

Statement

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

“South East Europe 2020 –
Towards Convergence and Growth”

Tirana, 9 November 2012

- MINISTERIAL STATEMENT -

We, the Ministers of the Western Balkans economies,

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

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

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

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

HAVE adopted the following Statement:

SEE 2020 Headline targets

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

SEE 2020 Strategy Development and Monitoring

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

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

ADOPTED in Tirana, on 9th November 2012.

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

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

¹ Baseline data from 2009

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

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

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

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