



Tender Dossier  
SEE2020/001/013

**PUBLIC TENDER**

**CALL FOR PROPOSALS:**

**SOUTH EAST EUROPE 2020  
PUBLIC RELATIONS SERVICES**

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# SUBJECT OF THE TENDER

**Tender – public call for proposals for public relations services in support to the SOUTH EAST EUROPE 2020, namely:**

## **SEGMENT 1: IMPLEMENTATION OF ALL FACETS OF COMMUNICATION**

- Creation and implementation of PR Strategy
- Media Relations
- Special events/press conferences
- Website (SEE 2020 website [www.see2020.rcc.int](http://www.see2020.rcc.int) has been developed and it will be an integral part of public relations efforts)

## **SEGMENT 2: LAYOUT DESIGN OF ALL PUBLICATIONS AND MATERIALS**

- Graphic design and DTP

**Contracting Authority – Regional Cooperation Council Secretariat**

### ***1.1. TIMETABLE***

	DATE	TIME*
Deadline for request for clarifications from the Contracting Authority	6 Aug 2013	12:00 CET
Deadline for issuing clarifications by the Contracting Authority	12 Aug 2013	17:00 CET
Deadline for submission of proposals	19 Aug 2013	15:00 CET

### ***1.2. PARTICIPATION***

Participation in this tender procedure is open to all respective public relations agencies and design/printing companies with **substantive experience in the Western Balkan region**.

Preference will be given to the companies from South East Europe.

### ***1.3. CONTENTS***

Proposals, all correspondence, and documents related to the tender exchanged by the bidders and the Contracting Authority must be written in English.

Supporting documents and printed literature furnished by the bidders may be in another language, provided they are accompanied by an explanation in English.

**THE PROPOSALS SUBMITTED BY THE BIDDERS WILL COMPRISE OF A TECHNICAL OFFER AND A FINANCIAL OFFER, SUBMITTED IN SEPARATE ENVELOPES.**

## **SEGMENTS**

**Bidders may submit proposals either for both segments.**

**Preference will be given to the proposals encompassing efficient execution of activities for both segments.**

**Bidders must offer the whole of quantity or quantities of services indicated for each tender segment.**

### ***1.4. TECHNICAL OFFER***

The Technical offer must include the following documents:

- Proposal Submission Form, Annex I
- Technical Proposal – detailed public relation strategy and execution plan in accordance with the Terms of Reference
- Key Experts Proposal (accompanied by CVs), supported by signed Statement of Availability Annex II;
- List and description of equipment (type and quantity) and software which will be used for implementing proposed activities.
- Legal entity file:
  - Company Profile (1-2 pages about the company)
  - Company Registration Certificate Copy
  - Company Commercial Register Copy
  - Company balance sheet and profit-and-loss statement for the past three years (2009-2011)
  - Reference list samples of previous public relations, communication, and graphic design services.

### ***1.5. FINANCIAL OFFER***

The Financial offer must be presented in EUR currency and include a budget breakdown.

Budget Breakdown should represent:

- Fee rates for each segment presented separately as follows:
  - Segment 1: Contract Billing Rate information, detailing the billing rates for direct labor, labor overhead and other direct costs for the bidder's staff listed in the tender and for all other staff included in the bidder's organization that will be performing the Services as described.
  - Segment 2: Price of design layout for publications and materials
- Maximum incidental expenditures presented in absolute figures.
- VAT amount

**The proposed Financial offer must not exceed overall 80,000.00 EUR for all segments.**

## ***1.6 BINDING PERIOD***

Bidders are bound by their tenders for 90 days after the deadline for the submission of proposals. In exceptional cases, before the period of validity expires, the Contracting Authority may ask the bidders to extend the period for a specific number of days, which may not exceed 30 days.

## ***1.7. ADDITIONAL INFORMATION***

Bidders may submit any additional questions and/or requests for clarifications in electronic form to the following e-mail address until 6 August 2013:

[procurement.seeic@rcc.int](mailto:procurement.seeic@rcc.int)

Clarifications of the tender dossier will be published on the official web site of the RCC by 12 August 2013. No further clarifications will be given after this date.

No information meeting is foreseen.

No site visit is foreseen.

## ***1.8. SUBMISSION OF PROPOSALS***

Proposals must be submitted by 19 August 2013 until 15:00 Central European Time in person / via post mail (registered mail).

Delivered in person to the Contracting Authority to the following address:

Regional Cooperation Council Secretariat

Attention to: Administrative Unit

Trg Bosne i Hercegovine 1 / V

Building of the Friendship between Greece and Bosnia and Herzegovina

Sarajevo

Bosnia and Herzegovina

**Proposals submitted via post mail (registered mail) will be taken into consideration, only given that a clear date and time of sending does not exceed the stipulated deadline and time.**

Proposals must be submitted using the double envelope system:

An outer parcel or envelope containing two separate, sealed envelopes - one titled "**Envelope A - Technical offer**" and the other "**Envelope B - Financial offer**".

Any infringement of these rules (i.e., unsealed envelopes or references to price in the technical offer, surpassed tender deadline, etc.) is to be considered a breach of the rules, and will lead to rejection of the proposal.

The outer envelope should carry the following information:

- Address for submission of tenders, as indicated above;
- Reference code of the tender procedure to which the bidder is responding
- Title "Not to be opened before the tender-opening session"
- Name and address of the bidder.

### ***1.9. WITHDRAWAL OF PROPOSALS***

Bidders may alter or withdraw their tenders by written notification prior to the deadline for submission of tenders. No tender may be altered after this deadline.

### ***1.10. TENDER PROCEDURE COSTS***

No costs incurred to the bidder in preparing and submitting the proposals will be reimbursable. All such costs will be borne by the bidder.

### ***1.11. EVALUATION OF TECHNICAL OFFERS***

The quality of each technical offer will be evaluated in accordance with the following award criteria:

1) Professional capacity of the bidder:

- The bidder must have extensive experience, expertise and reliability in providing communications and public relations consulting services; established reputation in the public relations community particularly with governmental clients and international organizations in South East Europe;
- The bidder must submit proof of an ability to ensure coverage across South East Europe, particularly Western Balkans region;
- The bidder must submit track record in providing communications and public relations consulting services to governmental agencies, as well as international organizations; a list of international clients for the last five years with samples of previous public relations, communication, graphic design and printing work, as appropriate. .

The bidder must propose a number of personnel dedicated to the project, and provide information on their professional experience and references, as well as areas of expertise (must be full-time employees), including a Project/Account Manager. Employees' references will be evaluated in terms of experience in communication and public relations, graphic designing and DTP, as appropriate.

2) Quality of the Technical Proposal in accordance with the Terms of Reference, described in the Section II.

### ***1.12. EVALUATION OF FINANCIAL OFFERS***

The following award criteria will be applied:

Fee rates as per budget breakdown including incidental expenditures.

Any arithmetical errors are corrected without penalty to the bidder, such as where there is a discrepancy between a fee rate and the total amount derived from the multiplication of the fee rate by the corresponding number of working days, the fee rate as quoted will prevail, unless the opinion of the Evaluation Committee that there is an obvious error in the fee rate, in which event the total amount as quoted will prevail and the fee rate will be corrected.

### ***1.13. SELECTION OF THE MOST FAVOURABLE BIDDER***

The best value for money is established by weighing technical quality against price.

Selection of the most favourable bidder will be internal, in accordance with defined criteria and the RCC's procedures.

### ***1.14. CONFIDENTIALITY***

The entire evaluation procedure is confidential, subject to the Contracting Authority's policy on access to documents. The Evaluation Committee's decisions are collective and its deliberations are held in closed session. The members of the Evaluation Committee are bound to secrecy.

The evaluation reports and written records, in particular, are for official use only.

### ***1.15. SIGNATURE OF CONTRACT(S)***

Notification of award; the successful bidder will be informed in writing that its tender has been accepted.

Signature of the contract; Within 7 days of receipt of the contract already signed by the Contracting Authority, the selected bidder will sign and date the contract and return it to the Contracting Authority. The other candidates will be informed that their tenders were not accepted, by means of a standard letter.

Contract proposal is not provided at this stage.

General Terms and Conditions for purchase of services form Annex IV.

### ***1.16. CANCELLATION OF THE TENDER PROCEDURE***

In the event of cancellation of the tender procedure, bidders will be notified of the cancellation by the Contracting Authority. If the tender procedure is cancelled before the outer envelope of any tender has been opened, the unopened and sealed envelopes will be returned to the bidders.

Cancellation may occur where: the tender procedure has been unsuccessful, ie, no qualitatively or financially worthwhile tender has been received or there is no response at all; the economic or technical data of the project have been fundamentally altered; exceptional circumstances or force majeure render normal performance of the contract impossible; all technically compliant tenders exceed the financial resources available; there have been irregularities in the procedure, in particular where these have prevented fair competition.

## **TERMS OF REFERENCE**

### ***2.1. REGIONAL COOPERATION COUNCIL SECRETARIAT***

The Regional Cooperation Council (RCC) was officially launched on 27 February 2008, as the successor of the Stability Pact for South Eastern Europe.

The RCC is intended to sustain focused regional cooperation in South Eastern Europe through a regionally owned and led framework that also supports European and Euro-Atlantic integration. It is turned to developmental projects and creation of a political climate susceptible to implementing projects of a wider, regional character, to the benefit of each individual country.

The work of the RCC focuses on the priority areas of economic and social development, energy and infrastructure, justice and home affairs, security cooperation, building human capital, parliamentary cooperation and media development.

The organization maintains close working relations with all actors of relevance in these areas, such as governments, international organizations, international financial institutions, regional organizations, civil society and the private sector.

The RCC functions as a focal point for regional cooperation in South East Europe. Supported by the Secretary General, its Secretariat based in Sarajevo and its Liaison Office in Brussels, the RCC provides the South-East European Cooperation Process (SEECPP) with operational capacities and acts as a forum for the continued involvement of those members of the international donor community engaged in the region.

The RCC also provides political guidance to and receives substantive input from relevant regional task forces and initiatives active in specific thematic areas of regional cooperation.

More information on the RCC work is available on [www.rcc.int](http://www.rcc.int).

### ***2.2. SOUTH EAST EUROPE 2020 STRATEGY***

South East Europe 2020 Strategy represents a regional response to Europe 2020. Currently in development process jointly among the SEE countries, it calls for the consistent implementation of economic reforms to foster its five priority areas, pillars of (i) integrated, (ii) smart, (iii) sustainable and (iv) inclusive growth underpinned by (v) good governance and the rule of law. By championing the development of the SEE 2020 Strategy, RCC hopes to provide an anchor for regional reform and shift regional cooperation towards more coherent, result-oriented approaches.

Since the adoption of the SEE 2020 Vision in 2011, the year 2012 followed with an agreement of the Ministers of economies the SEE region on 11 regional headline targets backed up by 77 national targets to guide the common regional action towards the end of the decade. In addition to adopting these targets, RCC and the South East Europe Investment Committee were mandated to coordinate the development of the SEE 2020 Strategy and present it for adoption during 2013.



This mandate was reconfirmed by the Formal meeting of the Ministers of Foreign Affairs of the South East Europe Cooperation Process held on 30 May 2013 in Ohrid which adopted the RCC Strategy and Work Programme for 2014 – 2016, with the main task of coordinating the development and implementation of the SEE 2020 Strategy.

### ***2.3 SOUTH EAST EUROPE INVESTMENT COMMITTEE***

The South East Europe Investment Committee (SEEIC) is a high-level decision-making body, serving as a main platform for the development of the SEE 2020 Strategy on an overall, horizontal, level, as well as being directly engaged as a dimension coordinator in the two pillars: Integrated and Sustainable Growth.

SEEIC was established in 2007, based on the decision by participating Organization for Economic Co-operation and Development members and countries from South East Europe, to create a high-level decision-making and coordination body to support the reform and implementation of policies promoting foreign and domestic investments in the South East Europe Region.

In order to allow the SEE economies to directly manage regional dialogue and coordinate efforts related to the investment reforms, an initiative to transfer coordination of the SEEIC from OECD to the RCC was endorsed at the Fifth Meeting of the SEEIC in November 2009. The official transfer of responsibility over the SEEIC activities took place at the Ministerial Conference: Building a 2020 strategy for South East Europe in November 2011, when SEEIC was empowered to engage in the SEE 2020 strategy-building.

After completing its first full year in regional ownership, the South East Europe Investment Committee (SEEIC) has established itself as the main framework in SEE for regional strategy deliberations on competitiveness and growth. The SEEIC Ministerial Statement from 9 November 2012 in Tirana has put forward, for the first time, quantifiable joint regional political headline targets clearly articulating the region's interests. It has also established a clear roadmap putting South East Europe 2020 Strategy at the center of SEEIC's as well as RCC's activities.

Based on targets adopted by the SEEIC Ministers of Economy during November 2012, SEEIC continues to work, under the auspices of the RCC Secretariat and in coordination with national administrations and external partners, on determining policy objectives, indicators and measures that will constitute the bulk of the SEE 2020 Strategy and Action Plan to be ready for adoption by the region's Ministers in November of 2013.

The SEEIC, currently Co-Chaired by the Government of Bosnia and Herzegovina and the Regional Cooperation Council Secretariat, comprises of high-level officials at the level of Deputy Minister or State Secretary from the respective ministries from South East Europe namely Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo\*, Moldova, Montenegro, Romania, Serbia and The Former Yugoslav Republic of Macedonia. The Committee meets in its

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\* *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.*

plenary form at least two times per year and once a year in Ministerial format, in the capitol of the SEEIC member co-chairing the SEEIC. Furthermore, the Investment Committee holds a number of technical and working group meetings, dedicated to the particular matters within the scope of its work.

The Support to the South East Europe Investment Committee Project team consists of Project Leader and Assistant, who are implementing SEEIC project’s Work Programme for the Year 2013 (ANNEX V) with the direct and comprehensive assistance of the RCC Economic and Social Development Unit.

## **2.4. OBJECTIVE**

Regional Cooperation Council Secretariat seeks a professional, full-service public relations and communications agency/consultancy that will be tasked with providing and implementing a comprehensive, strategic and innovative public relations execution plan (PR Strategy) for the South East Europe 2020 Strategy that should raise awareness on the SEEIC being a main driver for the economic reforms in the region, aiming to increase its growth and competitiveness, while bringing the region closer to the European and Euro-Atlantic integrations.

Target groups and specific goals are as follows:

<b>TARGET GROUP</b>	<b>SPECIFIC OBJECTIVE</b>
<b>Primary:</b>	
Decision and policy makers and implementers within the SEE (Relevant government institutions and agencies)	To underline importance of adopting economic reforms in order for the specific country to step up its competitiveness and growth, and move forward in the EU accession process
<b>Secondary:</b>	
Business environment in the SEE region (relevant institutions, organizations, business associations, clusters etc.)	To raise awareness on importance of SEE 2020 priorities and directly encourage their involvement in support to the attainment of the SEE 2020 targets
International organizations and financial and EU institutions throughout SEE	To inform them on SEE 2020 priorities and maintain their support and contribution to the specific actions
General public	To inform general public on major events happening within the project and its overall impact on the citizens in the region

## **2.5. SCOPE OF WORK**

The Scope of Work is for period of 4 months initially with possibility of extension depending on the project activities. Successful bidder will be responsible for providing the RCC Secretariat with all and any communications and public relations support it requires.

Successful bidder will be responsible for implementing all public relation aspects and must demonstrate capability in executing these in a timely, professional, efficient and effective manner. These include, but may not be limited to:

### **Segment 1: Planning and implementation of all facets of communication**

- Creation and implementation of PR Strategy

- Media Relations
- Special events/press conferences
- Website (SEE 2020 website [www.see2020.rcc.int](http://www.see2020.rcc.int) is being developed and it will be an integral part of public relations efforts)

**Segment 2: Layout design of all publications and materials**

- Graphic design and DTP

Moreover, successful bidder will possess or carry out the following:

- First-rate skills at performing communication/public relations activities in English and SEE languages;
- Keen understanding of SEE political and economic climate;
- Address each segment of targeted audience in an effective and professional manner;
- Identify issues of most significance within the SEE 2020 priorities.

The focus of communication activities will be in the non-EU countries in the Western Balkan region where majority of SEE 2020-related activities will take place

**2.6. RESOURCES AND TIMING**

Successful bidder will have a qualified team of public relations, communications and graphic design professionals (full-time employees) dedicated to managing the SEE 2020 account as relevant to the bidding segments. All individuals involved must be knowledgeable and sensitive to issues affecting the implementation of the SEE 2020 and be able to provide intelligent and accurate recommendations that will ensure the accomplishment of projected public relations and communications goals.

The team will be led and supervised by a professional with the relevant amount of experience in the aforementioned fields/areas, who possesses excellent supervision and project management skills, and has a keen insight/understanding of the SEE region (“Project Manager” or “Account Manager”).

The Project/Account Manager assigned to manage the SEE 2020 account will serve the said account throughout the duration of the contract. The RCC Secretariat will not accept any substitutions of the Project/Account Manager, except in situations beyond the control of the bidder and via a written request for approval of the substitution of the Project/Account Manager to SEE 2020.

The contract implementation will start in September 2013, and will last until end of 2013 with possibility for extension.

**2.7. REQUIRED OUTPUTS/REPORTING**

The successful bidder will provide following outputs:

Segment 1: Developed and implemented comprehensive PR Strategy

- Created and implemented PR Strategy: provided consistent flow of information across all media to create the right perception of SEE 2020 Strategy throughout SEE region

- Media Relations: developed news stories, press releases, media advisories, talking points, media pitching, coordination of media interviews, produced audiovisual materials, photographs and all other public relations materials
- Special events/press conferences: organized, coordinated and executed
- Website: content creation for existing SEE 2020 website (website [www.see2020.rcc.int](http://www.see2020.rcc.int) is an integral part of public relations efforts)

Segment 2: Layout design of all publications and materials required for implementation of PR Strategy in formats selected and approved by the RCC Secretariat.

- Graphic design and DTP: developed and produced informational materials, such as factsheets, flyers, annual reports, brochures, ads, rollups, banners (the layout design should be in line with the RCC Book of Visual Identity Standards and the Communication and Visibility Manual for European Union External Actions)

Successful bidder will report directly to the Project Leader for the South East Europe Investment Committee, acting in consultation with the Economic and Social Development Unit and the Media Unit of the RCC Secretariat, as appropriate, and will be on on-call on a full time basis and should be ready and capable of handling extraordinary situations. All materials and action will require approval from RCC Secretariat before undertaking further steps.

## ***2.8. MONITORING AND EVALUATION***

For the purpose of monitoring and evaluation of public relation activities (PR Strategy) the successful bidder will:

- Maintain regular contact with the RCC Secretariat;
- Create written and/or oral weekly, monthly and annual plans detailing the key objectives, tools, messages, outputs and results;
- Create weekly and monthly reports reviewing progress against the respective plans. The report should highlight items that require immediate attention of RCC Secretariat. It should be an input for future planning;
- Create final written report at the end of the contract.

**ANNEX I**  
**TENDER DOSSIER: SEE2020/001/013**

**Service Tender Submission Form**

Publication ref: **SEE2020/001/013**

**Contract title:**

**Public Relation Services in Support to the South East Europe 2020 Strategy**

**One signed original** of this tender submission form must be supplied.

1 SUBMITTED by:

	Name(s) and address(es) of legal entity or entities submitting this tender
Full Company Name	

2 CONTACT PERSON (for this tender)

Name	
Organization	
Address	
Telephone	
Fax	
e-mail	

3 STATEMENT

Name of the company \_\_\_\_\_ hereby declare that we have examined and accept without reserve or restriction the entire contents of the tender dossier for the tender procedure referred to above. We offer to provide the services requested in the tender dossier on the basis of the following documents, which comprise our Technical offer, and our financial offer.

Technical Offer includes: technical proposal, key experts (comprising a list of the key experts and their CVs) accompanied with the statements of exclusivity and availability signed by each of the key experts, list and description of equipment (type and quantity), and completed legal entity file.

Financial Offer includes: Budget Breakdown in EUR currency.

This tender is subject to acceptance within the validity period stipulated in the instructions to tender.

Name	
Signature	
Date	

**ANNEX II**  
**TENDER DOSSIER SEE2020/001/013**  
**Statement of exclusivity and availability**

Publication ref: **SEE2020/001/013**

By representing a company \_\_\_\_\_ we agree to participate exclusively in the above-mentioned service tender procedure. We further declare that we are able and willing to work for the period(s) foreseen for the position for which our CVs have been included in the event that this tender is successful, namely:

List of experts:

Expert Name	From	To	Acceptance by signature

**ANNEX III**  
**TENDER DOSSIER: SEE2020/001/013**  
**BUDGET BREAKDOWN**

Publication ref: **SEE2020/001/013**

*ANNEX IV*  
*TENDER DOSSIER:*  
Publication ref: **SEE2020/001/013**

**GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF SERVICES**  
**REGIONAL COOPERATION COUNCIL SECRETARIAT**



**GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF SERVICES  
REGIONAL COOPERATION COUNCIL SECRETARIAT**

*April 2009*

The contract shall be governed by the following General Terms and Conditions for the Purchase of Services, together with its incorporated attachments or annexes if any. Any departure from these General Terms and Conditions shall only be valid if mutually agreed between the Parties in writing.

**1. DEFINITIONS**

In these 'General Terms and Conditions for the Purchase of Services' (hereinafter referred to as 'General Terms and Conditions'), the following definitions shall apply:

'**RCC Secretariat**' means the Regional Cooperation Council Secretariat represented by the authorised representative.

'**Contractor**' means the supplier of services named in the contract represented by an official duly authorised to undertake contractual obligations on behalf of the supplier.

'**Contract**' means the contract relating to the purchase of services between the RCC Secretariat and the Contractor and includes these General Terms and Conditions.

'**Host Country Agreement**' means the Agreement between the Council of Ministers of Bosnia and Herzegovina and the Governments of the Other SEECP Participating States, the United Nations Interim Administration Mission in Kosovo on Behalf of Kosovo in Accordance with the United Nations Security Council Resolution 1244 on the Host Country Arrangements for the Secretariat of the Regional Cooperation Council) signed in Povdiv, on 14 September 2007.

'**Parties**' means the Contractor and the RCC Secretariat, collectively, and 'Party' means either one of them;

'**Services**' means any services provided, or to be provided, to the RCC Secretariat by the Contractor, or any of the Contractor's subcontractors, pursuant to or in connection with the Contract.

**2. ENTRY INTO FORCE OF CONTRACTS**

The Contract shall enter into force on the day after both Parties have signed it. The Contract shall be drawn up in English as the only authentic language, each Party receiving one original.

**3. DELIVERY**

The Contractor shall deliver the Services at the place of delivery specified in the Contract and within the delivery period stipulated in the Contract.

**4. PAYMENT**

Unless expressly stipulated otherwise in the contract, the RCC Secretariat shall make payment:

(a) Within 30 days of receiving the invoice and any other documents specified in the contract, or within 30 days of the date on which performance of the Contract is satisfactorily completed, whichever is later;

(b) The price of the Services shall be as stated in the Contract and may not be increased, except by express written agreement of the RCC Secretariat. The RCC Secretariat shall not pay any charge for late payment unless this has been expressly agreed to in writing.

(c) Payment shall be made in BiH Convertible Marks (BAM) or Euros (EUR) unless otherwise stipulated in the contract.

(d) Advance payment shall only be authorised by the RCC Secretariat where normal commercial practice or the interests of the RCC Secretariat require so.

**5. PRIVILEGES AND IMMUNITIES**

Nothing contained in the Contract shall be deemed a waiver, express or implied, of any privilege or immunity that the RCC Secretariat may enjoy pursuant to: (i) "Host Country Agreement", or (ii) any other agreement to which the RCC Secretariat is party.

**6. TAX EXEMPTION**

(a) The RCC Secretariat is exempted from taxes and duties in accordance with the provisions of the 'Host Country Agreement' providing *inter alia* that the RCC Secretariat, its funds and other property shall be exempted from direct state and local duties and taxes, except charges for public utility services, and from customs restrictions, duties, and charges of a similar nature in respect of articles imported or exported for its official use.

(b) In the event any governmental authority refuses to recognize the exemptions of the RCC Secretariat from such taxes, restrictions, duties, or charges, the Contractor shall immediately consult with the RCC Secretariat to determine a mutually acceptable procedure.

(c) The Contractor's price shall reflect any tax and duty exemption to which the RCC Secretariat is entitled by reason of the privileges that it enjoys. If it is subsequently determined that any taxes and duties from which the RCC Secretariat is exempted have been included in the price paid by the RCC Secretariat, the amount of such taxes and duties shall be refunded by the Contractor. Alternatively, the RCC Secretariat may deduct such amount from the contractor price and payment of such corrected amount shall constitute full payment by the RCC Secretariat.

(b) Notwithstanding the paragraph (c) of this Article in the event that Services provided are subject to VAT, the Contractor's price shall include VAT, and the RCC Secretariat shall submit the invoice for refund in accordance with relevant legislation of Bosnia and Herzegovina.

**7. LIABILITY OF THE CONTRACTING PARTIES**

(a) The RCC Secretariat shall not under any circumstances or for any reason whatsoever be held liable for loss, damage or injury sustained by the Contractor or by any person acting on behalf of the Contractor during the performance of the contract. The RCC Secretariat shall not accept any claim for compensation or repairs in respect of any such damage. The Contractor shall insure against all risks or loss, damage or injury caused by the Contractor or by any person acting on behalf of the Contractor during the performance of the contract. The Contractor and any person acting on behalf of the Contractor shall during the performance of the Contract comply with these General Terms and Conditions particularly those relating to confidentiality.

(b) Except in the case of *force majeure*, the Contractor shall be required to indemnify the RCC Secretariat for any loss, damage or injury that it may sustain from any act performed by the Contractor.

(c) The term *force majeure*, as used here, shall include, unforeseen events not within the control of either party, such as laws or regulations, strikes, lock-outs or other industrial disturbances, acts of terrorism, wars, whether declared or not declared, blockades, embargoes, insurrections, riots, civil disturbances, explosions, epidemics, landslides, earthquakes, storms, lightning, floods and washouts. Any other event could be recognised as *force majeure* in dispute resolution proceedings instituted in relation to a dispute as mentioned in Article 24 of these General Terms and Conditions.

(d) If either Party considers that *force majeure* affecting the Performance of its obligations has occurred, it shall promptly notify the other Party, giving full particulars in writing, including its probable duration and its effect on the Party's ability to perform. However, once the condition of *force majeure* has been agreed by the Parties, the Parties shall be relieved of liability for non performance of their obligations until it ends.

(e) The Contractor shall not be entitled to payment if it is prevented by *force majeure* from performing the tasks assigned to it. Part performance of any task shall result in pro-rata payment.

#### **8. TERMINATION OF THE CONTRACT**

(a) If the Contractor ceases to practice his profession or carry out his business wholly or for a large part; does not comply with any condition of the contract; applies for moratorium or applies to be declared insolvent; is granted a moratorium or declared insolvent; is declared bankrupt; offers a settlement in lieu of bankruptcy or if the property of the Contractor is attached; or if the Contractor is not a natural person and loses power of disposal over its capital or part of it or loses its status as a legal person, is wound up or in actual fact is liquidated, the RCC Secretariat has the right to give notice of termination of Contract immediately without notice of default.

(b) If any of the circumstances as mentioned in paragraph (a) of this Article should arise, the Contractor shall be in breach of this Contract as a consequence.

(c) The Contractor shall be bound to compensate the RCC Secretariat for all damage, costs and loss of interest as a result of a situation as mentioned in paragraph (a) of this Article as a result of premature termination of the contract, even in the event that a moratorium is granted or the Contractor is declared insolvent. This damage shall include in any case all amounts due until the original agreed date of termination of the contract, as well as all costs incurred by the RCC Secretariat in legal and non-legal proceedings, including those for legal assistance with regard to any circumstances as referred to in paragraph (a) of this Article.

(d) The conditions in paragraphs (a), (b), and (c) of this article do not exclude the right of the RCC Secretariat to exercise other legal rights, including its right to impose liquidated damages, demand payment or compensation for damages or for cancellation of the contract.

(e) The RCC Secretariat, at its own discretion, is legally and without intervention by the courts entitled to carry out itself or to have carried out any contractual obligation for which the Contractor is in default, at the expense and risk of the Contractor.

(f) Each contracting Party may, of its own volition and without being required to pay compensation, terminate the Contract by serving formal notice one month in advance,

unless the Contract provides otherwise. Upon receipt of notice of termination by the RCC Secretariat, the Contractor shall take immediate steps to bring the work or service to a close in a prompt and orderly manner, the Contractor shall reduce expenses to a minimum and shall not undertake any further commitments under the Contract from the date of receipt of such a notice.

If the Contract is terminated by the RCC Secretariat, the Contractor shall be entitled to pro-rata payment for any tasks performed prior to such termination. Additional costs incurred by the RCC Secretariat, resulting either from termination by the Contractor or from Contractor's failure to complete satisfactory performance, may be withheld from any amount otherwise due to the Contractor from the RCC Secretariat under this or any other contract.

(g) In case of a breach of this Contract by the Contractor, included but not limited to failure or refusal to make deliveries within the time limit specified, the RCC Secretariat may procure the Services from other sources and may hold the Contractor liable for any excess cost occasioned thereby. Furthermore, the RCC Secretariat may, by written notice, terminate the right of the Contractor to proceed with deliveries or such part or parts thereof as to which there has been a default.

#### **9. LIQUIDATED DAMAGES**

Without prejudice to the provisions on *force majeure* in these General Terms and Conditions, if the Contractor fails to provide any or all of the Services within the time period specified in the Contract, the RCC Secretariat may, without prejudice to any other rights and remedies, deduct from the price stipulated in the Contract, as liquidated damages, a sum equivalent to 2% per week of the contractual price of the delayed Services for each week of delay until actual delivery, up to a maximum 10% of the contractual price.

#### **10. THIRD PARTIES**

(a) The Contractor shall not, without prior and express written approval of the RCC Secretariat, assign in whole or in part the rights and obligations arising out of the Contract to third parties or subcontract any part of the work required under this Contract to third parties.

(b) In the event where the RCC Secretariat authorises the Contractor to sub-contract part or all of the obligations under the Contract to third parties, the Contractor shall nonetheless remain bound by its obligations to the RCC Secretariat under the Contract.

(c) Save where the RCC Secretariat expressly authorises an exception, the Contractor shall be required to include in any sub-contract provisions enabling the RCC Secretariat to enjoy the same rights and guarantees in relation to sub-contractors as it enjoys in relation to the Contractor.

#### **11. NON-WAIVER OF RIGHTS**

Failure of, or delay by the RCC Secretariat in the exercise of any rights or remedies provided by the Contract shall not be deemed a waiver of any rights of the RCC Secretariat, and shall not release the Contractor from fulfilling its obligations.

#### **12. CONFIDENTIALITY**

(a) The Contractor, or its employees, shall not use any information acquired or developed in the course of this Contract for any purpose not authorised in writing by the RCC Secretariat.

(b) The Contractor is required to exercise the utmost discretion during the performance of the contract.

The Contractor may not communicate to any other person, government or authority external to the RCC Secretariat any information known to it by reason of his contractual relationship with the RCC Secretariat which has not previously been made public, except with written authorisation of the RCC Secretariat. Nor shall the Contractor at any time use such information to private advantage.

(c) The obligations under this Article do not lapse upon cessation of this Contract.

(d) The Contractor shall be liable for any breach of confidentiality or any indirect disclosure which could vitiate the interests of the RCC Secretariat. The extent of any such liability shall be directly proportional to the extent of the damage caused.

### **13. WARRANTY**

The Contractor must provide Services that are:

(a) of the quality, quantity and description required by this Contract;

(b) free from any right or claim of a third party, including rights or claims based on copyright, patent or other industrial or intellectual property rights.

### **14. NON-EXEMPTION**

Unless otherwise specified in the Contract, the RCC Secretariat shall have no obligation to purchase any minimum Services from the Contractor, and the RCC Secretariat shall have no limitation on its right to obtain services of the same kind, quality and quantity described in the Contract, from any other source at any time.

### **15. BANK GUARANTEE**

If the RCC Secretariat so requests in the Contract, the Contractor shall guarantee the due fulfilment of its obligations under the Contract by providing an unconditional and irrevocable bank guarantee from an established bank of good standing for the amount determined in the Contract.

### **16. INDEMNITY**

(a) The Contractor shall indemnify and defend the RCC Secretariat against any action or proceeding based upon a claim that the Services, or part thereof, constitute an infringement of any proprietary rights, and the Contractor shall pay all damages and costs awarded against the RCC Secretariat flowing from any such action or proceeding.

(b) In case there is found to be an infringement, the Contractor shall, at its own expense, either procure for the RCC Secretariat the right to continue using Services, or modify them so they become non-infringing, or, with the approval of the RCC Secretariat, stop providing the Services and refund the order price, and any other costs including the installation costs.

### **17. TITLE**

The Contractor guarantees that the Services provided by it are unencumbered by any third party's proprietary rights. Title to any Services shall pass to the RCC Secretariat upon delivery.

### **18. INSPECTION**

(a) The RCC Secretariat shall have the right, before payment, to examine at its expenses the Services provided in accordance with the Contract on the premises of the RCC Secretariat,

or elsewhere. The Contractor shall provide, when possible, all facilities for any such examination.

(b) In case of rejection of the Services provided, a new inspection may be carried out by representatives of both Parties if promptly requested by the Contractor, and before the RCC Secretariat exercises any legal remedies. The Contractor shall bear the expenses of such an inspection.

(c) The inspections shall be carried out in good faith.

### **19. OBSERVANCE OF THE LAW**

The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the Contract.

### **20. ADVERTISING**

Unless authorised in writing by the RCC Secretariat, the Contractor shall not advertise or otherwise make public the fact that it is supplying services to the RCC Secretariat. The Contractor shall not use the name, emblem or official seal of the RCC Secretariat or any abbreviation of the names of the RCC Secretariat for advertising or for any other promotional purpose.

### **21. AMENDMENTS AND ADDITIONS TO THE CONTRACT**

The provisions of this Contract and the annexes thereto may be amended or supplemented only by means of a supplementary written agreement signed by all of the parties or their authorised representatives.

### **22. OFFICIALS NOT TO BENEFIT**

(a) The RCC Secretariat warrants that no official or employee of the Contractor has been or shall be admitted by it to any direct or indirect benefit arising from this Contract or the award thereof. Failure to comply with the foregoing provision shall constitute a material breach of this Contract.

(b) The Contractor warrants that no official or employee of the RCC Secretariat has been or shall be admitted by it to any direct or indirect benefit arising from this Contract or the award thereof. Failure to comply with the foregoing provision shall constitute a material breach of this Contract.

### **23. APPLICABLE LAW**

The Contract shall be governed by the laws of Federation of Bosnia and Herzegovina.

### **24. SETTLEMENT OF DISPUTES**

(a) Without prejudice to the privileges and immunities of the RCC Secretariat, any legal dispute relating to this Contract shall be settled amicably by negotiation.

(b) Any dispute which cannot be settled by negotiation shall, without prejudice to the relevant privileges and immunities of the RCC Secretariat, shall prior to any party initiating litigation at the Municipal Court in Sarajevo, be referred to mediation under the auspices of the Association of Mediators in Bosnia and Herzegovina. The parties will select a mediator from the list of mediators at the Association of Mediators in Bosnia and Herzegovina. At all times during the mediation process, including the selection of the mediator the parties will act in good faith and attempt to settle their dispute.

**ANNEX V**  
***TENDER DOSSIER:***  
Publication ref: **SEE2020/001/013**

**SEEIC Work Programme for the Year 2013**

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**SOUTH EAST EUROPE INVESTMENT COMMITTEE**

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**SOUTH EAST EUROPE INVESTMENT COMMITTEE  
WORK PROGRAMME FOR THE YEAR 2013**

**Co-Chairs**

**Government of Bosnia and Herzegovina**

**and**

**Regional Cooperation Council Secretariat**

**March 2013**



## I. Introduction

After completing its first full year in regional ownership, the South East Europe Investment Committee (SEEIC) has established itself as the main framework in SEE for regional strategy deliberations on competitiveness and growth. The SEEIC Ministerial Statement from 9 November 2012 in Tirana has put forward, for the first time, quantifiable joint regional political headline targets clearly articulating the region's interests. It has also established a clear roadmap for the SEEIC over the next year, putting South East Europe 2020 Strategy at the center of SEEIC's activities. The need to transform 11 regional headline targets and 77 national targets into tangible reform measures and develop the SEE 2020 Strategy and Action Plan to be ready for adoption by the region's Ministers will continue shape SEEIC's actions over the next year at all levels – technical, executive and political.

Over the past year, under the co-chairmanship of the Government of Albania and RCC, SEEIC has made further progress in carving out its role as a mechanism that clearly supports national efforts at the regional level. In addition to the Ministerial meeting, SEEIC met two times at an executive level of State Secretaries/Deputy Ministers and a number of working-level meetings were organized to address specific, technical aspects of work. In this sense, a Task Force on SEE 2020 was also established under the auspices of SEEIC with a mandate to assist in the preparation of proposals for strategic headline targets, with two meetings held during the previous year.

In addition to being a forum that brings together the representatives of national administrations from the region, SEEIC has also engaged a number of important external partners. OECD's Investment Compact for SEE has provided valuable inputs in SEEIC proceedings, with a number of other regional and international partners taking part in its activities, such as CEFTA Secretariat, SEECCEL, ETF and others. European Commission representatives took part in all SEEIC meetings and their support in its work, especially the SEE 2020 development, is duly noted. A significant interest in SEEIC's work has been registered from the donor community as well and SEEIC will look into various opportunities to inform the activities of bilateral donors interested in regional action as well as to benefit from their inputs stemming from existing programmes being implemented in SEEIC members.

This Work Programme brought forward by the Co-Chairs, the Government of Bosnia and Herzegovina and Regional Cooperation Council aims to translate and enforce political priorities, regional targets and guidelines noted in the SEEIC Ministerial Statement adopted on 9 November 2012 in Tirana<sup>1</sup>. The SEEIC Work Programme 2013 provides an outline for the SEEIC's work while assisting stakeholders and other regional and international partners in framing their interactions with the SEEIC.

The SEEIC Co-Chairs propose this Work Programme for the year 2013, as a revision to the previously adopted two-year rolling work program 2012-2013. Taking into consideration the need for an annual rotating co-chairmanship of the Committee, the Work Programme will from 2013 onwards be prepared on an annual level, to cover the period of one calendar year.

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<sup>1</sup> Annex 1: Adopted by the SEE Ministers of Economies at the Ministerial Conference of SEEIC on 9 November 2012 in Tirana



## II. Objectives and Priorities

The main objective, as determined by the Co-Chairs of the SEEIC is to:

### **Develop a South East Europe (SEE) 2020 Strategy based on the headline targets and guidelines adopted by the SEEIC Ministerial Statement of 9 November 2013**

The fulfillment of the above objective will be based on the action undertaken in the following priority areas:

#### *1. Develop the overall SEE 2020 Strategy and design its Governance and Monitoring System*

Based on adopted set of 11 regional headline targets in the areas consistent with the Europe 2020 priority areas, and those specific for the SEE region, SEEIC will continue working as a platform for development of a comprehensive SEE 2020 Strategy, backed by a set of corresponding national policy objectives to support the implementation of these targets. Regional targets are to be supported with a set of corresponding second tier objectives, clear identification of priority policy areas for action, detailed elaboration of required measures and actions backed up by a set of indicators to measure progress. In this endeavor, leverage will be sought within other relevant RCC activities, by forging closer links with other regional mechanisms, institutions and structures (such as CEFTA 2006 Secretariat, Education Reform Initiative, Energy Community Secretariat, and others) as well as with international partners (OECD Investment Compact, Western Balkans Investment Framework, Enterprise Development and Innovation Facility, World Bank, ETF, etc.) that can provide substantial support and/or feedback in specific policy areas of SEE 2020 Strategy. As the region aligns itself more closely with Europe 2020 processes, partnership with the European Commission will remain crucial, as substantial support will be needed to implement the region's commitments successfully.

Since economic policy remains the sole domain of national administrations, a governance model is to be considered to successfully implement regionally agreed reforms. The model would mimic the open method of coordination as an inter-governmental means of governance and enable setting broad policy targets at the highest (ministerial) level, which would, in turn, be reflected into national policies. This process would be coupled with identifying an array of indicators and benchmarks to measure the implementation of set policy targets at the regional and national level. The governance should ensure that there is a clear delineation between various regional and national partners, as well as a continued process of renewed political support.

With the introduction of a long-term reform programme with policy targets spanning the end of the current decade, there is a need to introduce a review mechanism that would measure and monitor progress in the implementation of this programme and support the overall policy reform process. In addition to providing the actual monitoring and review function, this mechanism will be instrumental in the first phase as well, assisting the respective SEE economies to transpose the SEE 2020 targets and commitments into national economic reform deliberations.



2. *Engage directly in the pillars of Integrated Growth and Sustainable Growth Pillar (Investment Climate and Competitiveness dimension respectively)*

Parallel with its engagement in the horizontal work of developing the overall SEE 2020 Strategy, SEEIC is envisioned to take an active role in the development and implementation of the specific policy dimensions – investment climate and competitiveness – within the two pillars of integrated and sustainable growth.

In addition to creating an investment enabling environment, through possible investment policy coordination at the regional level, promoting and facilitating investment is considered to be one of the highest priorities for all of the SEEIC members. Within the Integrated growth pillar, SEEIC will work with its members and external partners to identify the right policy measures to be included in the SEE 2020 Strategy with respect to investment policy coordination and investment promotion.

Concentration on development and support to regional value chains, as mandated by the Ministers of Economies of the region, would provide additional focus to SEEIC's activities. Taking into account the current body of work and analysis on mapping linkages between the economic operators in the region and the European and industry trends, the SEEIC will work together with the OECD Investment Compact for SEE to identify those regional value chains/sectors/production networks that hold strong potential for regional action. SEEIC would work to build consensus around these sectors and the need to prioritize some of the measures set out by the SEE 2020 through working on these sectors.

3. *Developing communication aspects of SEEIC*

To enhance the outreach of the SEEIC activities, the Investment Committee will work on advancing the communication aspect of its work, and developing tools that would effectively convey the objectives, activities and achievements of the SEEIC. The Committee will dedicate majority of its communication efforts to presentation of the SEE 2020 Strategy in to the wide public and reaching out to the investor audience.

### **III. Activities and Timeline**

To reach the main objective and respective priorities set forth by this Work Programme, the SEEIC envisions the following activities:

1. *Development of the SEE 2020 Strategy*

Based on targets adopted by the SEEIC Ministers of Economy during November 2012, SEEIC will continue to work, under the auspices of the RCC Secretariat and in coordination with national administrations and external partners, on determining policy objectives, indicators and measures that will constitute the bulk of the SEE 2020 Strategy.

SEEIC will continue to deploy a broad, consultative process to develop the full SEE 2020 Strategy and Action Plan by November 2013. Given the complexity and scope of the Strategy, SEEIC will de-centralized process for SEE 2020 development and implementation, implying that specific regional partners in each of the main policy dimensions of the SEE 2020 pillars (such as trade, investment, education, innovation, etc.) would be identified, and these partners would be

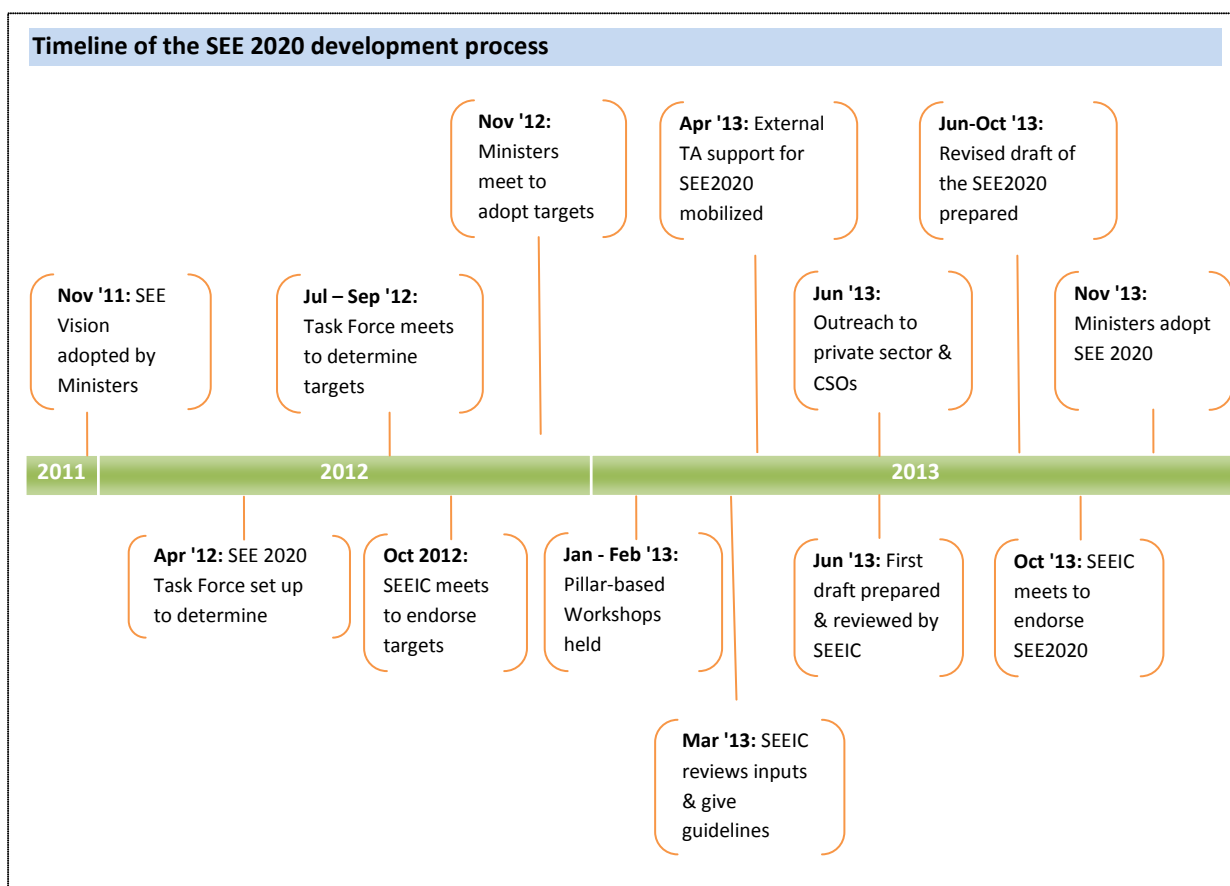




able to champion the activities on the Strategy development within that specific dimension, under RCC's/SEEIC's leadership.

RCC together with SEEIC will hold a series of workshops in each of the pillars of SEE 2020 (integrated, smart, sustainable, inclusive growth and governance for growth) to help raise awareness on the Strategy development process, identify relevant stakeholders and regional structures capable of taking a lead in specific dimensions of SEE 2020, assign roles and responsibilities and establish tentative timelines for the Strategy development.

The SEE 2020 Strategy is planned to be drafted, consulted upon and finalized in a very short timeframe, with the first draft to be produced and discussed by the SEEIC during June, and the final version of the document to be produced by end of October. This implies mobilizing a number of external resources that would be able to contribute to the process, mostly by providing technical assistance to dimension coordinators and the RCC and SEEIC on developing specific dimensions as well as by producing analysis to inform specific measures. These TA needs would be finalized and the ToRs for consultants prepared during March, with an intention of having a team of external advisors available during March/April. RCC will provide support to the SEEIC on identifying and mobilizing adequate financial resources to meet the TA needs relating to SEE 2020 development.



After its initial endorsement by the SEEIC, the first draft of SEE 2020 would enter extensive consultations with the private sectors and the civil society organizations in SEEIC members during June – August 2013. The intention of this outreach process is to assure that the voice of the private sector and the civil society is heard and that adequate feedback is received and integrated



into the Strategy before it enters intra-governmental consultation and consensus-building process during September/October.

It is envisioned that the SEEIC will continue to have a dual role in the process of Strategy development. Namely, it will continue to serve as a platform for horizontal Strategy development, as well as the dimension coordinator for the two dimensions (investment climate and competitiveness) within the specific pillars of the SEE 2020.

Finally, even though the SEEIC was originally tasked with developing the overall SEE 2020, it will work together with the RCC and its members on finding an alternate high-level body that would be able to extend broad political support and take the oversight role of the implementation of the overall Strategy, while SEEIC would retain the responsibility for the specific policy dimensions. To ensure successful implementation of SEE 2020, the political support from the highest level will be needed. SEEIC will work with the RCC to engage the main regional political chapeaux, the South East Europe Cooperation Process, to put forward adequate governance mechanisms to support SEE 2020 implementation.

## 2. *Implement actions in support of Integrated Growth*

To further its role in the Integrated growth pillar of the SEE 2020, during 2013 SEEIC will be reviewing the policies that are to support investment-enabling environment throughout the region, considering possibilities of policy coordination and consolidation on a regional level. The Committee will also take into account some of the existing conditions in the region that impede inflow of foreign investments and consider possible actions to alleviate these impediments.

Furthermore, SEEIC will explore the available instruments for regional investment promotion with an objective to identify the most feasible options for a regional promotional mechanism. In addition to the general investment promotion mechanism, sectoral approach will be taken in detecting specific industries and/or niches of common interest grounds and complementary features for the SEEIC members.

A Working Group on Investment Policy and Promotion will be formed, corresponding to the activities and priorities of the development of the Integrated growth pillar of the SEE 2020 Strategy. Apart from the SEE 2020 Strategy, the investment promotion efforts will focus on the priority sectors identified, also contributing to the development of regional value chains.

The above actions are intended to build on the experiences of the Investment Promotion Agencies (IPAs) and respective line Ministries in SEE. SEEIC will explore the possibilities of revitalizing the Regional Network of IPAs and mobilizing support from donors for a targeted regional investment promotion effort by the end of 2013, with at least one regional business forum/investment promotion event supported by the Committee.

## 3. *Implement actions in support of Smart and Sustainable Growth*

During the year, SEEIC will directly engage in the development of the Competitiveness dimension of the Sustainable growth pillar. In this respect, SEEIC envisions establishing a working group dedicated to this specific task, or broadening of the SEE 2020 Task Force mandate to enable its involvement in this area.



Furthermore, SEEIC will be providing inputs to other dimension coordinators in the process of SEE 2020 development. In the area of Smart growth, SEEIC's Working Group on Innovation will organize joint activities with dimension coordinators dealing with R&D and Innovation and Creative Sectors so as to share experiences in this area and ensure that representatives of ministries of economy in the region are also involved in the design of this important dimension.

Outputs from the Regional R&D Strategy for Innovation in the Western Balkans will also be considered in this process, as well as the Smart Specialization strategic approach to economic development which will form the basis for Structural Fund investments in research and innovation as part of the Europe 2020 agenda.

#### 4. *Communication strategy and communication platform*

In order to enable better sharing of experiences between the SEEIC members, as well as to communicate the activities of the SEEIC to the wider public, the SEEIC will finalize a communication strategy developed during 2012 and will establish a communication platform during 2013. The platform would be used to communicate the SEE 2020 to a wider regional audience, monitor progress, and exchange information within the region. Depending on the inputs from SEEIC, the platform could also be used to disseminate investment promotion tools, and this will be reviewed within the Strategy.

### **V. Roles and responsibilities**

SEEIC's Work Programme is envisioned to be implemented through the proceedings of SEEIC plenary and Ministerial meetings, task force and working group sessions, and implementation of the decisions of the SEEIC on the ground. Successful execution of the Work Programme will require commitment and concerted effort from a number of stakeholders directly involved in the process. The main stakeholders with their roles and responsibilities are listed below:

- *Regional Cooperation Council Secretariat* will act as the Co-Chair of the SEEIC and the Secretariat for its activities. The main responsibilities will include providing political support, organizing and hosting SEEIC meetings, organizing and hosting Task Force and Working Group meetings, commissioning the background documents to facilitate decision making, liaising with the governments to ensure that priority needs are being met, maintaining a regular communication with the donor community, and ensuring smooth transition of the regional Co-chairs.
- *Economic Team Leaders* will act as main contact points of their governments with the SEEIC. The main responsibilities will include participating at the SEEIC meetings at all levels, communicating their governments' views and priorities, helping transpose decisions and recommendations of the SEEIC into national domains, and delegating relevant staff and institution members to the SEEIC working groups and task forces.



**ANNEX VI**  
***TENDER DOSSIER:***  
Publication ref: **SEE2020/001/013**

**SEE 2020 Write-up**

## Proposed narrative for South East Europe in 2020 – Where do you want to be?

Globalization and the process of political and economic transformation have left the South East Europe as the “sick man of Europe” with the countries in the region routinely finishing among the last in European rankings of competitiveness, wealth, or quality of life. The growth of the previous decade was replaced by double-dip recession over the past four years, with unemployment rate now at a staggering 27% across the seven economies of the South East Europe – Albania, Bosnia and Herzegovina, Croatia, Kosovo\*, FYR Macedonia, Montenegro and Serbia. While the analysts expect some growth to return to the region during this year, the rate is far too low to generate new jobs and release a large segment of our population from the constant pressure of unemployment and threat of poverty.

How do we break away from these patterns?

There are no easy fixes. The national reform agendas will need to accelerate and the countries will have to work to increase their competitiveness in the medium term. However, in addition to bustling national reform agendas, the policy-makers are starting to look outside the national boundaries and take note of possible actions in the regional context that could help speed-up these reforms and bring results quicker.

The regional market in South East Europe, provided it becomes unburdened by restrictions and barriers, still holds great promise for the companies in our countries. Almost 24 million people living in these seven economies in South East Europe represent a sizeable market that can be used as a stepping stone in the internationalization of our firms. However, for that to happen, we need to make sure that we level the playing field for our companies. EU firms are able to source materials, capital and employees from any of the EU Member States and sell their goods and services on a single, 500 million people market; our companies remain effectively confined in a 2-8 million markets.

So the first step is to unleash the potential of the regional market. This would entail a level of integration that would enable our citizens to buy stocks on the Belgrade stock exchange from Podgorica, take a legal taxi from Pristina to Sarajevo and make sure that the trucks with goods sent from a company in Varazdin to another in Vlore, does not languish for days at the regional borders. Integrating and growing our regional market makes all of us better off, so the governments in the region agreed to **increase trade between our countries by almost 2.5 times** by 2020.

However, even if we do ensure closer integration of regional markets, it will hardly be enough to lift our countries to the EU averages. That will require new skills, new technologies and new ways of doing things. This means that when governments make educational investment decisions and students make educational choices, the demand of the private sector needs to be taken into account; otherwise our graduates will not be employable. But this will also mean that when an international tech company sets up shop in any one of our countries, it should be able to tap into the talent pool in all of our countries without having to jump through hoops. Collaborative research, exchange of students and researchers and increased overall quality of education are all part of the agenda of making the region better educated while making it more productive at the same time. The governments have agreed to **add**

**300,000 highly qualified people to the region's workforce by 2020**, targeting those professions that will have least trouble finding jobs in the 21<sup>st</sup> century.

It is not just what we do, but also how we do it that matters. Transitioning our economies towards energy and resource efficient approaches is not a trend, but a necessity. This would not just reduce the environmental impact, but also reduce the overall costs making our companies more competitive in the long run. Furthermore, our citizens and companies lack some of the basic transport, energy, environmental and social infrastructure. The cities in our part of Europe are poorly connected – a car travelling from Tirana to Zagreb would take anywhere between 12-15 hours to arrive. Flying between the capitals usually involves connecting flights in other EU cities outside of the region. Roaming charges for telecoms services in different countries are prohibitively expensive. While infrastructure development remains a national priority in each one of our countries, the character of these network infrastructures requires that we work together on developing them. Whether we build new or restore existing railways and highways, pipelines or electricity lines, we have to make sure that they plug into each other and into the wider European networks. The same is true for our environment – polluting a river upstream means that all of the downstream countries will face the environmental consequences. That is the reason why the governments are agreeing to create an integrated energy market, are mapping priority investments in transport infrastructure and harmonizing environmental policies. Several targets in this area have also been adopted, including **achieving energy savings of 9%** through increased efficiency by 2018.

Sustainability implies not just environmental considerations, but those that pertain to competitiveness and entrepreneurship. The policy makers in the region are working towards identifying potential value chains in the region and developing measures to remove barriers and strengthen these value chains. The measures currently developed span from stimulating investment in specific productive sectors, stimulating cooperation between different clusters in the region, export promotion, supporting regional consortia for participation in international tenders, etc. Providing access to finance remains a regional priority and a number of regional instruments are being developed or are already in place to finance enterprises, ranging from micro-loans and loan guarantees, to equity investments in start-ups and high-growth companies in the region. In this area as well, the governments are **targeting an increase of enterprise creation by 20% by 2020**.

What lies at the heart of all our efforts is an improved quality of life of all our citizens. A decent job with a decent wage is still the main prerequisite for this. With regional unemployment hovering at 23%, youth unemployment at 50-60% and 800,000 jobs lost since the beginning of the great recession, any job, not just a good paying one, seems more of a privilege than a right. This needs to change. Our countries have **committed to increase employment to 45%** in 2020 from the present 40% and provide an opportunity to a greater number of people to enjoy the benefits of growth, once growth is back on track. Measures agreed at the regional level include those relating to efficient labor mobility in the region and better matching of skills provided by the educational systems to the needs of the private sector.

Finally, the corrosive effects of corruption and ineffectiveness are chipping away at the social fabric of our countries, eroding opportunities and diminishing hope for a better future. The quality and availability of a public service should not depend on one's money, family or friends. Nor should our firms be left waiting for months to receive a license, or years to settle court disputes. We see a future where competent public servants provide services that are widely available, affordable and transparent with zero tolerance for corruption. **Increasing government effectiveness** by a fifth by 2020, as agreed by our governments and measured by independent, external sources, is a start towards that future.

**ANNEX VII**  
***TENDER DOSSIER:***  
Publication ref: **SEE2020/001/013**  
**Ministerial Statement of 9 November 2012**



# **Statement**

**from the Ministerial Conference of the South East Europe Investment  
Committee**

“South East Europe 2020 –  
Towards Convergence and Growth”

**Tirana, 9 November 2012**

**- MINISTERIAL STATEMENT -**

We, the Ministers of the Western Balkans economies,

with the support of the Ministers of the other South East Europe Investment Committee (SEEIC) economies, and in the presence of other high-level dignitaries,

have met on the occasion of the Ministerial Conference of the South East Europe Investment Committee (hereinafter: SEEIC) “South East Europe 2020 – Towards Convergence and Growth” in Tirana on 9 November 2012, co-organised and co-chaired by the Government of the Republic of Albania and the Regional Cooperation Council (RCC),

1. **AFFIRMING** our commitment to further enhance regional cooperation with a view to strengthen economic and social development across South East Europe and closer integration and convergence with the European Union;
2. **EXPRESSING** our gratitude to the Republic of Albania for hosting this Ministerial Conference;
3. **ACKNOWLEDGING** the leadership of the SEEIC by the RCC, since the transfer of management from the Organisation for Economic Cooperation and Development (OECD);
4. **REAFFIRMING** our commitment to the SEE 2020 Vision as expressed in the Statement by the Chair at the SEEIC Ministerial Meeting in Paris on 24 November 2011 and acknowledging the importance of the mandate of the SEEIC, under the auspices of the RCC, to develop a common regional strategy for economic development in South East Europe (hereafter referred to as SEE 2020), supported by a set of pertinent policy objectives, implementation measures and monitoring mechanisms;
5. **STRESSING** the importance of the need for the SEE 2020 to follow the main parameters of the Europe 2020 growth strategy while taking into account the specific characteristics of the SEE region;
6. **RECALLING** that the SEE 2020 vision is underpinned by five pillars comprising: (i) integrated growth, (ii) smart growth, (iii) sustainable growth, (iv) inclusive growth, within a (v) good governance framework;
7. **UNDERLINING** the importance of ambitious regional and economy-specific headline targets as outlined in this Ministerial Statement and detailed in Annexes I and II;
8. **TAKING NOTE** of the valuable contribution made by members of the international community to the development of the regional headline targets for SEE 2020;
9. **EMPHASISING** the importance of continued private-public sector dialogue and cooperation at national, regional and European level to help meet the SEE 2020 headline targets;

10. TASKING the RCC and SEEIC with monitoring of progress in the attainment of the SEE 2020 regional headline targets and reporting back to SEE governments on a regular basis with policy guidance on how those targets can be met efficiently and effectively;
11. CALLING on the European Union to support SEE 2020 within the EU enlargement process, as a platform for interaction with donors and international institutions engaged in the Western Balkans;

HAVE adopted the following Statement:

### ***SEE 2020 Headline targets***

12. In order to raise regional competitiveness and future growth prospects, particularly in the face of the global economic crisis, we have hereby agreed that the following regional headline targets should be met by 2020, using 2010 as the basis year:
  - a. Overall **strategic goals** unifying the five pillars of SEE 2020:
    - i. Increase regional GDP PPP per capita from 38% to 46% of the EU-27 average
    - ii. Grow the region's total value of trade in goods and services by more than 130%
    - iii. Reduce the region's trade deficit from 14.1 to 11.6 per cent of regional GDP
  - b. Headline targets to support the **integrated growth** pillar:
    - iv. Increase intra-regional trade in goods by more than 230%
    - v. Increase overall FDI inflows to the region by at least 120%
  - c. Headline targets to support the **smart growth** pillar:
    - vi. Increase GDP per person employed by 33%
  - d. Headline targets to support the **sustainable growth** pillar:
    - vii. Increase the rate of enterprise creation by 20%
    - viii. Increase exports of goods and services per capita from the region by 130%
  - e. Headline targets to support the **inclusive growth** pillar:
    - ix. Increase the overall employment rate by 12%
    - x. Add 300,000 highly educated people to the region's workforce
  - f. Headline targets to support the **governance for growth** pillar:
    - xi. Increase government effectiveness by 20% by 2020.
13. We have further agreed that economy-specific targets, as contained in Annex II to this Statement, represent an integral part of SEE 2020 and should be met within the indicated timeframe.

### ***SEE 2020 Strategy Development and Monitoring***

14. SEEIC, under the auspices of the RCC, is tasked with preparing the SEE 2020 Strategy and Action Plan containing a roadmap for its implementation based on the SEE 2020 Vision as outlined in the Statement of the Chair adopted on 24 November 2011 in Paris and the strategic goals and targets contained herein.

15. The SEE 2020 Strategy and Action Plan, developed with the assistance of OECD and in cooperation and consultation with the CEFTA Secretariat, the European Training Foundation (ETF) and other relevant regional and international partners, and in close coordination with the European Commission, shall be reviewed and adopted at the Ministerial level during 2013.
16. Regular monitoring of progress in attaining the regional headline targets will be overseen by the SEEIC, under the auspices of the RCC. The agreed monitoring instruments, along with an appropriate governance structure will constitute an integral part of the SEE 2020 Strategy to be adopted during the next year. The subsequent annual monitoring reports to the SEE governments shall be accompanied by policy guidance on how to efficiently and effectively ensure headline targets are met.
17. All partners involved in SEE 2020 shall work towards increasing the level of regional cooperation in the course of the development and implementation of SEE 2020 with the aim of introducing common methodologies for data collection and analysis in the appropriate areas, thus enabling to successfully identify common objectives and indicators for assessing their performance. Particular emphasis shall be given to (i) gross and business-specific expenditures on research and development; (ii) value added productivity; (iii) enterprise performance; (iv) inequality and poverty measures; and (v) education and lifelong learning. SEEIC, under the auspices of the RCC, is tasked to explore the best avenues for achieving these goals, so as to make the relevant information available for regional policy deliberations.
18. SEEIC, under the auspices of the RCC, is to report back with a comprehensive SEE 2020 Strategy and Action Plan by the next Ministerial meeting scheduled for 2013, with the aim of having the first results of the monitoring cycle available in 2014.

ADOPTED in Tirana, on 9<sup>th</sup> November 2012.

## Annex I - Regional baseline values for 2010 and headline targets for 2020

Description	2010	2020
<b>Overall strategic goals</b>		
1. Increase of GDP PPP per capita Relative to the EU (% of EU 27 GDP PPP per capita average)	38,4	45,9
2. Growth of Total Trade in Goods and Services (in EUR million)	89.884	212.520
3. Reduction of Trade Deficit / Improvement of Trade Balance	-14,1	-11,6
<b>Integrated growth</b>		
4. Growth of intra-regional trade in goods (in million EUR)	12.507	42.120
5. Growth of Overall FDI Inflows (in current EUR million)	3.334	7.527
<b>Smart Growth</b>		
6. Growth of GDP per Person Employed (in EUR)	18.371	24.462
<b>Sustainable Growth</b>		
7. Growth of enterprise creation (new businesses registered) <sup>1</sup>	30.107	36,130
8. Growth of Exports of Goods and Services per capita (in EUR)	1.844	4.221
<b>Inclusive Growth</b>		
9. Growth of Overall Employment Rate (per cent of 15+)	40,2	45,2
10. Growth of Tertiary Educated Workforce	1,7 million	2 million
<b>Governance for Growth</b>		
11. Increase Government Effectiveness (as measured by WBI indicator)	2,33	2,80

<sup>1</sup> Baseline data from 2009

## Annex II - Individual economy baseline values for 2010 and targets for 2020

Description - Baseline values for 2010	ALB	BiH	CRO	KOS*	MKD	MNE	SER
<b>Overall strategic goals</b>							
1. Increase of GDP PPP per capita Relative to the EU (% of EU 27 GDP PPP per capita average)	28,0	30,0	61,0	n/a	36,5	41,0	34,0
2. Growth of Total Trade in Goods and Services (in EUR million)	7.685	10.579	35.384	505	7.779	3.078	24.874
3. Reduction of Trade Deficit / Improvement of Trade Balance	-21,0	-20,8	0,0	-36,4	-19,0	-28,4	-17,0
<b>Integrated growth</b>							
4. Growth of intra-regional trade in goods (in million EUR)	436	3.185	3.645	n/a	1.238	801	3.202
5. Growth of Overall FDI Inflows (in current EUR million)	791	220	410	355	158	541	858
<b>Smart Growth</b>							
6. Growth of GDP per Person Employed (in EUR)	9.767	14.911	29.117	n/a	16.708	14.823	12.319
<b>Sustainable Growth</b>							
7. Growth of enterprise creation (new businesses registered) (2009)	2.045	1.896	7.800	141	8.074	436	9.715
8. Growth of Exports of Goods and Services per capita (in EUR)	1.113	952	4.008	1.963	1.547	1.748	1.381
<b>Inclusive Growth</b>							
9. Growth of Overall Employment Rate (per cent of 15+)	47	33	47	n/a	39	40	38
10. Growth of Tertiary Educated Workforce (no. of persons with tertiary education)	216.558	213.000	504.800	n/a	169.791	56.600	546.291
<b>Governance for Growth</b>							
11. Increase Government Effectiveness (as measured by WBI indicator)	2,2	1,8	3,1	1,9	2,3	2,6	2,4

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

Description - Targets for 2020	ALB	BiH	CRO	KOS*	MKD	MNE	SER
<b>Overall strategic goals</b>							
1. Increase of GDP PPP per capita Relative to the EU (% of EU 27 GDP PPP per capita average)	35,0	35-40	70,0	n/a	40-45	48-52	41,0
2. Growth of Total Trade in Goods and Services (in EUR million)	16.595	24.122	90.518	573	15.086	6.789	58.837
3. Reduction of Trade Deficit / Improvement of Trade Balance	-12,0	-18,0	0,0	-33,4	-17,0	-20,0	-14,8
<b>Integrated growth</b>							
4. Growth of intra-regional trade in goods (in million EUR)	1.526	n/a	12.000	n/a	3.500	1.200	12.003
5. Growth of Overall FDI Inflows (in current EUR million)	2.237	470	821	569	588	610	2.231
<b>Smart Growth</b>							
6. Growth of GDP per Person Employed (in EUR)	13.986	20.875	37.852	n/a	21.700	n/a	16.113
<b>Sustainable Growth</b>							
7. Growth of enterprise creation (new businesses registered)	2.500	2.300	9.300	170	9700	520	11.660
8. Growth of Exports of Goods and Services per capita (in EUR)	2.966	n/a	8.002	2700-2900	3.094	n/a	3.648
<b>Inclusive Growth</b>							
9. Growth of Overall Employment Rate (per cent of 15+)	53	33	55	n/a	42-45	60	42
10. Growth of Tertiary Educated Workforce (no. of persons with tertiary education)	260.000	255.000	605.000	n/a	204.000	68.000	655.000
<b>Governance for Growth</b>							
11. Increase Government Effectiveness (as measured by WBI indicator)	2,7	2,1	3,7	2,3	2,8	3,1	2,9



*South East Europe 2020:*

**MAPPING CONVERGENCE AND PROMOTING GROWTH**

**BACKGROUND PAPER**

**February 2013**



***South East Europe 2020:***  
***Mapping Convergence and Promoting Growth***  
**Background paper**

**Introduction**

This paper outlines the developments regarding the South East Europe 2020 Strategy (SEE 2020) and sets out a possible path for its further evolution in the context of a more coherent and result-oriented regional cooperation in South East Europe.

The document is intended to present Regional Cooperation Council's stakeholders and partners with the context for the SEE 2020 strategy, review progress made to date, outline activities planned and portray the main challenges in the development of the Strategy. The breadth of the SEE 2020 exercise and the involvement of a considerable number of stakeholders at national, regional and international level requires regular review of status, and this paper represents such an attempt.

**Background**

In June 2010, the European Union brought forward its new strategy for jobs and smart, sustainable and inclusive growth - *Europe 2020*. It confirmed five EU headline targets<sup>1</sup> which constitute shared objectives guiding the action of Member States and the Union as regards promoting employment; improving the conditions for innovation, research and development; meeting climate change and energy objectives; improving education levels and promoting social inclusion. This successor to the Lisbon strategy was envisioned to help Europe recover from the crisis and come out stronger, both internally and at the international level, by boosting competitiveness, productivity, growth potential, social cohesion and economic convergence.

Preparations of the Western Balkans states for future membership suggest that the *Europe 2020* internal policy goals and implementation methods are pertinent to enlargement countries as well. *Europe 2020* flagship initiatives recognise that in some areas, enlargement countries can work together with member states and join the open method of coordination exercises. Policy coordination organised under the 7 initiatives implies peer learning, setting joint targets and regular reporting. These activities can be supported via EU Programmes such as the 7th Framework Programme, Competitiveness and Innovation, Lifelong Learning and others. Most enlargement countries participate in EU programmes and can, if their administrative capacities allow, fully benefit from activities at the EU level.

However, given the specific economic, social and political challenges of the enlargement countries, it was evident that a shared effort in developing a regional response to the Europe 2020 Strategy is needed. During February 2010 RCC Secretariat organized the first event dedicated to the development of a regional approach to Europe 2020 titled "Western Balkans in 2020: Overcoming the Crisis and Developing Competitive Economies" that clearly identified the need for a specific regional approach in SEE. This was re-confirmed by the repeated calls from the EU, such as those contained in the Statement by the Chair of the High Level Meeting on the Western Balkans held on June 2, 2010 in

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<sup>1</sup> (i) 75 % of the population aged 20-64 should be employed; (ii) 3% of the EU's GDP should be invested in R&D; (iii) The "20/20/20" climate/energy targets should be met; (iv) the share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree; and (v) 20 million less people should be at risk of poverty.

Sarajevo, which noted that “a regional recovery and development strategy which should follow the main parameters of the EU 2020 Strategy, based on knowledge and innovation, and take into account the specific characteristics of the Western Balkan countries, could be defined and actively pursued.” The Enlargement Strategy and Main Challenges 2010-2011 took this recommendation a step further, noting that: “The [European] Commission will propose to the Regional Cooperation Council that it sets up platforms for dialogue and peer review in other areas in line with Europe 2020 priorities”<sup>2</sup>, along with the recommendation to take into account the priorities of the Europe 2020 strategy when programming IPA assistance.

These calls from the EU were coupled with similar ones from the region – the South-East Europe Cooperation Process (SEECF), as the main regional political forum for cooperation, took note of the Europe 2020 Strategy and its possible implications for the enlargement countries. The Montenegrin Chairmanship-in-Office of SEECF expressed its expectation that the “link between the national and regional level should become stronger with time and ...for the efforts going into *Europe 2020* implementation in the region to demonstrate a considerable level of complementarity with the work being done at the national level.”<sup>3</sup>

### **Towards a 2020 Vision for Southeast Europe**

RCC started engaging SEE countries regarding Europe 2020 during early 2010 with the first meetings on the subject, and a working group established later that year to review current national long-term priorities, establish possible links with Europe 2020 pillars and identify areas for common regional action within the South East Europe 2020 Strategy (SEE 2020).

The process of transferring the South East Europe Investment Committee (SEEIC) from the OECD to the RCC proved to be one of the main catalysts that sped up the SEE 2020 development. SEEIC, a regional forum established under the OECD Investment Compact programme, and envisioned to be handed over to the RCC, seemed well positioned to become a key instrument in the SEE 2020 development process. Some of the main SEE 2020 themes such as competitiveness, innovation and knowledge economies seemed consistent and compatible with SEEIC’s own priorities. Assisting the enlargement countries converge towards SEE 2020 goals was viewed as a welcome opportunity for the SEEIC to reflect on its own strategic role in the region. Importantly, the SEEIC had an adequate governance structure that, although in need of further strengthening, provided RCC with an opportunity to initiate a more structured, inter-governmental dialogue on the SEE variant of Europe 2020 strategy. Finally, as the SEEIC transition process to the RCC was supported by the European Commission, appropriate resources were allocated to start developing the regional strategy.

Although the development of a regional SEE 2020 strategy was largely inspired by Europe 2020, it was evident that the regional strategy is going to differ considerably from the EU framework in two main aspects:

1. **Focus:** from the regional point of view, the three pillars of Europe 2020 strategy (smart, sustainable and inclusive growth) although relevant, required considerable customization to fit with the regional context. The main alterations were envisioned along two main axes: a different emphasis within the three pillars (along with realistic and credible targets), and the need for a fourth and fifth pillar - integrated growth and governance for growth - relating to the deepening of the regional common market within a good governance framework.

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<sup>2</sup> Enlargement Strategy and Main Challenges 2010-2011, Brussels, 9 November 2010

<sup>3</sup> Statement by the SEECF Chairmanship-in-Office at the “Western Balkans and Europe 2020: Towards Convergence and Growth” conference, March 31, Brussels

2. **Governance:** To be able to successfully engage with SEE 2020, the region would need to develop its own version of the governance mechanisms and processes that exist in similar EU-level initiatives. Employing such mechanisms (e.g. open method of coordination), implies determining common policy goals and reform targets that are both regionally relevant and consistent with Europe 2020 priority areas. Non-binding guidelines were to be developed to help shape the transposition in national policies, and specific benchmarks and indicators were to be agreed upon to help measure progress. Finally, RCC would embark on regular monitoring and evaluation of the results achieved. Similar to other areas of regional cooperation, no enforcement mechanisms could exist or be needed, given that the entire process would serve to continuously support policy makers in comparing developments in the region and exchanging best practice.

To provide a strong and clear political commitment and vest the region with the necessary mandate, OECD, RCC and the Government of Slovenia organized a Ministerial Conference of the Ministers of Economy of SEE on November 24, 2011 in Paris that adopted the SEE 2020 Vision and tasked the SEEIC with developing a set of regional headline targets to be adopted at the next Ministerial conference during late 2012. The vision called for the consistent implementation of economic reforms to foster integrated, smart, sustainable and inclusive growth underpinned by good governance and the rule of law. The specific elements contained in the vision included the following:

- Integrated growth - through deeper regional trade and investment linkages and policies that are non-discriminatory, transparent and predictable and enhance the flow of goods, investment, services and persons within the region.
- Smart growth - through a commitment to innovate and compete on value-added rather than labour costs in the long run.
- Sustainable growth - through raising the level of private sector competitiveness, entrepreneurship and a commitment to greener and more energy-efficient development.
- Inclusive growth - through skills development, employment creation and labor market participation by all, including vulnerable groups and minorities.
- Governance for growth - through improving the capacity of public administrations to strengthen the rule of law and reduce corruption so as to create a business-friendly environment.

### **SEE 2020 Strategy Development Process**

After shifting the management of the SEEIC into regional hands at the beginning of 2012, the SEEIC adopted a new work programme that largely focuses on SEE 2020 development and introduced new rules of procedure, aimed at further strengthening the governance, clearly defining the different layers of SEEIC – political (with annual ministerial meetings), executive (with two SEEIC meetings per year at the level of deputy/assistant ministers and state secretaries) and technical (working groups and task forces at the expert level). The 10<sup>th</sup> meeting of SEEIC held in Sarajevo, under the auspices of RCC, adopted the main guidelines for setting regional headline targets in time for the Ministerial meeting during November 2012. Derived targets are to be backed by measures to support their implementation, and transposed into national development strategies, whose attainment will be measured through an on-going monitoring mechanism. Targets set would be quantifiable wherever possible, controllable, measurable, backed by policy-objectives, and time-bound by the 2020 limit. Geographic scope of the

SEE 2020 was agreed to include the members from the Western Balkans<sup>4</sup>, while other SEEIC and RCC members were invited to take part in specific areas, such as best practice sharing.

Task Force on SEE 2020 was established with a mandate to determine proposals for the main regional headline targets with quantification within each of the priority areas, along with the proposals of corresponding national targets. The two meetings of the Task Force during July – September 2012 have provided a comprehensive set of proposals for regional targets in the following dimensions (detailed list with regional and national targets is enclosed in Annex 1):

#### Overall strategic targets

1. Increase of GDP per capita relative to the EU (convergence)
2. Growth of total trade in goods and services (trade openness)
3. Reduction of trade deficit (sustainability)

#### Integrated growth

4. Growth of intra-regional trade in goods (integration)
5. Growth of overall FDI inflows (investment)

#### Smart growth

6. Growth of GDP per person employed (added value)

#### Sustainable growth

7. Growth of enterprise creation (entrepreneurship)
8. Growth of exports of goods and services per capita (competitiveness & sustainability)

#### Inclusive growth

9. Growth of overall employment rate (inclusiveness)
10. Increase of rate of population with tertiary degree

#### Governance for growth

11. Increase government effectiveness (percentile rank as measured by the WBI index)

Depending on the endorsements and further guidelines from the SEEIC and the Ministerial meeting, the Task Force will continue to work on determining policy objectives, indicators and measures that will constitute the bulk of the SEE 2020 Strategy.

### **Main challenges**

The process so far has revealed several challenges that, if left unaddressed, will jeopardize the success of the action. Some of the main challenges are as follows:

- Political commitment and buy-in from the countries in the region is crucial at the beginning of the process, but will also need to be maintained throughout. Clear benefits should be evident to the participating countries from the beginning, with broad participation and strong backing from the region's main partners. Alignment of the Strategy with national priorities and the enlargement process will be crucial for rallying support, as will the ability of SEE 2020 to influence and mobilize the assistance coming to the region.

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<sup>4</sup> Albania, Bosnia and Herzegovina, Croatia, Kosovo\*, Montenegro, Serbia and The Former Yugoslav Republic of Macedonia.

\* 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.

- Complexity of coordination is immense, with national administrations, civil society organizations, private sector representatives and international organizations all participating directly or through various proxies at some stages of SEE 2020 Strategy development and implementation. Intra-governmental coordination will require immediate attention, as Ministries in charge of economy are being positioned as nodes that receive and disseminate information within and on behalf of the entire governments, which poses a considerable challenge in the first phase of the action.
- Governance will remain the biggest concern going forward; most adequate governance mechanism will need to evolve over the next period through experimentation, as no applicable model is readily available. Unlike EU Member States, there are no formal requirements for the enlargement countries to coordinate economic policy, nor are there any enforcement mechanisms available. Rather, the countries will need to find the most adequate framework for intra-governmental coordination that will satisfy the needs of the SEE 2020 implementation, while alleviating some of the concerns.
- Striking the right balance of realism and ambition will be important at the start of the process, as the Strategy and its targets should inspire action, while avoiding setting the region up for failure. Another key point is securing adequate instruments and tools to couple with the commitments being made thus ensuring sufficient support for implementation.

These challenges will shift priority during the implementation of the Strategy, with some taking primacy over others at specific stages of implementation, but will nevertheless require constant attention throughout the process.

### **Next steps**

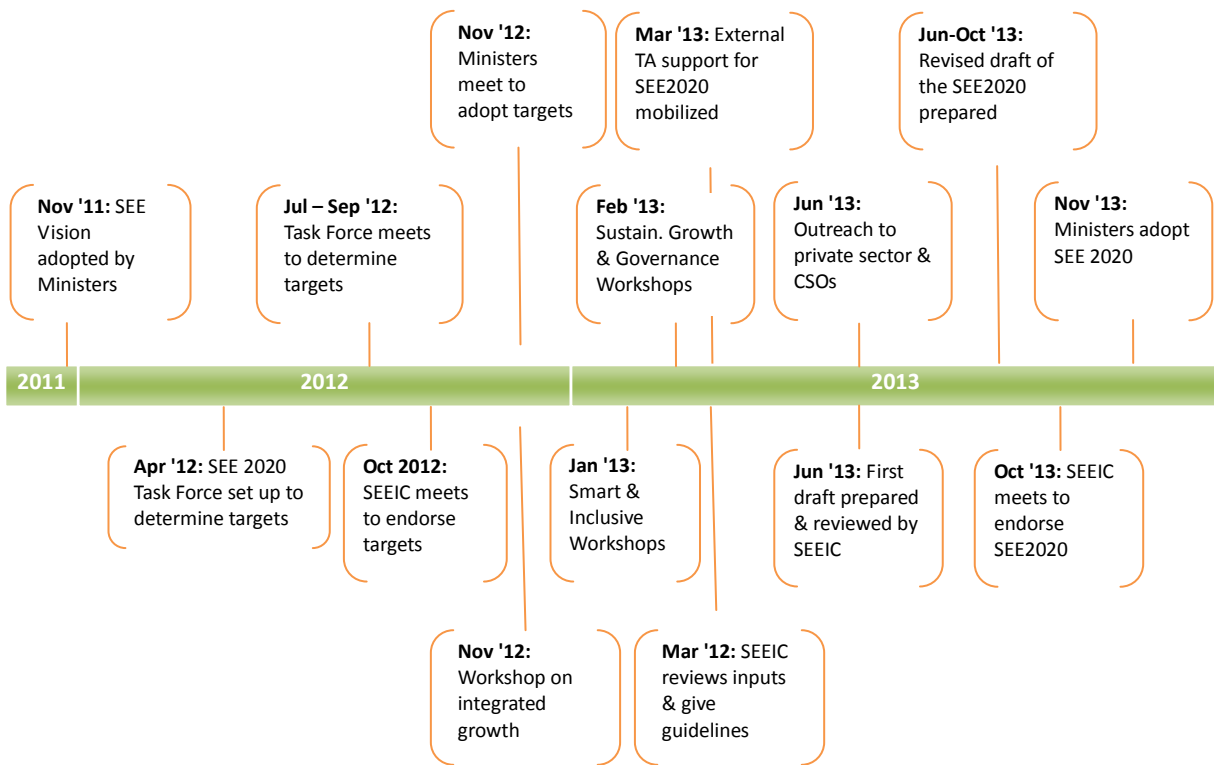
Following discussion on the development of SEE 2020 and adoption of regional headline targets at the Ministerial meeting on November 9, 2012 RCC is rolling-out a series of activities that would result in a comprehensive SEE 2020 Strategy to be adopted by the end of 2013. The following outlines some of the main steps being undertaken, or planned until the end of the year:

- **Assignment of roles and responsibilities:** RCC has engaged with regional organizations, institutions and structures that have a potential role in the development and, more importantly, implementation of SEE 2020. RCC's role in the SEE 2020 process, restricted to coordination and monitoring, implies building a network of strong regional partners with an implementation mandate and a solid track record. This will also reinstate the focal role of RCC in regional cooperation, as relationships with other regional organizations would be formed based on clear objectives, cooperation measured upon agreed and controllable indicators, and implementation carried out with the full support and knowledge of national administrations. The process of associating regional platforms with the pillars of the SEE 2020 Strategy was initiated in November 2012 through a series of consultations and kick-off workshops in each of the pillars. These workshops aim to: (i) take stock of developments within each of the pillars, (ii) identify the necessary activities to reach the SEE 2020 targets and assess their feasibility in the regional context, (iii) determine the roles and responsibilities of all stakeholders involved, (iv) define the process of development and format of SEE 2020 Strategy in each of the domains, (v) revisit the monitoring mechanism and a governance structure to implement the Strategy going forward, and identify potential synergies between different pillars of the SEE 2020 Strategy. The first results of these consultations are described in Annex 2. All strategic

workshops will be **held by the end of February 2013** and will provide a clear roadmap for RCC and its partners.

- **Identification of further technical assistance needs:** Together with its regional partners, RCC is also identifying areas where additional analytical inputs are needed to support the development of specific measures within the Strategy. Overall technical assistance needs will be compiled by the RCC by **end of February 2013** and will be checked against already running or planned TA programmes to carve out the gaps that would be addressed through immediate mobilization of external assistance.
- **Mobilization of TA:** The external support would be solicited so as to provide assistance both to the RCC as well as to individual regional platforms tasked with developing specific pillars/dimensions of the Strategy. RCC will work toward securing the necessary resources for the TA in the first two months of 2013, so as to be able to proceed with the mobilization as soon as possible, but not later than **mid-March 2013**.
- **Coordination and drafting:** It is envisioned that the development and drafting of the Strategy would proceed in a de-centralized manner with the platform/dimension champions leading the process in specific pillars/dimensions with inputs, support and overall coordination from the RCC. The first draft of the SEE 2020 Strategy document would be provided to the SEEIC for review by **June 2013** to provide for ample time for further refinements and consultations. It is envisioned that the Strategy would be finalized during **October 2013**, and adopted during **November 2013**.
- **Consultations and outreach:** During the **June-October** period, RCC envisions a number of outreach activities in all of the participating economies to acquaint the main stakeholders and gather inputs in all of the priority areas. Reaching out to the civil society organizations and the business community during this period will be crucial as their inputs and support will be necessary for the successful implementation of the Strategy. RCC has already developed a communications strategy to be adopted at the next SEEIC meeting setting the main tone, objectives and identifying tools for the promotion. Moreover, a dedicated SEE 2020 website will be launched during **February 2013**.

**Figure 1: Timeline of SEE 2020 development**



Finding the adequate political chapeaux for the SEE 2020 implementation will remain in the focus of RCC's activities in the following months. Even though the SEEIC had been entrusted with the development of the Strategy, it has become evident that its scope and breadth will likely exceed the mandate given to the SEEIC. The success of its implementation will also depend on the SEE 2020 endorsement at the highest political level. RCC will be working with its members over the next period to explore the possibility of introducing additional mechanisms that would ensure enduring political support for the process.

Finally, the implementation of the SEE 2020 Strategy will require strong support and backing from the region's main external partners. The European Commission, currently engaged in the development of IPA II has welcomed the emergence of the SEE 2020 as the potential platform for programming IPA II in the next period and a much needed interface between national and regional IPA programmes. RCC intends to continue working closely with the EC over the next several months to disseminate the message of SEE 2020 and receive feedback, not just within the regional programmes context, but also working with EC desk officers and line DGs wherever possible. The first such joint activity was conducted in Bosnia and Herzegovina where RCC partnered with the EC Delegation to jointly introduce the SEE 2020 and IPA II outlining the possible synergies. Similarly, RCC will be presenting the SEE 2020 as the main platform for interaction with bilateral donors that are interested in operating at the regional level, providing a clear environment for donor cooperation and coordination.

## **Statement**

**from the Ministerial Conference of the South East Europe Investment  
Committee**

**“South East Europe 2020 –  
Towards Convergence and Growth”**

**Tirana, 9 November 2012**



**- MINISTERIAL STATEMENT -**

We, the Ministers of the Western Balkans economies,

with the support of the Ministers of the other South East Europe Investment Committee (SEEIC) economies, and in the presence of other high-level dignitaries,

have met on the occasion of the Ministerial Conference of the South East Europe Investment Committee (hereinafter: SEEIC) “South East Europe 2020 – Towards Convergence and Growth” in Tirana on 9 November 2012, co-organised and co-chaired by the Government of the Republic of Albania and the Regional Cooperation Council (RCC),

1. AFFIRMING our commitment to further enhance regional cooperation with a view to strengthen economic and social development across South East Europe and closer integration and convergence with the European Union;
2. EXPRESSING our gratitude to the Republic of Albania for hosting this Ministerial Conference;
3. ACKNOWLEDGING the leadership of the SEEIC by the RCC, since the transfer of management from the Organisation for Economic Cooperation and Development (OECD);
4. REAFFIRMING our commitment to the SEE 2020 Vision as expressed in the Statement by the Chair at the SEEIC Ministerial Meeting in Paris on 24 November 2011 and acknowledging the importance of the mandate of the SEEIC, under the auspices of the RCC, to develop a common regional strategy for economic development in South East Europe (hereafter referred to as SEE 2020), supported by a set of pertinent policy objectives, implementation measures and monitoring mechanisms;
5. STRESSING the importance of the need for the SEE 2020 to follow the main parameters of the Europe 2020 growth strategy while taking into account the specific characteristics of the SEE region;
6. RECALLING that the SEE 2020 vision is underpinned by five pillars comprising: (i) integrated growth, (ii) smart growth, (iii) sustainable growth, (iv) inclusive growth, within a (v) good governance framework;
7. UNDERLINING the importance of ambitious regional and economy-specific headline targets as outlined in this Ministerial Statement and detailed in Annexes I and II;
8. TAKING NOTE of the valuable contribution made by members of the international community to the development of the regional headline targets for SEE 2020;
9. EMPHASISING the importance of continued private-public sector dialogue and cooperation at national, regional and European level to help meet the SEE 2020 headline

targets;

10. TASKING the RCC and SEEIC with monitoring of progress in the attainment of the SEE 2020 regional headline targets and reporting back to SEE governments on a regular basis with policy guidance on how those targets can be met efficiently and effectively;
11. CALLING on the European Union to support SEE 2020 within the EU enlargement process, as a platform for interaction with donors and international institutions engaged in the Western Balkans;

HAVE adopted the following Statement:

### *SEE 2020 Headline targets*

12. In order to raise regional competitiveness and future growth prospects, particularly in the face of the global economic crisis, we have hereby agreed that the following regional headline targets should be met by 2020, using 2010 as the basis year:
  - a. Overall **strategic goals** unifying the five pillars of SEE 2020:
    - i. Increase regional GDP PPP per capita from 38% to 46% of the EU-27 average
    - ii. Grow the region's total value of trade in goods and services by more than 130%
    - iii. Reduce the region's trade deficit from 14.1 to 11.6 per cent of regional GDP
  - b. Headline targets to support the **integrated growth** pillar:
    - iv. Increase intra-regional trade in goods by more than 230%
    - v. Increase overall FDI inflows to the region by at least 120%
  - c. Headline targets to support the **smart growth** pillar:
    - vi. Increase GDP per person employed by 33%
  - d. Headline targets to support the **sustainable growth** pillar:
    - vii. Increase the rate of enterprise creation by 20%
    - viii. Increase exports of goods and services per capita from the region by 130%
  - e. Headline targets to support the **inclusive growth** pillar:
    - ix. Increase the overall employment rate by 12%
    - x. Add 300,000 highly educated people to the region's workforce
  - f. Headline targets to support the **governance for growth** pillar:
    - xi. Increase government effectiveness by 20% by 2020.
13. We have further agreed that economy-specific targets, as contained in Annex II to this Statement, represent an integral part of SEE 2020 and should be met within the indicated timeframe.

### *SEE 2020 Strategy Development and Monitoring*

14. SEEIC, under the auspices of the RCC, is tasked with preparing the SEE 2020 Strategy and Action Plan containing a roadmap for its implementation based on the SEE

2020 Vision as outlined in the Statement of the Chair adopted on 24 November 2011 in Paris and the strategic goals and targets contained herein.

15. The SEE 2020 Strategy and Action Plan, developed with the assistance of OECD and in cooperation and consultation with the CEFTA Secretariat, the European Training Foundation (ETF) and other relevant regional and international partners, and in close coordination with the European Commission, shall be reviewed and adopted at the Ministerial level during 2013.
16. Regular monitoring of progress in attaining the regional headline targets will be overseen by the SEEIC, under the auspices of the RCC. The agreed monitoring instruments, along with an appropriate governance structure will constitute an integral part of the SEE 2020 Strategy to be adopted during the next year. The subsequent annual monitoring reports to the SEE governments shall be accompanied by policy guidance on how to efficiently and effectively ensure headline targets are met.
17. All partners involved in SEE 2020 shall work towards increasing the level of regional cooperation in the course of the development and implementation of SEE 2020 with the aim of introducing common methodologies for data collection and analysis in the appropriate areas, thus enabling to successfully identify common objectives and indicators for assessing their performance. Particular emphasis shall be given to (i) gross and business-specific expenditures on research and development; (ii) value added productivity; (iii) enterprise performance; (iv) inequality and poverty measures; and (v) education and lifelong learning. SEEIC, under the auspices of the RCC, is tasked to explore the best avenues for achieving these goals, so as to make the relevant information available for regional policy deliberations.
18. SEEIC, under the auspices of the RCC, is to report back with a comprehensive SEE 2020 Strategy and Action Plan by the next Ministerial meeting scheduled for 2013, with the aim of having the first results of the monitoring cycle available in 2014.

ADOPTED in Tirana, on 9<sup>th</sup> November 2012.

## Annex I - Regional baseline values for 2010 and headline targets for 2020

Description	2010	2020
<b>Overall strategic goals</b>		
1. Increase of GDP PPP per capita Relative to the EU (% of EU 27 GDP PPP per capita average)	38,4	45,9
2. Growth of Total Trade in Goods and Services (in EUR million)	89.884	212.520
3. Reduction of Trade Deficit / Improvement of Trade Balance	-14,1	-11,6
<b>Integrated growth</b>		
4. Growth of intra-regional trade in goods (in million EUR)	12.507	42.120
5. Growth of Overall FDI Inflows (in current EUR million)	3.334	7.527
<b>Smart Growth</b>		
6. Growth of GDP per Person Employed (in EUR)	18.371	24.462
<b>Sustainable Growth</b>		
7. Growth of enterprise creation (new businesses registered) <sup>5</sup>	30.107	36,130
8. Growth of Exports of Goods and Services per capita (in EUR)	1.844	4.221
<b>Inclusive Growth</b>		
9. Growth of Overall Employment Rate (per cent of 15+)	40,2	45,2
10. Growth of Tertiary Educated Workforce	1,7 million	2 million
<b>Governance for Growth</b>		
11. Increase Government Effectiveness (as measured by WBI indicator)	2,33	2,80

<sup>5</sup> Baseline data from 2009

**Annex II - Individual economy baseline values for 2010 and targets for 2020**

Description - Baseline values for 2010	ALB	BiH	CRO	KOS *	MKD	MNE	SER
<b>Overall strategic goals</b>							
1. Increase of GDP PPP per capita Relative to the EU (% of EU 27 GDP PPP per capita average)	28,0	30,0	61,0	n/a	36,5	41,0	34,0
2. Growth of Total Trade in Goods and Services (in EUR million)	7.685	10.579	35.384	505	7.779	3.078	24.874
3. Reduction of Trade Deficit / Improvement of Trade Balance	-21,0	-20,8	0,0	-36,4	-19,0	-28,4	-17,0
<b>Integrated growth</b>							
4. Growth of intra-regional trade in goods (in million EUR)	436	3.185	3.645	n/a	1.238	801	3.202
5. Growth of Overall FDI Inflows (in current EUR million)	791	220	410	355	158	541	858
<b>Smart Growth</b>							
6. Growth of GDP per Person Employed (in EUR)	9.767	14.911	29.117	n/a	16.708	14.82 3	12.319
<b>Sustainable Growth</b>							
7. Growth of enterprise creation (new businesses registered) (2009)	2.045	1.896	7.800	141	8.074	436	9.715
8. Growth of Exports of Goods and Services per capita (in EUR)	1.113	952	4.008	1.963	1.547	1.748	1.381
<b>Inclusive Growth</b>							
9. Growth of Overall Employment Rate (per cent of 15+)	47	33	47	n/a	39	40	38
10. Growth of Tertiary Educated Workforce (no. of persons with tertiary education)	216.55 8	213.00 0	504.80 0	n/a	169.79 1	56.60 0	546.29 1
<b>Governance for Growth</b>							
11. Increase Government Effectiveness (as measured by WBI indicator)	2,2	1,8	3,1	1,9	2,3	2,6	2,4

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

<b>Description - Targets for 2020</b>	<b>ALB</b>	<b>BiH</b>	<b>CRO</b>	<b>KOS*</b>	<b>MKD</b>	<b>MNE</b>	<b>SER</b>
<b>Overall strategic goals</b>							
1. Increase of GDP PPP per capita Relative to the EU (% of EU 27 GDP PPP per capita average)	35,0	35-40	70,0	n/a	40-45	48-52	41,0
2. Growth of Total Trade in Goods and Services (in EUR million)	16.595	24.122	90.518	573	15.086	6.789	58.837
3. Reduction of Trade Deficit / Improvement of Trade Balance	-12,0	-18,0	0,0	-33,4	-17,0	-20,0	-14,8
<b>Integrated growth</b>							
4. Growth of intra-regional trade in goods (in million EUR)	1.526	n/a	12.000	n/a	3.500	1.200	12.003
5. Growth of Overall FDI Inflows (in current EUR million)	2.237	470	821	569	588	610	2.231
<b>Smart Growth</b>							
6. Growth of GDP per Person Employed (in EUR)	13.986	20.875	37.852	n/a	21.700	n/a	16.113
<b>Sustainable Growth</b>							
7. Growth of enterprise creation (new businesses registered)	2.500	2.300	9.300	170	9700	520	11.660
8. Growth of Exports of Goods and Services per capita (in EUR)	2.966	n/a	8.002	2700-2900	3.094	n/a	3.648
<b>Inclusive Growth</b>							
9. Growth of Overall Employment Rate (per cent of 15+)	53	33	55	n/a	42-45	60	42
10. Growth of Tertiary Educated Workforce (no. of persons with tertiary education)	260.000	255.000	605.000	n/a	204.000	68.000	655.000
<b>Governance for Growth</b>							
11. Increase Government Effectiveness (as measured by WBI indicator)	2,7	2,1	3,7	2,3	2,8	3,1	2,9

**Coordination Mechanism for the Implementation of SEE 2020**

SEE 2020 Strategy														
<b>Overall targets</b>	i. Increase regional GDP PPP per capita from 38% to 46% of the EU-27 average ii. Grow the region's total value of trade in goods and services by more than 130% iii. Reduce the region's trade deficit from 14.1 to 11.6 per cent of regional GDP													
<b>Pillars</b>	Integrated growth			Smart growth				Sustainable growth		Inclusive growth			Governance for growth	
<b>Pillar targets</b>	iv. Increase intra-regional trade in goods by more than 230% v. Increase overall FDI inflows to the region by at least 120%			vi. Increase GDP per person employed by 33%; vii. Add 300,000 highly qualified people to the region's workforce				viii. Increase the rate of enterprise creation by 20% ix. Increase exports of goods&services per capita from the region by 130%		x. Increase the overall employment from 40.2% to 45.2%			xi. Increase government effectiveness by 20% by 2020	
<b>Pillar Dimensions</b>	Free Trade Area	Competitive Economic Environment	Integration into Global Economy	Education/ Competences	R&D and Innovation	Digital Society	Culture & Creative Sectors	Competitive-ness	Resource Efficiency	Employment	Skills and Inclusive Education	Health	Effective public services	Anti-Corruption
<b>Dimension co-ordinator</b>	CEFTA	CEFTA/SEE Investment Committee (SEEIC)	CEFTA/SEE Investment Committee (SEEIC)	Education Reform Initiative (ERI SEE)	Regional Research & Innovation Platform	Electronic South-East Europe (e-SEE)	RCC Task Force on Culture & Society (TFCS)	SEE Investment Committee (SEEIC)	Regional Environmental Center (REC)	Inter-governmental WG on Social Agenda 2020	SEE Centre for Entrepreneurial Learning (SEECCL)	SEE Health Network (SEEHN)	NALAS	RAI
<b>Other regional platforms involved in the dimension</b>	SEEIC	SEETO	CEFTA	Novi Sad Initiat.  SEECCL	Steering Platform on Research for the WB WBIF/EDIF SEEIC SEETO	CeGD	CoMoCoSEE	ECS SEETO CEFTA SEECCL	ECS SEETO RENA/ECRAN NALAS ISIS ISRB Comm. RRD SWG	CPESSC SEETUF AREC	ERI SEE CDRSEE		CeGD	
<b>External partners</b>	OECD, EC	OECD, IFC, EC	OECD, IFC, EC	ETF, EC (DG EAC)	World Bank, EC (DG R&I)	UNDP, ITU, EC (DG Connect)	CoE, ICOM, EC	OECD; EC (DG Enterprise)	IFIs (EIB, EBRD, WB, KfW); WBIF; EC (DG Environment, DG Clima), GIZ	World Bank; LSEE; EC (DG Employment)	ETF, EC	WHO, EC	WBI, SIGMA, GIZ, SIDA, EC	OECD, GIZ, SIDA, EC
<b>Monitoring system</b>	RCC/OECD			RCC/OECD				RCC/OECD	RCC/ECS	RCC/OECD			RCC/OECD	RCC/OECD
<b>National administration participants</b>	Ministry in charge of trade; other related institutions	Ministry in charge of trade; other related institutions	Ministry of economy; IPAs	Ministry of education; Employment bureaus and other related	Ministry of Science; Ministry of Economy	Ministry of Information Society	Ministry of Culture; Ministry of Economy;	Ministry of Economy	Ministry of Energy; Ministry of Environment	Ministry/ies in charge of Employment and Social Affairs	Ministry of Education; Ministry of Employment and Social Affairs	Ministry of Health	Ministries and agencies in charge of PAR, Judicial Authorities	Ministries of justice, interior, police

**ANNEX VIII**  
***TENDER DOSSIER:***  
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**Background Note**