



# ANNUAL REPORT

OF THE SECRETARY GENERAL OF THE REGIONAL  
COOPERATION COUNCIL ON REGIONAL  
COOPERATION IN SOUTH EAST EUROPE  
2011-2012

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## Foreword

Looking back at the period since the last Annual Report, over the eventful year marked by numerous important events, achievements and challenges, one is faced with mixed feelings – what, exactly, is the sum result of the past year? Is the region indeed advancing, and what are the proofs and evidences to that, or the sense of stagnation and passivity is prevailing? What indeed has been done and what remains to be done? What are the shining examples, and where the ominous shadows still loom?

Any overview would have to enumerate successes – from political and social ones, testifying that the region continues to strive to move forward and leave the past behind, to the institutional ones, linked with further mapping of the region within the European and Euro-Atlantic community.

Change is evident – reconciliation and rapprochement have taken roots; social climate throughout the region is improving; human contacts are ever more relaxed and widened, from culture and sport to business; many issues from the past are resolved, whilst regional cooperation is becoming more effective and deliverable. These positive trends provided solid ground for the overall transformation of social mindsets and for continuation of reforms related to EU accession of the aspiring countries from the region. Of course, they were the driving force behind the progress on the path towards EU accession. Croatia completed the accession negotiations and will be a new EU member around the time of the next Annual Meeting of the Regional Cooperation Council (RCC) and the South-East European Cooperation Process (SEECP) Summit, when Montenegro will already be engaged in the negotiating process, when Serbia's candidate status will further support its EU capacities, when further advancement may be expected by other countries in the Western Balkans core area of the region, within both the EU and NATO frameworks. The year behind provided a good basis for the year ahead. The preservation of this trend is more than vital as the region needs to avoid any status quo or strategic vacuum in the context of broader Euro-Atlantic goals, in particular given the political and economic consequences of the current crisis on the EU itself and, to no lesser degree, given the overall changes of the international agenda and priorities.

In a word, the process of completing the architecture of peace and stability in our corner of Europe has continued, in spite of numerous constraints within the region and within the EU.

Regional cooperation played an indispensable role in this process as its growing effectiveness opens way not only for the relaxation of political and social relations in the region but also steps up the European integration process. The growing awareness of the importance of regional cooperation for economic and social recovery and development ensured greater number of results and achievements. The recent donors' conference on durable solutions for refugees and displaced persons is a clear example, just as the achievements of the RCC in implementing its Strategy and Work Programme (SWP) 2011-2013 testify to a persistent work and tangible results. Half way through the three-year implementation process, the RCC has delivered on almost two thirds of the assigned tasks. The transfer of the South East Europe Investment Committee from the Organisation for Economic Co-operation and Development to the RCC, establishment of the Task Force on Culture and Society and assuming responsibility for cooperation in this vitally important area, increasing and solidifying cooperation in the security, defence and intelligence sectors, setting up of a regional strategy to fight organised crime and corruption, enhancing cooperation in education, health, research and many other sectors, together with a plethora of other projects and

initiatives clearly proved the ability of the RCC to ensure a result-oriented cooperation in South East Europe (SEE), against the backdrop of many remaining challenges, difficulties and differences.

The year behind, again, proved that no spectaculars can be expected, but it also proved that persistent and tireless work, supported by a measured and pragmatic approach to the remaining issues hampering full and unhindered cooperation, in the end brings results.

The year behind also confirmed the need for consolidation of regional cooperation, precisely because of the influence of the remaining unresolved issues. Ways will have to be devised to ensure solid, uninterrupted cooperation based on a greater regional responsibility, genuine political commitment and effective administrative implementation by the RCC members from SEE. The debate opened within the SEECF on future forms and scope of cooperation in our region is thus most welcome as it will also have an impact on future strategic goals and work platform of the RCC as the operational arm of the SEECF beyond 2013, preserving and even enhancing the role of the RCC within the EU enlargement process.

The achievements made and lessons learned during the last year clearly indicate where the challenges for the future remain.

What are the prerequisites for the region to continue on the advancement path?

There is no doubt about the priorities ahead.

First, the remaining open issues will have to be addressed and resolved to ensure durable peace and stability, to dispel uncertainties or even instability and crisis scenarios and to allow for further inclusion of the countries of the region in the EU and Euro-Atlantic integration. Just as it was the case over the last reporting period, the RCC will continue to contribute by leading and guiding regional cooperation on the basis of the principles of openness, dialogue, tolerance, mutual appeasement and coexistence, whilst striving to ensure all-inclusiveness against the backdrop of complex relations among its members.

Second, the region will need to remain in the full focus of the EU as the transformative and stabilisation power of the enlargement process remains the main driving force for completion of peace and ensuring economic and social benefits.

Third, the elaboration of a regional recovery and development approach, followed by a set of concrete trans-national projects in the most evident underdevelopment sectors, with support of the EU and international partners, advocated by the RCC over the reporting period, will remain in focus as part of the SEECF reform debate and part of the possible future RCC work platform. The current alarming effects of the economic crisis additionally call for such an approach.

Approaching the last year of implementation of its SWP 2011-2013, but also well in its fifth year of existence, the RCC has profiled and proved itself as a leading provider and initiator of cooperation in the broadest terms, from political to economic and social areas. The RCC Secretariat's self-assessment of the work done so far proves the capacity and ability of the organisation to deliver. The full scope of work and achievements is reflected in this Annual Report.

**Hido Bišćević**  
Secretary General  
Regional Cooperation Council

## *Summary*

The Regional Cooperation Council (RCC<sup>1</sup>), in its fifth year of work, is a well-profiled and leading platform for guiding and monitoring cooperation in South East Europe (SEE). It builds on the genuine regional ownership and input from the region itself, while being supported by European and international partners.

The progress made in all key areas of cooperation was accompanied not only by a mere iteration by the SEE countries of the importance to foster development and overcome the economic crisis, but also by deliberations on the influence that the unfolding consequences could have on political and socio-economic climate in SEE and on European Union (EU) enlargement dynamics. These trends, but also the overall changes in the international agenda, indicate that ownership over the regional cooperation will need to move to a new level of consolidation by taking greater regional responsibility for the conduct of this process.

The completion of implementation of the first phase of the RCC SWP 2011-2013 provided insights pertinent to wider understandings of the progress registered in each priority area of cooperation in SEE. Among other, it revealed that most of its activities are directly or indirectly linked with the European integration agenda of the countries from the region.

The consultations of the RCC Secretary General with the RCC members and the synergy between SEECF and RCC were translated into an overarching framework that has been guiding and supporting the implementation of the RCC SWP 2011-2013 and the overall regional cooperation in all priority areas.

Guided by the principles of all-inclusiveness and regional ownership, the RCC has been representing SEE in different international and regional fora and ministerial meetings, contributing to the preparation of sectoral ministerial and expert meetings organised by the SEECF Chairmanship-in-Office and related to the RCC SWP 2011-2013, monitoring and streamlining regional activities by informing different Regional Initiatives and Task Forces (RI&TF) on the possibilities to be involved in the activities of the RCC Secretariat or with any other RI&TF, providing regional perspective in donor assistance through improved communication on regional cooperation activities between the RCC Secretariat and other regional initiatives, NIPAC offices and DG Enlargement, supporting an increased involvement of civil society in regional activities and other actions indispensable for the development of regional cooperation.

The following results achieved by the RCC highlight its ability to expand the number of areas where regional ownership leads to concrete results. In this context, the calls for a greater regional responsibility could not have been more important for the durability of the results achieved and for the overall regional cooperation in SEE.

*Economic and Social Development:* Following the overtaking of management of the South East Europe Investment Committee (SEEIC) from OECD, the RCC Secretariat organised the 10<sup>th</sup> meeting of the Committee on 24-25 April 2012. The meeting, held for the first time in the region and co-chaired by Albania and the RCC Secretariat, discussed the new mandate and reposition of the SEEIC, as the implementation vehicle for South East Europe 2020 Vision, and adopted its Work Programme for the period 2012-2013 and the Rules of Procedure. The transfer of SEEIC to RCC has been assessed as a major regional achievement which shows trust and reliability of RCC.

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<sup>1</sup> The list of abbreviations is attached to the Annual Report.

*Energy and Infrastructure:* A key theme for deliberations and discussions at variety of events throughout the region, this area is the host of important results such as the establishment of Sustainable Energy Development Regional Initiative (SEDRI) Task Force.

*Justice and Home Affairs:* Obtaining tangible results for the benefit of citizens, for the security of persons and property and in bringing sustained improvements to the rule of law across the region were at the very focus of the RCC Secretariat, which initiated and elaborated the 2011-2013 Regional Strategic Document in the area of Justice and Home Affairs and the Action Plan for its implementation, as well as designed the Monitoring and Evaluation Mechanism to measure the progress and the results of regional cooperation in this sector.

*Security Cooperation:* The RCC is recognised as the regional platform providing direct support to bilateral and multilateral cooperation initiatives by ensuring common regional political will. The RCC initiated a regional mechanism of cooperation among the Chiefs of Military Intelligence – SEEMIC, the Heads of the South East European National Security Authorities – SEENSA, and the South East European Counter-Intelligence Chiefs Forum – SEECIC, which are results indicative of a stable and progressive development of security cooperation in SEE.

*Building Human Capital and Parliamentary Cooperation:* An efficient communication with both national institutions and international partners was pertinent to development of the Regional Strategy for Research and Development for Innovation for the Western Balkans project, to the establishment of the RCC Task Force on Culture and Society – in the framework of transition of the Ljubljana Process to the RCC – and to an active involvement of the RCC in development and formulation of the project on Parliamentary Cooperation in the Western Balkans and Turkey – Support to Cetinje Parliamentary Forum.

*Media Development:* Although this sector was not regionally identified as one of the priority areas of the RCC Secretariat's work, it has emerged as one of the paramount regional importance, being also noted in the European Commission (EC) Enlargement Strategy and Main Challenges 2011-2012. According to the demand of media themselves, the RCC Secretariat's endeavour in this overarching area, is to bring about a change which would foster transition and development towards free and professional media in SEE. In doing so, European standards and values, needs and aspirations of the countries of SEE, and RCC's own resources are kept in mind. As a result, the establishment and successful work of the European Association of Public Service Media in SEE and the ongoing process of launching an Academy on Media Law confirm the ability of the RCC to increase the number of areas where regional ownership is translated into concrete benefits.

## ***Key RCC achievements***

1. Streamlined regional activities to make cooperation more efficient, confirming RCC leadership in guiding and monitoring cooperation in South East Europe
2. Helped attract over EUR 40 million for regional programmes and projects in South East Europe
3. Took over management of South East Europe Investment Committee from OECD, with focus on South East Europe 2020 Vision
4. Initiated dialogue with governments, social partners and CSOs on Social Agenda 2020 for Western Balkans to respond to regional challenges and boost social inclusion
5. Helped create platform for joint action of stock exchanges in South East Europe to strengthen links among regional capital markets
6. Launched the project *Women Entrepreneurship as a job creation engine for South East Europe*, with SEE Centre for Entrepreneurial Learning and Gender Task Force
7. Supported national administrations in South East Europe to adopt and implement road safety *acquis* and launched initiative to establish Road Safety Training Centre
8. Initiated Regional Strategic Document and Action Plan 2011-2013 on Justice and Home Affairs, endorsed by SEECP ministers, and started annual monitoring and evaluation of its implementation
9. Established, with Regional Anti-Corruption Initiative, Integrity Experts Network – a regional structure of national agencies specialized in public officials' assets declaration
10. Initiated regional cooperation mechanism among Chiefs of Military Intelligence – SEEMIC, and heads of National Security Authorities – SEENSA
11. Established RCC Task Force on Culture and Society and its Secretariat, as a new regional mechanism for preserving cultural heritage, building on Ljubljana Process
12. Supported development and implementation of the project *Building Capacity for Structural Reforms in Higher Education of Western Balkan Countries*
13. Helped establish European Association of Public Service Media in South East Europe as a non-profit professional body of public broadcasters and brokered signing of a Protocol on Regional Cooperation in Education and Training among members of the Association

## ***1. General trends in regional cooperation in South East Europe and the role of Regional Cooperation Council***

The RCC is a well-profiled platform for guiding and monitoring cooperation in SEE. It builds on the genuine regional ownership and input from the region itself, while being supported by European and international partners. The RCC achievements reflect this setting, as much as they are a proof that RCC is already functioning as a recognised regional partner.

The Report highlights the developments within regional cooperation process in SEE and points to the remaining political and socio-economic travails in the region. A narrative focused on wider regional developments, the state of institutional relations of the SEE countries with the EU, the latest trends pertaining to the SEECP, and the results obtained in each priority area following the completion of implementation of the first year (2011) of RCC SWP 2011-2013 cohere into the purpose of this Report.

The less encouraging developments in SEE that may perpetuate the climate of unfinished peace and unattained durable stability, and subsequently the EU enlargement dynamics, have received a considerable attention in the discourses of SEE countries in the period 2011-2012. Their foreign policy perspectives, especially the importance attached to the urgent necessity of surmounting the potential critical consequences of the development in the region from unresolved political issues to the economic and social crisis, indicate the environment in which regional cooperation process was conducted in the aforementioned timeframe.

In spite of the economic crisis and related detrimental consequences, the determination of the SEE countries to pursue the much needed reforms and the predilection to find durable solutions for the remaining regional hurdles gives way to certainty that, in general, a greater rapprochement, reconciliation and moderation are prevailing in relations between various actors in the region. These relations, although still vulnerable and exposed to various challenges, became tantamount to a generally favourable climate conducive to furthering peace and stability in SEE, which in turn allowed it to gradually advance on the European and/or Euro-Atlantic integration paths.

The progress made in all key areas of cooperation was accompanied not only by a mere iteration by the SEE countries of the importance to overcome the economic crisis, but also by deliberations on the influence that the unfolding consequences could have on political and socio-economic climate in SEE and on EU enlargement dynamics. These trends indicate that ownership over regional cooperation will need to move to a new level of consolidation by taking greater regional responsibility for the conduct of this process which, holistically, accounts for a significant achievement made by the SEE countries. The latter, recognise the positive effects that a regionally-owned cooperation and a greater regional responsibility could have on their efforts to make the best use of the genuine impetus embedded in the continuation of the EU enlargement dynamics.

Supportive of the progresses made by the SEE countries and adamant to the erosion of the region into instability have been the efforts of the RCC to sustain a focused regional cooperation through an all-inclusive and regionally-led framework, as well as to support the European and/or Euro-Atlantic perspectives of the aspiring countries. Along the same lines, the RCC Secretariat re-confirmed its flexibility in deploying multi-fold activities capable of addressing and representing regional interests as well as initiating, guiding and monitoring the regional cooperation.

The overall assessment of trends in the regional cooperation in SEE is positive and encouraging. In spite of the unfavourable economic situation compared to the previous year,

several important breakthroughs were recorded. The region has moved one significant step closer to articulating a longer-term joint vision for economic growth and development – the SEE 2020 Vision document represents an important milestone towards formulating a coherent set of reform targets to help drive the long-term agenda. The transport infrastructure, one of the backbones of economy, has started receiving more and more attention and it has been recognized as an engine for growth that can revitalize the competitiveness of SEE countries. The findings of the World Bank’s Study on Railway Reform in SEE and Turkey showed that in many aspects, from infrastructure to management, the situation in railway sector in SEE is far from enabling adequate services and participation in the European and broader markets, thus also hampering industrial production in many countries in the region. This illustrative example reiterates the importance to achieve concrete and tangible results in the transport sector, which is linked to the ability of the relevant national authorities to demonstrate a strong political will and be firmly committed to the transport policy reforms. The cooperation in the field of Justice and Home Affairs has registered improvements, whilst SEE is still remaining vulnerable to organized crime, corruption and rule of law deficits. The countries of SEE invested considerable efforts in achieving tangible results for the benefit of their citizens, for the security of persons and property, and bringing sustained improvements to the rule of law. Security cooperation in SEE was stable and developing upward, in particular through further stabilising and expanding the level of confidence building, as well as through establishing of sustainable, integrated and transparent regionally owned cooperation mechanisms among different governmental security sectors. Results in the area of building human capital and parliamentary cooperation are important, to no lesser degree, for the wider development of SEE. The capacities of the region to face future challenges should be rooted in its knowledge, assisted with introduction of new scientific sectors and technological breakthroughs, based on the solid grounds of reformed education systems and efficient legislative bodies. The public broadcasting sphere in the region was characterised by instability of the public service media, lack of political will, relevant legislation and related strategy, as well as funds to implement the legislation and strategies where they exist. Due to the efforts of different regional and other stakeholders a substantial improvement in the cooperation in this area has been registered. However, a continuous engagement is important aimed towards recognizing the indispensable role of public service media and creating conditions for their full contribution to building democratic, pluralistic, tolerant and inclusive societies in SEE. An increased involvement of civil society in numerous regional activities promoted further the voice of the citizens in the process of fulfilment the domestic reforms and EU accession criteria. The regional cooperation in general benefited from the engagement of civil society which contributed to launching of common activities or to consolidating cooperation and keeping permanent dialogue with different civil society organizations (CSO) stakeholders and CSO networks from the region.

The completion of the first phase of RCC SWP 2011-2013 provided insights pertinent to the specific case and to wider understandings of the progress registered in each priority area of cooperation. The conclusions and recommendations made will facilitate implementation of the next phase of RCC SWP in 2012 and 2013, as well as contribute to the preparation and programming of a successor strategy covering the period 2014-2016.

The preservation of a politically sound environment conducive to an efficient implementation of the RCC SWP 2011-2013 rested on activities tailored to the interests of RCC members as well as on the guidelines and perspectives provided by them on the way the objectives of RCC SWP 2011-2013 ought to be achieved.

The consultations of the RCC Secretary General with the RCC members and the synergy between Chairmanship-in-Office (C-i-O) of the SEECF and the RCC Secretariat were

translated into an overarching framework that has been guiding and supporting regional cooperation in all priority areas in the period 2011-2012.

Under the umbrella of SEECP, the RCC, as a status neutral and all-inclusive cooperative platform, aimed at assisting the countries from the region in their European and Euro-Atlantic aspirations focused on developing the project-oriented aspect of regional cooperation. In its capacity as the operational arm of SEECP, the RCC Secretariat participated in and contributed to political and sectoral events organised under the auspices of the country holding the C-i-O of the SEECP, consulted and coordinated its activities as well as preparations of the RCC Board meetings with the C-i-O of the SEECP.

Coordination meetings between the SEECP Troika<sup>2</sup>, the RCC Secretariat and the EU advanced the coordination of their activities and the synergy between the SEECP C-i-O programme and the RCC SWP 2011-2013. They provided ground for discussing the Self-assessment Report on the implementation of the first year of RCC SWP 2011-2013, further steps in the process of streamlining regional initiatives and task forces, implications of the arrangement on the terms under which Kosovo\* would participate in regional fora and, inter alia, for exchanging views within the initiated debate on the future scope and modalities of regional cooperation in SEE.

The fifteenth anniversary of the SEECP marked in 2011 becomes worthy of note when touching upon the political voice of SEE, whose authentic role in promoting peace, security, good neighbourly relations and stability was rekindled by the SEE countries. Firmly embedded in the SEECP Charter on Good Neighbourly Relations, Stability and Cooperation in South East Europe these principles explain the dynamism of regional cooperation process.

The ongoing reflections within SEECP on the future course of regional cooperation process are an illustrative example. The overall developments on the international scene, EU enlargement dynamics, changing political and socio-economic conditions in the region and the state of play in regional cooperation process created a general context for the SEE countries to start reflecting on the future of SEECP and its possible impact on the RCC.

An active pursuit of the EU enlargement policy remained a strategic goal for the region and the EU, taking into account the importance of regional cooperation as an essential element of the Stabilisation and Association Process.

The European Commission in its Enlargement Strategy and Main Challenges 2011-2012 acknowledged that the Western Balkans made further important steps in regional cooperation in a number of areas. The Enlargement Strategy underlined that RCC has started implementing its SWP 2011-2013, working towards more result-oriented action, and it stressed that issues stemming from the past conflicts together with other open bilateral issues remain key challenges to stability in the Western Balkans that affect, among others, regional cooperation. The Strategy called for further progress in ensuring the inclusiveness of regional cooperation.

The recommendations of the Enlargement Strategy and the conclusions and decisions of the EU on enlargement and stabilisation and association process also pointed to the need for tangible results of regional cooperation. The dialogue of the RCC Secretary General and the

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<sup>2</sup> The SEECP Troika consists of the former, the current and the future country holding the Chairmanship of the SEECP (in the reporting period – Montenegro, Republic of 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.

RCC Secretariat with the EU institutions, in particular with the European Commission (EC), played an important role in this context and demonstrated the possibility of associating RCC even closer to the Enlargement Agenda. The regular contacts with the European Parliament (EP), the European External Action Service (EEAS), the Presidencies of the Council of the EU and the General Secretariat of the Council contributed to fruitful cooperation with the EU institutions and were helpful in bringing a positive attention of the EU to the role of regional cooperation.

The implementation of the RCC SWP 2011-2013 revealed that most of its activities are directly or indirectly linked with the European integration agenda of the countries of the region. For instance, the RCC Secretariat overtook the management of the SEEIC from the OECD, coordinated the preparation and adoption of the Regional Strategic Document and Action Plan in the area of Justice and Home Affairs, which should facilitate the efforts of the Western Balkan countries to deal with the challenges of the rule of law requirements of EU accession process. One of the breakthrough activities in regional cooperation was in the area of security where RCC Secretariat's fruitful cooperation with the EU and the countries of the region resulted in launching and maintaining a very positive trend in defence and military intelligence cooperation and in information security. The actions of the RCC Secretariat in the area of media serve the goal of strengthening the independence of public broadcasters in the region which is linked with one of the horizontal issues monitored in the enlargement process - the freedom of expression and of the media.

The interconnection between regional cooperation and European agenda remained vital. The work of the RCC Secretariat benefited enormously from it as well as from the experience and feedback of the RCC members from SEE which are already members of the EU.

Bearing in mind the considerable differences inherent in the institutional relations of the SEE countries, in particular the Western Balkans, with the EU, each of them gradually and firmly advanced on the European integration path. The region by now includes acceding countries preparing to join the community of 27 member states, countries that have been granted candidate status, countries working to achieve candidate status and eventually start EU accession negotiations, countries whose European aspirations are pursued within a different institutional framework, as well as several EU member states. Croatia has signed the Accession Treaty and is expected to become the 28<sup>th</sup> EU member state on 1 July 2013. The positive trends continued, with Serbia being granted the status of an EU candidate country and Montenegro hoping to start the accession negotiations in 2012. The European Commission recommended opening of the accession negotiations with The Former Yugoslav Republic of Macedonia pursuant to the solution of the name issue, and in the meantime has launched a High Level Accession Dialogue with the aim of providing support to the accession process of the country by focusing on key reform priorities. Turkey is continuing the accession negotiations with the EU, while Albania and Bosnia and Herzegovina carry on their efforts to pursue the necessary reforms and meet the established conditions. The aspirations of Moldova are being realised within the EU institutional framework of the Eastern Partnership, a platform of cooperation within the European Neighbourhood Policy. Moldova is advancing at a steady pace in its negotiations on the Association Agreement with the EU.

The RCC Secretariat, by sending appropriate messages and working in a flexible, all-accommodating manner, encouraged all RCC members to take pragmatic steps with regards to their bilateral issues within the framework of regional cooperation.

The RCC Secretariat strived to ensure that the all-inclusive platform serves the best long-term interests of its members from the region. An all-inclusive participation at the events organised within the RCC framework was witnessed in the course of 2011 and 2012.

However, certain differences affected the work of the RCC Secretariat on technical and substantial levels. Following the Arrangements regarding Regional Representation and Cooperation reached within the EU-facilitated dialogue between Belgrade and Prishtina, on the occasion of several RCC events, the delegations from Belgrade and Prishtina articulated divergent interpretations over the modalities to design the name plate of Kosovo\*. This hampered the RCC Secretariat to ensure that the events organised under its auspices fully follow the principle of all-inclusiveness. Although the RCC Secretariat and the Secretary General attempted to find a solution for a concrete reading-design of the name plate, which would be acceptable to both parties, the modalities applied were not accepted by one of the parties. The issue may have a negative effect on regional cooperation given the different positions of the SEECP Members and preservation of the principle of all-inclusiveness will call for redoubled efforts by all the parties involved. Taking into account the importance of the principle of all-inclusiveness as a ground rule for the RCC, the RCC Secretariat will continue to adhere to it by searching and proposing flexible and pragmatic solutions that would provide an all-inclusive cooperation as that was the case in the reporting period. An additional call from the EU institutions and international partners to both parties would be of benefit.

The interaction with the members from the region allowed RCC to highlight the importance of the notions and principles of dialogue, tolerance, solidarity and coexistence, and much still remains to be done to uphold and consolidate these principles, essential for durable stability and genuine cooperation in the region.

## ***2. Developments in priority areas of regional cooperation in South East Europe within RCC framework***

### **2.1. General considerations**

The RCC Secretariat has continued with its active engagement in view of efficient implementation of the objectives set up in the RCC SWP 2011-2013.

In that respect, a particular focus was on: the transfer of managerial responsibilities of the SEE Investment Committee from the OECD to the RCC; demanding developments related to Social Agenda 2020 for the Western Balkans, addressing new areas and deepening the initiated debate on social economy and regional labour market; deepening of its activities in the area of air and railway transport; adoption and beginning of implementation of the Monitoring and Evaluation Mechanism as a regional tool to annually assess the level of cooperation in justice and home affairs area, with the RCC Secretariat being entrusted to collect, centralise and periodically report on the progress in regional JHA strategy implementation; intensified cooperation of defence structures in the region including intelligence services; expanding its role and meeting the increased expectations in BHC related programmes and projects in the fields of education, research and development, cultural heritage; strengthening the parliamentary dimension of its activities and providing effective support to development of Civil Society in the region. In most of the RCC priority areas, regional consultative and/or monitoring mechanisms have been created, providing additional measurement of progress on the path towards the European and Euro-Atlantic integration of the countries of the region.

\*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.

In order to provide detailed analysis of the first year (2011) of implementation of the RCC SWP 2011-2013, the RCC Secretariat has, on its own initiative, launched a self-assessment process with a primary objective to assess fulfilment of the set objectives, as well as to estimate wider relevance, impact and sustainability of the activities performed. The process resulted with the Self-assessment Report presenting an evaluation of the results achieved and the identified gaps and obstacles, the efficiency and effectiveness of the RCC Secretariat, conclusions and recommendations in view of better implementation of the next phase of RCC SWP 2011 - 2013, and programming of the RCC's strategy for the next period 2014-2016. The Self-assessment Report was broadly welcomed and praised by the RCC Board members.

The RCC Secretariat was intensively involved in different activities organised within the SEECP framework, particularly in preparing a number of sectoral meetings organised by the Montenegrin and Serbian SEECP C-i-O and related to the priorities of their programmes and the RCC SWP 2011-2013.

The RCC Secretariat has continued with its efforts to further strengthen and enhance cooperation and consultations with different partners, structures and stakeholders from and outside the region, such as the EC DG Enlargement and other DGs (DG REGIO, DG MOVE, DG Research, Innovation and Science, DG Education and Culture, DG International Cooperation, Humanitarian Aid and Crisis Response, etc), specialised units for security cooperation area within the European External Action Service, CEFTA and OECD Investment Compact, donors interested in regional projects (UNDP, OSCE, EBRD, SDC, SIDA, FES, GIZ, HBS, USAID etc), private companies and associations, NGOs and NGO-related organisations (TACSO team, Eco-Social Enterprises Network from SEE, BFPE, ICDT, SEE Change Net, etc.), operating RI&TFs and newly established regional networks (SEE Public Private Partnership Network, Regional Network of Investment Promotion Agencies etc.), think tanks (i.e. LSE Network of SEE researchers, Faculty of Social Sciences, University of Ljubljana), financial institutions (presidents of the securities regulators and directors of the stock exchanges from South East Europe), civil society networks in different areas (National Councils of the European Movement from SEE, W. Balkans Social Entrepreneurs Network, Association of Public Service Media in SEE, JHA-related NGO networks, etc.) and extended regional coordination with CSO structures.

The RCC Secretariat contributed to the events related to RCC priority areas and linked to the RCC SWP 2011-2013, participated in managerial and steering bodies of different regional initiatives, provided support in incubating new projects and organising important events and was also represented at different events relevant for the development of regional cooperation. It strengthened its capacities and upgraded relations with other RI&TFs on the programme and project basis through coordinated programming and defining legal framework for joint actions.

## **2.2. Economic and social development**

The economic situation in SEE has remained mostly unchanged as compared to the previous reporting period. The main short-term priorities are largely the same as in the previous year – mitigating the vulnerabilities of financial sector and surviving the contagion effects from economic weaknesses in the euro zone. Persevering in their commitment to sound fiscal policy has been another challenge for most of the countries in the region, given the importance of public sector reforms and spending cuts to enable macroeconomic conditions for sustainable growth.

However, despite less than favourable economic situation, regional cooperation has figured prominently on the economic agenda, with several important breakthroughs recorded in the socio-economic sphere.

The region has moved one significant step closer to articulating a longer-term joint vision for economic growth and development. The South East Europe 2020 Vision document, adopted by the SEE Ministers of Economy on 24-25 November 2011 in Paris, represents an important milestone towards formulating a coherent set of reform targets to help drive the long-term agenda. Inspired by the Europe 2020 Strategy, the SEE 2020 Vision integrates the dimensions of smart, sustainable and inclusive growth, but also provides for two SEE region-specific dimensions targeting integrated growth (aspiring to closer trade and investment integration in the region) and governance for growth (strengthening public administration capacity and stifling corruption).

An important feature of this approach is the agreement to formulate regional political headline targets, convert them into measurable and time-bound indicators and monitor performance on regular basis. This would represent a considerable evolution in the character of regional cooperation by positioning the countries in the region as owners of the cooperation process and putting this process into a structured framework with governance mechanisms.

Following the overtaking of management of the South East Europe Investment Committee (SEEIC) from OECD, the RCC Secretariat organised the 10<sup>th</sup> meeting of the Committee on 24-25 April 2012. The meeting, held for the first time in the region and co-chaired by Albania and RCC Secretariat, discussed the new mandate and reposition of the SEEIC, as the implementation vehicle for South East Europe 2020 Vision, and adopted its Work Programme for the period 2012-2013 and the Rules of Procedure. The transfer of SEEIC to RCC has been assessed as a major regional achievement which shows trust and reliability of RCC. RCC is also working with several other regional initiatives and platforms (such as the Social Agenda 2020, e-SEE Initiative, Regional Strategic Document on Justice and Home Affairs, etc.) as potential implementation vehicles for SEE 2020 under this new framework. Additionally, a monitoring system is being developed in cooperation with the countries in the region and the OECD to help measure progress towards reaching the set objectives.

### **Trade and investment integration**

The countries in the region have recorded further progress on trade integration under the CEFTA framework. Additional protocol on further liberalisation of trade in agricultural products has come into force and is currently being implemented in most of CEFTA signatories. Preparations for opening negotiations on liberalisation of trade in services have been intensified and CEFTA signatories have renewed their commitments to set a clear monitoring framework for the elimination of non-tariff barriers and technical barriers to trade.

The region has also moved considerably closer to consolidating its capital markets which, with a multitude of exchanges and regulators, have long presented an example of fragmentation and introduced a lot of friction in capital flows in the region. In this field, a considerable breakthrough was made as capital markets regulators and securities exchanges came together to sign two important agreements on closer linkages of the markets. Under the auspices of the RCC Secretariat, a Declaration of Cooperation between Securities Market Regulators in SEE (November 2011) and a Platform for Joint Action by the Securities Exchanges in South East Europe (March 2012) were signed, confirming a clear resolution on behalf of market regulators and participants to forge closer linkages in an effort to establish a larger regional market. Technical solutions are currently being sought and the RCC Secretariat is working with its partners in the region on developing a detailed technical assistance proposal to facilitate further consolidation.

## **Social sector**

The social consequences of the economic crisis continued to be felt strongly in SEE. Unemployment and lack of social protection are by and large the most alarming challenges that the countries currently face. Labour Force Survey data from 2011 show continued growth of unemployment in Bosnia and Herzegovina (27.6 percent), Montenegro (20.1 percent) and Serbia (reaching a record high 22.8 percent), with unemployment in The Former Yugoslav Republic of Macedonia and Croatia remaining unchanged at 31.3 and 12.2 percent respectively. The rates are significantly higher than in the EU or in its new member states and threaten already weak social fabric in the region. Youth unemployment is particularly worrying, since the youth unemployment rates hover at or above 50% in most countries of the region.

Employment generation and social inclusion remain key areas for national reforms. Most of social development policies can and are best addressed at the national level, however, there is also a general recognition among SEE countries of the importance of using regional cooperation as a tool to share knowledge and experience and take joint action in this area.

The RCC Secretariat, in cooperation and with support from Friedrich Ebert Stiftung (FES), has initiated a structured regional dialogue with the governments, social partners and CSOs on the Social Agenda 2020 for the Western Balkans with the aim of developing a regional response to the social aspects of Europe 2020 Strategy. This process aims to identify social policy priorities, elaborate a social development vision and action plan closely integrated with economic policy reforms and determine social policy targets that could then be measured across the region. Further analytical work at the regional level is also an important priority so as to better inform social policy making in the context of post-crisis SEE, the impact of which is not yet fully realised. Recognising the importance of this issue, the RCC Secretariat has signed MoU and cooperates closely with the Social Cohesion Researchers' Network of the European Institute of the London School of Economics.

The Social Agenda 2020 process also aims to further streamline and operationalise some of the activities currently going on within other regional forums such as the Centre of Public Employment Services of SEE countries, SEE Trade Union Forum, FES-supported Regional Project for Labour Relations and Social Dialogue in South East Europe, Adriatic Region Employers' Centre (AREC) and others.

Regional cooperation in the area of public health has continued to be successful within the framework of SEE Health Network. The Banja Luka pledge, signed in October 2011 at the Third Health Ministers' Forum, ensured renewed political commitment for regional cooperation on public health in SEE, with a special focus on health in all policies approach. The continued establishment of Regional Health Development Centres is contributing to transforming the earlier regional projects into long-term health programmes and centres of excellence. Making the Secretariat of the Network fully operational should be an immediate priority for the Network in order to ensure the existence of a key focal point for coordinating and supporting the activities of the Network.

## **Information society**

In the framework of Electronic SEE (e-SEE) Initiative and with the aim to boost regional cooperation on Information and Communication Technologies, a high level conference on Information Society, co-organised by the RCC Secretariat, UNDP and the Albanian government, was held in November 2011, in Tirana. The conference approved an updated Electronic Agenda Plus, a key strategic document for information society development in SEE. The political commitment achieved at the conference needs to be complemented with technical and financial support in order to ensure timely implementation of the Agenda.

UNDP has continued to contribute to the implementation of e-SEE Agenda Plus with its e-leadership project and through hosting the e-SEE Secretariat which is a vital instrument for supporting, guiding and providing visibility to the e-SEE Initiative. The RCC Secretariat also supports the development of concrete regional action that will help to that end. Establishing a long-term vision that is integrated with other economic and social development perspectives should also be a key priority in the near future.

### **2.3. Infrastructure and energy**

Regional cooperation in the area of energy and infrastructure continued to be the key topic for consideration and discussion at variety of events organised throughout the region. It is mainly taking place under umbrellas of key regional infrastructural cooperation structures: Energy Community, South East Europe Transport Observatory and Regional Environmental Network for Accession. These structures are well established and strongly supported by both the European Commission and the beneficiaries. However, the RCC Secretariat will continue in the long-term to complement their activities, enhance coordination and cooperation with these structures and promote necessity of more holistic-integrated approach in addressing infrastructure development issues in accordance with the expectations of regional stakeholders.

#### **Energy**

The continuous RCC Secretariat's all-encompassing cooperation with the EnC primarily aims to plug recognised gaps (cooperation with parliaments, negative environmental impact of energy activities and promotion of relevance of "bottom-up" approach for the overall energy sector development primarily by mobilising civil society and local authorities). The RCC Secretariat has been active in promoting sustainable energy development as a key to "green economy", primarily through its contribution to the implementation of Sustainable Energy Development Regional Initiative (SEDRI) jointly launched by CEI and RCC. Cooperation and communication with variety of local, national and regional energy stakeholders is fundamental for the RCC to appropriately represent the region, profile its cooperation with the ECS, support IPA Multi-beneficiary programming cycle and other energy cooperation frameworks as well as to apply the all-inclusiveness principle in this sector also.

The RCC Secretariat stressed the need for a Regional Energy Strategy (RES) and actively participates in the RES Task Force responsible to prepare this Strategy. RES will contribute to establishing and taking regionally coordinated actions in order to primarily attract investment, enhance security of energy supply, improve environmental situation and create market liquidity for the benefit of energy consumers in the region.

Despite obvious overall progress in the implementation of Energy Community Treaty (ECT), the demonstrated political will of the Contracting Parties (CPs) is not always sufficiently followed by concrete actions in the form of legislative work.

The role of the Energy Community Secretariat (ECS) has evolved and expanded and the RCC will continue to work closely with the ECS, aligning its political component and role to further ensure the completion of projects promoting regional approach such as the setting up of Coordinated Auction Office for electricity, construction of a "Gas Ring" with its feeding pipelines, and possibly for the establishment of Central Oil Stockholding Entity for the Region, which are to become the flagships of the Energy Community.

Appropriate implementation of the ECT by regional countries is of crucial importance in their accession discussions on the Energy Chapter and in providing support by the EC, donor

community and IFIs. Transferring valuable Croatian experience in negotiating Energy Chapter will be very useful for other CPs and this process will be facilitated by the RCC.

## **Transport**

Transport infrastructure is the backbone of economy and it is clearly recognised as an engine for growth that can revitalise the competitiveness of South East European economies.

An important novelty proposed in the 2011 EU Budget is the creation of a Connecting Europe Facility (CEF) aimed to achieve the EU's 2020 goals by giving priority to environmentally friendly modes of transport such as rail, sea shipping and inland waterways thus contributing to the cut carbon emission in transport by 60% by 2050. The new White Paper adopted by the EC is a useful incentive to the preparation of future comprehensive and unified Western Balkan Transport Strategy. This will open a new avenue for work and contribution of the RCC.

In the aviation sector, the SEE parties continue to implement the European Common Aviation Area Agreement (ECAAA). Still, they should put additional efforts towards faster implementation of its second transition phase and pending activities of the first phase. It is also expected that the Western Balkans countries could form or join Functional Airspaces Blocks (FABs) in order to complete the Single European Sky (SES).

The RCC Secretariat liaised with relevant aviation authorities and air traffic experts with the aim to create conditions for better use of market access by developing air traffic services within the SEE region. To that aim, the RCC Secretariat, in cooperation with interested regional stakeholders, prepared a project proposal for a study on air traffic links development in SEE. As a co-chair of the Implementation of Single European Sky in SEE (ISIS) Governing Body, the RCC Secretariat supported the efforts of national authorities to implement SES *acquis* and committed to provide further political support to the second phase of ISIS Programme.

The road safety situation in the region shows low level of both road safety culture and public awareness, but it could be reported that some countries in the region managed to decrease the number of road accidents and casualties. The RCC Secretariat continued supporting national administration to implement the EU road safety directives and raise awareness on road safety critical issues by coordinating and monitoring aforementioned activities contributing to the 2020 EU road safety target (to halve the overall number of road deaths and accidents).

In addition, the RCC Secretariat contributed to promotion of the activities of transport initiatives such as the South East Europe Transport Observatory (SEETO) and to fostering networking and information exchange with other regional organisations and associations. However, there is a room to intensify future cooperation, especially with SEETO, by filing recognised gaps and when possible joining the capacities in order to avoid overlaps, while taking into account prospects for the SEETO evolution to the Transport Community Secretariat (TCS) to be established after Transport Community Treaty (TCT) enforcement.

Signing of the TCT that was negotiated by the SEE parties is still on hold.

The biggest challenge the region is currently facing is the lack of financial recourses for large-scale infrastructure projects and the underperformance, to a certain extent, in financial coordination and management. Stronger cooperation between national authorities and different stakeholders at regional level, as a main precondition for improvement of regional transport network, is another challenge.

To achieve concrete and tangible results in the transport sector, the relevant national authorities need to demonstrate a strong political will and be firmly committed to the transport policy reforms. The RCC will work towards providing more in-depth analyses in the form of a comprehensive transport study and intensifying the level of exchange of resources and best practice from the most advanced to other countries in the region.

The findings of the World Bank's Study on Railway Reform in SEE and Turkey showed that in many aspects, from infrastructure to management, the situation in railway sector in SEE is far from enabling adequate services and participation in the European and broader markets, thus also hampering industrial production in many countries in the region. On the other hand, the geo-economic position of SEE region provides vast potentials that need to be properly used, in particular in light of the new strategic opportunities provided by the development of high-speed railway connections between EU markets and Turkey, Middle East, Central Asia and China.

Having in mind the findings of the Study, the RCC Secretariat has launched an initiative to address the urgent need to reconstruct, rehabilitate, reform and modernise the railway systems in SEE and in Western Balkans in particular, which was met with high interest at the SEECF Summit in Montenegro, in June 2011. As a follow-up, the RCC Secretariat has held consultations with the SEECF C-i-O, EC, the World Bank, the Western Balkans Investment Framework and the South East Europe Transport Observatory exploring the possibility to include this vital infrastructure issue as a new element in the next RCC Strategy and Work Plan 2014-2016.

## **Environment**

Although the countries from the region face several environmental problems, environment and climate change has not been yet perceived as priority area of action. Huge support is needed for strengthening the administrative capacity and inter-institutional cooperation at local and national level while strengthening legislative alignment, implementation and enforcement of environment and climate change legislation, important investments in the environmental infrastructure and institutional reforms are among the most important topics. All these demanding endeavours should be accompanied by "soft" measures such as awareness-raising, monitoring, networking and information exchange.

Focusing on priority areas of approximation to the EU environmental and climate *acquis* and organising different national and regional events and trainings, Regional Environmental Network for Accession (RENA) provided strong support for capacity building of relevant ministries in strategic planning of transposition and implementation of the *acquis*, strategic planning of environmental policy and investments as well as awareness raising on climate issues. The ministerial meetings, RENA and its Working Groups are providing political support, setting priorities and implements actions in the area of environmental cooperation.

Complementing the activities within RENA framework, the RCC Secretariat, together with the European Parliament, was engaged to ensure better collaboration between parliamentarians, raising their awareness on the need to adopt necessary environmental requirements and standards, facilitate the law making process and raise the abilities to oversee their governments' activities. Taking into account international legally binding obligations of the countries from the region and their climate change vulnerability, the RCC Secretariat also initiated mapping of regional climate change adaptation activities and strengthened cooperation between major regional players in this area as recognised gap in regional environmental cooperation and supported activities on establishing the SEE Forum on Climate Change Adaptation.

The role of the RCC Secretariat in initiating an integrated regional perspective into various sectoral initiatives mobilising local authorities and civil society, promoting inter-sectoral cooperation, etc., was recognised in preparation and implementation of the EU Strategy for the Danube Region (EU SDR). Importantly, there is room to improve coordination between different initiatives and projects in order to avoid overlapping of efforts and save the most scarce available funding. The RCC Secretariat supported some of the initiatives and organisations relevant for EU SDR implementation and contributed to the Integrated Environmental Management of Coastal Areas and River Basins Process that resulted in creating an inventory of project proposals and agreed on future cooperation with Petersberg Phase II/ Athens Declaration Process in the area of integrated trans-boundary water resources management.

The Network of Associations of Local Authorities in SEE (NALAS), which aims to promote the process of decentralisation and building partnerships in order to contribute to the reconciliation and stabilisation efforts in the region, is another valuable partner of the RCC Secretariat which will continue to assist NALAS in establishing better links with the central governments and appropriate EU institutions.

The International Sava River Basin Commission (ISRBC), primarily dealing with the navigation and environmental aspects, is a success story of regional cooperation with significant potential to replicate its achievements to some other basins. Due to comprehensive ISRBC scope which is even expanding to crucial aspects of socio-economic development and sustainability, recognised role of ISRBC by the MB IPA Sector Plan on Infrastructure and the EU SDR and related Action Plan, as well as compatibility of the ISRBC activities with the RCC SWP 2011-2013, cooperation between two organisations continued. The RCC Secretariat noted the need for adequate financial support to numerous and demanding ISRBC activities in the forthcoming period.

The Regional Environmental Center (REC) with its accumulated experience and knowledge in regional environmental cooperation and its strategic goal in promoting and putting into practice governance for sustainability and facilitating the transition towards “green economy” is complementing the RCC Secretariat endeavours in this field. Cooperation with REC will be further enhanced in accordance with recently renewed Memorandum of Understanding between the RCC and the REC and will be focused on capacity building of different stakeholders for sustainable development, integration of the environment in other sectoral policies and climate change mitigation and adaptation.

Long-term and effective cooperation with and between the above mentioned frameworks will substantially contribute not only to the appropriate implementation of the EU SDR but the overall regional environmental cooperation.

#### **2.4. Justice and home affairs**

Cooperation in the field of justice and home affairs has registered improvements, despite problems generated by crime phenomenon that has persisted and even aggravated internationally. In the global context, SEE region is particularly vulnerable to organised crime, corruption and rule of law deficits. Therefore, obtaining tangible results for the benefit of citizens, for the security of persons and property, and bringing sustained improvements to the rule of law, were at the very focus of RCC Secretariat activities.

The RCC Secretariat contributed to the increase of coherence and complementarities of fundamental regional processes, mechanisms and networks, harmonised multiple strategic

approaches, strengthened cross-border inter-institutional trust and direct cooperation between the parties concerned.

Through the endorsement of Budva Regional Strategic Document on JHA (March 2011) and the adoption of Belgrade Conference Conclusions (December 2011), respectively, the SEECP Ministers of Justice and Home Affairs unequivocally assumed strategic role of their regional arrangements, entrusting and making aware national jurisdictions on their implementing, updating and monitoring responsibilities to be executed together with the EU and other international partners.

The RCC Secretariat and the EC had a shared commitment in promoting initiatives that have increased regional cooperation and helped, in particular, the Western Balkan countries to align their judicial systems and law enforcement structures to international and EU standards. As confirmed by the EC, the strategic priorities identified by the RCC are fully in line with the priorities acknowledged by the EC. With the RCC Secretariat's support, complementing EU policies and strategies, a more practical and operational approach in regional cooperation has been obtained. Likewise, more concrete and measurable results were acquired in mutual legal assistance and judicial cooperation in criminal matters. The existing regional mechanisms of police, law enforcement and judicial cooperation were strengthened and the region's institutional capacity to ensure coordination with judicial agencies of the EU was increased.

### **Main driving forces and obstacles**

The main barriers at regional level, being in a process of overcoming, consist of varying national institutional capacities and uneven development of areas of cooperation. Police, law enforcement and judicial cooperation in criminal matters are still fragmented and compartmentalised into a number of different areas and sets of players which are continually growing.

To make full use of the existing regional instruments, frameworks and networks, the RCC Secretariat and European Commission, through IPA MB, are developing a comprehensive approach to the rule of law sector (judiciary-prosecution-police and law enforcement) together with judicial and democratic control of regional actions.

The main driving forces in police and judicial cooperation in criminal matters are the EC, EU judicial agencies, regional organisations and initiatives, RCC members from SEE, together with EU Member States (Austria, Netherlands and Germany).

Regional cooperation in the area of protection of fundamental rights and the area of private, civil, commercial and administrative law is still the least developed. National and regional activities are often unconnected and uncoordinated. RCC strategic efforts benefit from the support of GIZ, Association of European Administrative Judges (AEAJ), International Association of Refugees Law Judges (IARLJ), Slovenia, Serbia and Romania.

### **Strategic coordination**

The strategic choice focused on main regional challenges includes: fighting organised crime and corruption, combating irregular migration, refugees return, bringing sustained improvements to the rule of law, protection of fundamental rights, and initiation of cooperation in civil, commercial and administrative matters. In order to target the identified needs, two strategic instruments covering the period 2011-2013 were adopted and are in the process of implementation: the RCC SWP and the Regional Strategic Document (RSD) with its Action Plan.

Under the RCC Secretariat coordination, the Budva Ministerial Declaration established the Steering Group on Regional Strategy (SGRS) as regional mechanism for consultation and periodic review of the strategic determinations, regional challenges and priorities. SGRS is a forum of experts with the task of harmonising national, regional and international actions at four levels: strategic, legal, project implementation and operational. Sarajevo Joint Meeting of SGRS and IPA Multi-beneficiary Strategy Working Group on Justice and Home Affairs (July 2011) contributed to further coordination and integration of RCC's activities within the programmes and strategies related to the EU enlargement process. Belgrade meeting (December 2011) of the SGRS approved the Monitoring and Evaluation Mechanism (M&EM) as a regional tool to annually assess the level of cooperation and entrusted RCC Secretariat to collect and centralise data relevant for regional cooperation and periodically report on the progress in regional strategy implementation. M&EM represents the unique tool for the region to manage strategy implementation, identify new challenges and directions for action and assess impact and progress in regional cooperation.

### **Strengthening judicial and prosecutorial cooperation in criminal matters**

A range of regional activities and structures has been developed with the active participation of RCC Secretariat. These include: setting up functional International Law Enforcement Coordination Units (ILECUs) in the Western Balkan countries; established co-operation network among border police on international airport border crossing points within Migration, Asylum, Refugees Regional Initiative (MARRI); the Women Police Officers Network (WPON) and the Western Balkan Initiative on the Police Developmental Aid (Treptower Group).

Regional cooperation in criminal matters has been improved in the areas of information pooling, cross-border intelligence exchange and collection (ILECUs), risks and threats analysis (OCTA-SEE), legislative harmonisation (SELEC ratification and the implementation of SEE Police Cooperation Convention, Council of Europe and UN legislative framework), cross-border exercises, operations and joint investigations (SELEC, PCC-SEE Secretariat, SEEPAG, WB Prosecutors' Network and MARRI) and in policing (SEPICA and OSCE). Positive developments in the area of personal data protection, including mutual evaluations, could be seen as role model for cooperation (SEE PCC).

In the area of police cooperation, law enforcement, prosecution and courts cooperation, progress has been obtained by direct communication and exchange of information, consolidation of mutual trust and coordination among regional, EU and international actors within the existing regional legal and organisational framework.

The implementation of strategy triggered the necessary processes in order to achieve structural balance between police, law enforcement and judicial (prosecutors and judges) cooperation. In order to build the missing link, namely, to create a multilateral instrument for mutual legal assistance in criminal matters, the EU model could be replicated in a form of a regional arrest warrant. In this respect, the RCC Secretariat, in cooperation with Serbian SEECP C-i-O, established the Expert Group on mutual legal assistance in criminal matters to discuss the so-called "Regional Arrest Warrant", aligned to the EU model, and closer judicial, police and prosecution cooperation.

Regional Conference of the Supreme Court Presidents and Chief Prosecutors (October 2011) represented a step forward towards the implementation of activities provided by the regional strategies. The RCC Secretariat supported the process of establishing regional cooperation platform, bringing together the highest exponents of the judiciary: supreme courts presidents and general prosecutors.

The RCC Secretariat became not only the supporter of EC strategies in JHA area, but also an active partner in the implementation of ongoing projects financed under MB IPA: ILECU's and DET ILECU's II, WINPRO and Western Balkans Prosecutors' Network, as well as a strategic guide and coordinator for all SEE regional organisations and networks: MARRI, RAI, PCC-SEE Secretariat, SELEC, SEEPAG, SEPCA and RACVIAC.

In addition, the RCC Secretariat, SELEC, UNODC and UN Counter-Terrorism Executive Directorate (CTED) organised periodic regional conferences and workshops on anti-terrorism in SEE.

To address the lack of coordination at the level of project implementation in the field of police cooperation, RCC Secretariat actively contributed to the establishment, under the auspices of the German Federal Police, of the Western Balkan Network on the Police Developmental Aid Treptower Group, which has a coordination role on non-operative police development aid.

### **Support to existing initiatives in the area of fight against corruption**

Within the Regional Anti-Corruption Initiative (RAI), and with RCC Secretariat's conceptual and financial support, the Integrity Experts Network (IEN) has been established, responsible for conflict of interest prevention and assets declaration. The network serves as a platform for policy making and exchange of information, experience and best practices between the practitioners in the area.

Under the Montenegrin SEEC C-i-O, the RCC Secretariat and RAI established the periodic Meeting of the Directors of National Institutions and Agencies for Combating Corruption and Organised Crime of the SEEC.

The RCC Secretariat prepared the project, funded by the US State Department, on the establishment of SEE Judicial Training Network (SEEJTN) as a platform for integrated legal education on anti-corruption in the region, based on a common forum of cooperation between RAI and SEELS, in partnership with GIZ.

A particular effect is achieved by addressing the anti-corruption activities at regional level rather than at national one, establishing regional network of experts and initiating common projects that are creating integrated and multidisciplinary platforms for anti-corruption actions based on the cooperation among RAI, SEELS, RACVIAC, OSCE, Council of Europe, and in partnership with GIZ.

### **Support to MARRI in strengthening its capacity**

The RCC Secretariat, MARRI and SEEC C-i-O co-organised regular meetings of the SEEC Heads of Consular Services Network which offered a platform to exchange ideas and viewpoints on mutual representation in consular matters in third countries and common standards on visa issuance, facilitating the readmission process and the return of irregular migrants.

The establishment of Regional Network for cooperation and information exchange of border police crossing points from the international airports improved the capacities of MARRI and SEPCA Member States' national authorities in addressing issues of irregular migration, trans-border crime and terrorism on sustainable and permanent basis. The project, funded by the Swiss Agency for Development and Cooperation, is developed in partnership with MARRI, SEPCA and PCC-SEE.

For the first time MARRI, as a partner of IOM, participated in the implementation of an EC project "Migration for Development in the Western Balkans" funded under IPA MB

Programme. The main output of the project is the establishment of regional co-operation network among Migration Services Centres in the Western Balkans in order to facilitate entry of potential migrants to the labour markets in the EU and reinsertion of returning skilled migrants. With the support of RCC Secretariat, MARRI was able to achieve regional engagement in supporting the EU measures for tackling irregular migration, readmission and return of unfunded asylum seekers adopted by the EU.

### **Regional cooperation in private and civil matters and in protection of fundamental rights**

The RCC Secretariat contributed to the establishment of Marshall Center Alumni Association for Southeast European Security (MCAASEES) which serves as a high level regional forum for debating the cross-cutting issues between security, justice and home affairs, contributing to better understanding of accession and membership to the Euro-Atlantic structures.

The establishment of South East European Law School Network (SEELS) in Skopje (March 2011) strengthening the institutional capacities of participating countries in training legal practitioners, judges and public prosecutors, and represents further development of the ongoing regional process of Higher Education Reform as a very positive example of donor assistance which was widely coordinated with all beneficiaries and regional organisations.

The RCC Secretariat established, in cooperation with the Serbian SEECPC-i-O, Slovenia, Romania and GIZ, the regional Expert Team with a task to propose the best solutions related to the Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, the new Lugano Convention.

Under the RCC Secretariat coordination, and in cooperation with RACVIAC, the Steering Group on Regional Strategy (SGRS) decided to establish the Working Group on exchange of information and sharing best practices at the regional level regarding protection of fundamental rights within justice and security cooperation areas, as well as managed to cluster initiatives of national authorities, professional associations of the judiciary, regional and international organisations and to create regional forums for dialogue on civil matters and fundamental rights.

### **Cross-cutting issues**

Significant progress was made in strengthening coordination among regional organisations active in justice and security cooperation priority areas. Several areas of convergence and complementarities between justice and security cooperation were identified: cyber crime - cyber security and defence (the project establishing a SEE Regional Cyber Defence Cell within RACVIAC, with UNICRI, UNDP, Cyber DEFCON Foundation and RCC Secretariat support); cooperation on integrity building and transparency in security and defence procurement (in the context of European defence and security systems integration processes, NATO and RACVIAC, with RCC Secretariat and RAI participation, initiated the development of regional mechanisms on budgeting, control of expenditures and modern procurement systems); enhancement of joint efforts to cooperate in countering the cross-border organised crime threats (MARRI, RACVIAC, SELEC, PCC-SEE, SEPICA, ILECU, SEESAC to create a broader platform for sharing information and best practices and supporting the capacity building in synchronising against organised crime new trends); cooperation in counter-terrorism matters to implement the relevant UN Security Council resolutions and the UN Global Counter-Terrorism Strategy, as well as to raise awareness on best practices in counter-terrorism cooperation (UN Counter-Terrorism Committee Executive Directorate (CTED), UNODC-Terrorism Prevention Branch, OSCE, South Eastern European

Intelligence Conference, SELEC, SEEPAG, WB Prosecutors' Network, SEESAC and RCC); protection of fundamental rights and increased involvement of civil society.

The RCC Secretariat continued its strategic partnership with UNODC within the Regional Programme on Promoting the Rule of Law and Human Security in South Eastern Europe; with the OSCE/SPMU on various aspects of police reform, such as planning and implementing reforms, the issue of decentralisation, as well as key aspects of supervision and human resource management; with GIZ and Centre for International Legal Cooperation, implementers of the Balkan Enforcement Reform Project, to coordinate the activities on more efficient and effective functioning of the law enforcement systems at national and regional level.

In the period ahead, increased attention will be paid to full and effective implementation, enforcement and evaluation of existing regional cooperation instruments. Focus will be given to identifying needs of citizens and practitioners, as well as to appropriate responses through regional projects that address those needs, in particular where they can produce rapid results.

### **2.5. Security cooperation**

The overall assessment is that Security cooperation in SEE was stable and developing upward.

In addressing security challenges, the RCC Secretariat has ensured necessary inclusiveness and has received full support of the EU institutions involved in the security area: the European External Action Service, the General Secretariat of the Council of the EU, as well as the European Commission (DG Enlargement, Unit D.3.Regional Cooperation and Programmes), and from NATO structures: the International Secretariat and International Military Staff in Brussels, as well as Joint Force Command in Naples.

Having in mind the insufficient coordination among regional activities, the RCC Secretariat invested considerable efforts in facilitating it in a more efficient way and linking the existing regional initiatives. Moreover, a continuous analysis of current regional cooperation in the security area has been provided by preparing a detailed mapping of the existing assistance activities, identifying lessons learned and redefining priorities when necessary. The RCC Secretariat produced an evolving document "Overview of Regional Security Cooperation in SEE" which was presented and disseminated at SEECP Defence Ministerial (April 2012), SEDM, SEEC and US-Adriatic Charter forums.

The RCC's role and value added in regional security cooperation has become evident through preserving and developing the level of confidence, further stabilising and expanding it by: a) establishing sustainable, integrated and transparent regionally owned cooperation mechanism among governmental security sectors; b) preserving and streamlining the effective and value added regional taskforces and initiatives that prove their capabilities to deliver tangible results; c) initiating new low cost initiatives, with high impact on confidence building and transparency; and d) further streamlining with IFIs and donor community the scarce out-of-the-region resources in activities with obvious added value to security building measures and effective influence on defence conversion and security sector reform.

The RCC Secretariat has been engaged, in close cooperation and consultations with the relevant partners, in the implementation of numerous actions.

In this context, with full support of the EU Military Intelligence Directorate, it is important to underline the development of a regional mechanism of cooperation among the Chiefs of Military Intelligence - SEEMIC, whose fourth conference is envisaged to take place in Sofia,

in September 2012. All necessary documents on procedures, terms of reference and Standard Operational Procedures (SOP) were adopted and the first Regional Common Intelligence Analysis was developed. The EU committed itself to provide the necessary resources for establishment of the protected communication links among SEEMIC signatories. Also, at the second meeting of the SEE National Security Authorities in May 2011 (as a follow up to the first SEENSA meeting in May 2010) all necessary documents on procedures, terms of reference and SOP for the future work of SEENSA were endorsed. The preparations for the first conference of the South East European Military Counter-Intelligence Chiefs Forum (SEECIC) by the end of 2012 were conducted and a draft concept agreed upon. The RCC Secretariat continued to participate in the work and activities of the Southeast Defence Ministerial (SEDM), 'SEEC – Forum for Western Balkans Defence Cooperation' and the US-Adriatic Charter, as well as in providing direct support to the activities of RACVIAC and SEESAC.

The RCC Secretariat was actively involved in the area of disaster risk reduction and civil protection where, due to the seasonal nature of the threats in the region such as floods and forest fires, it emphasised the opportunities for immediate preparedness measures and mutual cooperation between neighbouring nations. In this respect, a number of concrete steps were undertaken such as: active coordination with the European Commission through the DG Enlargement and DG ECHO within the Working Groups related to strategic planning for IPA Multi-beneficiary, as well as in the implementation of the most important regional projects, in particular those linked to the European Union's mechanisms; consultations with the EU Commissioner for International Cooperation, Humanitarian Aid and Crisis Response in relation to SEE activities, in particular those of the DPPI; support to the SEECIP C-i-O in organising and executing the Ministerial Conference on the Harmonisation of the Regional Activities in Prevention of Natural and Man-made Disasters (November 2011); direct support to the DPPI C-i-O for implementing its agenda, especially related to the DPPI Secretariat reform.

Based on the challenges and achievements in the first half of implementation of RCC SWP, the RCC Secretariat analysis indicates that the process of streamlining and avoiding duplication in the activities of the RI&TFs is still at the level of political statements rather than significant practical achievement. The different national interests mixed with different out-of-the-region national and international interests do not always act in a coherent manner. The RCC Secretariat will continue to ensure clear and sustained political support from its SEE members. Better coordination with all international organisations that are implementing programmes in SEE will also remain in the focus in order to achieve more efficient cooperation in the security areas.

## **2.6. Building human capital and cross-cutting issues**

The RCC Secretariat's efforts in the area of building human capital and parliamentary cooperation have contributed to fulfilling the objectives of RCC SWP. This was accomplished mainly by establishing efficient communication with both national institutions and international partners. Positive climate for development and implementation of proclaimed projects was further improved by growing awareness that the capacities of the region to face future challenges should be rooted in its knowledge, assisted with introduction of new scientific sectors and technological breakthroughs, based on the solid grounds of reformed education systems and efficient legislative bodies.

### **Education**

The RCC Secretariat focused its efforts on assisting development and monitoring implementation of the project 'Building Capacity for Structural Reform in Higher Education

of Western Balkan Countries' (STREW), worth EUR 1 million and funded from the regional dimension of the EU TEMPUS Programme. The project, launched in January 2011, is coordinated by the University of Novi Sad and includes all relevant parties in the region in finding feasible joint solutions to current challenges in higher education reform. The RCC Secretariat expressed firm support to this regional project from its initial phase, recognising importance of the project and its main task to facilitate further advances in effective higher education structural reforms in the Western Balkans and its coherent convergence towards European Higher Education Area. The RCC Secretariat is co-chairing meetings of the Steering Group of the project, which is responsible for the overall project coordination important for enabling quality of results and successful implementation of project activity plan.

Strategic partnership with Regional School for Public Administration (ReSPA) and European Training Foundation (ETF) continued through co-organisation of regional events, the most important being the first Regional Training of Education Inspectors (October, 2011), involving also the Swiss Agency for Development and Cooperation. Representatives of ministries of education, education inspectorates and other institutions responsible for education inspection from seven RCC members from SEE were given an opportunity for professional development and training delivered by experienced experts from the ETF and Council of Europe. Focus of the event was on the role of inspectors in quality assurance and sustainable Education for Democratic Citizenship and Human Rights Education policies.

The RCC Secretariat continued the promotion and development of new project ideas together with national institutions, regional and international partners in various thematic areas of particular interest for the countries from the region such as doctoral education, promotion of adult learning at the regional level, and other. These efforts should be streamlined and operationalised through development of concrete regional projects in the framework of long-term sectoral development. There is an evident interest of the EU and other donor institutions to fund projects dealing with relevant areas of education and the RCC Secretariat will work to set up a transparent and operational regional mechanism to develop and implement projects.

The RCC Secretariat continued cooperation with the existing regional mechanisms: RCC Task Force Fostering Building Human Capital (TFBHC) and Education Reform Initiative for South Eastern Europe (ERI SEE). The RCC Secretariat advised on and supported the process of institutionalisation of ERI SEE and its Secretariat. However, it is necessary to speed up approval procedures for ratification of the Host Country Agreement on the Establishment of ERI SEE and its Secretariat. The idea to develop three Regional Clusters of Knowledge was welcomed by the RCC Secretariat, which recognised the possibility for the clusters to become regional project(s) which would be further developed and implemented by ERI SEE, possibly under the umbrella of the EU Western Balkans Platform on Education and Training.

### **Science and research**

The RCC Secretariat continued to encourage efforts to raise political profile of research and innovation at national level and increase investment in research capacity in the region, as well as to strengthen interconnection among science, education system and economy. Achieving these goals is crucial for making the best use of science and research in generating sustainable economic growth and new jobs.

The Western Balkan countries have to become more familiar with new, integrated funding system of the EU research and innovation policy, first and foremost with the Innovation Union and Horizon 2020. These programmes will cover all research and innovation funding in Europe, including the Western Balkans. The RCC Secretariat supported efforts of the region within the framework of the WBC.INCO-NET-Western Balkans/ Information Office

of the Steering Platform on Research for the Western Balkans for the establishment of regional mechanism for research on the modalities of participation of EU aspiring countries from the region in the EU programmes, preparing and assisting implementation of significant regional projects. This would assist the enlargement countries in pooling their strengths together in better using the existing EU funds for building their own capacities.

The RCC Secretariat's flagship project in this area is Regional Strategy for Research and Development for Innovation for the Western Balkans (RSRDI). The RCC Secretariat organised and chaired a number of preparatory events/workshops, including the official launching of this two-year project, in Belgrade, in November 2011 and the First Quarterly Workshop held at the RCC Secretariat premises (March 2012). The aim of the project, funded by EUR 1.5 million from MB IPA, is to develop a strategy that will interconnect research institutes, pool resources, train scientists and transfer knowledge with the aim to increase competitiveness. RSRDI Steering Committee, established under the auspices of the RCC Secretariat, gathers representatives of research ministries as well as World Bank as implementing agency, European Commission and RCC Secretariat. This body provides guidance on the use of available resources supervises project implementation and has the ultimate responsibility to draft this strategy on behalf of the beneficiary entities. Drafting team, nominated by the Steering Committee, is advised by a panel of regional stakeholders composed of representatives of higher education institutions, research institutes and private sector from each beneficiary, as well as of international experts.

## **Culture**

In order to fulfil the set goals for a result-oriented regional cooperation, regional stakeholders need to be oriented towards new and innovative modalities of cooperation and to ensure that the cultural sector reaps benefits from technological advances. This means finding new business models for creative industries, expanding the traditional role of cultural institutions in providing access to cultural content with the aim to preserve it for future generations.

The RCC Task Force on Culture and Society as a new regional mechanism to coordinate activities at the regional level and monitor progress of the implementation of Ljubljana Process II was established in June 2011. The Ministers of Culture of SEE appointed their representatives as members of the TF and the TF Permanent Secretariat was opened in Cetinje, Montenegro. The RCC Task Force on Culture and Society became fully operational and the transfer of coordination of Ljubljana Process to this regionally owned structure has been accomplished. Funds for implementation of the project (EUR 1.6 mil) were allocated by the EC covering three years of project duration while consultations with the European Parliament for additional funds to complement activities of Ljubljana Process are in the final phase. Ljubljana Process has the strategic expert assistance of the Council of Europe and opens possibility for cooperation with UNESCO and other international partners. In order to ensure full success of Ljubljana Process, the RCC Secretariat will insist on active commitment and involvement of institutions of the countries from the region. The establishment of able national teams which will follow the initiative on national levels is in process.

The RCC Secretariat continued cooperation with civil society and supported endeavours of the Centre for Reconciliation and Democracy in South East Europe in developing and implementing the new phase of the project - SEE Joint History Project. The RCC Secretariat and its TFCS strengthened cooperation and promoted partnerships with other relevant mechanisms and initiatives at national, regional and international level, including the Council of Ministers of Culture of South East Europe and UNESCO. The focus was on exploring possibilities of cooperation on other potential regional projects such as cooperation among

national museums in SEE or creation of the Regional Film Fund, and the RCC Secretariat will continue to work towards their realization.

### **Parliamentary Cooperation**

Parliamentary cooperation in South East Europe has recorded stable progress as a clear indication of the new approach in the region fostering systematic cooperation among the parliaments.

Regional parliamentary cooperation is contributing to reconciliation and good neighbourly relations. Furthermore, it has shown to be particularly useful in supporting common efforts in harmonising and aligning national legislations with the EU *acquis*, as well as in strengthening political support towards joining the EU.

The RCC Secretariat has continued to be actively involved in promoting Parliamentary Cooperation both in South East Europe and the Western Balkans by: a) strengthening SEECF parliamentary dimension, and b) developing Cetinje Parliamentary Forum for enhancing coordination of parliamentary cooperation in the Western Balkans through establishment of a sustainable Secretariat.

The RCC Secretariat was actively assisting SEECF in the efforts to develop parliamentary dimension and has participated in all meetings of the SEECF Parliamentary Dimension Working Group. The discussions of SEECF Parliamentary Dimension Working Group were focused on two potential models of possible consolidation of parliamentary cooperation in SEE: establishment of the SEE Parliamentary Assembly (proposed by Turkey) and establishment of the SEECF Parliamentary Conference (proposed by Bulgaria). At its last meeting, the Working Group has agreed on the aims, objectives and basic guidelines whilst there is the need to continue exchanging views on the remaining components (membership and composition, chairmanship, decision making/voting, organisational structure, secretariat budget, working language and international and regional cooperation). After finalisation, the consolidated proposal of the future model of parliamentary cooperation will be presented to the Speakers of Parliaments of SEECF countries at their Annual Conference in 2012.

The RCC Secretariat is engaged in the final steps of the 'Parliamentary Cooperation in the Western Balkans and Turkey - Support to the Cetinje Parliamentary Forum' project, which aims at strengthening the role and effectiveness of parliaments in the Western Balkans in the EU integration process. Intense consultations were held with DG Enlargement representatives regarding detailed description of the activities, optimal model for project contracting and respective budgeting. The project is worth EUR 1 million.

The RCC Secretariat participated in the Sixth Conference of the European Integration Parliamentary Committees of States participating to the Stabilisation and Association Process – COSAP (March 2012). The issues emphasized during this event included: the role of parliaments in driving forward EU reform agenda and the key role of European Integration Committees in this process; the necessity to strengthen institutions; rule of law and the priority to deal with justice and legal reforms; EU integration and the need to focus on standards and approximation of legislation; consolidation of COSAP network in accordance with its Rules of Procedures. The meeting was a positive development for reinvigorating parliamentary cooperation under this format and Sarajevo will host the next meeting in late autumn 2012.

The RCC Secretariat has continued cooperation with the European Parliament in preparing and organising joint parliamentary events of regional character. The Regional Parliamentary Seminar: 'Environmental challenges and opportunities – the way forward', jointly organised by the EP and the RCC Secretariat (February 2012), as a part of series of seminars that aim at strengthening the capacities of parliaments of the Western Balkans for the EU integration process, contributed to raising the awareness on environmental issues and strengthening of the institutional capacity of national parliaments in the environmental sector. Upon the invitation of the European Parliament Working Group on the Western Balkans, the third RCC Secretariat briefing was held for the members of the Working Group.

Parliamentary cooperation in SEE needs to be streamlined, directed towards strengthening capacities of the main legislative bodies in fulfilling their various important roles in state governing systems. Regional stakeholders – national parliaments, SEECPC C-i-O, RCC, Regional Secretariat for Parliamentary Cooperation and COSAP, as well as key international partners such as EP and EC – should join efforts in developing more realistic and result oriented approach among main legislative bodies in SEE and the Western Balkans in particular. Therefore, the RCC Secretariat will also facilitate and assist national parliaments from the region to exchange best practices and cooperate in different priority areas, particularly on issues related to EU integration.

### **2.7. Media development**

Although this sector was not regionally identified as one of the priority areas of the RCC Secretariat's work, it has emerged as one of the paramount regional importance, being also noted in the European Commission Enlargement Strategy and Main Challenges 2011-2012.

Responding to demands of media themselves, RCC Secretariat's efforts in this area, as an overarching activity, seek to bring about a change which would foster transition and development towards free and professional media in SEE. In doing so, European standards and values, needs and aspirations of the countries of SEE, and RCC's own resources are kept in mind.

Over the past year, the public broadcasting sphere in the region was characterised by a continued instability of the public service media (frequent replacements of top management for example) primarily influenced by politics and to a certain extent by business lobbies, threatening to diminish the impact of public service media and resulting in their inability to focus on strategic and long-term development. It has had direct consequences on the sustainability, editorial and financial independence of public service media and loss of trust among general population.

The challenges for all the media across SEE have aggregated over the recent years also due to the economic crisis that hit the media as well.

Another difficulty is that many public broadcasters in the region have still not fully completed the transition from a state into a public broadcaster, as well as from analogue to digital broadcasting, an additional burden in itself both in terms of human and financial resources. The most common obstacles to switch-over are the lack of political will, relevant legislation and related strategy, as well as funds to implement the legislation and strategies where they exist.

In an effort to overcome the above-mentioned problems, and keeping in mind the assessment of the EU Enlargement Strategy 2011-2012 that public service broadcasters need to improve their economic standing and autonomy in order to fulfil their role, the RCC Secretariat has

continued to work with the European Association of Public Service Media in South East Europe, established in 2010 with support of the RCC Secretariat and the EBU.

The RCC Secretariat co-organised the signing of a Protocol on Regional Cooperation in Education and Training among 12 members of the European Association of Public Service Media in South East Europe (September 2011). The Protocol will enable staff at all levels to meet present and future challenges, and strengthen contribution of public service media to the development of modern and democratic societies in SEE through a set of activities aimed at enhancing public service remit of the signatories.

Directors general of public service media, senior government officials, representatives of regulatory authorities and civil society (media organisations) from the RCC members from SEE, as well as from relevant international organisations, met in Sarajevo at the international seminar 'South East Europe 20 Years On: Transformation from State to Public Broadcasting' co-organised by the EC Enlargement Directorate-General and the RCC Secretariat, with support of the European Association of Public Service Media in South East Europe and the EBU (November 2011). The seminar analyzed the state of public service media in SEE over the 20 years of democratic transition, with a view to outline a future course of action in support of their freedom, independence and sustainability. Amongst others, the participants concluded that the economic standing, editorial independence and autonomy of public service media need to be improved to avert political interference, achieve managerial stability and ensure sustainability and stable funding for the public service media in order for them to fulfil their role. The event witnessed a pledge by the EC to financially support such efforts.

The RCC Secretariat maintained regular dialogue with EC officials and attended the information session for the Commission's call for Civil Society Facility Partnership Programmes for Civil Society Organisations (CSOs), which also included freedom of media. The purpose was to exchange ideas about future role and activities of the RCC Secretariat in the media field, also in view of the priorities of the Enlargement Package, and to promote the Facility throughout the region. The Association fully backed RCC Secretariat's activities in the field, pledging to be a constructive partner in their preparation and realisation.

The RCC Secretariat will continue to work in this area being fully aware how vital it is that the governing structures recognise the indispensable role of public service media and create conditions for their full contribution to building democratic, pluralistic, tolerant and inclusive societies in SEE by safeguarding the freedom of expression and media, the rule of law, and good governance.

### **3. *The way ahead***

The assessment of activities and engagement of the RCC in this reporting period show that the results achieved so far, general political and economic context, as well as clear vision about the future course of action will to a large extent shape the strategic orientation of the RCC for the period ahead. The future course of action with respect to the RCC should entail an appropriate pattern of coherently structured political, operational and financial aspects of its work in correlation with the possible changes within the SEECP and through consultations with the EC.

The role of the RCC should reflect appropriately the acknowledgment of SEE countries that regional cooperation, as one of the key requirements in the process of integration into the EU, has to continue and expand to the benefit of all peoples of the region. RCC must remain an all-inclusive and status neutral platform for cooperation in SEE given the complex environment and a number of conflicting/opposing views among its members from the region.

The vision building process, identifying priorities of future regional cooperation, will be launched through comprehensive and transparent consultations with all relevant stakeholders in the region, in particular the national authorities, regional initiatives and task forces and main donors, primarily the European Commission.

There is a need for regional cooperation to move from the level of regional ownership to the level of greater regional responsibility. Such a step would in itself add to a greater stability and predictability of political relations in the region.

RCC relations with the SEECP must be strengthened – the issue is partly addressed by the establishment of regular coordination meetings (SEECP Troika, RCC Secretariat and EU), although a stronger and more concrete content will be needed for this format to ensure better results.

The EU accession process remains a priority for the region. There are a number of accession-related issues that have a regional dimension and where the RCC could play an assisting and practical role, thus increasing its contribution within the EU enlargement process. It would be beneficial for the EU enlargement countries and for the broader region to have the RCC as a key platform for well targeted assistance, knowledge-sharing, pre-negotiations preparations and other forms of support in speeding up institutional and functional integration into the EU. The RCC is also well-placed to monitor regional cooperation activities, to identify needs and gaps, to propose concrete ways to bridge them as well as to have a crucial role in introducing a regional approach to economic recovery and development.

Based on the achievements and lessons learned since its establishment, the RCC should evolve to a new stage as the region needs a more coherent and consolidated cooperation based on a genuine ownership and leadership by the RCC members from SEE.

In the course of this debate, the RCC will promote areas where the need for a stronger and more coherent cooperation in SEE is identified by all concerned and interested RCC members from SEE (economic and social development, infrastructure and transport, enhanced political dialogue, financial cooperation, justice and home affairs, culture, education, cooperation in the security area, environment, youth, media development, parliamentary cooperation, etc.). The RCC would also advocate for a more focused, thematic and concrete mode of operation ensuring commitment in addressing the issues of crucial importance for the region at the SEECP high level meetings and implementation of related decisions.

The RCC needs to be further moved ahead by political commitment from its members from the region and by further alignment with the EU and international partners, thus confirming and enhancing its role as a main platform for guiding and monitoring regional cooperation in South East Europe.

The RCC should preserve its mandate for the overall cooperation in SEE as the operational arm of the SEECP whilst further developing and deepening its role and alignment with the EU enlargement process. In addition to these two components, third pillar of the future RCC mandate should be provided by granting the RCC pivotal role in enhancing regional economic and social development.

Such an integrated approach - supported by a comprehensive and consolidated political cooperation in the region after the debate on the SEECP reform - would grant a genuine and durable regional partnership for stability and development.

## ANNEX I

### LIST OF ABBREVIATIONS

ABC	Association of Balkan Chambers
ACE	Association of Consulting Engineers of Bosnia and Herzegovina
ACI	Airport Council International Europe
ADA	Austrian Development Agency
AEA	Association of the European Airlines
AEAJ	Association of European Administrative Judges
AII	Adriatic-Ionian Initiative
ALAs	Association of Local Authorities
AREC	Adriatic Region Employers' Centre
ATM	Air Traffic Management
BAC	Business Advisory Council
BCSDN	Balkan Civil Society Development Network
BFPE	Belgrade Fund for Political Excellence
BRESCE	UNESCO Venice Regional Bureau for Science and Culture in Europe
bSEE	Task Force Broadband South Eastern Europe Task Force
BfV	Bundesamtes für Verfassungsschutz
CAP	Common Agricultural Policy
CARICC	Central Asian Regional Information and Coordination Centre
CEB	Council of Europe Development Bank
CEF	Connecting Europe Facility
CEFTA	Central European Free Trade Agreement
CeGD	Centre for e-Governance Development
CEI	Central European Initiative
CGRS	Commission for Global Road Safety
C-i-O	Chairmanship-in-Office
CoE	Council of Europe
CoMoCoSEE	Council of Ministers of Culture of South-East Europe
COSAP	Conference of the European Integration Parliamentary Committees of States participating in the Stabilization and Association Process
COWEB	Working Group on Western Balkans of the Council of the EU
CP	Contracting Parties
CPESEEC	Centre of Public Employment Services of Southeast European Countries
CPF	Cetinje Parliamentary Forum
CSOs	Civil Society Organizations
CTED	Counter-Terrorism Executive Directorate
DABLAS	Danube and Black Sea Task Force
DCAF	Democratic Control of Armed Forces
DCHOD	Deputy Chief of Defence
DCP	Danube Cooperation Process
DPPI	Disaster Preparedness and Prevention Initiative
EAS	External Action Service
EASA	European Aviation Safety Agency
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECAA	European Common Aviation Area
ECAAA	European Common Aviation Area Agreement
ECRB	Energy Community Regulatory Board
ECS	Energy Community Secretariat
ECT	Energy Community Treaty
EEAS	European External Action Service
EHEA	European Higher Education Area
EIB	European Investment Bank
ELFA	European Law Faculty Association
ENIC	European Network of Information Centres
EnC	Energy Community
ERF	European Union Road Federation
ERI SEE	Education Reform Initiative for South Eastern Europe

ERSO	European Road Safety Observatory
eSEE Initiative	Electronic South Eastern Europe Initiative
ESENSEE	Eco Social Economy Network South and East Europe
ETF	European Training Foundation
EU	European Union
EUMS	European Union Military Staff
EUSDR	EU Strategy for the Danube Region
FABs	Functional Airspaces Blocks
FATF	Financial Action Task Force
FES	Friedrich Ebert Foundation
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GRECO	Group of States against Corruption
GRSP	Global Road Safety Partnership
GS Council of EU	General Secretariat Council of European Union
GTF	Gender Task Force
HBS	Heinrich Böll Stiftung
HIDAA	High Inspectorate for Declaration and Audit of Assets
IARLJ	International Association of Refugees Law Judges
ICDT	International Centre for Democratic Transition
ICMPD	International Centre for Migration Policy Development
ICPDR	International Commission for the Protection of the Danube River
ICT	Information and Communication Technologies
IEN	Integrity Expert Network
IFC	International Finance Corporation
IFIs	International Financial Institutions
IFIAG	International Financial Institution Advisory Group
IFP	Infrastructure Project Facilities
ILECUs	International Enforcement Coordination Units
ILO	International Labour Organization
IOE	International Organization of Employers
IOM	International Organization for Migration
IOs	International Organizations
IPA	Instrument for Pre-accession Assistance
IRI	Investment Reform Index
IRF	International Road Federation
IRTAD	International Road Traffic and Accident Database
ISIS	Implementation of Single European Sky in South East Europe
ISRBC	International Sava River Basin Commission
ITF	International Trust Fund for Demining and Mine Victims Assistance
ITUC	International Trade Union Confederation
JPM	Joint Parliamentary Meeting
KOGSEB	Small and Medium – sized Enterprise Development Administration of Turkey
LSE	London School of Economics
MARRI	Migration, Asylum, Refugees Regional Initiative
MB IPA	Multi-Beneficiary Instrument for Pre-accession Assistance
MCAASEES	Marshall Center Alumni Association for Southeast European Security
ME CAA	Montenegrin Civil Aviation Agency
MIDWEB	Migration for Development in the Western Balkans
MIPD	Multi Indicative Planning Document
MoD	Ministry of Defence
MONEYVAL	Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
MoU	Memorandum of Understanding
M&EM	Monitoring and Evaluation Mechanism
NALAS	Network of Associations of Local Authorities of SEE
NARIC	National Academic Recognition Information Centres
NATO	North Atlantic Treaty Organization
NGO	Non-governmental Organization
NI-CO	Northern Ireland Cooperation Overseas
NIPACs	National IPA Coordinators
NOS	NATO Office of Security
OECD	Organisation for Economic Co-operation and Development
OLAF	European Antifraud Office

OCTA	Organized Crime Threat Assessment for South East Europe
OSCE	Organization for Security and Co-operation in Europe
OSINT	Open Source Intelligence
PCC Secretariat	Police Cooperation Convention Secretariat
PE	Private Equity
PFS	Partners for Financial Stability
PHLG	Permanent High Level Group
PIDIN	Partnership for Improvement of Danube Infrastructure and Navigation
PPP	Public Private Partnership
PSO	Peace Support Operations
RACVIAC	Centre for Security Cooperation
RAI	Regional Anticorruption Initiative
RCC	Regional Cooperation Council
RCC TF FBHC	RCC Task Force Fostering and Building Human Capital
RCI	Regional Competitiveness Initiative
REC	Regional Environmental Centre for Central and Eastern Europe
RENA	Regional Environmental Network for Accession
RES	Regional Energy Strategy
ReSPA	Regional School of Public Administration
RI&O	Regional Initiatives and Organizations
RI&TFs	Regional Initiatives and Task Forces
RNIPA	Regional Network of Investment Promotion Agencies
RSA	Road Safety Audits
RSD	Regional Strategic Document
RSRDI	Regional Strategy for Research and Development for Innovation in Western Balkans
RSI	Road Safety Inspection
RSPC SEE	Regional Secretariat for Parliamentary Cooperation in South East Europe
RTD	Research and Technical Development
SAP+	Stabilization and Association Process Plus (cumulation zone with EU, EFTA, Western Balkans and Turkey)
SDC	Swiss Agency for Development and Cooperation
SECE CRIF	South East and Central European Catastrophe Risk Insurance Facility
SECI	Southeast European Cooperative Initiative
SECI Centre	Southeast European Cooperative Initiative, Regional Centre for Combating Organized Crime
SEDM	South East Europe Defence Ministerial
SEDRI	Sustainable Energy Development Regional Initiative
SEE	South East Europe
SEEC	South East Europe Clearing House
SEECIC	South East European Counter-Intelligence Chiefs Forum
SEECCEL	South East Europe Centre for Entrepreneurial Learning
SEECPP	South-East European Cooperation Process
SEE-ERA.NET	South East European – European Research Area Network
SEE-ERA.NET PLUS	South East European – European Research Area Network Plus
SEEFREC	SEE Fire fighting Regional Centre network
SEEHN	SEE Health Network
SEEIC	South East Europe Investment Committee
SEEJTN	South East Europe Judicial Training Network
SEELS	South East European Law School Network
SELEC	Southeast European Law Enforcement Centre
SEEMIC	South East Europe Military Intelligence Chiefs
SEE MoD-GS	South East Europe Ministries of Defence and General Staffs
SEENSA	National Security Authorities of South East Europe Countries
SEE PPP Network	South East Europe Public Private Partnership Network
SEEPAG	Southeast European Prosecutors Advisory Group
SEPCA	Southeast Europe Police Chiefs Association
SEESAC	South East Europe Small Arms and Light Weapons Clearing House
SES	Single European Sky
SEETO	South-East Europe Transport Observatory
SGRS	Steering Group on Regional Strategy
SIDA	Swedish Development Agency
SME	Small and medium-sized enterprise
SMEM	Serbian Ministry of Energy and Mining

SOP	Standard Operational Procedure
SPMU	Strategic Police Matters Unit
SSR	Security Sector Reforms
STREW	Structural Reform in Higher Education in Western Balkans Countries
SWG RRD	Standing Working Group on Regional Rural Development
SWP	Strategic Work Programme
SWEROAD	Swedish National Road Consulting
TACSO	Technical Assistance for Civil Society Organizations
TCT	Transport Community Treaty
TEN-T	Trans-European Transport network
TF	Task Force
TFBHC	Task Force Fostering and Building Human Capital
TFCS	Task Force on Culture and Society
ToR	Terms of Reference
Treptower Group	Western Balkan Initiative on the Police Developmental Aid
UNCTED	United Nations Counter-Terrorism Executive Directorate
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNHCR	United Nations High Commissioner for Refugees
UNICRI	United Nations Interregional Crime and Justice Research Institute
UNISDR	United Nations International Strategy for Disaster Reduction
UNMIK	United Nations Interim Administration Mission in Kosovo
UNODC	United Nations Office on Drugs and Crime
UNSCR	United Nations Security Council Resolution
USAID	United States Agency for International Development
VC	Venture Capital
WB	World Bank
WBC.INCO-NET-WB	Information Office of the Steering Platform on Research for the Western Balkans
WBIF	Western Balkans Investment Framework
WBPN	Western Balkans Prosecutor Network
WG	Working Group
WHO	World Health Organization
WINPRO	Witness Protection in the Fight against Serious Crime and Terrorism
WMO	World Meteorological Organization
WPON	Women Police Officers Network