

**English translation of RCC Secretary-General Majlinda Bregu's interview to the Albanian magazine Monitor, 3 January 2020**

*Link to original interview in Albanian: <https://www.monitor.al/bregu-axhenda-rajonale-qellim-te-vetem-ka-integrimin-ne-be-lehtesite-tregtare-te-domosdoshme-2/>*

**Q: What is its role and mission of Regional Cooperation Council (RCC)?**

**A:** Well, in a difficult and complicated environment, the answer to that is pretty simple.

For more than 11 years now the RCC is helping the region to run the development of its agendas in a faster pace in order for its economies to get closer to the EU, and prepare them for the European single market and Euro-Atlantic integration. By development of agendas, I mean economy, human resources, digital transformation, connectivity, employment, security, rule of law, tourism, Roma integration, etc.

But nothing can be very simple, especially in our region. Bilateral disputes jeopardize regional co-operation. Adding to the fact that we also have a muddled situation regarding the process of EU membership, the situation becomes more complicated. Regional integration becomes meaningful because of the fact that the final aim of all our countries is EU integration. So the challenges in front of us will be even bigger. Until all EU countries agree on what will happen with the European perspective of the region, it is up to us to be credible and to respect our obligations and commitments towards enhancing regional cooperation and developing reforms within the country. There is no process that replaces the final aim, the Western Balkans' EU membership, but there is also nothing more important than preparing ourselves, strengthening real cooperation with one another.

So many things are following their course, but it all depends very much on the overall political situation in the region and the impact of the effects I have just mentioned. To be even clearer, the future of the Balkans is within the European Union. The lack of a decision by the EU Council to open accession negotiations with Albania and Northern Macedonia shook the EU's ten-year strategic approach to stability in the region. In the best case scenario, the region will lose 8 months between the “why” and the debate on that decision: an energy that could have been used for internal reforms. I have said and I repeat: the price for stagnation and postponing the prospect of the Western Balkans membership is a risk.

European integration for us is a boost for reforms, so it should not be the last item on the agenda for the debate on Europe's future.

The Western Balkans is not the same as 10 or 20 years ago. So new, innovative ideas, free movement, new approaches to structural funds, environment, tourism, connectivity, youth, women and the need for more women and girls in science and technology, etc., are the real debate to be held today.

Without political clarity on this process, even the ambition for cooperation in the region is diminished.

The Western Balkans cannot wait for the membership forever. It's not just a matter of time. Neither is it a matter of methodology. It is, instead, a matter of strategic and mutual security.

**Q: The leaders of the three countries, Albania, Serbia, North Macedonia, have intensified their efforts to liberalize the movement of people and goods by 2021.**

**What is the progress of the ambitious plan of all Balkan countries (WB6) to be part of the common market?**

A: There are two different questions within your question.

First, in the so called "Mini-Schengen" we have been invited just as the EU, USA, WB, EBRD & EIB. We are neither coordinators nor facilitators of these meetings.

But it is our obligation to hear and discuss together with other international partners any proposals coming from the region.

Second, the RCC, which I lead, focuses on coordinating the creation of the Regional Economic Area (REA), endorsed by the six leaders of the region three years ago.

But as I said above there are bilateral issues in the region that make this process difficult. An example: mutual recognition of professions. Which means an architect from Pristina, for example, if he/she finds work in Sarajevo, he/she may go without having to be tested and start working in Sarajevo. But a young person from Kosovo needs a visa to go to Bosnia. If he/she is hampered by the visa to enter Bosnia, our regional mobility agenda is of no value, despite being backed by all six countries. Given this need, we presented this summer at the Leaders Summit in Poznan (Berlin Process) the idea of travelling in the region via ID cards; Even proposing to follow the same path as in the visa liberalization process with the EU. Of course we help and coordinate regional cooperation, but it is not us that set the agendas. It is those who have the political mandate - Governments that have been voted to lead their countries - that do so.

I emphasize once again that our role is to support all initiatives that contribute towards an EU-like agenda for our region, which can be an interesting market only if we move together.

We know that it will be quite difficult for people to move freely between Bosnia and Herzegovina and Kosovo, or Serbia and Kosovo. But we think that under a regional agenda, which works to the benefit of all people in the region, these things can also be achieved.

In April this year all the Western Balkans signed a new regional Roaming Agreement in consequence of which all Western Balkans six are now benefitting a fee reduction up to 90%, paving the way towards their full abolishment in 2021. And this is not only a super-achievement that we are all proud of at the RCC, but it is the beginning of the roaming tariff reduction process with the EU. Just like the EU has it. Only it took them more than 10 year to get there, while the WB will get there in less than half that time.

If you want a clear example of what we do, here you have it! "Roam Like at Home" is our success story for the ending year!

People in the region move. Our doctors, dentists, architects and engineers go to Germany or elsewhere in the EU in search of a job. Now, we know that the region cannot be as competitive as Germany, but we need to enable people to move freely, meaning for their

professional and academic qualifications to be recognized everywhere, where they can go freely.

Trade facilitation is another important issue of the Regional Economic Area. 43% of exporters consider customs administration and trade procedures as moderate or major barrier. Often trucks wait between 7 and 48 hours at borders for customs procedures. Administrative cost to export in WB6 ranges from 65 USD in Albania up to 232 USD in Kosovo. IMF found that the region would annually save 800 million EUR or about 1% of the WB's GDP if cross-border coordination in WB reaches the EU average. The World Bank suggests that if trade barriers are removed, regional growth would be about 3.84% a year from 2018 to 2022.

Women economic empowerment has been up to date one of social dimensions lacking on the Regional Economic Area measures and we need to remedy that as soon as possible. Although it is true that women are better educated than men, still only 2 in 5 women in the Western Balkans have a job or are even looking for one. The employment rate for women across the region stands at 43.2 %. Every year, Western Balkan economies lose on average 18 percent of their Gross Domestic Product (GDP) due to gender gaps in the labour market—which is more than entire GDP of Serbia. Investing in leadership skills of women is vitally important, not because of the gender approach, but because it changes the economic situation of our countries.

Women are the key to unlocking the economic potential in this region.

**Q: What will be the costs and benefits of establishing a free trade area in the Region?**

**A:** The region is in dead earnest need of obtaining as much funds as possible. The actual multiannual financial framework for the region from 2014 to 2020, for all countries, is around 12 billion EUR. For the next period, which will last from 2020 until 2027, there is a proposal for an increase by 13%. But 13% is not much. According to the World Bank the infrastructure sector alone needs a 9% increase of the average annual GDP. So it means that for our countries, the annual investment need in infrastructure is estimated to be in the range between 8 to 12% of GDP. Given the current infrastructure investment of about 1% of GDP in the region, you see that there is a massive need for funds and money.

**Q: Can you give some more details about tourism projects, in what projects are you focused, especially for Albania?**

**A:** Tourism is one of the priority economic sectors of the Western Balkans that has high potentials to economic development and competitiveness of the region and bringing people more together. Having that in mind, RCC is implementing the Tourism Development and Promotion Project, funded by the EU that aims to attract more people to visit the Balkans and prolong their stay, thus creating more jobs. Tourism accounts for 25% of exports from the Western Balkans and 20% of all those that are employed in the WB already work in tourism, directly or indirectly. Having in mind that the region has some 12 million visitors per year, we can easily say that potential is there for us to use it to our advantage. More tourists mean more jobs. We want to present Western Balkans as one of the most desirable tourism destination, through adventure and cultural tourism in particular, as products linked to the natural environment, food and culture have been identified as both sustainable and as offering

strong opportunities for growth. In addition to promotion, we work on developing the joint tourism offer, and have a small grants scheme worth 1.2 mln EUR in total, which already implemented 12 projects, with 16 more in a row, and the third and last Grant call to be published soon as well.

The majority of Western Balkans destinations reported 10% or higher arrivals' grow in 2018, For example Albania reported 14.1% more arrivals, Bosnia & Herzegovina reported an increase of 18.7%, to continue with Kosovo with approximately 2%, Montenegro with 12.9%, North Macedonia with 23.5%, and Serbia with 16.8%.

Over 12 million visits to the Western Balkans in 2018 is not a bad figure for a developing tourism market of around 18 million people altogether. And there is still space for improvement. For instance, out of these 12 million arrivals, almost half of them were in Albania, mostly throughout the summer season. Furthering the offer of this region with activities related to adventure and culture tourism, connecting with the region, has a potential to extend the season and increase the number of arrivals even further throughout the year.

According to the World Travel and Tourism Council in 2017, tourism directly contributed to more than 90.000 jobs in Albania, while its total contribution (including indirect employment) was estimated at 291.000. This accounts for almost 25% of total employment. WTTC forecasts that tourism will indirectly contribute to 316.000 jobs in Albania by 2029.

Similar growth employment rate has been recorded with most Balkan economies in the period 2014-2018. Tourism clearly improves employment growth, as services are the fastest growing sector in most of the Western Balkan economies and it is creating jobs both directly and indirectly. For instance, 11% of all new jobs created in Bosnia & Herzegovina in 2018 were related to tourism. To conclude, we can all agree that the region has so much to offer. Now it is up to all of us to use that potential and get others to see it as well.