

Establishing the Reform and Growth Facility for the Western Balkans

2023/0397(COD) - 24/04/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 517 votes to 56, with 30 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on establishing the Reform and Growth Facility for the Western Balkans.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the proposal as follows:

Facility's objective

The amended text stated that Russia's war of aggression against Ukraine further showed that enlargement is a geo-strategic investment in peace, security and stability. The Western Balkan partners' path to EU membership must be based on tangible progress in reforms.

The Facility should **support the enlargement process** by helping to accelerate alignment with the Union's values, legislation, rules, standards, policies and practices ("acquis") with a view to accession, regional economic integration and gradual integration with the Union's single market, as well as the socio-economic convergence of the Western Balkan economies with the Union. The facility will also promote **regional cooperation**, good neighbourly relations, reconciliation and the settlement of disputes.

In addition to boosting socio-economic convergence, the Facility should also:

- help accelerate **reforms related to fundamentals** of the enlargement process including rule of law, fundamental rights, *inter alia*, the rights of persons belonging to minorities, including national minorities and Roma, as well as the rights of lesbian, gay, bisexual, transgender and intersex (LGBTI) persons;
- improve the functioning of **democratic institutions** and public administrations; public procurement, State aid control and public finance management; the fight against all forms of corruption and organised crime; quality education and training as well as employment policies; the region's green transition, climate and environmental objectives;
- support **investment and reforms** that promote the beneficiaries' path to the digital transformation of the economy and society in line with the Union vision for 2030;
- boost **innovation**, research, and cooperation between academic institutions and industry in support of the green and digital transitions, promoting local industries with a particular emphasis on locally based micro, small and medium- sized enterprises and start-ups.

Cooperation under the Facility should be needs-based and should promote the development effectiveness principles, namely **ownership of development priorities by the beneficiaries**, a focus on clear conditionality and tangible results, inclusive partnerships, transparency and mutual accountability. The Facility should strive to ensure an appropriate geographical balance of investment projects.

The Facility should promote the development of effectiveness principles, respecting **additionality to and complementarity** with the support provided under other Union programmes and instruments and striving to avoid duplication and ensure synergies between assistance under this Regulation and other assistance.

The Commission should strive to ensure that relevant **stakeholders** in the beneficiaries, including beneficiaries' parliaments, local and regional authorities, social partners and civil society organisations are duly consulted and have timely access to relevant information to allow them to play a meaningful role during the design and implementation of programmes and the related monitoring processes.

Preconditions for Union support

Preconditions for the support under the Facility should be that:

- (a) the beneficiaries uphold and respect **effective democratic mechanisms**, including a multi-party parliamentary system, free and fair elections, pluralistic media, an independent judiciary and the rule of law, and guarantee respect for all human rights obligations, including the rights of persons belonging to minorities;
- (b) as regards **Serbia and Kosovo**, they engage constructively with measurable progress and tangible results in the normalisation of their relations and engage in negotiations on the Comprehensive Agreement on normalisation of relations.

Budget

The overall maximum amount for the Union support through the Facility should be **EUR 6 billion** in current prices for the period from 2024 to 2027, of which up to EUR 2 billion in the form of non-repayable support and EUR 4 billion in concessional financial-assistance loans provided by the Union and provisioned from the EUR 2 billion.

Reform Agendas

The Reform Agendas should be results-based and include indicators for assessing progress towards the achievement of general and specific objectives of the Facility set out in this Regulation. Those indicators should be based on internationally agreed indicators. Indicators should also, to the extent possible, be coherent with the key performance indicators included in the IPA III Results Framework, in the EFSD+ Results Measurement Framework and in the WBIF. The indicators should be relevant, accepted, credible, easy, and robust.