



Regional Cooperation Council

**ANNUAL REPORT
OF THE SECRETARY GENERAL OF THE RCC**

MAY 2020 –MAY 2021



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Foreword

There has perhaps never been a more dramatic testament to the global interconnectedness and interdependency of nations than the experiences with which the World has grappled in the past year and a half. The challenges which the COVID-19 pandemic put before us have been unprecedented – from the urgency to save lives to the management of the socio-economic fallout caused by the overwhelming disruption of every aspect of human interaction. It was only with the recent development of appropriate vaccines that the light at the end of the tunnel once again became visible.

The pandemic exposed the vulnerabilities as well as strengths of the South East European Region. Our economies, despite the growth in the years prior, are still susceptible to external shocks due to a number of structural deficiencies which require immediate addressing. Heavy reliance on services sector, especially tourism, was reflected in the level of economic impact. Digital transition of the region has proven inadequately advanced to offset the negative effects of the containment or lockdown measures. Implications of brain drain became evident with the struggle maintain the necessary number of medical staff. Not least, access to and transport of medicines, medical equipment and even essential goods temporarily caused concerns.

Nevertheless, the crisis also revealed just how much potential rests within our Region – and how it best comes forward when we work together. The temporary concern mentioned above was quickly resolved with the launch of the Green Lanes initiative, which radically reduced the waiting times of trucks as they travel across the Western Balkans. It is our mission to see the success of green corridors expanded to the entire South East Europe and to the EU.

Moreover, solidarity within the Region in terms of medical equipment, medicines, staff and vaccines has been admirable, as has the EU financial and in-kind assistance. This should leave no doubt in anyone's mind of regional friendship or of the role of the EU as the Region's principal partner.



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Post-COVID recovery will not be easy, and it will not be immediate. But the groundwork and the frameworks for it are there, with the endorsement of the Common Regional Market Action Plan 2021-2024 (CRM) and the Declaration on the Green Agenda by the Western Balkan Leaders at the Sofia Summit of the Berlin Process, and with the new South East Europe 2030 Strategy (SEE 2030) to be adopted by the South East European Cooperation Process (SEECP) Summit to take place in Antalya in June under the Turkish Chairmanship in Office (CiO).

These strategic documents of regional cooperation will help to usher the Region into a comprehensive green and digital transition, in line with the EU's recovery efforts, with the EU accession process, and with the global commitments pertaining to the UN Sustainable Development Goals. They will accelerate the convergence of the Region with the EU and with the World's developed nations, and ensure an improved quality of life and life standards for all our citizens. Implementation of these programs is set to make our economies more sustainable and resilient for any challenges that might arise in the future.

In that sense, it is time to address our regional preparedness to events such as natural disasters, man-made disasters and pandemics. Natural disasters are an all too common occurrence in our Region, causing great distress to our populations and to the economic well-being of societies. More substantial steps toward strengthening regional cooperation in this regard will be required to enhance our collective capacities in preventing and responding to these threats.

Across the agendas, SEECP guidance to the RCC continues to be an invaluable source of regional commitment and ownership. SEECP framework, which celebrates its 25th anniversary in 2021, has once more proven to be the most appropriate platform for addressing matters of common concern, and the excellent Chairmanship by Ankara in the preceding year has truly made the most of it. RCC is looking forward to building on the synergy with SEECP and is proud to be strengthening its Secretarial role to the utmost benefit of the Region and its citizens.

Without a doubt, the sterling harmony of SEECP and the RCC, supported by and aligned with the EU partners, will be carried forward as Athens assumes the Chairmanship of SEECP on 1 July 2021. We will stand together strong, as a Region, to resist all and any challenges ahead.



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Summary

Amidst the hard-hitting COVID-19 pandemic, thirteen economies of South East Europe joined the efforts of their global counterparts to ameliorate its negative effects and find the balance between the containment measures and the socio-economic well-being of their societies. Regardless of the different approaches, each tailored to the epidemiological situation of respective economies, it quickly became clear that solidarity is one policy without an alternative. The pandemic furthermore highlighted once again that security and stability are not contained within boundaries, but transcend them in the way that makes nations, regions and the entire continent interdependent and mutually reinforcing.

South East European economies demonstrated a high level of solidarity, providing each other assistance in the matters of medical equipment, medical staff and access to vaccines. The Green Lanes initiative, coordinated among the partner Governments, regional organizations led by the RCC and the EU to ease the transfer of goods and equipment across boundaries, proved highly successful in the Western Balkans and is set to expand to encompass the entire Region, as well as the boundaries between the Region and the EU.

Throughout the pandemic, the EU reconfirmed its position as the Region's principal partner, securing financial assistance in short and medium term, most notably through the Economic and Investment Plan (EIP) for the Western Balkans presented by the European Commission in October 2020.

For all regional economies, as for the rest of the World, the pandemic reversed many of the gains in economic growth, employment and productivity over the last few years. Although the Region is expected to return to the growth path once the pandemic subsides – depending considerably on the pace of immunization – recovery is likely to be a long and winding road. Success will be conditioned on a proactive utilization of the benefits of green and digital transition, alignment with the EU efforts and, importantly, on devoted commitment to regional cooperation in all areas of common benefit.



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The pandemic has in that sense served as a catalyst for regional cooperation. Over the years there has been a growing understanding that a regional framework is the most appropriate one for addressing matters of common concern and mutual benefit, but COVID-19 and the subsequent recovery provide a new sense of urgency. Within the Region and between the Region and the EU, new agendas building on the successes and lessons learned of previous ones, have thus been put in motion and will dictate the pace of progress in the coming years.

Endorsement of the Common Regional Market Action Plan 2021-2024 at the Sofia Summit of the Berlin Process represents a great achievement for the Western Balkans. Based on the four freedoms of the EU, its implementation will bring about integration of the region in the areas of trade, investment, digital, and research and innovation. It will allow for a free flow of people, goods and services, and accelerate convergence with the EU. It is an indispensable step in the accession process of the Western Balkans, with potential of an additional 6.7% GDP growth for the region.

RCC has been proud to contribute significantly to the shaping of the CRM Action Plan, facilitating its endorsement and acting together with CEFTA as the key coordinator of its implementation. Technical implementation of the CRM Action Plan, overseen by the RCC, has already been kick-started in December 2020, in coordination with Prime Ministers' Sherpas, and indicators necessary for tracking and monitoring have been developed.

Keeping in line with the European and global trajectories, Green Agenda for the Western Balkans, endorsed likewise at the Sofia Summit, will buttress further the recovery efforts, make the most of the possibilities of green transition and green economy, and improve the living standards of Western Balkans citizens.

In the past months, individual policy agendas of regional cooperation facilitated by the RCC in the framework of its Strategy and Work Programme 2020-2022 have seen a number of notable achievements, presented within this Report.

In investments, a major leap forward has been made in investment policy reforms, at the regionally accepted standards for negotiation of International Investment Agreements (IIAs) have been endorsed at the end of 2020, which will bring regional IIA's in line with the EU standards. CRM



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Action Plan has additionally enhanced the entire investments agenda by introducing a sectorial leg to the industrial policy coordination, prioritizing automotive, agro-food and circular economy, metal processing and creative industries.

Tourism continues to be a key industry sector for the Western Balkans economies, and the EU-funded Triple P Project conducted by the RCC has been dedicating concrete efforts to ameliorate the effects of the pandemic on this vulnerable economy branch. Not least, a regional FUTOURISMO competition for digital solutions provided an incentive to bright, fresh ideas of young entrepreneurs, demonstrating how the benefits of the fourth industrial revolution may be used to overcome even the most difficult of challenges.

In human capital development, strides toward a freer movement of students, researchers and professors were made with the operationalization of the Joint Information System at the end of 2020, which will facilitate the recognition of academic qualifications. Regional Recognition Database is likewise expected to soon be fully available.

Draft regional agreements on both the mutual recognition of academic and professional qualifications have been submitted to the respective Working Groups and will soon enter into negotiations phase, following up on and expanding the work done under the Multi-annual Action Plan for a Regional Economic Area (MAP REA).

Meanwhile, mobility of researchers and scientific collaboration in the region have been made easier with the endorsement of the Protocol on Open Access to Research Infrastructures in the Western Balkans at the Sofia Summit in November 2020. The Protocol has already allowed for the establishment of the Network of Open Access Research Infrastructures in the Western Balkans at the end of 2020.

A new area in CRM compared to MAP REA which supports the freedom of movement in the Western Balkans, concerns travel within the region, namely free movement with ID cards and the free movement of third party citizens. These efforts build upon a proposal within the so called ‘mini-Schengen’ initiative, and the respective zero drafts are already undergoing the process of consultations.



In the promotion of the digital transformation of the region, RCC activities during the last year were focused on defining regional measures within CRM aimed at deepening intra-regional digital integration and integration into the pan-European digital space.

Following another successful Western Balkans Digital Summit, the six economies signed Memoranda of Understanding (MoUs) on 5G Roadmap for Digital Transformation and on Regional Interoperability and Trust Services. Furthermore, the region is soon expecting the implementation of the Roam Like at Home regime as of 1 July 2021, whereas the first steps toward a roadmap on lowering the roaming cost between the EU and the Western Balkans have been made in October 2020, when the economies agreed on the Elements for the Roadmap.

RCC furthermore launched the first-ever regional competition on digital smart solutions, dubbed Balkathon, to assist the recovery efforts in the context of the COVID-19 pandemic. Three winners have been chosen for each of the competing areas: smart tourism, digital learning platform and online payments solutions. These innovative ideas were further developed for application across the region, and a new edition of Balkathon in 2021 will undoubtedly bring forward once again new bright solutions.

In the work on sustainable development, RCC embraced the momentum of the European Green Deal and helped coordinate the drafting of the Declaration on the Green Agenda, endorsed at the Sofia Summit. The Agenda's implementation had begun with the 5th Ministerial meeting on environment organized by the RCC, and since then, efforts have been dedicated to drafting the Action Plan for the implementation and devising tools for progress monitoring.

Cross-cutting all these activities are the dimensions of all-inclusive growth, pertaining to youth, women, Roma and employment and social affairs. RCC has been working with the UNDP toward advancing economic empowerment of women and their integration in the STEM fields. Roma Integration II project continued to work towards the deliverables on housing, employment and public budgeting in Roma policies to which the Western Balkans Leaders committed in the 2019 Poznan Declaration and reconfirmed at the Sofia Summit. Western Balkans Youth Lab project has been supporting a greater involvement of youth in policy development, with the first Youth Lab



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having been conducted on the topic of employment, and with technical assistance provided as per need of Western Balkans economies.

The second phase of the Employment and Social Affairs project has meanwhile promoted the policies for tackling undeclared work, strengthening institutional capacities of Western Balkans governments and increasing the latter's engagement in respective EU policies. A significant contribution has been the launching of the online [RCC ESAP Employment Observatory](#) in January 2021, providing insight into the most relevant employment and employment policy data across the region.

Finally, with a keen understanding of the role of good governance and security in ensuring an environment conducive of prosperity of growth, RCC has enhanced its efforts to maintain and deepen the regional dialogue on the untapped potentials in the rule of law, such as mediation practices and judicial cooperation, in parliamentary cooperation, and in addressing common security challenges, such as disinformation, illegal migrations, cyber security, organized crime, and others.

An important addition to the security portfolio of the RCC had been the Integrative Internal Security Governance (IISG) project, which has over the past year established its governance structures, working methodologies, prepared an Action Plan and mapped the regional needs across the three pillars of Countering Violent Extremism, Countering Serious Crime and Border Security.

RCC and IISG together with the key regional security actors – SEESAC, MARRI, DPPI-SEE – launched in 2021 an important regional public perception survey on security issues, the first of its kind. The survey will reveal a number of significant information regarding public views of security, helping to focus the work of security actors and policy makers in the Western Balkan region.

Throughout its activities, RCC follows the political guidance of the South East European Cooperation Process (SEEC) and its Chair in Office (CiO). In the preceding year, Ankara as the CiO held a number of regional events, addressing at the level of thirteen South East European economies the most pressing regional matters, from disaster risk management to migration and



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refugee law. With the new challenges emerging, it has become more evident than ever that regional cooperation in the framework of SEECP can bring about great mutual benefit, supported by the RCC in a Secretarial role.

In that regard, RCC has been following the mandate it received at the 2019 Sarajevo/Jahorina SEECP Summit and produced the first draft of the post-2020 vision for the Region: the SEE 2030 Strategy. Based on the UN Sustainable Development Goals (SDGs) and aligned with EU development trajectories, this Strategy is a milestone for regional cooperation in South East Europe, and its implementation will bring about increased prosperity, improved quality of life, and help the Region achieve the goals set by the global family of nations.

RCC has continued to strive toward synergy, coordination and streamlining with its partners. Close partnerships have been established across the areas of RCC work with the European Commission, EU institutions, and the relevant international and regional organizations, whereas communication efforts sought to engage the citizens and the general public, increase their awareness and support for the benefits of the process of regional cooperation.

General Trends in Regional Cooperation in South East Europe and the Role of the RCC

The outbreak of the COVID-19 pandemic has rushed in a dramatic transformation of every aspect of life across the World. At the time of writing, nearly 120,000 people in South East Europe have lost their battle against the virus. Healthcare systems have been challenged as never before in the modern history of mankind. With the high level of threat to human health and life, the economies have sought the most appropriate ways to ‘flatten the curve’ of infection rates, opting for policies ranging from lockdown to milder containment measures. Unavoidably, this has affected the socio-economic welfare on macro- and microeconomic levels alike.

The latest available data suggest that the SEE region as whole will have experienced a GDP contraction of 5.7% in 2020, with a return to growth at a 5.2% in 2021. Given the discrepancies in the level of development within the region, it is worth noting that for the Western Balkans,



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according to the Fall 2020 edition of the Regular Economic Report of the World Bank, those numbers equal 4.8% and 3.5%, respectively. Forecasts at the global level have in the meantime been improving, on the assumption of a robust vaccination deployment. So far, many economies in SEE have struggled with vaccine rollout, indicating that return to growth might lag behind in the Region, particularly as the sharp resurgence of the virus in early 2021 and COVID's new variants proved even more difficult to manage than earlier instances.

The Region cannot afford any missed opportunities for growth. The projections for the recovery rate of Western Balkans declines from 3.5 to 2.3% in case the pandemic does not subside and effective responses are not implemented. This scenario might prolong the return of confidence by businesses and investors. For 74% of business, the situation has deteriorated in the last 12 months. The Region has shown to be particularly vulnerable to the impact of lock down, containment measures and travel restrictions, due to its heavy reliance on services sector, representing on average 56% of GDP across SEE. Tourism is for many economies an especially important source of employment and surpluses, but foreign visits have naturally declined significantly in 2020, by as much as over 90 per cent.

Moreover, working hours and productivity have been falling, and unemployment rising. It should not be overlooked that informal employment is still not negligible in the Region, and while data on this is difficult to come by, it is sensible to assume that these employees were the first to feel the brunt of the downturn, contributing to the proportion of people living in poverty or at its risk. For the Western Balkans, World Bank has projected an increase of 322,000 people living on less than 5.50 USD a day. Women, youth and other vulnerable groups are more likely to be affected by the negative economic trends.

A long-term challenge will concern human capital development. Disruptions to schooling are expected to produce deterioration in the quality of learning outcomes and skills development, carrying with it the potential to reflect on economy's future productivity, especially when combined with prolonged unemployment. In addition, long-term effects of COVID-19 infection on individuals' health will require bolstering health care systems, to allow the affected a speedy return to the active labor force. Making full use of digitization, and – equally importantly –



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ensuring that users are adequately equipped to utilize digital solutions, has proven to be a critical point during the pandemic, and will require heightened efforts in the future as a key priority for a sustainable recovery and resilience.

Recognizing the struggles of economies and societies under the emerging conditions, RCC sought proactive ways to transform difficulties into opportunities. In that light, the first ever regional online competition in the Western Balkans, dubbed Balkathon – Smarten up for the future, was organized in July 2020 to invite innovative digital solutions in the three categories of Smart Tourism, Digital Learning Platform, and Online Payment Solutions. Of 88 applications, three winners – one in each category – had been selected and awarded EUR 10.000 each for further development of their ideas to be put in practical use.

As tourism proved to be one of the most vulnerable economic sectors during the pandemic, while being a crucial one for the Western Balkans economies – contributing in 2019 10.2% of the region's GDP, accounting for over a quarter of exports and some 11.4% of the total employees – RCC and its EU-funded Triple P Tourism project organized the 'Futourismo' competition in February 2021. Young professionals submitted their creative digital solutions to address the challenges which tourism is facing, with the aim to maintain employment, operations and contribute to a continuous promotion of the region as a touristic destination. Seven winning projects received EUR 15.000 to finalize their development.

In order to gain a clearer picture on the impact of COVID-19 on people's lives and on businesses, a special Balkan Barometer survey had been conducted in May 2020, revealing that an overwhelming number of citizens – 72% - believe that coronavirus poses a threat to their respective economies. Meanwhile, only one third of businesses expressed confidence that they would be able to carry the financial burden of the pandemic's negative implications.

If the COVID-19 pandemic exposed the remaining weaknesses in SEE economies, it in no negligible way also demonstrated their combined strength and the strong partnership with the European Union. Solidarity and cooperation in this period highlighted the immense benefits of good neighborly relations and of coming together to address a common threat. In this regard,



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bilateral assistance in terms of medical equipment and vaccines among the SEE economies has echoed throughout the Region, strengthening the sense of regional trust and identity. This has been reflected in the public opinion expressed by the respondents in the 2020 Balkan Barometer, with 77% of those surveyed believe relations in the Western Balkans have improved in the last 12 months.

The recognition of an urgent need to commit deeper to regional cooperation as a means of accelerating the necessary socio-economic transformation has brought about renewed vigor to the regional agenda. With the phasing out of the Multi-annual Action Plan for a Regional Economic Area (MAP REA) last year, the Leaders of the Western Balkans Six endorsed the Common Regional Market Action Plan 2021-2024 at the Sofia Summit of the Berlin Process, held on 10 November 2020 under the excellent co-Chairmanship of the Process by Skopje and Sofia. CRM builds upon the achievements and lessons learned of MAP REA, as well as on the regional initiative known as ‘mini-Schengen’, and is to be implemented by Western Balkans economies with the support of two lead organizations, RCC and CEFTA.

Implementation of the CRM Action Plan in the coming years provides a blueprint for regional development and enhanced economic integration, with targeted actions supporting and promoting trade, investments, human capital development, digital transformation and industrial and innovation sectors to create integrated regional areas. These actions would bring the region closer to the EU Single Market and have the potential of bringing an additional 6.7% growth to the region, thereby aiding post-COVID recovery in a sustainable and inclusive manner, aligned with EU’s own recovery efforts.

The principles of EU’s four freedoms, fully incorporated in CRM, promise to narrow the gap in living standards and welfare enjoyed by Western Balkans’ citizens relative to their EU counterparts. One such freedom – the freedom of movement – will be greatly enhanced with the achievement of the free travel with ID cards agreement, envisioned by CRM. Moreover, mutual recognition of diplomas and certificates, removal of work permit obstacles, greater access to high-speed internet and reduced roaming charges between the Western Balkans and the EU will greatly contribute to the range of opportunities available and to the quality of life in the region.



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Businesses in the region will likewise benefit as the barriers hindering or limiting the conduct of their activities begin to become lower, access to markets and finance improves, and labor pool expands, together with greater availability of skilled workforce. Indeed, for 69% of surveyed businesses in the Western Balkans, quality of regional cooperation is an important or very important factor.

With this renewed vigor, and conscious of the importance of swift and resolute action, RCC has under the guidance of the Western Balkans Sherpas initiated the technical implementation of the CRM agenda, including the list of deliverables for the 2021 Berlin Summit of the Berlin Process across the CRM policy areas, as well as developing a set of key indicators for tracking progress. Transformation which the CRM is expected to bring is not expected to be immediate or simple, but it is a very positive sign that already the 2021 Berlin Summit and the EU-Western Balkans Summit under the Slovenian Presidency of the Council of the EU will witness presentations of concrete achievements by the region.

Complementing the goals set forth by the CRM Action Plan, the Western Balkans Leaders endorsed at the Sofia Summit another document, namely the Declaration on the Green Agenda for the Western Balkans, aligned with the EU Green Deal. The region currently lags significantly behind the EU in terms of green policies, environmental standards and green economy, which the Green Agenda sets out to rectify. The commitment to implementation is urgent, not least to address the highly worrying rates of air pollution affecting health and livelihoods – 74% of citizens of Western Balkans see pollution as a problem – but also to unlock the potential of green growth, which is at the moment severely underutilized yet could provide a boost to income and employment.

The close relations between the Western Balkans and the EU, the future of the former in the EU and the mutual interlinkages have once more been confirmed in the most concrete of terms with the European Commission's Economic and Investment Plan for the Western Balkans (EIP) introduced in October 2020. This substantial investment package foresees a mobilization of up to EUR 9 billion for the economic convergence of the region with the EU, largely in line with



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precisely the action and spirit of the two documents endorsed at the Sofia Summit. Regional cooperation thus remains a key prerequisite on the path to accession.

But regional cooperation has also received a boost in its broader framework, namely that of the South East European Cooperation Process (SEECP). The highly successful Chairmanship in Office (CiO) by Ankara in 2020-2021 organized a number of events, covering a wide array of topics, sectors and stakeholders pertaining to the pressing emergency of today's and tomorrow's challenges. It has also helped to maintain synergy among the international and regional organizations, contributing to coordination and avoiding overlapping or duplication of efforts.

SEECP CiO has furthermore rejuvenated efforts to enhance the efficiency of SEECP through relevant discussions of its Working Group. A significant step forward has been made by strengthening the synergy between RCC and SEECP CiO, in line with the provisions in the founding documents of RCC and SEECP. RCC has thus assumed in more concrete terms its Secretarial role in relation to SEECP, providing extended administrative and logistical support, standardizing the language of official SEECP documents and assisting in the establishment of a single SEECP CiO webpage, which is, once operational, to be co-hosted by the CiO and RCC.

Importantly, the SEECP Working Group has also explored the possible ways of clarifying RCC legal personality, which will in the future be a necessary condition for the RCC to fully assume the Secretarial role to SEECP and to remove or prevent any potential impediments to its operations, as the latter have over the years been growing in scope and ambition.

Indeed, RCC's mandate firmly positions the RCC to serve the benefit, connectivity and integration of South East European region and the thirteen participants of SEECP. In that light, the development of the South East European 2030 Strategy (SEE 2030) by the RCC, in line with the mandate received at the 2019 SEECP Summit in Sarajevo/Jahorina, represents a paramount milestone in Regional cooperation. Its endorsement is expected at the 2021 SEECP Summit in Antalya, under the Turkish Chairmanship.

With this Strategy, which takes into account priorities of each economy, inputs from international and regional organizations and perspectives of civil society, private sector and think tanks, thirteen



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SEE economies will take decisive steps toward the implementation of the UN Sustainable Development Goals (SDGs). Aligned with the global and European development trajectories, SEE 2030 utilizes green and digital transitions and adopts a bottom-up approach to provide for an all-inclusive sustainable development in the Region. SEE 2030 vision is one of a prosperous, peaceful region, where access to quality education, healthcare, environment and sanitation services are not conditioned by the level of income, where emigration and brain drain are minimized, where economies are connected, competitive and on par with the developed counterparts across the World. Achieving UN SDGs in a regional framework is a novel approach, but one which will ease the post-COVID recovery and strengthen regional sustainability and resilience.

Finally, the pandemic has highlighted new and emerging security threats, affecting each of the Region's economies. Proliferation of disinformation has been affecting the public's response to the containment measures, and even individual well-being, adding to the difficulties of managing the pandemic. New aspects to old challenges, such as in illegal migration and organized crime, have been emerging, requiring coordinated, mindful and informed actions and reactions.

Most notably, the pandemic revived the discussions on the state of preparedness of our Region's economies, not only to health emergency but also to natural and man-made disasters to which the Region is susceptible. There has been growing awareness that a regional mechanism of disaster preparedness and responsiveness, modelled on the best EU-wide (Civil Protection Mechanism) and regional practices (such as Baltprep, as an initiative within the EU), would contribute significantly to mitigating disasters' most dire consequences.

Therefore, the pandemic has reconfirmed the need for a closer, committed regional cooperation across different areas. Interdependency may make the Region stronger, rather than more vulnerable, when efforts are joined to address together the arising issues. Commitments made in the last year will thus serve only to improve the socio-economic outlook and assist the post-pandemic return to growth. Cooperation between the RCC and the incoming SEECF CiO of Athens is expected to follow in these footsteps with an equal vigor to ensure a smooth road to the healthy, prosperous, common future.



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Developments in Priority Areas of Regional Cooperation in SEE and the Role of the RCC

A Support to the implementation of the regional programs: Multi-annual Action Plan for a Regional Economic Area and Common Regional Market Action Plan

MAP REA, which was being implemented in the Western Balkans region and coordinated by the RCC and CEFTA in the period 2017-2020, facilitated achievements across its pillars of trade, investments, digital and mobility. Progress, while undeniable, had not been seamless, but the importance of lowering barriers to allow for enhanced attractiveness of Western Balkans' markets, their competitiveness and sustainability has been proven in no uncertain terms, particularly with the outbreak of the COVID-19 pandemic. The ongoing economic and financial crisis triggered by the pandemic and the subsequent lockdown, shed the light on importance of deeper economic integration of the region in mitigating/curtailing possible long-term negative effects.

This fact has received recognition and was responded to swiftly by the Western Balkans economies, regional organizations and the European Union. With their political commitment and backed by sound expertise, a new and more ambitious agenda was endorsed at the 2020 Sofia Summit of the Berlin Process – the Common Regional Market Action Plan 2021-2024. In the coming years, the Strategy and Work Programme of the RCC will likewise adapt its first Objective of supporting Western Balkans' economic integration as it replaces its predecessor, MAP REA.

A.1 Economic Competitiveness

RCC assisted in the development of the CRM Action Plan, with the emphasis on three main areas: Regional Investment Area, Regional Industry Area and Free Movement of Capital.

A.1.1 Investment Policy Reform

The main objective of the investment policy reforms is to strengthen the region's investment competitiveness, having in mind that increased competition for FDI on a global scale requires concrete reforms. A reform program aimed at further enhancing the alignment of regional investment standards with those of the European Union will help increase the region's investment



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attractiveness specifically for investors targeting European markets ('near-shoring'). It will further foster implementation of the EU acquis in the area of trade and investment.

Major leap forward in investment policy reforms has been made at the end of 2020 with the endorsement of the 'Regionally accepted standards for negotiation of International Investment Agreements (IIAs)', as a step toward bringing regional IIAs in line with the EU standards and latest investment policy frameworks. The accepted Standards will help the region not only to modernize the current agreements, but also to protect the economies' right to regulate and foster sustainable development.

In the context of improving the investment climate, advancing the transparency of the Western Balkans region and contributing to the emergence of a single investment destination image, work is under way to create a regional database of investment incentives.

Across the region, economies are already implementing certain investment policy reforms, such as publication of investment incentives inventories in Montenegro and Albania. However, it is agreed that the top to the bottom race needs to be diminished and that emphasis should be on the regional efforts.

A.1.2 Investment Promotion

Having in mind that the ultimate goal of investment activities is to increase the inflow of FDI in the region, emphasis is not only on investment policy reforms but on stronger regional investment promotion and retention as well.

The investment agenda being implemented by the RCC continued through various events with the aim of elaborating on regional measures toward a Western Balkans regional investment area, including a Webinar of COVID-19 impact on FDI in Western Balkans and capacity building exercises for the representatives of Investment Promotion Agencies in terms of how to move forward in pandemic reality and which available online tools to use.

Joint Working Group on Investments elaborated in March 2021 the mandate, composition and planned activities of a Sub-working group on Investment promotion, envisaged under the CRM.



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The region agreed on three sectors (automotive, food processing and metal processing) to be selected for regional investment promotion, which are in line with the proposed sectors within the regional industry area. Importance of nexus between investment promotion and industrial development working groups within CRM was stressed in terms of avoiding overlapping and identifying complementarities between the areas. This work will build on the previous work done in the field of investment promotion within the MAP REA.

A.1.3 Industrial Development and regional sectoral value-chain integration

The relevance of regional dialogue on industrial policy, facilitated by the RCC, has been recognized and embedded in the CRM, which envisages as one of the key objectives the establishment in the region of a Regional Industrial and Innovation Area. With the adoption of CRM, the industrial policy coordination and reform thus gained another proportion – the introduction of the sectorial leg and strengthening of the private sector component.

The Regional Industrial and Innovation Area embraces an innovation-led policy approach for industrial development of the region, with the aim to transform key industrial sectors, shape regional value chains and enable their integration into the European and global value chains, and support the growth of start-ups and SMEs. In the context of disruptions caused by the COVID-19 pandemic, the regional industrial policy agenda has taken into consideration the necessity to overcome challenges faced by supply chains in the region, to build resilient and sustainable regional value chains and to foster regional economic interconnectedness and competitiveness.

Based on the conclusions of a series of consultations meetings with the businesses community in the region, conducted by the RCC with the support of the WB6 Chamber Investment Forum, the Regional Industrial and Innovation Area prioritizes the automotive, agro-food, green and circular economy, metal processing, tourism and creative industries.

In view of the regional industry development measures, activities for the establishment of a Regional Supplier Development Programme have started, with the automotive sector selected as the pilot sector for the “supplier mapping” activity. RCC’s facilitation of the regional dialogue and



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implementation of these measures is significantly supported by the Working Group on Industrial Development.

Women Economic Empowerment

Supporting growth of SMEs, with a particular focus on women entrepreneurs, is one of the key measures of the CRM's regional industry development. RCC has put *women economic empowerment* at the forefront of its competitiveness activities and is extending regional partnerships in support of gender equality and women empowerment in the region. A recently published study on 'Economic benefits of gender equality and women empowerment in the Western Balkans Six', commissioned by the RCC, has shed light on the labor market situation for women in the region and been presented to the representatives of Western Balkans' public, non-governmental and private sectors, as well as to regional and international partner organizations.

In light of its objectives and in response to the COVID-19 impact for women, RCC and UNDP launched a joint initiative on "Women Economic Empowerment: Areas for joint actions in the Western Balkans", with the aim to foster regional partnerships and facilitate regional dialogue on reforms with a lasting impact for women in different sectors (from entrepreneurship and labor markets to digitalization, and others).

Triple P Tourism Project

Upon the period of intense development of the cultural and adventure tourism regional products, the year 2020 for the Triple P project was to be the period of intense promotion of the regional routes, and finalization of the development processes. However, COVID-19 pandemics caused major disruption to all economic activities and brought tourism industry worldwide to a complete standstill. For several months the focus of the industry was on minimizing the negative impact and providing support to the industry. Only in late summer 2020 has the focus really shifted and discussions started on how to recover and restart, despite major travel restrictions still in place. The UNWTO projections indicate that 2021 will bring the positive turnaround, however the recover to achieve 2019 levels will last at least 2^{1/2} to 4 years.



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Despite the standstill and travel restrictions imposed by the governments, the Triple P project managed to conduct many of the planned activities in a modified format that were mainly focused on virtual promotion, capacity building, and policy areas.

Within the policy actions to be incorporated in the entire region, two assessments were completed to deal with the joint safety and hygiene protocols and green border/boundary crossings for adventure tourism. The first one had the main focus on harmonization of protocols with the WTTC Safe Travels Protocols and acquiring the safe travel stamp. The second one referred to the incorporation of procedures in the legislation systems of the WB economies and enable availability of crossings with high touristic demand.

“WB6 Tourism and Travel Industry Assessment on COVID-19 Diagnostic and Future Prospects” was conducted giving a snapshot of the overall situation in the tourism industry of the Western Balkans and recommendations for recovery that will be concentrated on active, adventure and rural tourism, and the thematic trails. A change in marketing activities will be necessary, with a move to digital marketing and campaigns. The need for monitoring capacity and tourism observatory in the region for monitoring data is evident, while on the business side it is necessary to modify the old and create new business models adapted to new reality.

As for the promotion of the four regional routes, numerous events were organized in different formats. Twelve familiarization tours were conducted for both cultural and adventure tours, Impact Assessment Study created for the Balkan Monumental Trail, while the Guidelines for tourism signage and its pilot testing is undergoing its final phase. Illyricum Trail is finalizing its stakeholder’s network (20+) and full marketing portfolio that will be fully virtual and digitalizes leading the process towards European Cultural Route certification.

RCC Triple P was hosting the regional stand Western Balkans Powered by RCC at the ITB Berlin Now, the first virtual edition of the biggest world travel and trade shows. 30 co-exhibitors among the private agencies and tour operators from each of the WB6 economies had an opportunity to showcase the work in the region and promote actively cultural and adventure destinations.



In order to boost innovation and use digital solutions for tourism recovery in both business models and promotion, Triple P organized the first competition entitled FUTOURISMO with seven awarded innovative solutions from each of the 6 economies of the WB.

A series of Webinars and Online Trainings was organized in order to rebuild the future of micro and small enterprises of WB6 tourism industry to support their growth on digital skills and reach out to new and priority markets in the post COVID19 pandemic era. Three webinars were organized on “COVID 19 Safety travel protocols for tourism businesses”, “Adapting tourism products for new priority markets” and “B2B Trade Marketing without Trade Shows” and four online trainings on “Digital Marketing and Management Skills”, “Marketing to the Global Hiking and Adventure Market Online”, “Campaign Creation and Implementation” and “Content Production on tourism products”.

Within the small grants facility a total of 36 grants were awarded through three grant cycles during the entire duration of the project in the total amount of EUR1.62 million. The results led to development of new regional cultural and adventure tourism products and their promotion, assessment and feasibility studies, capacity building on digital skills and tourism entrepreneurship skills for youth professionals and woman, small infrastructure interventions, policy making, piloting standard for hospitality in rural areas, support of national parks, networking and partnership establishment on tourism subject, etc.

Marking the finalization of the Triple P Tourism Development and Promotion project, a High-level regional Conference entitled “Tourism as a Key to Sustainable Development” took place on 7-8 April 2021 in Tirana in an online hybrid format. The conference underlined the importance of regional cooperation in the field of tourism development and paved the way for continuation in common approach to tourism and travel industry rehabilitation within the context of sustainable development of the Western Balkans. Tirana Declaration on Joint Regional Protocols to Support Sustainable Tourism Recovery and Growth in the Western Balkans was subsequently unanimously endorsed by all six economies in the Western Balkans.



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A.1.4 Regional Approaches to Financial Markets Developments

Financial liquidity for Micro, Small and Medium Enterprises and stronger cooperation among financial authorities, including international players, are crucial in the post-pandemic recovery phase of the Western Balkans. Further deepening and diversification of financial markets can serve as an impetus for better economic results of Western Balkans economies. Given the strong business linkages within trade and investment, cross-economy cooperation through financial markets can play an important role in supporting growth and jobs and make the region more attractive and competitive.

The World Bank's report „Western Balkans - Deepening and Diversification of Financial Sector to Support Growth,“ together with the respective Regional Roadmap, served as a base for prioritizing proposed reforms so as to further the regional work program in the area of financial sector for the upcoming three years. Having in mind that a solid legal and institutional background is needed on a regional level in Western Balkans in order to advance the development of financial markets and integrate them into the EU market, the region decided to further cooperation in three main directions: financial services; payments; and improved regional response cooperation as part of relief, recovery and resilience in light of the pandemic. These activities support the Free movement of Capital and part of the Free movement of Services area within CRM.

As one of the main objective of the Free Movement of Capital component, RCC is coordinating the facilitation of cost-efficient payments (including remittances) within the economies of Western Balkans and with the EU through the Single Euro Payment Area (SEPA). SEPA is the ultimate goal of all six economies, having in mind that benefits of being part of a common market like SEPA would contribute to more efficient exchanges, better connected economies, market integration and reduced transaction fees within the European Economic Area. Regional efforts are being dedicated towards the establishment of a modern, cost-efficient and interoperable cross-border/boundary payment system. Work on these concrete activities identifies different stages of development of each WB economy, including the needs for further investments in technical infrastructure, legislation development/implementation, or capacity building. Talking about modernization of payment systems it has to be mentioned that Serbia has recently introduced



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instant payment system (IPS) where the regulatory framework, IPS system and fee policy ensure the standardization of instant payments and cost efficiency that payment service providers can use to introduce new services and significantly upgrade the existing ones. Montenegro is the next economy in the region which will be introducing this kind of system.

A.2 Human Capital Development

During the last year, in parallel with the implementation of MAP REA actions, regional measures under the CRM Action Plan were identified in consultations with the Component Contact Points (CCPs) on mobility. In line with the ‘four freedoms’ principles of CRM, Human Capital Development Agenda has been significantly expanded under two components: Free Movement of People and Regional Innovation Area. Within the Free Movement of People, there are three sub-components: Mobility of Students, Researchers and Professors; Free Movement of People with ID Cards; Portability of Social Rights. The agenda on removal of the obstacles to mobility, elaborated under MAP REA, has been transferred under the Free Provision of Services part of the CRM. The Regional Innovation meanwhile includes five sub-components: Western Balkans Innovation and Research Platform; support to development of regional innovation infrastructure; Regional Diaspora Knowledge Transfer Initiative; Regional early Stage Innovation Funding Scheme; and Regional Network of Women in STEM for the Next Decade.

A.2.1 Mobility of Students, Researchers and Professors

In the past year, advancements were made to ease the recognition of academic qualifications in the region. The Working Group on Recognition of Academic Qualifications (WGRAQ) finalized in accordance with set plans the Joint Information System (JIS), a facilitating tool for recognition of academic qualifications, fully operational and opened to the public from the end of 2020. In line with the Working Group’s guidelines for an online database for regional recognition of academic qualifications, work began on Regional Recognition Database (RRD). Although this online system was originally planned to be fully operational and functional by summer 2020, due to the effects of the COVID-19 pandemic, there were significant delays. The RRD has been developed, and is in the testing phase with regional ENIC/NARIC offices, once circumstances permit.



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In line with commitments to further facilitate and coordinate the implementation of the Declaration on Recognition of Academic Qualifications, a comparative report on National Qualifications Framework was prepared and officially presented in January 2021.

Moreover, RCC provided technical assistance to support the alignment of the Western Balkans Quality Assurance (QA) Systems with the European Standards and Guidelines for Quality Assurance (ESG). This assistance, in the form of a “mock review” was undertaken in extremely challenging times caused by the pandemic. The regional overview of the QA Systems against ESG was submitted and presented to the WGRAQ in January, whereas individual-economy based reports were delivered individually to the economies, with the process concluded within April. QA bodies of the region, based on the regional report and the individual-economy reports, under facilitation of RCC and ERI SEE are expected to produce “an action plan” by the end of 2021 to implement the identified shortcomings.

In line with the CRM Action Plan, RCC submitted the zero draft of the Western Balkans Agreement on Recognition of Academic Qualifications to the economies in January. WGRAQ has begun the negotiations on the basis of the adopted timeline and Rules of Procedure.

Renewed commitment to unblock negotiations on the Mutual Recognition Agreement of Professional Qualifications (MRA) was made at the Prime Ministers’ (PM) Sherpas meeting in December 2019. Based on the agreement, RCC and CEFTA produced a joint paper on the way forward on MRA, which was accepted and included in the CRM. As agreed, RCC will facilitate the process of automatic recognition of professional qualifications for seven professions. Out of these seven professions, the draft Agreement covers three professions negotiated previously (doctors of medicine, dentists and architects), and four professions yet to be negotiated (nurses, midwives, pharmacists and veterinary surgeons). As instructed by the Sherpas, RCC in coordination with CEFTA revised and submitted to the economies draft Agreement on Recognition of Professional Qualifications for Doctors of Medicine, Dentists and Architects in January 2021. The revised draft Agreement has fully transposed relevant provisions of the EU model set out in EC relevant directives, including the provisions related to recognition of



professional experience, recognition on the basis on the minimum training requirements and automatic recognition on the basis of the common principles. The scope of this draft Agreement covers the rules applied when service provider moves both temporarily and permanently. In line with the joint proposal of the CEFTA and RCC Secretariats, the institutional elements proposed have been named in such a way that prefix Joint CEFTA-RCC has been added.

The Working Group on Recognition of Professional Qualifications for Doctors of Medicine, Dentists and Architects has agreed on the timeline and work plan, whereas the endorsement of Rules of Procedures awaits the completion of the appointment of economies' negotiating teams.

A.2.3 Free Movement of People with ID Cards

Freedom of Movement with ID cards builds on the commitment of the Western Balkans Leaders made at the Sofia Summit to strengthen regional cooperation aimed at producing tangible results for all the Western Balkans' citizens. Enabling free movement with ID cards within the Western Balkan region represents one of the key aspects of "four freedoms" and an important milestone of CRM. It also has the potential to strengthen people-to-people contacts, as well as enhance business opportunities and cultural exchanges between the Western Balkans.

The Working Group on facilitation of the Regional Agreement on Freedom of Movement with ID Cards was established immediately after the Summit. The Rules of Procedure, time plan as well as the working dynamics and main working principles of the Working Group have been established, and a zero draft Agreement was shared with the Group by the RCC in January 2021. The process will continue with negotiations on the submitted comments on the zero draft agreement.

In line with CRM, in order to assist the region in post-pandemic recovery, especially in tourist season, RCC submitted in January 2021 to the economies the zero draft Agreement on Freedom of Movement of Third Party Citizens. Negotiations on the draft agreement have commenced in April.



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A.2.4 Innovation and Research Platform

After the final round of intense consultations with the WB Research & Innovation and Open Science Working Group, the Protocol on Open Access to Research Infrastructures in the Western Balkans was endorsed by the Western Balkans Leaders at the Sofia Summit in November 2020. The Protocol will serve the purpose of encouraging mobility of researchers and scientific collaboration in the region.

In parallel, RCC has successfully completed a complementary Open Access Research Infrastructure in the Western Balkans Support Programme, designed to assist development of research infrastructures (RIs) in the region. The Support Programme guided the preparation of the Open Access (OA) policies for selected RIs in the Western Balkans and trained management, administrative and research staff to introduce principles of OA to the selected RIs.

The experts, commissioned by the RCC, assisted development of OA policies in 21 RIs that joined the Network of Open Access Research Infrastructures in the Western Balkans at the end of 2020. The institutional framework defined by the Protocol was the key condition for establishing the Network. The way forward for the OA Network will be determined upon completed nominations of representatives of each economy to the Steering Committee and Advisory Board.

To support regional mobility of researchers and boost research cooperation, RCC has launched the Technical Assistance (TA) to Creating Roadmaps of Research Infrastructures in the Western Balkans, assisting preparation of respective roadmaps by line ministries in Albania, Bosnia and Herzegovina, Kosovo*, and the Republic of North Macedonia (Montenegro and Serbia already have RI roadmaps in place). By April 2021, four draft roadmaps have been developed, and the final phase of the TA should be completed by June. The produced roadmaps will be used as direct inputs for developing a regional RI roadmap.

The RCC continued its partnership with the World Economic Forum on the Western Balkans Competitiveness and Innovation Accelerator as a public-private leadership collaboration platform.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence



Among other activities, the possibility of mainstreaming a foresight instrument into public and private decision-making in the region was being explored in collaboration with the DG R&I, EU Joint Research Centre (JRC) and International Service Facility (ISF). RCC supported the ISF's regional efforts to create a regional science, technology and innovation (STI) foresight study that will be presented in early autumn 2021. The study will be used as a backbone for developing a wider foresight that should encompass business and competitiveness.

Close collaboration has been established and advanced with various international organisations operational in the region to ensure a coherent and synchronised approach, preventing overlaps and duplication of efforts. These include the European Institute of Innovation and Technology and their Knowledge Innovation Communities (KICs), EUREKA, COST, and European Enterprise Network.

A.2.5 Development of Regional Innovation Infrastructure

The mapping of existing digital innovation hubs has been completed as part of the MAP REA's digital component. Based on the findings and recommendations, establishment of a regional Network of Digital Innovation Hubs is planned. Preliminary contacts have been made with the functional technology transfer offices (TTOs) in view of supporting their development and expanding the number of TTOs to research performing organizations.

A.2.6 Regional Diaspora Knowledge Transfer Initiative

Following the establishment of the Working Group on Diaspora, its work has been kick-started with the first meeting held in April 2021. A likely first step will be to conduct a mapping exercise designed to identify the ongoing regional diaspora initiatives abroad and those within the Western Balkans economies

A.2.7 Regional Early Stage Innovation Funding Scheme

Under the Western Balkans Competitiveness and Innovation Accelerator framework a number of regional and bilateral meetings have led to the development of a concept model on possible operations of a regional innovation fund, conceived as an early stage innovation support funding scheme. The concept model received broad support within the region by both businesses and



policy-makers. The RCC has embarked on preparing a feasibility study to identify the best ways of scaling the existing innovation funds' operations to the regional level.

A.2.8 Regional Network of Women in STEM

RCC initiated activities of empowering women in Science, Technology, Engineering, and Math (STEM) as part of broader efforts under the CRM and the RCC and UNDP's Women Economic Empowerment: Areas for joint actions in the Western Balkans agenda aimed towards lowering the WB6 gender unemployment gap. As a preparation for the launch of the regional Network of Women in STEM, the RCC conducted the Mapping of Gender-Related Policies, Programs and Mechanisms on Gender Disparity in STEM in Western Balkans study that identified a number of STEM initiatives in the region and offered a set of recommendations for decreasing gender disparities with the emphasis on STEM. The regional Network of Women in STEM was successfully launched in April 2021. The main goal of the Network is to encourage open discussions about the key challenges women and girls face in STEM education and careers throughout the region, and to explore numerous opportunities for women to thrive in STEM.

Western Balkans Youth Lab Project¹

Following extensive consultations organized during the inception phase, the Western Balkans Youth Lab Project (WBYL) commenced implementation of Project activities.

As part of Mapping of Youth Policies and Identification of Existing Support and Gaps in Financing of Youth Actions in Western Balkans six individual reports were prepared and shared with Project Contact Points for comments. Draft Concept Proposal for Setting up Informal Mechanism on Donor Coordination, stemming from mapping exercise and titled "Broad Coalition for Youth", has been prepared and afterwards presented and discussed with representatives of donors, youth and policy makers in the region. The [First Informal Donor Coordination Mechanism on Youth Agenda in the Western Balkans](#) was organized on 19 and 20 April 2021, bringing together relevant

¹ This project is co-funded by the European Union, grant number IPA/2019/409-790



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stakeholders in the field of youth: representatives of governments, national youth councils/youth umbrella organization, donor community and relevant regional organizations.

Following consultations on the most pressing issues that Western Balkans youth is facing, it has been agreed that the first Youth Lab will be dedicated to the youth unemployment issue. In order to bring the region closer to the European Youth Dialogue practice, the Project has developed Draft Methodology and Model of Youth Policy Lab incorporating successfully elements of co-creation and co-management, which brings a participatory and youth centred approach in policy making.

In November 2020 network of [Regional Pool of Experts](#) has been established, consisting of 34 members, being policy makers and youth representatives from all Western Balkan economies. Six trainings were organized (one in each economy), for members of this Pool on prepared Draft Methodology and Model of Youth Policy Lab.

[Kick-Off event dedicated to youth unemployment](#) was organized in December 2020, hosting 32 senior policymakers and youth representatives from the Western Balkans in the working sessions and more than 100 representatives of CSOs, donor community and media at the opening segment of the event. The participants utilized Youth Policy Lab model to co-create 11 policy recommendations to tackle youth unemployment at regional level.

With the aim to adapt regional policy recommendations from the Regional Youth Policy Lab on Youth Unemployment to the context of the each economy, in February 2021 the process of establishment of Six Working Groups as an informal policy development mechanism at economy level responsible for conducting Youth Policy Lab activities has been initiated through organization of six individual meetings (one in each economy). For this purpose WBYL prepared [Draft Rules of Procedures](#) in order to guide the Youth Policy Lab process (membership, composition and co-chair management at economy level) as per Draft Methodology and Model developed. So far Working Groups have been established in Albania, Kosovo*, Republic of North Macedonia and Serbia.

Technical Assistance Instrument (to meet the needs of public administrations) and Capacity Building Instrument (to meet the needs of youth organizations) have been utilized to address immediate needs of the beneficiaries on four occasions:

- 1) public administration in Montenegro, for the purpose of capacity building of the civil servants who administer youth services (youth centres and youth clubs) at local level;
- 2) public administration in Kosovo*, for preparation of analytical report to provide informed decision making with regards to youth participation mechanisms while drafting new legislation (in progress);
- 3) National Youth Council in the Republic of North Macedonia, for development of the strategic communication and advocacy outreach of the organization for the period of 2021-2023; and
- 4) National Youth Council of Serbia (KOMS), for development of its Strategic Plan for the period 2022 – 2025.

“[Endeavouring for youth-grown solutions](#)” webinar, organized in July 2020 together with the RCC’s ESAP project, explored the youth perceptions on regional cooperation and served to enhance awareness on recent developments in youth employment in Europe.

In order to mark World Creativity and Innovation Day, on 21 April 2021, the WBYL Project organized online discussion “[Unleashing Youth Potential and New Way of Thinking](#)”, bringing together Western Balkan youth in order to promote knowledge-sharing and awareness raising on recent and ongoing youth initiatives and actions in the areas of creativity and innovation in the region and to present WB Agenda on Innovation, Research, Education, Culture, Youth and Sport.

Employment and Social Affairs Platform²

Through its ESAP 2 project, RCC is improving employment opportunities and working conditions of women and men in the Western Balkans by providing assistance on improved policies for

² This project has been financed by the European Union and implemented by the RCC, grant number VS/2016/0054 (March 2016 to February 2019), VS/2019/0094 (March 2019 to October 2019) and VS/2019/0348 (November 2019 – October 2022)



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tackling undeclared work, strengthening institutional capacities of government partners, and increasing engagement of the Western Balkans in EU employment and social policies.

In the area of tackling undeclared work, a regional Western Balkans Network for Tackling Undeclared Work (Network) has been established and is supporting regional cooperation towards implementing a holistic strategic compliance approach to undeclared work in the region. Members of this Network are representatives from Ministries of Labour and Social Affairs, Labour Inspectorates, Tax Authorities, but Network is also reaching out for ad-hoc participation of relevant officials from Ministries of Economy, Ministry of Finance, social insurance authorities, and cross-industry social partners. A 2-year work programme of the Network has been adopted and a set of activities have been implemented that include three plenary meetings, workshops on holistic approach to undeclared work and preventative measures, a study on COVID-19 impact on undeclared work in the Western Balkans and the documentation of give good practice fiches from the region. Notwithstanding the fact that the Network has been able to meet only online during the reporting period, there has been strong support by the government partners from all six WB economies, their active engagement and commitment to continue cooperating within the Network towards the transformation of undeclared into declared work within the Western Balkans.

In order to strengthen institutional capacities of Ministries of Labour and Social Affairs and Public Employment Services (PES) in labour market policies and measures, ESAP 2 focused on topics of key relevance for Western Balkans partners. In the past year, this topic related to youth employment. In the context of strong political momentum for strengthening youth employment programmes in the region and the EU Youth Guarantee as a one of EU flagship initiatives in the region, ESAP 2 has been developing a comprehensive analytical study on Youth Employment in six Western Balkan economies, with six individual policy roadmaps focused on the Youth Guarantee. This action is will also feed into RCC's WBYL project activities.

Moreover, ESAP 2 provided demand-driven technical assistance to select government partners. This technical assistance instrument has been deployed five times to address immediate needs and priorities of the Western Balkans government institutions in the realm of employment and social



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issues (examples of assistance include assessing the impact of COVID-19 on labour market and improving organizational performance of economies' PES).

To address the needs of the WB 6 region to have up-to-date information on the labour market and also relevant government policies in response to COVID-19, a regional online [RCC ESAP Employment Observatory](#) has been developed and launched on 29 January 2021. The ESAP Observatory has proven to be effective in enhancing the comparative knowledge and evidence on employment and labour market trends and governments' responses in the Western Balkans during COVID-19 when employment is heavily impacted. Links to the Observatory were published on the Western Balkans government webpages (Albania: [National Employment Agency](#); Bosnia and Herzegovina: [Agency for Labour and Employment Bosnia and Herzegovina](#); [Public Employment Service \(PES\) Federation of Bosnia and Herzegovina](#); Kosovo*: [National Employment Agency](#); Montenegro: [Ministry of Economic Development](#); Republic of North Macedonia: [National Employment Service](#); Serbia: [National Employment Service](#)). The Observatory publishes monthly and quarterly data on employment, monitoring the impact of COVID-19 crisis on labour markets in the Western Balkans and is also mapping public policies that the six economies are implementing to limit the impact of the COVID-19 on employment. Additionally, ESAP 2 online presence was revamped in the reporting period, with redesigned and improved webpage (www.esap.online), of which Observatory is an integral part. The upgraded webpage contains user-friendly relevant and updated information on the project's activities, plans and products, including the Members' Corner section dedicated to closed, topical discussions of our partners in a secure online environment.

In terms of the activities that focus on enhancing alignment with the EU Acquis, a comprehensive analysis of the implementation of the 20 principles of the European Pillar of Social Rights (Pillar) in the Western Balkan economies was completed in 2020. Additionally, a WB 6 comparative overview has also been produced and social scorecard with 15 headline indicators and 79 breakdown indicators updated for the Western Balkans. The Pillar serves as a reference for progress in alignment with the EU in areas that include equal opportunities and access to the labour market, fair working conditions and social protection and inclusion. A regional workshop was



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organized in November, 2020 on the status of implementation of the principles of the European Pillar of Social Rights in the WB, with the representatives of Ministries of Labour, Ministries of Education, Ministries of Finance and Economy, social partners, ERP Coordinators from the Western Balkans Six, as well as International organisations, the European Training Foundation (ETF), the International Labour Organization (ILO) and external experts. In April, 2021 ESAP 2 project initiated the process of developing the updated 2021 assessment of implementation of the principles of the European Pillar of Social Rights in the Western Balkans economies.

Roma Integration 2020 Action³

To respond adequately to the challenges caused by the COVID-19 pandemic, the Roma Integration 2020 action adjusted its activities to ensure that immediate requests for support and needs coming from the governments in the region are properly addressed. In particular, the action facilitated a broad societal dialogue regarding the government responses to the COVID-19 crisis and its consequences on the Roma community in order to ensure needs assessment, proper short, medium and long term response, and suitable consideration of Roma in mainstream measures.

The action engaged in gathering information about the situation of vulnerable Roma communities throughout the Western Balkans in cooperation with the National Roma Contact Points, various CSOs and IOs. The action monitored the situation with regards to COVID-19 provided continuous policy advice to the governments on how to adapt their response measures to address the specific needs of Roma. In addition to this, the action developed a comprehensive assessment of the situation (including mapping of most deprived localities) and prepared short, medium and long term plans to respond to the crisis within the Roma communities.

Following the endorsement of the Declaration of the Western Balkans Partners on Roma Integration (Poznan Declaration) in 2019, the action continued to provide support and assistance in furthering the Poznan Declaration objectives, the implementation of the Roadmaps 2019-2021 for housing and employment of Roma (adopted by the Governments at the beginning of 2019), as

³ This project is co-funded by the European Union, grant number IPA/2018/400-736



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well as the ongoing work on Roma responsive budgeting and data collection and monitoring exercises.

The action has so far contributed to the achievement of the Poznan Declaration targets and commitments through:

- Supporting the process of mapping of informal settlements;
- Facilitating the development of Roadmaps towards ending statelessness of Roma that are expected to be endorsed by the end of 2021;
- Encouraging statistical surveys for data collection in each economy and supporting a Roma specific survey in the Republic of North Macedonia;
- Providing expert support for furthering the implementation of the Roma responsive budgeting process; and
- Facilitating the development of the post-2020 Roma integration strategies.

On 27 October 2020 the Government of Albania and the Roma Integration 2020 action co-organized a high level ministerial meeting to discuss the progress achieved in the first year of implementation of the Poznan Declaration and set the path for further work.

The conclusions of the ministerial meeting were further endorsed at the 2020 Western Balkans Leaders' Summit in Sofia organized within the Berlin Process. While welcoming the achievements so far, the Leaders acknowledged the high necessity for data collection on the socio-economic status of Roma, which must be dealt with according to EU standards. The Leaders also reaffirmed that certain processes must be accelerated for achieving greater results, in particular related to improving the housing situation of Roma by mapping informal settlements, as well as developing roadmaps for the purpose of ending statelessness among Roma. Finally, the Leaders welcomed the Economic and Investment plan, which recognizes the need to improve access to education and labour market for Roma, measures which will be dealt with in the upcoming period while taking into consideration the Roma responsive budgeting guidelines and principles.



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The 5th Task Force meeting in December adopted several important conclusions that will guide the project activities throughout 2021, among which are also exploring ways to mainstream Roma integration within the Digital Agenda and the Green Agenda of the Western Balkans.

Finally, the action started developing programs for transforming undeclared work among Roma in Serbia and the Republic of North Macedonia. The objective of the programs is to decrease undeclared work among Roma from 39% to 25% by 2025. The action envisages expansion of similar programs in all economies, contributing to enhanced employment rate among Roma.

A.3 Digital Integration and implementation of Digital Agenda for Western Balkans

RCC activities were focused on defining regional measures related to digital transformation as part of CRM, with the goal to deepen digital integration between Western Balkans economies and integrate the region into the pan-European digital space. This will result in enhanced broadband deployment and progress in the implementation of 5G, aligned roaming policy between the Western Balkans and the EU, increased digital skills and competence, enhanced regional cyber resilience and capacities, improved interoperability of data and services, enabled use of trust services, improved digitalization of governments and public services and maintained high level dialogue on the digital transformation process in the region and prospects on new challenging practices, i.e. Artificial Intelligence (AI), smart cities, high-performance computing (HPC), etc.

The third Western Balkans Digital Summit (DS) was held in Tirana from 26-28 October 2020. Even though the Summit was online, it was very successful with more than 700 registered participants. The Summit was followed by a Digital Ministerial meeting on 2 November, when MoU on 5G Roadmap for Digital Transformation and MoU on Regional Interoperability and Trust Services in Western Balkans Region were signed by the six economies. Preparations for the fourth WB DS to be held in Montenegro in autumn 2021 have already started.

Implementation of the Regional Roaming Agreement (RRA) showed positive results. Roaming charges have been reduced between 83% and 96% and there has been a marked increase in data traffic while roaming in the Western Balkans economies. Unfortunately, due to the COVID-19 pandemic, mobile traffic significantly declined in the second quarter of 2020, thus providing less



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data to measure the impact of the Agreement. In line with RRA, Roam Like at Home (RLAH) regime in the WB will be implemented from 1 July 2021. Preparations for having a roaming-free region are advancing smoothly, as all the economies will soon complete the required legislative changes to allow efficient implementation of RLAH by 1 July.

Existing strategic documents in place and conclusions of all three WB DS already held, have placed great importance on the lowering of roaming cost between the EU and the Western Balkans. As the first step towards the respective roadmap, in October 2020 Western Balkans economies agreed on the Elements for the Roadmap on WB-EU roaming charges reduction. The process for the preparation of the glide path for EU-WB roaming charges reduction has started so as to provide relevant input for the roadmap. Full commitment of all involved stakeholders has to be ensured, in order to have transparent, inclusive and reliable process and endorse the roadmap/glide path during the 4th WB Digital Summit in autumn.

Although December 2020 marks the first dedicated regional meeting on broadband development, the regional dialogue on the subject has been part of all meetings throughout 2020 dedicated to the regional digital transformation, as well as the discussions in the context of CRM Action Plan preparation. Five new digital infrastructure projects have been approved by WBIF Steering Committee in 2020. There are eleven active WBIF projects at the moment in the region, of which ten are at economy and one is at a regional level.

In an attempt to address high digital skills gap present in the region, Western Balkan Digital Skills Multi-Stakeholder Working Group was formed in April 2020. One of the key tasks of the working group is to provide support to the economies to develop digital skills strategies, and to propose concrete actions and initiatives to support upskilling and reskilling in WB. In that regard, the methodological framework, prepared by the consultants engaged by the RCC, was presented to the Working Group in April 2021, in order to define the scope and details for a fully-fledged assessment of digital skills needs and gaps in the Western Balkans.

In July 2020, RCC organized the first-ever regional competition on digital smart solutions, Balkathon, with the idea to help the region to recover from the effects of the COVID-19 pandemic.



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Almost 90 applicants coming from start-ups, digital innovation centers, science parks, universities, small and medium enterprises, and others were competing in the following areas: smart tourism, digital learning platform and online payments solutions. Three winners have been obliged to further develop their digital solutions, in order to be applicable in all WB economies. Second Balkathon will be held at the end of May this year and the preparations for the event are in full swing

The first regional meeting on DESI (Digital Economy and Society Index) indicators was held in April 2021, when WB economies discussed the key findings of the study regarding the state of application of DESI in WB, including identification of gaps and needs in each economy. Taking into account the importance of the indicators, the meeting also aimed to encourage new ideas toward the establishment of a sustainable monitoring framework for digital transformation in the Western Balkans.

Other developments related to digital integration in this period include established regional platform to address data protection and privacy as well as effective enforcement of General Data Protection Regulation requirements including through the endorsement of the roadmap for each economy; after launching WB dialogue in the area of trust services and interoperability, preparations of the regional roadmap on recognition of eIDs and other trust services are under way.

A.4 Sustainable Growth and Climate Change Resilience

RCC activities and support to the region in the area of sustainable growth and climate action were rejuvenated in the last year with the adoption of the European Green Deal (EGD) and its ambitions, including expectations from the Western Balkans region. The obligation for developing the Green Agenda for the Western Balkans (GAWB) foreseen by the EGD gathered together and inspired the Western Balkan economies to embark on this ambitious initiative and to set the same objectives as those of the EU Member States, striving to reach climate neutrality, as the overarching goal, by mid-century. Having in mind the existing differences of the Western Balkans economies and the EU Member States in terms of the applicable legal frameworks and the process of alignment with the EU *acquis*, diverse starting points in terms of relevant standards, practices, the level of economic development and hence budget dedicated to sustainable development, reaching the same



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objectives within the same deadline will be an extremely challenging, but crucially important, exercise for the entire region.

Therefore, the last year's focus was concentrated on designing a common regional approach to address main challenges. RCC remained dedicated to supporting the region and promptly started with necessary activities in preparing the ground for the expected comprehensive ecological and economic transformation. Exploiting the momentum and enthusiasm generated by the EGD and determination of the economies and politicians from the region, RCC undertook a role to coordinate the drafting of a declaration on the GAWB. The process of outlining the regional long-term vision for the implementation of the Green Agenda started with consultations with the six Western Balkans governments, represented primarily by the Regional Working Group on Environment (RWG Env) as an intergovernmental platform established by RCC six years ago, as well as with the South-East Europe Biodiversity Task Force (BD TF) established in cooperation with GIZ Open Regional Fund for Implementation of Biodiversity Agreements (ORF BDU) and International Union for Conservation of Nature (IUCN). Consultations also included a broad array of relevant regional organizations, active in various areas covered by the GAWB (such as the Energy Community, Transport Community, Standing Working Group on Regional Rural Development), but also IFIs, NGO sector and many other partners who will or may play a role in the implementation of the GAWB.

The Declaration⁴ on the Green Agenda was adopted by the WB Leaders at the Summit held in Sofia in November 2020. Through this Declaration, the regional Leaders endorsed the GAWB and committed to undertake certain measures designed to improve the state of the environment as well as protection and adaptation to climate change through a multidimensional approach. The identified measures are grouped under five key components: Decarbonization, focusing on climate action, transport and energy policy; Circular economy; Depollution; Sustainable agriculture; and Nature and biodiversity protection.

⁴ Sofia Declaration on the Green Agenda for the Western Balkans - <https://www.rcc.int/docs/546/sofia-declaration-on-the-green-agenda-for-the-western-balkans-rn>



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The 5th Ministerial meeting (organized annually by the RCC) represented a kick-start of the process of GAWB implementation. The meeting convened the Western Balkans ministers and their proxies to discuss the way forward, while at this occasion they reconfirmed the readiness to strengthen own engagement and regional cooperation to provide a proper response to the requirements of the Declaration. The next steps include a continuation of consultations, mapping of all relevant stakeholders and drafting the Action Plan for a coordinated implementation of the GAWB, which has already started. In parallel, RCC started to work on the design of a tool for monitoring the implementation and progress in measures enshrined in the GAWB, striving to finalize the Action Plan by the Summit in Ljubljana to take place this autumn, and monitoring tool by the end of the year.

Political Cooperation

In July 2021, Chairmanship in Office (CiO) of SEECP has been transferred from Prishtina to Ankara. Among its priorities, the new CiO highlighted strengthening the role of SEECP, exploring the possibilities of clarify the legal personality of RCC in the context of its relations with SEECP, and enhancing synergy with relevant regional and international organizations. Thus, through the SEECP Working Group, SEECP Participants set to boost SEECP as the principal forum of cooperation in South East Europe. The latter sentiment had been reconfirmed at the informal meeting of SEECP MFAs in November in Antalya, where RCC was recognized as a key actor in assisting and facilitating regional cooperation.

RCC has provided the Working Group with inputs and assessments of its de jure and de facto mandate, in order to help frame the discussions on how its legal status could be clarified in order to provide best added value to SEECP and SEECP CiO. RCC was called upon to assume to a greater extent a Secretarial role to SEECP, which resulted in RCC extending its logistical and administrative assistance, including in designing and operationalizing a SEECP CiO website, which will be co-managed by the RCC and the Chair in Office.

In the broader context of political cooperation conducted by the RCC with its and regional partners, Secretary General has maintained close communication with regional governments and EU institutions, as well as with Chairs and Presidencies of relevant initiatives and processes – such as



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the Berlin Process, where excellent cooperation was established with Skopje and Sofia during their co-Chairmanship and current and future Presidencies of the Council of the EU.

Parliamentary Cooperation

RCC is engaged in supporting regional parliamentary cooperation and enhancing the role of the Parliaments in the regional cooperation process as a good prerequisite to contribute to strengthening political stability, and improve the political climate of the Western Balkans region. Following the invitation from COASP⁵ to support its efforts towards the establishment of a parliamentary dialogue covering all the key areas of the region's political, economic, social, cultural and security cooperation, RCC prepared a comprehensive regional study which analyses the current involvement of the Parliaments of WB economies in the Berlin process.

The study 'Strengthening the role of Parliaments of the Western Balkans region in the Berlin Process' provides comprehensive information on the current level of familiarity by the parliaments with the commitments undertaken by the respective governments and of the parliaments' role in supporting the accomplishment and implementation of such commitments. The study also presents a set of recommendations for strengthening the role of Western Balkans Parliaments in the Berlin Process, and on the steps needed to establish a formal parliamentary dialogue in line with the Chair's conclusions of the Western Balkans Summit in Poznań⁶.

Good Governance

Sustained focus on the rule of law and supporting judiciaries to reach EU standards remains an important focus for the RCC's work. In this context the periodic professional exchange among RCC-led networks WB Working Group on Justice (WB WGJ), SEE Judicial Training Institutes (SEE JTI) and SEE Associations of Mediation (SEE AM), have contributed in improving mutual trust amongst jurisdictions in the Western Balkans.

⁵ Conference of Parliamentary Committees on European Integration/Affairs of the States Participating in the Stabilisation and Association Process in South-East Europe

⁶ <https://www.rcc.int/pubs/110/strengthening-the-role-of-parliaments-of-the-western-balkans-region-in-the-berlin-process>



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The 4th meeting of SEE JTI was organized in September 2020 in cooperation with the Judicial Academy of Serbia. Specific focus of the meeting was on the exchange of best experiences from the many different approaches being taken by each of the JTIs towards distant learning solutions. Relevant experiences in distance trainings from the SEE Judicial Training Institutions and partner organizations such as the European Judicial Training Network, HELP - Council of Europe and GIZ, were presented and discussed with the view to assist the JTIs endeavors in ensuring efficiency in using digital training techniques. Based on the contributions of the JTI network participants and in partnership of RCC-GIZ ORF Legal Reform Project, a solid regional plan of activities for 2021 was agreed.

13th meeting of WB WGJ was organized in October, in cooperation with the Ministry of Justice of Serbia. High level representatives from Ministries of Justice of the Western Balkans region and Croatia, representatives from European Commission and partner organization GIZ discussed and exchanged best practices on streamlining of the regional approach in accordance with EU standards, alignment with the new Enlargement Methodology and the strengthened focus on fundamentals as well as further strengthening of the judicial cooperation to better support the economic development of the region. Moreover, discussed also were the most important issues to be dealt with by the network during 2021 and possible synergies and cooperation with relevant regional and European partners.

The regional conference ‘Mediation and Justice in the Western Balkans: Strengthening the Links’, was likewise organized in October, in cooperation with CSSP – Berlin Center for Integrative Mediation and the International Association of Mediators from Southeast Europe (IAMSEE). The conference focused on the required conditions and factors for a successful cooperation between justice and mediation systems in SEE. Renowned experts, practitioners, representatives from the judiciary, the executive branch, civil society and academia from across the SEE region and the EU, contributed with their in-depth expertise, specialist know-how and many years of experience to the quest of effective and sustainable solutions for mediation. The conference enabled learning



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from good practices and sharing knowledge on how to deal with similar challenges across the region.

In support of reforms undertaken by the jurisdictions towards establishing independent, accountable and efficient judiciaries based on EU standards and values, dedicated technical assistance was offered through regional assessments. “Promoting judicial cooperation in support of economic development in the Western Balkans” identified the current legal and procedural gaps in judicial cooperation and provided recommendations on standard-setting and technical cooperation with the view to strengthening the judicial cooperation and establish close cooperation between the Western Balkans jurisdictions in order to eliminate any obstacles deriving from incompatibilities between the various legal and administrative systems. It also provided recommendations on the best legal instruments that enable a strengthened judicial cooperation, including harmonization of the administrative practices in relation to the relevant legislation existing in the Western Balkans’ jurisdictions. The study also evaluated to what extent a strengthened judicial cooperation can support the implementation of the Common Regional Market and the overall socio-economic progress of our region.

Regional assessment “Relevant Experiences in Judicial E-Learning in the See Region” aimed to support the activities related to strengthening the JTIs cooperation by facilitating and supporting networking and lifelong education of judges, prosecutors and legal professionals, which should contribute to improved competences, mutual trust and enhanced regional cooperation among the judiciaries in SEE. The study comprises a set of recommendations intended to facilitate a more active cooperation for developing and implementing joint initiatives, projects and actions on topics of common interest of the JTI’s in the SEE region.

Finally, regional study on ‘Mediation practices in the Western Balkans’, evaluated the current legal framework of the WB economies, its approximation with EU acquis and the existing best mediation practices. Awareness rising for an increased use of mediation as an alternative dispute resolution tool is one of the key objectives of the study in order to encourage interested parties to exercise their legal rights in avoiding long and expensive court proceedings. A set of recommendations was prepared with the view to assist the Western Balkans economies in their



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reforms towards enabling the appropriate development and operation of mediation for the settlement of disputes so as to simplify and improve access to justice.

Security Cooperation

Security portfolio of the RCC has expanded considerably within the last year, as the Integrative Internal Security Governance (IISG), a process initiated as part of the EU's decisive action to improve cooperation with the Western Balkans region on security issues, came under the RCC umbrella in April 2020. This has been recognition of the growing importance of the RCC as a hub of regional cooperation and its capacity to streamline relevant regional initiatives to the benefit of the region.

In addition to the IISG project, RCC has made important strides in supporting the SEE-level platforms of National Security Authorities and Military Intelligence services, as well as in opening the discussions at the Western Balkans level regarding the most pressing contemporary security issues.

The activities carried out by South East Europe National Security Authorities' (SEENSA) aimed to intensify the cooperation at the bilateral and regional level, and facilitate a greater level of alignment with EU standards in exchange of classified information. A two-day online training "Communication and Information Systems Protection", was organized in September 2020, with the aim to raise capacities of 30 representatives of SEENSA participants in providing the communication and information systems with a level of protection proportionate with the impact and nature of the risks to which they are exposed to.

The 10th meeting of the heads of SEENSA was held in November under the Chairmanship of Bulgaria and with support of the RCC. The participants have adopted the Joint Statement for Cooperation in the Field of Personnel and Industrial Security of Classified Information and a set of minimal standards for the training of employees with access to classified information. The current chairmanship of SEENSA for the year 2021 is held by Bosnia and Herzegovina.

South East European Military Intelligence Chiefs (SEEMIC) platform, chaired by Ankara in 2020, has likewise seen strides toward a more result-oriented modus operandi. In addition to the prepared



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and adopted Open Source Intelligence (OSINT) assessment report on the topic of irregular migration and its security implications for South East Europe, SEEMIC participants for the first time took part in a Basic Gender Awareness seminar, organized jointly in September by the RCC and the South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC). This exercise represents another example of efficient streamlining of regional initiative for the maximum benefit of regional security actors, and in particular contributes to the implementation of the UN Sustainable Development Goals 5 – Gender Equality, and 16 – Peace, Justice and Strong Institutions.

Encouraged by the positive feedback of participants, and based on a circulated questionnaire to assess further needs of regional military intelligence services, SEEMIC Chiefs at the 12th Conference in November 2020 agreed to expand the platform's activities in 2021 to include a follow-up to the gender awareness seminar in an advanced form and a training on open source intelligence data gathering and analysis. 2021 OSINT report will once again follow the most pressing security issues of our time, focusing this year on the impact of COVID-19 pandemic on the security of South East Europe.

Extraordinarily, SEEMIC will be chaired by RCC in 2021, in which time a new rotation protocol will be established to transfer the chairmanship back to SEE economies.

RCC together with local and international partners is engaged in providing a space for discussion on the responsibilities of public institutions in tackling disinformation and models of collaboration with the public-private sector that would secure a holistic response against disinformation. In this framework, RCC in close cooperation with EEAS - Western Balkans Task Force, Strategic Communications and Information Analysis; European Centre of Excellence for Countering Hybrid Threats (Hybrid CoE), and Osservatorio Balcani e Caucaso Transeuropa (OBCT), organized in November 2020 a two-day regional conference, “Addressing the challenges posed by disinformation in the Western Balkans”.

The Conference raised awareness in the Western Balkans about the challenges of disinformation in contemporary democracies, and promoted the work towards actionable policy recommendations



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based on best practices from across Europe that take into account regional dynamics and the potential for cooperation among economies and with the EU.

The fifth annual Regional Security Coordination Conference under the name “Paving the Way for Stabilization in the Western Balkans: The Balkan Route in the New Geopolitical Order - Old and New Challenges to Security” was organized online in November 2020, in cooperation with the Italian Ministry of Interior, the Integrative Internal Security Governance Initiative (IISG), the Migration, Asylum, Refugees Regional Initiative (MARRI), Regional Anti-Corruption Initiative (RAI) and SEESAC.

The conference aimed to support the efforts of streamlining the security cooperation and coordination in the SEE region, but also with the EU. It brought together 100 practitioners from across the region, representatives of EU institutions and bodies, representatives of law enforcement institutions and relevant organizations and CSOs, to discuss achievements and challenges on key security priorities, such as: immigration flows along the Balkan route; the terrorist threat between old and new scenarios; illicit markets and transnational organized crime; cybercrime; preventing and countering corruption in the public sector; and combating illegal trafficking of small arms and light weapons.

Finally, the 2021 Special edition of the Security Balkan Barometer is a pioneering endeavor of RCC and IISG that is being conducted for the first time in the Western Balkans. The 2021 Special edition of the Security Balkan Barometer Public Opinion Survey represents the next chapter in the steady evolution of the region’s foremost survey of public opinion.

The key results of the Security Balkan Barometer, along with an expert panel on the topic of online radicalization, will be organized online on 24th of May. This event will provide an opportunity to discuss attitudes towards current security challenges and trends in the Western Balkans, with the purpose of better understanding and improving overall regional security.

Moreover, the Survey will serve as a serious reference for Western Balkans Six implementing partners during the whole IISG action, i.e. when developing needs and providing responses to the



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needs. Potential benefits may also include enhanced visibility of the IISG to the IISG members and the wider public.

Integrative Internal Security Governance (IISG) ⁷

IISG represents strategic EU-WB security partnership and strong regional ownership, with all six Western Balkans Ministries of Interior/Security being stakeholders in this process initiated by the EU. Under the RCC umbrella, IISG continues to offer crucial contributions to regional security through its three pillars: Counter-Terrorism (WBCTi), Counter-Serious Crime (WBCSCi), and Border Security (WBBSi).

The overall objective of the Action is to enhance the capacities of authorities in the Western Balkans to fight organized crime and terrorism including preventing and countering violent extremism and improve border/boundary security by enhancing cooperation within the region and with the EU. The specific objective of the Action is to enable the IISG to enhance collective efficiency of security actions and actors through mapping needs and responses to security threats by implementing the IISG secretariat.

The IISG Secretariat has been focused on establishing the IISG governing structures, developing the IISG methodologies, launching the call for the development of a secure database and the development of IISG communication and visibility strategy, and creating and uploading content in the new IISG website.

In a round of bilateral consultations in October and November 2020, IISG elaborated to Western Balkans partners its Mission, Objectives, Methodology and Strategy. The consultations resulted in a clear list of each Partner's representatives in each of the IISG Governing structure bodies and allowed the IISG to begin the development of its methodologies on biennial needs-mapping reports and on new membership.

The mapping needs are the first contribution of the Action prepared from relevant law enforcement departments of the six Western Balkans partners. The IISG Secretariat developed the first set of

⁷ This project is funded by the European Union, grant number IPA 2020/414-918



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templates for each of the three pillars, which were agreed to be finalized after the adoption of the IISG Working Methodology at the Board meeting.

The key objectives of the newly developed IISG Communication and Visibility Strategy were identified as raising the awareness of stakeholders, facilitating the progression of stakeholders into proactive and supportive participants in the IISG project activities, and raising the awareness on IISG activities by the general public. The work related to the development of the IISG website was finalized and the IISG website is now functional (<https://wb-iisg.com>).

The 5th IISG Board meeting, held in February 2021 for the first time under the new Terms of Reference, adopted the two methodologies that had been developed, adopted the Annual Work Plan and approved as new IISG members France, Italy, United Kingdom, OSCE Mission to BiH, GiZ and MARRI. The meeting concluded the transitional phase of the IISG and reiterated synergies between the work of the RCC and the IISG as a natural process. It appealed to all IISG partners to actively participate in the project in order to improve collective efficiency and encouraged the IISG and its Support Group to expedite work on mapping products.

Based on the conclusions from the Board meeting, and in reference to agreed calendar stemming from the Cross-cutting Support Group meeting, the IISG Secretariat organized in March 2021 the regional Pillar Support group discussed the needs mapping templates on three IISG Pillars, and based on the draft template proposed from IISG Secretariat, agreed on the final templates and on the detailed steps for finalising the Biennial Needs mapping report on WBCTi, WBCSCi and WBBSi.

The IISG Secretariat successfully organized the meetings in all Western Balkans jurisdictions, despite the difficulties caused by COVID-19 pandemics, thus increasing the regional ownership and important identification of Western Balkans authorities with the overall process and the overall visibility.

The IISG Secretariat is in the developing phase of the Secure Database solution (IISG-D) for mapping support, the final product is expected to be finalized before the 6th IISG Board meeting in July 2021. The Secure Database will contain the information requested and received by IISG



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Members on their ongoing and planned actions in the three pillars of activity of the IISG in the Western Balkans. The information available on the Secure Database will only be accessible by IISG Members.

Programming, Monitoring, Coordination

RCC continued with the execution of its horizontal activities, adjusted to the limitations caused by the COVID-19 pandemic. Apart from coordinating the entire efforts in devising CRM agenda together with the Western Balkans governments and regional partners, efforts on behalf of RCC have also been directed towards finalizing the last stages of CRM endorsement to assist validation procedures in participating economies and communicate to the wider public in the region about the importance of CRM agenda for Western Balkans' citizens and businesses.

As an overall coordinator of CRM activities, RCC organized subsequent regional meetings to devise an implementation plan of regional actions across several CRM policy areas. RCC played an instrumental role in establishing the Matrix of Governance and a sound monitoring tool to track and monitor the progress of the implementation of CRM agenda. The monitoring tool will include a comprehensive set of measurement indicators to monitor the success of the agenda, and was jointly devised by the RCC and regional partners. Meanwhile, high-level meetings with PM Sherpas, European Commission and regional partners were a continued practice in order to set the stage and ensure the smooth implementation of the CRM Action Plan. In close consultation with the European Commission, RCC and regional partners have devised a prioritised list of deliverables for Berlin Summit which is to be implemented by the time Summit takes place.

RCC has also made initial preparations for organising Donor Coordination meeting on CRM agenda – to be held in May 2021 - in order to present the needs of the region to the potential donors, including those on the investment, capacity building and technical assistance.

The preparations for the new Call for Applications on Balkan Barometer Public and Business Opinion surveys were successfully launched in October 2020, although the field surveying was affected by the pandemic in terms of its duration. The official launch of Balkan Barometer 2021



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is planned for June, when the findings on Public and Business Opinion, including on the COVID-19 sentiments/opinion will be presented to regional and international partners.

The ongoing pandemic affected to a certain extent the SEE 2020 Strategy preparations and brought a delay in the reporting on the Annual Report on Implementation (ARI). The ARI for 2019 is, therefore, a combination of the progress in the year 2019 across 11 headline targets and a reflection of the most important achievements in 2020, including the endorsement of CRM agenda and the GAWB. Following the regular meeting of the SEE2020 Monitoring Committee, it was agreed that the next and final monitoring cycle for 2020 will kick-off in the first quarter of 2021, with the final ARI for 2020 to be completed by mid-2021 and to provide an entire overview of the progress since 2010 and a lessons learned.

Extending Partnerships

In the aftermath of the pandemic outbreak, RCC held a series of consultative meetings with regional partners (RYCO, CEF, CEFTA, DPPI-SEE, GWP Med, ReSPA, Transport community, Energy Community, RAI, etc.) on the immediate next steps to streamline regional efforts and resume organizations' activities as a response to the COVID-19 pandemic. Communication in that regard has been crucial to determine best placed delegation of competencies, avoid overlapping and ensure an efficient response at the regional level.

Firm partnerships have been emerging as well in the process of the preparation of the SEE 2030 Strategy. In addition to the many of the regional partners mentioned above, outreach has been made and communication established with the World Bank, United Nations Economic Commission for Europe (UNECE) and the World Health Organization (WHO). Inputs by these international organizations have been relevant for the shaping of the Strategy, particularly in terms of data gathering and statistics, and will continue to be important during the implementation phases of the Strategy as well.

RCC Liaison Office in Brussels has throughout the preceding year maintained regular exchange and close cooperation with the European Commission's Directorate-General for Neighbourhood and Enlargement Negotiations and other EU services and institutions, such as the European



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Economic and Social Committee, European Committee of Regions, European Parliament, Friends of Europe, and others. The EU remains the principal partner of the Region and all actions and activities are conducted in coordination with its institutions.

Communication

The reporting period has been marked by the implementation of the new organization's triennial Communication Strategy 20-21, whose overarching goal is for the EU integration and regional cooperation to be recognized as driving forces improving lives of citizens in South East Europe. The Communication strategy mirrored the agenda of the organization, upgrading the established RCC profile to reflect its increasingly regionally-owned, active and all-inclusive role and influence. It continued to streamline ways in which the RCC builds the organization's public profile.

The RCC communication actions and efforts in the reporting period built on the achievements and results yielded through the implementation of the Strategy and Work Programme 20-22, SEE 2020 Strategy, MAP REA, RCC's past communication strategies, including the EU-funded and RCC-implemented projects, but also on communicating the goals and benefits of the CRM Action Plan, adopted by the region's leaders on 10 November 2020 at the Sofia Summit, through the coordinated efforts with the EU NEAR Communication staff.

A set of different strategies, tools and tactics has been employed in order to achieve the communication goal through specific objectives dedicated to raising the awareness on the importance of sustainable regional cooperation and tangible benefits for the citizens of the region; promoting EU's role and dedication to the region, especially as a response to the pandemic and economic crisis; raising awareness on benefits of the EU integration for the region's as well as for the EU citizens; and explaining in clear and simple terms importance of regional cooperation and RCC's role and activities in serving as a mechanism for EU integration, aimed at benefit of the citizens of the region.

Due to the COVID-19 pandemic, the coordination and execution of the communication efforts were adapted to new circumstances, adjusting the action plans to the novel situation and operate



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in the mode of crisis communication. This switch from reforms, development and growth agendas dictated by the EU integration process in the region to the highest priority of protection of humans' health, lives and remedying socio-economic crisis was done smoothly and effectively, prioritizing key concerns of the citizens in the region and sharing the EU narrative, initiatives, measures and actions contributing to the joint fight against the unexpected common enemy. This type of communication, underpinning regional priorities but also actions of the organization in mitigating the negative effects of the pandemic is still ongoing and will continue to the normalization of the situation.

Addressing the difficult situation that the region faced at the very early stages of the COVID-19 pandemic with short supplies of commodity goods and medicines in all societies, RCC immediately engaged in resolving this issue with the partner economies and the EU, followed by heavy communication campaign. Green Lanes, as the process was called was successful endeavor both politically and in terms of communications, as RCC was recognized as a trustworthy source of information as well as key regional partner that understands the needs and acts on them, fast and resolutely.

The RCC communication efforts focused on developing targeted messages for citizens of the region, to both improve the image of the region presented to the citizens of the EU and raise awareness on the core EU values for the region's citizens. To that end, aiming for the wider outreach, the RCC expanded its efforts to enhance the relevance of the RCC at local, regional and international level, advanced dissemination of the organization's messages. The new approach was based on creative design, development and dissemination of the regional success stories and messages, formulated in a way to appeal to public at large, them being envisaged end recipients. Also, subject to developments in the region and priorities identified by the participating economies, the RCC's communication segregated its audiences (women, youth, undeclared workers) and developed group-specific campaigns and messages to tackle the most vulnerable groups even in pre-pandemic times that were specifically hit by negative effects of lockdowns, i.e. job losses, deterioration of social situation, etc.



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This comprehensive communication exercise involved entire set of tailor-made RCC communications products such as videos, articles, interviews, news, etc. with the new Secretary General and other RCC staff; revamped visibility (online and offline); creative campaigns promoting the results of the MAP REA but also the promoting goals and benefits of the upcoming CRM Action Plan, implementation of which started in the region upon its adoption in November 2020; awareness raising activities; maintaining dynamics of regular RCC publications and modernizing their visibility (Balkan Barometer, Annual reports, informational brochures on MAP REA and CRM, etc.); extended online presence via Instagram, Facebook, Twitter, YouTube and LinkedIn accounts; new visibility items reflecting changes in priorities, etc.

The RCC utilized and distributed the public information materials and videos to spread the information about the region, its priorities, benefits of the regional cooperation for the citizens, its regional ownership and EU as its main supporter, helm and the funder, always making sure that the EU logo is prominently displayed.

Several awareness raising campaigns have been conducted, some of which still ongoing, consisting of a series of videos, stories, traditional and social media releases, articles and interviews as well as public information materials. Each campaign, besides promoting the work of the RCC and EU, raises awareness on the benefits of the regional cooperation, as the core concept of the EU's functionality to be replicated in the region but also of successes, advantages and benefits within the EU, as of an advanced example of regional cooperation in practice, that would be available to the region and its citizens, at the end of EU-accession path.

Besides promoting the regional cooperation and EU integration in traditional media (print, online, TV), through the numerous press releases, interviews in TV and radio programs and podcasts, articles and Op-eds by RCC Secretary General and other RCC staff, the organization has invested much effort in promotion through direct contacts with general public via social media channels



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(Facebook, Instagram Twitter, YouTube, LinkedIn), using targeted social media promotions and boosts, to widely spread the messages to the identified audiences.

Results of all communication efforts were closely followed through Mediatoolkit – an online monitor of mentions of the organization and its key indicators in real-time, providing us with the proper data for quantity and quality analyses of our presence in the media. These metrics served as corrective factor, as, based on these findings; the communication actions were adjusted to generate greater values and wider outreach.

The RCC has maintained and continued spreading its partnership networks with the regional media representatives, making sure regional cooperation agenda is widely understood and communicated, especially through our field correspondents – a group of respectable journalists from the region who have helped widening the RCC narrative and creating opportunities for promotion in each of the WB economies, by using their media network and making sure RCC messages overcome language barriers.

As in previous years, the RCC supported important regional initiatives and successful projects (Such as Sarajevo Film Festival), whose good image and reputation could contribute to raising awareness of the regional cooperation and EU integration to general public. In addition, the Communication Team established links with partnering organization in synergic approach to promote joint initiatives and projects developed in the course of 2020 and still ongoing.

All mentioned communication efforts resulted in increased number of website visitors and social media followers, including their substantive engagement with the regional cooperation and EU integration related topics. Despite the shifted interest of the general public to the pandemic-related issues, this period was marked with a high number of media reports as well as increased number of followers on RCC social media accounts and their overall engagement in the regional cooperation related topics.



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Abbreviations

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| AM | Association of Mediation |
| ARI | Annual Report on Implementation |
| BB | Balkan Barometer |
| CCP | Component Contact Points |
| CEF | Center of Excellence in Finance |
| CEFTA | Central European Free Trade Agreement |
| CiO | Chairmanship-in-Office |
| CRM | Common Regional Market |
| CSO | Civil Society Organization |
| DESI | Digital Economy and Societal Index |
| DG | Directorate-General |
| DG NEAR | Directorate-General for Neighbourhood and Enlargement Negotiations |
| DPPI-SEE | Disaster Preparedness and Prevention Initiative South East Europe |
| DS | Digital Summit |
| EGD | European Green Deal |
| EIP | Economic and Investment Plan for the Western Balkans |
| ERI SEE | Education Reform Initiative of South East Europe |
| ESAP | Employment and Social Affairs Platform |
| ESG | European Standards and Guidelines for Quality Assurance |
| ETF | European Training Foundation |
| EU | European Union |
| FDI | Foreign Direct Investment |
| GAWB | Green Agenda for Western Balkans |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit |
| GIZ ORF | GIZ Open Regional Fund |
| GWP Med | Global Water Partnership – Mediterranean |
| IFI | International Financial Institution |
| IIA | International Investment Agreement |
| IISG | Integrated Internal Security Governance |
| ILO | International Labor Organization |
| IPA | Instrument for Pre-accession Assistance |
| IPS | Instant Payment System |
| JIS | Joint Information System |
| JTI | Judicial Training Institute |
| MAP REA | Multi-Annual Action Plan for a Regional Economic Area |
| MARRI | Migration, Asylum, Refugees Regional Initiative |
| MoU | Memorandum of Understanding |
| MRA | Mutual Recognition Agreement of Professional Qualifications |
| NSA | National Security Authority |
| OA | Open Access |
| OSCE | Organization for Security and Co-operation in Europe |
| OSINT | Open Sources Intelligence Assessment |
| PES | Public Employment Services |
| QA | Quality Assurance |



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| RAI | Regional Anticorruption Initiative |
| RCC | Regional Cooperation Council |
| RI | Research Infrastructure |
| RLAH | Roam Like at Home |
| RRA | Regional Roaming Agreement |
| RRD | Regional Recognition Database |
| ReSPA | Regional School of Public Administration |
| RYCO | Regional Youth Cooperation Office |
| SDGs | Sustainable Development Goals |
| SEE | South East Europe |
| SEE 2020 | South East Europe 2020 Strategy: Jobs and Prosperity in a European Perspective |
| SEE 2030 | South East Europe 2030 Strategy |
| SEECp | South-East European Cooperation Process |
| SEEMIC | South East Europe Military Intelligence Chiefs |
| SEENSA | South East European National Security Authorities |
| SEESAC | The South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons |
| SEPA | Single Euro Payment Area |
| SG | Secretary General |
| SME | Small and Medium-size Enterprise |
| STEM | Science, Technology, Engineering and Mathematics |
| SWP | Strategy and Work Programme |
| TA | Technical Assistance |
| TTO | Technology Transfer Office |
| UN | United Nations |
| UNDP | United Nations Development Programme |
| UNECE | United Nations Economic Commission for Europe |
| UNWTO | UN World Tourism Organization |
| WB | Western Balkans |
| WBBSi | Western Balkans Border Security Initiative |
| WBCSCi | Western Balkans Counter-Serious Crime Initiative |
| WBCTi | Western Balkans Counter-Terrorism Initiative |
| WBIF | Western Balkans Investment Framework |
| WGJ | Working Group on Justice |
| WGraq | Working Group on Recognition of Academic Qualifications |
| WHO | World Health Organization |
| WTTC | World Travel and Tourism Council |