

Goran Svilanović, Secretary General of Regional Cooperation Council

The End of the Year Could Be Sad for BiH

- Croatia's entry into the EU is a message for all of us that the accession process continues
- Solution for Sejdić-Finci ruling is technical solution

● You took office as the Secretary General of the Regional Cooperation Council (RCC) in January. What were your objectives and how much did you achieve so far?

I believe that the RCC did a huge thing in the last five years. The focus of our action was security and establishment of trust in the region. The activities were directed towards stabilisation of the peace process and improvement of regional cooperation in all areas. The task that awaited me is a big political topic – how to become an organisation that includes everyone from the region and facilitates full cooperation of all in the region. At this moment, the RCC is in fact such an organisation, all-inclusive based on a consensus. The model enabling full participation of Kosovo*, with full support and agreement of the Government of Republic of Serbia, was identified and this is in fact the biggest political work we did in the last couple of months. From that time on, we have been working with full cooperation of everyone and without any political strains.

Open Political Issues

Couple of weeks ago we got the support of the RCC Board and a decision of SEE ministers in Ohrid on adoption of the Work Programme we presented for the period 2014-2016. This Work Programme is different from what the RCC was doing so far. The Programme defines that 70% of our activities will focus on implementation of SEE 2020 Strategy we prepared. It is linked to the EU 2020 as regards all the things that need to be achieved by 2020 but it is also specific and somewhat different. The Strategy has three key areas and this is what can be expected of the RCC in future.

● What are these areas and what do they include?

They are economic and social development, energy and infrastructure, and education. These are the key elements of SEE 2020 Strategy and this is what the RCC will work on the most in the next couple of years. We even named the Strategy to be quite clear as to what we are doing – this is in fact employment and economic growth and European integration Strategy. In addition to this, we will continue focusing on the topics related to the functioning of justice

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

system and interior as this is very important and also part of the Strategy. Some activities such as fight against corruption are directly linked to the possibilities of further economic development. We will also continue with the cooperation in the area of security, the RCC developed so far, but the focus will no longer be on security and peace since we believe to have achieved all this. There is a comprehensive list of other open issues and these are political issues. All this will be tackled by the countries and governments in the region, with the EU support surely, but our focus will be on employment. We have gathered economy ministers from the region in November last year in Tirana and they discussed the realistic situation in the countries individually and the situation in the region. They defined certain targets they wish to achieve and this is a list of 11 targets which are regional, common. They agreed on the list of over 70 national targets that national governments will address in more detail; but what is important for us is the list of 11 regional targets that are common. One of the targets is increase in employment in the region. Currently, the level of employment in the region is 40%. The percentage differs slightly for countries individually, but trust me not significantly. Our goal is to reach 45% of employment by 2020. It is a significant increase and I would be happy to achieve this target by 2020 as this is one of the most important targets, particularly as I am convinced that offering jobs is essential to our citizens and this is why we titled the Strategy – the employment and growth Strategy. The growth was recorded in 2000, 2001 and 2002, each of the countries recorded 3%, 4% and even 5% growth; however, this was the result of privatisation, money was flowing in, the figures looked good, but as a consequence of privatisation, companies were in fact wounding-up and people were left jobless. The figures looked good but all that time there was in fact silent unemployment growth. An now that the investments have ceased, one is suddenly facing the fact that nothing had changed, companies did not commence their operations or they operate poorly and people largely lost their jobs. We thus have such a catastrophic situation where BiH has been mentioned as the poorest country in Europe, what is an amazing data since this country has resources not to be at the bottom of the list at all. These are the figures that largely warn of how others see us, where we are and I believe all politicians and all those engaged in economy in the region should address this more. The second target discussed by the economy ministers is GDP. Do you know that the average GDP in the region is only 38% of the EU average? It is a frightening piece of data because when you see this figure, you realise that we failed in making the gap between the region and the EU smaller - it is constantly deepening. Hence, all those investments did not bring realistic lessening of the difference between us and Europe. The target now set by the Strategy is to reach 46% by 2020. So in 2020 too, we will be not even in the half of the EU states' average. One of the targets is to improve mutual trade in the region by 230%, increase investment level by 120%, increase number of highly educated young people in the region with a chance of employment by 300,000 total annually.

- **Let us go back to the Work Programme of the SEE ministers...**

The Programme was adopted and the next step is what I am doing at this moment and that is to present these elements to the ministers, prime ministers, vice-presidents of governments for European integration of all countries and explain that the Strategy will be one of the key elements for the Progress Report the European Commission publishes every year. In order for each country to get a positive Progress Report, it will have to come up with its national plan. For example, how will BiH produce new 20 or 30 thousands of highly educated people for the labour market, how will it increase this number, how will it increase, and with which measures, the employment level over the next 10 years. What we are in fact trying to do is to look up to the EU which has the European semester. Namely, ministers and prime ministers in the EU agreed to sit around the table and discuss the economic situation in each country, EU

member state, every six months. And you should see how by God sometimes prime ministers of large countries are furious when the EC comes out with a report and says – you have this budget deficit, what have you done in these six months, why do you jeopardise the EU's stability by your idleness... We are also trying now to gather countries from the region to also establish such practice to regularly sit down and see who is where, what is the situation in a country and to monitor whether national plans change, where does a country stand. This will no longer be the task of foreign ministers. This now becomes the task of vice-presidents of governments for European integration or prime ministers that should, through the entire government, develop a set of activities as to who will do what in order to attain these targets. What we are doing now should put us in the position to meet one of the criteria that is becoming essential, though not articulated, and that is that there will be no more EU accession in a way that one becomes EU member today and tomorrow says: you know what, our banks went bankrupt, and if you could give us a loan to finance budgetary gaps. The message is that a country should have sound economy in order to join the EU or the process will be slowed down.

Number of Important Issues

- **So, you believe that Croatia has sound economy?**

I am not in a position to pass opinion on this. I believe that Croatia's experience in negotiations supports the fact that the EU no longer wishes to admit new members in such a way. This is the main message and what BiH and Serbia and all others are facing. The state of economy is one of the important elements being observed, because European politicians who make the decision too are accountable to their citizens who say that this will not do anymore. Not because they are against us, not because they do not see Balkans as a desirable part of the EU but because they are too scared for their jobs and economy, and they want accession that will bring along the countries that are able to act as other European countries in all segments and even in the area of economy, and this is what you and I have been talking about now.

- **How will Croatia's entry into the EU be reflected on other countries of the region?**

I think this is a big change. First of all, this is happy news and a message for all of us, for each country of the region that the accession process continues. This is the most important news and Croatia should be commended, as this is something that Governments had been working on for over ten years. Regardless of their political colours, they simply headed in one direction and they should be commended as this is an encouragement for all of us. It is also true that Croatia's entry into the EU largely changes the relations in the region. Specifically, Croatia is no longer a member of CEFTA, trade in the region does not rest now on the model used between Serbia and BiH, but becomes as is, for example, presently the trade between BiH and Austria. It is a completely different relation and one needs to prepare for this, there is a comprehensive set of technical things. The essential thing is that the EU border moves to the border of BiH, and this is a novelty for BiH and Montenegro. It is not so much of a novelty for Serbia, because it already borders with Hungary, Bulgaria and Romania as EU members and is to some extent accustomed to this. But this is a good experience. Border crossings are a technical thing – it is a big thing for BiH. In Serbia, the functioning between Serbia and Hungary, Bulgaria and Romania is normal in all areas, but some measures need to be taken and some technical things introduced to mitigate this change as much as possible. It is especially important for BiH as this is long border and people are used to travel freely. Everything needs to be done for them not to see this as a personal burden; and businesses also

have to be helped to overcome issues that will probably arise in the first couple of months, six months or a year.

• To what extent economic crisis and political situation in BiH, the issue of Kosovo* and the issues regarding the name Macedonia impact your work and cooperation of countries?

With regard to Kosovo*, the RCC is by status neutral and a consensus has been reached on the full participation of all parties and so for us, this is no longer a topic. We closely follow Belgrade-Prishtina dialogue, facilitated by Catherine Ashton and her team. We will act in line with the results of this dialogue. Other bilateral issues are wider, they are on the table. The name of Macedonia and functionality of BiH are important issues, but there is number of other issues and the list cannot be brought down to two or three. Stefan Fule, Commissioner for Enlargement, works much on this, he is the one that has the complete list. These are bilateral things that politicians, most frequently of two countries, have to agree on. If the RCC can facilitate the solution in the process, we will be more than happy to do so, but we are careful since these are most often difficult political topics.

Large Expectations

• How do you comment current political situation in Bosnia and Herzegovina?

The RCC is delighted to have Sarajevo and Bosnia and Herzegovina as our hosts. On the other hand, we are not in a position to comment on political situation in none of the countries. However, as we live here, we share all that people are going through and we share large expectations that agreement will be reached as regards some key topics. Regarding BiH, this is the implementation of Sejdić-Finci ruling. A technical solution is being sought that would be a small bridge connecting BiH with the European perspective. This solution is not the solution of all issues that exist in BiH, or for the status of Croats, Serbs and Bosniaks, and all other citizens, but just one technical solution that will, as regards BiH, provide for the process not to be stopped. This solution has not been found yet and we can only closely follow and support those politicians that are capable of reaching an agreement. Otherwise, without the agreement, the end of this year may be quite sad for BiH in terms of the accession process.