



Regional Cooperation Council



Regional Cooperation in Economic Development

6th RCI Annual Conference, Budapest, 2011

Regional Cooperation Council

- Launched in February 2008, as successor of Stability Pact for Southeast Europe (SEE)
- Contributes to the enhancement of stability, security, mutual respect and dialogue in SEE
- Acts as a key interlocutor and operational link between the EU and the SEECP with regard to project generation and prioritization particularly in the context of the European Commission's Multi-Beneficiary Instrument for Pre-Accession Assistance (MB-IPA)



- Coordinates international political, technical and financial support
- Presents a regional forum for dialogue among different countries, international organizations and other partners

What is the Rationale for Regional Cooperation?

- **Regional cooperation a political criterion for accession**
 - Element of stability
 - Catalyst of reconciliation and overcoming nationalism
 - Promoter of political dialogue
- **The business case for cooperation**
 - Cross-border initiatives improve business environment, attract investors and contribute to prosperity and growth
 - Exploit economies of scale (trade, investment, energy, transport, etc) and create a regional market

Select regional economic and growth initiatives

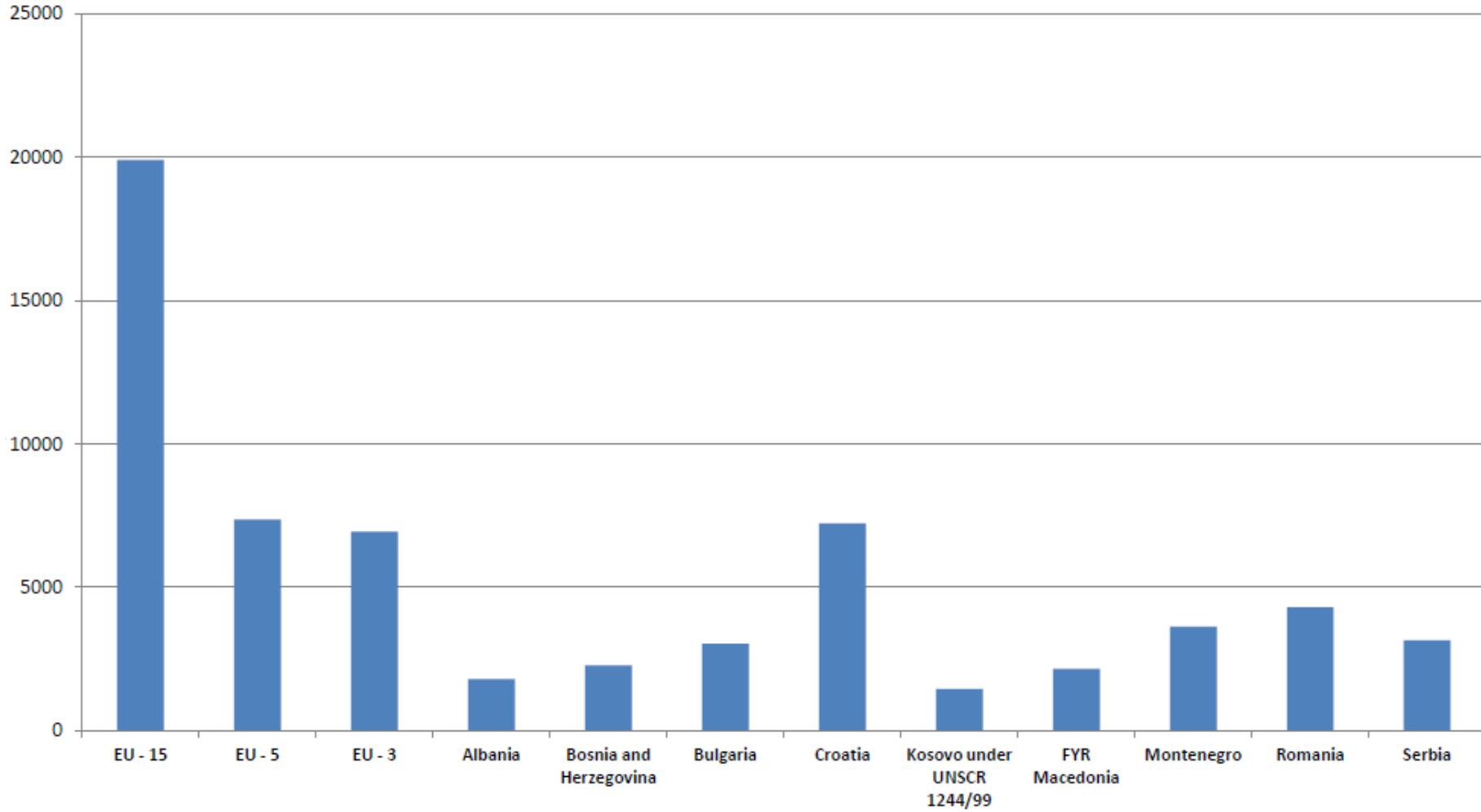
- Trade and investment
 - CEFTA 2006, SEE Investment Committee
- Infrastructure/access to finance related
 - Western Balkans Investment Framework, Energy Community Treaty, SEE Transport Observatory, Regional Environmental Network for Accession)
- Competitiveness
 - Regional Competitiveness Initiative, Regional Strategy on R&D for Innovation
- **Europe 2020 growth framework**

Europe 2020 Strategy for Growth

Priority Areas	Headline targets	Flagship initiatives
Smart growth: developing an economy based on knowledge and innovation	<ol style="list-style-type: none">1. 75 % of the population aged 20-64 should be employed.2. 3% of the EU's GDP should be invested in R&D.	<ol style="list-style-type: none">1. Innovation Union2. Youth on the move3. Digital Agenda for Europe
Sustainable growth: promoting a more efficient, greener and more competitive economy	<ol style="list-style-type: none">3. The "20/20/20" climate/energy targets should be met.	<ol style="list-style-type: none">4. Resource efficient Europe5. Industrial policy for the globalization era
Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion	<ol style="list-style-type: none">4. The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree.5. 20 million less people should be at risk of poverty.	<ol style="list-style-type: none">6. Agenda for new skills and jobs7. European platform against poverty

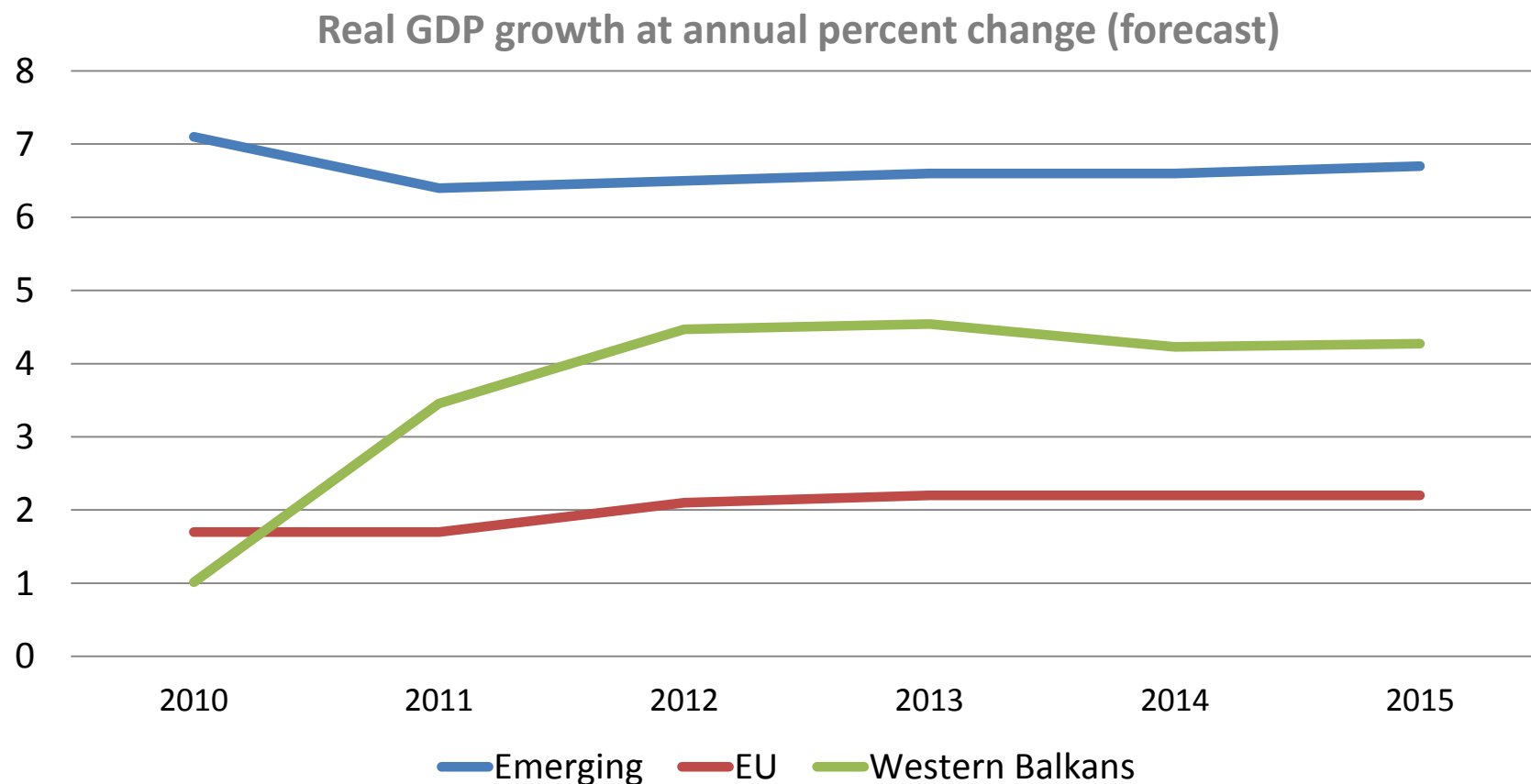
Where we stand with convergence?

GDP per capita in current EUR



Source: World Bank Development Indicators (converted from USD into EUR)

Western Balkans – Stuck in the Middle



Source: IMF, World Economic Outlook, October 2010

Relevance of Europe 2020 for the region

- Europe 2020 offers the enlargement countries an anchor for reforms.
- The countries are invited to adapt and adopt relevant headline targets
- Enlargement countries should participate actively in the European Union programmes.
- The countries are invited to organise their work on the Europe 2020 related issues in regional groups.

Southeast Europe Initiatives

Smart Growth	Sustainable Growth	Inclusive Growth	Integrated Growth
<p>Innovation <i>Regional R&D Strategy for Innovation</i></p>	<p>Climate, energy and mobility <i>Sustainable Energy Development Regional Initiative</i></p>	<p>Employment and skills <i>Social Agenda for the Western Balkans 2020</i></p>	<p>CEFTA 2006 <i>Eliminating NTBs</i> <i>Liberalising services</i> <i>Strengthen value chains</i></p>
<p>Education <i>Higher Education Reform in the Western Balkans</i></p>	<p>Competitiveness <i>Sector Competitiveness Strategy</i> <i>RCI</i></p>	<p>Fighting poverty <i>Social Agenda for the Western Balkans 2020</i></p>	
<p>Digital society <i>eSEE Agenda+</i></p>			

Thank you for your attention



Sanjin Arifagić

Head of Economic and Social Development Unit

Regional Cooperation Council

e: sanjin.arifagic@rcc.int

www.rcc.int