



**ADDRESS BY THE SECRETARY GENERAL OF THE REGIONAL
COOPERATION COUNCIL (RCC),**

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OSCE PERMANENT COUNCIL

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Mr. Chairman, Excellencies, Ladies and Gentlemen,

It is indeed a pleasure to be given the opportunity to participate at this honourable forum and share, with such a distinguished audience, some observations on the current state of play in South East Europe from the standpoint of the RCC.

I would like to express my gratitude for the invitation to participate at the OSCE Permanent Council. After having worked as the Co-ordinator of the OSCE Economic and Environmental Activities, it is always a privilege to return and make a contribution, albeit in a different capacity.

Bearing in mind that OSCE is a participant of the RCC and that RCC's areas of work resonate very well with what OSCE does, I do believe that their relations and cooperation are of particular importance in the wider regional context of South East Europe. I have been nurturing them through fruitful and constructive meetings with OSCE missions in the Western Balkans region – in Sarajevo, Belgrade, Pristina, Tirana, to name just a few.

Allow me to try to screen briefly through the current political and socio-economic landscape of South East Europe (SEE).

Before this, I will make a brief reference to the mission of the RCC. The RCC promotes and strengthens regional cooperation in SEE, upholds an all-inclusive and regionally-owned framework and supports the European and Euro-Atlantic perspectives of the aspirants from SEE. Under the political guidance of the South East European Cooperation Process (SEECP), it works to ensure progress in key areas of cooperation, such as economic and social development, energy and infrastructure, justice and home affairs, security cooperation and building human capital. In essence, the RCC is a status neutral and an all-inclusive cooperative platform.

This notion makes cooperation all the more important for a region, in which seemingly ominous clouds from the past, precludes it to embrace stability, prosperity, highest values and standards. Indeed, one may think that the difficult socio-economic environment and political challenges have dissuaded the region from pursuing key reforms. The latter are indispensable for advancing in the process of European and Euro-Atlantic integration. However, the progress SEE achieved over the last period indicates a far different reality, one in which it did not succumb. This is utmost encouraging.

Among participants of the Regional Cooperation Council, some are preparing to join the EU and I would like to congratulate Croatia for becoming an EU member in two months, a major success story of the region. There are RCC participants with candidate status which are advancing in accession negotiations, others expecting to start accession negotiations, some are working to achieve candidate status, there are others whose European aspirations are pursued within a different EU institutional framework, as well as several EU members. After the recent EC recommendations on the EU perspectives of Serbia and Kosovo* and over a month away from the conclusions of the European Council, I dare to say that profound and strategically important decisions are on the horizon. They came as a result of the historic agreement reached between Belgrade and Pristina on 19th April 2013 in the context of the dialogue facilitated by the EU High Representative, Catherine Ashton. The agreement represents an important step in the process of normalisation of relations and constitutes a break-through, which should serve as an example and impulse for the whole region. RCC welcomes this development.

EU enlargement policy was and remains a powerful incentive and one of the most pertinent stability policies for the region. Certainly, EU membership cannot solve all the problems. Accession-related reforms should be coupled with sound economic, fiscal, social and other structural policies.

One should, of course, be mindful that sometimes a duality emerges in the region, whereby the struggle between going forward and lagging behind, absorbs the potential needed to ensure durable results in many vital sectors. The situation is exacerbated by different perceptions about what constitutes real and immediate problems.

*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.

Whether these are the consequences of the economic and financial crisis, precarious social dissonances, the lethargic steps in dealing with bilateral or regional issues or the declining quality of governance, are important queries. But, the differing perceptions can be indicators of the willingness of the countries from region to work together in catching up with the other more developed parts of Europe. In a nutshell, these and many other challenges could be countered by the countries from region with a sense of a shared purpose.

Regional cooperation is one of the means to ensure this. It is an important EU membership pre-condition and also a way to foster dialogue, reconciliation, stability and prosperity.

While the EU continues to be the strongest anchor of stabilization and reforms, a key role in promoting and strengthening regional cooperation is played by the SEECP - as the most relevant regionally-owned and governed political forum and the RCC - as its operational arm. The synergy between the two has been indispensable for an effective coordination of the regional cooperation process in SEE, confirmed also by the close and very effective cooperation of RCC with the current SEECP Chair-in-Office 2012-2013, as well with Republic of Serbia as previous and Romania as incoming CiOs.

The countries of SEE are fully aware of the advantages of regional cooperation and we are witnessing a growing awareness that further progress on the European integration path increasingly calls for responsibility and readiness to address the most pressing of issues. Some of them relate to the socio-economic area, energy, security, freedom of expression and an independent media. This is where the OSCE's and RCC's areas of work intersect.

The RCC is a relatively young organization, being established five years ago. However, our persistent and tireless work, supported by a measured and pragmatic approach to issues hampering a full and an unhindered cooperation, in the end brought significant results. I would like to refer to some of the latest activities and, more importantly, on what the RCC is planning to do in future.

The RCC has been promoting cooperation based on a greater regional responsibility and a genuine political dedication by its participants in implementing the commitments made at the regional level. It enhanced its monitoring and guiding role in regional cooperation, taking into account regional interests and feeding policy implementation within the RCC participants from SEE.

RCC can be proud to have ensured all-inclusiveness in its framework. Kosovo* effectively participates within the RCC. This shows that the region is able to create a durable climate for overall progress in the spirit of tolerance and cooperation.

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By now, RCC has a solid foundation in place. It only needs to look ahead into the future. Based on the achievements attained, an in-depth knowledge of the region and its needs, as well as the EU accession requirements, the RCC has developed its second Strategy and Work Programme for the period 2014-2016 which was adopted at the RCC Board meeting of 25 April 2013.

The central pillar of the document or, in more precise terms, of our future work is the SEE 2020 - a Job-creating Growth and EU integration Strategy.

Mentioning the SEE 2020 Strategy, allow me to reflect on economy. SEE has experienced a fourth year of economic crisis during 2012 and the outlook for 2013 remains negative. The Western Balkans region remains one of the hardest hit regions in Europe with real GDP slipping back into the negative records during 2012, with the projected growth rate of -0.3% at the end of the year. This is worrying not only to governments and organizations, but to each and every individual.

To address some of the mounting problems, the RCC has further advanced the preparation of the SEE 2020, leaning on the Europe 2020 Strategy. In line with the outcomes of the 2011 Tirana Ministerial meeting of the SEE Investment Committee, the RCC has over the past year led the countries in the identification of, and agreement to, a number of headline regional targets backed up by national targets. 11 specific targets have been identified covering smart, sustainable and inclusive growth along with 2 additional pillars identified as important by the countries – integrated growth (promoting closer regional integration) and governance for growth (emphasizing the importance of good governance).

The selection of targets that span convergence with EU, trade, investment, employment, education and governance was influenced by several factors, including the availability of comparable data to measure progress. However, the policy targets are intended to provide commitments and chart out a roadmap for additional work to be done in all sectors covered. The ministers of economy from the region agreed that those regional headline targets should be met by 2020, using 2010 as the basis year. The adoption of the headline targets was very much the first step of a much larger process which will see: 1) the identification of policy measures required at national and regional level; 2) the development of a comprehensive set of indicators to measure progress in the attainment of these targets and 3) agreement on a governance process for the implementation of the SEE 2020 Strategy.

As an example, the region would target an employment growth from 40% to 45%, an increase in mutual trade by 230%, a rise in its GDP from the current 38% to 46% of the EU average. It would also target an increase in the foreign direct investment inflows in the region by 120% and additional 300,000 highly educated people on the job market. To make this happen, production, trade, investments and education must be improved, and the governments from the region must be far more efficient than they are nowadays.

I arrive at my next point. The SEE 2020 Strategy will also tackle energy/energy security and environmental/climate challenges within the Resource Efficiency Dimension of the Sustainable Growth Pillar, integrate the energy and environmental aspects into the wider context of economic growth and enhance regional response to these raising multidisciplinary challenges. Addressing these issues through increased investments in energy and environmental infrastructure, energy efficiency, renewable energy sources and clean fossil fuel technologies as the bridging options towards zero emission economy, coincides with the most efficient ways to increase security of energy supply and to fight the economic and financial crisis.

Overall, we want to create a harmonised framework in the regional cooperation process, where all participants have clear roles and responsibilities in achieving the agreed goals within the SEE 2020 Strategy. This is why all relevant regional organisations such as CEFTA, Energy Community, Regional School for Public Administration, Education Reform Initiative and many others participate in the development of the strategy and they will have a very important role in the process of its implementation. Of course, national institutions such as ministries of economy, education, employment, healthcare, justice, culture and environment have key roles to play. International actors, such as the EU, the OECD, the Council of Europe, and the World Bank will also provide support. We expect that the first draft of the Strategy and its Action Plan will be ready this summer and adopted by the end of 2013.

Given the overarching nature of the SEE 2020, this document and its Action Plan should strongly benefit from the full support of the governments concerned and of the Prime-Ministers. This will provide a basis pertinent to addressing effectively the region's economic development priorities and to make the region more competitive, while bringing it closer to EU.

Speaking about the economic prosperity and overall stability let me refer to the security as an indispensable condition for it. The RCC works closely with the EU and NATO in order to help imbed their principles into regional security cooperation. Moreover, RCC has initiated the creation of several regional fora, such as the Forum for South East European National Authorities on Information Security (SEENSA) and the South East European Military Intelligence Chiefs (SEEMIC) Forum. In addition, we also envisage the establishment of the South East European Fora of the Chairmen of the Defense Committees of the Parliaments and of the Security Advisors to the Presidents and Prime ministers, as well as to strengthen the South East European Defence Policy Directors Forum by expanding it from the Western Balkans format to the wider RCC format.

The RCC closely works also with Disaster Preparedness and Prevention Initiative (DPPI). Long standing regional cooperation in disaster preparedness and prevention in South East Europe, has not been developed effectively enough and a unified regional approach to disasters risk reduction is still to be achieved.

The upcoming Summit of the Heads of State/Government of the SEECP Participating States, to be held on 1st June 2013 in Ohrid, will address exactly these issues in a Joint Statement dedicated to disaster risk reduction and climate change adaption and the RCC has been actively involved in preparing this and the other Summit documents.

The high-level SEECP events, as well as the 6th Annual meeting of the RCC will, among the other issues, endorse the RCC SWP for the period 2014 - 2016 and refer to the SEE 2020 Strategy. They embody the anchor of a new vision for RCC, which undoubtedly will strengthen RCC's capacity to uphold an all-inclusive and regionally-owned framework, as a ground rule, in the interest and benefit of all RCC participants.

Last but not least, allow me to say few words about the RCC activities and its excellent cooperation with OSCE in the field of media.

In 2012, the RCC, the OSCE Representative on Freedom of the Media, the OSCE Mission to Bosnia and Herzegovina, the Friedrich Ebert Foundation, together with the European Association of Public Service Media in South East Europe and ARTICLE 19 as the implementing partners, brought to life the Academy on Media Law in South East Europe, which has had its first edition in Zagreb. The Academy 2nd edition is planned for September this year, in Sarajevo. The Academy works to enhance cooperation in the development and the implementation of progressive media legislation in the countries of SEE in line with international and European media standards, with a strong focus on public service media. Other OSCE missions in Western Balkans have also expressed interest to support the Academy, as well as the European Commission.

In conclusion, I look forward to a close cooperation between RCC and OSCE. We have common areas of work, with a common purpose to contribute to the prosperity and stability in SEE.

Thank you for your attention.