



South East Europe 2020:
MAPPING CONVERGENCE AND PROMOTING GROWTH
BACKGROUND PAPER

February 2013

South East Europe 2020:
Mapping Convergence and Promoting Growth
Background paper

Introduction

This paper outlines the developments regarding the South East Europe 2020 Strategy (SEE 2020) and sets out a possible path for its further evolution in the context of a more coherent and result-oriented regional cooperation in South East Europe.

The document is intended to present Regional Cooperation Council's stakeholders and partners with the context for the SEE 2020 strategy, review progress made to date, outline activities planned and portray the main challenges in the development of the Strategy. The breadth of the SEE 2020 exercise and the involvement of a considerable number of stakeholders at national, regional and international level requires regular review of status, and this paper represents such an attempt.

Background

In June 2010, the European Union brought forward its new strategy for jobs and smart, sustainable and inclusive growth - *Europe 2020*. It confirmed five EU headline targets¹ which constitute shared objectives guiding the action of Member States and the Union as regards promoting employment; improving the conditions for innovation, research and development; meeting climate change and energy objectives; improving education levels and promoting social inclusion. This successor to the Lisbon strategy was envisioned to help Europe recover from the crisis and come out stronger, both internally and at the international level, by boosting competitiveness, productivity, growth potential, social cohesion and economic convergence.

Preparations of the Western Balkans states for future membership suggest that the *Europe 2020* internal policy goals and implementation methods are pertinent to enlargement countries as well. *Europe 2020* flagship initiatives recognise that in some areas, enlargement countries can work together with member states and join the open method of coordination exercises. Policy coordination organised under the 7 initiatives implies peer learning, setting joint targets and regular reporting. These activities can be supported via EU Programmes such as the 7th Framework Programme, Competitiveness and Innovation, Lifelong Learning and others. Most enlargement countries participate in EU programmes and can, if their administrative capacities allow, fully benefit from activities at the EU level.

However, given the specific economic, social and political challenges of the enlargement countries, it was evident that a shared effort in developing a regional response to the Europe 2020 Strategy is needed. During February 2010 RCC Secretariat organized the first event dedicated to the development of a regional approach to Europe 2020 titled "Western Balkans in 2020: Overcoming the Crisis and Developing Competitive Economies" that clearly identified the need for a specific regional approach in SEE. This was re-confirmed by the repeated calls from the EU, such as those contained in the Statement by the Chair of the High Level Meeting on the Western Balkans held on June 2, 2010 in

¹ (i) 75 % of the population aged 20-64 should be employed; (ii) 3% of the EU's GDP should be invested in R&D; (iii) The "20/20/20" climate/energy targets should be met; (iv) the share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree; and (v) 20 million less people should be at risk of poverty.

Sarajevo, which noted that “a regional recovery and development strategy which should follow the main parameters of the EU 2020 Strategy, based on knowledge and innovation, and take into account the specific characteristics of the Western Balkan countries, could be defined and actively pursued.” The Enlargement Strategy and Main Challenges 2010-2011 took this recommendation a step further, noting that: “The [European] Commission will propose to the Regional Cooperation Council that it sets up platforms for dialogue and peer review in other areas in line with Europe 2020 priorities”², along with the recommendation to take into account the priorities of the Europe 2020 strategy when programming IPA assistance.

These calls from the EU were coupled with similar ones from the region – the South-East Europe Cooperation Process (SEECF), as the main regional political forum for cooperation, took note of the Europe 2020 Strategy and its possible implications for the enlargement countries. The Montenegrin Chairmanship-in-Office of SEECF expressed its expectation that the “link between the national and regional level should become stronger with time and ...for the efforts going into *Europe 2020* implementation in the region to demonstrate a considerable level of complementarity with the work being done at the national level.”³

Towards a 2020 Vision for Southeast Europe

RCC started engaging SEE countries regarding Europe 2020 during early 2010 with the first meetings on the subject, and a working group established later that year to review current national long-term priorities, establish possible links with Europe 2020 pillars and identify areas for common regional action within the South East Europe 2020 Strategy (SEE 2020).

The process of transferring the South East Europe Investment Committee (SEEIC) from the OECD to the RCC proved to be one of the main catalysts that sped up the SEE 2020 development. SEEIC, a regional forum established under the OECD Investment Compact programme, and envisioned to be handed over to the RCC, seemed well positioned to become a key instrument in the SEE 2020 development process. Some of the main SEE 2020 themes such as competitiveness, innovation and knowledge economies seemed consistent and compatible with SEEIC’s own priorities. Assisting the enlargement countries converge towards SEE 2020 goals was viewed as a welcome opportunity for the SEEIC to reflect on its own strategic role in the region. Importantly, the SEEIC had an adequate governance structure that, although in need of further strengthening, provided RCC with an opportunity to initiate a more structured, inter-governmental dialogue on the SEE variant of Europe 2020 strategy. Finally, as the SEEIC transition process to the RCC was supported by the European Commission, appropriate resources were allocated to start developing the regional strategy.

Although the development of a regional SEE 2020 strategy was largely inspired by Europe 2020, it was evident that the regional strategy is going to differ considerably from the EU framework in two main aspects:

1. **Focus:** from the regional point of view, the three pillars of Europe 2020 strategy (smart, sustainable and inclusive growth) although relevant, required considerable customization to fit with the regional context. The main alterations were envisioned along two main axes: a different emphasis within the three pillars (along with realistic and credible targets), and the need for a fourth and fifth pillar - integrated growth and governance for growth - relating to the deepening of the regional common market within a good governance framework.

² Enlargement Strategy and Main Challenges 2010-2011, Brussels, 9 November 2010

³ Statement by the SEECF Chairmanship-in-Office at the “Western Balkans and Europe 2020: Towards Convergence and Growth” conference, March 31, Brussels

2. **Governance:** To be able to successfully engage with SEE 2020, the region would need to develop its own version of the governance mechanisms and processes that exist in similar EU-level initiatives. Employing such mechanisms (e.g. open method of coordination), implies determining common policy goals and reform targets that are both regionally relevant and consistent with Europe 2020 priority areas. Non-binding guidelines were to be developed to help shape the transposition in national policies, and specific benchmarks and indicators were to be agreed upon to help measure progress. Finally, RCC would embark on regular monitoring and evaluation of the results achieved. Similar to other areas of regional cooperation, no enforcement mechanisms could exist or be needed, given that the entire process would serve to continuously support policy makers in comparing developments in the region and exchanging best practice.

To provide a strong and clear political commitment and vest the region with the necessary mandate, OECD, RCC and the Government of Slovenia organized a Ministerial Conference of the Ministers of Economy of SEE on November 24, 2011 in Paris that adopted the SEE 2020 Vision and tasked the SEEIC with developing a set of regional headline targets to be adopted at the next Ministerial conference during late 2012. The vision called for the consistent implementation of economic reforms to foster integrated, smart, sustainable and inclusive growth underpinned by good governance and the rule of law. The specific elements contained in the vision included the following:

- Integrated growth - through deeper regional trade and investment linkages and policies that are non-discriminatory, transparent and predictable and enhance the flow of goods, investment, services and persons within the region.
- Smart growth - through a commitment to innovate and compete on value-added rather than labour costs in the long run.
- Sustainable growth - through raising the level of private sector competitiveness, entrepreneurship and a commitment to greener and more energy-efficient development.
- Inclusive growth - through skills development, employment creation and labor market participation by all, including vulnerable groups and minorities.
- Governance for growth - through improving the capacity of public administrations to strengthen the rule of law and reduce corruption so as to create a business-friendly environment.

SEE 2020 Strategy Development Process

After shifting the management of the SEEIC into regional hands at the beginning of 2012, the SEEIC adopted a new work programme that largely focuses on SEE 2020 development and introduced new rules of procedure, aimed at further strengthening the governance, clearly defining the different layers of SEEIC – political (with annual ministerial meetings), executive (with two SEEIC meetings per year at the level of deputy/assistant ministers and state secretaries) and technical (working groups and task forces at the expert level). The 10th meeting of SEEIC held in Sarajevo, under the auspices of RCC, adopted the main guidelines for setting regional headline targets in time for the Ministerial meeting during November 2012. Derived targets are to be backed by measures to support their implementation, and transposed into national development strategies, whose attainment will be measured through an on-going monitoring mechanism. Targets set would be quantifiable wherever possible, controllable, measurable, backed by policy-objectives, and time-bound by the 2020 limit. Geographic scope of the

SEE 2020 was agreed to include the members from the Western Balkans⁴, while other SEEIC and RCC members were invited to take part in specific areas, such as best practice sharing.

Task Force on SEE 2020 was established with a mandate to determine proposals for the main regional headline targets with quantification within each of the priority areas, along with the proposals of corresponding national targets. The two meetings of the Task Force during July – September 2012 have provided a comprehensive set of proposals for regional targets in the following dimensions (detailed list with regional and national targets is enclosed in Annex 1):

Overall strategic targets

1. Increase of GDP per capita relative to the EU (convergence)
2. Growth of total trade in goods and services (trade openness)
3. Reduction of trade deficit (sustainability)

Integrated growth

4. Growth of intra-regional trade in goods (integration)
5. Growth of overall FDI inflows (investment)

Smart growth

6. Growth of GDP per person employed (added value)

Sustainable growth

7. Growth of enterprise creation (entrepreneurship)
8. Growth of exports of goods and services per capita (competitiveness & sustainability)

Inclusive growth

9. Growth of overall employment rate (inclusiveness)
10. Increase of rate of population with tertiary degree

Governance for growth

11. Increase government effectiveness (percentile rank as measured by the WBI index)

Depending on the endorsements and further guidelines from the SEEIC and the Ministerial meeting, the Task Force will continue to work on determining policy objectives, indicators and measures that will constitute the bulk of the SEE 2020 Strategy.

Main challenges

The process so far has revealed several challenges that, if left unaddressed, will jeopardize the success of the action. Some of the main challenges are as follows:

- Political commitment and buy-in from the countries in the region is crucial at the beginning of the process, but will also need to be maintained throughout. Clear benefits should be evident to the participating countries from the beginning, with broad participation and strong backing from the region's main partners. Alignment of the Strategy with national priorities and the enlargement process will be crucial for rallying support, as will the ability of SEE 2020 to influence and mobilize the assistance coming to the region.

⁴ Albania, Bosnia and Herzegovina, Croatia, Kosovo*, Montenegro, Serbia and The Former Yugoslav Republic of Macedonia.

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

- Complexity of coordination is immense, with national administrations, civil society organizations, private sector representatives and international organizations all participating directly or through various proxies at some stages of SEE 2020 Strategy development and implementation. Intra-governmental coordination will require immediate attention, as Ministries in charge of economy are being positioned as nodes that receive and disseminate information within and on behalf of the entire governments, which poses a considerable challenge in the first phase of the action.
- Governance will remain the biggest concern going forward; most adequate governance mechanism will need to evolve over the next period through experimentation, as no applicable model is readily available. Unlike EU Member States, there are no formal requirements for the enlargement countries to coordinate economic policy, nor are there any enforcement mechanisms available. Rather, the countries will need to find the most adequate framework for intra-governmental coordination that will satisfy the needs of the SEE 2020 implementation, while alleviating some of the concerns.
- Striking the right balance of realism and ambition will be important at the start of the process, as the Strategy and its targets should inspire action, while avoiding setting the region up for failure. Another key point is securing adequate instruments and tools to couple with the commitments being made thus ensuring sufficient support for implementation.

These challenges will shift priority during the implementation of the Strategy, with some taking primacy over others at specific stages of implementation, but will nevertheless require constant attention throughout the process.

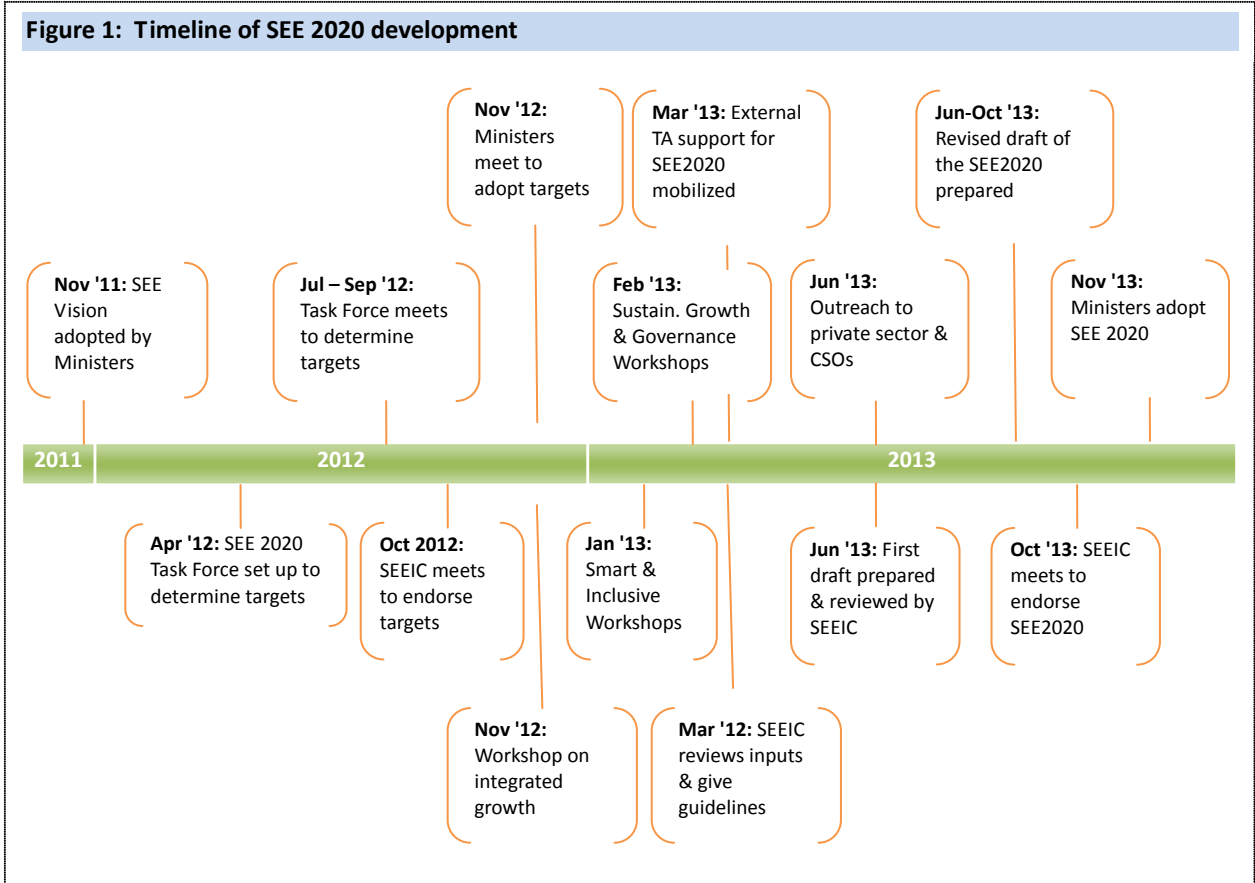
Next steps

Following discussion on the development of SEE 2020 and adoption of regional headline targets at the Ministerial meeting on November 9, 2012 RCC is rolling-out a series of activities that would result in a comprehensive SEE 2020 Strategy to be adopted by the end of 2013. The following outlines some of the main steps being undertaken, or planned until the end of the year:

- **Assignment of roles and responsibilities:** RCC has engaged with regional organizations, institutions and structures that have a potential role in the development and, more importantly, implementation of SEE 2020. RCC's role in the SEE 2020 process, restricted to coordination and monitoring, implies building a network of strong regional partners with an implementation mandate and a solid track record. This will also reinstate the focal role of RCC in regional cooperation, as relationships with other regional organizations would be formed based on clear objectives, cooperation measured upon agreed and controllable indicators, and implementation carried out with the full support and knowledge of national administrations. The process of associating regional platforms with the pillars of the SEE 2020 Strategy was initiated in November 2012 through a series of consultations and kick-off workshops in each of the pillars. These workshops aim to: (i) take stock of developments within each of the pillars, (ii) identify the necessary activities to reach the SEE 2020 targets and assess their feasibility in the regional context, (iii) determine the roles and responsibilities of all stakeholders involved, (iv) define the process of development and format of SEE 2020 Strategy in each of the domains, (v) revisit the monitoring mechanism and a governance structure to implement the Strategy going forward, and identify potential synergies between different pillars of the SEE 2020 Strategy. The first results of these consultations are described in Annex 2. All strategic

workshops will be **held by the end of February 2013** and will provide a clear roadmap for RCC and its partners.

- **Identification of further technical assistance needs:** Together with its regional partners, RCC is also identifying areas where additional analytical inputs are needed to support the development of specific measures within the Strategy. Overall technical assistance needs will be compiled by the RCC by **end of February 2013** and will be checked against already running or planned TA programmes to carve out the gaps that would be addressed through immediate mobilization of external assistance.
- **Mobilization of TA:** The external support would be solicited so as to provide assistance both to the RCC as well as to individual regional platforms tasked with developing specific pillars/dimensions of the Strategy. RCC will work toward securing the necessary resources for the TA in the first two months of 2013, so as to be able to proceed with the mobilization as soon as possible, but not later than **mid-March 2013**.
- **Coordination and drafting:** It is envisioned that the development and drafting of the Strategy would proceed in a de-centralized manner with the platform/dimension champions leading the process in specific pillars/dimensions with inputs, support and overall coordination from the RCC. The first draft of the SEE 2020 Strategy document would be provided to the SEEIC for review by **June 2013** to provide for ample time for further refinements and consultations. It is envisioned that the Strategy would be finalized during **October 2013**, and adopted during **November 2013**.
- **Consultations and outreach:** During the **June-October** period, RCC envisions a number of outreach activities in all of the participating economies to acquaint the main stakeholders and gather inputs in all of the priority areas. Reaching out to the civil society organizations and the business community during this period will be crucial as their inputs and support will be necessary for the successful implementation of the Strategy. RCC has already developed a communications strategy to be adopted at the next SEEIC meeting setting the main tone, objectives and identifying tools for the promotion. Moreover, a dedicated SEE 2020 website will be launched during **February 2013**.



Finding the adequate political chapeaux for the SEE 2020 implementation will remain in the focus of RCC's activities in the following months. Even though the SEEIC had been entrusted with the development of the Strategy, it has become evident that its scope and breadth will likely exceed the mandate given to the SEEIC. The success of its implementation will also depend on the SEE 2020 endorsement at the highest political level. RCC will be working with its members over the next period to explore the possibility of introducing additional mechanisms that would ensure enduring political support for the process.

Finally, the implementation of the SEE 2020 Strategy will require strong support and backing from the region's main external partners. The European Commission, currently engaged in the development of IPA II has welcomed the emergence of the SEE 2020 as the potential platform for programming IPA II in the next period and a much needed interface between national and regional IPA programmes. RCC intends to continue working closely with the EC over the next several months to disseminate the message of SEE 2020 and receive feedback, not just within the regional programmes context, but also working with EC desk officers and line DGs wherever possible. The first such joint activity was conducted in Bosnia and Herzegovina where RCC partnered with the EC Delegation to jointly introduce the SEE 2020 and IPA II outlining the possible synergies. Similarly, RCC will be presenting the SEE 2020 as the main platform for interaction with bilateral donors that are interested in operating at the regional level, providing a clear environment for donor cooperation and coordination.

Statement

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

**“South East Europe 2020 –
Towards Convergence and Growth”**

Tirana, 9 November 2012

- MINISTERIAL STATEMENT -

We, the Ministers of the Western Balkans economies,

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

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

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

targets;

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

HAVE adopted the following Statement:

SEE 2020 Headline targets

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

SEE 2020 Strategy Development and Monitoring

14. SEEIC, under the auspices of the RCC, is tasked with preparing the SEE 2020 Strategy and Action Plan containing a roadmap for its implementation based on the SEE

2020 Vision as outlined in the Statement of the Chair adopted on 24 November 2011 in Paris and the strategic goals and targets contained herein.

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

ADOPTED in Tirana, on 9th November 2012.

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

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

⁵ Baseline data from 2009

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

Description - Baseline values for 2010	ALB	BiH	CRO	KOS *	MKD	MNE	SER
Overall strategic goals							
1. Increase of GDP PPP per capita Relative to the EU (% of EU 27 GDP PPP per capita average)	28,0	30,0	61,0	n/a	36,5	41,0	34,0
2. Growth of Total Trade in Goods and Services (in EUR million)	7.685	10.579	35.384	505	7.779	3.078	24.874
3. Reduction of Trade Deficit / Improvement of Trade Balance	-21,0	-20,8	0,0	-36,4	-19,0	-28,4	-17,0
Integrated growth							
4. Growth of intra-regional trade in goods (in million EUR)	436	3.185	3.645	n/a	1.238	801	3.202
5. Growth of Overall FDI Inflows (in current EUR million)	791	220	410	355	158	541	858
Smart Growth							
6. Growth of GDP per Person Employed (in EUR)	9.767	14.911	29.117	n/a	16.708	14.82 3	12.319
Sustainable Growth							
7. Growth of enterprise creation (new businesses registered) (2009)	2.045	1.896	7.800	141	8.074	436	9.715
8. Growth of Exports of Goods and Services per capita (in EUR)	1.113	952	4.008	1.963	1.547	1.748	1.381
Inclusive Growth							
9. Growth of Overall Employment Rate (per cent of 15+)	47	33	47	n/a	39	40	38
10. Growth of Tertiary Educated Workforce (no. of persons with tertiary education)	216.55 8	213.00 0	504.80 0	n/a	169.79 1	56.60 0	546.29 1
Governance for Growth							
11. Increase Government Effectiveness (as measured by WBI indicator)	2,2	1,8	3,1	1,9	2,3	2,6	2,4

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

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

Appendix 2: Coordination mechanism for the implementation of SEE2020

SEE 2020 Strategy														
Overall targets	i. Increase regional GDP PPP per capita from 38% to 46% of the EU-27 average ii. Grow the region's total value of trade in goods and services by more than 130% iii. Reduce the region's trade deficit from 14.1 to 11.6 per cent of regional GDP													
Pillars	Integrated growth			Smart growth				Sustainable growth		Inclusive growth			Governance for growth	
Pillar targets	iv. Increase intra-regional trade in goods by more than 230% v. Increase overall FDI inflows to the region by at least 120%			vi. Increase GDP per person employed by 33%; vii. Add 300,000 highly educated people to the region's workforce				viii. Increase the rate of enterprise creation by 20% ix. Increase exports of goods & services per capita from the region by 130%		x. Increase the overall employment from 40.2% to 45.2%			xi. Increase government effectiveness by 20% by 2020	
Pillar Dimensions	Trade Liberalization	Trade Facilitation	Investment Climate	Education/ Competences	R&D and Innovation	Digital Society	Culture & Creative Sectors	Competitive-ness	Resource Efficiency	Employment	Skills and Inclusive Education	Health	Effective public services	Anti-Corruption
Dimension co-ordinator	CEFTA	CEFTA	SEEIC	ERI SEE	Regional Research Platform	e-SEE	RCC TFCS	SEEIC	Energy Community Secretariat (ECS)	WG on Social Agenda 2020	SEECCEL	SEEHN	RESPA, NALAS	RAI
Other regional platforms involved in the dimension	SEEIC	SEEIC SEETO	CEFTA	Novi Sad Initiat. SEECCEL	Steering Platform on Research for the WB WBIF/EDIF SEEIC	CeGD	CoMoCoSEE	ECS SEETO CEFTA	SEETO RENA/ECRAN REC NALAS ISIS ISRB Comm. RRD SWG	CPESSC SEETUF AREC	ERI SEE CDRSEE		CeGD	
External partners	OECD	OECD, IFC	OECD, IFC	ETF, DG EAC	World Bank, DG R&I	UNDP, ITU, EC (DG Connect)	CoE, ICOM	OECD; EC (DG Enterprise)	IFIs (EIB, EBRD, WB, KfW); WBIF; EC (DG Environment, DG Clima), GIZ	World Bank; LSEE; EC (DG Employment)	ETF	WHO	WBI, SIGMA, GIZ, SIDA	OECD, GIZ, SIDA
RCC unit responsible	ESD	ESD (primary) EI	ESD	BHC	BHC (primary), ESD	ESD	BHC	ESD (primary), EI	EI (primary) ESD	ESD	BHC (primary), ESD	ESD	BHC (primary) JHA	JHA
Monitoring system	RCC/OECD			RCC/OECD				RCC/OECD	RCC/ECS	RCC/OECD			RCC/OECD	RCC/OECD
National administration participants	Ministry of economy	Ministry of economy; Customs Offices	Ministry of economy; IPAs	Ministry of education; Employment bureaus	Ministry of Science; Ministry of Economy	Ministry of Information Society	Ministry of Culture; Economy;	Ministry of Economy	Ministry of Energy; Ministry of Environment	Ministry of Employment and Social Affairs	Ministry of Education; Ministry of Employment and Social Affairs	Ministry of Health	Ministries and agencies in charge of PAR, Judicial Authorities	Ministries of justice, interior, police