



CHECK AGAINST DELIVERY

**Annual Meeting
of the Regional Cooperation Council**

Introductory remarks

Mr Hido Biščević

Secretary General of the Regional Cooperation Council

Chisinau, 4 June 2009

Mr. Deputy Minister,
Excellencies,
Distinguished Participants,
Ladies and Gentlemen,

It gives me particular pleasure to welcome you in Chisinau together with our co-hosts, the SEECP Chairmanship-in-Office of the Republic of Moldova, on the occasion of the first Annual Meeting of the Regional Cooperation Council (RCC).

We have gathered today to discuss regional cooperation in South East Europe, results achieved in the first year of operational capability of the RCC and to provide guidance for the challenges that lie ahead of us. The presence of a number of delegations around this table gives us assurance that the region of South East Europe has many friends who are genuinely concerned with its prospects and development perspectives. We appreciate it as a sign of support for regional ownership and leadership, the principle that is epitomized in the establishment of the RCC.

In the first year of its full-fledged functioning, the RCC carried out its substantial activities with a view to creating an atmosphere for the region to double its efforts and remain in the focus of the European and Transatlantic partners, international organizations and financial institutions in the face of the global economic and financial crisis. The region was encouraged to achieve this by applying EU accession related reforms, enhancing regional cooperation and mutual assistance and taking a pragmatic and flexible stance towards open bilateral issues in a spirit of cooperation, understanding and good neighbourly relations.

The efforts of the RCC focused on key priorities for further economic and social progress in South East Europe, further promotion of democratic values and reforms and support to the realization of the European and Euro-Atlantic aspirations. In addition to that, the RCC worked hard on the consolidation of institutional dialogue with the EU institutions, promotion of the region of South East Europe as a reliable partner on the international arena and consolidation of its own structure and role.

Let us take a look at concrete measures and activities the RCC undertook in the realization of its Strategic Work Programme 2008 – 2009.

In mid-2008, the transition from the Stability Pact for South Eastern Europe to the RCC was fully completed by setting up the RCC Secretariat in Sarajevo. The Secretariat is now fully staffed and operational. Its Liaison Office in Brussels was officially launched in October 2008 although operational from the end of August 2008.

As a means of consolidating cooperation within the RCC framework, I carried out a series of political consultations with Heads of Government and Ministers of Foreign Affairs and other senior officials of the RCC members from South East Europe. The talks were aimed at securing continuing commitment and support of the RCC members from South East Europe to regional cooperation and the RCC in the implementation of its Strategic Work Programme 2008-2009.

I also maintained open-ended dialogue with the partners from outside South East Europe on the modalities of their involvement in regional cooperation. I held political consultations with senior officials in majority of the RCC

members and donors as well as with heads of international organizations and International Financial Institutions (IFIs).

It gives me pleasure to confirm that in my talks with all the stakeholders, primarily those from South East Europe, full political support for regional cooperation and ownership from the highest political level was extended.

One of the objectives of the RCC in the past year was to achieve and consolidate constructive and fruitful cooperation with the EU and its institutions in view of the overarching ambition of its members from South East Europe to be integrated into the European structures. As a result, the RCC profiled itself as a key interlocutor of the EU and the broader international community for matters of regional cooperation in South East Europe.

Excellent cooperation established with EU Presidencies, past, current and incoming, led to the RCC's involvement in discussions with the incoming Swedish EU Presidency about a conference on the development perspective of the Western Balkans to be organized by the Swedish Presidency of the EU Council and the European Commission in Brussels in December 2009. The conference will address issues related to the impact of the financial crisis on the region, progress of the enlargement process as well as regional cooperation with particular emphasis on the fields of energy, transport and development of infrastructure.

In an effort to mobilize the potentials and resources of the region and to promote the development of sustainable regional cooperation in its own right, the RCC launched the process of networking between the RCC members from South East Europe, the European Commission and International Financial Institutions (IFIs). Since its establishment, the RCC acquired expertise and good insight into the priorities and opportunities for cooperation with all the relevant stakeholders and beneficiaries. The networking process resulted in the identification of priority areas for generating projects on the part of RCC members from South East Europe. As a consequence of this exercise, in the beginning of May, an RCC Project Portfolio containing 22 Preliminary Project Ideas was submitted to the Commission for possible financing under Multi-beneficiary IPA 2010.

The RCC Secretariat applied consistent efforts to bring closer its work and function to all the partners, especially those in RCC members from South

East Europe by implementing its Communication Strategy and organizing presentations and outreach activities for government representatives, bodies and institutions, civil society, media, general public and academia.

The RCC also started the process of streamlining regional task forces and initiatives as well as provided assistance to them regarding access to political, technical and financial support required to fulfill their objectives. Supported by all stakeholders and endorsed as important part of the Strategic Work Programme for 2009 – 2010 this proces will lead to the final set- up of an efficient and transparent RCC affiliated network of initiatives complementary to the main body of the RCC mandate.

A fast and efficient communication channel with the SEECP Chairmanship-in-Office exercised by the Republic of Moldova was established and maintained active throughout this period. The regional architecture in which the SEECP operates as a political umbrella and the RCC as its operational arm proved crucial for the positive outcome of our first year. At a certain stage, though, the elaboration of the future strategic role of the RCC in terms of facilitating regional cooperation and providing for its genuine efficiency may become neccessary and useful.

Following all of the above, it gives me particular pleasure to say that the region embraced the principle of regional ownership and leadership as the way forward. The RCC proved successful in keeping the project-oriented cooperation and dialogue in South East Europe going and bringing together all the interlocutors around the same table. We can also say that the RCC proved its purpose and role in promoting cooperation, dialogue and good-neighbourly relations and facilitating European and Euro-Atlantic integration.

Let me now present you with the main highlights of activities carried out within the five priority areas of the RCC activity. A full account of all the activities is presented in my Annual Report, a copy of which you can find in your folders.

The development of prosperous market economies underpinned by adequate social systems represents a cornerstone of peace and stability in South East Europe. In the priority area of **Economic and Social Development**, the RCC coordinated, facilitated and provided political support to a number of regional social and economic initiatives aimed at investment facilitation,

Small and Medium Size Enterprises development, trade liberalization, public health improvement, social dialogue and employment policy reform. The RCC established and consolidated excellent working relations with the CEFTA 2006 Secretariat in Brussels with a view to fostering free trade and economic development in the region and overcoming trade related complexities against the backdrop of political differences or individual national decisions.

The RCC works with and will support the OECD Investment Compact to improve the investment climate and to encourage private sector development in the region. It will particularly assist in facilitating field research and ensuring feedback from local authorities and business communities.

In cooperation with its partners, the RCC Secretariat completed preparatory activities for a ministerial level regional conference on Public Private Partnerships (PPPs) which is to take place in September 2009 in Sarajevo. The conference will explore how PPPs might serve as a framework for attracting foreign direct investment and is expected to launch a regional PPP expert network, promoting a regional PPP capacity building programme.

The RCC deepened cooperation with the Business Advisory Council in light of the importance of engaging the potentials of the private sector for the economic development of the region.

Infrastructure and Energy as prerequisites for the overall economic, social and environmentally sustainable development, stability and prosperity were of particular focus in the past year. The RCC supported the implementation of the Treaty establishing the Energy Community and concentrated on strengthening relations with the key infrastructure partners.

As a landmark events in the field of infrastructure and energy, let me single out the First Thematic Ministerial Conference „Combating Climate Change in South East Europe“, which took place in Sarajevo, in November 2008, in cooperation with the Regional Environmental Center for Central and Eastern Europe (REC), within the agreed framework program Roadmap for Environmental Cooperation in South East Europe. A Joint Ministerial Statement and Climate Change Framework Action Plan for Adaptation were adopted at the conference.

The second highly relevant event was the International Workshop on Integrated Transboundary Water Resources Management in South Eastern Europe, organized from 18 to 20 May 2009 in Sarajevo, in cooperation with UN ECE and with strong support of the Global Water Partnership Mediterranean and the International Sava River Basin Commission. The conference participants drafted an accurate picture of all transboundary waters in South East Europe, identifying the most urgent actions to prevent, control and reduce negative transboundary impacts on human health, safety, nature and socio-economic conditions.

In the priority area **Justice and Home Affairs**, fight against organized crime and corruption, reform of police, law enforcement and judicial system, combating illegal migration, visa facilitation and liberalization and strengthening border management are of particular importance to South East European countries and their European and Euro-Atlantic agendas.

In order to identify measures enhancing coordination and coherence, as well as to avoid overlapping, fragmentation and duplication, the RCC Secretariat organized in September 2008, in Sarajevo the First Coordination Conference of the Regional Initiatives and International Organizations active in Justice and Home Affairs area in South East Europe. This meeting marked the beginning of the ongoing process of streamlining regional task forces and initiatives incepted during the period of the Stability Pact.

In the sector of **Security Cooperation**, the RCC was engaged in identifying the remaining and emerging challenges and finding ways to address them through cooperation at regional level in order to make responses more effective.

One of the projects facilitated in this area is the Southeastern and Central Europe Catastrophe Risk Insurance Facility (SECE-CRIF), envisaged as a genuine public-private partnership with main objectives to facilitate the development of a catastrophe insurance market in South East Europe and provide access for homeowners and SMEs to affordably priced catastrophe insurance. It is expected that the countries which expressed interest in the project will soon finalize all necessary activities and arrangements for participation in SECE CRIF, which will enable us to proceed to the signing of the Facility's founding documents.

I would also like to inform that the European Commission expressed its support to the realization of the SECE-CRIF project and is currently studying possible ways and means of concrete support to the Facility. Let me also use this opportunity to invite those members of the RCC from South East Europe that have not yet expressed interest in this project to actively consider joining the Facility.

A project on establishing a South East Europe Firefighting Regional Center (SEEFREC) was developed in coordination with the Disaster Preparedness and Prevention Initiative (DPPI) for South Eastern Europe and supported by the World Bank and the United Nations International Strategy for Disaster Reduction (UN ISDR). The project outline was sent to the RCC National Coordinators from South East Europe for consideration by relevant national authorities. After receiving confirmation of preliminary interest for participation in the project from four RCC members from South East Europe, the Secretariat is proceeding with further steps of the project which is envisaged to bring added value to South East Europe in fighting and preventing forest fires. I would also like to use this occasion to invite other RCC participants from South East Europe to consider joining this project of a major importance.

The RCC worked to implement projects aimed at renewing and strengthening human potential of South East Europe within the framework of its priority area **Building Human Capital**. This area is crucial for changing the face of the region and the accomplishment of started and envisaged reforms, as well as for an accelerated evolution of many stereotypes that might have a slowing effect on regional cooperation.

In cooperation with the Czech Republic's Presidency of the Council of the EU, the RCC organized a Ministerial Conference on Developing Regional Research Strategy for the Western Balkans, held on 24 April 2009 in Sarajevo. The conference launched a Regional Strategy on Research and Development for the Western Balkans and reaffirmed readiness of the region for cooperation in the fields of research and innovation in a comprehensive manner, moving from a fragmented to an integrated approach, promoting the establishment of competitive regional Centers of Excellence, closely connected with higher education and business sectors, in the fields of strategic interest for the region.

Last but not least, through fostering **parliamentary cooperation** as an overarching theme, the RCC pursued excellent cooperation with parliaments of RCC members from South East Europe, the European Parliament as well as with the Regional Secretariat for Parliamentary Cooperation in South East Europe in Sofia.

Finally, allow me to come back to the issue of cooperation in the RCC framework. Besides a broadly sucessful first year, some serious concerns remain. I regret to state that the UNMIK/Kosovo delegation is missing from this table. The non-attendance of a delegation despite the mutually agreed and accepted framework of the Joint Declaration on the Establishment of the RCC poses a serious challenge to the all-inclusive character of the RCC cooperation and undermines the overall positive achievements.

The RCC Secretariat and myself personally took appropriate steps to ensure the participation of all the RCC members in this meeting through timely consultations with the representatives of the Ministry of Foreign Affairs and European Integration of the Republic of Moldova pleading for a flexible and pragmatic approach. We also forwarded a note verbale aimed at the facilitation of entry visas to the Republic of Moldova for the delegation of UNMIK/Kosovo. In addition to this, I consulted extensively on this matter with other RCC members.

Recognizing national aspect of the issue for the Republic of Moldova, we firmly believe that, with the support of all the stakeholders, the authorities of this country should have spared no effort in searching for a pragmatic and flexible solution to enable the attendance of UNMIK on behalf of Kosovo in accordance with the UN Security Council Resolution 1244 in the first RCC Annual Meeting, in full compliance with the statutory documents of the RCC.

Allow me to stress that creating conditions for the development of regional cooperation in South East Europe remains an obligation of all the RCC members. I would like to invite all the partners around this table to do their utmost in assisting the RCC Secretariat and myself in achieving this goal.

While noting that the inclusiveness of regional cooperation in South East Europe remains an important pillar of the principle of regional ownership, I remain confident, in light of the initial yet tangible results achieved within the RCC framework during the very first year of our activities, that we shall

be in a position to overcome current difficulties and continue with the development, deepening and strengthening of cooperation in South East Europe.

Last but not least, I would like to express on behalf of the RCC Secretariat and on my personal behalf sincere gratitude to our host here in Chisinau – the Republic of Moldova - for results achieved during its Chairmanship-in-Office of the SEECP. Established working cooperation, stronger interaction and coordination of activities as well as strengthening of links between the RCC and the SEECP in the course of the past year are to a great extent result of the active work of the Chairmanship-in-Office of the SEECP of the Republic of Moldova.

Remaining thankful to the Republic of Moldova, we look very much forward to working closely with the incoming Turkish Chairmanship-in-Office of the SEECP in the next year, being convinced that fruitful relations and cooperation between the RCC and the SEECP will continue to be further developed for the benefit of the South East Europe as a whole.

I would also like to thank all RCC members, and in particular the members of the RCC Board, as the main body providing operational guidelines regarding RCC activities, for the unreserved commitment shown in respect of the development of regional cooperation within the RCC framework. Without your valuable support and understanding the process of setting-up of the RCC and its structures and in particular the RCC Secretariat, would simply not be possible. I hope that we can continue to rely on such a strong support from the RCC membership in the future.

Thank you.