



South East Europe 2020: Jobs and Prosperity in a European Perspective

TEPAV, March 2014

Rationale for SEE 2020

SEE 2020 materialized as a response to Europe 2020, as the region was left out of the main European growth framework:

1. Preparations for future membership suggest that the *Europe 2020* policy goals and implementation methods are pertinent to enlargement countries, with a strong need to adjust the strategy to region's needs, making it more realistic and credible
2. Help anchor reform efforts into an overarching growth and development agenda and refocus on growth and competitiveness
3. Introduce greater coherence and coordination into the regional cooperation framework



Ministries of economy – Main Catalyst

Regional vision-building efforts channeled through SEE Investment Committee, main regional body for competitiveness and investment-related reforms:

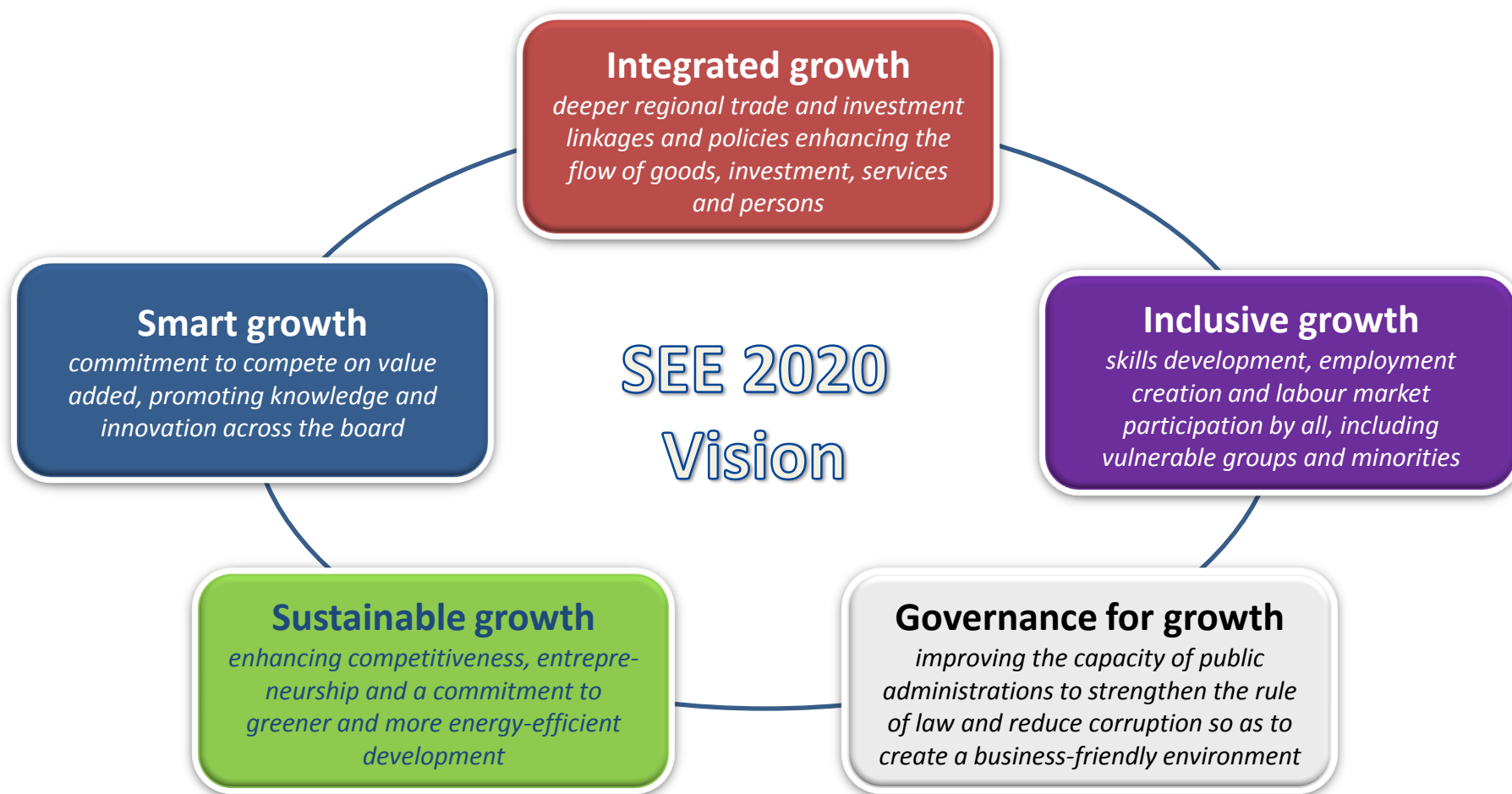
At the Ministerial meeting on November 24, 2011:

- Adopted SEE 2020 Vision
- Provided clear mandate to the RCC/SEEIC and national administrations to engage on regional strategy development
- Secured resources for the strategy

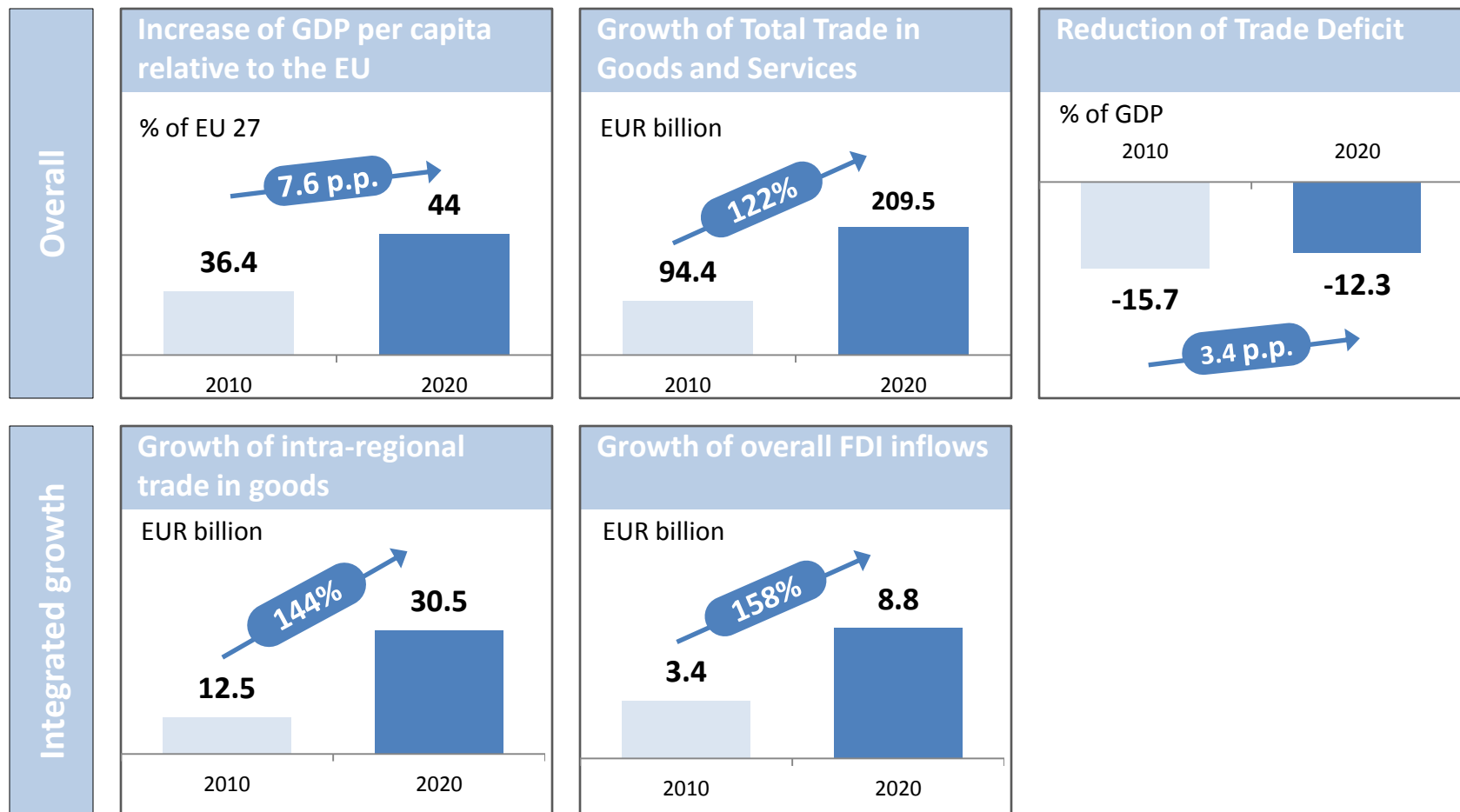
At the Ministerial meeting on November 9, 2012:

- Adopted 11 regional and 77 national headline targets to be reached by 2020

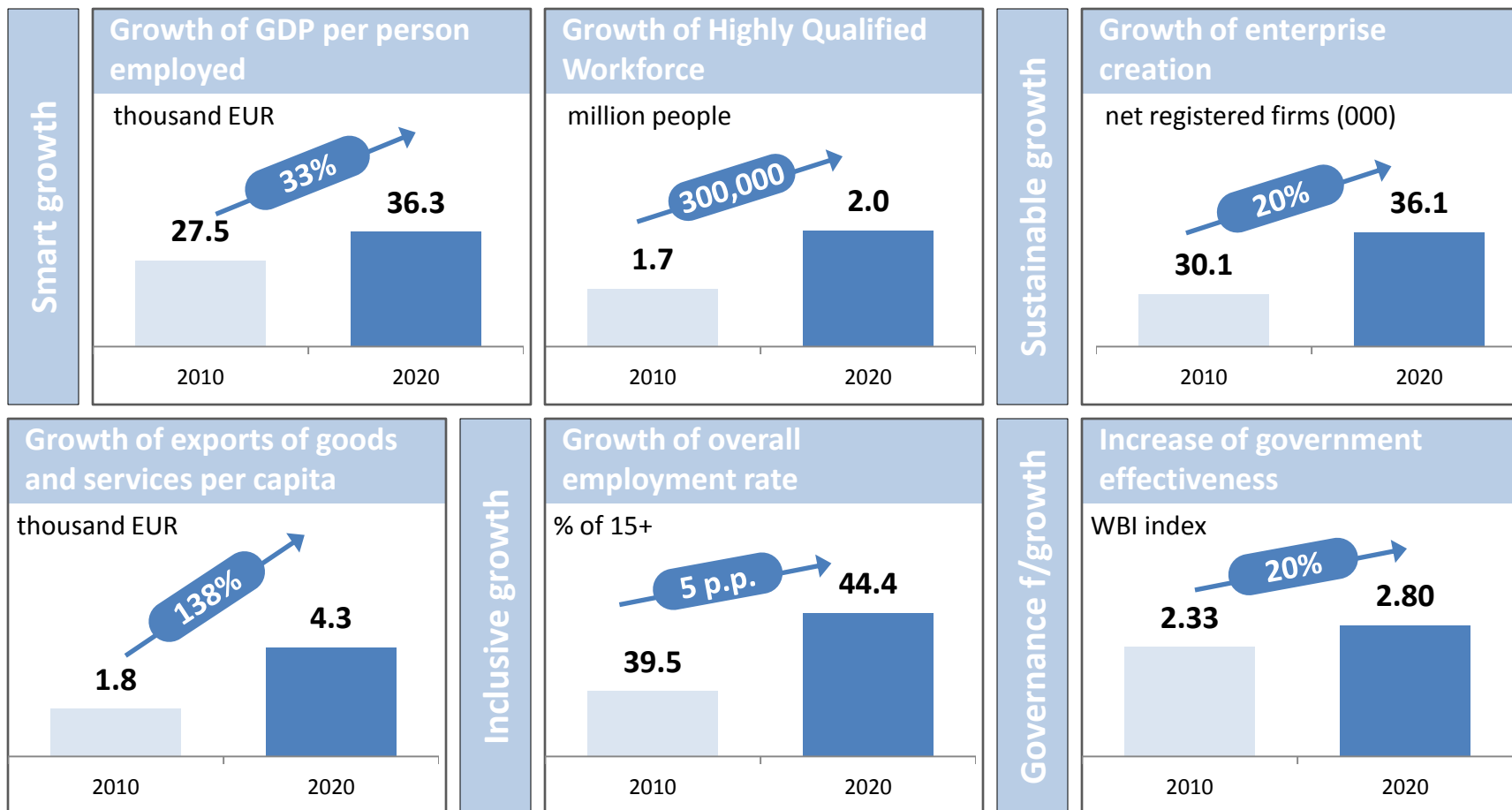
Five pillars of SEE 2020



SEE 2020 Embodied in 11 Headline Targets



SEE 2020 Embodied in 11 Headline Targets



Guiding principles of SEE 2020

1. Value adding – utilize synergies & interdependence
2. Regionally owned - decentralized development and implementation
3. Measurable - quantifiable indicators and measurable progress
4. Implementable - clear governance structure and political support

Link with accession and IPA 2



SEE 2020 Development Process

- Development of SEE 2020 divested to regional structures that:
 - Are able to play a leading role within each pillar
 - Are functionally aligned with SEE 2020 policy dimensions
 - Have capacity to work on development and can build capacity for implementation
 - Have, or are willing to put in place adequate governance mechanisms
- Wide-ranging consultations with national administrations and other partners
 - More than 1,500 people directly involved in the process so far
 - Proposal finalized and forwarded to the Governments

Pillar 1: Integrated growth

Dimension:	A. FREE TRADE AREA
Ministries/agencies:	Ministries in charge of trade; Ministries in charge of economy; other related institutions
Measures	• Elimination of tariffs and quotas, completion of liberalisation of trade in agricultural products • Elimination of non-tariff (technical, sanitary and phytosanitary) barriers to trade • Facilitation of trade through employing transparency tools and the elimination of non-automatic import licences contravening WTO and EU practice • Liberalisation of trade in services via reducing restrictiveness in this area • Facilitation of free flow of investment through coordination of investment policies and promotion, and better protection of investors and investment
Dimension:	B. COMPETITIVE ECONOMIC ENVIRONMENT
Ministries/agencies:	Ministries in charge of trade; Ministries in charge of economy; other related institutions
Measures	• Strengthen competition policy creating a Trade Defence Instrument Free Trade Area in the region • Strengthen intellectual property rights through better protection of trademarks • Create a functioning public procurement market in the region
Dimension:	C. INTEGRATION INTO THE GLOBAL ECONOMY
Ministries/agencies:	Ministries in charge of trade; Ministries in charge of economy; other related institutions
Measures:	• Prioritise and implement business climate reforms • Improve market access through completing a single diagonal cumulation zone under the PEM and the harmonisation of MFN duties in the region towards EU CET • Establish an investment concept to enhance participation in regional supply chains and global supply networks

Pillar 2: Smart growth

Dimension:	D. HUMAN CAPITAL DEVELOPMENT
Ministries/agencies:	Ministries in charge of education
Measures:	• Increase quality, focus on qualifications and mobility • Introduce policies to increase equitable access to high quality education and implement measures to prevent early-school leaving and 'drop-out' and improve completion rates at all levels
Dimension:	E. R&D AND INNOVATION
Ministries/agencies:	Ministries in charge of science; Ministries in charge of economy; other related institutions
Measures:	• Establish a Research Excellence Fund to strengthen research capabilities and promote research excellence • Introduce a Technology Transfer programme to stimulate industry-science collaboration, produce marketable research • Create an early stage start-up programme using both non-financial and financial instruments to support a viable long-term market for innovation finance.
Dimension:	F. DIGITAL SOCIETY
Ministries/agencies:	Ministries in charge of information society, other respective ministries and agencies
Measures:	• Prioritise and implement business climate reforms • Improve market access through completing a single diagonal cumulation zone under the PEM and the harmonisation of MFN duties in the region towards EU CET • Establish an investment concept to enhance participation in regional supply chains and global supply networks
Dimension:	G. CULTURE AND CREATIVE INDUSTRIES
Ministries/agencies:	Ministries in charge of information society, other respective ministries and agencies
Measures:	• Develop common approaches to rehabilitating regional heritage • Establishment of the Regional Film Fund (RFF) to complement available national and Euro-level funds • Implementation of a regional Design Incubator

Pillar 3: Sustainable Growth

Dimension:	H. ENERGY
Institutions:	Ministries in charge of energy, transport, environment; other related institutions
Measures:	• Implement measures to increase efficient use of energy by achieving a minimum 9% energy saving target • Put in place measures to achieve national share of renewable energy in gross final energy consumption by 2020, in line with the targets adopted in 2012, through the Renewable Energy Directive • Inform and empower consumers to achieve behavioural changes to promote affordability and safety. • Develop instruments to create investment friendly climate and stimulate infrastructure development. • Create a well functioning SEE energy market that would provide affordable but cost reflective supplies
Dimension:	I. TRANSPORT
Institutions:	Ministries in charge of transport
Measures:	• Develop and implement measures to Improving the utilization rate of transport infrastructure • Ensure harmonisation with the EU transport regulatory framework for creating common market conditions • Develop co-modal solutions by optimization of individual transport modes • Introduce measures for reducing energy consumption and costs per unit of transport service • Put forward measures to improve the ratio of railway and waterborne transport • Enhance aviation transport activities and air traffic cooperation in the region and implement JSPA initiative • Increase the use of Intelligent Transport System in the transport sector
Dimension:	I. TRANSPORT
Institutions:	Ministries in charge of transport
Measures:	• Increase adaptive capacity through awareness raising and education on climate change adaptation • Develop measures to increase the share of irrigated agriculture land and volume of annual forestation
Dimension:	K. COMPETITIVENESS
Institutions:	Ministries in charge of economy; other related institutions
Measures	• Develop regional activities to support SME development, including clustering and FDI–SME linkages • Enhancing regional value chains through sector-specific actions • Regional activities to support greater access to finance • Peer review of SME development and policy, relying on harmonised SME statistics • Coordinated efforts to improve business integrity • Enhanced regional cooperation in the area of tax and competition policy



Pillar 4: Inclusive Growth

Dimension:	L. EMPLOYMENT
Ministries/agencies:	Ministries in charge of energy, transport, environment; other related institutions
Measures	• Build regional capacity for harmonized monitoring of migration and mobility with a view to a gradual lifting of labour market restrictions in the region. • Apply modern approaches in labour market governance that stimulate employment, including the flexicurity approach, evidence based policy making, and partnerships for labour market transition. • Tackle informal employment through an exchange of information and experiences, improved inter-institutional and intra-regional cooperation and by testing appropriate policy measures • Promote social economy initiatives: setting up a regulatory framework, networking, sharing know-how and identifying good practices
Dimension:	M. HEALTH
Ministries/agencies:	Ministries in charge of economy; other related institutions
Measures	• Introduce policy measures for improving the health gain of the populations, with a focus on low-income and disadvantaged groups, by strengthening the delivery of universal and high-quality health-promoting services • Strengthen the institutions and improve inter-sectoral governance of the health sector at all levels, including health information infrastructure and regional cross-border information exchange • Harmonise cross-border public health and public health services legislation, standards and procedures; develop mutual recognition and trust to enable the creation of a Free Trade Area from a public health perspective • Strengthen human resources in the health sector, harmonise the qualifications of health professionals in the SEE region, monitor Human Resources for Health (HRH) mobility.

Pillar 5: Governance for growth

Dimension:	N. EFFECTIVE PUBLIC SERVICES
Ministries/agencies:	Ministries in charge of PAR
Measures	• Rely on e-governance especially at the local level to ensure efficiency and a lack of bias • Introduce a procedure for continuous improvement of the competence of public officials • Review the relations between various levels of government to ensure full respect of the principle of subsidiarity • Consider introducing elements of fiscal decentralisation in order to improve the responsibility of local governments
Dimension:	O. ANTI-CORRUPTION
Ministries/agencies:	Ministries in charge of trade; Ministries in charge of economy; other related institutions
Measures	• Introduce simple, clear, enduring and transparent rules of access to public services • Increase public awareness through regular reports and by supporting independent agencies • Rely on competitive procedures and avoid direct deals especially in public procurement • Introduce regular evaluations of all government programmes and projects and independent auditing
Dimension:	P. JUSTICE
Ministries/agencies:	Ministries in charge of trade; Ministries in charge of economy; other related institutions
Measures:	• Introduce a comprehensive and enduring system of education and increased competence in the judiciary • Introduce regulation that supports alternative dispute resolution and their complementarity with the judicial system

Prioritization through sectors

EXAMPLE: FOOD PROCESSING AND BEVERAGE

integrated

Prioritize removal of trade barriers of raw materials, intermediate and final products
Liberalize manufacturing-related services (e.g. integrated logistics services)
Incentivize investment in the given sector

smart

Identify regional skills-gaps and skills mismatches within the sector with an objective to install mutual recognition arrangements for the given profession
VET programmes to target gaps

sustainable

Prioritize infrastructure investment geared towards supporting the value chain

inclusive

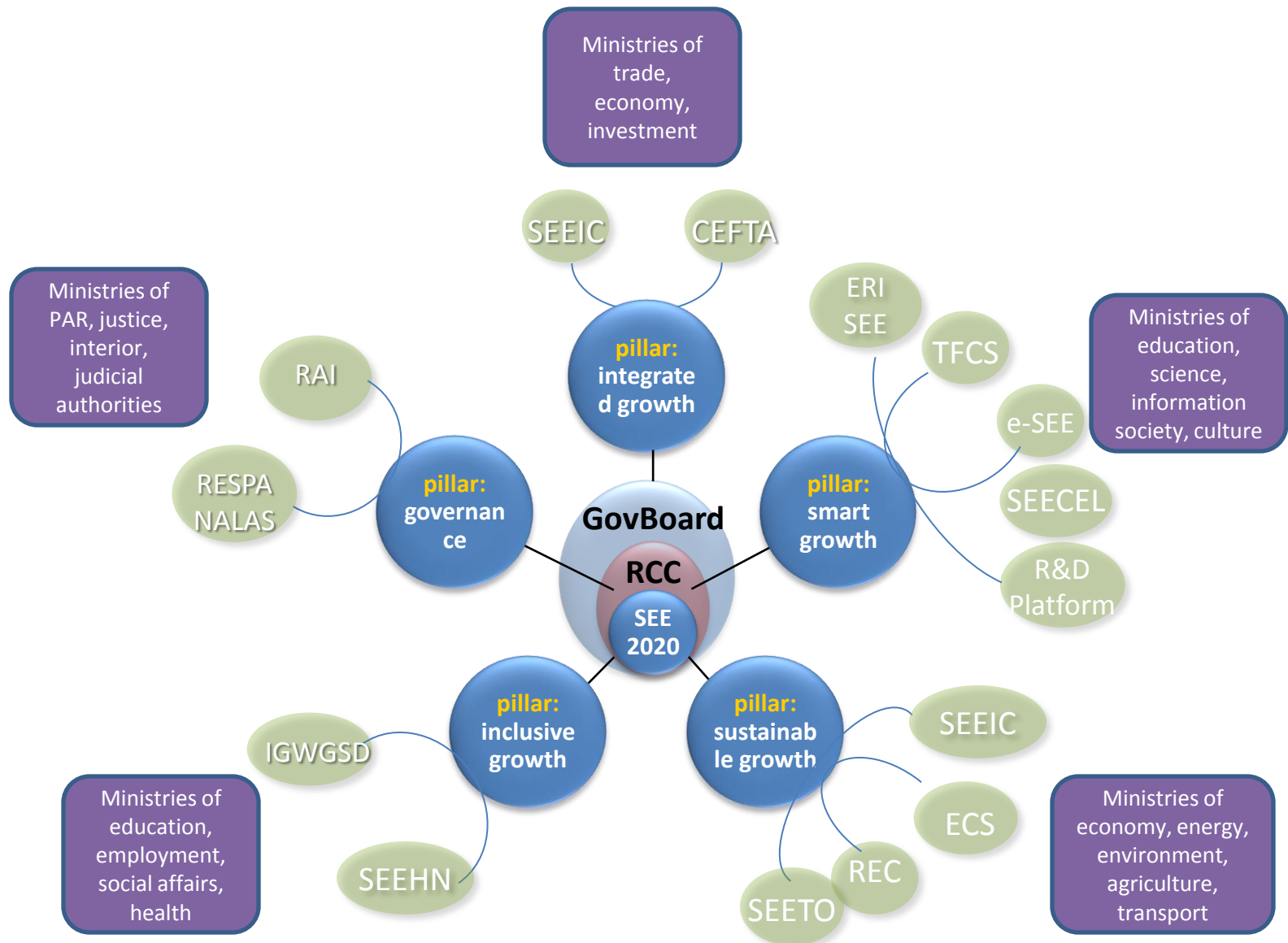
Mutual recognition arrangements

governance

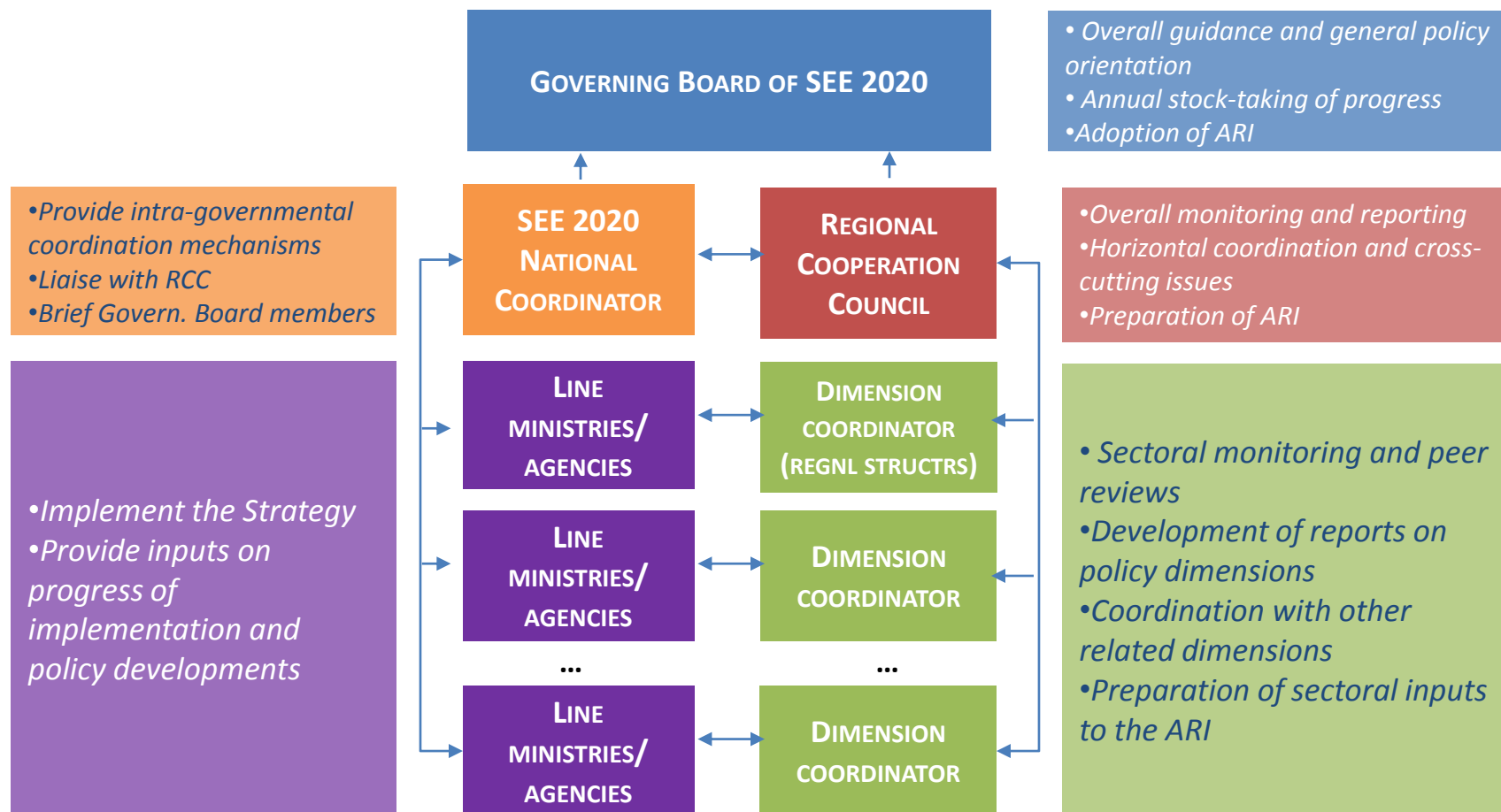
Piloting alternative dispute resolution methods for the given sectors
Automate licensing and concessionary procedures through e-gov services (e.g. paperless customs)



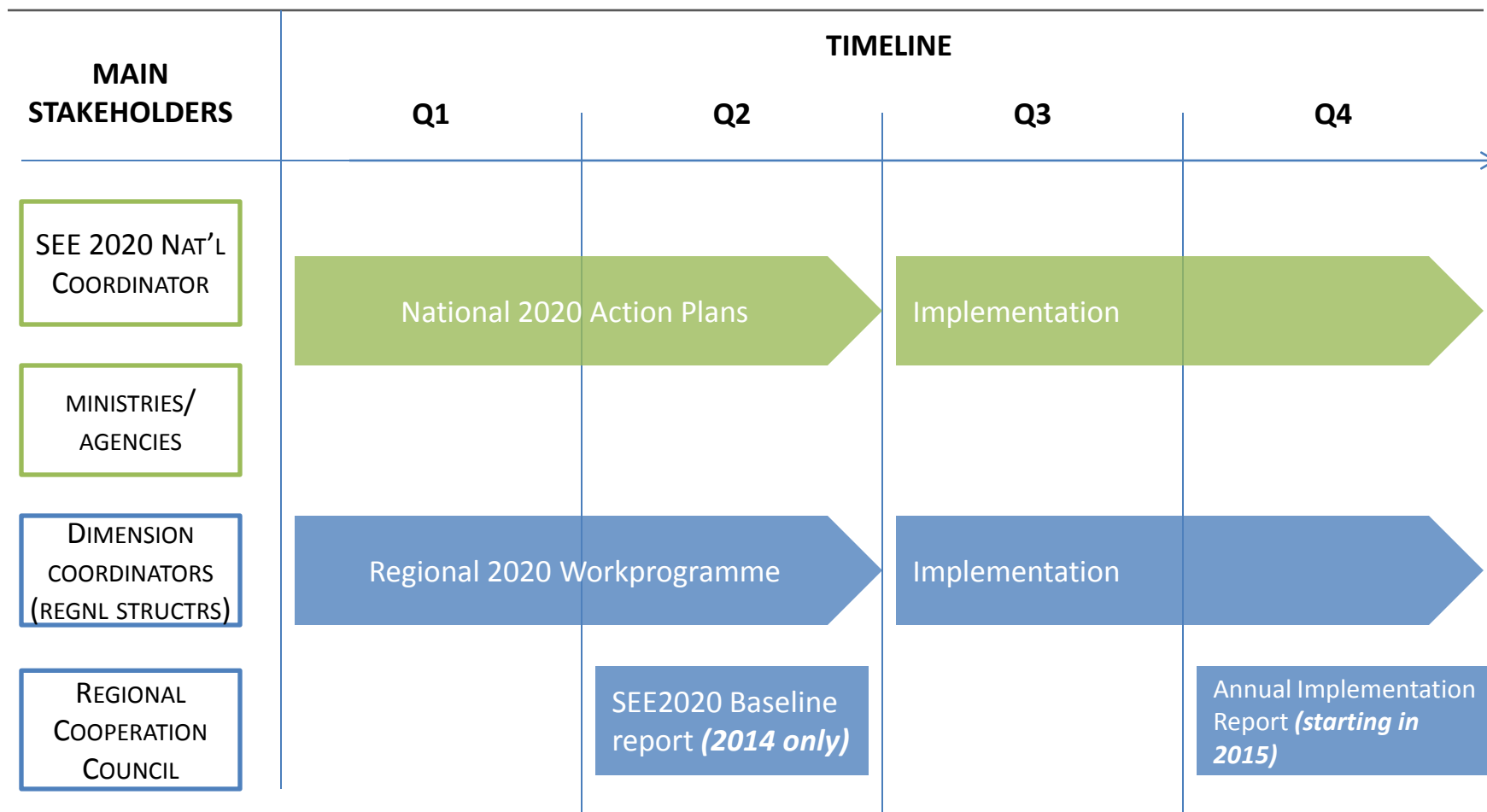
SEE 2020 Implementing Structure



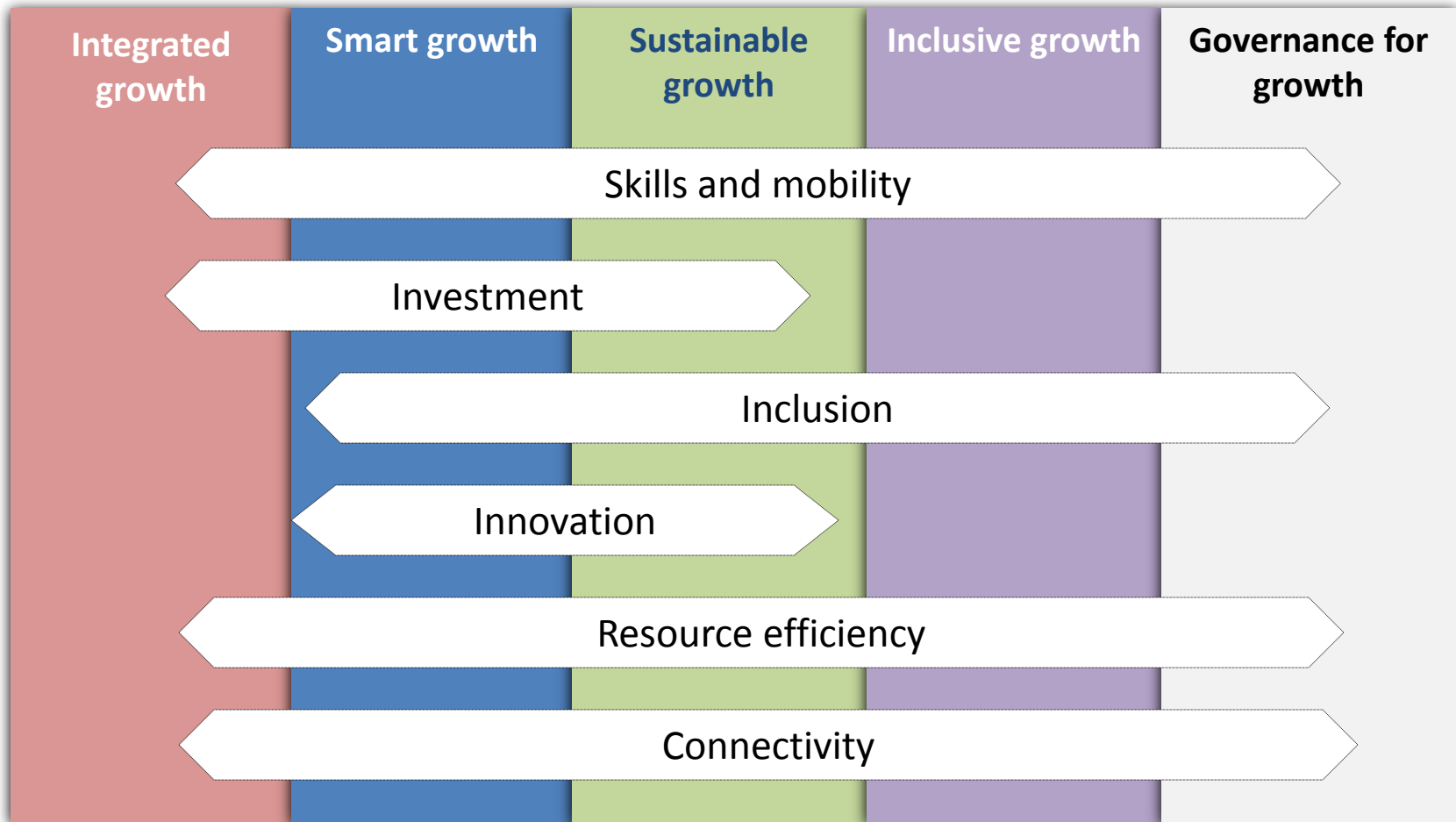
SEE 2020 Governance



SEE 2020 Monitoring Timeline



Implementation through six flagship initiatives



Skills and mobility

- Issues
 - Underdeveloped capacities
 - Restricted mobility
- Areas of action
 - Synergies between education and work
 - Capacities to enhance future skills needs
 - Recognition of qualifications
 - Mobility of workers, students, researchers and citizens at large

Investment

- Issues
 - Quality of institutions and business environment
 - “Race to the bottom” investment promotion
 - Weak infrastructure
- Areas of action
 - Foster favorable conditions for private sector development
 - Coordination of investment & industrial policy
 - Commercially oriented infrastructure

Inclusion

- Issues
 - Lack of broad based growth
 - High unemployment
 - Uneven access to quality health services
- Areas of action
 - Improved quality of education and health care
 - Productive employment opportunities, especially in labor intensive sectors
 - Balanced natural resource management



Innovation

- Issues
 - Low level of competitiveness
 - Low labor productivity
 - Low public and private R&D investment
- Areas of action
 - Strengthened links between public and private sectors and academia
 - Triple helix model of innovation



Resource efficiency

- Issues
 - Low resource utilization
 - Low enforcement of environmental standards
 - Lack of investment in improving resource utilization
- Areas of action
 - Adapt to the impacts of climate change
 - Sustainable management of natural resources
 - Water and waste management
 - Eco-innovation for a green economy

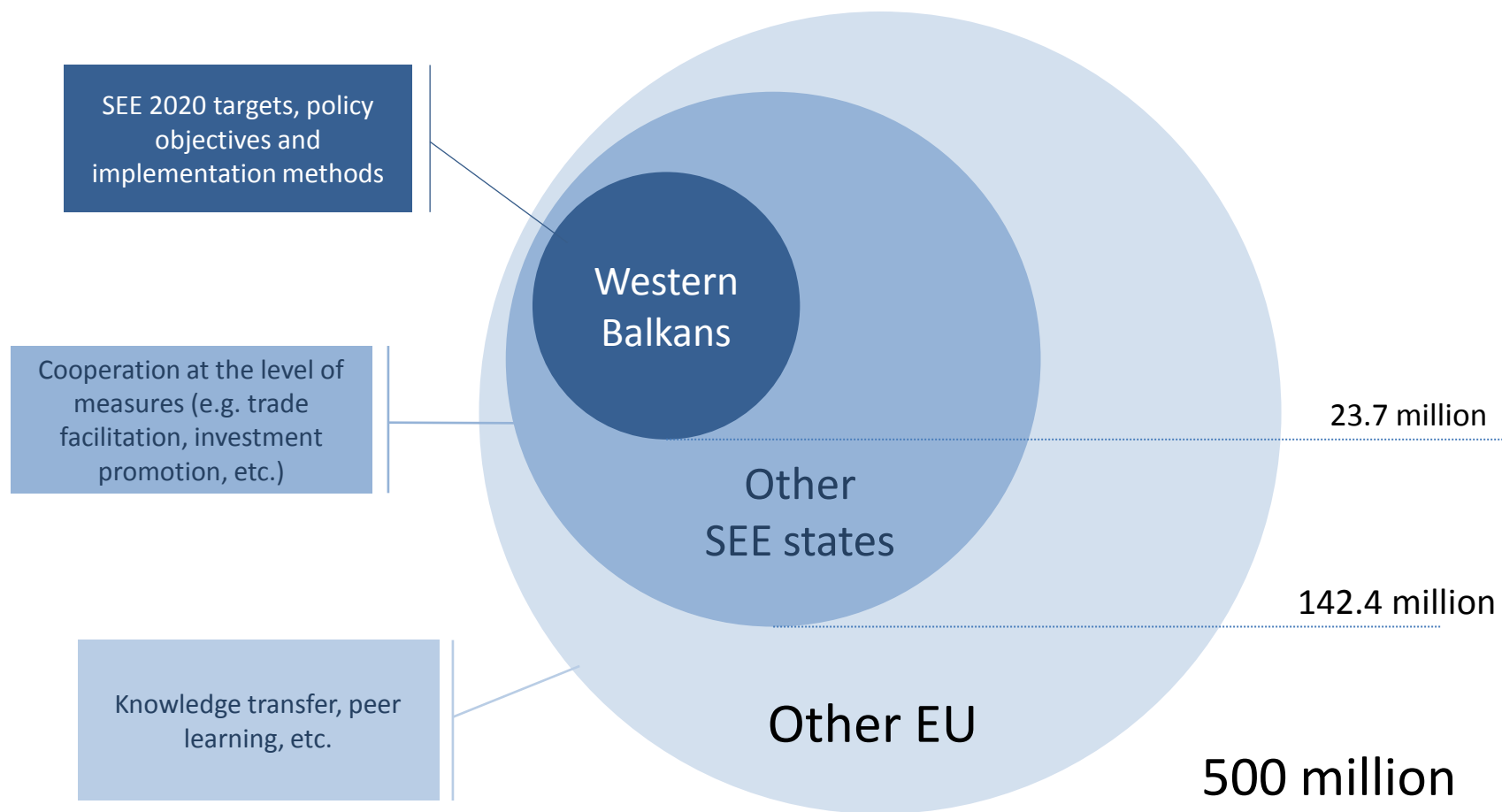


Connectivity

- Issues
 - Poor infrastructure and inter-connectedness
 - Lack of cross-border e-services
- Areas of action
 - Infrastructure development
 - Enhance ICT interoperability
 - Mobile connectivity



SEE 2020 as a Strategy for Integration



thank you

RCC Secretariat

Trg BiH 1/V, 71000 Sarajevo
Bosnia and Herzegovina
<http://www.rcc.int>

