

COOPERATION IN SOUTHEAST EUROPE

The Regional Cooperation Council advances an economic growth agenda for the Western Balkans

By Ambassador Gazmend Turdiu, Regional Cooperation Council, Albania | Photos by EPA

The Regional Cooperation Council (RCC) was founded in 2007 as the umbrella organization for regional cooperation in Southeast Europe (SEE). Its primary mission is to promote European and Euro-Atlantic integrations in the region. It supports and coordinates cooperation among the countries in the region as well as between the region and the countries, organizations and institutions that support the European and Euro-Atlantic perspectives of Southeast Europe.

RCC is the successor of the Stability Pact for Southeast Europe, created in 1999 to assist SEE states to overcome the consequences of a decade of conflicts and to foster peace, cooperation, democracy building and economic reconstruction. The Stability Pact was an internationally driven and led approach that brought the SEE countries together and engaged them in a comprehensive cooperative process.

As security, political, economic and social conditions improved throughout the region and SEE countries enhanced institutionalized relationships with the European Union, it became possible for them to lead regional cooperation. Hence, the Stability Pact transformed into the RCC, which inherited its mission of promoting integration of SEE countries into European and Euro-Atlantic structures. It retained the same participation of regional and international community actors, but with a substantial difference: Unlike the Stability Pact, the RCC is a regionally owned and led organization.

The RCC operates under the political guidance of the Southeast Europe Cooperation Process and has 46 participants that include countries, international organizations and international financial institutions. The organization receives operational guidance and supervision from the RCC board – a group formed from participants that contribute financially to the RCC budget as well as the EU, which is represented by the

Office of the High Representative of the Union for Foreign Affairs and Security Policy, and by a representative of the European Commission.

The day-to-day work of the RCC is supported by the RCC secretariat in Sarajevo and its liaison office in Brussels, in coordination with European Council and European Commission structures.

WHAT IT DOES

Following the changes and developments the region went through over the years, the focus of the work of the RCC has continuously evolved and adjusted to the needs and challenges of the region, but it has always included the promotion of confidence building; consolidation of peace, stability and security, democratization of institutions and the societies of the SEE; respect for minority and human rights; and last but not least, economic development and prosperity.

The organization develops and maintains close working relationships with all relevant actors and stakeholders, including governments, international organizations, international financial institutions, regional organizations, civil society and the private sector, as well as with relevant regional task forces and initiatives active in specific thematic areas of regional cooperation.

The areas of cooperation include economic and social development, energy and infrastructure, justice



European and Western Balkans foreign ministers, European High Representative for Foreign Affairs Federica Mogherini, and the head of the Regional Cooperation Council, Goran Svilanović, pose after meeting in Bratislava, Slovakia, in October 2014 to discuss the state of the Western Balkans region.

and home affairs, security cooperation, and building human capital. Cross-cutting issues such as parliamentary cooperation, media development, civil society activities and gender mainstreaming are also covered.

Further improvements in Southeast Europe, particularly in the Western Balkans, and the maturity the organization achieved over years, led to significant developments in the RCC.

At the political level, the start of normalisation of relations between Belgrade and Pristina and their EU-facilitated agreement on regional representation enabled Kosovo* to become an RCC participant and the RCC to become the first all-inclusive organization in SEE. This event paved the way for similar ongoing adjustments to all other regional structures and mechanisms.

At the operational level, with the adoption of the RCC Strategy and Work Program 2014-2016 and the endorsement of the Southeast Europe 2020 Strategy (SEE 2020) in November 2013, the RCC was transformed from a program implementation-level organization to a strategy implementation-level organization. These two documents constitute the basis upon which the RCC structures its work with stakeholders in the region and abroad. In line with its mission of promoting European and Euro-Atlantic integration, the RCC is particularly focused on the EU enlargement process in the Western Balkans, supporting reforms that will prepare them for EU membership.

GROWTH AND EMPLOYMENT

The SEE 2020 strategy came into being as a timely response to the need for a more coordinated, regional answer to ongoing economic and financial troubles. The EU has already addressed the issues of acting in a coordinated and concerted manner. Over the past several years, the EU has developed a number of strategies, including Europe 2020, that may have been of different geographical scope, but target issues of sustainable growth, poverty and integration.

Although with a confirmed European perspective, and despite its economic underdevelopment coupled with the hard consequences inflicted by the economic crisis, the Western Balkans region is not yet part of the main European growth framework. While the achievement of accession criteria and the preparations for future membership suggest that Europe 2020 policy goals and implementation methods are relevant to enlargement countries, its strategy and targets, including 75 percent employment and 3 percent of gross domestic product invested in research and development, are not automatically applicable to the SEE and the Western Balkans. It needed to be adjusted to the region's situation and needs and turned into a realistic, credible and implementable document.

Against this background, the RCC took a new role and new responsibilities. Peace, stability and reconciliation used

RCC PARTICIPANTS

Albania, Austria, Bosnia and Herzegovina, Bulgaria, Canada, Council of Europe, Council of Europe Development Bank, Croatia, Czech Republic, Denmark, European Bank for Reconstruction and Development, European Investment Bank, European Union, Federal Republic of Germany, Finland, Former Yugoslav Republic of Macedonia, France, Greece, International Organization for Migration, Ireland, Italy, Kosovo*, Hungary, Latvia, Moldova, Montenegro, North Atlantic Treaty Organization, Norway, Organisation for Economic Co-operation and Development, Organization for Security and Co-operation in Europe, Poland, Romania, Serbia, Slovakia, Slovenia, Southeast European Cooperative Initiative, Spain, Sweden, Switzerland, Turkey, United Kingdom, United Nations, United Nations Economic Commission for Europe, United Nations Development Programme, United States, World Bank

*This designation is without prejudice to positions on status and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

to be the number one priority at the time of the RCC's inception and the RCC's key role was to build confidence through regional cooperation. These matters remain high on our agenda, but the key priority has shifted to promoting economic development, job creation and competitiveness, without which stability and security would be at risk.

In November 2011, the region's economic ministers tasked the RCC with coordinating the drafting of a strategy that, through a concerted action, would push forward the European integration agenda of SEE candidate and potential candidate countries. The RCC delivered.

The SEE 2020 strategy "Jobs and Prosperity in a European Perspective" was endorsed on behalf of the respective regional governments by the Ministerial Conference of the South East Europe Investment Committee in Sarajevo in November 2013. Its creation was the result of intense consultations with over 1,500 representatives of governments, regional initiatives and mechanisms, the private sector and civil society organizations.

Since then, cooperation in SEE has been based on clearly defined objectives and measurable targets. It is focused on areas of highest potential for joint action and results, and its implementation by sector is properly coordinated by agreed mechanisms that also monitor delivery of results. The regional governments have clearly recognized their common interests in trade, investment, transport and energy and have decided to cooperate in these areas. SEE 2020 makes such cooperation smarter, more targeted and more strategic.

SEE 2020 Strategy is inspired by the EU's Europe 2020. The two strategies have some common elements but differ when it comes to integrated growth and economic governance. This is the difference between accession countries and EU member states — the need to integrate their economies and improve economic governance and government efficiency. SEE 2020 focuses more intensely on economic growth and employment since these are the most critical issues for SEE countries.

DETAILS OF SEE 2020

As the SEE 2020's strategy suggests, it aims at narrowing the existing differences between the economies of the enlargement countries and the EU average, so that EU candidates and potential candidates are better prepared to face the challenges of the accession process. To address the core challenges, SEE 2020 is based on these five pillars:

- Smart growth — emphasizing education, innovation, research and development, culture and the creative sector
- Sustainable growth — ensuring economic sustainability through enterprise creation and increased export, as well as energy efficiency and climate control
- Inclusive growth — supporting employment generation, social inclusion, good health and well-being
- Integrated growth — promoting closer regional integration in terms of trade and investment
- Good governance for growth — highlighting effective public services and the fight against corruption.

The RCC will continue to help implement SEE 2020 at the national level, coordinate joint efforts at the regional level, and monitor and report progress. The RCC Secretariat acts as the catalyst for processes that should generate growth and employment in our region and bring candidate and potential candidate countries of the region closer to the EU.

In this context, in January 2014, the RCC began working closely with the regional governments to prepare for the National Action Plans. Given the remarkable challenges, time constraints and insufficient institutional capacities at the local level, the RCC engaged qualified technical assistance to support governmental institutions. The six SEE 2020 beneficiary economies (Albania, Bosnia and Herzegovina, Former Yugoslav Republic of Macedonia, Kosovo*, Montenegro and Serbia) analyzed the present situation, prepared economic profiles and identified priorities in their government development plans that, while being implemented locally, would produce a positive effect at the regional level in one or more



German Minister of Economics Sigmar Gabriel, left, greets Arben Ahmetaj, center, the Albanian minister of economics, and Besim Beqaj, right, finance minister of Kosovo, at the conference on trade and commerce in the Western Balkans in Berlin in August 2014.

of the five pillars of the SEE 2020 strategy.

A similar process and working method was established with the regional mechanisms that, with their expertise and their focus of operations (for instance trade and competitiveness, energy, transport, environments, etc.), are acting as “regional dimension coordinators.” As a result, 15 Regional Action Plans were prepared, covering the five SEE 2020 strategy pillars.

IMPLEMENTATION AND MONITORING

In parallel, the RCC has worked closely with the Organisation for Economic Co-operation and Development to prepare a comprehensive monitoring system with a rich grid of quantitative and qualitative indicators that would enable the RCC and all stakeholders to assess progress achieved, but also the problems encountered and the areas where the individual economies or the region as a whole would lag behind. This would enable a thorough analysis and eventually propose policy adjustments and make it possible that for a strategy target to be reached while keeping the right balance between ambitions and realities.

National action plans, regional action plans and the monitoring system of the SEE 2020 strategy implementation have been presented in the form of the “Southeast Europe 2020 Baseline Report: Towards Regional Growth,” endorsed in

June 2014 at the first meeting of the Governing Board of SEE 2020. RCC will report annually on SEE 2020 implementation progress, starting with the first report due in June 2015.

While making sure that SEE 2020 implementation remains a substantial and value-added process, the RCC is also ensuring full transparency. All documents related to SEE 2020, from the draft strategy document to the most recent baseline report, with all other implementation reports, are available on the RCC website (www.rcc.int). To make this even more transparent and useful, the RCC has prepared the SEE 2020 Scoreboard, an interactive tool available to everyone through the website, enabling interested parties to receive statistical information from each of the SEE economies or from the overall region. This tool makes it possible to compare the results achieved year after year for each of the Western Balkans economies, compare them, or receive information by regrouping their statistical data as wished.

The success of the RCC and of SEE 2020 will be measured by the degree of economic growth and its sustainability, and by the progress of SEE countries toward EU accession. Our job will be done when the entire region becomes a part of the EU. □

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