How it all begun...

• Emergence of multiple regional cooperation frameworks requiring coherence & coordination
• Need to anchor reform efforts into an overarching growth and development agenda
• Provide RCC with a mandate to perform its role to its fullest potential
Materialized as a response to Europe 2020, as the region was left out of the main European growth framework:

- Preparations for future membership suggest that the *Europe 2020* policy goals and implementation methods are pertinent to enlargement countries.
- However, a strong need to adjust the strategy to region’s needs, making it more realistic and credible.
- Main objectives include boosting competitiveness, productivity, growth potential, social cohesion and economic convergence.
Getting the mandate

“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”
*Enlargement Strategy 2010-2011*

RCC to provide a “link between the national and regional level 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.”
*Montenegrin C-i-O SEECP*

Actively pursue “a regional recovery and development strategy which should follow the main parameters of EU 2020, based on knowledge and innovation.”
*June 2010 Sarajevo High Level Mtg*
Transfer of SEEIC provided an opportunity to:
1. Get a clear mandate for SEE2020 Development
2. Engage national administrations
3. Secure resources
Integrated growth
deeper regional trade and investment linkages and policies enhancing the flow of goods, investment, services and persons

Smart growth
commitment to compete on value added, promoting knowledge and innovation across the board

Sustainable growth
enhancing competitiveness, entrepreneurship and a commitment to greener and more energy-efficient development

Inclusive growth
skills development, employment creation and labour market participation by all, including vulnerable groups and minorities

Governance for growth
improving the capacity of public administrations to strengthen the rule of law and reduce corruption so as to create a business-friendly environment
Formulating SEE 2020

1. **IDENTIFY PRIORITIES**
   *integrated, smart, sustainable, inclusive growth within good governance framework*

2. **DETERMINE APPROPRIATE POLICY AREAS FOR SETTING OBJECTIVES AND TARGETS**
   *e.g. trade as an area that best captures integrated growth*

3. **FORMULATE APPROPRIATE OBJECTIVES**
   *e.g. increase intra-regional trade as an objective of integrated growth*

4. **DETERMINE BASELINE DATA FOR OBJECTIVES**
   *e.g. currently intra-regional trade (goods) amounts to EUR 12.5 billion*

5. **ESTABLISH STRATEGIC INTENT (TARGET)**
   *e.g. increase intra-regional trade by 240% by 2020*

6. **PUT FORWARD INDICATION OF MEASURES/ACTIONS AND INDICATORS**
   *e.g. removal of NTBs and greater facilitation of trade; fostering of regional value chains to boost movement of goods/services across borders etc.*
Milestones

April 2012:
SEEIC sets up a Task Force to look into targets

July - Sep 2012:
SEE Task Force meets to develop targets

October 2012:
SEEIC approves targets

November 2012:
SEE Ministers endorse targets

November 2011:
SEE Vision adopted by the Ministers

November 2013:
SEE Ministers endorse strategy and governance mechanism

Dec 12 – Nov 13:
Strategy & Action plan development & governance proposal

April 2012:
SEEIC sets up a Task Force to look into targets

November 2012:
SEE Ministers endorse targets

October 2012:
SEEIC approves targets

November 2011:
SEE Vision adopted by the Ministers

November 2013:
SEE Ministers endorse strategy and governance mechanism

Dec 12 – Nov 13:
Strategy & Action plan development & governance proposal
Milestones:

Vision, Mandate, Resources

**Done:**

1. Vision: Integrated, smart, sustainable and inclusive growth, underpinned by good governance
2. Mandate for RCC to engage with SEE 2020 and use SEEIC as the main instrument (transfer)
3. Resources to initiate the work

**November 2011:**
SEE Vision adopted by the Ministers

**April 2012:**
SEEIC sets up a Task Force to look into targets

**July - Sep 2012:**
SEE Task Force meets to develop targets

**October 2012:**
SEEIC approves targets

**November 2012:**
SEE Ministers endorse targets

**December 2012 - November 2013:**
Strategy & Action plan development & governance proposal

**2011 & 2012:**

**2013:**

**November 2013:**
SEE Ministers endorse strategy and governance mechanism
Milestones:

Refocusing and restructuring SEEIC

- April 2012: SEEIC sets-up a Task Force to look into targets
- July - Sep 2012: SEE Task Force meets to develop targets
- October 2012: SEEIC approves targets
- November 2012: SEE Ministers endorse targets
- November 2011: SEE Vision adopted by the Ministers
- Dec 12 – Nov 13: Strategy & Action plan development & governance proposal
- November 2013: SEE Ministers endorse strategy and governance mechanism

**Done:**
1. Positioned the SEEIC as the main regional champion of SEE 2020
2. Reshaped the structure of SEEIC to better reflect the needs of the process
3. Initiated target-setting for SEE 2020 and set up a Task Force on SEE 2020
Milestones:

Target-setting

Done:

1. Two meetings held to (i) identify appropriate policy areas for setting targets, (ii) establish baseline and (iii) determine targets
2. 11 regional headline targets determined with corresponding 77 national targets
Milestones:

Target-setting and buy-in

**Done:**
1. 9 out of 11 proposals for targets endorsed, with further two (tertiary education and enterprise creation) currently under review
2. Draft Ministerial statement reviewed and endorsed after amendments
Milestones:

Political commitments

**Done:**
1. Adoption of targets
2. Mandate for strategy development and monitoring and governance
### Milestones:

#### Targets set

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall strategic goals</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Increase of GDP PPP per cap relative to the EU (% of EU 27 GDP PPP p/c avg)</td>
<td>38.4</td>
<td>45.9</td>
</tr>
<tr>
<td>2. Growth of Total Trade in Goods and Services (in EUR million)</td>
<td>89,884</td>
<td>212,520</td>
</tr>
<tr>
<td>3. Reduction of Trade Deficit /Improvement of Trade Balance</td>
<td>-14.1</td>
<td>-11.6</td>
</tr>
<tr>
<td><strong>Integrated growth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Growth of intra-regional trade in goods (in million EUR)</td>
<td>12,507</td>
<td>42,120</td>
</tr>
<tr>
<td>5. Growth of Overall FDI Inflows (in current EUR million)</td>
<td>3,334</td>
<td>7,527</td>
</tr>
<tr>
<td><strong>Smart Growth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Growth of GDP per Person Employed (in EUR)</td>
<td>18,371</td>
<td>24,462</td>
</tr>
<tr>
<td><strong>Sustainable Growth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Growth of enterprise creation</td>
<td>30,107</td>
<td>36,100</td>
</tr>
<tr>
<td>8. Growth of Exports of Goods and Services per capita (in EUR)</td>
<td>1,844</td>
<td>4,221</td>
</tr>
<tr>
<td><strong>Inclusive Growth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Growth of Overall Employment Rate (per cent of 15+)</td>
<td>40.2</td>
<td>45.2</td>
</tr>
<tr>
<td>10. Increase Population With Tertiary Education Within the Regional Workforce</td>
<td>1.7 mil.</td>
<td>2 million</td>
</tr>
<tr>
<td><strong>Governance for Growth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Increase Government Effectiveness (as measured by WBI indicator)</td>
<td>2.33</td>
<td>2.80</td>
</tr>
</tbody>
</table>
Milestones:

Strategy and Action Plan Development

To Be Done:

- April 2012: SEEIC sets up a Task Force to look into targets
- July - Sep 2012: SEE Task Force meets to develop targets
- October 2012: SEEIC approves targets
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2011 2012 2013
(De)centralized dev’t & implementation

pillar: integrated growth
pillar: smart growth
pillar: sustainable growth
pillar: inclusive growth
pillar: governance

SEEIC
CEFTA
JHA Strat
Parliament

RCC
SEE 2020
SEE
ERI SEE
EDIF
e-SEE
R&D Strat

RENA
SEETO
ECS

Regional Cooperation Council
SEE 2020 Development Process

A distributed approach:

1. Divest development of SEE 2020 to regional structures that:
   - Are able to play a leading role within each pillar
   - Are functionally aligned with SEE 2020
   - Have capacity to work on development and can build capacity for implementation
   - Have, or are willing to put in place adequate governance mechanisms

2. Coordinate development of policy objectives, measures and indicators at the regional level

3. Verify through national administrations

4. Coordinate at RCC level
Proposal for de-centralized development
(Example: Inclusive growth pillar)

RCC
(Distributes responsibility for employment and social policy)

Inclusive growth

SEE 2020 Strategy and Action Plan

Regional structure

Social Agenda 2020

Line Ministry

Advisor

Ministerial decision

(a) 2nd tier objectives
(b) measures and actions
(c) indicators
(d) budgets

National development strategies

Nation development strategies

Inclusive growth

Social Agenda 2020

Advisor

Ministerial decision
Envisioned implementation

• Establish strong links between national priorities (national development strategies, Economic and Fiscal Programmes, Pre-Accession Economic Programmes, etc.) and regional targets
• Disaggregated national and regional targets and objectives to provide clear frameworks for action
• Put forward a monitoring framework and a governance mechanism
• Regional platforms provide progress review with overall coordination and monitoring at RCC level
Proposed implementation arrangements
(Example: Inclusive growth pillar)
If done correctly, SEE 2020 provides...

• A clear framework with identified strategic targets, indicators and measures to guide cooperation, consistent with national priorities

• Governance framework for cooperation and coordination on policy responses to issues that cross national borders

• Framework for interaction with donors engaged in regional interventions and coordination with national IPA programmes
...with clear benefits for regional cooperation as well

• Unambiguous roles of stakeholders in regional cooperation
• Fully streamlined activities of regional players
• Clear monitoring mandate with pre-defined indicators and agreement with regional structures and national administrations
• Strong focus
Key points for consideration

1. Putting forward appropriate governance mechanisms and incentives
2. Coupling commitments with tools to reach objectives
3. Intra-governmental coordination within the SEE administrations
Overview of SEE 2020 Pillars
i. Integrated growth: Targets and priority actions

1. INCREASE INTRA-REGIONAL TRADE IN GOODS BY MORE THAN 230%
2. INCREASE OVERALL FDI INFLOWS TO THE REGION BY AT LEAST 120%

a. Removing trade distortive non-tariff barriers and facilitating cross-border movement of goods in a timely fashion;
b. Undertaking concerted efforts for the liberalisation of trade in services, under the auspices of CEFTA;
c. Creating a regional strategy for investment promotion that builds on the work that has already been conducted by the regional working groups under the auspices of the Investment Compact and the SEEIC;
d. Enforcing laws and regulations to protect intellectual property;
e. Supporting the work of all CEFTA bodies and structures to fulfill their respective mandates; and
f. Developing a single regional capital market.
i. Integrated growth:
Main stakeholders

**Main regional platforms:**
- SEE Investment Committee
- CEFTA

**Main partners:**
- OECD
- IFC
- Regional expert networks

**National counterparts:**
- Ministries and agencies in charge of trade and investment
ii. Smart growth:
Targets and priority actions

- Promoting „triple helix“ linkages between academia, industry and policy makers;
- Promoting free flows of talent in the region by encouraging SEE economies in achieving bilateral/multilateral universal recognition of diplomas and abolishment of unnecessary visas and permits for students, academia and the business community;
- Encouraging “brain gain” through targeted networking with the diaspora and creating conditions favourable to eventual return, in particular through the establishment of a supportive entrepreneurial environment;
- Supporting private and public sector investment in R&D via coherent and regionally co-ordinated policies to enhance innovation and promote the knowledge economy and society;
ii. Smart growth: Targets and priority actions (continued)

INCREASE GDP PER PERSON EMPLOYED BY 33%

e. Facilitating the participation of enterprises and scientific institutions from SEE in EU programmes and EUREKA and developing effective linkages with European institutions fostering innovation and knowledge;

f. Raising the level of knowledge absorption via policies that support existing clusters, networks, and centres of excellence to establish a regional cooperation framework fostering knowledge communities;

g. Promoting natural science, maths and engineering studies while enhancing the quality of education provision and existing quality assurance mechanisms;

h. Using available resources and private sector expertise to substantially increase the level of combined public-private sector investment in R&D as a percentage of GDP;

i. Considering measures to support business investment in R&D.
ii. Smart growth:
Main stakeholders

**Main regional platforms:**
- ERI SEE
- Enterprise Development and Innovation Facility (EDIF)
- Regional R&D Strategy for Innovation in the Western Balkans
- South East European Centre for Entrepreneurial Learning (SEECEL)
- eSEE Initiative and bSEE Task Force
- RCC Task Force on culture and society

**National counterparts:**
- Ministries and agencies in charge of science, education, research, economy and finance

**Main partners:**
- OECD
- World Bank
- ETF
- Regional expert networks
iii. Sustainable growth: Targets and priority actions

**INCREASE THE RATE OF ENTERPRISE CREATION BY 20%**
**INCREASE EXPORTS OF GOODS AND SERVICES PER CAPITA BY 130%**

a. Diversifying export markets, and promoting regional co-operation whenever possible;
b. Developing measures such as export guarantee schemes to support the private sector;
c. Supporting private sector competitiveness by helping firms, and in particular SMEs, find niches in which they can be successful in global terms;
d. Strengthening regional value chains by actively supporting the creation of transnational clusters and business networks;
e. Promoting venture capital and business angel networks;
f. Reducing the tax wedge on labour to improve competitiveness;
g. Accelerating the development of critical infrastructure;
h. Helping businesses develop and adopt renewable & green technologies;
i. Encouraging education and training systems to deliver „green“ and „white“ skills; and
j. Integrating green development priorities into long-term policy making, utilising available European and international expertise, and interacting with all stakeholders.
iii. Sustainable growth:
Main stakeholders

Main regional platforms:
• SEE Investment Committee
• Energy Community Secretariat (ECS)
• SEE Transport Observatory (SEETO)
• RENA/ECRAN
• Regional Environmental Center for CEE
• NALAS
• ISIS Programme Secretariat
• Intern’l Sava River Basin Commission
• RRD Standing Working Group (RRDSWG)

National counterparts:
• Ministries and agencies in charge of energy, environment, economy, transport and infrastructure

Main partners:
• World Bank
• ETF
• Regional expert networks
iv. Inclusive growth:
Targets and priority actions

**INCREASE THE OVERALL EMPLOYMENT RATE TO 45.2%**
**ADD 300,000 HIGHLY EDUCATED PEOPLE TO THE REGION’S WORKFORCE**

a. Monitoring and tracking skills needs at the regional level;
b. Developing mechanisms for regional dialogue between employers and policy makers on ways to minimise skills gaps and address skills mismatches through customised training and curricula reform;
c. Raising the attractiveness of vocational training and increasing employment opportunities for younger workers and promoting early contact with the labour market, including through measures for facilitation of school-to-work transitions and removing obstacles to internships;
d. Promoting in-company training and up-skilling of employees;
e. Promoting the inclusion and retraining of older workers in the labour market;
iv. Inclusive growth:
Targets and priority actions (continued)

f. Promoting women’s employment and entrepreneurship and employment of vulnerable groups, in particular the Roma;

g. Developing regional strategies to support continuous education and lifelong learning and recognition of non-formal & informal education;

h. Developing entrepreneurial learning as one priority for education reform;

i. Increasing high quality tertiary education levels;

j. Providing opportunities for student exchanges enabling students to study in the region and in OECD countries; and

k. Reducing the number of individuals who leave school early, with a special focus on students with disabilities, learning disabilities and socio-economic, cultural and/or linguistic disadvantages.
iv. Inclusive growth:
Main stakeholders

**Main regional platforms:**
- Social Agenda 2020
- SEE VET Network
- Centre of Public Employment Services of SEE Countries (CPESSC)
- SEE Trade Union Forum (SEETUF)
- Adriatic Region Employers’ Centre (AREC)
- SEE Health Network

**National counterparts:**
- Ministries and agencies in charge of social issues, employment, education

**Main partners:**
- World Bank
- ETF
- Regional expert networks
v. Governance for growth:
Targets and priority actions

INCREASE GOVERNMENT EFFECTIVENESS BY 20% BY 2020

a. Supporting the capacities of public administrations to design and implement development policies;

b. Finding complementarities and synergies with other regional initiatives and mechanisms such as the Western Balkan Investment Framework and the Western Balkan Regional Competitiveness Initiative;

c. Promoting the effective implementation of existing legislation governing competition, including improvement of judiciary capacities and giving high priority to enforcing the rule of law and anti-corruption measures; and

d. Responsible fiscal and monetary policies.
v. Governance for growth:
Main stakeholders

**Main regional platforms:**
- Strategic document of the JHA in SEE
- RESPA
- Centre for eGovernance Development (CeGD)
- MARRI
- Regional Anticorruption Initiative (RAI)
- SEE Prosecutors Advisory Group (SEEPAG), SEE Police Chiefs Association (SEPCA), Secretariat of Police Cooperation Convention for Southeast Europe (PCC-SEE Secretariat)
- Western Balkans Prosecutors' Network, Sofia
- Regional Secretariat for Parliamentary Cooperation in SEE (RSPC SEE)
- Cetinje Parliamentary Forum

**National counterparts:**
- Ministries and agencies in charge of JHA, public administration reform
- National parliaments

**Main partners:**
- SIGMA
- Regional expert networks
Thank you