demonstrated remarkable resilience and operational capabilities.

Since February 2022, Russia's war of aggression against Ukraine had a significant impact on the regional crime situation, including on cooperation between powerful regional criminal groups, which largely came to an end. Nevertheless, new circumstances emerged and criminal groups in the region are taking advantage of them.

Law enforcement cooperation (including at operational level) between the EU and the enlargement countries continued to evolve positively. All Western Balkan countries have ratified operational agreements with Europol (except Kosovo, with which a working arrangement is in place) and have access to Europol's secure platform for the exchange of information (SIENA). Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia have posted liaison officers at Europol in The Hague. Cooperation between Europol and Türkiye is based on a strategic agreement on cooperation, which excludes the possibility of sharing personal data but facilitates cooperation in a range of areas. A Turkish Liaison Officer is posted at Europol and Türkiye is also connected to SIENA. Ukraine, Moldova and Georgia also concluded operational cooperation agreements with Europol, are connected to SIENA and opened liaison bureaus at Europol. The level of

participation by enlargement countries in EMPACT, the Member States-led European Multi-disciplinary Platform Against Criminal Threats, overall continued to intensify, while remaining uneven. In addition, there is also an increasing trend for operational actions to be led or co-led by enlargement countries, which is a very welcomed development. All Western Balkan countries, along with Moldova and Ukraine, participated in a number of Joint Action Days, with immediate results in terms of arrests of criminals and corrupt officials, seizures and the launch of new investigations.

Trafficking of drugs continues to be a lucrative criminal market in enlargement countries. While the longer-term trend in seizures of cannabis in the Western Balkans is downward, seizure of cocaine (especially in seaports) is on the rise, while heroin seizure remained largely stable. With the exception of Albania, all Western Balkan countries have or had until recently a national strategy on drugs, in some cases accompanied by an action plan. Information about (the quality of) the plans' implementation is not available as no evaluation is performed in the vast majority of cases. Türkiye's national strategy and action plan expire this year. Moldova and Georgia adopted both new strategies and action plans on drugs, while Ukraine has no dedicated strategy or action plan on drugs. Serious efforts are required in the region regarding the establishment of National Drug Observatories (NDO) and National Early Warning Systems (NEWS) on new psychoactive substances (NPS). Only Serbia has an established and operational NDO while a NDO is crucial for the coordination of the drug information system and is a prerequisite for being associated to EU Reitox network (European information network on drugs and drug addiction). With the exception of Serbia, no other formal and/or operational NEWS on NPS has been established in the region, something that should be urgently addressed. The European Monitoring Centre for Drugs and Drug Addiction is providing long-term support or works on the basis of working arrangement or bilateral agreements with the enlargement countries.

The roadmap for a comprehensive **small arms and light weapons control** in the Western Balkans by 2024 continues to be implemented. In May 2023, a political agreement was reached on continuing the roadmap beyond 2024 with the support of the South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC). Given the high and increasing numbers of small arms and light weapons following Russia's full-scale invasion, the EU has already put in place several preventive measures, jointly with Ukraine, to counter the risk of arms trafficking and Ukraine should continue its engagement with the international law enforcement community to address these risks. This includes support provided by Europol and the European Border and Coast Guard Agency (Frontex), Ukraine's participation in EMPACT on firearms, and the work of the European Union Advisory Mission in Ukraine.

Progress continued, albeit unevenly, on addressing **trafficking in human beings** in enlargement countries. Continuous efforts are required to align and effectively implement the relevant EU *acquis*, including prevention measures, early identification, protection of and assistance to victims, effective investigations of trafficking cases, prosecutions and convictions of perpetrators.

While advancing unevenly, the enlargement countries' respective **track records on proactive investigations, prosecution and final convictions of organised crime and corruption cases**, particularly at high levels, remain overall insufficient and require sustained efforts. Money laundering should be increasingly investigated and prosecuted as a stand-alone offence. The use of financial investigations should be stepped up and used more systematically to dismantle organised crime groups and seize and confiscate the proceeds of crime. Recent cases have once again shed light on the risks of infiltration of organised crime

groups at all levels of the criminal justice chain. Efforts in some countries to strengthen their operational capacities and root out corruption within their judicial bodies need to be translated into concrete results. Building and consolidating a credible track record is essential in order to have a deterrent effect on criminal activities and restore citizens' trust in the law enforcement agencies and in the judiciary. In Ukraine, Moldova and Georgia, the fight against the specific phenomenon of 'thieves in law' should continue.

Albania needs to further strengthen its efforts to combat trafficking in human beings, money laundering, high-level corruption and to counter cybercrime (including by criminalising online child sexual abuse). While confiscation of assets has significantly increased, it is still very limited compared to the amounts of seizures (which, however, have declined). The country still lacks an asset recovery office. There was also a significant decrease in the quantity of drugs seized. The Specialised Anti-Corruption and Organised Crime Structures (SPAK) achieved further results and should continue to develop their track record of investigations and high-level convictions. The persisting lack of progress on the fight against organised crime in Bosnia and Herzegovina raises serious concerns. Kosovo made limited progress on its overall track record on fighting organised crime and should step up its efforts on proactive investigations, convictions and confiscations of criminal assets, which remain very low. In North Macedonia, there are serious concerns about undue external influence over the work of the Judicial Council and the judiciary. Some changes to the criminal code, adopted through an expedited parliamentary procedure, are affecting, halting or even terminating a large number of high-level corruption cases. The authorities also need to enhance their efforts to fight against money laundering and financial crime. Montenegro showed encouraging developments in the fight against organised crime, arresting top-level members of organised crime groups and high-ranking officials in law enforcement agencies. This underlines the importance of consistently and vociferously combating the infiltration of organised crime in the police and the judiciary. However, the lack of convictions in the areas of tobacco smuggling, money laundering, trafficking in human beings and cybercrime, as well as the very low level of asset confiscations, is concerning. Although the number of convictions for financial crimes increased in 2022, these were exclusively based on plea bargains. Serbia's track record on organised crime provides a mixed picture, with an increase in the number of investigations and indictments (including for people smuggling), but a decrease in first-instance and final convictions, and a very low level of confiscations. While Türkiye increased its participation in joint operations with EU Member States and neighbouring countries, it needs to improve the fight against money laundering and financial crime, including the use of confiscation of criminal assets. Moldova carried out a number of financial investigations, performed some assets seizures (and to a lesser extent, confiscations) and has an initial track record of final convictions, which should be consolidated. In Georgia, there was a significant increase in the number of final convictions of 'thieves in law' and convictions were pronounced in cases of money laundering. Ukraine has started to develop an initial track record, but further efforts are required on combating serious forms of organised crime, money laundering and other financial crimes.

While cooperation on **counterterrorism and prevention of radicalisation** is relevant for all enlargement countries, it remains a particular priority for the EU's cooperation with the Western Balkans. Terrorism and violent extremism in all their forms and irrespective of their origin continue to pose a challenge and a security threat. Arrests of violent extremists and foiled attacks were reported. The EU-Western Balkan Justice and Home Affairs Ministerial Forum held in November 2022 reiterated the importance of intensifying the measures undertaken to identify and counter the evolving threats stemming from Russia's war of aggression against Ukraine. The joint action plan on counterterrorism for the Western

Balkans remains the main framework for cooperation with the region, combining political commitment with support and regular monitoring. There is progress across the region, with Albania and North Macedonia having implemented most of the actions. In addition, updated implementing arrangements focusing on the objectives still pending were signed at ministerial level by two countries in December 2022. The remaining Western Balkan countries submitted new reports a fifth set of on the implementation of the action plan in the first quarter of 2023. Montenegro also registered significant progress and an update of the bilateral arrangement is being discussed with the European Commission. In general, more efforts are required on the prevention of all forms of radicalisation, including in prisons, on following up on the early conditional release of violent extremist offenders from prison, and on effectively addressing terrorist and extremist content online. As reported in the 2023 Terrorist and trends report from Europol, recruitment continues to take place both online and through gatherings in informal religious buildings, as well as in correctional facilities. The revision of national strategies and action plans is ongoing in Serbia and Albania, and is already finalised in Bosnia and Herzegovina, Kosovo, North Macedonia and Montenegro. The threat of terrorism remains low in Georgia, Moldova and Ukraine, and their anti-terrorism legislation is broadly in line with international standards. Their strategic security frameworks recognise terrorism as a threat and specialised services are in place. Operational cooperation with European agencies on fighting terrorism is well-established.

Alignment with and effective implementation of legislation on **countering terrorism financing and on anti-money laundering** remains uneven. Progress on legislation, strategies and implementation is reported for North Macedonia, while legislation in Bosnia and Herzegovina is still pending approval in Parliament and track record needs to be established on investigations, prosecutions and final court rulings. Albania, which is under FATF scrutiny, has addressed all action plan items in the last 6 months. FATF decided in June 2023 to propose an on-site visit, which led to Albania's removal from the 'grey list' in October 2023. However, FATF will continue to monitor to check whether any Albanian voluntary tax compliance programme (including potential criminal amnesties), should there be any, is in line with FATF principles and best practices. Türkiye's legal framework should be aligned with the items of its FATF Action Plan in order to be removed from the FATF 'grey list'. Ukraine, Moldova and Georgia have legislation in place that criminalises the financing of terrorism, but some areas still need to be aligned with Moneyval recommendations and relevant EU legislation.

The six Western Balkan partners are increasingly aware of the importance of a robust framework to deal with critical infrastructure protection. Kosovo, Montenegro and Serbia have developed appropriate legislation in this area, while in Bosnia and Herzegovina such legislation exists only partially.

Most Western Balkans partners have repatriated **foreign terrorist fighters** and family members from north-east Syria. Bosnia and Herzegovina has expressed its willingness to repatriate all foreign terrorist fighters. While legal provisions are in place for their prosecution upon their return, effective prosecution took place unevenly throughout the region. Bosnia and Herzegovina prosecuted 7 returned foreign terrorist fighters, while the 6 accompanying women received conditional sentences. Albania is investigating 9 cases of nationals who are still in north-east Syria, with no indictment or prosecution of the 37 women and children repatriated so far. Montenegro has prosecuted one national who returned from the 2014 Russian invasion of Ukraine. These verdicts are characterised by lenient sentences, which is a matter of concern. With regard to departures to participate in the Russian war against Ukraine, with the exception of Albania, that reported that one of its nationals had travelled to fight in Ukraine, none of the other Western Balkan countries reported that their

citizens travelled to foreign battlefields in recent times. However, open sources did report about departures from the region to Ukraine.

Due to the persistent threats from various terrorist groups, Türkiye continued to prioritise the fight against the PKK and the dismantling of the Gülen movement. The PKK remains on the EU's list of people, groups and entities involved in acts of terrorism. Türkiye has also continued its active counterterrorism cooperation with the international community as a member of the Global Coalition to Defeat ISIS, the Global Counterterrorism Forum, and the Committee of Experts on Terrorism of the Council of Europe. Active as a co-chair of the Defeat ISIS Coalition's foreign terrorist fighters working group, Türkiye also provided access to its airspace and facilities for coalition counterterrorism operations in Iraq and Syria. At the same time, Türkiye's authorities should ensure that the country's anti-terrorism law and its application is in line with the rule of law principle and respects fundamental rights and freedoms. Türkiye should bring its anti-terrorism legislation in line with EU standards, and comply with the opinion of the Venice Commission on the law on preventing financing of proliferation of weapons of mass destruction.

Hybrid threats

Hybrid threats, including disinformation, foreign information manipulation and interference (FIMI) and cyberattacks, particularly against critical infrastructure, remain a political and security challenge for the enlargement countries. After a steep increase last year following Russia's war of aggression against Ukraine, these threats continue to pose a considerable risk to both the EU and enlargement countries. In response to the recent granting of candidate status to Ukraine and Moldova and the European perspective of Georgia, various actors, in particular Russia-sponsored, continue to challenge the EU's credibility and undermine public trust in democratic institutions. These actors have continued to engage in information manipulation and interference directly or through proxies, often synchronising their action with deliberate disruptions in different sectors and exploiting vulnerabilities.

Disinformation and FIMI have **increased significantly** since last year. As the Russian full-scale invasion in Ukraine developed, so did the spreading of different Kremlin narratives in the enlargement countries, with varying results. These are particularly effective in Serbia, where part of the local media and some mainstream political forces disseminate pro-Russian narratives, including throughout the Western Balkan region. Despite considerable efforts, resilience towards these threats remains weak due to low media literacy, low trust in institutions, limited independent and professional journalism and a low level of media freedom. Similarly, following the decision to recognise a European perspective to Ukraine, Moldova and Georgia as well as grant to grant candidate status to Moldova and Ukraine, these three countries have been the target of a new wave of FIMI campaigns, mainly aiming to discredit aspirations to join the EU and blame the West for the current situation in the region. In Georgia, a specific strand of disinformation attempted to imply that the West seeks to open a 'second front' against Russia from Georgia. More active debunking by the authorities would be opportune.

Cybersecurity and cyber resilience remain **a key priority** in all enlargement countries. A few countries reported cyberattacks over the course of the year, with large-scale impact on public administration and public services. Progress on alignment with the EU *acquis* in cybersecurity was seen in Albania, North Macedonia, Montenegro, Ukraine and Moldova. A high-level cybersecurity conference – *Towards a resilient cyberspace in the Western Balkans* took place in June 2023 in Brussels. A second EU-Ukraine cybersecurity dialogue took place in physical format in September 2022.

Albania, Bosnia and Herzegovina, Kosovo, Moldova, Montenegro and Türkiye held **elections** in the reporting period. In the upcoming period, elections will be organised in North Macedonia, Ukraine, Moldova and Georgia. Further measures are required to prevent and address any attempts of interference by third states and non-state actors.

Foreign direct investment also intensified in all countries with the exception of Ukraine. Robust frameworks to control foreign direct investment, in line with the EU FDI Screening Regulation, are still lacking in the majority of the enlargement countries, apart from Moldova, which has a system in place.

Migration

The Russian war of aggression against **Ukraine** has led to a rise in Ukrainian refugees, and countries like Moldova in particular, as well as Montenegro, Serbia, Albania, and North Macedonia have played a crucial role as host countries.

Irregular migration remains a significant challenge for both the **Western Balkans** and **Türkiye**, in particular the fight against migrant smuggling and trafficking in human beings. According to the European Border and Coast Guard Agency (Frontex), in 2022 the total number of irregular border crossings at the external borders of the EU from the Western Balkans was around 144 100. This was an increase of 134% compared to 2021 (61 600). However, from the beginning of the year up to 31 July 2023, the overall number of irregular arrivals from the Western Balkans to the EU decreased, compared with the same period in 2022. In the first 7 months of 2023, around 52 200 irregular border crossings were detected on the Western Balkan route, 26% less than in the same period in the previous year. In 2022 and in the first 7 months of 2023, the main nationalities of arrivals were from Syria, Afghanistan and Türkiye.

The main factors influencing the high number of people arriving by air from Türkiye and Serbia are: (i) visa-free regimes; (ii) the short time needed to cross the region, i.e. 8 days on average in 2022 compared with 53 in 2021 according to the International Organization for Migration (IOM); (iii) the relatively low prices offered by smuggling networks to cross the region; and (iv) the greater difficulty in entering the EU through other routes (e.g. the Western Mediterranean).

The European Commission's policy objective is to support the Western Balkan countries facing migratory pressure in the region as potential future EU Member States. In line with the EU Action Plan on the Western Balkans, this support is comprehensively targeting enhancing border management, asylum procedure and reception capacity, combating migrant smuggling, increasing readmission cooperation and returns of irregular migrants with no rights to stay to their countries of origin, and enhancing asylum and protection systems and reception capacities, as well as achieving visa policy alignment. According to Frontex, in 2022 the EU Member States returned 5 962 third-country nationals to the Western Balkans, 22% more compared with 2021. Albania was the main country of destination for these returns, followed by Serbia and North Macedonia. Moreover, up to 8 June 2023, according to the IOM, there were approximately 3 657 migrants and refugees in the region's reception centres and an estimated 700 outside reception facilities. In comparison, total reception capacity stood at approximately 12 172 places. The Western Balkans participate in the regional Anti-Smuggling Operational Partnership, launched in November 2022 to support law enforcement and judicial cooperation against criminal smuggling networks and to increase border management capacities.

Until September 2023, 22 421 irregular migrants arrived from Türkiye into the EU (including Greece, Italy and Bulgaria), compared to 22 821 arrivals during the same period in 2022.

Arrivals to Greece increased by 123%, while the sea route to Italy saw a substantial decrease (down by 55%). The number of arrivals in Cyprus via the Green Line fell significantly by 42%.

The 2016 EU-Turkey Statement remained the key framework for cooperation on migration and continued to yield results, despite continued challenges over the implementation of the Statement. Türkiye also continued to play a key role in addressing migration along the Eastern Mediterranean route. Türkiye sustained its enormous efforts to host 3.6 million refugees from Syria and other countries, and the EU maintained its substantial support. The EU Facility for Refugees in Turkey had mobilised EUR 6 billion, with EUR 5.1 billion disbursed as of September 2023. After a bridge funding of EUR 535 million in 2020, the Commission continued the implementation of the EUR 3 billion package requested by the Council.

Visa liberalisation continues to be a powerful tool to facilitate people-to-people contacts and support reforms in the Western Balkans as well as in Ukraine, Moldova and Georgia in the areas of justice, security and fundamental freedoms. As corroborated by the 2023 report under the visa suspension mechanism¹, Albania, Bosnia and Herzegovina, Montenegro, North Macedonia², Serbia, Georgia, Moldova and Ukraine need to ensure further visa policy alignment with the EU lists of visa-required third countries, in particular those third countries which present irregular migration or security risks to the EU. Visa policy alignment with the EU remains crucial for the good functioning of these partners' visa-free regimes with the EU. No progress was made by Türkiye with regard to completing the still open Visa Liberalisation Roadmap benchmarks during the reporting period.

Public administration reform

The quality of the public administration and of the regulatory framework are crucial for the EU's **long-term competitiveness**³. For many years, the European Commission has systematically guided and supported prospective EU Member States on how to build stable and well-performing public administrations based on the five principles of good *policy making*, management of the *civil service*, effective *state organisation* and clear *accountability* lines, seamless and citizen-oriented *service provision* and sound *public financial management*. While enlargement countries actively engage in the support, most continue to lack the necessary political commitment and leadership to tackle the more sensitive reforms that would affect a predominantly clientelist culture and build more stable and professional structures and systems. For now, most reforms are more cosmetic than substantive. If countries do not start changing the predominant administrative culture, their public administrations will continue to struggle to attract and retain the talent to coordinate and deliver the policies, services and investments needed to build long-term prosperity and societal well-being.

Overall, enlargement countries remain at best **moderately prepared** in terms of quality of their public administration. During the reporting period, reform progress was very limited overall. Most recommendations from previous year(s) still apply. A typical pattern is that a formal legal and institutional basis for a professional administration is at least partially in place, but not systematically applied. Most countries have **public administration reform**

¹ [COM\(2023\) 730 final](#)

² North Macedonia achieved a nearly total alignment of its visa policy with EU lists; only one country (Türkiye) whose citizens require a visa to enter the EU has a visa-free agreement with North Macedonia.

³ [COM\(2023\) 168 final](#), [COM\(2023\) 667 final](#)

strategies (except Türkiye) or are updating them. However, their implementation is uneven and often does not result in sustainable reforms or have a lasting impact on building a better public administration.

For Ukraine, there are elements of progress but challenges remain also due to the war circumstances. Georgia and Moldova made some progress in strengthening their public administrations following the adoption of a public administration reform and related action plans.

Good policy coordination and development remain the foundation of public administration reforms. Enlargement countries need to systematically inform policy and legislation with data and evidence, design legislation and policies in an inclusive consultative manner and assess their potential impact. Good planning and due process of the policy agenda would build trust, resilience and a more predictable regulatory environment for the public and businesses.

On human resources and civil service management, most countries still struggle with developing and systematically implementing a transparent, coherent and fair salary system as well as a merit-based recruitment, promotion and dismissal system. These reforms are needed to attract and retain motivated and qualified staff and create a professional and well-performing civil service. However, managing such reforms tends to be very sensitive. Understanding different stakeholder interests and concerns and brokering broad support is critical to achieve progress.

Effective state organisation and accountability are still hampered by a lack of progress on *streamlining state structures* and setting clear lines of accountability between ministries and subordinated bodies (in Bosnia and Herzegovina, Albania, Kosovo, North Macedonia, Serbia and Moldova). The *capacity of administrative courts* and the quality of decisions is insufficient to ensure individuals' rights to administrative justice (in Serbia, North Macedonia, Albania, Bosnia and Herzegovina, and Moldova). The quality of *oversight bodies* varies, and recommendations are not systematically followed up, thereby limiting effective checks and balances and opportunities for systemic improvement. Improving *multi-level governance* requires better cooperation and coordination between national, regional and local authorities, ensuring quality of service at all levels and matching administrative responsibilities with resources and capacity. Given the importance of ensuring both an appropriate balance between central, regional and local government, and a coherent application of rules, procedures and standards across all levels of public administration, more efforts are needed in all countries.

Providing **digital administrative services** continues to be the most advanced area of the public administration reform agenda, especially in Albania, Serbia and Ukraine. While other countries still need to catch up with them, all countries need to continue to ensure that public services are equally accessible for people with insufficient digital means or skills. There is also room to further streamline administrative processes and reduce the regulatory burden on the public and businesses.

A lack of effectiveness and integrity of the **public financial management** system erodes trust and affects both *public revenue generation* and *expenditure management* in most enlargement countries. *Budgetary transparency and public expenditure* effectiveness are critical issues, especially in times of increasing fiscal constraints. *Public procurement* systems still have too many loopholes to ensure efficient allocation of taxpayers' money. A culture of *managerial accountability* and *internal and external audits* would ensure the sustainability of a country's finances, but this is not yet the norm. The quality of *asset and investment management* needs to improve much more to enable enlargement countries to

close the infrastructure gap with EU Member States and reap the benefits of future EU membership, including funding for investments.

Civil society

A free and empowered civil society is a key component of any democratic system. Across the enlargement countries, there is an active and vibrant civil society that monitors governmental action and contributes to policymaking. Civil society organisations also continue to be providers of services, particularly assistance to people in vulnerable situations and taking part in the humanitarian response to the Russian war of aggression against Ukraine.

Freedom of association and assembly is enshrined in legal frameworks and generally enjoyed. However, reforms are still needed to fully apply international standards, and implementation needs to be much more consistent. Civil society faces continuous pressure, and its space to operate freely has continued to diminish, with restrictions on its activities and those of human rights defenders. Use of strategic lawsuits against public participation (SLAPP), including by public officials, are on an alarming rise in Serbia and Bosnia and Herzegovina, and are also seen in other countries, such as Albania. Similarly, it is essential that security measures are not misused, e.g. instrumentalised to target political opponents or critics through anti-terrorism legislation in Türkiye, free access to information in Montenegro, and as yet unrepealed excessive control and reporting rules on preventing money laundering in Kosovo. The most worrying developments, however, are linked to the development of ‘foreign agent laws’ leading to the stigmatisation and repression of civil society organisations. These have been put forward in the *Republika Srpska* entity of Bosnia and Herzegovina and in Georgia (but subsequently withdrawn in Georgia due to international and local pressure).

Significant progress needs to be made – for instance in Georgia, Serbia, Montenegro, Bosnia and Herzegovina and Kosovo – to improve the availability and transparency of public funding, which should be distributed on the basis of objective criteria. While the legal framework on philanthropy and donations was improved in Moldova, laws on volunteering are still pending in Albania and Montenegro. Processes for registering civil society organisations need to be improved, including in Albania, North Macedonia and Montenegro.

Despite the existence of policies for strengthening the enabling environment for civil society or for governmental cooperation with civil society in Albania, Kosovo, North Macedonia or Ukraine, their implementation is insufficient and often depends on donor funding. In policymaking, most countries recognise the valuable contribution of civil society. There are also mechanisms for open public consultations, but how they are applied needs to be improved. There are continued weaknesses in the institutionalised mechanisms for cooperation between civil society and government. It is essential that governments ensure the conditions for meaningful and inclusive participation of civil society organisations in policymaking.

Economy

Following Russia’s full-scale invasion of Ukraine in February 2022, the 10 enlargement economies faced major economic and social challenges. In Ukraine, GDP dropped by 29.1% in 2022 as the whole country was profoundly affected by Russia’s war of aggression resulting in significant pressure on macroeconomic stability. The Western Balkan region’s GDP growth slowed to 3.2% in 2022, down from a 7.7% rebound from the COVID-19-induced recession in 2021. However, the severity of the slowdown varied across economies, with real GDP growth falling to 6.1% in Montenegro, 5.6% in Türkiye, 4.8% in Albania, 4% in Bosnia and Herzegovina, 3.5% in Kosovo, 2.3% in Serbia, and 2.1% in North Macedonia. In

Moldova, GDP contracted sharply by 5.9%, and in Georgia, GDP continued to grow at double-digit levels (10.1%). Differences in the economic growth in countries were mainly driven by direct and indirect consequences of Russia's war in Ukraine, including its impact on trade links, energy, food prices and migration. The economic outlook for the 10 economies remains surrounded by high uncertainty about the war's further impact on growth, employment and social cohesion.

During 2022, countries adopted **fiscal measures** to mitigate the economic impact of the war and of rising energy and food prices. As energy prices have come down substantially from their peak, measures should now be gradually phased out, while ensuring that fiscal consolidation is maintained and social protection is well-targeted to those who need it. Inflation in the Western Balkans, Moldova and Georgia started to slow from its peak in autumn 2022 following a substantial acceleration. In Türkiye, inflation also decelerated in the first half of 2023, after global price pressures coupled with an unorthodox monetary policy triggered a large depreciation in the lira and drove inflation up to a two-decade high (over 85% in October 2022). In Ukraine, disruptions in supply chains, higher production costs and money printing by the National Bank to finance the war led to a strong rise in inflation, reaching a 26.6% peak at end-2022 before starting to ease.

Labour markets in the Western Balkans and Türkiye continue to be characterised by overall low activity (especially among women and young people), high unemployment, and brain drain of skilled workers. Structural mismatches in skills persist, driven by underinvestment in human capital and weak education systems. This requires more active labour market policies, strengthened bipartite and tripartite social dialogue and investments in upskilling and reskilling. In this context, Western Balkan partners committed in 2021 to set up Youth Guarantee schemes following the EU model. As of mid-2023, most of them had established inter-ministerial expert groups to develop implementation plans. Three had already adopted their plans, and some were already starting to pilot the scheme in 2023. The labour markets in Moldova and Georgia performed relatively well in 2022, benefiting from the arrival of qualified refugees fleeing Russia's war against Ukraine and mobilisation in Russia, though structural weaknesses persist. However, high levels of informal employment remain a key issue across all partner countries. In Ukraine, refugee flows and internal displacement, together with the tremendous capital destruction, dramatically affected the labour market, which was already characterised by relatively low activity rate and brain drain. Enormous efforts will be required to rebuild a functioning labour market and address the skills shortage once the war ends. Strengthening of social dialogue, including capacity building for social partners, will be crucial in that respect.

It is increasingly important that all 10 enlargement economies accelerate **structural reforms** to enable a sustainable recovery in the medium term and make progress in meeting the two economic criteria for EU membership: ensuring functioning market economies and demonstrating the capacity to cope with competitive pressure and market forces in the EU.

In terms of **functioning market economies**, none of the Western Balkan countries can currently be considered to have a fully functioning market economy, and the levels of compliance vary despite progress in some countries. While Bosnia and Herzegovina remains at an early stage of preparation with no progress over the last year, most of the other partners made some or good progress in building functioning market economies and reached a moderate or good level of preparation. Türkiye's market economy is well advanced, but serious concerns persist over its functioning as it backslid on key elements, such as the conduct of monetary policy and the institutional and regulatory environment. Steps have been taken since the election to address some of these concerns. Moldova and Ukraine are at an

early stage / some level of preparation, while Georgia is moderately prepared. In terms of their capacity to cope with competitive pressure and market forces, only Türkiye has a good level of preparation. Serbia, Montenegro and North Macedonia are moderately prepared, Albania and Georgia have some level of preparation, Bosnia and Herzegovina and Moldova are at an early stage / have some level of preparation, while Kosovo and Ukraine are at an early stage.

The level of implementation of the jointly agreed policy guidance continued to deteriorate across the Western Balkans and Türkiye, falling from 50.8% in 2020 to 42.9% in 2021 and to 40.8% in 2022. Implementing the policy guidance is key for the countries to further align their economies with the EU's and prepare for their future participation in the European Union's framework for the coordination and surveillance of economic and social policies. There is a need to enhance fiscal sustainability, promote human capital development, and build resilience to future shocks. Efforts should continue in advancing the digital and green transitions, improving the business environment and deepening regional economic integration based on EU standards to attract investment and boost economic growth.

Annex 2. Implementation of the Economic and Investment Plan for the Western Balkans

Implementation of the Economic and Investment Plan (EIP) for the Western Balkans⁴, adopted on 6 October 2020, is well under way. The plan aims at closer integration and bridging the socio-economic gap between the region and the EU, assisting its green and digital transitions and bringing the Western Balkans closer to the EU single market. The plan is implemented through a package of EUR 9 billion of EU grants and the Western Balkans Guarantee Facility, which is expected to attract up to EUR 20 billion in investments.

The impact of these investments on the region's economy is expected to be amplified by tangible advances in the implementation of the Common Regional Market and the Economic Reform Programmes, as well as continued progress in the areas of the rule of law, public finance management and public administration reform.

To date, the **EU has approved or committed funding of EUR 4.29 billion in grants** and is expected to **leverage more than EUR 10.76 billion in investment** from other sources. This includes funding for 54 flagship projects under the Western Balkans Investment Framework (WBIF), bilateral and multi-country actions under the Instrument for Pre-accession Assistance (IPA) and IPARD (IPA for Rural Development) funding in support of agriculture measures. In addition, the EU has approved the provisioning of 21 guarantees under the European Fund for Sustainable Development (EFSD+), which will leverage significant investment through banks and international financing institutions.

Investing in transport connectivity focuses on developing the necessary infrastructure for road, rail and waterway transport in line with the trans-European transport networks priorities. It also focuses on upgrading and greening existing infrastructure to contribute to smart mobility solutions in line with the Green Agenda.

Key flagship projects approved under the WBIF as part of the EIP focus on: (i) the Corridor X Serbia-Bulgaria railway; (ii) the Peace Highway, connecting Kosovo and Serbia; (iii) the Corridor Vc motorway in Bosnia and Herzegovina, connecting the country with the Adriatic, Hungary and Croatia; (iv) the Blue Highway in Albania; (v) the Corridor VIII motorway in North Macedonia; and (vi) other motorway and railway interconnectors and bypasses in the region.

These projects complement connectivity investments adopted in previous years, several of which have been completed in the past months. These include the Corridor Vc Tarcin motorway section and the Ivan Tunnel in Bosnia and Herzegovina and the Corridor IV Bar-Vrbnica railway section in Montenegro.

In coordination with the Transport Community Treaty Permanent Secretariat, the region also continues to work on reform measures through implementation of five sectoral action plans (rail, road, road safety, transport facilitation, and waterborne transport and multimodality) and the sustainable and smart mobility strategy for the Western Balkans. The 5-year rolling work plan endorsed by the six partners serves as an additional planning tool for the reforms and infrastructure that the region has to prioritise in the coming years.

The implementation of these action plans and the modernisation of existing infrastructure is supported through the safe and sustainable transport programme of EUR 80 million adopted

⁴ [COM\(2020\) 641 final](#).

by the WBIF Operational Board in June 2023. This funds smart and sustainable mobility solutions through decarbonisation and digitalisation.

Following the successful introduction of ‘green lanes’ in the region during the COVID-19 pandemic, similar green and blue lanes (on maritime crossings) are also being created between the Western Balkans and EU countries as part of the transport facilitation measures. They are currently piloted with Greece, Italy and Croatia, and lanes on the Serbia-Hungary border are under negotiation.

Lastly, as part of the proposal for revision of the Trans-European Transport Network (TEN-T) Regulation, a Western Balkans corridor has been established and included in the comprehensive network and partly in the core network. This demonstrates the EU’s commitment to connectivity in the region, which is seen as an integral part of the EU’s transport network.

In terms of financial assistance for sustainable transport under the EIP, EUR 1.74 billion has so far been approved under the WBIF and committed under bilateral and multi-country IPA programmes. This is expected to leverage an additional EUR 5.7 billion from other sources.

Clean energy transition and connectivity flagship projects focus on investment in renewable energy sources, the energy efficiency ‘renovation wave’ and facilitating the transition from coal. Energy security and diversification of supply are also supported.

In October 2022, the Commission announced a EUR 1 billion Energy Support Package for the region. Half the amount is targeted support to vulnerable social groups and businesses, and the other half is for accelerating the energy transition, especially through investments in energy efficiency measures, diversification of supply and renewables generation. Most of the direct support was disbursed in early 2023, while prioritising and adopting the investments is happening in the course of 2023.

The WBIF Operational Board has so far adopted 18 EIP investment projects focusing on the construction of solar/photovoltaic power plants (e.g. in Albania, Kosovo and North Macedonia), windfarms (e.g. in Serbia), rehabilitation of hydropower plants (e.g. in Albania, Bosnia and Herzegovina, North Macedonia and Serbia), electricity transmission network (e.g. the Trans-Balkan electricity corridor) and energy efficiency. The EU is also supporting and provisioning investments in gas interconnectors to ensure a better diversification of energy sources.

To promote renewable energy and energy efficiency and support progress in renovating public and private buildings, the Commission replenished the regional energy efficiency programme with EUR 100 million through a contribution agreement signed in December 2022. Financing of EUR 45 million for a dedicated guarantee facility for projects related mainly to energy efficiency and renewables received a positive opinion from the WBIF Operational Board in April 2022 and is currently being negotiated.

In December 2022, the Western Balkans adopted 2030 energy and climate targets under the Energy Community Treaty. On this basis, they are currently developing their respective national energy and climate plans setting out the steps to achieve these targets. The Commission and the Energy Community are also engaged with the Western Balkans on developing a regional Emissions Trading System as part of their accession process.

The transition from coal in the region, most of which is heavily reliant on fossil fuels, will be a major socio-economic challenge. The Commission has therefore been supporting the cooperation platform for coal regions in transition in the Western Balkans and Ukraine,

mirroring a similar EU initiative. A whole series of bilateral exchanges with EU regions already took place, while others are being planned.

In terms of financial assistance under the EIP for clean energy, EUR 617 million has so far been adopted under the WBIF and committed under bilateral and multi-country IPA programmes. This is expected to leverage an additional EUR 1.3 billion from other sources.

Furthermore, the WBIF Operational Board issued a positive opinion on the provisioning of six open access guarantees related that are expected to generate significant investments in energy infrastructure, efficiency and transition. The contracts are currently under negotiation.

The EIP priorities on transport and energy complement the efforts in the field of the **environment and climate change**. Together, they contribute to implementing the Green Agenda for the Western Balkans, adopted with the EIP and endorsed by the Western Balkan leaders through the Sofia Declaration in November 2020. The five-pillar agenda relies on regulatory reforms and investments in the region to align it with the ambitions of the European Green Deal, particularly in the areas of energy transition, pollution prevention, the circular economy, biodiversity protection and sustainable food production. The implementation of the agenda is promoted by the EIP flagship projects related to sustainable transport, energy transition and waste and wastewater management.

The region is implementing a detailed action plan for the agenda, endorsed by the leaders at the Brdo summit in October 2021. While the Regional Cooperation Council maintains a key role in the coordination of regional initiatives under the Green Agenda, the Commission concluded a EUR 11 million EU4Green programme with the Austrian Environment Agency to help each partner work on their own strategies and reforms.

In addition to the energy and transport projects mentioned earlier, EU-supported investment in favour of the Green Agenda focus on waste and wastewater management, the circular economy, environmental protection and sustainable agriculture. Under flagship 7, the WBIF Operational Board and the Commission have so far approved financing for seven water and wastewater management investment projects in all six partner countries (including in the capitals Podgorica, Skopje, Belgrade and Sarajevo) and three programmes supporting waste management (in Albania, North Macedonia and Serbia). There is also a series of bilateral programmes on biodiversity and the environmental protection of specific areas (e.g. Lake Prespa). There is also a regional programme to fight pollution in cities by supporting the Covenant of Mayors for Climate and Energy, which helps cities develop plans and implement pilot projects in this area.

The agri-food green transition is largely implemented through IPARD. EUR 152 million has been committed under the EIP so far to support the modernisation of sustainable food production.

In terms of financial assistance for environmental protection and climate change under the EIP, EUR 633 million has so far been adopted under the WBIF and committed under bilateral and multi-country IPA and IPARD programmes. This is expected to leverage an additional EUR 685 million from other sources.

Furthermore, the WBIF Operational Board has issued a positive opinion on the provisioning of four open access guarantees related to the green transition, targeting the sustainable transition of cities, carbon sinks and green bonds. The contracts are being prepared with a view to signature in 2023.

The EIP also supports the region in its **digital transformation** through technical assistance and investment. It focuses on the regulatory reforms conducive to the development of a

digital services market and on promoting investment in innovative digital solutions and digital infrastructure. Two projects have been approved under the WBIF so far, related to broadband in Serbia and ICT laboratories in Albania.

In terms of legal framework reform, the Commission maintains annual regulatory dialogue on digital policy with the region and supports the regular high-level Western Balkans digital summits. At the dialogue on 30 June 2023, Albania, Montenegro, North Macedonia and Serbia signed Association Agreements to the Digital Europe Programme (DIGITAL). Participation in DIGITAL will allow the countries to take part in the network of European Digital Innovation Hubs supporting companies and the public sector in the green and digital transitions. The six countries signed up to the Declaration for the Future of Internet in 2022, which sets out the vision and principles for a trusted internet. The region is also fully associated with the work of the Body of European Regulators for Electronic Communications.

The Commission, together with the Regional Cooperation Council, was instrumental in securing the regional roaming agreement, which introduced a Roam Like at Home scheme in the region on 1 July 2021. The first voluntary reduction of data roaming charges by the leading EU and Western Balkan operators came into force on 1 October 2023. The operators also agreed on a glide path for further reductions in the coming years with a view to bringing the prices close to a Roam Like at Home scheme by 2028.

In parallel, the EU is promoting the development of new digital solutions for various aspects the Western Balkans' economies, including transport, energy, logistics, government and commerce. A major initiative promoting such solutions is the annual Balkathon, which awards innovative digital transition projects.

A regional programme, EU4Digital, is in preparation. It has a budget of EUR 15 million, and it is planned to be implemented in 3 years. The programme aims to complement the ongoing work of the Common Regional Market – Regional Digital Area, which builds on the objectives of the Digital Agenda for the Western Balkans.

Cybersecurity remains an important element of the EIP. A cybersecurity-needs assessment for the region was completed, and a series of technical assistance events are being held through the Technical Assistance and Information Exchange (TAIEX) instrument, building preparedness for cyber incidents.

In terms of financial assistance for the digital transition under the EIP, more than EUR 50 million has so far been adopted under the WBIF and committed under bilateral and multi-country IPA programmes. This is expected to leverage an additional EUR 240 million from other sources.

Furthermore, the WBIF Operational Board has approved provisioning of one open access guarantee in this field: the Digital Transformation Platform.

Supporting the private sector focuses on targeted funding through dedicated guarantee facilities for small and medium-sized businesses (SMEs) to start up, innovate and become competitive. Similar support is also provided to rural agro-businesses through the IPARD.

The right conditions for the development and growth of the private sector must be created, in particular for micro-, small and medium-sized businesses (MSMEs). This is at the centre of the economic policy dialogue held with the Western Balkan partners annually through the Economic Reform Programmes (ERP) exercise and the resulting economic policy recommendations, aligned with the priorities of the EIP.

Private sector support, especially geared towards fostering innovation and strengthening the dual green and digital transitions, is currently delivered through six dedicated private sector blending schemes: SMEs Go Green, Climate Programme, Green Finance for Inclusion, Sustainable Access to Finance for Entrepreneurship, Go Digital and Green for Growth, promoting green lending.

The Commission also supports the WB6 Chambers Investment Forum to promote the economic interests of the Western Balkans and beyond. It finances, in particular, the regional supplier development programme, which aims to help create links/opportunities for domestic suppliers.

Lastly, the Commission launched a number of initiatives under the Western Balkans Guarantee as part of the broader EFSD+. This includes provisioning 10 guarantee schemes to provide general growth financing for SMEs and an agricultural risk-sharing facility as well as promoting inclusive growth and the dual transitions. These are currently under contracting.

In terms of financial assistance for private sector development under the EIP, EUR 341 million has so far been approved under the WBIF and committed under bilateral and multi-country IPA programmes. This is expected to leverage an additional EUR 2.1 billion from other sources.

The sixth priority area supported by the EIP is **developing human capital and innovation**, including young people, education and embracing innovation. In July 2021, the ministers of the region endorsed a declaration committing their countries to the principles of the European Pillar of Social Rights and implementing the Youth Guarantee flagship of the EIP. The EU-Western Balkans Summit in October 2021 saw the launch of a comprehensive agenda on innovation, research, education, culture, youth and sport (the Innovation Agenda).

The Youth Guarantee is an activation scheme to ensure that young people in the Western Balkans receive a quality offer of employment, continued education, apprenticeship and training within a certain time after becoming unemployed or leaving formal education. The scheme requires reforms and capacity building in education and vocational training, employment, labour services and social protection. All Western Balkan partners, except Bosnia and Herzegovina (where work is under way), have adopted national Youth Guarantee implementation plans and set up coordination mechanisms, and some are already piloting them.

Since late 2022, the EU's peer-to-peer technical assistance facility, SOCIEUX+, has been available to the Western Balkans. It specialises in employment, labour and social protection and provides short-term assistance to partner countries' national and local institutions working in the eligible sectors. There are currently 26 actions ongoing in the Western Balkans, mainly related to social protection and to labour and employment.

The Western Balkans Agenda on Innovation, Research, Education, Culture, Youth and Sport continues to set the Western Balkans on a solid path towards closer cooperation in those policy areas. Numerous cooperation efforts between EU Member States and Western Balkan partners have strengthened key areas such as support to the modernisation of higher education systems, industry cooperation and smart manufacturing, strengthening of innovation eco-systems, training of medical personnel, digitalisation and cyber-security.

The Innovation Agenda's key implementation instrument is the Horizon Europe programme, to which all six Western Balkan partners are now associated. The region has also access to the RTD Policy Support Facility and have increased their engagement and participation in EU research initiatives such as COST and EUREKA. North Macedonia and Serbia are associated with Erasmus+, while other four partners benefit from support of the international

dimension of Erasmus+ programme. Since 2023, the Erasmus+ European Universities initiative is open to the participation of all higher education institutions from the Western Balkans as full partners. European Universities are transnational alliances of higher education institutions developing long-term structural and strategic cooperation, creating the universities of the future and promoting European values and identity. The Western Balkan partners are also fully associated with EU initiatives in the area of culture, including the Creative Europe programme and the New European Bauhaus initiative. This initiative promotes innovation, sustainability, inclusion and aesthetics in infrastructure and other projects and is particularly related to implementation of the Green Agenda.

EU assistance in this field also includes close cooperation with the Western Balkans on health. The region continues to be associated with the work of the EU Health Security Committee and the European Centre for Disease Prevention and Control and has access to joint procurement of medical supplies. The EU is financing a health crisis resilience project in the Western Balkans and an investment project to expand the University Children's Hospital in Belgrade.

In terms of financial assistance for human capital development under the EIP, EUR 368 million has so far been approved under the WBIF and committed under bilateral and multi-country IPA programmes. This is expected to leverage an additional EUR 477 million from other sources.

The EIP's six priorities are underpinned – and their impact amplified – by the region's commitment (and the EU's support) to create a Common Regional Market in the Western Balkans based on the four freedoms of movement. A major breakthrough in late 2022 was the conclusion of three agreements on the freedom of movement of people in the region. Their successful implementation will facilitate travel and the recognition of higher education qualifications and certain professional qualifications. The EU is supporting the development of the Common Market through the Regional Cooperation Council and CEFTA.

Lastly, the success of the Economic and Investment Plan is conditional upon all partners implementing best practices in the rule of law, public finance and investment management and fostering a professional and efficient public administration.

Annex 3. Implementation of the Economic and Investment Plan (EIP) – overview for Ukraine, Moldova, and Georgia

In 2021, the EU and its five Eastern partners launched an **Economic and Investment Plan for the Eastern Partnership**⁵ (EIP). Its aim is to support economic recovery after 2 years of a socially and economically damaging health crisis. The plan also aims to bring about the green and digital transformations required to build innovative, environmentally sustainable, socially inclusive and resilient economies.

Since the start of Russia's unprovoked war of aggression against Ukraine, the EIP has gained a whole new socio-economic significance and political relevance. It has become an integral part of the EU's response to the impact of the war against Ukraine by providing the liquidity and mobilising the investments needed to help the economy of Ukraine – and of Moldova – stay afloat. The EIP is also part of the EU's support to integrating these two countries – as well as Georgia – into the EU's economy and energy, digital and transport markets. It is a key mechanism to facilitate their accession efforts and unlock the benefits of European integration.

The plan's ambition is to mobilise up to EUR 17 billion of investment in the region in 2021-2027 by leveraging EUR 2.3 billion of EU grants and guarantees. Flanking policy measures and technical support are also part of the EIP's implementation.

As of September 2023, a total amount of EUR 6.2 billion had been mobilised through bilateral and regional grants, blending operations and guarantees in support of EIP priorities in Ukraine, Moldova, and Georgia. EUR 3.5 billion of this amount is to support implementation of country flagship projects. The number of investments mobilised so far under the EIP represents 40% of the target amount of EUR 17 billion of investments to be mobilised. In the first half of 2023, investment mobilised thanks to the plan picked up rapidly. With the conclusion of new guarantee agreements with partner financial institutions under the EFSD+ instrument, implementation of the plan is expected to accelerate further.

Sustainable transport

Sustainable transport connectivity has been a key priority in the region ever since the **Eastern Partnership** was launched in 2009. In December 2021, the EU and its Eastern partners have renewed their commitment to strengthen core transport links, with a focus on the extended indicative core TEN-T network, including connections across the Black Sea. Improvements to key air, road, rail, maritime and inland waterway connections have a huge potential to stimulate sustainable economic development, market integration and cross-border trade in the region and between the region and the EU. Since 2021, EUR 1.2 billion has been mobilised in support of transport connectivity.

In Ukraine and Moldova, the EU has been living up to its commitment to support the implementation of the EU-Ukraine **Solidarity lanes initiative**. Solidarity lanes are priority transport axes connecting Ukraine and Moldova to the EU. They are the main route to trade in essential goods from and to Ukraine, and they have become a lifeline for the country's economy. The Commission has been working with EU Member States, Ukraine, Moldova, international partners and companies, as well as transport operators to expand and improve the functioning of the solidarity lanes. The Commission is focusing on reducing transport and logistics costs along the solidarity lanes through streamlined procedures, upgrading the infrastructure and using the full potential of all routes. In this context, nine Connecting

⁵ [SWD\(2021\) 186 final](#).

Europe Facility projects, for a total EU support of almost EUR 250 million, will upgrade rail and road cross-border points between neighbouring EU Member States (Hungary, Poland, Romania and Slovakia) and Ukraine and Moldova.

In 2022, the Commission worked together with the Moldovan authorities, the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) to support the rehabilitation of the **north-south** railway axis. The main objective is to improve the capacity of the Moldovan railway network that covers approximately 128 km on the Vălcineț-Ocnița-Ungheni-Chișinău-Căinari corridor, particularly in terms of weight norms and travelling speed. This comes on top of short-term investments aiming to quickly upgrade the main road border crossing point between Ukraine and Slovakia and purchase equipment, such as scanners and generators, for priority border crossing points between Ukraine and EU Member States. The Commission mobilised EUR 20 million in grants through the Foreign Policy Instrument alongside a loan of EUR 12 million from the EBRD.

In Georgia, the EU and the EIB continued to invest in the **east-west highway** with a focus on ‘black spots’, which are sections of the road where the number of road accidents and fatalities is particularly high. The EU and the EIB will continue to support the development of this crucial corridor for a total amount of EUR 446 million (including EUR 16.8 million in grants). In support of flagship 2 in Georgia, the EU also launched a comprehensive feasibility study to assess the commercial viability of additional ferry/feeder lines to link Georgia to Bulgaria through the Black Sea.

In November 2022, Ukraine, Moldova and Georgia became observing participants in the **Transport Community** bodies. This will bring concrete benefits to the countries in terms of **implementation of the relevant EU transport acquis** and the development of the indicative TEN-T network on their territories, as well as the sharing good practices with the Western Balkan regional partners and EU Member States. The Transport Community Treaty (TCT) Permanent Secretariat has already started engaging with the observing participants at various levels to introduce them to the work of the Transport Community, involve them in the work of the TCT technical committees and kick-start the work on some of the major TCT deliverables (such as the action plans on rail, road, road safety, transport facilitation, waterborne transport and multimodality).

Moldova and Ukraine became associated to the Connecting Europe Facility in May and June 2023, respectively. This should lead to strengthened cooperation in the transport sector and support implementation of the extended TEN-T.

Easing access to finance for SMEs

Since the launch of the EIP, the EU has actively supported its Eastern partners’ efforts to kick-start their economies after 2 very difficult years of lockdowns and trade disruption due to COVID-19. The EU has paid particular attention to addressing the financing needs of MSMEs by mobilising EUR 1.5 billion in credit lines and business advisory services to help them restart activity, reclaim foregone market shares and digitalise and modernise their operations. EU-supported credit lines offer better borrowing terms for MSMEs, notably by proposing longer maturities, reduced collateral requirements, tailor-made technical assistance and investment incentives. The EU, in cooperation with BGK, provided Ukraine with a EUR 10 million guarantee to enable renewed lending to SMEs that would not qualify for new financing due to risks related to the ongoing war.

Trade facilitation

In October 2022, the EU launched the **Eastern Partnership Trade Helpdesk**, which aims to facilitate companies’ access to trade-related information. The Helpdesk is an online portal

with detailed access to market information (applicable export and import regulations, tariff and non-tariff measures, duties, taxes, procedures, etc.), trade statistics and analytical insights into the potential of EU and EaP national markets. Surveys of non-tariff measures (regulatory, procedural) have been carried out in each country in order to identify obstacles to trade in goods and services and provide recommendations to overcome them.

Implementation of the **EU4Business: Connecting Companies** project continued in 2022 and early 2023. The project aims to promote trade relations and business partnerships in Eastern partner countries by building bridges between SMEs and business support organisations (BSOs) in the EU and their Eastern Partnership peers. A mobility scheme was developed enabling exchanges between SMEs and BSOs from both regions.

Sustainable energy and decarbonisation of economies

Since the launch of the EIP, significant progress has been made in the crucially important area of sustainable energy, where EUR 1.6 billion of investments have already been mobilised throughout the Eastern Partnership region.

In 2022, the EU4Energy programme continued to support Ukraine, Moldova, and Georgia in building their legal and regulatory energy frameworks. The programme also assisted Eastern partners in creating a conducive environment for the development of renewable energy and greener energy mixes. The programme played a central role in assisting **Ukraine and Moldova** in the European Network of Transmission System Operators post-synchronisation process. It also supported Ukraine in the ongoing reconstruction of its energy system, contributing to the security of supply in the region.

Cooperation with the International Renewable Energy Agency (IRENA) was pursued. This aimed to identify conditions and obstacles to the development and integration of renewable energy sources in the Eastern Partnership countries.

In **Ukraine**, the EU-supported flagship initiative of the Energy Efficiency Fund (EEF) (EUR 104 million covered by the EU) continued to successfully implement its programme of energy efficiency investments in multi-apartment buildings. By the end of March 2023, the EEF engaged almost 80 000 households, with 261 projects fully or partially completed in multi-apartment buildings (over 80% of these have been deep renovations). In 2022, the EEF introduced a new ‘restoration’ programme, which supports fast repairs of non-structurally war-damaged residential buildings.

As part of the Eastern Europe Energy Efficiency and Environment Partnership (E5P), the EU co-financed several EBRD-led projects on energy efficiency and district heating in **Ukraine**. Projects on district heating rehabilitation cover Zhytomyr, Ternopil, Lviv, Lutsk and Chernivtsi with a total budget of around EUR 110 million and an EBRD loan contribution of EUR 48 million. Energy efficiency projects for Dnipro public buildings are ongoing with a budget of EUR 39 million, including a EUR 20 million EBRD loan contribution. A major new programme for renovating public buildings in Ukraine (up to 1 000 hospitals and schools) was launched in March 2023 by the EIB with grants from the EU and the E5P programme. This will now also cover non-energy efficiency aspects like bomb shelters, better fire-safety measures and improved access for disabled persons. An important workstream, which started in 2022 and is still ongoing, includes two EU-funded emergency assistance programmes on housing for internally displaced people.

In **Moldova**, the energy efficiency programme was signed in 2022 (financed by a EUR 15 million grant and two EUR 30 million loans from the EBRD and the EIB). It is the first nationwide energy efficiency initiative in Moldova. The main categories of buildings targeted by the programme are public buildings owned by the state and/or municipalities. The

total investment is estimated at around EUR 94 million. Financed under the E5P programme, the Chişinău energy efficiency in public buildings programme entered its second phase of implementation and aims to refurbish 119 public buildings. The Balti district heating phase 1 (EUR 11 million total budget, EUR 7 million EBRD loan) was completed, and phase 2 is starting (EUR 18 million total budget, EUR 14 million EBRD loan).

In **Georgia**, a twinning project with the energy regulatory commission, implemented by a consortium led by Austria and Germany, ended in April 2023. It covered activities to promote the energy market's development, including promoting the Georgian National Energy and Water Supply Regulator's role in market regulation, renewable energy integration and energy efficiency. In 2021–2022, EU support amounting to EUR 135 million was provided to Moldova to help the most vulnerable segments of the population deal with rising energy costs and to support the country's long-term socio-economic recovery, energy security and energy transition. The **Ukraine** Energy Support Fund, managed by the Energy Community Secretariat and co-chaired by the European Commission, has financed the delivery of advanced gas equipment worth nearly EUR 7.6 million to the Gas Transmission System Operator of Ukraine for the restoration of damaged facilities and those in liberated territories.

In **Georgia**, under the E5P, an energy efficiency project for schools in mountainous regions (EUR 2.6 million grant) was implemented. A parallel programme to improve the energy efficiency of public buildings, supported by a EUR 13 million grant from the EU, is implemented by the KfW and the EBRD.

The **Finance and Technology Transfer Centre for Climate Change – EU4Climate window**, run by the EBRD, helps SMEs and mid-cap companies reduce their impact on the environment as well as their energy and water costs by adopting innovative and green technologies.

The ongoing **EU4Climate** programme has helped partner countries improve policies on climate change mitigation and adaptation and move towards a low-emission and climate-resilient economy in line with the Paris Agreement. A new project with the European Environment Agency as implementing partner has been launched to help **Georgia, Moldova and Ukraine** set up an effective governance system for climate action.

Natural assets management, climate and environment

In 2022, investment in the circular economy benefited from finance unlocked through SME support. This was accompanied by regulatory support and advisory services for businesses, primarily provided through the EU4Environment programme. In Ukraine, the EU continued to support creating extended producer responsibility (EPR) schemes for various waste streams. Furthermore, industrial waste maps were finalised for regions in Georgia and Ukraine. In Moldova, pre-feasibility assessments for transforming the Free Economic Zone Valkanes and the Industrial Park Tracom into eco-industrial parks were completed. In Moldova, an assessment of the existing EPR mechanisms was completed and policy recommendations provided. These included recommendations to improve the legal framework on EPR implementation for waste from electrical and electronic equipment and waste batteries. As concerns regulatory support, Georgia received assistance to update its national waste strategy for 2016-2030 and develop a new national waste management plan for 2022-2026. The government adopted these documents in August 2022. They include updated targets, address issues related to biodegradable and hazardous waste and outline requirements for EPR schemes.

On advisory support, eco-innovation assessments and roadmaps were developed for five SMEs from the wine and clothing sectors in Moldova thanks to cooperation with the Organisation for Entrepreneurship Development. Eight Georgian SMEs from the agriculture and hospitality sectors received similar advisory support. The products of three export-oriented companies in Ukraine and five export-oriented companies in Georgia are being assessed using the product environmental footprint methodology.

Water infrastructure in Ukraine, Moldova and Georgia has been chronically lacking capital investment, maintenance and repair. The EIP aims therefore to further upgrade water supply and sanitation and help put river basin management plans into practice. Several investment projects are under way in Ukraine, Moldova and Georgia with EU support. In the context of Russia's war of aggression, EU funding has helped 6.9 million people in Ukraine regain access to clean water. The EU has leveraged funding for investment in water infrastructure in cooperation with several international financial institutions, including AFD, EIB, EBRD, KfW, and NEFCO.

In order to provide technical support for reform and investment in the water sector, implementation of the EU4Environment – Water and Data programme was launched in early 2022 and produced its first results. The process of national policy dialogues on water was restarted in all partner countries. Under the programme, the development of new river basin management plans was launched in Georgia, and work continued on the Dnipro River basin management plan in Ukraine. Support for identification of investments into forestry, biodiversity and nature protection is at an inception phase. However, advances in that area have been made by Ukraine and Moldova through their accession to the EU's LIFE Programme.

Support to identify investments in forestry and protected areas is at an inception phase.

Digital infrastructure and services

Through the EIP, the EU has committed to mobilising up to **EUR 1.5 billion in public and private investment** to support the digital transformation of the region in line with EU standards. The plan also provides for a set of **flagship initiatives** related to digital connectivity, which have been jointly identified as investment priorities with the Eastern partners. These projects feed into the wider **Global Gateway strategy**.

Since the launch of the EIP, the EU has worked actively with European and international financial institutions, EU Member States and the private sector to support digital projects in the region. This includes the roll-out of fast and affordable internet in rural areas in **Georgia** as well as preparing the groundwork for the construction of a digital cable connecting the EU to Georgia and the South Caucasus region through the Black Sea. The EU's involvement in these projects has been crucial to ensure their compliance with the EU's digital standards, in particular on cybersecurity (5G toolbox) and open access to the internet.

In the field of the **digital economy**, as part of the EU4Digital initiative, nine pilot activities were implemented between EU Member States and Ukraine, Moldova and Georgia on e-commerce, e-customs and e-signature to improve access to the European Union's digital single market. The Commission facilitated concluding **voluntary roaming arrangements** between telecom operators in the EU and in **Ukraine** and **Moldova**, providing tangible benefits to the public and businesses.

Broadband national strategies were developed in **Moldova** and **Georgia** to facilitate investments in high-speed and affordable internet in the region. This included a EUR 70 million co-investment by the EIB and the World Bank in Georgia to roll out broadband in rural communities. The price of international connectivity for research and

education institutions has decreased by 70% in recent years. In addition, two ultra-fast digital highways (up to 400 Gbps) were set up between the EU, **Moldova** and **Ukraine** to facilitate cooperation in research and innovation, including participation in Horizon Europe.

In **Ukraine**, the additional funding mobilised since the beginning of the Russian aggression has supported the country's resilient digital transformation, including the interoperability of registries, electronic identity aligned with EU standards and data back-ups. Support is also helping align Ukraine's legislation with the relevant EU roaming telecom *acquis* so that the country could join the EU roam like at home area.

Health and health systems

In **Moldova**, an EU-World Health Organization (WHO) vaccine deployment project provided technical support to the Ministry of Health and other stakeholders in developing vaccination service delivery plans, national immunisation contingency plans and a risk assessment in the context of the country welcoming refugees. Resources were allocated to purchase cold chain and IT equipment. This included computers and equipment for the national warehouses and 10 regional vaccine warehouses, and 15 vehicles for supportive supervision visits by the National Agency for Public Health. The EU supported communication campaigns in 10 of the 37 districts with the lowest vaccination coverage.

In **Georgia**, focused technical assistance was provided to develop a protocol for qualitative formative research on immunisation and an integrated training package for healthcare staff on routine immunisation and COVID-19 vaccination. The EU-WHO project also delivered cold chain equipment to strengthen vaccine storage infrastructure at national and district levels.

Human capital

Support to education reform, including primary, higher and vocational education, professional training and lifelong learning, is a key focus of the EIP. Providing opportunities for youth and student exchanges (e.g. through Erasmus+) and stronger investment in research capacity are central parts of the EIP's support to human capital development.

On student exchanges, 3 507 students from Ukraine, Moldova and Georgia were able to study in universities from the EU in 2022, and 429 students could study in one of the three countries' universities. A total of 2 504 academic staff were able to spend time in another European university, and 1 864 academic staff spent time in one of the three countries' universities.

In **Ukraine**, the EU has been supporting the education sector a long time, roughly divided into four areas: support to primary/secondary education and the 'New Ukrainian School' reform (EUR 2 million); support to vocational education and training (VET) reforms (EUR 16 million as technical assistance) and refurbishment (EUR 21 million); and support to higher education through grants to universities displaced in 2014 due to the Russian aggression in the east of Ukraine (various grants, EUR 10 million).

The Russian war of aggression against Ukraine has led to a **readjustment of existing support** and additional priorities to allow for emergency support (for instance, electricity generators for VET schools). In addition, the EU has: (i) rehabilitated school facilities – EUR 66 million provided in budget support (alongside EUR 34 million via European Commission-managed projects); (ii) procured school buses (EUR 14 million); and (iii) under U-LEAD with Europe Phase II: Local School Rehabilitation for Resilience, provided EUR 5 million to make war-affected municipalities resilient providers of local public services, in particular education, to mitigate the local impact of the Russian war of aggression against Ukraine.

In 2022, the EU allocated EUR 12 million in support of education and employment in Moldova, of which EUR 10 million focused on education to improve the quality and relevance of education and lifelong learning opportunities for all. The other amount of EUR 2 million aimed to improve the legal framework, policies and capacity for increased access to the labour market and better working conditions in the country.

In Georgia, the skills development and matching labour market needs programme (EUR 48.5 million) aims to support the strengthening of skills to match the private sector's needs by increasing the quality of VET. In 2022, EUR 7 million was disbursed under the budget support part of this programme. Particular progress was made with the introduction of a new methodology for VET qualification development to bring Georgia's system closer to EU and international standards.

Indexes	THIRD PARTY INDICATORS RELATED TO THE STATUS OF DEMOCRACY, GOOD GOVERNANCE AND THE RULE OF LAW IN CANDIDATE COUNTRIES AND POTENTIAL CANDIDATES ⁶									
	Albania	Bosnia and Herzegovina	Kosovo	North Macedonia	Montenegro	Serbia	Türkiye	Georgia	Moldova	Ukraine
Nations in Transit 2023 - Democracy Scores, Freedom House https://freedomhouse.org/count-ries/nations-transit/scores	Total score: 46/100 (2022: 46/100) Status: Transitional or Hybrid Regime (2022: Transitional or Hybrid Regime)	Total score: 37/100 (2022: 38/100) Status: Transitional or Hybrid Regime (2022: Transitional or Hybrid Regime)	Total score: 38/100 (2022: 38/100) Status: Transitional or Hybrid Regime (2022: Transitional or Hybrid Regime)	Total score: 48/100 (2022: 47/100) Status: Transitional or Hybrid Regime (2022: Transitional or Hybrid Regime)	Total score: 46/100 (2022: 47/100) Status: Transitional or Hybrid Regime (2022: Transitional or Hybrid Regime)	Total score: 46/100 (2022: 46/100) Status: Transitional or Hybrid Regime (2022: Transitional or Hybrid Regime)	n/a	Total score: 34/100 (2022: 35/100) Status: Transitional or Hybrid Regime (2022: Transitional or Hybrid Regime)	Total score: 36/100 (2022: 35/100) Status: Transitional or Hybrid Regime (2022: Transitional or Hybrid Regime)	Total score: 39/100 (2022: 39/100) Status: Transitional or Hybrid Regime (2022: Transitional or Hybrid Regime)
Freedom in the World 2023 - Global Freedom Score, Freedom House https://freedomhouse.org/count-ries/freedom-world/scores	Total score: 67/100 (2022: 67/100) Status: Partly free (2022: Partly free)	Total score: 52/100 (2022: 53/100) Status: Partly free (2022: Partly free)	Total score: 60/100 (2022: 56/100) Status: Partly free (2022: Partly free)	Total score: 68/100 (2022: 67/100) Status: Partly free (2022: Partly free)	Total score: 67/100 (2022: 67/100) Status: Partly free (2022: Partly free)	Total score: 60/100 (2022: 62/100) Status: Partly free (2022: Partly free)	Total score: 32/100 (2022: 32/100) Status: Not free (2022: Not free)	Total score: 58/100 (2022: 58/100) Status: Partly free (2022: Partly free)	Total score: 62/100 (2022: 62/100) Status: Partly free (2022: Partly free)	Total score: 50/100 (2022: 61/100) Status: Partly free (2022: Partly free)
Democracy Index 2022 - The Economist Intelligence Unit https://www.eiu.com/n/campaigns/democracy-index-2022/	Overall Score: 6.41/10 (2021: 6.11/10) Rank: 64/167 (2021: 68/167) Regime type: Flawed democracy (2021: Flawed democracy)	Overall Score: 5.00/10 (2021: 5.04/10) Rank: 97/167 (2021: 95/167) Regime type: Hybrid regime (2021: Hybrid regime)	n/a	Overall Score: 6.10/10 (2021: 6.03/10) Rank: 72/167 (2021: 73/167) Regime type: Flawed democracy (2021: Flawed democracy)	Overall Score: 6.45/10 (2021: 6.02/10) Rank: 61/167 (2021: 74/167) Regime type: Flawed democracy (2021: Flawed democracy)	Overall Score: 6.33/10 (2021: 6.36/10) Rank: 68/167 (2021: 63/167) Regime type: Flawed democracy (2021: Flawed democracy)	Overall Score: 4.35/10 (2021: 4.35/10) Rank: 103/167 (2021: 103/167) Regime type: Hybrid regime (2021: Hybrid regime)	Overall Score: 5.20/10 (2021: 5.12/10) Rank: 90/167 (2021: 91/167) Regime type: Hybrid regime (2021: Hybrid regime)	Overall Score: 6.23/10 (2021: 6.10/10) Rank: 69/167 (2021: 69/167) Regime type: Flawed democracy (2021: Flawed democracy)	Overall Score: 5.42/10 (2021: 5.57/10) Rank: 87/167 (2021: 86/167) Regime type: Hybrid regime (2021: Hybrid regime)

⁶ The table presents the latest available ranking and/or scores by third parties. Additional reference to data from previous assessment is shown in between parenthesis, when available.

World Press Freedom Index 2023 - Reporters without borders https://rsf.org/en/index	Global Score: 57.86/100 (2022: 56.41/100) Rank: 96/180 (2022: 103/180)	Global Score: 65.43/100 (2022: 65.64/100) Rank: 64/180 (2022: 67/180)	Global Score: 68.38/100 (2022: 67.00/100) Rank: 56/180 (2022: 61/180)	Global Score: 74.35/100 (2022: 68.44/100) Rank: 38/180 (2022: 57/180)	Global Score: 74.28/100 (2022: 66.54/100) Rank: 39/180 (2022: 63/180)	Global Score: 59.16/100 (2022: 61.51/100) Rank: 91/180 (2022: 79/180)	Global Score: 33.97/100 (2022: 41.25/100) Rank: 165/180 (2022: 149/180)	Global Score: 61.69/100 (2022: 59.30/100) Rank: 77/180 (2022: 89/180)	Global Score: 77.62/100 (2022: 73.47/100) Rank: 28/180 (2022: 40/180)	Global Score: 61.19/100 (2022: 55.76/100) Rank: 79/180 (2022: 106/180)
Rule of Law Index 2022 - World Justice Project https://worldjusticeproject.org/rule-of-law-index/global/2022/	Overall Score: 0.49/1 (2021: 0.49/1) Global Rank: 87/140 (2021: 83/139)	Overall Score: 0.52/1 (2021: 0.52/1) Global Rank: 70/140 (2021: 72/139)	Overall Score: 0.56/1 (2021: 0.55/1) Global Rank: 57/140 (2021: 60/139)	Overall Score: 0.53/1 (2021: 0.53/1) Global Rank: 63/140 (2021: 64/139)	n/a	Overall Score: 0.49/1 (2021: 0.49/1) Global Rank: 83/140 (2021: 81/139)	Overall Score: 0.42/1 (2021: 0.42/1) Global Rank: 116/140 (2021: 117/139)	Overall Score: 0.60/1 (2021: 0.61/1) Global Rank: 49/140 (2021: 49/139)	Overall Score: 0.52/1 (2021: 0.51/1) Global Rank: 68/140 (2021: 73/139)	Overall Score: 0.50/1 (2021: 0.51/1) Global Rank: 76/140 (2021: 74/139)
Worldwide Governance Indicators 2022 – Rule of Law, The World Bank Group http://info.worldbank.org/governance/wgi/	Percentile Rank: 47.17/100	Percentile Rank: 41.5/100	Percentile Rank: 39.62/100	Percentile Rank: 50.00/100	Percentile Rank: 48.58/100	Percentile Rank: 49.06/100	Percentile Rank: 36.79/100	Percentile Rank: 56.60/100	Percentile Rank: 41.98/100	Percentile Rank: 18.87/100
Worldwide Governance Indicators 2022 – Governance Effectiveness, The World Bank Group http://info.worldbank.org/governance/wgi/	Percentile Rank: 56.60/100	Percentile Rank: 12.74/100	Percentile Rank: 44.34/100	Percentile Rank: 49.53/100	Percentile Rank: 51.42/100	Percentile Rank: 57.08/100	Percentile Rank: 43.87/100	Percentile Rank: 72.64/100	Percentile Rank: 40.57/100	Percentile Rank: 33.02/100
Worldwide Governance Indicators 2022 – Control of Corruption, The World Bank Group http://info.worldbank.org/governance/wgi/	Percentile Rank: 38.68/100	Percentile Rank: 25.94/100	Percentile Rank: 47.17/100	Percentile Rank: 43.87/100	Percentile Rank: 50.94/100	Percentile Rank: 35.38/100	Percentile Rank: 34.91/100	Percentile Rank: 72.17/100	Percentile Rank: 42.92/100	Percentile Rank: 29.25/100

Corruption Perceptions Index 2022 - Transparency International https://www.transparency.org/en/cpi/2022	Score: 36/100 (2021: 35/100) Rank: 101/180 (2021: 110/180)	Score: 34/100 (2021: 35/100) Rank: 110/180 (2021: 110/180)	Score: 41/100 (2021: 39/100) Rank: 84/180 (2021: 87/180)	Score: 40/100 (2021: 39/100) Rank: 85/180 (2021: 87/180)	Score: 45/100 (2021: 46/100) Rank: 65/180 (2021: 64/180)	Score: 36/100 (2021: 38/100) Rank: 101/180 (2021: 96/180)	Score: 36/100 (2021: 38/100) Rank: 101/180 (2021: 96/180)	Score: 56/100 (2021: 55/100) Rank: 41/180 (2021: 45/180)	Score: 39/100 (2021: 36/100) Rank: 91/180 (2021: 105/180)	Score: 33/100 (2021: 32/100) Rank: 116/180 (2021: 122/180)
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STATISTICAL DATA (as of 31/08/2023), part 1 (Albania – Montenegro)

Demography	Note	Albania		Bosnia and Herzegovina		Kosovo		North Macedonia		Montenegro		EU-27	
		2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Total population (thousands)		2 846 s	2 830 s	:	:	1 782 s	1 798 s	2 076 s	2 069 s	622 s	621 s	447 485 s	447 001 bps
Share of 15-64 in total population (%)		68.4 s	68.2 s	:	:	67.1 s	67.3 s	69.3 s	69.1 s	66.5 s	66.2 s	64.3 ps	64.1 bps
Crude rate of natural population change (per 1 000 inhabitants)		0.2	- 1.2	:	:	7.4 ep	:	- 3.2	- 5.1	- 0.3	- 3.4	- 2.5 ep	- 2.7 bep
Life expectancy at birth, males (years)		75.2	73.6	:	:	:	:	72.2	71.1 b	73.2	70.8	77.5 ep	77.2 bep
Life expectancy at birth, females (years)		79.6	77.7	:	:	:	:	76.7	75.5 b	78.8	77.0	83.2 ep	82.9 bep

Labour market	Note	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Economic activity rate for persons aged 20-64: proportion of the population aged 20-64 that is economically active (%)													
Total	1) 2) 3) 4) 5) 6) 7)	75.3 ew	75.1 ew	62.3 bw	63.4 bw	42.9 w	43.9 w	70.5	70.5 w	67.2	64.7 w	77.6	78.4 b
Males	1) 2) 3) 4) 5) 6) 7)	83.9 ew	84.2 ew	75.4 bw	76.7 bw	63.0 w	63.8 w	82.5	83.2 w	74.6	71.7 w	83.6	84.0 b
Females	1) 2) 3) 4) 5) 6) 7)	66.9 ew	66.3 ew	49.1 bw	50.0 bw	23.1 w	24.4 w	58.2	57.4 w	59.9	57.8 w	71.7	72.9 b
Employment rates, aged 20-64 (% of the population)													
Total	1) 2) 3) 4) 5) 6)	66.3 ew	66.3 ew	52.5 bw	52.6 bw	32.3 w	35.1 w	59.1	59.5 w	55.2	54.2 w	72.2	73.1 b
Males	1) 2) 3) 4) 5) 6)	74.0 ew	74.6 ew	64.9 bw	66.0 bw	48.8 w	51.9 w	68.9	69.5 w	61.7	59.8 w	78.0	78.5 b
Females	1) 2) 3) 4) 5) 6)	58.8 ew	58.3 ew	40.0 bw	39.1 bw	16.0 w	18.5 w	49.0	49.2 w	48.8	48.7 w	66.5	67.6 b
Persons aged 15-24 not in employment, education or training, % of the population in the age group	1) 2) 8) 5) 4) 9)	26.6 w	24.0 w	21.6 w	19.9 w	33.6 w	32.1 w	19.6	17.9 w	21.1	20.2 w	11.1	10.8 b

Labour market (cont.)	Note	Albania		Bosnia and Herzegovina		Kosovo		North Macedonia		Montenegro		EU-27	
		2020	2021	2020	2021	2020	2021	2019	2020	2021	2020	2021	2020
Persons aged 15-29 not in employment, education or training, % of the population in the age group	1) 2) 8) 5) 4) 9)	27.9 w	26.1 w	25.9 w	25.1 w	40.4 w	36.6 w	26.2	24.3 w	26.6	26.5 w	13.8	13.1 b
Employment by main sectors													
Agriculture, forestry and fisheries (%)	1) 2) 3) 4) 5) 6) 10)	36.1 ew	33.8 ew	12.0 bw	9.4 bw	4.8 w	2.8 w	12.0 s	11.5 w	7.5 s	6.4 w	4.3 s	3.8 bs
Industry (%)	1) 2) 3) 4) 5) 6) 10)	13.4 ew	13.8 ew	23.9 bw	24.4 bw	16.3 w	14.8 w	23.9 s	23.9 w	10.1 s	10.2 w	18.2 s	18.0 bs
Construction (%)	1) 2) 3) 4) 5) 6) 10)	7.0 ew	8.1 ew	9.5 bw	9.1 bw	11.1 w	10.5 w	6.9 s	6.8 w	8.3 s	6.7 w	6.6 s	6.6 bs
Services (%)	1) 2) 3) 4) 5) 6) 10)	43.5 ew	44.3 ew	54.7 bw	57.0 bw	67.9 w	71.9 w	57.1 s	57.7 w	73.5 s	76.7 w	70.1 s	70.9 bs
People employed in the public sector as a share of total employment, persons aged 20-64 (%)	11) 12) 13) 5) 4)	15.5 ew	16.3 ew	19.1 bw	19.8 bw	28.7 w	28.3 w	24.4 w	25.6 w	30.5 w	32.7 w	:	:
People employed in the private sector as a share of total employment, persons aged 20-64 (%)	14) 1) 13) 2) 5)	84.5 ew	83.7 ew	80.9 bw	80.2 bw	71.3 w	71.7 w	75.6 w	74.4 w	65.6 w	63.7 w	:	:
Unemployment rates (% of the labour force)													
Total	1) 2) 3) 4) 5) 6) 15) 16)	11.8 ew	11.6 ew	15.9 bw	17.4 bw	25.8 w	20.6 w	16.4	15.7 w	17.9	16.6 w	7.1	7.1 b
Males	1) 2) 3) 4) 5) 6) 15) 16)	11.6 ew	11.4 ew	14.2 bw	14.4 bw	23.4 w	18.9 w	16.7	16.4 w	17.5	17.1 w	6.8	6.8 b
Females	1) 2) 3) 4) 5) 6) 15) 16)	12.0 ew	11.8 ew	18.6 bw	22.0 bw	32.2 w	24.9 w	15.9	14.6 w	18.4	15.9 w	7.4	7.4 b
Youth, aged 15-24	1) 2) 3) 4) 5) 6)	26.5 ew	27.1 ew	36.6 bw	38.3 bw	49.1 w	38.0 w	35.7	36.4 w	36.0	37.1 w	16.8	16.7 b
Long-term (>12 months)	1) 2) 3) 4) 5) 6) 15) 16)	7.0 ew	7.3 ew	11.9 bw	13.7 bw	18.4 w	14.5 w	12.4	12.5 w	13.4	11.0 w	2.5	2.8
Average nominal monthly wages and salaries (EUR)	17) 18) 19) 20) 21) 6)	434 sw	474 sw	489 sw	510 sw	466 sw	484 sw	441 sw	466 sw	524 sw	532 sw	:	:

Education	Note	Albania		Bosnia and Herzegovina		Kosovo		North Macedonia		Montenegro		EU-27	
		2020	2021	2020	2021	2020	2021	2019	2020	2021	2020	2021	2020
Early leavers from education and training: percentage of the population aged 18-24 with at most a lower secondary education and not in further education or training (%)	1) 2) 8) 5) 4)	15.6 w	17.4 w	4.7 w	4.7 w	7.8 w	7.0 w	5.7	4.6 w	3.6	6.7 w	9.9	9.8 b
Public expenditure on education relative to GDP (%)	6) 22) 23)	3.3 psw	3.1 sw	4.3 sw	:	4.6 sw	4.3 sw	:	:	:	:	5.0 d	:
Percentage of the population aged 20-24 with at most lower secondary education, total	1) 2) 3) 4) 5) 6) 24)	17.9 w	17.2 w	5.8 bw	6.1 bw	10.2 w	9.8 w	6.1	4.9 w	:	2.8 w	15.7	15.6 b
Percentage of the population aged 20-24 with at most lower secondary education, males	1) 2) 3) 4) 5) 6)	18.5 w	18.4 w	5.8 bw	6.8 bw	9.1 w	10.3 w	5.9	4.9 w	:	3.4 w	18.5	18.1 b
Percentage of the population aged 20-24 with at most lower secondary education, females	1) 2) 3) 4) 5) 6)	17.4 w	16.1 w	5.9 bw	5.3 bw	11.5 w	9.4 w	6.2	4.9 w	:	2.2 w	12.9	12.9 b
Percentage of the population aged 20-24 with upper secondary or post secondary non-tertiary education, total	1) 2) 3) 4) 5) 6)	51.5 w	56.3 w	84.2 bw	84.5 bw	78.8 w	75.6 w	85.2	88.8 w	83.3	85.2 w	66.8	65.7 b
Percentage of the population aged 20-24 with upper secondary or post secondary non-tertiary education, males	1) 2) 3) 4) 5) 6)	60.2 w	65.0 w	86.1 bw	86.5 bw	83.1 w	78.4 w	89.0	91.8 w	85.7	87.6 w	67.5	66.3 b
Percentage of the population aged 20-24 with upper secondary or post secondary non-tertiary education, females	1) 2) 3) 4) 5) 6)	42.4 w	48.1 w	82.3 bw	82.4 bw	73.8 w	72.6 w	81.1	85.7 w	80.6	82.6 w	66.0	65.1 b
Percentage of the population aged 30-34 with tertiary education, total	1) 2) 3) 4) 5) 6)	33.2 ew	32.1 ew	28.4 bw	28.8 bw	29.1 w	32.3 w	39.7	36.9 w	38.4	39.0 w	41.1	41.9 b
Percentage of the population aged 30-34 with tertiary education, males	1) 2) 3) 4) 5) 6)	26.7 ew	25.4 ew	23.2 bw	23.9 bw	28.1 w	30.8 w	34.3	31.8 w	35.1	34.9 w	36.0	36.6 b
Percentage of the population aged 30-34 with tertiary education, females	1) 2) 3) 4) 5) 6)	40.0 ew	39.3 ew	34.0 bw	34.0 bw	30.3 w	34.0 w	45.3	42.3 w	41.7	43.0 w	46.2	47.2 b

National accounts	Note	Albania		Bosnia and Herzegovina		Kosovo		North Macedonia		Montenegro		EU-27	
		2020	2021	2020	2021	2020	2021	2019	2020	2021	2020	2021	2020
Gross domestic product													
In current prices (EUR million)	6) 23)	13 310	15 157 p	17 756	19 995	6 772	7 958	10 852	11 688 p	4 186	4 955	13 471 071	14 567 204
Per capita (EUR)	6) 23)	4 690	5 390 p	:	:	3 800 s	4 426 s	5 240 e	5 672 sw	6 740	8 000	30 050	32 520
In purchasing power standards (PPS) per capita		9 213	10 296 p	10 200	:	:	:	11 349 e	:	13 436	15 538	30 054	32 524
In purchasing power standards (PPS) per capita, relative to the EU average (EU-27 = 100)		30.7	31.7	33.1 s	:	:	:	37.8	:	44.7	47.8	100	100
Real (volume) annual rate of change, compared with the previous year (%)	6) 23)	- 3.5 p	:	- 3.0	7.4	- 5.3	10.7	- 4.7	3.9 p	- 15.3	13.0	- 5.6	5.6
Gross value added by main sectors													
Agriculture, forestry and fisheries (%)	6) 23) 25)	21.9	21.1 p	7.0	6.0	8.9	8.6	9.8	8.4 p	9.1	8.0	1.8	1.8
Industry (%)	6) 23) 25)	12.8	12.9 p	22.8	24.5	24.1	23.6	19.8	19.6 p	13.5	12.5	19.7	20.0
Construction (%)	6) 23) 25)	10.2	10.9 p	5.4	5.1	9.3	10.6	6.0	6.3 p	7.3	5.8	5.5	5.5
Services (%)	6) 23) 25)	55.2 s	55.2 ps	64.7 s	64.3 s	57.7 s	57.2 s	64.3 s	65.8 ps	70.0 s	73.8 s	73.0 s	72.7 s
Balance of payments	Note	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Net (inward - outward) foreign direct investment (FDI) (million euro)	63) 64) 59) 65) 66)	893.6 s	988.8 s	322.2 w	459.8 w	286.6 w	320.4 w	154.7 w	387.5 w	470.5 w	581.6 w	c	- 318 026.0 s
Net (inward - outward) foreign direct investment (FDI) (% of GDP)	63) 64) 67) 23)	6.71 s	6.52 ps	1.84 sw	2.41 sw	4.23 s	4.03 s	1.45 psw	3.32 ps	11.24 sw	11.74 sw	c	- 2.18 s
Net (inward - outward) foreign direct investment (FDI) in relation to EU-27 (million euro)	68) 59) 65) 69) 66)	506.8 s	652.5 s	226.3 w	186.8 w	135.6 s	189.1 s	11.1 w	390.0 s	92.9 w	180.1 w	c	- 56 205.8 s
Net (inward - outward) foreign direct investment (FDI) in relation to EU-27 (% of GDP)	68) 70) 23)	3.81 s	4.30 sp	1.29 sw	0.98 sw	2.00 s	2.38 s	0.10 psw	3.34 sp	2.22 sw	3.64 sw	c	- 0.39 s
Remittances as % of GDP	71) 72) 23)	5.06 s	5.02 ps	7.26 s	7.78 s	14.47 s	14.49 s	3.07 s	2.95 ps	6.26 s	6.82 s	0.15 s	0.14 s

External trade in goods	Note	Albania		Bosnia and Herzegovina		Kosovo		North Macedonia		Montenegro		EU-27	
		2020	2021	2020	2021	2020	2021	2019	2020	2021	2020	2021	2020
Share of exports to EU-27 countries in value of total exports (%)	26) 27)	74.7 s	72.2 s	72.4 s	72.8 s	34.5 s	31.5 s	77.5 s	77.1 s	37.7 s	31.1 s	:	:
Share of imports from EU-27 countries in value of total imports (%)	26) 27)	57.9 s	54.4 s	60.8 s	58.9 s	45.8 s	44.3 s	46.3 s	46.2 s	44.2 s	45.7 s	:	:
Trade balance (EUR million)	26) 28) 27)	- 2 670	- 3 533	- 3 254	- 3 744	- 2 822	- 3 929	- 1 818	- 2 678	- 1 739	- 2 067	215 288	55 040
International trade in goods and services relative to GDP													
Imports (% of GDP)	6) 23)	37.2	44.7 p	47.9	53.9	53.9	65.2	70.5	82.3 p	61.0	62.2	42.8	46.7
Exports (% of GDP)	6) 23)	22.7	31.3 p	34.2	42.2	21.7	33.4	57.8	66.2 p	26.0	42.8	46.4	50.5

Public finance	Note	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
General government surplus (+) / deficit (-) (%)	29) 30) 31) 23)	- 6.8 w	- 6.8 fw	- 5.3 w	:	- 5.2 w	:	- 8.1 w	:	- 10.7 ew	:	- 6.7	- 4.8
General government debt (%)	32) 29) 33) 31) 34) 23)	72.7 w	76.7 fw	36.6 w	w	21.8 w	:	51.2 w	:	103.1 w	:	90.0	88.0

Financial indicators	Note	Albania		Bosnia and Herzegovina		Kosovo		North Macedonia		Montenegro		EU-27	
		2020	2021	2020	2021	2020	2021	2019	2020	2021	2020	2021	2020
Annual change in consumer prices (%)	35) 36) 37) 38)	2.2 d	2.3 d	- 1.1 w	2.0 w	0.2 d	3.4 d	1.2 d	3.4 d	- 0.5 d	2.5 d	0.7	2.9
Private debt, consolidated, relative to GDP (%)	39) 40)	:	:	- 1.2 w	:	:	:	:	:	:	:	:	:
Total external debt, relative to GDP (%)	41) 42) 43) 44) 23)	64.2 s	64.4 ps	64.3 sw	60.1 sw	37.2 sw	37.4 sw	78.7 s	81.9 ps	221.6 s	191.5 s	:	:
Total debt in foreign currency, relative to GDP (%)	45)	66 w	:	:	:	:	:	:	:	17 w	:	:	:
Lending interest rate (one year), per annum (%)	46) 47) 48) 49) 50) 51) 52)	6.05 w	5.91 w	3.05 w	3.20 w	6.21 w	5.96 w	2.00 w	1.75 w	5.84 w	5.66 w	:	:
Deposit interest rate (one year), per annum (%)	46) 53) 48) 54) 55) 50) 56) 57)	0.40 w	0.48 w	0.07 w	0.05 w	1.49 w	1.33 w	0.15 w	0.15 w	0.40 w	0.35 w	:	:
Value of reserve assets (including gold) (million euro)	48) 41) 42) 43) 58) 59)	3 942.4 w	4 972.2 w	7 091.0 w	8 359.1 w	900.8 w	1 100.3 w	3 359.9 w	3 643.3 w	1 738.5 w	1 748.8 w	:	:
International reserves - equivalence in months of imports	60) 48) 41) 42) 61) 62)	9.6 sw	17.0 sw	10.0 sw	:	3.0 sw	:	5.3 sw	:	8.2 sw	:	:	:

Business	Note	Albania		Bosnia and Herzegovina		Kosovo		North Macedonia		Montenegro		EU-27	
		2020	2021	2020	2021	2020	2021	2019	2020	2021	2020	2021	2020
Industrial production index (2015 = 100)	73) 74) 75) 76)	89.5 w	113.0 w	96.7	106.2	:	:	102.4	103.9	105.8	110.3	98.5	107.5

Infrastructure	Note	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Density of railway network (lines in operation per thousand km²)	77) 78) 79) 80) 81) 82)	7.8 sw	7.8 s	19.9 sw	19.9 sw	30.5 sw	30.5 sw	26.9 s	26.9 s	18.0 s	18.0 s	:	:
Length of motorways (kilometres)	83)	22	25	218	218	137 w	137 w	335	335	z	z	:	:

Energy	Note	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Net energy imports in relation to GDP	84)	1.7 s	2.7 ps	2.7 s	3.5 s	4.2 s	6.7 s	4.8 s	7.7 ps	2.6 s	4.1 s	1.6 s	2.7 s

STATISTICAL DATA (as of 31/08/2023), part 2 (Serbia – Ukraine)

Demography	Note	Serbia		Türkiye		Georgia		Moldova		Ukraine		EU-27	
		2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Total population (thousands)		6 927 s	6 872 s	83 155 s	83 614 s	3 717 s	3 729 s	2 640 s	2 597 ps	41 733 s	41 419 s	447 485 s	447 001 bps
Share of 15-64 in total population (%)		64.8 s	64.5 s	67.8 s	67.7 s	64.5 s	64.2 s	:	66.7 ps	67.6 s	67.4 s	64.3 ps	64.1 bps
Crude rate of natural population change (per 1 000 inhabitants)		- 8.0	- 10.9	:	:	- 1.1	- 3.8	- 3.8 ep	:	- 7.8	- 10.7 e	- 2.5 ep	- 2.7 bep
Life expectancy at birth, males (years)		71.6	70.0	:	:	:	:	:	:	:	:	77.5 ep	77.2 bep
Life expectancy at birth, females (years)		77.5	75.7	:	:	:	:	:	:	:	:	83.2 ep	82.9 bep

Labour market	Note	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Economic activity rate for persons aged 20-64: proportion of the population aged 20-64 that is economically active (%)													
Total	1) 2) 3) 4) 5) 6) 7)	72.5	75.0 b	58.7	61.2 bw	63.2 bw	64.5 w	51.1 w	52.8 w	72.0 w	71.9 w	77.6	78.4 b
Males	1) 2) 3) 4) 5) 6) 7)	79.9	82.6 b	79.8	82.3 bw	74.0 bw	76.2 w	55.5 w	57.8 w	78.4 w	78.2 w	83.6	84.0 b
Females	1) 2) 3) 4) 5) 6) 7)	65.2	67.4 b	37.5	40.0 bw	52.8 bw	53.4 w	47.0 w	48.1 w	66.0 w	66.0 w	71.7	72.9 b
Employment rates, aged 20-64 (% of the population)													
Total	1) 2) 3) 4) 5) 6)	65.9	66.7 b	51.0	53.9 bw	51.1 bw	50.6 w	49.1 w	51.1 w	65.2 w	64.8 w	72.2	73.1 b
Males	1) 2) 3) 4) 5) 6)	72.9	74.2 b	70.1	73.6 bw	58.7 bw	58.1 w	53.1 w	55.6 w	70.8 w	70.8 w	78.0	78.5 b
Females	1) 2) 3) 4) 5) 6)	58.9	59.3 b	32.0	34.1 bw	43.9 bw	43.5 w	45.5 w	46.9 w	60.0 w	59.3 w	66.5	67.6 b
Persons aged 15-24 not in employment, education or training, % of the population in the age group	1) 2) 8) 5) 4) 9)	15.9	16.4 b	28.3	24.7 bw	28.5 bw	26.8 w	17.6 w	17.2 w	15.5 w	14.3 w	11.1	10.8 b

Labour market (cont.)	Note	Serbia		Türkiye		Georgia		Moldova		Ukraine		EU-27	
		2020	2021	2020	2021	2020	2021	2019	2020	2021	2020	2021	2020
Persons aged 15-29 not in employment, education or training, % of the population in the age group	1) 2) 8) 5) 4) 9)	20.0	18.8 b	32.0	28.4 bw	35.1 bw	34.6 w	26.0 w	26.4 w	20.0 w	19.8 w	13.8	13.1 b
Employment by main sectors													
Agriculture, forestry and fisheries (%)	1) 2) 3) 4) 5) 6) 10)	14.6 s	15.0 bs	17.6 s	17.2 bw	19.8 bw	18.9 w	21.1 w	21.5 w	14.1 w	14.1 w	4.3 s	3.8 bs
Industry (%)	1) 2) 3) 4) 5) 6) 10)	22.6 s	23.7 bs	20.5 s	21.3 bw	11.4 bw	11.3 w	14.6 w	14.4 w	17.8 w	18.2 w	18.2 s	18.0 bs
Construction (%)	1) 2) 3) 4) 5) 6) 10)	5.4 s	6.0 bs	5.7 s	6.2 bw	6.9 bw	7.8 w	7.2 w	7.7 w	7.0 w	7.0 w	6.6 s	6.6 bs
Services (%)	1) 2) 3) 4) 5) 6) 10)	57.5 s	55.3 bs	56.2 s	55.3 bw	61.9 bw	62.1 w	57.1 w	56.4 w	61.1 w	60.7 w	70.1 s	70.9 bs
People employed in the public sector as a share of total employment, persons aged 20-64 (%)	11) 12) 13) 5) 4)	26.4 w	25.8 w	17.7 w	16.9 bw	23.5 bw	24.3 w	29.6 w	28.6 w	:	:	:	:
People employed in the private sector as a share of total employment, persons aged 20-64 (%)	14) 1) 13) 2) 5)	73.6 w	74.2 w	82.3 w	83.1 bw	76.5 bw	75.7 w	70.4 w	71.4 w	:	:	:	:
Unemployment rates (% of the labour force)													
Total	1) 2) 3) 4) 5) 6) 15) 16)	9.1	11.1 b	13.2	12.0 bw	18.5 bw	20.6 w	3.8 w	3.2 w	9.5 w	9.8 w	7.1	7.1 b
Males	1) 2) 3) 4) 5) 6) 15) 16)	8.8	10.2 b	12.4	10.7 bw	20.2 bw	22.7 w	4.3 w	3.9 w	9.8 w	9.5 w	6.8	6.8 b
Females	1) 2) 3) 4) 5) 6) 15) 16)	9.5	12.1 b	14.9	14.8 bw	16.2 bw	17.8 w	3.3 w	2.5 w	9.1 w	10.1 w	7.4	7.4 b
Youth, aged 15-24	1) 2) 3) 4) 5) 6)	26.6	26.4 b	25.1	22.6 bw	39.4 bw	42.9 w	10.9 w	9.2 w	19.3 w	19.1 w	16.8	16.7 b
Long-term (>12 months)	1) 2) 3) 4) 5) 6) 15) 16)	4.5	4.9	3.3	3.7 bw	5.8 bw	7.2 w	0.7 w	0.8 w	2.0 w	2.4 w	2.5	2.8
Average nominal monthly wages and salaries (EUR)	17) 18) 19) 20) 21) 6)	706 sw	772 sw	384 sw	256 sw	296 sw	372 sw	376 sw	447 sw	334 sw	453 sw	:	:

Education	Note	Serbia		Türkiye		Georgia		Moldova		Ukraine		EU-27	
		2020	2021	2020	2021	2020	2021	2019	2020	2021	2020	2021	2020
Early leavers from education and training: percentage of the population aged 18-24 with at most a lower secondary education and not in further education or training (%)	1) 2) 8) 5) 4)	5.6	6.3 b	26.7	23.0 bw	8.2 w	7.3 w	16.9 w	19.6 w	:	:	9.9	9.8 b
Public expenditure on education relative to GDP (%)	6) 22) 23)	3.5 sw	3.3 psw	4.0	3.5 sw	3.8 psw	3.6 sw	:	:	5.4 sw	:	5.0 d	:
Percentage of the population aged 20-24 with at most lower secondary education, total	1) 2) 3) 4) 5) 6) 24)	6.4	6.7 b	34.4	29.5 bw	7.9 w	7.3 w	21.2 w	23.3 w	2.9 w	2.7 w	15.7	15.6 b
Percentage of the population aged 20-24 with at most lower secondary education, males	1) 2) 3) 4) 5) 6)	6.0	7.7 b	36.7	31.6 bw	8.3 w	7.4 w	24.5 w	27.3 w	3.1 w	2.9 w	18.5	18.1 b
Percentage of the population aged 20-24 with at most lower secondary education, females	1) 2) 3) 4) 5) 6)	6.8	5.7 b	32.2	27.3 bw	7.5 w	7.2 w	18.0 w	19.4 w	2.8 w	2.5 w	12.9	12.9 b
Percentage of the population aged 20-24 with upper secondary or post secondary non-tertiary education, total	1) 2) 3) 4) 5) 6)	85.4	85.3 b	43.1	47.8 bw	77.3 w	77.2 w	69.4 w	68.2 w	54.9 w	55.2 w	66.8	65.7 b
Percentage of the population aged 20-24 with upper secondary or post secondary non-tertiary education, males	1) 2) 3) 4) 5) 6)	87.5	86.3 b	45.3	51.1 bw	82.4 w	84.0 w	68.7 w	66.4 w	59.6 w	58.9 w	67.5	66.3 b
Percentage of the population aged 20-24 with upper secondary or post secondary non-tertiary education, females	1) 2) 3) 4) 5) 6)	83.2	84.1 b	40.8	44.5 bw	71.3 w	70.2 w	70.2 w	69.9 w	50.0 w	51.3 w	66.0	65.1 b
Percentage of the population aged 30-34 with tertiary education, total	1) 2) 3) 4) 5) 6)	33.0	35.3 b	33.1	35.5 bw	38.2 w	35.5 w	31.5 w	31.8 w	57.1 w	58.0 w	41.1	41.9 b
Percentage of the population aged 30-34 with tertiary education, males	1) 2) 3) 4) 5) 6)	27.1	27.7 b	33.9	36.1 bw	33.6 w	32.3 w	24.3 w	28.6 w	49.7 w	51.4 w	36.0	36.6 b
Percentage of the population aged 30-34 with tertiary education, females	1) 2) 3) 4) 5) 6)	39.1	43.2 b	32.2	35.0 bw	42.7 w	38.9 w	38.2 w	34.7 w	64.8 w	64.8 w	46.2	47.2 b

National accounts	Note	Serbia		Türkiye		Georgia		Moldova		Ukraine		EU-27	
		2020	2021	2020	2021	2020	2021	2019	2020	2021	2020	2021	2020
Gross domestic product													
In current prices (EUR million)	6) 23)	46 815	53 329	626 742	689 547	13 871 w	15 732 w	10 116 w	11 569 w	137 133 w	168 710 w	13 471 071	14 567 204
Per capita (EUR)	6) 23)	6 790	7 800	7 520	8 190	3 726 w	4 242 w	3 839 w	4 424 w	3 285 w	4 077 w	30 050	32 520
In purchasing power standards (PPS) per capita		12 812	14 349	18 325	20 337	:	:	12 977 w	16 069 w	:	:	30 054	32 524
In purchasing power standards (PPS) per capita, relative to the EU average (EU-27 = 100)		42.6	44.2	61.0	62.7	:	:	:	:	:	:	100	100
Real (volume) annual rate of change, compared with the previous year (%)	6) 23)	- 0.9	7.5	1.9	11.4	- 6.8 w	10.5 w	- 8.3 w	13.9 w	- 3.8 w	3.4 w	- 5.6	5.6
Gross value added by main sectors													
Agriculture, forestry and fisheries (%)	6) 23) 25)	7.6	7.6	7.5	6.2	8.3 w	7.4 w	10.8 w	12.3 w	10.8 w	12.7 w	1.8	1.8
Industry (%)	6) 23) 25)	23.4	23.0	25.6	29.1	15.5 w	17.0 w	15.2 w	14.7 w	20.9 w	23.8 w	19.7	20.0
Construction (%)	6) 23) 25)	6.6	7.3	5.9	5.7	8.7 w	7.5 w	11.5 w	9.3 w	3.3 w	3.2 w	5.5	5.5
Services (%)	6) 23) 25)	62.4 s	62.2 s	61.0 s	59.1 s	67.5 w	68.1 w	62.5 w	63.6 w	65.0 w	60.3 w	73.0 s	72.7 s
Balance of payments	Note	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Net (inward - outward) foreign direct investment (FDI) (million euro)	63) 64) 59) 65) 66)	2 938.5 w	3 656.9 w	3 942.6 s	5 832.2 s	498.7 w	783.6 w	133.4 w	322.7 w	- 50.8 w	6 351.5 w	c	- 318 026.0 s
Net (inward - outward) foreign direct investment (FDI) (% of GDP)	63) 64) 67) 23)	c	6.86 s	0.63 s	0.85 s	3.60 sw	4.98 sw	1.32 sw	2.79 sw	- 0.04 sw	3.76 sw	c	- 2.18 s
Net (inward - outward) foreign direct investment (FDI) in relation to EU-27 (million euro)	68) 59) 65) 69) 66)	c	1 801.0 s	140.6 s	600.5 s	178.9 w	189.7 w	:	:	- 691.7 w	4 748.7 w	c	- 56 205.8 s
Net (inward - outward) foreign direct investment (FDI) in relation to EU-27 (% of GDP)	68) 70) 23)	c	3.38 s	0.02 s	0.09 s	1.29 sw	1.21 sw	:	:	- 0.50 sw	2.81 sw	c	- 0.39 s
Remittances as % of GDP	71) 72) 23)	4.81 s	:	0.02 s	:	7.34 sw	8.65 sw	8.87 dpsw	:	0.75 psw	:	0.15 s	0.14 s

External trade in goods	Note	Serbia		Türkiye		Georgia		Moldova		Ukraine		EU-27	
		2020	2021	2020	2021	2020	2021	2019	2020	2021	2020	2021	2020
Share of exports to EU-27 countries in value of total exports (%)	26) 27)	66.2 s	65.8 s	41.1 s	41.1 s	20.9 ew	16.9 sw	66.4 sw	62.5 sw	:	:	:	:
Share of imports from EU-27 countries in value of total imports (%)	26) 27)	55.6 s	53.9 s	33.1 s	31.1 s	23.0 ew	22.9 sw	45.6 sw	46.6 sw	:	:	:	:
Trade balance (EUR million)	26) 28) 27)	- 5 019	- 6 279	- 42 293	- 38 925	- 3 838 sw	- 5 171 sw	- 2 572 sw	- 2 166 sw	- 4 438 sw	:	215 288	55 040
International trade in goods and services relative to GDP													
Imports (% of GDP)	6) 23)	56.5	62.3	32.2	35.5	56.6 w	59.6 w	51.4 w	57.8 w	40.3 w	41.9 w	42.8	46.7
Exports (% of GDP)	6) 23)	48.2	54.5	28.7	35.3	37.3 w	43.2 w	27.9 w	30.6 w	38.8 w	40.7 w	46.4	50.5

Public finance	Note	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
General government surplus (+) / deficit (-) (%)	29) 30) 31) 23)	- 8.0 w	- 4.2 ew	- 4.7 w	:	- 9.3 w	- 6.3 w	- 5.1 ew	0.0 ew	- 5.4 w	- 3.3 w	- 6.7	- 4.8
General government debt (%)	32) 29) 33) 31) 34) 23)	57.7 w	57.5 ew	39.8 w	:	60.1 w	49.6 w	33.1 w	32.6 w	60.4 w	49.0 w	90.0	88.0

Financial indicators	Note	Serbia		Türkiye		Georgia		Moldova		Ukraine		EU-27	
		2020	2021	2020	2021	2020	2021	2019	2020	2021	2020	2021	2020
Annual change in consumer prices (%)	35) 36) 37) 38)	1.8 d	4.0 d	12.3 d	19.6 d	5.2 w	9.6 w	3.8 w	5.1 w	2.7 w	9.4 w	0.7	2.9
Private debt, consolidated, relative to GDP (%)	39) 40)	:	:	13.0 w	7.6 w	:	:	:	:	:	:	:	:
Total external debt, relative to GDP (%)	41) 42) 43) 44) 23)	c	75.8 s	60.4 sw	54.3 sw	135.5 sw	124.0 sw	65.5 sw	66.9 sw	74.6 sw	67.8 sw	:	:
Total debt in foreign currency, relative to GDP (%)	45)	:	:	:	:	:	:	:	:	:	:	:	:
Lending interest rate (one year), per annum (%)	46) 47) 48) 49) 50) 51) 52)	1.90 w	1.90 w	16.25 w	22.79 w	8.52 w	9.46 w	5.15 w	8.50 w	7.89 w	7.67 w	:	:
Deposit interest rate (one year), per annum (%)	46) 53) 48) 54) 55) 50) 56) 57)	0.10 w	0.10 w	13.51 w	17.85 w	8.46 w	9.13 w	0.15 w	4.50 w	7.22 w	6.95 w	:	:
Value of reserve assets (including gold) (million euro)	48) 41) 42) 43) 58) 59)	13 491.7 w	16 454.5 w	81 937.5 w	94 006.1 w	3 532.4 w	3 787.3 w	3 082.9 w	3 445.8 w	23 711.1 w	27 294.4 w	:	:
International reserves - equivalence in months of imports	60) 48) 41) 42) 61) 62)	6.1 sw	:	4.9 sw	6.3 sw	5.4 sw	4.8 sw	7.1 sw	:	:	:	:	:

Business	Note	Serbia		Türkiye		Georgia		Moldova		Ukraine		EU-27	
		2020	2021	2020	2021	2020	2021	2019	2020	2021	2020	2021	2020
Industrial production index (2015 = 100)	73) 74) 75) 76)	111.0	118.5	115.4	135.6	:	:	107.1 w	120.3 w	102.7 w	105.0 w	98.5	107.5

Infrastructure	Note	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Density of railway network (lines in operation per thousand km ²)	77) 78) 79) 80) 81) 82)	37.9 sw	38.1 sw	13.3 sw	13.5 sw	22.6 sw	22.2 sw	34.0 sw	34.0 sw	32.8 sw	32.7 sw	:	:
Length of motorways (kilometres)	83)	928	928 w	3 523	3 532	208 w	263 w	:	:	15 w	15 w	:	:

Energy	Note	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Net energy imports in relation to GDP	84)	2.9 s	4.0 s	3.3 s	5.2 s	1.0 sw	1.8 sw	:	:	:	:	1.6 s	2.7 s

Source: Eurostat and/or the statistical authorities of the enlargement countries

: = not available

b = break in series

c = confidential value

d = definition differs

e = estimated value

f = forecast

p = provisional

s = Eurostat estimate

w= data supplied by and under the responsibility of the national statistical authority and published on an "as is" basis and without any assurance as regards their quality and adherence to EU statistical methodology

z = not applicable and therefore equal to 0

Footnotes:

- 1) North Macedonia: The new IESS regulation has not been implemented
- 2) Bosnia and Herzegovina: Since January 2020, the Labour Force Survey in Bosnia and Herzegovina has been conducted continuously, throughout the year, with quarterly data release. Also, from 2020 the procedure of weight calibration according to population estimates by five-year age groups and sex is carried out.
- 3) Bosnia and Herzegovina: From January 2021, the Agency for Statistics of Bosnia and Herzegovina began to apply the new, redesigned methodology of the Labour Force Survey. The redesign of the survey took place on the basis of and in accordance with the new Regulation of the European Parliament and the Council, which entered into force on 1st January 2021. With the introduction of the new, redesigned methodology of the Labour Force Survey from January 2021, the series of data published in the previous year was interrupted.
- 4) Türkiye: *In HLFS, the series is not comparable to previous years due to the adjustments in the definition, scope and design of the survey with the year 2021.
- 5) Türkiye: Annual LFS results.
- 6) Ukraine: Data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and the parts of the Donetsk and Luhansk regions which are temporarily occupied.
- 7) Ukraine: Fixing from 2019 economically active population - labour force.

- 8) Bosnia and Herzegovina: From 2020 onwards LFS is conducted on a quarterly basis leading to break in series compared to results from previous years. With the introduction of the new, redesigned methodology of the Labour Force Survey (Regulation (EU) 2019/1700; Implementing Regulation (EU) 2019/2240) from January 2021, the series of data published in the previous year was interrupted. This means that the data for 2020 and 2021 are also not comparable.
- 9) Ukraine: Data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and the parts of the Donetsk and Luhansk regions which are temporarily occupied.
- 10) Georgia: Since 2020 - NACE Rev.2, before 2020 - NACE Rev.1.1.
- 11) Montenegro: Data refer to number of employees in the public sector as a share of the total number of persons employed.
- 12) North Macedonia: In the public sector are included data: Other (mixed, collective, state, undefined)
- 13) Bosnia and Herzegovina: The public sector includes NACE Rev. 2 Sections O, P and Q while the private sector includes other NACE Sections.
- 14) Montenegro: Break in series as previously only employees were answering this question; Since 2018 all employed persons are giving answer to this question.
- 15) Ukraine: Persons aged 15 years and over.
- 16) Georgia: Persons aged 15 years and older.
- 17) Serbia: Wages and salaries are obtained from administrative sources (tax administration records). Average earnings are calculated on the basis of the total amount of accrued earnings for the reporting month and the number of full-time equivalent (FTE) employees.
- 18) Albania: Source of information: General Directorate of Taxation, social insurance contributors; INSTAT's calculation
- 19) Bosnia and Herzegovina: Net earnings.
- 20) Türkiye: Source: Income and Living Conditions Survey.
- 21) Moldova: Includes units with 1 and more employee.
- 22) Georgia: GDP is calculated according to 2008 SNA.
- 23) Georgia: Based on 2008 SNA.
- 24) Georgia: Persons without education are excluded.
- 25) Georgia: Calculations are made according to NACE Rev. 2.
- 26) Moldova: January to August.
- 27) Georgia: Data converted in EUR by Eurostat
- 28) Ukraine: Data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and the parts of the Donetsk and Luhansk regions which are temporarily occupied.
- 29) Albania: Forecasts of the Ministry of Finance and Economy.
- 30) Ukraine: Modified cash data (Government finance statistics manual 2014).
- 31) Ukraine: Data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and the parts of the Donetsk and Luhansk regions which are temporarily occupied.
- 32) Montenegro: Preliminary data. The final data will be available by the end of March 2021
- 33) Bosnia and Herzegovina: End of year (31 December).
- 34) Ukraine: State and state guaranteed debt.
- 35) Bosnia and Herzegovina: Consumer price inflation
- 36) Moldova: Consumer price inflation
- 37) Ukraine: Data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and the parts of the Donetsk and Luhansk regions which are temporarily occupied.
- 38) Georgia: Consumer price inflation
- 39) Bosnia and Herzegovina: Data for monetary financial institutions.
- 40) Türkiye: Data cover debt securities and loans.
- 41) Bosnia and Herzegovina: Based on IMF balance of payments manual, sixth edition.

- 42) Türkiye: Average of year exchange rate used to convert to euros.
 - 43) Moldova: Converted from USD to EUR using end-of-year exchange rates, according to the National Bank of Moldova.
 - 44) Ukraine: Assets and debt converted from US dollars to euro using cross rates at the end of the reporting year.
Data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and the parts of the Donetsk and Luhansk regions which are temporarily occupied.
 - 45) Albania: External debt (including FDI).
 - 46) Montenegro: Weighted average effective interest rate, outstanding amounts, annual.
 - 47) Albania: Average weighted rate applied to new 12-month loans over the respective month, on 12-month maturity.
 - 48) North Macedonia: End of year (31 December).
 - 49) Bosnia and Herzegovina: Short-term lending rates in national currency to non-financial corporations (weighted average).
 - 50) Moldova: The rate is established by the National Bank of Moldova (NBM) starting from 2001. The NBM applies the interest "corridor" method: the highest rate is applied on overnight credits, the lowest one on overnight deposits. End-of year values.
 - 51) Ukraine: Average weighted interest rate on all instruments of National bank's refinancing.
 - 52) Georgia: Refinancing credits auctions.
 - 53) Albania: Deposit interest rate represents the average weighted rate for newly accepted deposits over the respective month, on 12-month maturity.
 - 54) Bosnia and Herzegovina: Demand deposit rates in national currency of households (weighted average).
 - 55) Türkiye: Average of monthly data. Overnight deposit facility.
 - 56) Ukraine: Distribution of deposit certificates of the National Bank of Ukraine.
 - 57) Georgia: CD auctions.
 - 58) Ukraine: Assets and debt converted from US dollars to euro using cross rates at the end of the reporting year.
 - 59) Ukraine: the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and the parts of the Donetsk and Luhansk regions which are temporarily occupied. are excluded from the External Sector' data.
 - 60) Albania: End of August 2021
- January-June 2021
- 61) Türkiye: Average of year exchange rate used to convert to euros.
As of Third Quarter of 2021.
As of October 2021.
 - 62) Moldova: Converted from USD to EUR using end-of-year exchange rates, according to the National Bank of Moldova.
Converted from USD to EUR using annual average exchange rates, according to the National Bank of Moldova.
 - 63) Bosnia and Herzegovina: Based on IMF balance of payments manual, Asset - Liability Approach
 - 64) Moldova: Converted from USD to EUR using annual average exchange rates, according to the National Bank of Moldova.
 - 65) Ukraine: Since 2021 the National bank of Ukraine have improved the foreign direct investment compilation, in context of which non-financial corporations' reinvested earnings have been incorporated in FDI flows and stocks data. Therefore, BoP, IIP, FDI data for 2015- 2020 were revised.
 - 66) Ukraine: Since 2021 the National bank of Ukraine have improved the foreign direct investment compilation, in context of which loans between fellow enterprises have been incorporated in FDI flows and stocks data. Therefore, BoP, IIP, FDI data for 2015- 2020 were revised.
 - 67) Ukraine: Data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and the parts of the Donetsk and Luhansk regions which are temporarily occupied. Since 2021 the National bank of Ukraine have improved the foreign direct investment compilation, in context of which non-financial corporations' reinvested earnings have been incorporated in FDI flows and stocks data. Therefore, BoP, IIP, FDI data for 2015- 2020 were revised.
 - 68) Bosnia and Herzegovina: Based on IMF balance of payments manual, sixth edition and OECD Benchmark Definition of Foreign Direct Investment - 4th edition
 - 69) Ukraine: FDI Data were recalculated taking into account EU-27 Member States, excluding the United Kingdom.
 - 70) Ukraine: Data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and the parts of the Donetsk and Luhansk regions which are

temporarily occupied. FDI Data were recalculated taking into account EU-27 Member States, excluding the United Kingdom.

Since 2021 the National bank of Ukraine have improved the foreign direct investment compilation, in context of which loans between fellow enterprises have been incorporated in FDI flows and stocks data. Therefore, BoP, IIP, FDI data for 2015- 2020 were revised.

- 71) Moldova: Converted from USD to EUR using annual average exchange rates, according to the National Bank of Moldova.
Personal transfers.
- 72) Ukraine: Data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and a part of temporarily occupied territories in the Donetsk and Luhansk regions.
Previous data
- 73) Albania: Activity B_D
- 74) Moldova: Starting with 2016 the Industrial production volume index are adjusted seasonally by number of working days and seasonality, the time series was corrected
- 75) Ukraine: Adjustment for the effect of calendar days of the dynamic series of indices to the average monthly value of the base. (2016) year is carried out using the DEMETRA+ program, using the TRAMO/SEATS methodactivity.
- 76) Ukraine: Data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and the parts of the Donetsk and Luhansk regions which are temporarily occupied.
- 77) The data was taken from the Republic Geodetic Authority.
- 78) Bosnia and Herzegovina: Inland waters estimated at 210 km².
- 79) Türkiye: Main lines only.
Area values are calculated by reference to corine classifications and adapted to LUCAS. Corine data production period is 6 years.
- 80) Moldova: Including the Transnistrian region.
As of the end of the year.
- 81) Moldova: Including the Transnistrian region.
As of the end of the year.
Including wetlands.
- 82) Ukraine: Data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and the parts of the Donetsk and Luhansk regions which are temporarily occupied. Data of the State Service on Geodesy, Cartography and Cadastre of Ukraine.
Data are given according to the new Classification of Land Types.
- 83) Ukraine: Data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and the parts of the Donetsk and Luhansk regions which are temporarily occupied.
- 84) Georgia: Data converted in EUR by Eurostat
Based on 2008 SNA.