



ANNUAL REPORT
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Foreword

*“When you come out of the storm, you won’t be the same person who walked in.
That’s what this storm’s all about.”*

— Haruki Murakami, [Kafka on the Shore](#)

I hope that the storm that started three years ago with the hardships of the pandemic, continued with the devastating war in Ukraine, and kept up with cost-of-living crisis and the catastrophic aftermath of earthquakes in Türkiye and Syria earlier this year, is subsiding. Because these events, amidst major technological expansion and AI revolution, as well as global financial market turbulence, have been some of the most difficult in recent history. The world has changed and we as well along with it.

Yet, against this difficult and challenging backdrop, the regional cooperation flourished, showing its powerful and ‘safe harbour in the storm’ nature. I am proud that the Regional Cooperation Council (RCC) lived up to its mission of fostering regional cooperation and integration in South East Europe (SEE), mitigating the negative effects of the *polycrisis*.

In the past year our region has made one of the most significant milestones by making the crucial step in creation of the Common Regional Market (CRM) through Berlin Process Initiative and operationalising the SEE2030 Strategy. Six economies of the Western Balkans (WB) signed *three key mobility agreements* in Berlin in November 2022. These agreements, already ratified by almost all signatories, represent a significant stride forward in our efforts to grant our citizens the freedom of movement and integration, a prerequisite for the common regional market, which represents the most secure and fastest road towards our common goal - the European Union.

In the past twelve months, we finally also witnessed *encouraging news on the enlargement front*. After a prolonged wait, Albania and North Macedonia commenced their respective accession negotiations with the EU. Bosnia and Herzegovina was granted the candidate status while a decision has been made to allow Kosovo* visa-free travel to the Schengen area starting from January 2024.

The past twelve months have been riddled with challenges. *Disastrous earthquakes* that hit Türkiye and Syria left tens of thousands of casualties, as well as countless people without a roof over their heads. Earthquakes, floods, and wildfires do not acknowledge boundaries, and therefore, our efforts to prepare for, react to, and hopefully prevent some of these catastrophic events also need to be universal in their scope. Guided by the [RCC Strategy and Work](#)

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

[Programme 2023 – 2025](#) and the [SEE2030 Strategy](#), the RCC undertook efforts to establish a more coherent multi-stakeholders regional cooperation in the field of protection against natural and man-made disasters in South East Europe (SEE).

Recent data from the World Bank indicates that global growth is expected to slow down significantly to 1.7% in 2023, following an estimation of growth rate of 2.9% in 2022¹. Economies of the Western Balkans experienced a period of temporary stabilised growth in the aftermath of the pandemic, however, this growth rate quickly diminished to an estimated 3.2% on average for 2022, following the Russian invasion of Ukraine².

We are also witnessing an *increase in energy and food prices* globally as well as throughout the region. Inflation rates have surged compared to the past two decades impacting both the purchasing power and the overall business environment. Consumer price inflation had reached its peak in late 2022 and luckily there have been signs of easing pressures in early 2023. Consumer price inflation in the WB averaged at 11.5% in 2022³, while energy price inflation surged to around 13%⁴.

This development, with its multiple causes, still threatens the livelihoods of thousands of people in South East Europe. In previous years, people living below the mid-high-income economy poverty line in SEE economies comprised 2.5% of the overall population, while for the Western Balkans, such poverty headcount reached 19%⁵. The RCC thus streamlines its efforts to *improve the socio-economic situation in the region* and to address, among numerous other goals, the issue of income inequality through its *SEE2030 Strategy*, adopted in Antalya in 2021 as a joint call for action by all 13 SEE economies.

Recent disruptions of global supply chains that have significantly contributed to the price inflation only highlight the *need for on-shoring and for deeper regional economic integration*. Through our joint efforts with the European Commission, and other EU and regional organisations, we have laid the groundwork for a more open and dynamic regional economy, one that is better equipped to compete on the global stage and provide new opportunities for its citizens.

We have made great strides for workforce mobility in the Western Balkans, and we continue to deliver tangible results in the domains of *digital and green transitions*. I would like to emphasize the importance of the *EU-WB Roaming Declaration* that was signed in Tirana in December 2022. A number of telecom operators from the EU and the WB agreed to reduce data roaming charges starting from 1 October 2023. Following the Regional Roaming Agreement, this will bring further palpable benefits to people and businesses in the Western Balkans.

¹ World Bank: Global Economic Prospects 2023 – Link: <https://bit.ly/3M2p1YC>

² World Bank: Western Balkans Regular Economic Report no. 23 - Link: <https://bit.ly/3oFhk2f>

³ EC: EU Candidate Countries' & Potential Candidates' Economic Quarterly – Link: <https://bit.ly/3NIIbIZ>

⁴ World Bank: Western Balkans Regular Economic Report no. 23 - Link: <https://bit.ly/3oFhk2f>

⁵ SEE2030 Strategy, p.11 – Link: <https://www.rcc.int/see2030/files/SEE-2030-strategy.pdf>

In keeping with the endorsement of the *Green Agenda for the Western Balkans (GAWB)* Action Plan, concrete measures have been proposed to achieve carbon neutrality and uphold the region's aspiration of becoming climate-neutral by 2050. The EU's affirmation of its readiness to assist the Western Balkans in fulfilling their GAWB commitments at the EU-Western Balkans Tirana Summit was of utmost significance for the RCC and other regional partners, who endeavour to coordinate and facilitate its implementation.

At the RCC, we continue to recognise that investing in youth, digital transformation, innovation, education, and women entrepreneurship, is crucial to sustain progress on all other fronts. Hence, in the last twelve months, we continued with our *flagship initiatives* Balkathon, Regional Network of Women in Entrepreneurship and Women in Entrepreneurship Award, while also initiating a regional Butterfly Innovation Award (BIA) as a follow-up to our Butterfly Innovation and Business Forum. We also keep listening closely to what the citizens and business of our region have to say, through *comprehensive regional surveys*, Balkan Barometer and SecuriMeter, which saw their seventh and second editions respectively, last year.

Apart from these accomplishments, I am proud to report on our mission to implement the priorities of the *SEECF Chairmanship-in-Office*. Under the clear political guidance of SEECF, our efforts have been concentrated on encouraging greater cooperation in various critical domains, including security, human rights and the rule of law, green transition, economic cooperation, infrastructural connectivity, and cultural ties.

As we turn our attention towards the future, we are resolute in building on our important achievements and continuing our efforts to foster regional cooperation and integration in the region. We recognise that numerous challenges lie ahead, ranging from climate change, economic and social disparities to political tensions and historical legacies. However, we are confident that through our collective endeavours, we can build a more harmonious, prosperous, and interconnected region.

In conclusion, I wish to underline the importance of excellent communication and collaboration with all our regional, European, and transatlantic partners and stakeholders, whose unwavering commitment and tireless efforts have made the past year a success. I also extend my heartfelt thanks to the participants of the RCC Board, whose guidance and dedication continue to inspire us all.

Good.Better.Regional.

Summary

As we take stock of yet another year of tireless work, it is with great honour that we present to you the Annual Report of the Secretary General of the Regional Cooperation Council (RCC) for the period April 2022 – April 2023. In the past year, we strived to build on previous successes, tackle challenges head-on, and push the boundaries of regional cooperation to reach new heights.

Regional Cooperation Council has been actively working towards integration of South East European (SEE) economies and ensuring regional cooperation for the benefit of its citizens. The Annual Report for 2022-2023 highlights challenges and the achievements made in the past year and lays out our aims for the coming period.

The eight edition of [Balkan Barometer](#) was presented in June 2022. The RCC is encouraged to promote regional cooperation and implement concrete measures by being reminded that almost 70% of Western Balkan businesses consider the quality of regional cooperation important to their business⁶. On the other hand, the fact that 86% of interviewed people in the Western Balkans consider the economic situation and unemployment as two most important problems facing their economy is tremendously disquieting.

Moreover, based on the data collected from our [SecuriMeter survey](#), it was found that two-thirds of citizens in the region perceive the ongoing war in Ukraine as a threat to their economy. While these figures are concerning, the RCC has taken proactive steps to closely monitor the evolution of public opinion over time. To this end, we have developed a *Special Balkan Barometer* public opinion survey. This survey will specifically focus on the effects of the war in Ukraine on regional security perspectives, including energy, economy, cyber, and disinformation. Still, it is worth underlining that 83% of *SecuriMeter* respondents expressed confidence that regional cooperation can improve resilience in the face of such challenges.

The RCC persists on improving everyday lives of citizens and bringing the spirit of the EU closer to them. One important avenue that enabled us to do this work has been the Berlin Process which was given another boost in November 2022. The landmark endorsement of the [three mobility agreements](#)⁷ at the Leaders' Summit in Berlin was indeed a significant achievement. The agreements will not only have a positive impact on the daily lives of citizens but also reflect the very freedoms that EU citizens enjoy. Four economies have so far ratified all three agreements, and the ratification process is being closely followed. The RCC remained dedicated to deepening the regional integration and in light of this the first round of technical

⁶ RCC: Balkan Barometer 2022 – Link: <https://www.rcc.int/balkanbarometer/home>

⁷Agreement on Recognition of Professional Qualifications for Doctors of Medicine, Dentists and Architects; Agreement on Recognition of Higher Education Qualifications and the Agreement on Freedom of Movement with Identity Cards in the Western Balkans.

negotiations to conclude the Agreement on Recognition of Professional Qualifications for Midwives, Nurses, Pharmacists and Veterinary Surgeons took place in April 2023.

Another tangible accomplishment that will be of concrete benefit for the citizens of both the Western Balkans and the EU occurred in December 2022 at the *EU-WB Summit in Tirana* which was the first to come to the region. Telecom operators from the EU and the region signed the [EU/WB Roaming Declaration](#) on a voluntary basis that promises to start the data roaming price reductions between the EU and the Western Balkans from October 2023. *The Roam Like at Home (RLAH) regime* has been implemented in the Western Balkans and we have observed a substantial surge in roaming services. According to our detailed [Western Balkans Roaming Report 2022](#), published in January 2023, the number of roaming users nearly doubled in the second half of 2021 compared to the first six months of the same year⁸. This trend suggests that there is also potential for an increase in telecom traffic between the EU and WB.

Finalised in this reporting period, the *Common Regional Market Report on Implementation for 2022* is the result of a collaborative effort by the Western Balkan economies and regional organisations responsible for implementing the CRM. Coordinated by the RCC, this report aims to comprehensively analyse the achievements and outcomes across all CRM policy areas. It is a crucial tool for assessing progress, identifying areas requiring further improvement, and determining effective best practices.

Under the *Free Movement of Capital pillar of CRM* there is, amongst other things, a continued effort, including targeted activities on cutting the costs of cross-border/boundary payments within the region. It goes without saying that initiatives that bring direct and immediate benefits to consumers in the region are key to showcasing the power of regional cooperation. One such initiative would be a potential accession to the *Single Euro Payments Area (SEPA)*. In that context, further activities pertinent to joining SEPA and *Non-Bank Payment Service Provider (PSP) Harmonisation* were discussed at the joint meeting of the Working Group on Financial Markets (WGFM) and CEFTA Subcommittee on Trade in Services.

Important steps have been taken towards promoting and encouraging young girls and women to pursue their higher education and career in the fields of Science, Technology, Engineering, and Mathematics (STEM) by launching an online social campaign called [Choose STEM Future](#). This campaign aims to create awareness about the importance of STEM education amongst girls and women, and showcase inspiring regional role models who have succeeded in STEM fields.

The RCC has also been hard at work, supporting investment policy reforms, innovation, economic inclusion and empowerment of women, and advancing digital agenda to implement the *Common Regional Market*, amongst other things. Innovation and entrepreneurship are top priorities given that WB region lags behind the EU in employment rates. [The Western Balkans](#)

⁸ RCC: Western Balkans Roaming Report 2022 – Link: <https://bit.ly/424FstB>

[Innovation & Research Platform](#) has been operationalised and it had already gained traction as a regional coordination mechanism for innovators and researchers.

Following the launch of the [Regional Network of Women in Entrepreneurship \(RNWE\)](#), the second edition of the *Western Balkans Women Entrepreneurs of the Year* initiative was organised in March 2023, in Tirana, receiving a total of 400 nominations of successful women entrepreneurs in the region across 5 categories. RCC now provides a dedicated platform⁹ for women entrepreneurs of the region, offering visibility and awareness of various opportunities.

The past twelve months have clearly demonstrated that there is a need for increased energy security. One way to achieve this is through diversification and investment in renewables. Therefore, the RCC continues to coordinate implementation of the [Green Agenda for the Western Balkans \(GAWB\)](#) with intensified enthusiasm. Significant progress has been made in the preparation of the first ever *Report on Implementation for the Green Agenda for the Western Balkans* and we expect its finalisation by the middle of the year. In addition, the priorities in this area for the coming period will include organisation of the first *NGO Forum* and the *Local Self-Government Forum*.

Throughout the last twelve months, RCC continued to dedicate special efforts and close attention to the implementation of [South East Europe 2030 Strategy](#). In that context, the *third SEE 2030 Monitoring Committee* meeting took place in March this year where proposals for projects submitted by participants were evaluated. Namely, projects in the areas of disaster management and risk reduction, trade and connectivity, and health garnered the greatest amount of support. Accordingly, the Monitoring Committee will prioritise these projects for fundraising in the future within the region and beyond.

The *SEECF Parliamentary Assembly (PA)*, with Montenegrin Parliament as its rotational [Chair-in-Office \(C-i-O\)](#), extended an invitation to the RCC to attend a Standing Committee meeting. During the meeting, the SEE2030 Coordinator from the RCC delivered a presentation on the *SEE2030 Strategy*. In light of the RCC's collaboration with SEECF PA on SEE2030 Strategy, the Chair-in-Office of SEECF PA wrote to all Parliaments, requesting them to nominate a contact point for the initiative.

Throughout the year, the RCC maintained a strong level of collaboration and synergy with the [SEECF Chairmanship-in-Office of Podgorica](#). This included ensuring alignment of strategies and work programmes, as well as regular meetings between Political Directors of SEECF format. These meetings first took place under the current Chairmanship in November 2022 and were followed by subsequent meetings in December 2022 and March 2023. During these meetings, participants had the opportunity to welcome the region's achievements at the Berlin and Tirana Summits in 2022, as well as to reaffirm their unwavering support for regional cooperation and the EU perspective of the region. Additionally, Directors General for EU

⁹ [Women Who Launch | Welcome \(rcc.int\)](#)

Affairs from the SEECP region convened in December 2022, continuing the productive practice established by the *Athens Chairmanship-in-Office of 2021-2022*.

The Regional Cooperation Council provided ongoing technical assistance to the *Conference of Parliamentary Committees on European Integration/Affairs of the Countries Participating in the Stabilisation and Association Process in South East Europe (COSAP)*. During the 18th meeting of COSAP, held in Ohrid in June 2022, members of COSAP commended the RCC for its efforts to reduce barriers to increased mobility, enhanced connectivity, and improved competitiveness in the South East European region. They also expressed appreciation for the RCC's commitment to promoting greater parliamentary engagement in regional cooperation.

In the present era, discussions around security have gained significant importance. To tackle security threats that transcend boundaries, the RCC is dedicated to fostering communication amongst important stakeholders, experts, practitioners, and policymakers in both the region and the EU. To this end, the RCC organised its *flagship Jumbo Security Coordination Conference in Rome*, which brought together a wide range of participants. A comprehensive [Jumbo Conference Report](#) was subsequently published, outlining the main points of discussion and providing recommendations that emerged from the two-day conference.

In collaboration with the EU's disinformation and hybrid threats operation centre - Hybrid Centre of Excellence - in Helsinki and Italian Ministry of Foreign Affairs and International Cooperation, RCC held the *Fourth Regional Conference on Countering Disinformation in the Western Balkans* on 18 April 2023, at the Hybrid Centre of Excellence's premises. The conference, titled *The Importance of Media Literacy*, aimed to foster a comprehensive understanding of hybrid threats and disinformation while raising awareness about their harmful effects on different aspects of society in the Western Balkans.

General Trends in Regional Cooperation

Recent regional developments have, of course, not been immune to global influences. The last three years have been marked by what can be labelled as a *polycrisis*. Multiple crises are occurring simultaneously or in quick succession, often exacerbating each other's effects. The combined effect of these events is greater than the sum of individual impacts.

The Covid-19 pandemic aftermath and a subsequent disturbance of supply chains interacted with the fallout from the war in Ukraine and the ongoing energy transition to create immense pressure on the cost of living in the region, pushing inflation rates in the SEE region into double digits. In the Western Balkans, according to the European Commission report¹⁰, consumer price inflation averaged 11.5% in 2022. This, in turn, has led to a decrease in *poverty reduction rates*

¹⁰ EC: EU Candidate Countries' & Potential Candidates' Economic Quarterly – Link: <https://bit.ly/3NIIIBIZ>

while the immediate effects of *rising prices of food and energy* have been challenging in particular for low-income households reducing their purchasing power¹¹.

As a consequence of inflationary pressures, the region is facing several significant challenges that might impede its progress and disturb the stability. These include a notable increase in interest rates, a deceleration in economic growth, and concerns over debt crises in low- and middle-income nations, and anxieties regarding the resurgence of protectionist trade policies. *Energy prices* in the region increased by an average of 13.1% annually by July 2022¹². The energy crisis was not solely due to the high prices of energy imports, but also in certain economies in the Western Balkans it was a result of technical issues at coal power plants and mines. Additionally, the unfavourable conditions for hydropower production have affected all Western Balkan economies. To compound the problem, the cost of biomass has also increased.

The aforementioned difficulties coupled with high fossil fuel dependency and high energy intensity of industries in the region only accentuate the need for *energy transition*. This has been one of the main missions of the Green Agenda for the Western Balkans which continues to be one of the focal points for implementing coordinated green policies in the region.

Not only does the region need more investment in renewable energy in order to achieve its climate neutrality goals, but it also needs to address the issue of *air pollution*. Large cities from the region regularly end up amongst top ten most polluted cities in the world while *two thirds of citizens from the Western Balkans* claims that pollution is a very or somewhat serious problem for them¹³.

It is also with invaluable support from the European Union that the region will build its capacity to tackle issues of energy transition, energy security and climate change as the EU announced *€1 billion energy support package* for the Western Balkans.

In today's interconnected and globalised world, ensuring resilience and security in *supply chains* has become a top priority for governments worldwide. This is especially true for the European Union and the United States, where efforts are underway to create more robust supply chains that reflect fundamental values, including fair labour practices. With this in mind, South East Europe and the Western Balkans are poised to play an important role in these endeavours. With their strategic location and skilled workforce these regions offer unique advantages that can help bolster the *resilience and security of global supply chains*. Common Regional Market is one way to address the issue of supply chain resilience and the RCC has been hard at work when it comes to the implementation of CRM Action Plan in order to create a more competitive and better integrated market capable to cope with global economic pressures.

The aforementioned challenges and trends are in one form or another rightly recognised in *SEE2030 Strategy* which foresees a number of specific measures to tackle them. Participants

¹¹ World Bank: Western Balkans Regular Economic Report no. 23 – Link: <https://bit.ly/3oFhk2f>

¹² *ibid.*

¹³ RCC: Balkan Barometer 2022 – Link: <https://www.rcc.int/balkanbarometer/publications>

from the SEE thus initiated a process to assess the quality of project proposals for SEE2030 and confirmed their support through the assessment based on quantitative indicators. It was also agreed by the participants that the results of project proposal assessment would be used to prioritise the proposals for future fundraising activities.

In February 2023 violent earthquakes hit Türkiye and Syria, causing tragic loss of more than 50,000 lives in Türkiye alone and extensive damage to property. SEECF Participants demonstrated remarkable unity and compassion during this difficult period by pledging their support to the victims of the earthquakes, which included providing humanitarian aid, sending search and rescue teams, and providing financial assistance. As South East Europe continues to be highly vulnerable to earthquakes and natural hazards¹⁴, regional cooperation, capacity building and resource pooling in the domain of disaster preparedness and prevention becomes increasingly important.

Brain drain and youth emigration is a significant issue in the South East Europe and in particular the Western Balkans region, where young people, mainly those with higher education, are leaving in large numbers to seek better opportunities elsewhere. The long-term effects of brain drain on economies include a loss of skilled labour, reduced innovation, and decreased economic growth. Data from our *Balkan Barometer 2022 survey* shows that the percentage of people considering leaving has increased in comparison to 2021. Last year, almost 40% of respondents from the WB region answered positively when asked if they consider leaving and working abroad¹⁵, while the World Bank estimates that the region loses up to 3% of its GDP annually due to emigration¹⁶. The emigration rate from the Western Balkans has increased by 10% over the past decade, so today, about one-fifth of the WB population resides abroad¹⁷.

The lack of quality job opportunities and poor working conditions are some of the key drivers of emigration from the region, according to an OECD study¹⁸. To address the issue, the RCC and its partners, together with the European Commission, have been encouraging development of entrepreneurship and innovation and raising competitiveness through investment in education and job training, increased regional mobility and promoting regional economic integration overall.

¹⁴ 90% of South East Europe is located within trans-boundary river basins, which makes the region highly prone to floods.

¹⁵ RCC: Balkan Barometer 2022 – Link: <https://www.rcc.int/balkanbarometer/publications>

¹⁶ World Bank: Western Balkans Regular Economic Report, 2021

¹⁷ OECD: Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits - Link: <https://bit.ly/3LmhNyc>

¹⁸ *ibid.* p. 63

Support to the Implementation of Regional Programme

A. The Western Balkans Common Regional Market (CRM)

A1. Economic Competitiveness

A1.1. Investments and Financial Markets

Regional Investment Area of CRM continued its activities on three strands: *regional investment policy reforms, investor state dispute reforms, and investment promotion*. CRM's activity to develop regional guidance criteria and procedures for screening mechanisms at the economy level based on the emerging EU standards and policy was initiated. EU Foreign Direct Investment (FDI) Screening Regulation, reflecting on transparency of FDI screening mechanism in the EU, and developments in economy-wide screening mechanisms were presented to the region. Each economy of WB presented the state of play on the subject, including any groundworks to set up the FDI screening mechanism, strategic plans, timeframe, possible paths forward and existing mechanisms. The process of developing regional rules for Foreign Direct Investment (FDI) screening started, using the evolving EU standards and policies as a reference, especially the EU Regulation on FDI Screening. The objective is to help WB economies ensure transparency about the process of FDI screening in the region, and support development of economy-wide screening mechanisms where not existing. FDI screening mechanism will contribute to the liability of the Western Balkans when the security sensitive areas and preserving of public order are at stake. Establishment of a cooperation mechanism for FDI screening amongst the Western Balkan economies is also envisaged and will have the exclusive right to decide on which investments to screen, approve, condition, or block, depending on where the investment takes place.

Together with GIZ, RCC organised the ISDS Mediation Conference *The Prospects for Mediation for the Resolution of Investment Disputes in the Western Balkans* having in mind that various developments indicate that governments, multilateral agencies and institutions are now seriously and openly considering mediation as a means to resolve state-investor disputes. Capacity building of investment policy experts from the region continued with thematic workshops on ISDS. These events were an opportunity to discuss the most important aspects of investment arbitration relevant for the Western Balkan region starting with the key procedural steps in investment arbitration and best practices, key substantive claims in ISDS (old generation vs. new generation treaties) and treaty negotiation techniques for new generation BITs. The series of workshops finished with discussing the importance of "silence in treaties" and addressing this specific issue while drafting International Investment Agreements. Progress in ISDS matters is also reflected through support of Western Balkan economies in development of Standard Operating Procedures (SOP) for the Investor State Dispute Settlement (ISDS). The main aim is to further support WB in investment policy reform activities, addressing the key issues identified in the process of mapping of ISDS structures in WB. Development of SOP will further implementation of actions under the CRM Regional

Investment Area pillar and prevent losing precious time between the initial issue with the investor and the receipt of the notice of dispute.

RCC supported regional Investment Promotion Agencies to conduct *investor lead generation campaign* within investment promotion activities. Investor generation lead campaign will generate new investor leads in targeted priority sectors/value chains, target firms in priority sectors/value chains and ultimately attract new FDI. Visibility of the region in key target markets for investment attraction will also be increased leading to greater economic activity, share of technological know-how and positive spill-overs with the final goal of opening new jobs and increasing the quality of life within the Western Balkans.

Regional Cooperation Council and WB6 Chamber Investment Forum (WB6 CIF) co-organised the *Western Balkans Investment Conference* with the aim to gather investors and present opportunities and benefits of investing in the Western Balkans (WB) region, disseminate information on the investment framework and doing business in WB, and showcase examples of successful investments in the region for the benefit of companies considering investments in WB. Working together as a region can lead to higher opportunities for foreign investments and quality investments, unlocking information flow across the region and promoting investments together as a region.

Free Movement of Capital area continued its activities on cutting the costs of cross-border/boundary payments within the region. The key deliverables under the Assessment Phase of the Payment Systems Modernisation project have been discussed in detail within the Working Group on Financial Markets and the set of final documents produced within the project have been endorsed. The most important takeaway from this meeting was endorsement of the Target Instant Payment Settlements (TIPS) as the most viable option for fast payments system. Additionally, Working Group on Financial Markets was organised back-to-back with the joint WGFM and CEFTA Subcommittee on Trade in Services. The main objective of the joint meeting was to discuss further activities pertinent to existing experience on *joining the SEPA* and continue working on Non-Bank Payment Service Provider (PSP) Harmonisation.

A1.2. Industrial Development and Sustainable Tourism

Work on Industrial Development focused mainly on *creative industries and green and circular economy value chains*.

Creative Industries (CIs): Being identified as one of the potentials for regional industrial development, RCC initiated a regional dialogue through the Working Group on Industrial Development (WGID) aiming to develop and promote creative industries in the region. A study¹⁹ on creative industries in the region was published, including an analysis of the policy

¹⁹ RCC: Mapping of the Creative Industries in the Western Balkans – Link: <https://www.rcc.int/pubs/137/mapping-of-the-creative-industries-in-the-western-balkans>

environment, challenges and opportunities in the region, in addition to identifying the key creative industry stakeholders, networks, clusters and initiatives, including recommendations and next steps. CIs are a tool to empower women and young people, given that they employ more women and young people aged 15 to 29 years. Design goods (such as fashion, interior design etc.) constitute 70% of total exports from developing economies in the world markets, followed by art crafts and new media at 20% while audio-visual and information services account for a large share of creative services in some of the economies of the region. Connection with tourism – creative tourism – is high and can link producers, consumers and places by utilising technology, talent and skills to generate meaningful cultural products, creative content and experiences.

In the margins of the World Music Balkans (WOMBA) Conference in Novi Sad, from 6 to 9 July 2022, RCC organised and led a panel discussion on promoting regional development and creative industries in the Western Balkans. In addition, the RCC supported the panel on Creative Industries: A Tool for Attracting Investors and Tourists of the Regional Business Executive Retreat organised in September 2022 in Jahorina.

The importance of creative hubs in the region; the role of film industry, fashion and music as powerful tools for enhancing cultural relations; EU programmes and good practices; enhanced regional stakeholder cooperation; awareness raising towards attracting investments in CIs; etc. are identified as key topics of relevance and for further next steps.

On the Green and Circular Economy (CE) Value Chains: During the reporting period we have prepared a *mapping of green and circular economy stakeholders in the WB*, followed by a survey research of the needs and obstacles of these stakeholders. Research showed that stakeholders evaluated “financing and funding opportunities” as the key challenge to the transition to circular economy (76%). 52% indicated “legal and regulatory environment” as the key obstacle whereas 31% indicated the “lack of associated skills and expertise”. It was concluded that most of the stakeholders (respondents) are not aware of any financing schemes in support of green and CE business models (even though a vast majority (81%) plans to seek external financing to fund their CE initiatives). The legal and regulatory environment is not favourable enough and the lack of specialist skills and knowledge across the workforce is another important obstacle to take into consideration.

The first regional Green and Circular Economy Stakeholders’ Workshop was organised in November 2022 in Tirana. This initiated a regional dialogue to support the *greening of value chains and green entrepreneurship* in line with the identified challenges and obstacles, and explore establishing or joining the existing regional and EU networks/platforms of green and circular economy stakeholders. During the same month, RCC organised a panel discussion on *Opportunities, drivers, and barriers for circular businesses in the region* in the margins of the *Energy, Construction & Green Economy Trade Fair* in Tirana.

Sustainable Tourism part of the CRM started its activities with gathering the Ministers in charge of tourism/economic development from the Western Balkans together with other

relevant stakeholders in the tourism sector to address predetermined challenges/barriers and the potential of sustainable tourism in the Western Balkan region. As part of its efforts to promote Sustainable Tourism, the RCC also initiated creation of a regional Joint Online Tourism Platform/portal. This platform will serve to promote and facilitate regional cultural and adventure tourism routes, as well as other attractions such as food, wine, events, and seasonal activities. The platform will be marketed under a unified regional brand, *We live it, you'll love it*.

AI.3. Women's Economic Empowerment and Regional Network of Women in STEM

Following the adoption of the *Declaration on the launch of the Regional Network of Women in Entrepreneurship*²⁰ in March 2022 - that led to the establishment of the Regional Network of Women in Entrepreneurship (RNWE) - and the first edition of the Western Balkans Women Entrepreneurs of the Year²¹ initiative, the RCC provided a regional mentorship programme to RNWE participants that lasted from June throughout October 2022. The mentorship programme was considered a very good learning tool that also enabled a networking environment.

The RCC now provides a dedicated platform²² for women entrepreneurs of the region to join RNWE and be informed about regional programmes, events and initiatives. In addition, the RCC continued regional dialogue with women entrepreneurs across the region through dedicated meetings with women entrepreneurs in the format of “tea with business ladies” in most of WB economies.

In order to support good practices in the region and connect the region's women entrepreneurs further, the RCC enhanced partnerships with various organisations and institutions. Thus, RCC supported the G100 Balkans²³ meetings across eight economies of South East Europe. In addition, the RCC joined UN Women during one of the regional events in Belgrade on 6 October 2022, in the framework of the Women Entrepreneurship EXPO.

²⁰ More information: <https://www.rcc.int/docs/613/declaration-on-the-launch-of-the-regional-network-of-women-in-entrepreneurship>

²¹ More information: <https://www.rcc.int/pages/153/western-balkans-women-entrepreneurs-of-the-year-2021>

²² [Women Who Launch | Welcome \(rcc.int\)](https://www.rcc.int/pages/153/western-balkans-women-entrepreneurs-of-the-year-2021)

²³ G100 is an empowered group of 100 women leaders from across the world, in diverse sectors, for powerful advocacy, awareness & impact across governments and global organisations for a gender equal future. G100 is an action and think-tank with a global, cross-cultural, intersectional and intentional perspective towards peace, parity and prosperity for all. G100 Balkans aimed to introduce the mission and the vision of G100 in 8 Balkan economies, with the aim to empower women to raise their voice in regional decision-making and undertake successful individual initiatives, as well as serve as role models for the other women who are disadvantaged.

The second edition of the Western Balkans Women Entrepreneurs of The Year initiative was organised on 9 March 2023 in Tirana. Following 400 nominations, the event recognised six women entrepreneurs²⁴ from the region across the areas of green entrepreneurship, creative entrepreneurship, travel and hospitality, start-ups and young entrepreneurs. In addition, the RCC and UN Women Regional Office for Europe and Central Asia (ECA) officially joined forces to cooperate in key areas, including advancing women's economic empowerment in the Western Balkans²⁵.

Raising awareness on digital skills, including through the STEM sector (science, technology, engineering, and mathematics), with a particular focus on vulnerable groups, has been pursued through the *Regional Network of Women in STEM*, established by RCC in cooperation with UNDP. To encourage young girls and women to pursue their higher education and career in STEM fields, RCC launched an online social campaign *Choose STEM future* featuring inspiring regional role models. The campaign proved exceptionally successful reaching over 6 million views at the targeted age across the Western Balkans in the first quarter of 2023. In addition, the Network focused its efforts on establishing a mentorship scheme to further support young girls and women in their future STEM career path.

A2. Human Capital Development

A2.1. Research and Innovation Area

The Western Balkans continued developments in the field of research and innovation. The region's performance significantly improved in Horizon Europe, the ninth Framework Programme on Research and Innovation. Compared to Horizon 2020, the number of projects and participations from the WB doubled. The region absorbed 42.5 million EUR for 101 grants with 150 WB participants according to the latest data.

The RCC's *Western Balkans Innovation and Research Platform* continued coordinating activities of key innovation and research stakeholders in the region to prevent duplication of efforts. Specifically, the RCC further developed tight cooperation with the European Institute of Innovation and Technology, Enterprise Europe Network, Eureka Network and COST Association, and closely works with the Policy Answers Horizon Europe project. Additional partners have been involved in the work of the Platform to ensure unobstructed information flow amongst the Western Balkans' innovation stakeholders. To facilitate and promote the

²⁴ [Regional Cooperation Council | Western Balkans Women Entrepreneurs of the year 2022 \(rcc.int\)](#);

Winners include: a food enthusiast and food blogger who connects consumers with farmers and food producers in a way that is healthier and better for the environment and the economy; an experienced entrepreneurs in formulations for vitamin and mineral premixes for food fortification, formulations for nutritional supplements and for healthy food; handmade, natural and environmentally-friendly olive soap producer; fashion and tailoring business; manufacturing business; and software and product agency specialised in making high-quality mobile, web, and blockchain applications.

²⁵ [Regional Cooperation Council | UN Women and Regional Cooperation Council join forces to advance women's empowerment in the Western Balkans \(rcc.int\)](#)

regional innovation ecosystem, the RCC launched the *Platform's website (BalkanInnovation.com)*. It aims to support regional streamlining of innovation and research policies, resources, and synergise efforts amongst the region's key innovation and research stakeholders in addition to EU-supported projects. Since its launch, the Platform's website has become one of the region's key information sources in the field of innovation with hundreds of useful content pieces.

The RCC published the first *Western Balkans Research and Innovation Infrastructure Roadmap* as a follow-up to the organisation's previously created roadmaps of research infrastructures in four WB economies. The Roadmap provides a detailed insight into the region's research and innovation capacities. Its aim is, inter alia, to allow policy-makers and other stakeholders to understand the fields for strategic investments and support the preparation of Smart Specialisation Strategies in the region.

The RCC published the *Compendium on Diaspora Best Practices in the Western Balkans* within the framework of the Regional Diaspora Knowledge Transfer Initiative. The Initiative aims at identifying and mobilising the diaspora's knowledge, skills and networks of contacts to boost economic growth in the region by fostering innovation and entrepreneurship. The Compendium is intended to assist the efforts of the Working Group on Diaspora towards introducing regionally owned diaspora initiatives. The Compendium features an overview of existing or recently implemented diaspora good practices that could be emulated in the region.

The RCC implemented cross-border/boundary pipeline development for Technology Transfer Offices (TTOs) in the Western Balkans as part of its continuous efforts to boost development of TTOs in the region. It was designed as a multiplier effect technical assistance aimed to encourage TTOs develop project proposals that would support technology transfer and promote collaborative cross-border/boundary collaboration. Out of 13 teams of university partners from the WB that were offered support, five proposals went to full submissions. The received support greatly exceeds the RCC's invested funds which confirms this model's effectiveness. Also, the participants strongly supported this approach which allowed them to build their internal capacities, particularly to learn how to prepare project proposals and make use of the EU funds.

The RCC organised Training for the Western Balkans Research & Innovation National Contact Points (NCPs) on the Legal and Financial aspects of Horizon Europe. Its goal was to assist in the capacity building of research and innovation NCPs in the region. This activity was a follow-up to the RCC's previously implemented Capacity Building Programme of NCPs in the Western Balkans. The training's focus was on providing adequate support to researchers and businesses with the ultimate goal of increasing the uptake of Horizon Europe funds and ensuring higher absorption of the available EU funds.

The RCC successfully introduced the first regional *Butterfly Innovation Award (BIA)*. The award ceremony was held back-to-back with the Ministerial Meeting of the Western Balkans Platforms on Culture, Research and Innovation, Education and Training (Tirana, 27-28 June

2022). BIA aims to encourage the region's creative individuals and organisations to further develop their innovative, scalable, and market-based solutions. The Award aims to support the region's economic development by embracing twin green and digital transformations and promoting innovation culture through showcasing successful innovative achievements. The competition instated innovative solutions awarded in six categories of the CRM and Green Agenda for the Western Balkans. The RCC received a total of 154 entries in six categories (33 green, 45 industry, 11 STEM, 11 university, 37 women and 17 youth). The number and quality of entries surpassed expectations and BIA proved to be an effective way to promote the culture of innovation in the region. The awards were presented by the Commissioner Mariya Gabriel and RCC Secretary General Majlinda Bregu.

The second *Butterfly Innovation & Business Forum*, a regional annual event on innovation, was organised by the RCC and supported by the GIZ and Enterprise Europe Network (EEN) on 6-7 December 2022 in Sarajevo. The Forum was designed to enable better understanding of existing innovation initiatives in the WB and further assist development of a regional innovation ecosystem. The second Forum focused on promoting sustainable models of academic and business cooperation as one of the currently weakest dimensions of research and innovation in the region. In addition, it promoted the importance of developing *Digital Innovation Hubs* (DIHs) as one-stop-shop facilities that assist SME's competitiveness in the age of digital and green transitions. The Forum allowed for networking of DIHs in the region that require substantial assistance to grow their capacities and offer comprehensive services to local businesses. The two-day event featured first-hand transformative experiences of innovation practitioners, successful scientists and entrepreneurs from twelve economies.

The RCC prepared the *Western Balkans Competitiveness Foresight Report* through the framework of the Western Balkans Competitiveness and Innovation Accelerator. The report complements the previously published Strategic Foresight in the Western Balkans: Recovery on the Horizon report on science, technology and innovation. The present report features key competitiveness (mega)trends that are likely to shape the region's economic future by 2035. The report allows the region's businesses, policy-makers and research and innovation community to prepare better for future challenges.

A2.2. Free Movement of People

The Agreement on Freedom of Movement with Identity Cards in the Western Balkans, which was coordinated by the RCC, was signed in November 2022, representing a key component and deliverable of the CRM agenda. The Agreement will facilitate travel within the region for WB citizens by simplifying the administrative procedure for entry, transit and short stay using only ID cards. Moreover, this agreement waives all existing visa regimes in the WB, further promoting travel by significantly reducing time and financial costs, strengthening people-to-people relations and cultural exchanges in the region.

Signing of the *Agreement on Recognition of Professional Qualifications for Doctors of Medicine, Dentists and Architects* and the *Agreement on Recognition of Higher Education*

Qualifications at the Leaders' Summit in Berlin within the Berlin Process on 3 November 2022 is also a landmark achievement within the region.

The Agreement on Recognition of Higher Education Qualifications will enable mobility of students and academic staff in the region based on the Lisbon Convention for Recognition, Bologna Process and the relevant EU rules. The period of recognition will be shortened from several months to a maximum of fourteen days and existing fees associated with the process so far will be eliminated. Although the Agreement applies to public universities for now, it will gradually extend to private universities as well. In line with the work plan jointly agreed at the meeting of the Working Group on Recognition of Academic Qualifications (WGDAQ) held in Sarajevo in mid-December 2022, RCC prepared the draft Rules of Procedure (RoP) for the Joint Commission on Recognition of Higher Education Qualifications – the body which will be established upon ratification of the Agreement on Recognition of Higher Education Qualifications.

Agreement on Recognition of Professional Qualifications will facilitate mobility of and enable provision of services by professionals across the region. For now, it applies to the three professions listed above, but it sets the basis for negotiations on the *remaining four regulated professions (midwives, nurses, pharmacists and veterinary surgeons)*. The RCC re-distributed the zero draft Agreement on Recognition of Professional Qualifications for Midwives, Nurses, Pharmacists and Veterinary Surgeons in mid-January 2023. The first round of technical negotiations was held on 12 April and it was agreed to conclude the negotiations by June 2023.

The three agreements enter into forces one month upon the submission of the third instrument of ratification to the depository North Macedonia. Based on that, the RCC will convene the first meeting of the Commission with a mandate to oversee the implementation.

Workshop of ENIC/NARIC offices on *Regional Recognition Database (RRD)* for recognition of higher education qualifications took place at the end of January 2023 in Podgorica. A list of deliverables was agreed, and ENIC/NARIC offices will continue with RRD testing.

RCC supported a Regional Action Plan on Quality Assurance to support the Quality Assurance Agencies (QAA) in meeting the European Standards and Guidelines (ESG), including six economy-specific action plans. The action plans were accepted by Quality Assurance agencies, and will help RCC to provide targeted support. A coordination meeting with the European Association for Quality Assurance in Higher Education (ENQA), European Quality Assurance Register for Higher Education (EQAR) and Education Reform Initiative in South East Europe (ERISEE) was held in March 2023 to assess progress of Western Balkans QAAs and streamline the support.

RCC also supported Development Framework for Vocational Education and Training (VET) in the Western Balkans, providing economies a comprehensive list of actions to further improve VET both in the region and at economy level. This Framework also includes principles for economy-level reforms, such as agility in adapting to labour market changes, flexibility and

progression opportunities; a driver for innovation and growth; digitalised skills and training provisions; promotion of equality opportunities and quality assurance in VET.

A3. Digital Integration and Implementation of the Digital Agenda for Western Balkans

Since the introduction of Roam Like at Home regime in the Western Balkans on 1 July 2021, WB citizens no longer have to pay additional charges while in the roaming in the region compared to what they pay at home. *Western Balkans Roaming Report 2022*²⁶ indicates that this initiative has been very well received by the citizens of the region with significant increase in roaming traffic for all services in the second half of 2021 compared to the first half of the same year, i.e. number of minutes of outgoing calls increased up to 237%, number of minutes of incoming calls up to 173%, number of SMS sent up to 119%, while data consumption (in MB) increased up to 459%, depending on the economy. Additionally, the number of WB roaming users in the region nearly doubled during this period.

Regarding the reduction of roaming charges between the WB and EU, in 2021 a structured dialogue was established between the mobile operators of the region and the EU, followed by regular meetings and intensive consultations in 2022 and 2023. A significant step in this process happened during EU-WB Summit held in Tirana in December 2022 when the *EU-WB Roaming Declaration* was signed by the operators from the EU and WB. The signatories of the Declaration agreed to significantly reduce data roaming charges starting from 1 October 2023.

Through the *Roadmap for Lowering Roaming Charges between the EU and WB*, WB economies agreed to implement in 2022 and 2023 very important policy reforms in the area of broadband deployment and 5G developments, aiming to improve the business environment in the telecom sector in the region. The report on the progress in the implementation has been prepared end of 2022 by RCC based on the inputs from the economies, while the implementation of these reforms will be followed also in 2023. In order to support the implementation of the most complex policy reforms, the report on EU best practices in this regard was prepared in December 2022. Based on this report, the economies proposed specific questions/needs where further support is needed. RCC consolidated these inputs and will follow up with the preparations for the regional TAIEX workshop

Organised by the European Commission, *Regulatory Dialogue between the EU and WB* was held in June 2022, marking the start of a recurring Regulatory Dialogue on priority reforms related to information society in Chapter 10 in order to align with the EU digital acquis and policy. Second EU-WB Regulatory Dialogue is to be held end of June 2023.

²⁶ RCC: Western Balkans Roaming Report 2022 - Link: <https://www.rcc.int/pubs/153/western-balkans-roaming-report-2022>

On 28 March 2023 in Sarajevo, together with EBRD and EIB, RCC organised the event *Investing in Digitalisation in the Western Balkans*, followed by the Donor Coordination Meeting related to digital transformation activities in the region. Donor meeting was held for the first time in this regard, offering the opportunity for high-level discussions on investment needs, followed by the reactions of International Financial Institutions and donors.

After the RCC prepared a pre-assessment of *digital skills gaps and needs in the region*, aiming to identify key priority sectors, emerging industries and target groups in each economy as well as corresponding methodological framework and the questionnaire in this regard, the decision of the Multistakeholder Working Group on Digital Skills was that the first sector to be assessed in terms of digital skills gaps and needs of the employees should be public administration at the central and local level in WB region. The first results of the assessment will be available in May 2023.

With regard to interoperability, and following the recommended approach from the *Study on Regional Interoperability and Trust Services in Western Balkans – Methodology, Implementation Vision and Action Plan*²⁷, cross-border/boundary use cases have been identified, which represents the first step towards launching pilot project(s) in the WB region. Five of these were discussed as potential pilot use-cases/project(s) at regional *Working Group on Interoperability and Trust Services* meetings. Further, two tailor-made consultations in each WB economy were held, while interoperability platform has been developed, and one WB economy has been connected to the platform.

The first regional Western Balkans [*Digital Economy and Society Index \(DESI\) 2022 Report*](#) was developed under the RCC umbrella. The Report was prepared in line with the European Union norms and practices, and monitors digital developments in each WB economy and the region in order to better track the progress of digital transformation within the region. Based on the results, in 2021, 77% of households were using broadband services in the WB region compared to 78% in the EU, while one WB economy has recorded the highest score in the WB region with 77% of Very High-Capacity Coverage (VHCN), which is above the EU average of 70%.

The 5th *Western Balkans Digital Summit (WBDS)* took place in Pristina on 21-22 September 2022. After two WBDS organised online, the fifth Digital Summit was held in physical format. RCC facilitated the preparations of WBDS, and actively participated in the Digital Summit through several dedicated side events. The WB economies commit to working on further development of digital transformation in the region through all areas of the digital agenda. Preparations for the 6th *Digital Summit* commenced with the first Steering Committee meeting held in April 2023.

²⁷ Link: <https://www.rcc.int/pubs/132/regional-interoperability-and-trust-services-in-western-balkans--methodology-implementation-vision-and-action-plan>

The third edition of the regional *Balkathon - Smarten up for the future* competition was organised in Pristina on 6 September 2022, aiming to help the region, businesses, and citizens to strengthen their resilience to global challenges. The competition was open to interested young innovative people, start-ups, digital innovation centres, science parks, universities, small and medium enterprises, etc. from the Western Balkan region. 58 teams applied for Balkathon 3.0 competition, of which six winners of the competition worked on developing and branding their digital solutions after the competition. Until now, fifteen solutions have been developed and marketed. Following the good practice, the winners of the third competition will present their solutions at the next Western Balkans Digital Summit.

In April 2022, the RCC supported the organisation of *Regional Cyber Camp*, organised by the National Authority for Electronic Certification and Cyber Security (ALCESK) of Albania, with the aim to improve and strengthen collaboration amongst economies of the region to increase the level of cyber security. The event gathered representatives from the Western Balkan economies responsible for cybersecurity, Geneva Centre for Security Sector Governance (DCAF), Organisation for Security and Co-operation in Europe (OSCE), American Chamber of Commerce in Albania, Albanian Microfinance Association, One Telecommunications, law enforcement agencies (LEAs), and other regional institutions responsible for cyber security. The meeting focused on the need to develop and strengthen regional cyber security, as well as the importance of and need to improve cyber security awareness.

A4. Sustainable Growth and Climate Change Resilience

In line with the endorsement of the *Green Agenda for the Western Balkans (GAWB) Action Plan*, specific actions and steps are foreseen to fulfil the region's ambition to become climate-neutral and achieve carbon neutrality by 2050. In this regard, EU readiness at the *EU-Western Balkans Tirana Summit* to continue supporting the Western Balkans leaders in fulfilling their commitments under GAWB was significant for the RCC and other regional partners in their efforts of coordinating and facilitating implementation through a regional approach.

Since the adoption of the Action Plan, the region has faced a series of security, economic and political challenges brought about by the difficult international situation. However, this has not interrupted the implementation of GAWB. On the contrary, it has prioritised the urgency for the region to transition into modern, climate-neutral, climate resilient and resource-efficient economies, which aim *to unlock the potential of circular economy, combat pollution, and promote green energy transition, amongst other*.

RCC contribution to the implementation process has relied mainly upon the *Regional Working Group on Environment (RWG Env)* and the *Biodiversity Task Force for South-East Europe (BDTF SEE)*, the latter of which focuses specifically on the GAWB Biodiversity and Nature Protection pillar.

In this regard, the following deliverables marked the reporting period:

- Significant progress in preparing the *first GAWB Annual Report of Implementation* in close coordination with economies, regional partners, and the European Commission. The first report will be finalised by mid-year and will include a qualitative progress report, and quantitative overview of the GAWB Action Plan indicators, as well as perspectives from key stakeholders.
- Revitalised engagement with CSOs by organising the *Non-governmental Organisations' Forum on the Implementation of the Green Agenda for the Western Balkans* (NGO Forum) in Belgrade. The NGO forum serves as a continuous space for discussions and information sharing with CSO participants from the region and outside, to support and promote GAWB.
- In the circular economy pillar, RCC work focused on achieving the concrete deliverable of adopting a *Regional Joint Statement on Prevention of Plastic Pollution, including Marine Litter*. In this regard, all technical aspects have been finalised in agreement with all parties, and the document is in the process of addressing final political questions on terminology. The RCC is continuing engagement with all relevant parties towards a final adoption of the statement, in addition to developing the relevant action plan for implementation.
- Regarding implementation of the circular economy pillar, as the main regional coordinator RCC has developed the *Circular Economy Operational Plan* which outlines a series of activities by 2024. This document is being finalised with the RWG Env members and in close coordination with the EU4Green Project experts. In addition, the document will serve as a basis for regional awareness raising campaign on the circular economy principles, which will have the WB citizens and private sector as its target audience.
- The organisation of the first *Local Self-Governments Forum (LSG Forum)* is a priority for this year, and will serve as RCC-led platform for sharing best practices and promoting the implementation of GAWB Action Plan at the local level in the region. This event is planned to be organised in partnership with the Network of Associations of Local Authorities of South-East Europe (NALAS).

A5. Projects

A5.1. Western Balkans Youth Lab Project²⁸

To ensure youth involvement in decision-making processes [Western Balkans Youth Lab \(WBYL\)](#) project continued to ensure safe space for youth and policy-makers to co-create policies, which are to benefit young people of the region. As to firm up activities done within one-and-a-half-year process of First Youth Policy Lab on Unemployment, Final Conference *UNMUTE: A region fit for YOU(th)* was held in June in Budva. This key endeavour gathered

²⁸ This project is co-funded by the European Union, grant number IPA/2019/409-790

more than 40 young people and policy-makers from the entire region, as well as EU representatives, to unveil and witness the presentation of activities that are making region one step closer to better employment opportunities for youth. The work resulted in amendments to laws related to youth unemployment and youth participation, a National Youth Roadmap on school-to-job transition, NEET Mapping and needs assessments and strategies development focusing on Youth Guarantee Scheme.

Co-chairs of Working Groups from each WB economy presented activities they are working on regarding the topic of *mental health* at the Mid-Term Conference on Mental Health held in November 2022 in Pristina. Besides Working Group co-chairs who presented the work done, the event gathered EU and WHO representatives. Within the reported period, WBYL answered the needs of the Working Groups from the region by providing them the instruments needed to address the immediate needs of the beneficiaries. By the beginning of the year, some of the Working Groups finalised and presented results within their economies. These include presentation of Youth Component in the National Action Plan of Mental Health 2023-2026 of Albania, the Mental Health Toolkit of Montenegro and Coordination Mechanism Body for Mental Health of Youth in Serbia. In addition to this, the Project supported several social media campaigns on the topic of mental health, developed by national youth councils.

Furthermore, WBYL continuously supported organisation and participation of young people from the Western Balkans at the international events. Thus, in the reporting period, more than 70 young people from the region took part at 1) *War in Europe: The Impact on the Balkans A New Reckoning on Security and Democracy together with IRI in Budva*; 2) *Western Balkans Youth Conference - #ThinkForward: Youth Action NOW with EU Delegation from North Macedonia in Skopje*; 3) *International Youth Conference on European Values with Youth Alliance in Krusevo*; 4) *high-level conference on Youth Policy in the Western Balkans together with European Commission and EESC in Prague*; and 5) *Western Balkans Youth Forum organised within the Berlin Summit 2022 in Berlin*.

The abovementioned events provided space for young people and those working with youth from the WB to discuss youth-related issues from different perspectives. Moreover, at the *Youth Forum in Berlin* young people developed a youth declaration directed to the political leaders of the Western Balkans and European Union which was presented at the margins of the Berlin Summit and reflects active participation and youth's ownership of the topics of high interest to them. Events like these gave young people from the region an opportunity to bring forward a more strategic approach by ensuring meaningful youth inclusion in the next stage of the important regional processes they are to inherit.

A5.2. Integrative Internal Security Governance (IISG)²⁹

Integrative Internal Security Governance (IISG) is a regional mechanism representing strategic EU-Western Balkans security partnership and strong regional ownership, with all Ministries of

²⁹ This project is funded by the European Union, grant number IPA 2020/414-918

Interior/Security from the region being stakeholders in this process. The aim of IISG is to contribute to regional security through its three pillars: *Counter-Terrorism (WBCTi)*, *Counter-Serious Crime (WBCSCi)*, and *Border Security (WBBSi)*.

As the operational hand of the IISG process, within the reporting period, the IISG Secretariat had continued to provide support to the development of products and strengthen several processes as agreed amongst the regional partners under the IISG Terms of Reference, namely:

- To map the security needs in the WB region in all three pillars – development of Biennial Needs Mapping Report;
- To map responses to security needs in the WB region in all three pillars – development of Annual Response Mapping Report;
- To map current projects, activities, initiatives (*actions*) implemented, first of all, by IISG members from a regional perspective – development of IISG Database, which is only available to members of the IISG process; and
- Analyse whether needs are adequately addressed in order to prevent duplication and gaps in answers, and to propose and facilitate potential synergies.

In this respect, the following was implemented:

- *First report on mapped needs for all three pillars* prepared and adopted by the IISG Board in June 2022;
- The IISG managed to develop 12 detailed documents with over 930 needs mapped in the three pillars of the IISG;
- *Two methodologies* were developed: Methodology for producing an annual report on mapping IISG responses and Methodology for mapping support for IISG needs (IISG database), while one existing methodology was updated – methodology for producing a two-year report on mapping IISG needs. All methodologies were approved at the 5th IISG Board meeting by its voting members on 20 June 2022. Within the reporting period, the IISG Secretariat started working on the fifth methodology with the aim of defining the roles and responsibilities of the members of the Support Group;
- The process of mapping responses for 2021 has been completed and the adoption process has begun;
- The process of mapping answers for 2022 has started, including consultations for its finalisation;
- The database (*IISG Database*) has been developed and the process of data transfer from the user to the database has started and continues;

In the next period the following activities are planned to be implemented:

- IISG is currently in the process of preparing for the next IISG Board meeting, which is planned to be held in June 2023;
- Until then, the focus of IISG's work will be on the following:
 - finalising the annual report on mapping responses in the three pillars for the 1st year (i.e. 2021);
 - finalising the second annual report on mapping responses in the three pillars for the 2nd year (i.e. 2022);

- continuous filling of the IISG Database with project data and developing an analytical report based on it;
- consultations for potential new IISG members;
- development of the annual report for 2022;
- development of the annual plan for 2023;
- finalising the methodology for Support Groups.

A5.3. ESAP 2

In the employment and social affairs work area, [Employment and Social Affairs Platform Project \(ESAP 2\)](#) continued to follow up the alignment of the Western Balkan economies with the EU policies and practices. ESAP 2 prepared the 3rd annual series of reports capturing performance of the region's economies regarding the European Pillar of Social Rights (EPSR). The six individual economies' reports plus a regional overview on the progress in implementation of 20 EPSR principles in the fields of equal opportunities and access to labour market, fair working conditions, and social protection and inclusion were accompanied by updated and adjusted online [Social Scoreboard](#).

Social Scoreboard is a monitoring tool featuring available data as per new Eurostat's methodology in EPSR categories. As overarching result, the 2022 review reveals that, although there is still some way to go to reach headline indicators of the EU as standard, the WB economies have recorded moderate progress during the period of 2021-2022. The 2022 EPSR edition was preceded by an awareness raising campaign with video stories from each WB economy on access to labour market and social inclusion of vulnerable societal categories (persons with disability). The project's activities on tackling undeclared work included study visit to Norwegian Labour Inspection Authority to boost peer exchange exposing the WB participants to the more advanced European practices, plenary meetings of the WB Network on Tackling Undeclared Work, and preparations for follow-up to Mutual Assistance Projects (MAPs). The follow-up MAPs are envisaged as progress-measuring working sessions on implementation of recommendations to labour and tax authorities in the WB resulting from the original MAP series. The ultimate goal of both MAPs and their follow-ups is to enhance policies and increase efficiency of the practitioners in tackling undeclared work and its transformation into declared work. ESAP has been a great contribution to *strengthening institutional capacities of Public Employment Services (PES)* with its tailor-made, demand-driven technical assistance mechanisms. To this end, during the past year ESAP 2 completed the 2022 cycle of the EU-modelled PES Bench-learning exercise involving PESs from all WB economies. The 2022 PES Bench-learning utilised innovative process used by the European PES Network to support improvements in PES performance across the region. It involved performance self- and external assessment (benchmarking), referring to the core PES performance drivers, the PES performance concerning crisis management, and the impact of the COVID-19 pandemic on the overall PES performance. Finally, ESAP 2 has continued to measure employment outcomes in the region through a unique online employment [Observatory](#) tool that has been regularly updated.

B. Political Cooperation, Good Governance and Security

B1. Political Cooperation

The Regional Cooperation Council remained dedicated to maintaining a strong level of cooperation and synergy with the South East European Cooperation Process (SEECP) *Chairmanships of Athens and Podgorica*. This involved aligning strategies and work programmes to ensure that they are working towards common goals. As part of this effort, Political Directors of the SEECP format met in November 2022 under the current Chairmanship and again in December and March of 2023. During these meetings, they welcomed the region's contributions to the Berlin and Tirana Summits and reaffirmed their unwavering commitment to regional cooperation and the EU perspective of the region. The RCC remains fully committed to supporting the region in achieving its goals and objectives, and looks forward to continuing its partnership with the SEECP Chairmanships in the future.

Political, economic and security repercussions from the ongoing war in Ukraine remain in the limelight of challenges for the region.

In an expression of continuity of good practices and the relevance of SEECP Troika, Podgorica Chairmanship maintained the format of the Directors General for the EU Affairs of the SEECP Participants, introduced for the first time by Athens during their Chairmanship in 2021-2022. The meeting of EU Affairs Directors General of SEECP Participants was held back-to-back to the Political Directors meeting in December 2022.

The RCC remains prepared to support Podgorica Chairmanship-in-Office and SEECP Troika in fulfilling their scheduled activities and any other needs essential for accomplishing the goals of regional cooperation.

B2. Parliamentary Cooperation

To guarantee comprehension and participation of *region's legislative bodies in regional cooperation matters*, the RCC endorses parliamentary forums. In this regard, the RCC is prepared to aid and keep the *SEECP Parliamentary Assembly (PA)* informed about the principal developments in the regional cooperation agenda.

SEECP Parliamentary Assembly (PA) Standing Committee, chaired by the Parliament of Montenegro, met in December 2022, strengthening the parliamentary dimension of the regional cooperation in South East Europe. It was also an opportunity to discuss the role of SEECP PA in the implementation of *SEE2030 Strategy goals and priorities*.

The RCC also continued providing technical support to the *Conference of Parliamentary Committees on European Integration/Affairs of the Countries Participating in the Stabilisation and Association Process in South East Europe (COSAP)*. In the 18th meeting of COSAP held in Ohrid in June 2022, COSAP members praised the role of RCC in reducing the obstacles to increased mobility, enhanced connectivity and improved competitiveness in SEE, and also welcomed the RCC's commitment to increase Parliaments' engagement in regional cooperation.

B3. Good Governance

Regional policy dialogue in the area of *good governance and rule of law* has continued through the support to enhance *judicial cooperation* in SEE.

In this regard the RCC prepared the study *Assessing and strengthening the institutional capacities of Parliaments of the Western Balkans region related to Common Regional Market*. The study provides a comprehensive mapping of parliamentary bodies in charge of every action envisaged by the *Common Regional Market* as well as the assessment of parliamentary institutional capacities in this regard. This analysis identifies parliamentary capacities and awareness related to CRM and it should support better information sharing and eventually enable Parliaments to timely and efficiently contribute to this process.

High level of support from Members of Parliament for all initiatives related to CRM was noticed, but there is a pressing need to maintain effective communication with Parliaments through stronger communication campaign and awareness raising events in support of adequate understanding of CRM and its potential.

In the area of Justice the RCC-led networks, Western Balkans Working Group on Justice (WGJ), South East Europe Judicial Training Institutes (SEE JTI) network and SEE Association of Mediators network (SEE AM), continued to facilitate regular professional exchange amongst jurisdictions.

During the past year, Western Balkans Working Group on Justice WGJ focused on increasing regional judicial cooperation in support of economic development in Western Balkans region. The 15th Meeting of the WGJ was held in Budva in June 2022 in cooperation with the Ministry of Justice of Montenegro. The meeting discussed the latest developments in the region regarding 1) *digitalisation of justice services across Western Balkans*, and 2) *Mutual Legal Assistance in the Western Balkans and best international practices*.

Participants presented the latest developments as regards the mutual legal assistance related to the relevant legal and institutional frameworks as well as the problems existing at bilateral and regional level. The legal framework on judicial cooperation in civil and commercial matters has been improved, but bilateral agreements are fragmented and not applicable to all WB economies.

Based on the agreement at the 15th Meeting of the Western Balkans Working Group on Justice, the Regional Assessment of the State of Play of Judicial Cooperation in Civil and Commercial Matters in the Western Balkans was prepared by the RCC in cooperation with GIZ Regional Project: Legal Reform for Economic Development in the Western Balkans. This regional assessment aims to support establishing a strengthened judicial cooperation between Western Balkans authorities built on the principle of mutual recognition and mutual trust. Therefore, it provides a detailed overview of the existing legal frameworks of the WB jurisdictions relevant to judicial cooperation in civil and commercial matters, as well as professional recommendations for adequate legal frameworks that enable stronger judicial cooperation and free circulation of judgments.

The SEE regional conference It is time for mediation was organised on 30 September 2022 in Zagreb in cooperation with CSSP - Berlin Centre for Integrative Mediation and the International Association of Mediators in SEE (IAMSEE). Representatives of the associations of mediation, renowned experts from South East Europe and European Union, representatives of judiciary, the executive branch, civil society, and academia attended the conference and exchanged good practices on the effective and sustainable solutions for promotion and increased use of mediation in the SEE region.

The sixth Meeting of the SEE Judicial Training Institutes Network took place on 5 October 2022 in Istanbul, organised by the RCC in close cooperation with the Academy of Justice of Türkiye. The meeting brought together the SEE JTI network participants, representatives of DG NEAR, EJTN, CoE HELP Programme, GIZ and international judicial experts with the aim to discuss issues of mutual relevance and agree on the objectives of the network's activities in the upcoming period. The meeting focused on ways to better streamline judicial training to enable an enhanced cross-border/boundary judicial cooperation and to improve access and quality of justice. The meeting of SEE JTI network served to facilitate coordination not only amongst JTIs but also amongst international partners in order to increase synergies, avoid future duplication and overlapping and identify possibilities for future common regional actions.

In the reporting period the RCC continued the good cooperation with the Council of Europe (CoE) Programme for Human Rights Education for Legal Professionals (HELP). The Environment and Human Rights online course was launched in June 2022, organised in the SEE JTI framework. This HELP online course supported judges and prosecutors from South East Europe, but also technical level representatives of SEE Judicial Training Institutes to better understand the connections between human rights and the environment, in particular how to apply a human rights-based approach to environmental protection.

B4. Security

Security cooperation amongst economies is of utmost importance to anticipate and respond to potential security threats in a timely manner. During the previous and current challenging

period with the war in Ukraine, the economies in the region invested efforts to improve their collective security posture and enhance their ability to respond to security challenges through information sharing, conducting joint capacity buildings, and strengthening their cooperation to ensure that any potential security threats are effectively addressed.

During the reporting period, the RCC organised the *Third Annual Conference on countering disinformation in the Western Balkans* in Sarajevo, in cooperation with the Osservatorio Balcani e Caucaso Transeuropa (OBCT), European Centre of Excellence for Countering Hybrid Threats (CoE Helsinki), and Italian Ministry of Foreign Affairs and International Cooperation. The conference aimed to provide practical level and capacity building for youth and students from the Western Balkans to counter disinformation. The event brought together more than 100 participants, including key experts, academics, journalists, and researchers, representatives of youth organisations from the Western Balkans, students, and practitioners from the region and beyond. The RCC has been partnering with regional and EU partners to empower WB citizens with knowledge and tools to build resilience against false, harmful, and misleading information since 2020.

In the framework of the 2022 South East Europe National Security Authorities (SEENSA) Chairmanship of North Macedonia, the 12th Meeting of the Heads of the National Security Authorities of SEE was held on 27 September 2022 in Skopje.

At the meeting, the director of NSA of North Macedonia underscored various activities organised within this year's Chairmanship, while the RCC representative reaffirmed the organisation's support in achieving the goals of SEENSA community. The co-chair from the Regional Cooperation Council reaffirmed the firm support for the initiative and acknowledged that the RCC would remain open to any practical suggestions that would stem from the NSA itself. When it comes to the next SEENSA Chairmanship, the National Security Authority of Montenegro expressed its willingness to assume the 13th SEENSA Chairmanship.

The 14th Chiefs' meeting of the SEE Military Intelligence Chiefs (SEEMIC) platform was hosted by the Ministry of Defence of Bosnia and Herzegovina in October 2022 in Sarajevo. During this year's Chairmanship of the platform by Bulgaria, participants agreed to jointly identify solutions that would strengthen the intelligence aspect of the platform's cooperative framework.

The RCC Annual Jumbo Security Conference stands for the largest gathering of all regional security practitioners, organisations, and networks dealing with security issues in South East Europe and the Western Balkans. It has evolved over the years from PCVE/CT platform to the all-encompassing event that brings together major partners of the RCC, such are UNDP/SEESAC, MARRI, IISG, DPPI, OBCT, and RAI.

The 7th Regional (Jumbo) Security Coordination Conference titled Security Cooperation in the Western Balkans - Challenges and Lessons from Pandemics to War in Ukraine was held in Rome on 17 and 18 November 2022, co-organised by the Regional Cooperation Council, International Relations Service of the Office for the Coordination and Planning of Police Forces

of the Ministry of Interior, and Ministry of Foreign Affairs and International Cooperation of Italy, at the premises of the Police Institute of Advanced Studies in Rome.

The conference convened 49 speakers from 14 economies and more than 100 participants and security practitioners from the Western Balkan economies, Italy, and other European Union (EU) member states, as well as representatives of the EU Commission, Frontex, IOM, IISG, MARRI, GI, and other relevant regional and international organisations, civil society organisations (CSOs), and law enforcement agencies.

The conference's *main objective* was to map out, assess, and explore prevalent security challenges facing the Western Balkans region and the EU in the context of Covid-19 pandemic and the ongoing war in Ukraine. Particular attention was given to sharing good practices and taking stock of lessons learned from participating stakeholders in tackling common transnational challenges. The ultimate goal of the conference was to streamline and strengthen security cooperation and coordination in the Western Balkans at the political, strategic, and operational levels between all relevant stakeholders, including international and regional organisations and initiatives.

The RCC published a [post-conference report](#) which provides a summary of the conference discussions, key points made by the participants during the thematic sessions, as well as some observations and preliminary recommendations on how future iterations of the Jumbo Security Conference could be fine-tuned to better respond to the needs and organisational goals of participating stakeholders and achieve the strategic objectives of the organisers.

The RCC in partnership with the European Centre of Excellence for Countering Hybrid Threats (Hybrid CoE) and with support from the Italian Ministry of Foreign Affairs and International Cooperation organised the Fourth Regional Conference on Countering Disinformation in the Western Balkans, which took place on 18 April 2023, at the heart of the EU's disinformation and hybrid threats operation centre (Hybrid CoE premises) in Helsinki. The conference dubbed The Importance of Media Literacy aimed to continue building the proper narrative on understanding the hybrid threats and disinformation and increase awareness of its detrimental impact on various aspects of societal life in the Western Balkans.

B5. SEE2030 Strategy

Following its adoption at the SEECF in Antalya in 2021, the [SEE2030 Strategy](#) enters into its second year of implementation. The SEE2030 Monitoring Committee held two meetings during the reporting period. SEE2030 Strategy provides flexible all-inclusive dialogue mechanisms effortlessly adjustable according to the current and potential challenges confronted by the region. The Strategy is mobilising regional dialogue, networking, peer reviews and all other types of short-term actions of regional solidarity amongst SEE participants that require a higher-level commitment and awareness but substantial financial resources.

SEE participants continue to operate under the dual pressures of the lingering pandemic and the war in Ukraine, with the latter's impact on the global economy fully manifesting itself, particularly in the case of its further protraction. Economic growth for the region, and beyond, remains intrinsically linked to the concerns over inflation, and dependent on further disruptions to food and gas supply lines posing a significant risk to enhance poverty, widen income distribution inequalities, and backtrack the gains recorded in employment and competitiveness. The uncertainty evident in the global economic outlook is expected to rapidly translate into tangible disruptions in the quality of life for the region's citizens, with further investment in development expected to take a back seat to economic stabilisation and social welfare measures.

Nonetheless, while threats at present appear serious and numerous, their actual impact on the region remains unknown. Crucially, the region's economies are equipped with a wide spectrum of policy instruments to help alleviate some of the economic and societal turbulence anticipated further down the road. All-inclusive regional cooperation in this context provides SEE participants with a stronger footing in dealing with shared threats, while greater investment in human capital development, as well as digitalisation, will help absorb, and alleviate, some of the uncertainty that will likely characterise global economic trends for years to come.

At its second meeting held in Thessaloniki on 7 June 2022, the Monitoring Committee *adopted the first interim implementation report*. SEE Participants confirmed their support to the implementation of SEE2030 Strategy as an instrument that contextualise a regular and all-inclusive dialogue within the SEECF. Furthermore, SEE Participants agreed to design their all-inclusive regional actions of solidarity without excluding the appropriate participation of relevant stakeholders such as Parliaments, CSOs, academia and think-tanks in the region through employing the contextual framework of SEE2030.

In the first two years of implementation, SEE2030 Strategy has remained at horizontal level. Vertical deepening in its implementation is necessary but could not be achieved in the initial period.

In line with the conclusions of the second meeting of the Monitoring Committee, SEE Participants initiated a process of *assessing the quality of project proposals received* through the programming cycle of the SEE2030 and confirmed their support through their assessment based on quantitative indicators. In the third meeting of the Monitoring Committee held in Istanbul on 7 March 2023, SEE Participants agreed that the results of their assessment of project proposals will be employed to *decide which proposals are to be prioritised for further fundraising activities*. Moreover, the Committee discussed RCC's proposal on constructing a SEE-specific regional index to measure inclusive growth perspectives of the SEE region based on the priorities of SEE2030 Strategy. The Committee continued reviewing the financial and human resources constraints regarding the implementation of SEE2030.

As regards monitoring, a *regional network of SEE Statistical Authorities* was established and its first meeting was held in June 2022. The South East Europe Statistical Authorities Network

(SSN) will be the main regional structure to discuss and confirm the proposal of RCC to develop a SEE-specific Inclusive Growth Index to monitor the overall implementation of SEE2030 Strategy.

During the reporting period, RCC had more than 40 meetings with international and regional organisations and bilateral meetings with SEE Participants. Amongst all these meetings, the following are worth highlighting.

The RCC presented the *access to justice related priorities of SEE2030 Strategy* at the 6th meeting of the SEE Judicial Training Institutes network on 5 October 2022. Amongst other things, the JTI network participants from SEE suggested organising a regional workshop on Sustainable Development Goals (SDGs) and SEE2030 Strategy in 2023. Together with the representatives of the MFA and Chambers of Commerce of Greece, Montenegro, and Türkiye, Romania also invited RCC to present SEE2030 Strategy and its priorities at the Sustainable Development Goals (SDGs) Forum in Iasi, Romania. At Iasi SDGs Forum held on 18 and 19 October 2022 RCC highlighted the trends of depopulation and increasing poverty in SEE region and the delays in convergence between South East Europe and Western Europe. RCC attended DPPI SEE High Level Panel and DRR Financing Workshop in Dubrovnik on 25 and 26 October 2022. At the Plenary Session, RCC made a verbal presentation of the priorities and objectives of SEE2030. In this context, the RCC SEE 2030 Coordinator highlighted the trends of depopulation and increasing poverty in SEE region and the delays in convergence between South East Europe and Western Europe. In this regard, the repetitive characters of natural or man-made disasters in SEE combined with a low level of financial risk protection negatively contributes to poverty and depopulation trends in the region. In the margins of the Panel, RCC's SEE2030 Coordinator had a bilateral meeting with the Head of UNDRR Europe Office. During the bilateral meeting, RCC suggested to collaborate further with UNDRR as the custodian of the relevant SDG regarding the implementation of Sendai Framework. It was agreed that UNDRR shares the monitoring related data with SEE2030 Monitoring Cycle regarding the implementation of Sendai Framework. UNDRR also agreed to actively participate in SEE2030 monitoring cycle meetings to discuss a new set of sui-generis monitoring indicators for disaster management and risk reduction. RCC also had a meeting with DG ECHO to exchange the views regarding the importance of SDGs and SEE2030 framework in the areas related to disaster management and risk reduction.

Through RCC's facilitation, all SEECF Participants' Chambers and Banking Associations along with the representatives of Eurochambers, European Banking Federation, EBRD, and World Bank held an online meeting on 16 November to discuss *the role of private sector and commercial banks in the implementation of SDGs and green transformation*. This meeting served as the first RCC attempt to connect stakeholders from all SEE economies including WB region, EU member states, Türkiye and Moldova, their banking associations and chambers of commerce to discuss sustainable development goals. The objective of the meeting was to check the stakeholder's interest to discuss in detail prospects of regional cooperation and in particular sustainable goals oriented topics. Important role of the RCC was highlighted when putting this topic in the framework of SEE2030 context. During the meeting, Chambers of Commerce and

Banking Associations offered their perspectives in the context of the meetings topic. It was concluded that better planning is important including discussions with various stakeholders such as EU partners – EBF and Eurochambers together with international partners – IMF, WB, EBRD and European Commission DGs. In this segment it was noted that SEE 2030 has an advantage to reach out to various stakeholders such as statistical offices, parliaments at the economy level, networks of universities, think-thanks whose activation in this context may extend the stakeholder dialogue. At the meeting, it was noted that there are good practices in these areas which ultimately resulted in an idea to organise a follow-up meeting to share good practices with 13 economies including the presence of the EU partners. Moreover, it was suggested that insurance sector and non-banking part of financial sector should be put into more focused discussion. The Hellenic Banking Association *proposed to establish a regional SEE fund*, having in mind the huge potential of the region in this regard. It was agreed to organise one more meeting before SEECF Summit and to include not only banks and chambers of commerce but also insurance market stakeholders.

The Montenegrin Parliament, as the rotational chair-in-office of SEECF Parliamentary Assembly (PA), invited the RCC to the Standing Committee meeting of SEECF PA. RCC's SEE2030 Coordinator made a presentation on SEE2030 Strategy at the Standing Committee meeting on 9 December 2022. Regarding the collaboration of RCC and SEECF PA in the context of SEE2030, the SEECF PA Chair-in-Office wrote to each *Parliament to nominate a contact point for SEE2030 Strategy*. The nomination of SEE2030 Contact Points is still in progress.

C. Horizontal Activities

C1. Programming, Monitoring, Coordination

Implementation of RCC's horizontal activities continued regardless of the recent socioeconomic and political turbulences. In 2022, RCC proceeded with its efforts of overall coordination of CRM agenda conducted in close cooperation and consultation with other regional partner organisations and WB economies.

The *Common Regional Market Report on Implementation for 2022*, coordinated by RCC, serves as a joint endeavour of Western Balkan economies and regional organisations involved in the CRM implementation. The report, which is finalised in April 2023, consists of two parts and provides insights into the overarching accomplishments and results from 2022 for each policy area within CRM. The first part of the report showcases the regional achievements across all CRM policy areas, whereas the second part informs on the results accomplished by each of the WB economy within all CRM policy areas.

RCC coordinated and maintained regular regional dialogue with *PM Sherpas* and European Commission, in close consultations with regional partners throughout 2022. RCC coordinated the process of preparing deliverables for 2022 ahead of the EU-Western Balkans Summit and Berlin Process Summit 2022. Currently, discussion on the next key milestones for 2023 is ongoing, stressing the reaffirmation and noteworthiness of existing partnerships in the regional cooperation. The 8th PM Sherpas meeting took place on 18 April 2023 with an objective of endorsing the deliverables for 2023 in line with CRM and GAWB activities, ahead of the upcoming Berlin Process Summit.

The *new annual editions of [Balkan Barometer](#) and [SecuriMeter](#)* for 2022 were presented in June 2022. The Balkan Barometer provided insights into the Public and Business Opinion findings encompassing crucial elements of policy areas such as regional cooperation, EU membership, mobility and education, innovation and research, rule of law and corruption, trust in institutions, labour market, and employability. *The ninth edition of Balkan Barometer has been launched* with the data collection phase finalised and launching of the Public and Business 2023 reports expected to take place in the second half of 2023.

Our public opinion survey on security *SecuriMeter* has shown that in 2022 the number of Western Balkan citizens considering owning a gun doubled as one third of WB citizens are, somewhat worryingly, unhappy with the overall security situation in the region.

Given the possible socio-economic, humanitarian, and political repercussions stemming from the war in Ukraine, the RCC has completed a small-scale data collection and analysis for a *Special Edition of the Balkan Barometer related to the effects of the war in Ukraine*. This edition shall provide insights into the current state of play regarding population and business sentiments with an aim to highlight the potential of regional cooperation in building resilience towards unforeseeable socio-economic and security shocks. Data collection was conducted in November 2022, and the report itself is being finalised.

C2. Extending partnerships

Our partnerships continue to grow with the Memorandum of Understanding (MoU) between the Regional Cooperation Council and European Economic and Social Committee (EESC) that is finalised and approved by the RCC Board. The MoU aims to establish a framework for cooperation in areas of mutual interest. As the EU's advisory body representing civil society, EESC has a keen interest in working with RCC in policy areas that aim to involve civil society and streamline regional cooperation agendas. By leveraging this MoU and cooperation with EESC, we look forward to advancing the region's priorities to the fullest extent possible.

To ensure that its activities are efficient and avoid overlapping or duplication of efforts, the Regional Cooperation Council collaborates with relevant partners in the civil society and international community. This includes working closely with organisations such as *CEFTA, WB6CIF, UNDP, CoE, WEF, and others*. Apart from maintaining close partnerships with the

South East Europe Cooperation Process (SEECP) and Board participants, the RCC also nurtures relationships with the *European Union and its institutions*, as well as with related Brussels-based organisations.

Another avenue that broadens our partnerships is cooperation in the field of natural disaster risk management. As an important segment of SEE2030, disaster risk management exudes cooperation between economies but also amongst institutions. Therefore, the RCC is exploring possibilities for the *quadrilateral partnership between the RCC, UNDRR, DG ECHO and DPPI SEE* towards the implementation of disaster risk management priority of SEE2030 Strategy in a form of a joint statement. The process is currently ongoing.

To strengthen these partnerships, the RCC Liaison Office regularly engages with these partners, including European Commission services, European Parliament, European Economic and Social Committee, Friends of Europe, Konrad-Adenauer-Stiftung e.V., European Policy Centre, Euractiv, EU Observer, and other organisations. By working closely with these partners, the RCC can tap into their expertise, knowledge, and resources to support the region's development and growth. The RCC remains committed to fostering a culture of collaboration and partnership, and looks forward to strengthening its relationships with all stakeholders in the future.

C3. Communication

During the reporting period, the RCC focused its communication efforts on promoting the agendas of the Common Regional Market, with a particular emphasis on *mobility and digital transformation, as well as RCC activities in accordance with the SWP 2023-2025, SEE2030 Strategy, and the Green Agenda of the Western Balkans*.

The RCC launched *three region-wide promotional campaigns*. The first one focused on the *three mobility agreements*: on Freedom of Movement with Identity Cards, on Recognition of Higher Education Qualifications, and on Recognition of Professional Qualifications for Doctors of Medicine, Dentists and Architects; the second one on the European Union and the Western Balkans *Roaming Declaration*, which will enable a reduction in roaming charges between the EU and the Western Balkans from 1 October 2023; and the third one on *encouraging young women in our region to choose a STEM profession*. All campaigns garnered heightened interest amongst traditional media and social media audiences in RCC activities as well as regional cooperation and EU integration.

Through its flagship activities, including the Western Balkans Women Entrepreneurs of the Year, Regional Network of Women in Entrepreneurship, Western Balkans Butterfly Innovation Award, Balkathon, Champion of Regional Cooperation, SecuriMeter, Balkan Barometer, SEE 2030 Strategy, WB Green Agenda, and others, the RCC continued to raise awareness about the significance of all-inclusive and sustainable regional cooperation for the region. The RCC also sought to promote the EU's and RCC's dedication to the region, highlight the benefits of EU

integration, and increase public and political support for the EU enlargement process, using clear language, messages, and success stories relevant to the region.

The RCC has been actively maintaining and expanding its partnership networks with regional media. The organisation has ensured that the regional cooperation agenda is widely understood and effectively communicated, particularly through its field correspondents who have played a significant role in extending the RCC's narrative and creating opportunities for promotion in each of the economies. These correspondents have effectively utilised their media networks to ensure that the RCC's messages transcend language barriers.

Recognising the importance of *engaging younger generations*, the RCC has invested its efforts in specific activities aimed at informing and including them in the regional cooperation communication circles. Various tools, tactics, and channels have been utilised in this regard, ranging from real-life human stories to organising university visits and utilising communication channels commonly used by youth.

In line with previous years, the RCC supported important regional initiatives and successful projects, such as the *Sarajevo Film Festival* and *No Border Orchestra*, whose positive image and reputation contribute to raising awareness of regional cooperation and EU integration amongst the general public.

To measure the impact of its communication efforts, the RCC closely monitored mentions of itself and its key indicators in real-time using *Mediatoolkit*, an online monitoring tool. This provided the organisation with relevant data for quantity and quality analyses of its media presence. Additionally, Google Analytics and other available tools were used to track and measure results. Based on the findings from these metrics, corrective measures were taken to generate greater value and wider outreach.

In the reporting period, the RCC produced 54 news releases and 22 interviews/articles/op-eds/vlogs/video podcasts (on average almost 2 per month) that were published in a number of media around the region and wider, and gained significant attention across RCC social media channels. The RCC recorded close to 7,000 media reports in the reporting period, while organisation's website had almost 95,000 users in 148,000 sessions.

The RCC's Facebook page obtained a 3,339,980 people reach which is a 55.5% growth during the reporting period, with 11,242 unique visits. Our Instagram profile, even though we had a setback in hackers attack which lasted for more than a month, obtained a 2,482,472 people reach during the reporting period or 109.9% more than in the past period. The profile got new followers and nearly 22,900 profile visits. According to the newest Meta benchmarking tools, when compared to accounts in similar categories, RCC's Instagram profile performs better, gaining over 55% higher content interaction while having a 64% steadier growth. The same benchmarking tool provides evaluation of RCC's Facebook page, stating that the account attains over 30% higher content interaction than content of similar organisations and/or institutions.

During this reporting period, our Twitter account earned nearly 400,000 impressions, 606 link clicks, just under 5,000 likes, 1,292 retweets without comments, and over 33,000 video views. The RCC LinkedIn page had 6,767 page views, 2,504 unique page views, with most of the visitors coming from political organisations, telecommunication companies or non-profit organisations. The official RCC YouTube channel got 123,816 views in the past year, with over 1,800 hours of watching and with total of 415 subscribers at the end of the reporting period. Launched a little over a year ago RCC's TikTok account is still picking up on traction and interest. During the reporting period, the published content got 32,531 views and over 2,000 likes.

Abbreviations

AM	Association of Mediators
BDTF SEE	Biodiversity Task Force for South-East Europe
BIA	Butterfly Innovation Award
CE	Circular Economy
CEFTA	Central European Free Trade Agreement
CIs	Creative Industries
C-i-O	Chairmanship-in-Office
CoE	Council of Europe
COSAP	Conference of the European Integration Parliamentary Committees of States participating in the Stabilisation and Association Process
CRM	Common Regional Market
CSO	Civil Society Organisation
DAWB	Digital Agenda for the Western Balkans
DCAF	Geneva Centre for Security Sector Governance
DESI	Digital Economy Society Index
DG	Directorate-General
DG ECHO	Directorate-General for European Civil Protection and Humanitarian Aid Operations
DG HOME	Directorate-General for Migration and Home Affairs
DG NEAR	Directorate-General for Neighbourhood and Enlargement Negotiations
DIH	Digital Innovation Hub
DPPI	Disaster Preparedness and Prevention Initiative
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EEN	Europe Enterprise Network
EESC	European Economic and Social Committee
EIB	European Investment Bank
EJTN	European Judicial Training Network
ENIC	European Network of Information Centres
ENQA	European Association for Quality Assurance in Higher Education
EQAR	European Quality Assurance Register for Higher Education
ERISEE	Education Reform Initiative in South East Europe
ESAP	Employment and Social Affairs Platform
ESG	European Standards and Guidelines
EU	European Union
FDI	Foreign Direct Investment
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GAWB	Green Agenda for the Western Balkans
HELP	Human Rights Education for Legal Professionals
IISG	Integrated Internal Security Governance
IPA	Instrument for Pre-accession Assistance
ISDS	Investor State Dispute Settlement
JTI	Judicial Training Institute
LEA	Law Enforcement Agency
MAP	Mutual Assistance Project
MARRI	Migration, Asylum, Refugees Regional Initiative
MRA	Mutual Recognition Agreement
NALAS	Network of Associations of Local Authorities of South East Europe
NARIC	National Academic Recognition Information Centre

NCP	National Contact Point
NEET	Not in employment, education or training
NGO	Non-governmental Organisation
NSA	National Security Authority
OBCT	Osservatorio Balcan e Caucaso Transeuropa
OECD	Organisation for Economic Cooperation and Development
OSCE	Organisation for Security and Co-operation in Europe
OSINT	Open Sources Intelligence Assessment
PA	Parliamentary Assembly
PES	Public Employment Services
PCVE/CT	Preventing and Countering Violent Extremism/Counter-Terrorism
QAA	Quality Assurance Agency
RAI	Regional Anti-Corruption Initiative
RCC	Regional Cooperation Council
RLAH	Roam Like at Home
RNWE	Regional Network of Women in Entrepreneurship
RRD	Regional Recognition Database
RWG Env	Regional Working Group on Environment
RYCO	Regional Youth Cooperation Office
RoP	Rules of Procedure
SALW	Small Arms and Light Weapons
SEE	South East Europe
SEE 2030	South East Europe 2030 Strategy
SEECF	South East European Cooperation Process
SEEMIC	South East Europe Military Intelligence Chiefs
SEENSA	South East European National Security Authorities
SEESAC	South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons
SEPA	Single Euro Payment Area
STEM	Science, Technology, Engineering and Mathematics
SWP	Strategy and Work Programme
TAIEX	Technical Assistance and Information Exchange
TTOs	Technology Transfer Offices
UN	United Nations
UNDP	United Nations Development Programme
UNDRR	United Nations Office for Disaster Risk Reduction
UNECE	United Nations Economic Commission for Europe
UNSDSN	Sustainable Development Solutions Network
UW	Undeclared Work
VET	Vocational Education and Training
VHCN	Very High-Capacity Coverage
WB	Western Balkans
WBBSi	Western Balkans Border Security Initiative
WBDS	Western Balkans Digital Summit
WBCSCi	Western Balkans Counter-Serious Crime Initiative
WBCTi	Western Balkans Counter-Terrorism Initiative
WBIF	Western Balkans Investment Framework
WBYL	Western Balkans Youth Lab
WB6CIF	Western Balkans 6 Chamber Investment Forum
WEE	Women Economic Empowerment
WEF	World Economic Forum
WEI	Women Empowerment Index
WGFM	Working Group on Financial Markets
WGRAQ	Working Group on Recognition of Academic Qualifications

WGID
WHO
WOMBA

Working Group on Industrial Development
World Health Organisation
World Music Balkans