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**Recognition of Professional Qualifications
under the Western Balkans Common Regional
Market: State of Play and Potentials Lost from
Non-Implementation**

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This paper highlights the significant potential economic gains from implementation (and losses from non-implementation) of the Common Regional Market (CRM) agenda in the Western Balkans, largely through the prism of recognition of professional qualifications. The non-implementation of mobility agreements, including those for professional qualifications, is a major barrier to regional economic integration. Full CRM implementation is projected to boost the region's GDP by 6.7%, which translates to billions of euros. Without these reforms, the region faces stagnation, with missed opportunities for increased trade, foreign direct investment (FDI), and competitiveness, as well as unfulfilled potential for inclusion in the EU Single Market.

Failure to implement the CRM agenda would also hinder key regional processes like brain retention, economic restructuring, and addressing skill shortages, particularly in sectors like healthcare. Additionally, it stalls broader EU integration efforts and limits cost-saving opportunities such as cheaper cross-border banking and remittance transfers under the Single Euro Payments Area (SEPA). Thus, the economic and societal costs of non-implementation are considerable, harming both regional stability and EU accession prospects.

I. Introduction

In November 2020, the leaders of the Western Balkans Six (WB6) agreed to enhance economic cooperation in the region by developing a Common Regional Market, based on EU rules and standards, to increase the attractiveness and competitiveness of the region and to bring the region closer to the EU markets.¹ By implementing the CRM agenda, they “commit to the free movement of goods, services, capital and people”². This would create an enhanced market integration which “could bring an additional 6.7% of GDP growth to the region.”³ Free movement of professionals is an important part of the larger mobility of people agenda.

Enabling free movement of people, goods, trade and services – the “four freedoms” – within the Western Balkans has been a key pillar of evaluating progress of intra-regional cooperation. It began in a structured way in 2017 when the leaders of the Western Balkans countries – Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia – asked the regional organisations (Central European Free Trade Agreement, CEFTA, and the Regional Cooperation Council, RCC) to develop a Multi-Action plan for Regional Economic Area (MAP REA). Among the key actions was removing obstacles for mobility of professionals, which envisioned a pilot agreement for recognition of professional qualifications for doctors, dentists, architects and civil engineers led by a Joint Working Group chaired by CEFTA, RCC, and the Education and Reform Initiative of South East Europe (ERISEE). In 2020, the CRM was introduced as a more ambitious plan for regional integration) with a focus on the implementation of the four freedoms and removal of many regional barriers.

In November 2022 and October 2023 within the Berlin Process Leaders Summits, the leaders of the Western Balkans signed four landmark “mobility agreements”: The Agreement on Free Movement of People with ID Cards, the Agreement on Recognition of Higher Education Qualifications, and the Agreement on Recognition of Professional Qualifications for Doctors of Medicine, Dental Doctors and Architects in the CEFTA context were signed in Berlin in 2022. The Agreement on Recognition of Professional Qualifications for Nurses, Midwives, Pharmacists and Veterinary Surgeons in the CEFTA

¹ See “Western Balkans Leaders Declaration on Common Regional Market [https://www.rcc.int/docs/544/declaration-on-common-regional-](https://www.rcc.int/docs/544/declaration-on-common-regional-market)

[market](#)

² Ibid

³ Ibid

context was signed in Tirana in 2023. These four agreements were facilitated by RCC. At the same time, under the auspices of CEFTA technical negotiations a Joint Decision on Recognition of Professional Qualifications was produced, paving the way for the gradual recognition of all professional qualifications in the Western Balkans.

Importantly, all these agreements are compliant with EU integration requirements, thus facilitating integration with EU markets and accession to the EU. They also provide for a significant economic upgrade for all of WB6 and help expand the reach of other important processes in the Western Balkans. One such example is the EU-facilitated Kosovo-Serbia Dialogue. The removal of regional barriers anticipated by the WB6 process creates a more conducive environment for Kosovo-Serbia normalization and facilitates a greater commitment of the two parties to normalization. Recognition of professional qualifications and other WB6 agreements provide extended frameworks for implementation of past Dialogue agreements, such as the one on the mutual recognition of diplomas and qualifications (which remains largely unimplemented). The professional qualifications agreement also addresses the skill shortages at the national and regional level, especially in the wider healthcare sector, by allowing professionals to provide their services in more than one country of the Western Balkans. For example, an architect, a civil engineer or a doctor could – at short notice – move within the region upon an invitation to conduct short-term paid work, which can significantly increase people-to-people communication and bring a new model for addressing the skill shortages each Western Balkan country faces. These sort of solutions could ultimately have a positive bearing on the regulation of the Serbian healthcare system in Kosovo.

However, none of these agreements are being fully implemented. The agreement on movement with ID cards was not ratified by Bosnia and Herzegovina due to later objections and veto by the leadership of the BiH entity *Republika Srpska* (RS). The other agreements are not being implemented for the most part due to Kosovo's objections pertaining to their interpretation. Kosovo is also using its veto in CEFTA to block the adoption of a joint committee decision on recognition of professional qualifications. The veto is essentially derived from Kosovo's dissatisfaction with being nominally represented in CEFTA by the United Nations Mission in Kosovo (UNMIK). CEFTA's role is crucial for the implementation of the agreement on professional qualifications, as a decision within this organisation is fundamental to creating a joint implementation body of CEFTA, RCC and WB6 governments, tasked with supervision, facilitation and implementation of the agreement.

This brief looks into the main stages of the process of recognition of professional qualifications, the stumbling blocks and provides an overview of the on-going initiative to unblock decision-making in CEFTA and thus enable implementation of the agreements themselves. Notably, it also lists the losses that are being and will be incurred by non-implementation.

II. Professional qualifications – from Regional Economic Area to CRM

a. The process during MAP REA

The draft Multi-annual Action Plan for a Regional Economic Area in the Western Balkans (MAP) was developed upon the request of the Western Balkans Six Prime Ministers to prepare a “proposal for a joint approach to furthering economic cooperation in the Western Balkans” in the context of

the Berlin process and the 2017 Trieste Summit.⁴ The MAP put forward a structured agenda for regional economic integration: promoting further trade integration, introducing a dynamic regional investment space, facilitating regional mobility, and creating a digital integration agenda.

The MAP stemmed from the commitments undertaken within the framework of CEFTA and the South East Europe 2020 Strategy (SEE2020), being rooted in CEFTA and EU rules and principles as reflected in the Stabilization and Association Agreements (SAAs). It foresaw implementation of actions at all levels in the period between 2017 and 2020 (with some actions extending until 2023).

The implementation of the actions was intended to result in a CEFTA rules-based and EU-compliant Regional Economic Area in the Western Balkans Six. This would enable unobstructed flow of goods, services, capital and highly skilled labor, making the region more attractive for investment and commerce, accelerating convergence with the EU and bringing prosperity to all its citizens.

The Regional Economic Area was based on the principles of non-discrimination, creating a level playing field for all within the region. The mobility part of REA elaborated that in order to establish and maintain international competitiveness, the retention and subsequent leveraging of human intellectual capital is of fundamental importance for developing knowledge based economies in the Western Balkans.⁵ In an increasingly global economy, the extent to which international high-skilled mobility channels are formed within the region and between the region and the EU is a question of great importance. Better integration of high-skilled professionals and academics into professional and research networks, the European Research Area and the European Higher Education Area, will yield significant benefits for the migratory region of the Western Balkans. Its full implementation essentially makes the Western Balkan countries compatible with the EU in this sector.

The Mobility Agenda thus aimed at: removing obstacles to the mobility of professionals through regional mutual recognition agreements of professional qualifications in sectors of mutual interest (doctors of medicine, dentists, architects and civil engineers); removing obstacles to the mobility of a highly qualified workforce, in particular through joint standards and procedures for automatic recognition of quality assured academic qualifications; and removing obstacles to the mobility of students, researchers and academics through joint policies, measures and instruments aimed at increasing academic and research mobility and cooperation.

The mobility agenda foresaw removing obstacles to free movement of a highly skilled workforce in the region with strong professional ties. A more open regional labour market could make the economies more attractive to larger domestic and foreign investors, facilitate competitive integration of their workforce into the global workforce and increase the competitiveness of the region, while at the same time preparing them for future EU membership. Specifically, the removal of obstacles to mobility of professionals, through regional mutual recognition agreements (MRA) of professional qualifications, which will remove obstacles to the mobility of Doctors of Medicine, dentists, architects and civil engineers was the first step to introduce the mobility of professionals in the Western Balkans.

The negotiations on the Draft Agreement on Mutual Recognition of Professional Qualifications for Doctors of Medicine, Dentists, Architects and Civil Engineers were initiated on 19 December 2018.⁶ The principles of the negotiations were not a full transposition of EU relevant directives on recognition of professional qualifications. Rather, it was agreed that the agreement would be modelled on key EU

⁴extension://gphandlahdpffmccakmbngmbnjiiiahp/https://www.rcc.int/download/docs/map_regional_economic_area_06_july_2017_clean_v
ersion.pdf/5511a1f61b9f7165f7d539bfd4df5bae.pdf

⁵ Ibid

⁶ Please see RCC regular reports to RCC Board at www.rcc.int

requirements (such as alignment of curricula) and would be tightly linked with quality assurance processes in each of WB6.

An intense, seven-round monthly negotiations process, which involved the Ministries of Education, Labour, Health and Construction, as well as the Chambers of Doctors of Medicine, Dentists, Architects and Civil Engineers, took place in a constructive spirit between the delegations of the WB6. However, at the seventh negotiations meeting held in Brussels on 14 June 2019 there was no consensus between the participants under which framework to continue the negotiations. The negotiations were discontinued. The main reason was a disagreement between the governments on whether the agreement would be adopted within CEFTA or as a standalone regional agreement within the RCC. At the Prime Ministers Sherpa meeting of 11 December 2019, it was decided that RCC and CEFTA Secretariats would jointly draft and propose a compromise solution to restart the process.

Based on lessons learned, the two Secretariats proposed a new model for restarting and completing the process, named “Way Forward towards establishing mutual recognition of professional qualifications.”⁷ The joint RCC/CEFTA proposal for the way forward towards establishing Mutual Recognition of Professional Qualifications was built on the following key principles:

1. Transposition of the EU Directive 2005/36/EC on recognition of professional qualifications;
2. Simple, transparent, easily understood processes and procedures of recognition of professional qualifications common to all;
3. Combined institutional framework for implementation jointly supported by CEFTA and RCC;
4. An all-inclusive Western Balkans regional agreement deriving from the Berlin Process and in line with the Western Balkans commitments undertaken with the Declaration of Endorsement of the Common Regional Market (CRM) and the CRM Action Plan 2021-2024, and previously in the framework of MAP REA.

The proposal was delivered to the Sherpas and relevant partners in the second half of 2020. It was accepted by them in October 2020 and became part of the Common Regional Market Action Plan (CRM AP 2021-2024) that was endorsed at the Sofia Summit of the Berlin Process in November 2020. It was also confirmed as the basis for the way forward at the Sherpa meeting in December 2020. This work enabled the re-launching of a new process of negotiations on recognition of professional qualifications.

b. The process during CRM

The revised draft Agreement fully transposed the relevant provisions of the EU model, set out in Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualification including amendments by Directive 2013/55/EU of the European Parliament and of the Council of 20 November 2013. Exceptions to this principle have been made only when the provisions in the EC Directive have been deemed so demanding that they could pose a significant harmonisation challenge and they are not considered essential in the context of the purpose of the draft Agreement (e.g., provisions related to the European professional card).

⁷ Ibid

In this context, the draft Agreement has transposed all elements of the Directive, including the provisions related to recognition of professional experience, recognition on the basis on the minimum training requirements and automatic recognition on the basis of the common principles.

Furthermore, the scope of this draft Agreement covers the rules applied both when service provider moves temporarily and permanently. These rules present core parts of the draft Agreement.

The draft Agreement diverges from the EC Directive in assessment criterion for temporary nature of service provision, as formula proposed has been taken over from the relevant EU-Switzerland agreement.

In line with the joint proposal of the CEFTA and RCC Secretariats, the institutional elements proposed have been named in such a way that prefix Joint CEFTA-RCC have been added. To this end, and as agreed, RCC will facilitate the process of automatic recognition of professional qualifications for seven professions. Of these seven professions, the draft Agreement covers three professions negotiated previously (Doctors of Medicine, dentists and architects); while the remaining four professions to be negotiated in 2023 are on nurses, midwives, pharmacists and veterinary surgeons.

In March 2021 the negotiations on the new Agreement started. Nine rounds of negotiations were held. The technical and expert parts of the Agreement were negotiated in detail by the designated Lead Negotiators at the RCC facilitated Working Group. The WG could not agree on several political formulations, as it was deemed that such negotiations were outside of their mandate and the provided scope of the Working Group. Therefore, in July 2021 it was concluded that the WG had completed its work within its mandate – while the open issues were sent to be resolved at a higher political level. These were resolved in October 2021 in Berlin. In November 2022, the Agreement was signed, and in the first half of 2023 it was ratified in all Western Balkans countries, which paved the way for work for implementation of the Agreement.

The implementation of the Agreement is foreseen to be led by a joint body of CEFTA, RCC and representatives of the six governments. In order to establish such a joint body, a decision to adopt terms of its creation at the Committee of Ministers within CEFTA is required. The decisions are consensus based. This consensus has not been achieved due to Kosovo's veto, rooted in its objection at the way it is represented in this body.

The pre-implementation period of 18 months is also an integral part of the Agreement. During this phase, with assistance from CEFTA and RCC, the governments of the WB6 would undertake complex measures to harmonise existing legislation and sublegal acts with the Agreement, including preparatory work with the relevant Chambers to prepare them for their enhanced role once the Agreement enters into force. Furthermore, the governments would work on aligning the curricula with the minimum standards as defined on EC relevant directives on professional qualifications. Only Montenegro fulfilled all the criteria on curriculum alignment before 2020. In practice, this alignment means that the generation of students who complete their degrees under the new curricula have their qualifications automatically recognized within the WB6 and the EU.

c. Kosovo's objections

Soon after it took office, the Government of Kosovo led by the *Vetëvendosje* (Self-Determination) Movement (VV), in spring 2021 put forward a proposal for the replacement of CEFTA and the creation

of a successor: a Southeast Europe Free Trade Agreement (SEFTA)⁸. According to Kosovo's Prime Minister Albin Kurti, SEFTA would include Western Balkan countries as equal members with equal rights, based on a special relationship with the EU, similar to the European Economic Area (EEA) agreement. After the establishment of SEFTA, the EU, through an agreement with SEFTA, will extend the EU's four freedoms – free movement of goods, services, persons and capital – to all SEFTA countries. This agreement will be modelled on the current EFTA-EEA Agreement, which would provide for the Western Balkans and the EU to move forward together based on EU legislation. The agreement would have a similar institutional structure modelled around the EEA that would consist of the Council, joint committee, court, secretariat and oversight authority, among others.⁹ Other Western Balkan governments offered no significant reflection on this idea.

The main drive behind PM Kurti's proposal is two-fold. Firstly, Kosovo does not want to be represented by UNMIK in CEFTA, even nominally. According to the practice established after the establishment of Kosovo's statehood, an UNMIK representative sits only at the opening of CEFTA meetings, while Kosovo representatives take part in all other parts and aspects of the meetings, including at the Committee of Ministers when joint decisions are made. Therefore, the UNMIK representative does not make statements or take commitments on behalf of Kosovo. Secondly, the non-recognition by Serbia and the presumed advancement for Kosovo in this regard within a new regional framework.

It appears that Kosovo's drive towards a SEFTA has put it on a collision course with other stakeholders. Kosovo was singled out as the party preventing the region from establishing the Common Regional Market in the EC Kosovo report 2023.¹⁰ The EC Kosovo report noted that the "disagreements relating to the representation and denomination of Kosovo in CEFTA are hampering progress in other areas, notably the free movement of workers. These disagreements have also led the government to block decision-making mechanisms in CEFTA, with the adoption of the budget and the appointment of a new director still pending due to this lack of consensus."¹¹ Kosovo was also singled out in relation to its free trade commitments under CEFTA and SAA as regards Serbian goods. The EC report notes that in June 2023 Kosovo's Ministry of Internal Affairs issued a "temporary operational security measure" blocking the entry into Kosovo of Serbian goods and postal parcels.¹² This measure appears not to be in line with Kosovo's commitments under CEFTA and goes against the spirit of the Stabilisation and Association Agreement.¹³ This measure was imposed by Kosovo following the arrest of three Kosovo Police officers by the Serbian authorities in mid-June 2023, and reconfirmed after the deadly attack by Serb paramilitaries at Banjska in northern Kosovo in September 2023.

d. The initiative to unblock CEFTA

To remove the blockage to the implementation of the mobility agreements, including CEFTA, and in the wake of a decade of the next stage of the Berlin Process, the German Ministry of Foreign Affairs undertook a discreet initiative to unblock CEFTA. This initiative roughly foresaw a new formula: the drafting and adopting of new Rules of Procedure in CEFTA, which would introduce Kosovo as a party, with the denomination and asterisk agreed in 2012 within the EU-facilitated Normalization Dialogue agreement on regional representation. Belgrade, allegedly, accepted this formula with a condition of

⁸ [Periskopi](#)

⁹ Ibid

¹⁰ https://neighbourhood-enlargement.ec.europa.eu/document/download/760aacca-4e88-4667-8792-3ed08cdd65c3_en?filename=SWD_2023_692%20Kosovo%20report_0.pdf

¹¹ Ibid

¹² Ibid

¹³ Ibid

removing the trade restrictions for Serbian goods in Kosovo. Pristina, on the other hand, allegedly refused the Serbian condition and further requested that it should be represented without the denomination and asterisk, stating that the 2012 agreement is outdated. Pristina referred to the provisions of the Agreement on the Path to Normalisation of Relations between Kosovo and Serbia reached in 2023, which should replace the existing practice for regional, and international, representation. The German initiative remains the only one on the table, with unlikely prospects for additional sympathy to Kosovo's requests. At the time of writing, it remains unknown if additional proposals have been made by the German MFA, whereby a possibility exists of the WB6 process moving forward in terms of regional integration without effects to Kosovo.

III. Prospective losses from non-participation


The implementation of the mobility agreements would bring great benefits to the Western Balkans, including a clear potential for a GDP increase of 1% annually.¹⁴ The projected GDP increase resulting from the full CRM implementation over the coming years is 6.7%, which amounts to billions of Euros lost among the WB6 that would result from non-implementation. These agreements are also a crucial part of regional integration and the Common Regional Market, including the benefits from the EU Growth Plan for the Western Balkans. The current impasse harms primarily the citizens of the region, and the broader policy of brain retention within the region.

Whether for the region as a whole or for the party that remains outside the scope of the CRM agenda, growth stagnation and losses are a clear prospect that would result from non-implementation. This ranges from the benefits envisaged by the Growth Plan to the elevation of economic benefits resulting from regional integration and the gradual integration and increased compatibility with the EU Single Market. For example, a functioning CEFTA CRM is an integral part of the broader agenda to include the Western Balkans in the Single Euro Payment Area (SEPA) planned for the end of 2024 as a first step to sectorial inclusion in EU Single Market envisioned by the Growth Plan. In practice this means that banking payments from EU with the WB and within the region would be wholly unified with significant reduction of costs. Transfers from the EU to the Western Balkans would thus be significantly cheaper, paving the way for more business interactions and a major cut in losses related to the fees for Diaspora remittances.

The benefits of the CRM agenda are also contained in the potential for restructuring competitiveness deficiencies. The agreement on professional qualifications and other WB6 agreements provide for new horizons whereby the states that invest in the human capital and develop certain economic sectors more competitively than others will be able to change market trends to their favour. This would, for example, reduce market inequalities between the countries that have been fully devastated by the wars and those that have preserved and then successfully re-established their industries and on that basis have a structural advantage in the regional trade. For example, the trade inequality between Serbia and Kosovo could be reduced through Kosovo's ability to generate new qualities to export, such as through its ongoing development of the IT and outsourcing sectors.

Implementation would also solve other bilateral disputes. For example, the Albanians living in Preševo/Presheva Valley, who have degrees obtained in Kosovo, would have their degrees and professional qualifications recognized in Serbia – a contentious issue not fully addressed since 2008. This would mean that they could work in Serbia or could open private clinics to provide services as

¹⁴ Remarks by RCC SG, as posted in Regional Cooperation Council's social media and www.rcc.int



well. Similarly, Kosovo Bosniaks with degrees obtained in Kosovo would have access to the Bosnian market or, for example, that of Sandžak in Serbia and Montenegro (inhabited by the Bosniak ethnic community). Ultimately, beyond the ethnic lines, the agreement would open a world of possibilities for professionals of WB6 to seek better employment and address skilled labour gaps throughout the region, thus also contributing to the reduction of ethnic tension that comes from people-to-people contact based on mutual interest.

Ultimately, the CRM agenda would equip the WB6 for full access to the EU market and their full compatibility with the related EU rules. The countries that do apply it would thus at the end of this process be only a small step away from full compatibility with the EU, which would enable their final stages of EU accession to proceed rapidly. In addition, the gradual shift towards CRM would in the meantime facilitate increased EU (and Western) foreign direct investment (FDI), provided for by the increased regional market created by the CRM providing a wider potential for returns on investments. The increasing compatibility with EU rules would be a contributing factor in terms of FDI from EU Member States. And lastly, the implementation of the mobility agreements also directly helps both national and regional labour market by creating an environment to retain the professionals in the Western Balkans, especially in the healthcare sector whose professionals are migrating the most to the EU.