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Council on Regional Cooperation in South East Europe
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Foreword

Looking back over the last year, I am increasingly convinced that South East Europe is a dynamic region in which concerted action can address even the most pressing of issues and ensure continuous progress in the process of European and Euro-Atlantic integration.

This has been a challenging year. The consequences of the economic downturn, such as high unemployment, poor economic competitiveness, strained social fabric and many others, continued to reverberate across the region. Building on the positive momentum present in South East Europe, with a sense of a shared purpose and responsibility, could be a sound basis for an effective response to these and other challenges alike. In this context, it is most encouraging that regional cooperation has increasingly been perceived by the participants from the region as a way for building consensus and taking resolute action. Regional cooperation proved its role as an important European Union membership pre-condition and in fostering dialogue, reconciliation, stability and prosperity.

We have seen progress being made on the European integration path. The results attained, but also the need to address the conditions conducive to the lack of further progress, underscore the importance of a greater emphasis on key reforms and on the underlying issues hampering their implementation.

This leads me to the role of the Regional Cooperation Council (RCC). The RCC continued to support the European and Euro-Atlantic integration of its participants from the region, promote and strengthen regional cooperation, as well as uphold an all-inclusive and regionally-owned framework. In pursuing our mission relentlessly, we benefited enormously from the synergy with the South East Europe Cooperation Process.

Furthermore, the RCC participants from the region have recognised the importance of tailoring RCC and its work in a manner most suitable to the evolving reality in South East Europe. Intensive work at both political and technical levels laid a sound foundation for a better structured and more focused cooperation framework.

To begin with, we have completed the implementation of the RCC Strategy and Work Programme for 2011-2013. Over a span of just three years, we obtained results in key areas of cooperation, which to a large extent have shaped the strategic orientation of the RCC beyond 2013.

At the outset of 2014, we have started the implementation of the RCC Strategy and Work Programme for 2014–2016 and launched an array of activities pertinent to setting the context for the implementation of a key pillar of this strategy – the SEE 2020 Strategy: Jobs and Prosperity in a European Perspective. The South East Europe 2020 Strategy, adopted at the Ministerial Conference of the South East Europe Investment Committee in November 2013, shifts the focus of regional cooperation from stability and peace-building to economic growth. Its aim is to boost prosperity and job creation, as well as underscore the European perspective of the region's future.

The implementation of the RCC Strategy and Work Programme for 2014-2016 and the South East Europe 2020 Strategy commenced with renewed efforts and an enhanced capacity of the RCC Secretariat both in terms of its structure and financial resources.

In the period ahead, the RCC will build, together with all the participants, partners and stakeholders, on the momentum generated by the commitments made and the positive political overtones in South East Europe, and on the rekindled cooperation framework in place, in order to meet the objectives commonly agreed, relying strongly on the SEECF Chairmanship-in-Office.

Goran Svilanovic
Secretary General
Regional Cooperation Council

Summary

The Annual Report 2013–2014 contains reflections on the most important developments related to the regional cooperation in South East Europe (SEE), the results of the RCC Strategy and Work Programme (SWP) for 2011-2013 and assessments of its implementation, and provides insights into the activities that pertain to the implementation of RCC's SWP for 2014–2016 and its central pillar - the SEE 2020 Strategy (SEE 2020) entitled: Jobs and Prosperity in a European Perspective. It also touches upon the benefits of the synergy and coordination between the South East Europe Cooperation Process (SEECPP) and the RCC, and presents the state of institutional relations of the RCC participants from the region with the EU. The Annual Report therefore aims to contribute to a better insight into the state and perspective of the regional cooperation in SEE.

The successful implementation of SWP 2011-2013 integrated efforts from governmental, non-profit and private sectors in reaching goals set by the region and laid a new groundwork for regional cooperation in the coming years. A number of specific targets have been achieved in each of the priority areas, including, but not limited to the following:

- Transfer and management of the South East Europe Investment Committee (SEEIC) was achieved in full, with the SEEIC currently residing firmly in regional hands, with SEE 2020 Strategy as the main deliverable stemming from this activity;
- Several initiatives were launched regarding sustainable energy development, energy efficiency, road and air transport, and water management and climate change in the SEE;
- 2011-2014 Regional Strategic Document in the area of justice and home affairs was agreed and put in place by the participants in the region;
- Regional Strategy for Research and Development for Innovation for the Western Balkans was finalised and the second phase of the Ljubljana Process implemented.

During the year, RCC and its partners focused their efforts on developing and preparing for the implementation of the SEE 2020 Strategy to help anchor national reforms and enable a broader, regional view of economic development. The RCC engaged with all of the governments in the Western Balkans, its regional and international partners and others to ensure that common regional priorities are identified and translated into measures in line with the SWP 2014-2016, with SEE 2020 Vision and the pillars of growth put forward by the region's Ministers. This extensive consultative process, involving more than 2,000 stakeholders at different levels resulted in the SEE 2020 Strategy - Jobs and Prosperity in a European Perspective being finally adopted in November 2013. The 86 measures included in the 16 policy dimensions of the Strategy represent a common expression of interest of the economies involved to engage ever more closely in removing constraints hindering competitiveness and finding common drivers of growth over the next seven years. Preparing for the implementation of the SEE 2020, including assistance in developing national and regional action plans, sound monitoring framework and the governance for the entire Strategy was at the centre of RCC's activities and those of its regional partners during the rest of the year.

Based on the experience acquired and in particular on the lessons learned from the implementation of the SWP 2011–2013, the RCC Secretariat made the first steps in its new and evolving capacity as a regional policy implementation structure. To that end, along with the measures aimed at building up the governance structure for the SEE 2020, and the proper allocation of financial resources so as to respond appropriately to the new challenges, the

structure of the RCC Secretariat was adjusted and the new organigram put in place in January 2014. Together with an increased budget for 2014, the RCC Secretariat has the prerequisites to proceed with the full implementation of the RCC SWP 2014–2016 and the SEE 2020 Strategy.

The strategic synergy and coordination between the SEECP Chairmanship-in-Office (C-i-O) and the RCC have been further strengthened. In its capacity as the operational arm of the SEECP, the RCC participated in and contributed to political and sectoral events organised by the C-i-O, as well as to the preparation of different SEECP documents.

A strengthened cooperation in the parliamentary dimension of the SEECP resulted in the decision establishing the SEECP Parliamentary Assembly, adopted by the SEECP Speakers of Parliaments at their meeting held under the SEECP C-i-O for 2012-2013 in Ohrid at the end of May 2013. The inaugural session of the SEECP Parliamentary Assembly is organised by the Romanian SEECP C-i-O for 2013-2014 in Bucharest on 10–11 May 2014. Also under the Romanian SEECP C-i-O, the SEECP Participating States agreed on launching the reflection process on the future of the SEECP.

Following the decision of February 2013 by the RCC Board, which provided for an effective participation of Kosovo* in the RCC, the reporting period saw an all-inclusive RCC bearing fruit and in particular that the region can cooperate in an atmosphere of tolerance, mutual trust and respect.

The RCC Secretariat continued to monitor closely the developments in SEE, in particular those related to regional cooperation in general as well as those pertaining to the EU enlargement process.

The past year saw an overall sound progress when it comes to the EU enlargement process and European integration process in general, however with results that vary from participant to participant.

Full EU membership remained a strategic goal for the region. In its Enlargement Strategy and Main Challenges 2013-2014, the EC underlined that the accession process today is more rigorous and comprehensive than in the past, reflecting the evolution of EU policies, as well as the lessons learned from previous enlargements, in particular the importance of addressing the fundamentals first. Furthermore, the EC expressed its full support for the work of the SEECP and RCC, including the SEE 2020 Strategy.

The December 2013 Conclusions of the EU Council regarding the RCC are particularly important as they underlined that the Council "... fully supports the work of the South-East European Cooperation Process and the Regional Cooperation Council, its operational arm, as an inclusive platform, coordinating and monitoring implementation of the SEE 2020 Strategy, in particular by developing a public monitoring mechanism to measure progress, including under national action plans".

On the occasion of the 6 anniversary of the RCC, the South East European Centre for Entrepreneurial Learning (SEECCEL) was awarded the RCC's Champion of Regional Cooperation award. The award is given to an individual or an institution that has contributed

*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.

the most to the development of regional cooperation. It is also meant to contribute to positive profiling and rebranding of the region.

In pursuing its mission in the period ahead, the RCC will continue to guide and monitor regional cooperation, taking fully into account regional needs and interests. The focus of its work will be on the implementation of the RCC SWP for 2014-2016 and on the SEE 2020 Strategy. In doing so, the RCC will make the best of the synergy and cooperation with the SEECP C-i-O, strengthen the operational capacities of the organisation and increase awareness and understanding of the RCC's mission and results, all in support of the European and Euro-Atlantic aspirations of the RCC participants from SEE.

1. General trends in regional cooperation in South East Europe and the role of Regional Cooperation Council

In the period April 2013 - April 2014, the general trends in regional cooperation unveil progress by the region in embracing reconciliation and tolerance, moving forward in solving some of the open and protracted issues, and in assuming a greater responsibility in the process of European and Euro-Atlantic integration.

The effects of the economic downturn continued to loom over the region, calling recurrently for greater dynamism in pursuing reforms pertinent to wellbeing and prosperity.

In this faced-paced and demanding regional setting, the RCC has been playing a special role as a leading and sui generis regional organisation. It further promoted and strengthened regional cooperation, upheld an all-inclusive and regionally-owned framework and supported the European and Euro-Atlantic aspiration of its participants. Significant efforts were invested in honing RCC's own role, reshape the true priorities of the region, and finally, rethink the value RCC provides to its founders.

In pursuit of the above-mentioned, the RCC prioritised its areas of work, displayed flexibility in its approach, increased visibility for the general public, and exhibited a constant vision of the ultimate goal. Several bold, ambitious and yet practical development frameworks augmented RCC's overall strategy-based approach to promoting an efficient and target-orientated regional cooperation in SEE. The previous RCC SWP for 2011-2013, the current RCC SWP for 2014-2016 and the SEE 2020 Strategy entitled: Jobs and Prosperity in a European Perspective, accomplished together with the participants from SEE, with the support of stakeholders outside the region actively involved in regional cooperation and in particular of the EU, clearly reflect these trends.

In this context, December 2013 marked the end of the implementation of the SWP for 2011-2013. RCC's first triennial strategy identified 22 distinct objectives in six main priority areas to be met by the end of 2013. The Strategy also defined a number of horizontal functions which were carried out in line with the mandate of the RCC and the principles of all-inclusiveness and regional ownership. The results achieved, the general political and economic context, and a clear vision have to a large extent shaped the strategic orientation of the RCC beyond 2013.

The SWP for 2011-2013 paved the way for a successor SWP covering the period 2014-2016, prepared and programmed on the basis of an increased knowledge of the region and its needs, as well as in light of the EU accession requirements. The SEECF MFAs, at their meeting in Ohrid on 31 May 2013, approved the SWP for 2014-2016 and declared their unequivocal support and commitment for its successful implementation.

Most importantly, the RCC coordinated the development of the SEE 2020 Strategy, which is a key pillar of the SWP for 2014-2016. The SEE 2020 Strategy is a direct response by the region to the impact of the economic crisis. Furthermore, instances of social unrest that occurred recently have unveiled the declining living conditions, and that unemployment remains a chronic problem in the region. The SEE 2020 Strategy therefore aims at boosting prosperity and job creation, as well as at underscoring the European perspective of the region's future. It is fully in line with the conclusions of the EU Council on Enlargement and Stabilisation and Association Process (SAP) of December 2012 which explicitly tasked RCC to focus on it.

The SEE 2020 Strategy was endorsed at the South East Europe Investment Committee ministerial meeting on 21 November 2013 in Sarajevo. The readiness of all participants to embrace and accept the Strategy is an overt sign of maturity of RCC's overall capacities and its ability to recognise and pursue shared priorities in SEE. The Strategy will help introduce a new period of regional cooperation, (i) one that has clear objectives and targets, (ii) one that is focused on those areas that offer the greatest potential for joint action and result, and (iii) one that has mechanisms to follow through on what has been agreed. It can also have a potential role in shaping the economic governance of the region, as it is quickly becoming a key priority in the EU enlargement, at least judging by the last EC enlargement strategy.

The implementation of the SWP for 2014-2016 and the SEE 2020 Strategy has already commenced with renewed efforts and an enhanced capacity of the RCC Secretariat both in terms of its structure and financial resources.

Following the decision of February 2013 by the RCC Board, which provided for an effective participation of Kosovo* in the RCC, the reporting period saw an all-inclusive RCC bearing fruit and in particular that the region can cooperate in an atmosphere of tolerance, mutual trust and respect.

The participants of the RCC were regularly consulted at high-levels with the purpose of ensuring, inter alia, that regional cooperation is not perceived only as a formal political criterion for EU accession, but also as a genuine need for a stable and healthy economic and social environment in the region.

No effort to promote and strengthen regional cooperation can be effective without a functional and substantial correlation and coherence between various processes in SEE. The synergy between the South East Europe Cooperation Process (SEECF) and RCC has infused the greatest added-value in this sense. Moreover, the RCC actively participated and contributed to the political and sectorial events organised under the auspices of the SEECF Chairmanship-in-Office (C-i-O) for 2012-2013 and of the Romanian SEECF C-i-O for 2013-2014. The political support of the SEECF Participating States and of the SEECF C-i-O has been of utmost importance for the RCC.

The meetings of the SEECF Speakers of Parliaments, Political Directors and MFAs, held under the SEECF C-i-O for 2012-2013 in Ohrid at the end of May 2013, resulted in several very important outcomes: the Speakers of Parliaments of the SEECF Participating States decided to establish a SEECF Parliamentary Assembly and recommended its inauguration during the Romanian SEECF C-i-O for 2013-2014; the SEECF MFAs approved the SEECF Ohrid Declaration and the Joint Statement Solidarity in Action devoted to disaster risk reduction and climate change adaptation; the RCC SWP for 2014–2016 and the SEE 2020 Strategy as its central pillar, as well as Romania's SEECF C-i-O for the period 2013–2014.

The Romanian SEECF C-i-O for 2013-2014 organised meetings of the SEECF Political Directors and informal meetings of the SEECF MFAs which, inter alia, have led to the establishment of an Ad-hoc Working Group within which a reflection process has been

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launched on the future of the SEECP. The SEECP participants have also expressed their full support for the RCC and the SEE 2020 Strategy, which is of utmost importance as the implementation of the Strategy is unfolding. In addition, upon the invitation of the Romanian SEECP C-i-O, Kosovo* participated at and actively contributed to these very important meetings.

The coordination meetings between the SEECP Troika³, the RCC Secretariat and the EU, held back-to-back with the meetings of the RCC Board, advanced the coordination of activities between the RCC and the Romanian SEECP C-i-O, as well as discussed the most important developments related to the region's progress on the EU integration path.

Enlargement is a key policy of the EU and its role in promoting peace, democracy and stability in Europe is unquestionable. EU membership remained a strategic goal for the region. Both the RCC participants from the region and the EU continued to invest efforts in maintaining the momentum of the EU enlargement policy and making progress in the accession process. Moreover, the RCC participants from SEE that are already members of the EU have also brought an added-value and specific contribution in this respect.

The past year saw an overall solid progress when it comes to the EU enlargement process and European integration process in general, however with uneven pace and results from participant to participant. Croatia became the 28th Member State of the EU on 1 July 2013 by meeting all the established criteria for membership. Montenegro continued to advance in the accession negotiations, and in particular pursued key reforms pertaining to the negotiating chapters on judiciary and fundamental rights and justice, freedom and security which were opened in December 2013. Turkey opened the regional policy chapter in the accession negotiation, signed the readmission agreement with the EU and the dialogue on visa liberalisation has been initiated. Serbia formally started the accession negotiations at its first intergovernmental conference on 21 January 2014 and is undergoing the process of screening. The High Level Accession Dialogue with The Former Yugoslav Republic of Macedonia contributed to progress in most priority areas and the EU will revert in 2014 on the issue of opening accession negotiations. Albania continued with the necessary reform measures, and the possible decision to grant Albania candidate status in June 2014 will be examined on the basis of a report to be presented by the EC. The EU integration process of Bosnia and Herzegovina has stalled and further steps on this path are contingent upon progress in the implementation of undertaken commitments. The negotiations for a Stabilisation and Association Agreement (SAA) with Kosovo*⁴ are well underway. Moldova's EU aspirations are pursued within a different institutional framework - the European Neighbourhood Policy's Eastern Partnership. The EU expressed its readiness to sign an Association Agreement, including a Deep and Comprehensive Free Trade Area, with Moldova in June 2014. In addition, the EU decided to extend visa-free travel to the Schengen area for Moldovan citizens.

³ The SEECP Troika consists of the former, the current and the future country holding the Chairmanship-in-Office of the SEECP (in the period 2013–2014 – The Former Yugoslav Republic of Macedonia, Romania and Albania).

⁴ *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.

In its Enlargement Strategy and Main Challenges 2013-2014⁵, the EC underlined that the accession process today is more rigorous and comprehensive than in the past, reflecting the evolution of EU policies, as well as the lessons learned from previous enlargements, in particular the importance of addressing the fundamentals first. The Enlargement Strategy highlighted that the global economic crisis underlined the need for all countries to strengthen their economic governance and to meet the requirements of a functioning market economy. The EC expressed its full support for the work of the SEECP and RCC, including the SEE 2020 Strategy. The RCC's role as a platform for the promotion of issues of importance to the whole region and its EU perspective thus further mainstreaming regional cooperation in the countries' political agenda was highlighted. The EC committed through IPA II to support, *inter alia*, reforms leading to the fulfilment of the economic criteria and socio-economic development, including through the fulfilment of the objectives of the SEE 2020 Strategy.

The conclusions and decisions of the EU on enlargement and stabilisation and association process reaffirmed its unequivocal commitment to the European perspective of the Western Balkans, which remains essential for the stability, reconciliation and future of the region, and welcomed further progress made by the Western Balkans regarding regional cooperation and reconciliation, while stressing that the inclusiveness of this process must be ensured by all parties concerned.

The December 2013 Conclusions of the EU Council regarding the RCC are particularly important, as they underlined that the Council "... fully supports the work of the South-East European Cooperation Process and the Regional Cooperation Council, its operational arm, as an inclusive platform, coordinating and monitoring implementation of the SEE 2020 Strategy, in particular by developing a public monitoring mechanism to measure progress, including under national action plans".⁶

The RCC Secretary General and the RCC Secretariat further enhanced the cooperation and communication with the EU institutions and bodies, in particular with the EC, thus ensuring a closer alignment of the RCC activities with the EU enlargement agenda. The regular dialogue with the European Parliament (EP), the European External Action Service (EEAS), the Presidencies of the Council of the EU and the General Secretariat of the Council proved its value added in underlining the importance of the RCC in the overall context of the regional cooperation.

⁵ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL 'Enlargement Strategy and Main Challenges 2013-2014' COM(2013)700, 16 October 2013

⁶ Council of the European Union, General Affairs Council meeting, 17 December 2013 "Conclusions on Enlargement and Stabilisation and Association Process", p.6

2. Developments in priority areas of regional cooperation in South East Europe within RCC framework

2.1. Economic and social development

The previous year signalled a strong shift in both the SEE region's and RCC's focus in the sphere of economic and social development. With the completion of the previous Strategy and Work Programme 2011-2013, introduction of the new SWP 2014-2016 and the subsequent endorsement of the SEE 2020 Strategy – Jobs and Prosperity in a European Perspective, South East Europe has laid a new groundwork for regional cooperation in the coming years.

Looking back on the implementation SWP 2011-2013, RCC can be satisfied to have either fully or partially achieved all four objectives in the area of economic and social development agreed by its participants:

- The objective of *transferring and management of the South East Europe Investment Committee (SEEIC)* was achieved in full, with the SEEIC currently residing firmly in regional hands, with SEE 2020 Strategy as the main deliverable stemming from this activity.
- In the area of *increasing access to finance*, RCC had mixed results – while the Secretariat was unable to build consensus for the establishment of a regional development finance vehicle (i.e. regional development bank) within the region and its main backers, its initiatives supporting equity finance vehicles for early stage SMEs and removing obstacles for the establishment of a regional capital market yielded better results. RCC's equity finance initiative coincided with the initiative on the establishment of early stage financing vehicle that was picked up by the Western Balkans Investment Framework (WBIF) and the European Investment Fund (EIF) and has since evolved into EDIF – Enterprise Development and Innovation Facility, a EUR 145 million financing vehicle that RCC has also supported. In the area of capital markets integration, RCC partnered with USAID to broker two agreements in the process – between the stock exchanges in the region and the securities regulators in the region on the establishment of a single regional trading platform.
- Furthermore, RCC has managed to fully *mainstream the employment and social agenda into economic reform deliberations* through establishing an on-going regional cooperation in this area, identifying main avenues for action and building full consensus between the countries in the region on the actions identified. RCC established the Social Agenda 2020 platform during 2011 to develop a regional consensus together with the governments, social partners and CSOs identifying concrete priorities and action plans in the area. These have, in turn, been integrated in the SEE 2020 Strategy and will constitute the basis for the work of the Inter-governmental Working Group on Employment set up by the RCC as a first step in formalising cooperation on employment between the countries in the region. Moreover, RCC has partnered with DG Employment and the World Bank on an initiative to implement comprehensive reforms in the area of employment and social policies during 2014-2016 as an integral part of the SEE 2020 agenda.
- Finally, RCC has met with partial success in *promoting the information society in the region*. While the Secretariat has managed to renew the political support to the eSEE Agenda Plus at the ministerial level and has updated the eSEE Agenda Plus to reflect the new realities in the region, it was unable to find lasting operational and financial

solutions for regional cooperation in this area. RCC will continue to look for the best modus for regional cooperation in this area and will seek commitments from the countries in the region as well as the main supporters, such as the EC and UNDP.

It is worth noting that the region was going through its sixth year of a worst economic downturn in recent history. While the countries exited recession during the year, the rebound was very slow and marked by continued high unemployment (hovering at around 23% in the Western Balkans), low growth of household income, depressed demand and low access to credit, especially in the SME sector. The governments became acutely aware of the need to improve the fiscal positions, control public debts, and strengthen the banking systems, while working to address structural challenges in improving productivity and competitiveness, including in the areas of the investment climate, the labour market, and the public sector.

In this context, RCC and its partners focused most of their efforts during the year on developing and preparing for the implementation of the SEE 2020 Strategy, to help anchor national reforms and enable a broader, regional view of economic development. RCC engaged with all of the governments in the Western Balkans, its regional and international partners and others to ensure that common regional priorities are identified and translated into measures in line with SWP 2014-2016, with SEE 2020 Vision and the pillars of growth put forward by the region's Ministers. This extensive consultative process, involving more than 2,000 stakeholders at different levels resulted in the SEE 2020 Strategy - Jobs and Prosperity in a European Perspective being finally adopted in November 2013. The 86 measures included in the 16 policy dimensions of the Strategy represent a common expression of interest of the economies involved to engage ever more closely in removing constraints hindering competitiveness and finding common drivers of growth over the next seven years. Preparing for implementation of SEE 2020, including assistance in developing national and regional action plans, sound monitoring framework and the governance for the entire Strategy was at the centre of RCC's activities and those of its regional partners during the rest of the year. SEE 2020 also represents an integral part of RCC's new Strategy and Work Programme 2014-2016 and the work on its implementation has started during the previous year. Summarised below are some of the main developments in the specific sectors of operation.

Trade and investment

During the year, by completing the implementation of SWP 2011-2013 and starting off the implementation of SWP 2014-2016, RCC continued working on strengthening the SEE Investment Committee and building on its relationship with other regional partners in this area such as CEFTA Secretariat. As one of the first results of the SEE 2020 adoption, RCC, with the support of OECD, formed two sectoral expert groups dealing with food and beverage industry and tourism in the region to identify and help remove obstacles to closer regional integration in these sectors and increase their competitiveness in the long-term. These expert groups were formed as a result of the decision of the SEEIC Ministers of Economy and operate under the auspices of the SEEIC.

In the area of trade, the region has seen another important progress being made with the signing of the Additional Protocol 3 to CEFTA between Bosnia and Herzegovina and the Republic of Albania liberalising fully the trade in agricultural goods and contributing to the creation of a free regional agricultural market. The collaboration between SEEIC and CEFTA Secretariat was further strengthened through establishment of a joint Working Group on Investment that will help bring together the trade and investment agenda and will serve as the operational mechanism to coordinate implementation of SEE 2020 in the Integrated Growth pillar.

Employment

Increased labour mobility, better labour market governance and the promotion of social economy initiatives are the three main areas in which regional cooperation will focus to foster employment creation in the context of SEE 2020.

Labour mobility is an important tool for strengthening cooperation and integration among countries, while promoting employment and the best use of cross-country labour resources. Flexicurity, labour administration capacities, reliable data, matching skills and jobs, as well as promoting the employment of disadvantaged groups are all in the focus of regional cooperation on employment.

The development of social economy is seen as an important avenue for creating jobs in SEE through setting up the enabling legal frameworks, policies, strategies and actions, focusing especially on incentives that would give social economy initiatives a greater chance of succeeding.

RCC is in the process of preparing regional action plans for the implementation of employment measures of the SEE 2020 Strategy based on a comprehensive picture of the current situation regarding cross-border labour mobility in SEE and a detailed regional roadmap for promoting labour mobility in the SEE 2020 timeframe; and on identifying concrete areas in which regional cooperation can help improve the developmental contribution of social economy initiatives in the region until 2020.

The RCC and Friedrich Ebert Foundation have continued their successful collaboration in engaging social partners to discuss concrete social development priorities for the region. A regional meeting with social partners has been jointly organised with the purpose of providing them with a good understanding of the SEE 2020 Strategy targets and priorities and identifying a clear role and contribution of social partners in implementing the Strategy.

In order to strengthen national and regional ownership, the Social Agenda Working Group would strongly benefit from a strong Secretariat, which would be in charge of coordinating the day to day activities of the group. The establishment of the Secretariat has not been possible yet due to the lack of financial resources. RCC will continue working with all the stakeholders to that end in order to raise the political profile and provide political support to the formalisation of the Secretariat as well as liaise with the international community and organisations that can support this process.

Health

In line with the priorities of the SWP 2014-2016, the preparation of the health dimension chapter of the SEE 2020 Strategy has been one of the most important activities of the SEE Health Network (SEEHN) during the past year. The RCC Secretariat has hosted three working meetings of the SEEHN in Sarajevo with the aim of identifying and elaborating the regional priority measures related to health. The RCC participants from the region have agreed to work together for the harmonisation of cross-border public health and public health services, improving the inter-sector governance for health, strengthening the delivery of universal and high-quality health promoting services and creating resilient communities, and strengthening human resources in the health sector.

The SEEHN is in the process of finalising the establishment of its own institutions and mechanisms to be able to operate fully independently by the end of 2014. In 2013, SEEHN Member States have made their first annual financial contributions to the budget of the

Secretariat and procedures for the selection of the SEEHN Secretariat permanent staff are well under way.

In parallel, regional health development centres have expanded their activities, prepared detailed action plans and benefited from the protocol for operation of the regional health development centers of the SEEHN.

The Network has also been supported through the European Commission's TAIEX instrument in organising workshops in several relevant technical areas of public health such as patient safety or the reduction of excessive salt intake.

Women entrepreneurship

In line with the priorities stipulated by the project Women Entrepreneurship (WE): A Job Creation Engine in South East Europe, significant efforts have been invested in supporting this sphere of socio-economic development in the SEE region, with objectives to promote best policy practices in women entrepreneurship in line with the Small Business Act for Europe (SBA) and support capacity building of national and regional women entrepreneurs' networks and associations. Albeit gender-oriented, the ultimate goal of the project is to support the overall competitiveness and job-creation in the SEE through empowerment of women entrepreneurs.

The project, funded by the Swedish International Development Agency (SIDA), coordinated by the RCC and implemented by two partner organisations: Gender Task Force (GTF) and SEE Centre from Entrepreneurial Learning (SEECCEL), has reached its mid-term implementation phase at the end of 2013. Within this time frame, the project has achieved and produced its planned outputs in line with the stipulated priorities. New WE indicators have been formulated (2nd generation of WE indicators), WE training needs in the region have been surveyed, peer reviews among the stakeholders performed, and mapping of the WE situation and platforms for dialogue have been produced for all involved beneficiary economies: Albania, Bosnia and Herzegovina, Croatia, Kosovo*, Moldova, Montenegro, Serbia, The Former Yugoslav Republic of Macedonia and Turkey. Furthermore, the project has succeeded in establishment of the database of companies owned by women entrepreneurs in the whole region, which is the first platform of such kind in the region.

Digital society

In collaboration with the electronic SEE (eSEE) Secretariat, hosted by UNDP in Sarajevo, the RCC has worked with ministries in charge of telecommunications to build on the updated eSEE Agenda Plus, the main regional document guiding ICT development in the region, and to prepare the digital society priorities in the framework of the SWP 2014-2016 and SEE 2020 Strategy.

The RCC organised and hosted a meeting of the Electronic SEE Initiative and Broadband SEE Taskforce on 14 November 2013. It served for participating governments to report and exchange information on the implementation of the Electronic SEE Agenda Plus, to discuss the Digital Society component of the SEE2020 Strategy and future implementation steps towards improved broadband infrastructure, cross border e-services and acquisition of digital skills, and to assess the operational future of the Initiative. It was agreed that in light of the

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anticipated work for the implementation of the SEE2020 Strategy, there was a need to formalise the existing mechanisms of cooperation process, renew the chairmanship procedures and adjust any structures where necessary.

Regional cooperation in the area of ICT has been affected by the lack of resources during the past year. The meeting of the eSEE Initiative has been financially supported by RCC as the Centre for e-Governance Development has ceased to exist as of 2013. RCC is also in the process of discussing with UNDP the renewed support to the eSEE Secretariat, as a crucial instrument for sustaining regional cooperation on ICT issues.

2.2. Energy and infrastructure

The five priorities set out in the SWP 2011-2013 for energy and infrastructure were (i) continuation of implementation of Sustainable Energy Development Regional Initiative (SEDRI), (ii) enhancement of cooperation with the Energy Community Secretariat (ECS), (iii) contribution to preparation and implementation of the Danube Region Strategy, (iv) exploration of potential for further development of air services in the region, and (v) contribution to promotion of road safety.

The progress achieved in the implementation of these priorities was mixed. With regards to the **implementation of Sustainable Energy Development Regional Initiative (SEDRI)**, most of expected results were reached. With a relatively successful engagement of the private sector, SEDRI has promoted the construction of small-scale sustainable energy facilities, raised awareness on sustainable energy development and strengthened cooperation between relevant regional players.

The **cooperation of RCC with the Energy Community Secretariat (ECS)** was successful. It was primarily focused on the preparation of the regional energy strategy and strengthening the role of the Parliaments with regards to Energy Community Treaty implementation.

RCC supported the implementation efforts of the Danube Region Strategy by ensuring the participation of local authorities and civil society in the process, promoting an integrated approach to this macro-regional strategy and inter-sectoral cooperation, and supported the regional mechanisms such as the International Sava River Basin Commission (ISRBC) and International Commission for the Protection of Danube River (ICPDR).

The objectives related to the **development of air services in the region** were not achieved. Following the conclusions of the Workshop on Importance of Air Transport in Economic and Social Development of the SEE, RCC cooperated with interested regional stakeholders and prepared a project proposal for the Study on the Development of Air Traffic Links in SEE that could not be supported from the relevant IFIs.

The objectives regarding **contribution to promotion of road safety** were achieved in full. RCC worked closely with the relevant national authorities and experts in this area thereby promoting an improved cooperation on regional level.

In line with SWP 2011-2013 and SWP 2014-2016, regional cooperation in the area of infrastructure and environment has been a crucial topic at various events organised throughout the region, taking into account its role in the overall socio-economic development, but also in the EU enlargement process. It is mainly taking place under the umbrellas of key regional infrastructural cooperation structures: Energy Community (ECS) and South East Europe

Transport Observatory (SEETO). These structures are well established and strongly supported by both the European Commission and the beneficiaries. They are coordinating the implementation of the Energy and Transport Dimensions of the SEE 2020 Sustainable Growth Pillar, respectively. During the reporting period, the EU-financed project Environment and Climate Regional Accession Network (ECRAN) that succeeded Regional Environmental Network for Accession (RENA) and the Regional Environmental Centre (REC) remained the major frameworks for regional environmental cooperation. The latter is responsible for coordinating Environmental Dimension of the SEE 2020 Strategy Sustainable Growth Pillar. The RCC Secretariat will continue to complement their activities, enhance coordination and cooperation with and between these regional structures, and promote the need for a more holistic-integrated approach in addressing infrastructure development and preservation of environment in accordance with the expectations of regional stakeholders, especially in the context of implementation of the SEE 2020 Strategy.

Energy

The RCC's cooperation with the Energy Community (EnC) aiming in the past primarily to plug recognised gaps (cooperation with parliaments, adverse environmental impact of energy activities including global pollution and promotion of relevance of bottom-up approach for the overall energy sector development by mobilising civil society and local authorities) expanded in order to integrate energy aspects into the wider context of economic growth. It was primarily focused on integrating EnC achievements in the field of energy efficiency and renewable energy sources into the SEE 2020 Strategy and addressing the initial steps in the SEE 2020 Strategy implementation. Based on the targets to be established under the Energy Community in relation to reduction of greenhouse gases (GHGs) emissions coming from energy sector, the overall GHGs emissions reduction targets including all sectors relevant for GHGs emissions will be identified. In this way, the SEE 2020 Strategy would fully reflect the EU 20-20-20 requirements.

The RCC Secretariat has been active in promoting sustainable energy development as a key to green economy and a crucial prerequisite for bringing the region in line with EU 20-20-20 requirements. It is done primarily through its contribution to the implementation of the Sustainable Energy Development Regional Initiative (SEDRI), jointly launched by the CEI and RCC. Cooperation and communication with a variety of local, national and regional energy stakeholders and civil society organisations and networks were fundamental for the RCC to appropriately profile its cooperation with the EnC Secretariat and other energy cooperation frameworks as well as ensure adequate inputs to the process of SEE 2020 Strategy development and implementation.

The key SWP 2014-2016 and SEE 2020 Strategy actions in the Energy Dimension of the Sustainable Growth Pillar include the most relevant activities in the implementation of the Energy Strategy of the Energy Community (EEnC) and, in addition to increase in energy efficiency and use of renewable energy sources, will contribute to consumer protection, establishing and taking regionally coordinated actions in order to attract investment and creating fully operational regional energy market.

Despite progress in the implementation of the Energy Community Treaty (ECT), the demonstrated political will of the Contracting Parties (CPs) to the ECT was not always sufficiently followed by concrete actions in the form of legislative work what is the rationale behind numerous dispute settlement cases initiated by the ECS against a few CPs. The SEE 2020 will contribute to addressing these issues and the implementation of the EEnC and

ECT in general. More efficient enforcement and capacity building measures in the Energy Community will be in the very focus over the next period.

Appropriate implementation of the ECT by RCC participants from the region is of crucial importance in their accession dialogue on the Energy Chapter and in providing support by the EC, donor community and IFIs to the energy sector development. Transferring valuable experience in negotiating Energy Chapter on different levels will be very useful, especially for less advanced CPs, and this process has been initiated by the RCC.

Transport

The transport plays a vital role in the national economies of the SEE participants, thus contributing to higher economic growth, prosperity and social cohesion of the region.

The development of the South East Europe Transport Observatory (SEETO) Comprehensive Network up to the TEN-T standards and further integration of the South East European transport system in the European one remains a prevailing goal of the regional transport cooperation conducted under the umbrella of SEETO. The present priority is still the signing and entry into force of a Treaty establishing the Transport Community and the transformation of SEETO into the Transport Community Secretariat, as well as the entry into force and implementation of the European Common Aviation Area (ECAA) Agreement.

The RCC Secretariat focused on strengthening and facilitating regional air traffic cooperation, which intends to provide a more comprehensive picture on the development of air transport sector aiming to boost the economic growth in the region. Within continued support in implementing the Single European Sky (SES) and Joint Service Provision Area (JSPA) and in line with SWP 2014-2016, the RCC focused on streamlining these activities towards the SEE 2020 Strategy. The RCC promoted an integrated approach to the development of road transport by identifying and addressing gaps for more efficient planning, designing and implementation of road transport projects in SEE. It additionally worked on the promotion of a regional approach to address and overcome the current challenges in the railway traffic as more environmentally friendly transport mode thus aligning the activities with the SEE 2020 framework.

The RCC Secretariat has been engaged in developing the key transport actions of the Sustainable Growth Pillar of the SEE 2020 Strategy. It is expected that these key measures will have an added value to the future regional transport strategy and to the legally binding Transport Community Treaty in streamlining the national policy and legislation towards more coherent regional policy in line with the EU Common Transport Policy. This is likely to result in overcoming the legal, administrative and institutional bottlenecks on a long run which if not addressed on regional level can create distortions and hinder the free flow of passenger and goods.

The RCC Secretariat has intensified the current cooperation with SEETO, as the Transport Dimension Coordinator, aiming to obtain a common understanding on the implementing modalities for SEE 2020 Strategy regional action plan and flagship initiatives. A joint engagement of the RCC and SEETO on developing a detailed regional action plan as well as national action plans through their national structures is expected to provide a platform for defining the future common activities towards efficient implementation of the Strategy.

Efficient transport infrastructure and affordable, reliable and sustainable transport services are fundamental challenges for SEE. Current financing for infrastructure remains far below the needed level, and due to scarce budgetary resources, the RCC intends to promote public-

private partnerships (PPP) more actively by establishing better links with related initiatives in order to strengthen cooperation between public administration in the region and private sector.

Towards an efficient implementation of the RCC SWP 2014-2016 and SEE 2020 Strategy, the RCC attention should be shifted from the political commitment that was previously exclusively oriented towards large infrastructure projects to environmentally friendly transport modes in order to ensure sustainable mobility and connectivity in the region.

Environment

In spite of serious environmental problems in SEE, primarily due to ongoing economic and financial crisis, environmental and climate change has not yet been perceived as priority area of action. The implementation of SWP 2014-2016 and SEE 2020 Strategy is expected to improve the situation by linking environmental and climate issues to economic growth and facilitating integration of environmental and climate dimension into other sectoral policies. Vast support is still needed in the region for: strengthening the administrative capacity and inter-institutional cooperation at local and national levels, while strengthening legislative alignment; implementation and enforcement of demanding environmental and climate change legislation; massive investments in environmental infrastructure and institutional reforms. Soft measures such as awareness-raising, monitoring, networking and information exchange are also needed to complement these efforts.

Focusing on selected priority areas of approximation to the EU environmental and climate *acquis*, the Regional Environmental Network for Accession (RENA) provided support to capacity building of relevant ministries in transposition and implementation of the *acquis*, strategic planning of environmental policy and investments as well as awareness raising on climate issues. At the ministerial meetings, the RENA and its Working Groups were providing political support, setting priorities and implementing actions in the area of environmental cooperation. The Environment and Climate Regional Accession Network (ECRAN), which replaced the RENA, will strengthen climate change component within the project and introduce climate change adaptation as the topic of high relevance for the climate-vulnerable region of SEE, what will help implementation of the key SEE 2020 strategy actions in the Environmental Dimension of the Sustainable Growth Pillar concerning the climate change adaptation in line with the regionally recognised value chain – production of food and beverages and tourism.

Taking into account international legally binding obligations of the countries from the region and their climate change vulnerability, the RCC Secretariat recognised the need for enhancing regional cooperation in the field of climate change adaptation and strengthening cooperation between major regional players. It supported activities on establishing and implementing the EU co-funded project SEE Forum on Climate Change Adaptation (SEEFCCA) designed to link national activities on regional level, foster multi-stakeholder partnerships across the region and strengthen capacities of civil society in the region in the area of climate change adaptation, awareness raising and policy dialogue. On the other hand, SEEFCCA substantially contributed to profiling the climate change adaptation activities within the Environmental Dimension of the SEE 2020 Strategy Sustainable Growth Pillar.

The role of the RCC Secretariat in bringing the wider regional perspective, mobilising local authorities and civil society, promoting inter-sectoral cooperation and integrated approach, etc., was recognised in preparation and implementation of the EU Strategy for the Danube Region (EU SDR). There is still room to improve coordination between different initiatives and projects in order to avoid overlapping and duplication of efforts and save the scarce

funding available. The RCC Secretariat supported some of the initiatives and civil society organisations relevant for the EU SDR implementation and contributed to the implementation of their activities. Cooperation with Petersberg Phase II/ Athens Declaration Process and the International Commission for the Protection of Danube River (ICPDR) in the area of integrated water resources management, particularly concerning the water sector climate change adaptation and hydro-potential use, was among the most relevant activities in the environmental area during the reporting period. The Global Water Partnership - Mediterranean (GWP-Med) is a technical facilitator of the Petersberg Phase II/ Athens Declaration Process. It considerably contributed to shaping the key strategy actions with regard to integrated water resources management primarily in relation to promoting integrated (water, energy, food, environment nexus) approach and private sector involvement in water infrastructure development and in that way, emerged into the main regional structure to support the SWP 2014-2016 and SEE 2020 implementation in this area.

The Standing Working Group for Regional Rural Development (SWG RRD) alongside its well-established links with national authorities relevant for the implementation of key strategy actions in the Environmental Dimension of the SEE 2020 Strategy Sustainable Growth Pillar became very relevant regional structure for the implementation of key environmental strategy actions, in particular in relation to land use and sustainable forest management.

The International Sava River Basin Commission (ISRBC), primarily dealing with the navigation and environmental aspects, is expanding its scope to crucial aspects of socio-economic development and sustainability. It is a success story of regional cooperation recognised by the MB IPA Sector Plan on Infrastructure and the EU SDR and related Action Plan. The RCC will continue to cooperate with the ISRBC and support numerous and demanding ISRBC activities in the forthcoming period. It will also try to facilitate replication of ISRBC achievements to some other basins in the region based on the expressed interest. Water, food, energy, ecosystem nexus assessment in the Sava river basin to be completed soon will even expand the prospects for cooperation between the two organisations.

The Regional Environmental Centre (REC), with its accumulated experience and knowledge in regional environmental cooperation and its strategic goal of promoting and putting into practice governance for sustainability and facilitating the transition towards green economy, is the key RCC partner in this field. The RCC's cooperation with the REC is defined by the Memorandum of Understanding on cooperation between the two organisations and is getting even closer in the context of SEE 2020 Strategy implementation and the Environmental Dimension Coordinator role that the REC is playing in this process.

2.3. Justice and home affairs

In the past year, lots of efforts were put on enhancing the regional cooperation and streamlining it properly; nonetheless a lot of work remains to be done.

The priorities in JHA matters for the period 2011-2013 were: (i) **coordination of drafting, adoption and implementation of a Regional Strategy and Action Plan** on Justice and Home Affairs, (ii) **strengthening judicial and prosecutorial cooperation in criminal matters**, (iii) **support to existing initiatives in the area of fight against corruption**, (iv) **support to MARRI in strengthening its capacity**, and (v) **initiating regional cooperation in private and civil matters and in protection of fundamental rights**.

Against a complex backdrop caused by the worsening of the socioeconomic situation and the economic crisis, RCC's efforts to implement its Strategy and Work Programme 2011–2013 in the JHA area led to a number of developments and results. Following the Common Declaration of SEECP Ministers of Justice and Home Affairs regarding the endorsement of the Regional Strategic Document 2011-2013 and the Action Plan for its Implementation adopted by the Ministers of Justice and Home Affairs of the SEECP Participating States at the Budva Conference of 18 March 2011, RCC established and coordinated the work of the Steering Group on Regional Strategy (SGRS), which at its Belgrade meeting in December 2011 approved the Monitoring and Evaluation Mechanism (M&EM) as a regional tool of annual assessment of the level of cooperation. As a follow-up, RCC Secretariat developed the necessary database and completed all preparation for making it operational, but because of financial constraints it has not been possible to start its operation.

The RCC has witnessed an improvement of the regional cooperation in criminal matters. Its progress has been obtained by direct communication and exchange of information, consolidation of mutual trust and better coordination among regional, EU and international actors within the existing regional legal and organisational framework.

Within the Regional Anti-Corruption Initiative (RAI), and with RCC Secretariat's conceptual and financial support, the Integrity Experts Network (IEN) has been established, dealing with conflict of interest prevention and assets declaration. The Network serves as a platform for policy making and exchange of information, experience and best practices between the practitioners in the area. In addition, RAI was appointed as the Dimension Coordinator of the SEE 2020 Strategy.

The objective of supporting the strengthening of MARRI was partially achieved. The establishment of Regional Network, a project developed in partnership with SEPCA and Frontex, helped to improve the capacities of MARRI and SEPCA Member States' national authorities in addressing issues of irregular migration, trans-border crime and terrorism on sustainable and permanent basis. In addition, MARRI and IOM established a regional cooperation network of Migration Services Centres in the Western Balkans in order to facilitate entry of potential migrants to the labour markets in the EU and reinsertion of returning skilled migrants.

The objectives of initiating regional cooperation in private and civil matters and in protection of the fundamental rights were partially achieved.

The visibility of the RCC was raised through numerous activities in cooperation with all SEE regional initiatives in the JHA area. On the other hand, there is still space for improvement, especially if RCC manages to avoid overlapping and facilitates the work of accession countries. To that end, particularly beneficial were efforts of the RCC Secretariat to provide financial support for certain regional activities, which proved to be efficient and avoid any kind of competition for funds and gave RCC enhanced ability to coordinate and influence various initiatives in the region.

The main barriers at regional level, which are currently being addressed, consist of varying national institutional capacities and uneven development of areas of cooperation. Police, law enforcement and judicial cooperation in criminal matters are still fragmented and compartmentalised into a number of different areas. The number of organisations, initiatives and other players is continually growing. Those regional cooperation structures are well known to the central authorities but very limited number of practitioners actually knows how

to get the maximum from the tools that are available. On the other hand, we have growing number of regional players in the region, which often duplicate and overlap the work. This is overburdening for the experts in the region; therefore, synergies have to be found to raise the efficiency of the numerous activities. The RCC should streamline all the processes but would need more influence when dealing with independent organisations or donor state's agencies. These limitations are also one of the most important reasons that, while JHA cooperation generally records positive trends with occasional setbacks, some of the activities at the national and regional level still remain unconnected and uncoordinated.

The EU enlargement process which puts strengthening of the rule of law and democratic governance in focus is one of the biggest challenges for the EU in the near future. The lessons learnt from previous EU enlargements highlighted the need of improving the quality of the process. It resulted in the new European Commission's approach in the chapters 23 and 24. The most difficult questions regarding justice, freedom, security and fundamental rights will be tackled early in the negotiations so as to allow maximum time to governments to develop a solid track record of reform implementation, thereby ensuring that reforms are deeply rooted and irreversible. The new approach also introduced the national action plans, on the basis of which the negotiations for chapters 23 and 24 will be opened, as well as the interim benchmarks which will be set when negotiations are opened.

The rule of law is a fundamental value on which the EU is founded. It remains a priority for the EU and is still at the heart of the EU enlargement process. It is a key pillar of the Copenhagen political criteria. Countries aspiring to join the EU need to establish and promote from an early stage the proper functioning of the core institutions necessary for securing the rule of law. Rule of law supports the business environment, providing legal certainty for economic operators and stimulating investment, jobs and growth.

The RCC responded to the EU requirements in two ways. One is preparing the SEE 2020 Strategy and the Governance for Growth pillar. The Governance for Growth pillar is presented horizontally, as a cross-cutting issue and a prerequisite for achievement of the Strategy objectives and for the efficient implementation of the Strategy policy measures and instruments across all pillars. The dimensions under the Governance for Growth pillar are Effective Public Services, dealing with the reform of public administration, Anti-corruption and Justice.

Fighting organised crime and corruption remains a fundamental issue to countering the criminal infiltration of political, legal and economic systems. In most RCC participants from the region there is a need for inclusive, transparent and ambitious judicial reforms with the aim of ensuring independent, impartial, efficient and accountable judicial systems. Particular attention is needed to the appointment, evaluation and disciplinary procedures for judges. There is also a need to put in place stronger frameworks for tackling corruption and organised crime, which remain a serious concern in many enlargement countries. Efforts are needed to ensure a sustained track record of substantial results in this field based on efficient, effective and unbiased investigation, prosecution and court rulings in cases at all levels, including high level corruption.

Strengthening police cooperation and judicial cooperation in criminal matters

Fighting organised crime is fundamental to countering criminal infiltration. There is also a need to put in place stronger frameworks for tackling organised crime, which remain a serious concern in many RCC participants from the region. Efforts are needed to ensure a sustained track record of substantial results in this field based on efficient, effective and unbiased

investigation, prosecution and court rulings in cases at all levels, including high level corruption. One of the cornerstones of successful tackling of organised crime, which should be based on a systematic and successful investigation and prosecution, includes ensuring a consistent follow-up in the form of financial investigation, including asset recovery.

The relevance of the Western Balkan region for the EU remains high, being a region of origin. This is also reflected in the priorities and planned actions of the EU Policy Cycle 2014-2017. Existing initiatives, organisations and EU agencies such as EUROPOL (EU Law Enforcement Agency), CEPOL (European Police College), Secretariat of Police Cooperation Convention for Southeast Europe (PCC-SEE Secretariat), Southeast Europe Police Chiefs Association (SEPCA), Southeast European Law Enforcement Centre (SELEC) and Southeast European Prosecutors Advisory Group (SEEPAG) and the Western Balkans Prosecutor Network together with national administrations should strive to greater synergies in regional cooperation.

The RCC Secretariat, SELEC, UNODC and UN Counter-Terrorism Executive Directorate (CTED) organised periodic regional conferences and workshops on anti-terrorism in SEE with the aim of contributing to the improvement of regional cooperation and building mutual trust. Although workshops were assessed as very successful by the relevant organisations, particularly in the light of fulfilling obligations from UNSCR 1373 and implementation of all relevant Security Council resolutions, the international instruments to counter terrorism, and the United Nations Global Counter-Terrorism Strategy, the RCC will discontinue its participation in organisation of these workshops due to priority changes and focus on the implementation of SWP 2014-2016.

Regional cooperation in criminal matters has improved. Progress was achieved by direct communication and exchange of information, consolidation of mutual trust and better coordination among regional, EU and international actors within the existing regional legal and organisational framework.

The RCC actively participated in the Steering Board of the Western Balkans Prosecutors Network, aiming to increase the integration of public/state prosecutors from the Western Balkans in international networks and foster cooperation with Eurojust and the European Judicial Network.

Further strengthening of the cooperation among the police, judicial authorities, customs and other financial institutions and training of law enforcement personnel are of particular importance, especially in the fight against corruption and organised crime.

Fighting corruption

Under the auspices of the Romanian SEECP C-i-O, the *Regional Conference on promoting best practices in fighting high-level corruption and on asset recovery* took place in Bucharest on 8-9 April 2014. The event was also organised in the context of the RCC Strategy and Work Programme 2014-2016. The conference brought together heads of the Anticorruption Agencies and Asset Recovery Offices, as well as experienced magistrates in dealing with high-profile corruption cases, from all SEECP participating States. The event was important for raising awareness about the challenges and priorities in fighting high-level corruption, and disseminating best practices between the participating countries.

As a result of the open and fruitful cooperation between the Regional Anti-Corruption Initiative (RAI) and RCC, RAI was selected as the Dimension Coordinator of the SEE 2020 Strategy. Through joint work, a regional action plan has been prepared to address the challenges in the area of anti-corruption.

Corruption undermines the rule of law, impacts negatively on the business environment, national budgets and affects citizens' everyday life. Therefore, fighting corruption is essential for economic growth and development. The main focus will be put on reducing corruption in public administration with coordinated regional measures.

Public procurement is targeted as a priority area for anti-corruption activities because it is a key area where public funds are lost through corruption, and because a standardised procedure for public procurement would add to the region's appeal as a single market.

Migration management

Migration and border management issues continue to be addressed in the appropriate fora such as within the SAA framework, and Chapter 24 and especially with regard to the EU Visa Liberalisation process and its implications to the EU-WB relations.

Further progress in this field will require a more coordinated action amongst the EU Member States, agencies and institutions, RCC participants from the Western Balkan and international donors. An efficient response will be based on a commonly-held and comprehensive approach considering the wide scope of challenges of illegal migration and border management as well as those of irregular migration and abusing legal channels, including asylum abuses, which are related to the Western Balkan region and are producing external impact on the security situation in the EU. The efficient response has to be balanced also with regards to the freedom of movement and mobility of workers. Several players in the region are dealing with migration – illegal migration, mixed migration flows that include the asylum component, information exchange, border control, cross-border operational cooperation or dealing with refugees. Some of them accommodate other accompanying security issues (e.g. cross-border crime) to different extents, which depends on their mandates, scopes of action and priorities enforced.

Existing initiatives, organisations and EU agencies such as FRONTEX (European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union); EASO (European Asylum Support Office); International Organisation for Migration (IOM); United Nations High Commissioner for Refugees (UNHCR); the Migration, Asylum, Refugees Regional Initiative (MARRI); International Centre for Migration Policy Development (ICMPD); Geneva Centre for the Democratic Control of Armed Forces (DCAF) with its Border Security Programme have an important role in regional cooperation.

The most important regionally owned initiative is MARRI, which should take over the central role in migration management as well as the asylum procedures in the region. MARRI has a great potential as a tool for its Member States to promote regional activities which could respond to regional migration challenges and develop regional synergies and cooperation with the aim of supporting national migration policies. However, it has to be further strengthened. Greater consistency of political commitment and strategic prioritisation among its Member States is needed.

Regional cooperation in private and civil matters

In cooperation with Serbia during its previous C-i-O of the SEECP, Slovenia, Romania and extraordinary financial and expert support of GIZ, the RCC Secretariat established the regional expert team with a task to propose the best solutions related to the Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters (similar to Lugano Convention). After several meetings, the expert team agreed on draft text of the Convention and submitted it to the responsible state authorities. The Ministers of Justice signed the Declaration of Intent in 2013 as regards the signature of the Convention but the process remained still.

In the anti-corruption dimension, the main focus will be put on reducing corruption in public administration with coordinated regional measures. The headline target has a three-pronged set of objectives that seek to strike a balance between encouraging the implementation of concrete policy objectives and achieving broad progress in fighting corruption. One is achieving the reduction in the amount of bribes paid to public administration, the other is improving the average score of World Bank's WGI Control of Corruption Index and the third set is achieving certified excellence in public procurement procedure and implementation as public procurement is targeted as a priority area for anti-corruption activities because it is a key area where public funds are lost through corruption.

Interactions between judicial institutions and the economy recently became an important Europe-wide issue after years of recession. The priority area will be independency of judiciary which is also growth enhancing factor. The end result should be capability of ensuring fair trials. The other priority area will be efficiency, dealing with the length of judicial disputes and reducing the court backlogs.

Further to that is to make regional cooperation in the field of migration management and fighting organised crime more concrete and operational. RCC will prepare the gap analyses of the cooperation in these two fields, define very specific areas where regional cooperation could bring an added value with the aim that the results are reflected also at national level.

The field of justice and home affairs (JHA) is one of the most important policies in the EU. JHA deals with the most sensitive issues, concerning freedom, security and justice and affects everyday life of European citizens. It is one of the fastest growing and developing areas with an enormously huge acquis which is still growing.

Further efforts are needed in order to adjust the EU instruments to the existent realities in each EU aspirant and to smoothly transpose EU acquis and put it into effective implementation.

In the future, the RCC should facilitate the reform process within the region in close cooperation with the European Commission. The RCC should gain strong political commitments from the RCC participants in the region to continue with reforms and make them more effective also through the regional cooperation. These commitments should be for specific policy areas and RCC should act more operationally to implement those commitments. All regional commitments should be reflected at national level. Therefore, a gap analysis on regional cooperation will be produced for the fields of migration management and fighting organised crime. Lessons learned with best practices will be included and in final stage recommendations and guidelines will be drafted and adopted on political level. The RCC will seek political recognition of the added value of the document by the region and will also seek their commitment for further implementation.

Even though regional cooperation is necessary for more effective implementation of commitments, a tailor-based approach is needed when it is reflected at national level as the situation and statuses are very different from country to country.

2.4. Security cooperation

Overall security and political stability have improved in SEE in the past decade, with seven RCC participants from the region being members of the North Atlantic Treaty Organisation (NATO) and five participating in the Partnership for Peace (PfP) programme. Currently five RCC participants from SEE are members of the EU, which plays its own role through its security structures and through the European Security and Defence Policy (ESDP) activities. The increased number of NATO countries in the region, as well as the closer links with the EU created new responsibilities for the SEE participants and the need for strengthening the regional cooperation. In this respect, the objectives and activities planned in the RCC SWP for 2011-2013 and the SWP for 2014-2016 fitted perfectly in the regional security cooperation context.

Enhancing regional dialogue and cooperation mechanisms on security and defence issues, and developing a regional approach to disaster risk reduction are the priorities that the RCC has identified for the region for the period 2011–2013.

In working towards the first objective that relates to security and defence cooperation, the RCC Secretariat concentrated on developing, streamlining, facilitating and supporting the development of regional mechanisms with low-cost activities and high impact on regional confidence building. These mechanisms, which are not meant to be ‘structures’, are mutually accepted by the beneficiaries as specific institutional forums for exchange of information and security experience, knowledge and lessons learned and have value added for the institutions’ benefits through regional cooperation. The mechanisms allow the participating national institutions to find the fields of mutually needed and acceptable assistance, identify and address common challenges, and build regional cooperation for the benefit of the institutions, participants and the region. All these aspects made it possible for the established mechanisms to be able to work and function as fully regionally owned. This has been achieved with the full support of the European and Euro-Atlantic structures working in the same fields such as NATO, the General Secretariat of the EU Council and the European External Action Service.

An important aspect of the SWP for 2011-2013 has been the streamlining of Regional Initiatives and Task Forces (RI&TF). In the security cooperation field, this was not a matter of closing or merging RI&TF, but more a matter of contributing to building operational links between RI&TF in the security and defence cooperation sector, thus identifying ways to avoid existing overlaps. This effort has been concentrated mainly on the activities of the RI&TF⁷, motivating them to join efforts in the implementation and resource distribution in project implementation, excluding any overlap of activities.

The practical expression of the ‘streamlining’ and ‘operational linking’ differed with the specific RI&TF in the spectrum of agreements, MoUs, joint statements and other forms of joint work. RCC’s role in implementing the SWP for 2011-2013 was not only to facilitate the

⁷ South East Europe Defense Ministerial–SEDM; Forum for Western Balkans Defense Cooperation–SEEC; US Adriatic Charter–A5; Western Balkans Defense Intelligence Chiefs–WEBADIC; South East Europe Chiefs of Defence–B9; Centre for Security Cooperation – RACVIAC; Disaster Preparedness and Prevention Initiative for SEE - DPPI and the South Eastern and Eastern Europe Clearinghouse for the Control of the Small Arms and Light Weapons – SEESAC.

regional cooperation, but also to initiate or improve the inter-institutional cooperation at national and regional levels through the regional mechanisms created.

During the implementation of the SWP for 2011–2013, the following mechanisms were developed or initiated in the security cooperation priority area:

- The **South East European Military Intelligence Chiefs (SEEMIC)** - a high-level forum from the region that allows for networking, building relationships and strengthening trust as a basis for furthering cooperation in the intelligence area. In this context, two regional common intelligence assessments were produced by Military Intelligence (MI) experts working together in working groups. With the assistance of the EC's DG Enlargement, SEEMIC implemented a secure communication line among its members through a SEEMIC tailored project. Furthermore, the RCC Secretariat had ongoing consultations with the respective national security institutions which proved to be a very effective tool in building common understanding on the value added of regional cooperation. The 5th meeting of SEEMIC and WEBADIC initiated, with RCC's efforts, the process of seeking gradual synergy in the work of the RI in the field of Military Intelligence – a process that already started in 2014. Overall, in 2013 SEEMIC was assessed as a valuable tool for cooperation among MI in SEE. There is a sound will and readiness to move ahead and further develop cooperation and dialog within the SEEMIC framework, ensure synergy, avoid any duplication and seek further effectiveness in the regional cooperation, and produce more valuable regional intelligence assessments.
- The **Forum of South East European National Authorities on Information Security (SEENSA)**. SEENSA's work aims to find solutions for exchanging classified information on a regional basis, in close cooperation with NATO Office of Security and the EU General Secretariat of the Council (Security Office). In this context, the third SEENSA meeting, which took place in 2013, provided a valuable forum for discussions on the vision of SEENSA in the future. The participants agreed on specific activities and directions of SEENSA work and confirmed that the thematic working groups and SEENSA will be supported by the NATO Office of Security, the General Secretariat of the EU Council and RCC Secretariat.
- The **South East European Defence Policy Directors Forum (SEEDPD)**. Since the first meeting that took place in 2009, the RCC Secretariat has been working in close cooperation with SEEC - Forum for Western Balkans Defence Cooperation on expanding the format and securing all-inclusiveness.

In terms of the disaster risk reduction priority of the SWP 2011-2013, the RCC's efforts were focused on further stabilising and institutionalising the DPPI, as a regionally owned initiative covering the full variety of regional activities in the disaster risk reduction area. On the 28 October 2013, eight SEE participants signed a new DPPI Memorandum of Understanding (three participants from the region will join after finalising their internal procedures) and in 2014 they plan to sign a Host Country Agreement with Bosnia and Herzegovina.

The SEE region is highly vulnerable to natural, and, in some cases, manmade disasters with cross-border impact, which enhances the rationale described in the RCC SWP 2011–2013 for strengthening cooperation in order to prevent disasters and/or deal with their effects. Above all, cooperation in this field is also an important part of the European integration process.

In the forthcoming period, a constant political commitment, combined with a better understanding of security issues within the region needs to be reached among the regional actors, SEE participants and regional initiatives. An improved security environment and

higher confidence building measures accepted by the SEE participants are an essential prerequisite for all other forms of regional cooperation in any other area.

2.5. Building human capital and cross-cutting issues

Looking back at SWP 2011-2013, the three priorities in this sector were: (i) **taking over coordination of the Ljubljana Process**, (ii) **supporting the education reform in the region, with emphasis on higher education**, (iii) **developing the Regional Strategy for Research and Development for Innovation for the Western Balkans**.

The objective of taking over coordination of the Ljubljana Process was achieved in full. In June 2011, RCC established the Task Force on Culture and Society (TFCS) as a new regional mechanism for coordination of activities at the regional level and monitoring of progress of the implementation of Ljubljana Process.

In supporting the education reform in the region, the RCC Secretariat focused its activities on assisting cooperation among the higher education authorities and institutions in the region. It supported the project Building Capacity for Structural Reform in Higher Education of Western Balkan Countries from its initial phase, and it co-chaired the meetings of the Steering Board of the project.

In addition, RCC Secretariat continued to be a reliable partner to the EC DG Education and Culture in its efforts to develop the Western Balkans Platform on Education and Training.

RCC Secretariat continued its cooperation with the existing regional mechanisms - RCC Task Force Fostering Building Human Capital (TFBHC) and Education Reform Initiative for South Eastern Europe (ERI SEE). As a member of ERI SEE Governing Board, RCC advised on and supported the process of institutionalisation of ERI SEE and its Secretariat.

The development of the Regional Strategy for Research and Development for Innovation for the Western Balkans has been fully achieved in accordance with the planned timeline. RCC organised and chaired a number of preparatory events/workshops, including the official launching of this 2-year project. The RSRDI Steering Committee developed under the auspices of RCC, gathered representatives of research ministries as well as World Bank, European Commission and the RCC Secretariat. The Strategy identifies key priorities and is expected to serve as a framework for a collective effort to recommend policy and institutional reform that can promote the region's most urgent priorities of increasing innovation, growth, and prosperity. The R&I Strategy aims to improve the research base and conditions for research excellence in the Western Balkans, thus slowing the brain drain and supporting the brain gain; promote the research-industry collaboration and technology transfer; enable business investments in research and innovation; and strengthen the governance of national policies with appropriate regional technical assistance facility.

The RCC Secretariat focused its attention on finalisation of the process of development of the SEE 2020 Strategy. After adoption of the Strategy by the SEE Governments, and its endorsement by the Ministers of Economy in November 2013, the RCC embarked upon the first activities of implementation of this strategic document. We split our attention in two directions: creation of transparent and efficient regional mechanisms in each SEE 2020 dimension on one side, and development of concrete, systematic programmes of regional and national actions on the other.

Education

The RCC Secretariat continued its communication with the Education Reform Initiative for South East Europe (ERI SEE) members on finalisation of the process of establishment of ERI SEE and its Secretariat. It is expected that one remaining member country of the Initiative signs the Host Country Agreement on establishment of permanent ERI SEE Secretariat in Belgrade, which will enable further steps towards setting up and staffing of the office of this regional mechanism. The establishment of ERI SEE, as an efficient and transparent mechanism for strengthening regional cooperation in the area of education, is of particular importance for the RCC because ERI SEE will also act as the Coordinator of Education Dimension of the Smart Growth pillar of the SEE 2020 Strategy.

The RCC Secretariat coordinated communication among members of the ERI SEE Governing Board, representatives of partner organisations and education experts, leading to definition of regional targets, indicators and measures for the Education Dimension of the SEE 2020 Strategy. After receiving the confirmation of the ERI SEE Governing Board, approved regional priorities, measures and actions were included in the draft SEE 2020 Strategy.

The RCC supported the meeting of ERI SEE Governing Board in Podgorica on 8 April 2014, with 2 main topics on the Agenda: completion of the process of signing of HCA and adoption of the Annual Plan of Activities. Participants agreed on the necessity to embark on realisation of concrete activities envisaged by the SEE 2020 Strategy. To that aim, the external consultant in the area of *access to education and early school leaving* has been engaged by the RCC in order to develop the concept of related regional programme and assist preparation of the regional event on this topic.

The RCC Secretariat supported the efforts of higher education authorities and institutions from the region to bring governments closer under the idea of more efficient diploma recognition for further studies and labour mobility. Intensive cooperation between countries of the region on the long-term goal of European Higher Education Area on automatic recognition could provide for new possibilities for setting up a regional model for recognising each other's qualifications. Future joint work could be closely linked with Pathfinder Group on automatic recognition which has been established by Bologna Follow-Up Group.

The RCC Secretariat strengthened strategic partnerships with European Commission and European Training Foundation, under the frameworks of SWP 2014-2016, SEE 2020 Strategy, the Western Balkans Platform on Education and Training, and Torino Process.

Science and research

The ministerial conference on the Western Balkans Regional Research and Development Strategy for Innovation (R&I Strategy) was organised on 25 October 2013, in Zagreb, by the World Bank and Croatian Ministry of Education, Science and Sports. R&I Strategy, adopted by the ministers, will improve the research base and conditions for research excellence in the Western Balkans, thus slowing the brain drain and supporting the brain gain; promote the research-industry collaboration and technology transfer; enable business investments in research and innovation; and strengthen the governance of national policies with appropriate regional technical assistance facility. The ministers supported the efforts coordinated by the RCC in developing SEE 2020 Strategy and endorsed the proposal that R&I Strategy becomes the key input into the Research and Innovation Dimension of SEE 2020. R&I Strategy will be implemented by the regional mechanism for cooperation in the area of research and innovation. The first rotating Chair of the regional mechanism will be Republic of Serbia and the Seat of the mechanism's permanent Secretariat will be in Split, Republic of Croatia.

Adoption of the Regional R&I Strategy concluded a 2-year process, in full compliance with the timeline of the main activity of the RCC Strategy and Work Programme 2011-2013 in the area of science and research.

The RCC Secretariat held consultations with ministries of science from the Western Balkans in the course of implementation of the SEE 2020 Strategy dimension on Research and Development and Innovation. The meeting of the Steering Committee of the Regional Strategy on R&D for Innovation was held in Split on 1-2 April 2014. The participants discussed the draft statutory documents of the future regional R&I mechanism (Memorandum of Understanding and the Secretariat Host Country Agreement). The meeting was also an opportunity to discuss and adopt the annual plan of activities within the R&D and Innovation dimension of the SEE 2020 Strategy, in compliance with the Regional Strategy on R&D for Innovation for the Western Balkans. To that aim, funds for conducting activities in the mentioned area have been allocated by the RCC.

The RCC Secretariat participated in the activities of the Steering Platform on Research for the Western Balkan Countries, focusing on preparations of the Western Balkans countries for IPA II and Horizon 2020 as well as on the ongoing and planned regional cooperation programmes. The WBC INCO.NET and Steering Platform seized their activities with the final conference held on 27-28 March 2014 in Vienna.

Culture

Tight communication between the RCC and its Task Force on Culture and Society led to the development and approval of the Cultural and Creative Sectors dimension of the SEE 2020. The RCC and EC representatives held bilateral consultations with the ministers in charge of culture of the Western Balkans participants of Ljubljana Process (LP) with an objective to have a political assessment of the achievements from the LP over the last three years, as well as to hear the countries' ideas on whether this process should continue in the future, after November 2014, following the end of the ongoing EU financing phase of the programme. The meetings were also an excellent opportunity to discuss future possibilities for regional cooperation under the framework of the RCC TFCS, as the Coordinator of the Culture and Creative Sectors dimension of the SEE 2020 Strategy.

All the Western Balkans ministers in charge of culture had a positive analysis of the Ljubljana Process. The ministers have expressed readiness to continue participation in the LP, after November 2014, under the framework of the RCC Task Force on Culture and Society with more active involvement of the countries in implementation of concrete programme actions, possibly with diminished bureaucracy and increased funding opportunities. They have also reiterated the interest in development and implementation of regional objectives envisaged by the Culture and Creative Sectors dimension of the SEE 2020 Strategy, matching the national priorities in respective area: continuation of Ljubljana Process, support to audio-visual industry and creation of Regional Design Incubator.

The RCC Task Force on Culture and Society continued its regular activities, focusing on coordination of Ljubljana Process implementation. The RCC Secretariat sent a request to the European Commission for no-cost extension of the EU Grant for Support to Ljubljana Process II – Rehabilitating our Common Heritage and the EU €0.5 million Grant for Sustaining the Rehabilitation of Cultural Heritage in the Western Balkans until November 2014. TFCS has been developing the comprehensive Report on the Ljubljana Process II for the period from June 2011 to June 2014 which contains the conclusions from the bilateral ministerial consultations held by the representatives of the RCC Secretariat and the EC with the Western

Balkans ministers in charge of culture. The report will be complemented with the inputs from the countries and endorsed by the ministers of culture at the next CoMoCoSEE meeting. Regarding the future of the Ljubljana Process, it was agreed that the previous General Reference Framework will serve as the basis for development of new strategic document of the programme.

The RCC Secretariat has been engaged in the process of exploring the ways for further development of the initiative of establishment of the SEE Museum Network. To that aim, models for possible collaboration between the RCC and national institutions as well as nongovernmental organisations were discussed, tackling activities aimed at strengthening cooperation among the museums in the region through improvement of efficient regional network of these important cultural institutions.

2.6. Parliamentary cooperation

The RCC engagement in the area of parliamentary cooperation was mainly focused on promoting, monitoring and further supporting the activities of the existing and new sectorial and geographical initiatives and structures. In this context, the RCC has strengthened the cooperation and coordination with the SEECP C-i-O for the periods 2012-2013 and 2013-2014, and continued to take active part in meetings of the SEECP Parliamentary Dimension Working Group, as well as the different regional parliamentary conferences and events.

Within the scope of the SEECP Parliamentary Dimension, the RCC participated at the 10th Conference of the SEECP Speakers of Parliaments in Ohrid which decided to establish the SEECP Parliamentary Assembly (PA). This decision should be seen as an important step to the improving of the overall regional cooperation in SEE. Following this decision, the 11th and 12th meeting of the SEECP Parliamentary Dimension Working Group (PD WG) discussed the draft documents necessary for finalising the institutionalisation of the SEECP PA and agreed on the draft text of Declaration on the Inauguration of the SEECP PA (on the occasion of its Inaugural Session in Bucharest on 10th May 2014), draft Rules of Procedure of the SEECP PA, draft comprehensive report on the possible compromise model of the SEECP PA Secretariat, and the draft report of the SEECP PD WG for the Inaugural Session of the SEECP PA. Moreover, the SEECP participants agreed to discuss the issues of the seat of the SEECP PA Secretariat, the drafting of its Rules of Procedure and the budget after the Inaugural Session of the SEECP PA, as well as to invite Kosovo*⁸ to attend the Inaugural Session of the SEECP PA as a special guest.

In the area of energy, the RCC Secretariat and Energy Community Secretariat (ECS) co-organised the first meeting of the parliamentarians from the Contracting Parties - Friends of Energy Community with the aim to raise awareness and deeper involve Members of the Parliaments in the work of the Energy Community and the energy sector reforms.

In the area of security cooperation, the RCC Secretariat and Croatian Parliament co-organised the first informal meeting of the Chairpersons of the Security and Defense Committees of the National Parliaments in SEE where the participants highly appreciated this initiative and agreed to hold this kind of meetings on regular basis.

⁸ *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.

The RCC Secretariat, for the first time, established direct contacts with the Network of Parliamentary Committees on Economy, Finance and European Integration of Western Balkans (NPC). In this framework, it took active role at Regional Parliamentary Conference: The Role of Parliaments in Promoting Investments and Competitiveness in the Western Balkans where the participants agreed to encourage the Parliaments to engage the state and non-state actors in the oversight of the policies of state aid, competitiveness and FDI, as well as to support the implementation of the regional development strategies, including the SEE 2020.

The RCC Secretariat also participated in a number of regional parliamentary events, including: Legal Status and Political Functions of Inter-parliamentary Organisations conference co-organised by the Regional Secretariat for Parliamentary Cooperation in South East Europe (RSPC-SEE) and the Bulgarian Parliament; Open Parliament–Transparency of Parliamentary activities seminar organised by the European Parliament; European Integration through the Cooperation of the Parliaments, Civil Society and the Independent Regulatory Bodies in South East Europe - Exchange of Experiences and Positive Practices conference, etc.

In general, it could be assessed that the regional parliamentary cooperation is regular, diversified and well-perceived by the all involved stakeholders. The decisive step forward to establishing SEECF PA is a confirmation of the will of the national parliaments to further enhance their cooperation and a clear indicator of regional ownership and responsibility. The RCC continued to play an active role in practically all regional parliamentary cooperation activities and its contribution has been highly appreciated. However, the numerous existing and new initiatives and frameworks in this area need further joint efforts of all players in order to improve the coordination and avoid duplication of the activities, increase the efficiency of their engagement and ensure a more coherent and result-oriented approach.

Regarding the project: Parliamentary Cooperation in the Western Balkans and Turkey - Support to the Cetinje Parliamentary Forum aimed at improving regional parliamentary cooperation regarding accountability, transparency and EU integration, which was approved as part of the 2012 MB programme, no major progress towards its implementation was unfortunately made. In view of this situation and the other existing initiatives and frameworks related to regional parliamentary cooperation, the EC launched a process for preparing a Study on Parliamentary Cooperation. The aim of the Study (planned to be finalised in the second half of 2014) is to map the current situation and streamline the regional parliamentary institutions as a precondition for further support to the regional parliamentary cooperation.

CEI-led Project Improving Cooperation in SEE by Actions for Strengthening the RCC

The Project aimed at supporting regional cohesion in SEE, the EU enlargement process and the RCC Secretariat which was funded by the EC (0.9 mil euro) and co-funded and implemented by CEI, was successfully finalised on 31 March 2014.

The closing project conference entitled Enhancing Growth through Regional Action, (Sarajevo, 18 March 2014) assessed that the Project had a positive multi-folded impact: 1) it served the valuable purpose of contributing the efforts of the enlargement countries from the region on their way towards EU membership and, in particularly enhancing the regional cooperation in SEE in several specific areas such as the Ombudsman Offices; growth of local economies and rural innovation; creative industry; the joint production by the public broadcasters of nine countries from the region of the documentary film “How do I see my neighbour”; 2) it provided an additional impetus to developing and strengthening of the

relations and cooperation between RCC and CEI where, inter alia, the draft text of the new Memorandum of Understanding in order to reflect the new realities in our region and the new priorities of both organisations has been prepared; 3) it was beneficial within the RCC's efforts in preparing some of its strategic activities such as the RCC SWP 2014-2016 and the SEE 2020 Strategy.

2.7. Media Development and Communication

Communication activities

The RCC Secretariat focused its communication efforts on awareness rising on its SEE 2020 Strategy. These included press coverage of RCC activities, social media engagement, website upgrade, production of public information materials and visual identity items, interaction with SEE media, support to the creation of professional association of senior public sector communicators from the region, and production of a newsletter featuring the organisation.

Press coverage included the ministerial conference endorsing the SEE 2020 Strategy in November 2013; SEE 2020 outreach throughout the region presenting the draft strategy prior to its final adoption and soliciting final comments and inputs; ministerial conference adopting the Regional Research & Development Strategy for Innovation in October 2013; RCC's Annual Meeting; briefing of the diplomatic community in Sarajevo; etc. In total, the RCC Secretariat organised press coverage of 37 different events.

The South East European Centre for Entrepreneurial Learning (SEECCEL) was the second organisation receiving the RCC's Champion of Regional Cooperation award. The award is given to an individual or an institution that has contributed the most to the development of regional cooperation. It is also meant to contribute to positive profiling and rebranding of the region. A special acknowledgement for the promotion of cooperation in SEE was awarded to Jelica Minic, former Deputy Secretary General of the RCC.

The RCC Secretariat supported the 2nd South Eastern European Government Communication Conference, held on 29 September 2013 in Budva, Montenegro, which resulted in establishment of the South East Europe Public Sector Communication Association (SEECOM), as an international, non-profit, professional association of senior public sector communicators from the region.

At the end of March 2014, the RCC Secretariat launched its redesigned website, adjusted to give a better insight into the SEE 2020 Strategy and activities related to it as well as the organisation's activities in general.

Social media

The majority of the RCC Secretariat's social media activities were performed via the existing Twitter account throughout 2013. In 2014, it continues to serve as one of the communication and outreach channels aimed at getting through to relevant and influential groups by informing and updating them on the RCC activities and goals. The RCC Secretariat organised the first Twitter interview with its Secretary General, who answered questions posed by Twitter community on SEE 2020 Strategy in December 2013. At the beginning of 2014, the RCC Secretariat launched RCC Facebook and YouTube profiles, with the purpose of contributing to awareness rising on organisation's activities.

Statistics

In the reporting period, to the knowledge of/available to the RCC Secretariat, 1048 articles, interviews and statements on the RCC were published in SEE and international media, bringing the total to 5,901 available articles published since the beginning of operations of the RCC Secretariat. The same period witnessed 3,887,666 hits, 1,013,239 page views and 106,029 visits of the website, bringing the total to some 18,728,734 hits, 5,882,249 page views and 575,594 visits over the past six years since the website statistics have been gathering. In total, the RCC Secretariat organised press coverage of 37 different events. Furthermore, the RCC currently has 702 tweets and 692 followers at its Twitter account. Currently, the RCC FB page has 10 posts, including texts, photo and video plus 80 posts related to the RCC milestones; 43 people liked the RCC page excluding likes for individual posts; 18 people engaged on the page since its launch. RCC You Tube channel has 7 videos posted by the RCC; 343 views of the channel in total; over 300 minutes of estimated time watched and 3 subscribers in the reporting period.

In the period May-December 2013, the RCC Secretariat published 5 issues (issues 26-30) of the electronic Newsletter. The topics covered in these five editions were as follows: Inclusive Pillar of SEE 2020; RCC's Annual Meeting 2013; justice, home affairs and security cooperation in SEE - paving the way to safer and more just SEE by 2020; energy, infrastructure and parliamentary cooperation. The last, 30th edition was a farewell one, announcing new modalities of RCC's communication as of January 2014, in accordance with the organisation's new Communications Strategy. The published issues featured 44 prominent guests from the region and international agencies/organisations and were distributed to over 3,000 regular subscribers.

Media development

Due to 6 year-long economic and financial crisis, causing huge social gaps and economic uncertainties in the SEE, unfavourable situation in regional media have not changed. Such circumstances continue to contribute to an already difficult situation as regards freedom of expression, preventing the development of independent media.

Relatively high number of media in the region does not equal plurality of views, contents and sources. Although audiences can choose between plenty of outlets, political and economic interests prevent pluralism of views and equal representation of all societal groups. Simply put, media independence is hindered by economic solvency aspirations – those wanting to survive on the existing media market accept conditions put before them by funds/power sources.

This leads us to a crucial aspect jeopardising media pluralism - media ownership structure. Although the majority of the RCC participants in the region do have legislation preventing cross-ownership, media monopolies, conflict of interests and politicians' media ownership in place, it is not always fully applied. Media regulatory bodies and anti-trust agencies should work closer together and have wider authorities to monitor ownership structures and, when and where needed, impose penalties.

“Strengthening freedom of expression and independence of the media remains a major challenge,” reads the EC's Enlargement Strategy and Main Challenges 2012-2013 report, adding that it will be given prominence in the accession process⁹. Support and development of media freedom, independence, sustainability and pluralism remain the main tasks of modern society in this area.

⁹ http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/strategy_paper_2012_en.pdf, pp. 4-6

To that end, the RCC Secretariat further supported the second edition of the Academy on Media Law in SEE, a panel debate on its findings and the annual Monroe E. Price International Media Law Moot Court Competition.

The second edition of the Academy on Media Law in SEE was held under the RCC auspices and in cooperation with the Friedrich Ebert Foundation, the OSCE Representative on Freedom of the Media, OSCE field operations in SEE, the European Broadcasting Union, the European Association of Public Service Media in SEE and ARTICLE 19: Global Campaign for Free Expression on 3-5 September 2013 in Sarajevo. It recommended that the public service media reach out to stakeholders, including parliamentarians, media councils and civil society in order to better promote the role of public service broadcasters and the public service remit. Such a step would be one of the preconditions for increasing trust in and accountability of public service media, thus also helping public service broadcasters to decrease attempts of political interference. It was concluded that clear legal provisions are needed to regulate state advertising. Public institutions, including ministries, should be required by law to make all advertising expenditures in public and private media public and transparent. There should be clear criteria for the selection of certain media for state advertising campaigns. These criteria should also take into consideration the audience share the selected media reach. The Academy seeks to enhance cooperation in the development and implementation of progressive media legislation in SEE in line with international and European media standards.

The RCC recognises the importance of the freedom of expression and the media, the rule of law and good governance, and it will continue to give its contribution to these areas through its Strategy and Work Programme 2014-2016, and SEE 2020 Strategy.

The way ahead

Following the adoption of the SWP 2014-2016 and SEE 2020 Strategy as its integral part, the focus of RCC and the wider region will shift towards implementation. The intense preparation in the form of development of detailed national and regional action plans and the monitoring frameworks will give way to programming and executing the first sets of activities.

Another development important for the enlargement region will be the introduction of IPA II during the next year and the changes that this will bring to the current structures and process in the countries and at the regional level. The question is what will these strategic frameworks bring in the short-term?

On the subject of **trade and investment integration**, the region has a clear path to follow. Facilitating trade, reducing unnecessary technical barriers and negotiating further liberalisation of trade in services will be on top of the regional agenda. A joint CEFTA-SEEIC Working Group on Investment will explore coordinated regional approaches to investment policy and promotion. Together with the UN Conference on Trade and Development (UNCTAD), the first regional benchmark study on investment policy will be completed, backed by national investment policy reviews.

In the area of **education and innovation**, RCC participants will further structure cooperation in these areas. The coming year will hopefully bring to a successful close the establishment of two important regional mechanisms – Education Reform Initiative for South East Europe (ERISE) and Western Balkans Research and Innovation Strategy Exercise (WISE). Several regional programmes will commence implementation over the coming year such as the regional programme for technology transfer; regional programme on access, completion and prevention of drop-outs in education; and a regional programme on ensuring quality education through teacher training.

Several lines of activities are planned in the area of **energy and infrastructure**. In addition to the initiation of a study on assessing opportunities for airspace design and enhanced airspace utilisation in the region (championed by JSPA Initiative), Energy Community and SEETO will commence the implementation of their respective activities from the SEE 2020 framework. It is expected that one of the main areas of interest will be the involvement of the private sector in financing infrastructure and this will be explored within the Western Balkans Investment Framework as well. Furthermore, several changes are expected in the framework of the WBIF as the mechanism grows in size and becomes even more integrated in the decision-making processes on infrastructure investment.

In the **employment and inclusion** area of work, RCC will focus its efforts in the coming year on labour mobility. RCC intends to partner with a number of regional and international stakeholders such as the ILO, IOM, CEFTA Secretariat and ERI SEE to develop a better understanding of the obstacles and initiate inter-governmental consultations in the area. Through removing restrictions for labour mobility, RCC hopes to address, at least partly, some of the issues relating to skills gaps and skills mismatches in the region, and the following year will see the start of this process.

In the area of **justice and home affairs**, RCC participants will further structure cooperation. In the area of justice the cross-border judicial cooperation and use of judicial services will be explored. The Working Group on Justice will enhance the positive competition through the regional cooperation, which should lead to the improvement of efficiency and accountability in justice. It should be reflected in stable justice systems, predictable case law and reduction of court backlogs. In the area of home affairs, the ad-hoc expert group on migration management and fighting organised crime will examine the recommendations on how to boost the regional cooperation in these two policies and make the fight against these phenomena more efficient.

In terms of the accession process and the relations with the EU, this will be marked by two major developments in the coming year.

First, the European Commission has announced a new approach to the region which will come into place during the next year and will focus largely on strengthening economic governance in the region. This implies a structured dialogue between the EU and the Western

Balkans governments on the fiscal and macroeconomic programmes and the structural reform and competitiveness agendas.

The second development that promises to introduce considerable change is the new Instrument for Pre-Accession Assistance which will be put in place during the next year. The instrument, in addition to its strong sectoral focus, will require from the countries clear prioritisation and full ownership of the process.

LIST OF ABBREVIATIONS

ABC	Association of Balkan Chambers
ACE	Association of Consulting Engineers of Bosnia and Herzegovina
ACI	Airport Council International Europe
ADA	Austrian Development Agency
AEA	Association of the European Airlines
AII	Adriatic-Ionian Initiative
ALAs	Association of Local Authorities
AREC	Adriatic Region Employers' Centre
ATM	Air Traffic Management
BAC	Business Advisory Council
BCSDN	Balkan Civil Society Development Network
BRESCE	UNESCO Venice Regional Bureau for Science and Culture in Europe

bSEE	Task Force Broadband South Eastern Europe Task Force
BfV	Bundesamt für Verfassungsschutz
CAP	Common Agricultural Policy
CARICC	Central Asian Regional Information and Coordination Centre
CEB	Council of Europe Development Bank
CEFTA	Central European Free Trade Agreement
CeGD	Centre for e-Governance Development
CEI	Central European Initiative
CGRS	Commission for Global Road Safety
C-i-O	Chairmanship-in-Office
CoE	Council of Europe
CoMoCoSEE	Council of Ministers of Culture of South-East Europe
COSAP	Conference of the European Integration Parliamentary Committees of States participating in the Stabilization and Association Process
COWEB	Working Group on Western Balkans of the Council of the EU
CP	Contracting Parties
CPESEEC	Centre of Public Employment Services of Southeast European Countries
CPF	Cetinje Parliamentary Forum
CSOs	Civil Society Organizations
CTED	Counter-Terrorism Executive Directorate
DABLAS	Danube and Black Sea Task Force
DCAF	Democratic Control of Armed Forces
DCHOD	Deputy Chief of Defence
DCP	Danube Cooperation Process
DPPI	Disaster Preparedness and Prevention Initiative
EAS	External Action Service
EASA	European Aviation Safety Agency
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECAA	European Common Aviation Area
ECRB	Energy Community Regulatory Board
ECS	Energy Community Secretariat
ECT	Energy Community Treaty
EEAS	European External Action Service
EHEA	European Higher Education Area
EIB	European Investment Bank
ELFA	European Law Faculty Association
ENIC	European Network of Information Centres
EnC	Energy Community
ERF	European Union Road Federation
ERI SEE	Education Reform Initiative for South Eastern Europe
ERSO	European Road Safety Observatory
eSEE Initiative	Electronic South Eastern Europe Initiative
ESENSEE	Eco Social Economy Network South and East Europe
EU	European Union
EUMS	European Union Military Staff
EUSDR	EU Strategy for the Danube Region
FATF	Financial Action Task Force
FES	Friedrich Ebert Foundation
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GRECO	Group of States against Corruption
GRSP	Global Road Safety Partnership
GS Council of EU	General Secretariat Council of European Union
GTF	Gender Task Force
HIDAA	High Inspectorate for Declaration and Audit of Assets
ICDT	International Centre for Democratic Transition
ICMPD	International Centre for Migration Policy Development
ICPDR	International Commission for the Protection of the Danube River
ICT	Information and Communication Technologies
IEN	Integrity Expert Network

IFC	International Finance Corporation
IFIs	International Financial Institutions
IFIAG	International Financial Institution Advisory Group
IFP	Infrastructure Project Facilities
ILECUs	International Enforcement Coordination Units
ILO	International Labour Organization
IOE	International Organization of Employers
IOM	International Organization for Migration
IOs	International Organizations
IPA	Instrument for Pre-accession Assistance
IRI	Investment Reform Index
IRF	International Road Federation
IRTAD	International Road Traffic and Accident Database
ISIS	Implementation of Single European Sky in South East Europe
ISRBC	International Sava River Basin Commission
ITF	International Trust Fund for Demining and Mine Victims Assistance
ITUC	International Trade Union Confederation
JPM	Joint Parliamentary Meeting
KOGSEB	Small and Medium – sized Enterprise Development Administration of Turkey
LSE	London School of Economics
MARRI	Migration, Asylum, Refugees Regional Initiative
MB IPA	Multi-Beneficiary Instrument for Pre-accession Assistance
MCAASEES	Marshall Center Alumni Association for Southeast European Security
ME CAA	Montenegrin Civil Aviation Agency
MIDWEB	Migration for Development in the Western Balkans
MIPD	Multi Indicative Planning Document
MoD	Ministry of Defence
MONEYVAL	Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
MoU	Memorandum of Understanding
NALAS	Network of Associations of Local Authorities of SEE
NARIC	National Academic Recognition Information Centres
NATO	North Atlantic Treaty Organization
NGO	Non-governmental Organization
NI-CO	Northern Ireland Cooperation Overseas
NIPACs	National IPA Coordinators
NOS	NATO Office of Security
OECD	Organisation for Economic Co-operation and Development
OLAF	European Antifraud Office
OCTA	Organized Crime Threat Assessment for South East Europe
OSCE	Organization for Security and Co-operation in Europe
OSINT	Open Source Intelligence
PCC Secretariat	Police Cooperation Convention Secretariat
PE	Private Equity
PFS	Partners for Financial Stability
PHLG	Permanent High Level Group
PIDIN	Partnership for Improvement of Danube Infrastructure and Navigation
PPP	Public Private Partnership
PSO	Peace Support Operations
RACVIAC	Centre for Security Cooperation
RAI	Regional Anticorruption Initiative
RCC	Regional Cooperation Council
RCC TF FBHC	RCC Task Force Fostering and Building Human Capital
RCI	Regional Competitiveness Initiative
REC	Regional Environmental Centre for Central and Eastern Europe
RENA	Regional Environmental Network for Accession
ReSPA	Regional School of Public Administration
RI&O	Regional Initiatives and Organizations
RI&TFs	Regional Initiatives and Task Forces
RNIPA	Regional Network of Investment Promotion Agencies

RSA	Road Safety Audits
RSD	Regional Strategic Document
RSRDI	Regional Strategy for Research and Development for Innovation in Western Balkans
RSI	Road Safety Inspection
RSPC SEE	Regional Secretariat for Parliamentary Cooperation in South East Europe
RTD	Research and Technical Development
SAP+	Stabilization and Association Process Plus (cumulation zone with EU, EFTA, Western Balkans and Turkey)
SECE CRIF	South East and Central European Catastrophe Risk Insurance Facility
SECI	Southeast European Cooperative Initiative
SECI Centre	Southeast European Cooperative Initiative, Regional Centre for Combating Organized Crime
SEDM	South East Europe Defence Ministerial
SEDRI	Sustainable Energy Development Regional Initiative
SEE	South East Europe
SEEC	South East Europe Clearing House
SEECIC	South East European Counter-Intelligence Chiefs Forum
SEECCEL	South East Europe Centre for Entrepreneurial Learning
SEECPC	South-East European Cooperation Process
SEE-ERA.NET	South East European – European Research Area Network
SEE-ERA.NET PLUS	South East European – European Research Area Network Plus
SEEFREC	SEE Fire fighting Regional Centre network
SEEHN	SEE Health Network
SEEIC	South East Europe Investment Committee
SEELS	South East European Law School Network
SELEC	Southeast European Law Enforcement Centre
SEEMIC	South East Europe Military Intelligence Chiefs
SEE MoD-GS	South East Europe Ministries of Defence and General Staffs
SEENSA	National Security Authorities of South East Europe Countries
SEE PPP Network	South East Europe Public Private Partnership Network
SEEPAG	Southeast European Prosecutors Advisory Group
SEPCA	Southeast Europe Police Chiefs Association
SEESAC	South East Europe Small Arms and Light Weapons Clearing House
SES	Single European Sky
SEETO	South-East Europe Transport Observatory
SIDA	Swedish Development Agency
SME	Small and medium-sized enterprise
SMEM	Serbian Ministry of Energy and Mining
SPMU	Strategic Police Matters Unit
SSR	Security Sector Reforms
STREW	Structural Reform in Higher Education in Western Balkans Countries
SWG RRD	Standing Working Group on Regional Rural Development
SWP	Strategic Work Programme
SWEROAD	Swedish National Road Consulting
TACSO	Technical Assistance for Civil Society Organizations
TCT	Transport Community Treaty
TEN-T	Trans-European Transport network
TF	Task Force
TFCS	Task Force on Culture and Society
ToR	Terms of Reference
UNCTED	United Nations Counter-Terrorism Executive Directorate
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNHCR	United Nations High Commissioner for Refugees
UNISDR	United Nations International Strategy for Disaster Reduction
UNMIK	United Nations Interim Administration Mission in Kosovo
UNODC	United Nations Office on Drugs and Crime
UNSCR	United Nations Security Council Resolution

USAID	United States Agency for International Development
VC	Venture Capital
WB	World Bank
WBIF	Western Balkans Investment Framework
WBPN	Western Balkans Prosecutor Network
WG	Working Group
WHO	World Health Organization
WINPRO	Witness Protection in the Fight against Serious Crime and Terrorism
WMO	World Meteorological Organization
WPON	Women Police Officers Network