

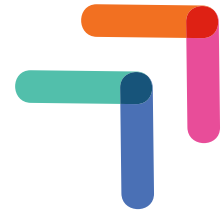
SEE → 2030

STRATEGY

STATE OF PLAY

SECOND ANNUAL INTERIM
IMPLEMENTATION REPORT





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South–East Europe 2030 Strategy: State of Play in 2023
Second Annual Interim Implementation Report

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Trg Bosne i Hercegovine 1/V,
71000 Sarajevo Bosnia and Herzegovina
Tel: +387 33 561 700; Fax: +387 33 561 701
rcc@rcc.int
www.rcc.int

For publisher:

Regional Cooperation Council

Editor:

Arslan Umut Ergezer, RCC

Design:

Samir Dedic

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Introduction

At the 2021 Antalya Summit of the South East European Cooperation Process (SEECPP), the highest-level political framework of cooperation in South East Europe (SEE), the Leaders of the Region adopted the SEE 2030 Strategy, declaring thereby their commitment to achieving the UN 2030 Agenda for Sustainable Development in the Region, and to pursuing regional and global partnership to that end.

The SEE 2030 Strategy is a call to advance and accelerate efforts to implement the United Nations Sustainable Development Goals (UN SDGs) at the regional level in an all-inclusive manner, thus contributing to the prosperity, stability and resilience of the SEE Region and its people. More specifically, the objective of the Strategy is to guide the SEE region in achieving sustainable economic growth, reducing poverty and inequality, improving social inclusion, empowering women, decelerating depopulation, enhancing the overall quality of life for citizens, and accelerating the green and digital transition, without disrupting competitiveness and private sector development.¹

The SEE 2030 Strategy provides a unique framework for the regional implementation of the UN SDGs. It foresees holistic cooperation at the regional level, grounded in a defined governance structure. As such, the SEE 2030 Strategy and the SEE Region may emerge as a model of good practice in the global efforts to achieve the UN SDGs.

This Second Annual Interim Report on implementation of the SEE 2030 Strategy has been drafted in accordance with the monitoring cycle adopted by the SEE 2030 Monitoring Committee. The purpose of the Report is to provide an overview and assess the state of play of regional efforts toward meeting the SDG targets. Moreover, the Report reflects on the regional and global developments that have impacted or may impact the performance of SEE Economies.

The reporting period of the Second Annual Interim Implementation Report is 1 June 2022– 31 May 2023.

Objective of the Annual Interim Report

This interim report seeks to provide the SEE 2030 Strategy Monitoring Committee (MC) with an overview of the progress and challenges in the implementation of the SEE 2030 Strategy during the reporting period.

Strict quantitative and qualitative monitoring can only start in earnest once consensus has been achieved among MC members on inclusive growth-related monitoring indicators, and the enlargement of the scope of data availability from all SEE economies (see more on this in Chapter 1 below). Pending those, this report contextualizes key challenges faced by the region's economies during the reporting period, and analyses them through the framework of the three SEE 2030

¹ SEE 2030 Strategy. Regional Cooperation Council. (2021). Available at <https://www.rcc.int/see2030/about>



Strategy pillars: people, prosperity, and peace and partnerships. As consistently declared by the SEE Leaders and in the SDG spirit of leaving no one behind, special emphasis is placed on the pillar “People”, including the quality of life and inclusive growth. The report assesses the developments over the preceding twelve months as either positive or negative based on their relative contribution to the strengthening of the **resilience** of economies, societies and individuals of the region. The concept of “**resilience**” adopted here signifies “the ability not only to withstand and cope with challenges but also to undergo transitions, in a sustainable, fair, and democratic manner”². The interconnected and systemic character of today’s risk confronted highlights the importance of **resilience** which has been similarly emphasized by the relevant EU Council conclusions.³

Whereas Chapter 1 focuses on the key developments in the reporting period, further chapters address the overall status of the SEE 2030 Strategy implementation, provide a short summary of the activities undertaken by the Regional Cooperation Council (RCC), as well as, for the first time, analyze self-assessments by SEECP participants regarding the implementation of the SDGs in their economies. The report concludes with a set of recommendations relating to the monitoring and implementation of the SEE 2030 Strategy.

As part of the inclusive procedures of the RCC, the first draft of this report will be shared with the members of the Monitoring Committee. Their comments will be taken into account for the preparation of the final draft of the report, which will be considered by the SEECP Leaders at their upcoming annual Summit in Podgorica. Ultimately, this process paves the way for the first biennial review and updating of the SEE 2030 Strategy itself, based on the results of the SEECP participants’ deliberations on the content of the interim monitoring report.

² https://joint-research-centre.ec.europa.eu/scientific-activities-z/resilience_en

³ EU Council conclusions on enhancing preparedness, response capability and resilience to future crises of 23 November 2021, Council conclusions on Disaster Risk Reduction in EU external action of 28 November 2022



Chapter 1: Key Developments

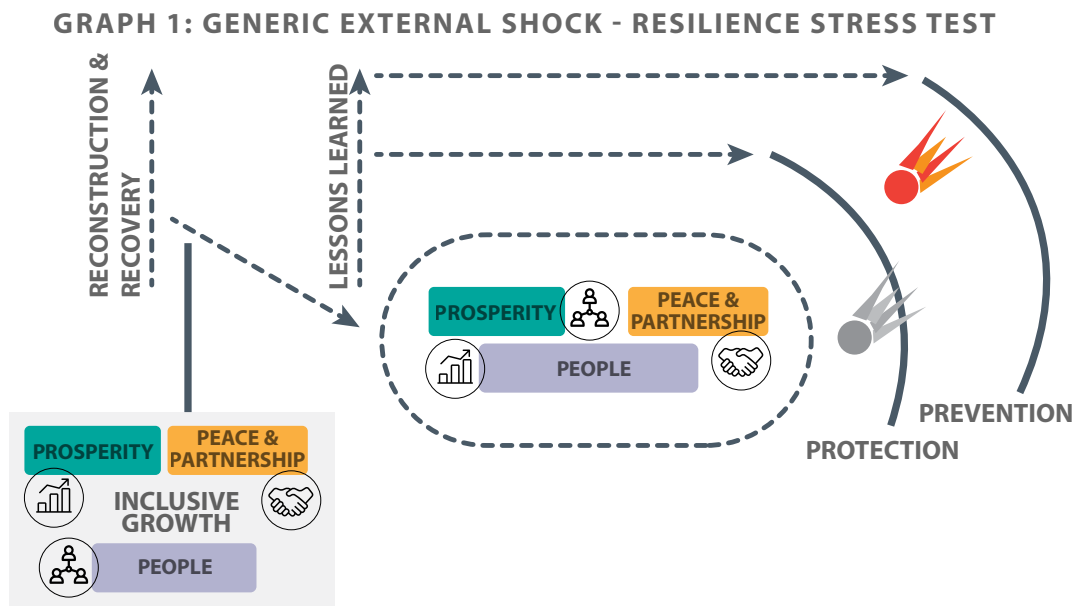
The year that passed was fraught with continuing as well as unforeseen new global developments with a direct or indirect impact on the region. The tail end of the COVID–19 pandemic, which was officially declared as ‘over’ by the head of the World Health Organization in May of this year,⁴ continues to have residual effects on the economic and health systems of the region. Moreover, the war in Ukraine, taking place in geographic and political proximity to the SEE region and possibly jeopardizing the security architecture of Europe, has had geopolitical and economic repercussions for the overall implementation of the UN SDGs and the Agenda 2030. Among other repercussions, the war has affected the energy and food availability and pricing, tightening financial conditions and causing trade disruptions, inflation, as well as the diversion of precious resources to armaments. The war further exacerbated by other existing challenges reversed progress on the Sustainable Development Goals (SDGs). Finally, the unforeseen and uncontrolled power of nature, in the form of devastating earthquakes, as well as the intensifying impacts of climate change, including droughts, floods, heatwaves and wildfires, has highlighted the need for disaster prevention and a rapid acceleration of climate adaptation measures. Having said that, climate change is the one pillar of the triple planetary crisis, the other two being biodiversity loss and pollution, showcasing the complex and interlinked nature of the environmental problems and the urgency to address them in a systemic and holistic way.

The above factors over the past twelve months added further layers to the domestic challenges faced by each SEE participant and the region as a whole in implementing the SEE 2030 Strategy and the SDGs.

The first three sections of this chapter deal with the three prominent developments identified above. The common theme of these sections is the consideration of how external shocks affect the region and what mechanisms are in place to reestablish the balance, ensuring **resilience** for people and the economy. The recent external shocks could actually be deemed as real–life “stress tests” for the **resilience** of economy–specific and regional arrangements. They provide lessons that, if adequately heeded, can help bring the region to an improved state of daily functioning with more resilience against future shocks. Graph 1 illustrates the “stress test” function of external shocks, and can be adapted to each of the three sources of shocks under discussion here.

The last three sections of this chapter provide an overview of the state of affairs in the SEE region in terms of the three dimensions of sustainability identified in the SEE 2030 Strategy, namely People, Prosperity, Peace & Partnerships. The analysis is qualitative, highlighting some key developments over the past twelve–month period under the respective dimensions of sustainability based on data available across various international databases. In future reports, the analysis will be more systematic, as it will be based on quantitative data and objective evidence, through the monitoring mechanism that is being put in place by the MC, in cooperation with the SEE Sta–

⁴ <https://news.un.org/en/story/2023/05/1136367>



tistical Authorities Network (SEE-SAN) and academic institutions in the region, to monitor implementation of the SEE 2030 Strategy. Without burdening the SEE economies with additional data collection, this mechanism will make use of data already collected under the UN SDG framework but will process them through a regional SEE perspective and in connection to achieving the SEE 2030 Strategy. Discussion to construct a composite index is underway among the MC members. Once the MC reaches a decision, SEE specific index based on EUROSTAT data standards will be introduced to reflect progress towards achieving the SEE 2030 Strategy, another global first for the SEE region.

Recent disasters and their impact on people and prosperity

SEE 2030 Strategy Priorities most relevant to disaster preparedness and risk reduction

3. Enhancing capacity to improve detection and risk reduction of natural disasters to minimise their impact on economic growth

11. Improving access to and quality of environment/sanitation services and affordable, safer and healthier housing

13. Facilitating creation of sustainable funding mechanisms to support implementation of SEE 2030 Strategy while respecting development cooperation effectiveness principles of transparency and accountability.



By far the biggest disaster to hit the SEE region over the past twelve months were the February 2023 catastrophic earthquakes in the Kahramanmaraş and Hatay regions. The earthquakes claimed the lives of more than 50,000, 111,353 of Turkish citizens were injured, wreaked damage on over half a million buildings as well as communication and energy structures and led to significant financial losses.

At this time of great need it was heartwarming to witness such solidarity in the form of emergency humanitarian assistance provided from within the SEE region and beyond, the latter including the European Union and the United Nations. Of course, the scale of the multi-year reconstruction required in support of the more than 14 million people affected by the February 2023 earthquakes cannot be underestimated. It will require a sustained flow of significant domestic resources, public and private, as well as external development assistance and foreign direct investment over a long period of time.

Beyond earthquakes, disasters are intensifying, including due to extreme weather events caused by advancing climate change. The Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) issued earlier this year assigns high confidence to the probability of extreme weather events in all regions of the world. More frequent and intense heavy precipitation and flooding events are forecast with medium confidence for Europe, while more frequent and/or severe agricultural and ecological droughts are also projected with medium to high confidence for the continent.⁵ Southeast Europe is no stranger to extreme events, with consequences for both people and prosperity. An example of the severe impact of such events is the number of deaths to the heatwaves in the SEE region during 2022, estimated at 15.000 (fifteen thousand).

Large scale disasters clearly have a broad and disruptive impact, negatively affecting economic activities, development, trade, and transport (Priority 1), human capital (Priority 6), public infrastructure, and cultural heritage, as well as significantly limiting access to health services (Priority 9), education, quality environment, sanitation services, and affordable and safe housing (Priority 11), to name a few. Increasingly the SEE region has experienced deepening inequalities, particularly amongst vulnerable populations, as well as destabilizing and exceptionally high level of emigration patterns at each economy and regional levels, following disasters. These highlight even further the need for enhanced collaboration in the SEE region to foster holistic **resilience** by ensuring better preparedness, prevention planning, response management and post-disaster recovery.

The role of partnerships in protection and prevention

Partnerships for knowledge and resource sharing is a *sine qua non* in the area of disaster risk reduction and disaster management. The synergy between the RCC and the Disaster Preparedness and Prevention Initiative in SEE (DPPI-SEE) offers an appropriate regional framework for disaster preparedness and prevention, in implementation of the UN's Sendai Framework for Disaster Risk Reduction and SEE 2030 Priority 3: Enhancing capacity to improve detection and risk reduction of natural disasters to minimize their impact on economic growth. Very important is also the ongoing cooperation of the regional entities with the European Union's Directorate Gen-

⁵ https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf



eral for European Civil Protection and Humanitarian Aid Operations (DG ECHO), and the United Nations Office for Disaster Risk Reduction (UNDRR). The latest SEECP Podgorica Summit Declaration that will be adopted on 27 June 2023 will take note of the activities on establishing quadrilateral collaboration between UNDRR Office for Europe and Central Asia, DG ECHO, RCC and DPPI SEE in the domain of disaster management and risk reduction, within the SEE 2030 Strategy.⁶ An emphasis on prevention could involve a multi-hazard early warning system, as has been proposed by the World Meteorological Organization (WMO) and DPPI, which would enhance the infrastructure for data collection and processing to project extreme weather events with a higher accuracy. Furthermore, the UNDRR's initiative to assess multidimensional risk through the Risk Inform project could offer a regional approach under the condition that the geographical scope of Risk Inform is expanded to involve all SEE economies. Final decisions on the above will have to be made by the SEECP Participants.

In addition to the global, regional and economy-level, municipality-level action is likewise crucial for **resilience** building closer citizens. It is thus welcome that the Network of Associations of Local Authorities of South-East Europe (NALAS) has joined the UNDRR's Making Cities Resilient 2030 Initiative (MCR2030), intensifying efforts through projects aimed at strengthening cities' disaster **resilience** capacities, collecting data, and disseminating risk knowledge in the region. With both NALAS and DPPI-SEE participating in the MCR2030 Initiative, a platform is now available for knowledge dissemination and advocacy about urban **resilience** in the SEE region, supporting municipalities in strengthening their disaster risk reduction capacities and helping identify **resilience** champions as models for the region.⁷

Resource mobilisation

Transnational cooperation and funding projects, in addition to own resources, provide opportunities to align resources with priorities, including in adaptation to climate change, as a major pillar of disaster risk reduction and management. SEE economies fall under several of the transnational regions covered by the Interregions programmes (Interreg B) of the EU, including the Adriatic-Ionian, Central European, Danube, Black Sea and Mediterranean regions. Interreg VI B foresees about 1.5 billion EUR for 14 transnational co-operation programmes for the period 2021-2027 and comes on the heels of Interreg V B implemented during the period 2014-2020.⁸ The Adriatic-Ionian, Danube and Mediterranean regions also benefit from the EU IPA (Instrument for Pre-Accession Assistance) resources, while SEE economies that are already EU members also have access to Programmes like LIFE⁹.

Recently, a new project was contracted by the EC DG ECHO regarding the capacity for risk management of earthquakes and health emergencies through IPA Care for 2023 and 2029. The partners of that contract are all IPA beneficiaries of the SEE region and the indicative target groups include civil protection authorities and health ministries that could be expanded to other relevant stakeholders following the project's inception phase. The project is contracted with the Swedish Civil Contingencies Agency and has a budget of 12,8 Million EUR. The project foresees regional

6 The version of the SEECP 2030 Declaration as endorsed by the SEECP Foreign Ministers meeting on 05 June 2023

7 <https://www.undrr.org/news/network-associations-local-authorities-south-east-europe-join-undrrs-making-cities-resilient#>

8 https://ec.europa.eu/regional_policy/policy/cooperation/european-territorial/trans-national_en

9 https://cinea.ec.europa.eu/programmes/life_en



cooperation, operational cooperation with the EU's Union Civil Protection Mechanism (UCPM) and capacity-strengthening cooperation with UCPM as one of its three components. Another project which is to be financed by IPA CARE plans to yield a comprehensive analysis of disaster risk landscape and capacity to respond. The project has a contracted budget of 2,5 million EUR and will be implemented by the Italian Civil Protection Department. Two consortia members of the contract are from two SEE EU Member States (Bucharest and Ljubljana). The specific objective of this project promises to produce an in-depth, beneficiary economy-specific risk management analysis covering all phases of risk management and disaster risk reduction in the area of civil protection with a cross-sectoral cooperation component, including detailed analysis of similar initiatives. The beneficiary of this project includes IPA and European Neighbourhood Policy (ENP) beneficiaries of SEE economies among others.

Lessons learned

While the force of nature, when manifested at this scale, cannot be contained, its impact on people and infrastructure can be anticipated in many cases, moderated and even minimized, thus helping economies to build resilience and recover faster from such events. Some clear lessons from recent events include the need to reduce the insurance penetration gap stemming from climate related events, to reexamine mitigation and avoidance measures in spatial planning, to revise the technical criteria of public and private infrastructure in disaster-prone regions, and adopt preventative and preservation measures of cultural heritage sites. In regards to people, a greater focus needs to be placed on health and wellbeing before disasters strike, through access to preventative health care and psychological support. This would ensure the existence and capacity of a functioning system, together with disaster response protocols, that would be able to address exceptional situation, too. The education system, which may be greatly disrupted at all levels during and following a disaster, should continue integrating digital and hybrid methodologies to assist dislocated students in following their curriculums through distance learning methodologies, until physical presence issues are resolved.¹⁰ Economies must all consider and plan for the possibility of permanent resettlement, both within and across economies, of people dislocated by disaster events who are unable or are unwilling to return to their former homes.

There are different actions that can be taken to promote regional disaster risk sharing. Among others, such are the efforts of creating a regional development financing network (involving SEE chambers, banking associations, and insurance associations), as well as the proposals to launch a regional private sector fund for supporting development financing activities in the context of SEE 2030.

Many good practices for disaster risk reduction and response already exist in the region itself, and can be transmitted through the sharing of knowledge, collaboration on data and information, and joint exercises. Within economies, it is essential to improve internal coordination between regions, municipalities and local levels. Furthermore, improvements are needed when it comes to coordination with the non-government actors in disaster and emergency management, in order to eliminate failures in communication and distribution of resources, knowledge and expertise by preparing the ground before disasters strike. Coordination is equally crucial when it comes to the adaptation to climate change impacts, the full range of which continues to manifest itself

10 "2023 KAHRAMANMARAŞ AND HATAY EARTHQUAKES REPORT." March 2023



with increasing intensity in the SEE region. For all kinds of hazards, engaging all relevant stakeholders, namely government entities, engineering associations, the construction sector and affected citizens, can help ensure broad consensus on stricter rules, standards and concrete measures around spatial planning, building standards, and urban regeneration, as well as a more rigorous approach to their implementation.

Impact of War in Ukraine

SEE 2030 Strategy Priorities most relevant to the impact of the war in Ukraine

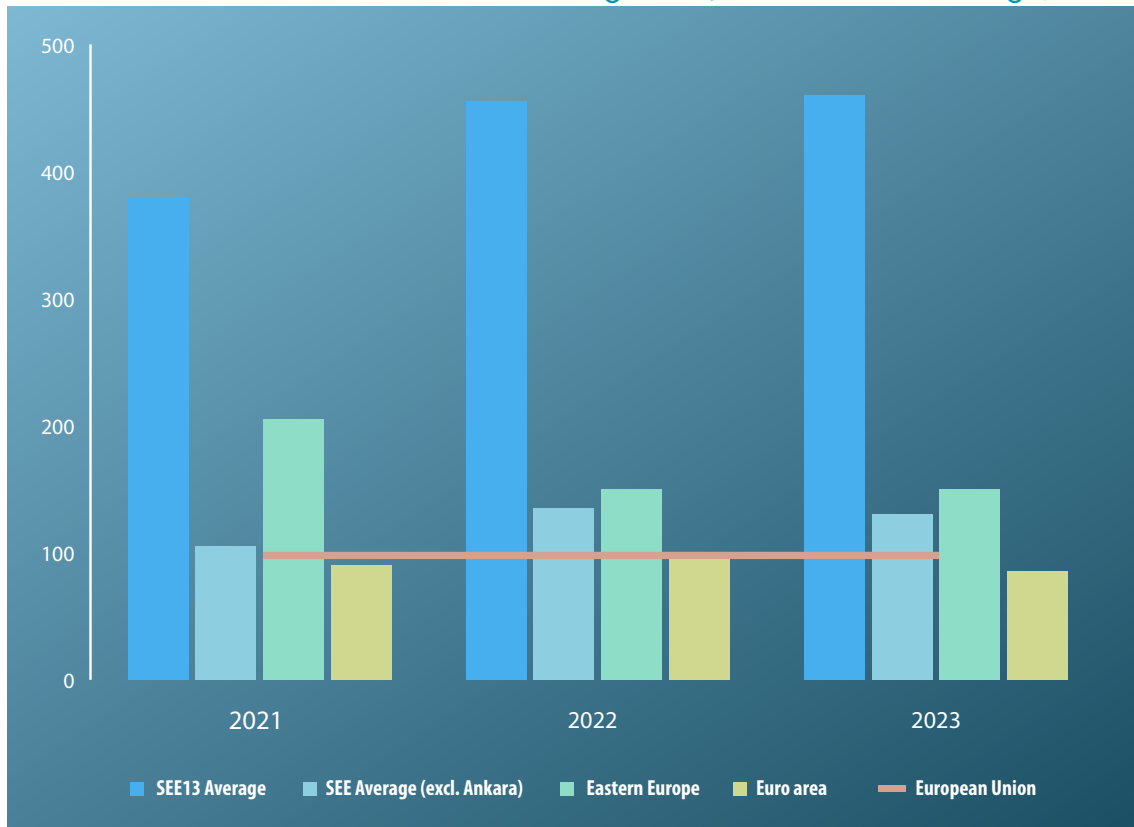
1. Promoting economic growth through trade creation, sustainable and responsible tourism and enhancing transport connectivity
2. Promoting investment, research and innovation in renewable energy to increase the share of carbon free energy supply and improve energy efficiency
13. Facilitating creation of sustainable funding mechanisms to support implementation of SEE 2030 Strategy while respecting development cooperation effectiveness principles of transparency and accountability.

The impact of the war on people and prosperity

The sanctions imposed on Russia following its invasion of Ukraine and the subsequent war that continues to date have had a complex, multilevel impact on the SEE region. Disruptions to energy and food supplies and resulting inflation have negatively affected both the public sentiment in the region and the purchasing power of its people.



Annual inflation rate in SEE – average CPI (indexed to EU average)



Source: RCC's computations based on IMF World Economic Outlook CPI Data

Figure1: Annual inflation rate of the SEE region indexed according to the annual inflation of EU based on the inflation data of the IMF World Economic Outlook. The regional inflation was calculated by RCC according to the IMF inflation data and their weighted average of GDP. The inflation rate of 2023 is the forecast of IMF.

The SEE's regional annual inflation rate in 2021 was recorded as 11.2% and hiked to 42.4%.¹¹ It is projected that the year-end inflation of SEE-13 will be around 29.4%. If Ankara's headline inflation, exceptionally high due to the combination of several domestic and international factors, is excluded, the regional average inflation rate of SEE-12 remained in the proximity of EU's average rate in 2021 (the year of pandemic), and much lower relative to its Eastern European peers. However, the regional inflation of SEE-12 moved up during 2022, the year when the war in Ukraine began, and was recorded as 3.6 percentage points higher than the EU's average (SEE-12 regional inflation rate in 2022 was 12.0% compared to the EU's rate of 8.4%). It is projected that the same pattern will remain much higher in the current year compared to the EU's average.

The impact of food and energy price increases over the headline inflation rate should not be underestimated. The price of grains, wheat, maize and oilseeds in Europe rose 26% from 2021-2022.¹² Economic and social support measures that were taken to alleviate the impact of the COVID-19 pandemic provided initial relief to the effects of the war as well, but overall the region

¹¹ RCC's calculation based on IMF's annual CPI data for SEE economies. RCC calculations averaged the CPI rates weighted according to the shares of each SEE participant in the region's GDP

¹² <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/DDN-20230329-1>



remains unevenly exposed to global developments and risk. Particular sectors, such as tourism, which had suffered greatly from the COVID-19 restrictions, have been affected by this geopolitical disturbance, which resulted in a significant reduction in the number of Russian tourists. On the upside, however, the economies that have seen the greatest decrease in the arrivals of Russian tourists all fall outside of the SEE region.¹³ Moreover, global tourism in general is near pre-pandemic levels, nearing 80% at the end of 2022.¹⁴

The fact that two of the SEE economies are directly neighboring Ukraine makes the war seem much more real to the region, compared to conflicts in far-away places. It also makes chillingly real the dangers of a spillover, either of the conflict itself or of side effects like nuclear contamination, in case of a nuclear accident or the use of tactical nuclear weapons. With one of the SEE economies neighboring Ukraine being also a member of NATO, any spillover might lead to escalation and broader war for the region, for Europe and the world. Public perceptions towards overall security situation in the region were also affected negatively after the start of the war. According to the RCC's Balkan Barometer and Securimeter special edition on Ukraine,¹⁵ there is a general perception that the war has endangered stability in the region. In particular, people in the region felt more insecure towards non-traditional security threats (NTS) as being measured on rise by the RCC's public and business opinion surveys after the war. Accordingly, 78% of respondents in the Western Balkans as a sub-region of the SEE think fake news and disinformation after the start of the war in Ukraine increased considerably. Similarly, cyber security is perceived as a major threat for the region, following the war in Ukraine. For 57% of respondents from the Western Balkans region cyber threats have increased in the last year. In relation to energy security, there is a broad consensus among respondents from all economies that efforts should be enhanced to reduce dependence from Russian oil and gas, with an overall share of 73% supporting this statement. Remarkable support is also given to the strategies of investing in renewable energies (86%) to avoid energy threats in the future. Similar to the public opinion, the impact of the war provokes insecurity among the business community. The same survey data measuring the perceptions of the business community in the Western Balkans confirms the above-mentioned macro-level data on inflation. Two-thirds of the business community representatives in the Western Balkans perceive the war as very risky for their economic activities. Around 38% of respondents expect revenues to go down in the forthcoming period, due to the war. Some of the most impactful consequences of the war for businesses of the region are the increase of energy prices (84%), rise of cost of transport (78%) and the increase of food prices (70%). In this context, it can be assumed that higher energy and food costs will have a deeper multi-policy impact in the region that could distort people's overall security perceptions. In addition, it is important to emphasize that low-income households spend a higher proportion of their income on food and energy. Thus, the multiplier impact of the inflation on food and energy on the lowest income groups in the Region quintiles would push back the region's successes recorded in eradicating poverty in the previous years.

Considering the impact of the war on people, it is important to note that Europe faced a greater influx of refugees than in the 2015 refugee crisis with over 8 million Ukrainians fleeing to neighbouring economies and elsewhere on the European continent. According to the latest UNHCR data, the total number of Ukrainian refugees recorded in the SEE economies reached 452,305.

13 <https://www.unwto.org/impact-russian-offensive-in-ukraine-on-tourism>

14 <https://www.unwto.org/news/tourism-set-to-return-to-pre-pandemic-levels-in-some-regions-in-2023>

15 RCC's BalkanBarometer 2022 - Special Security Edition on Public and Business Opinion



Chisinau, Ankara, and Bucharest are hosting the largest portion of the refugees from Ukraine in the region. Collectively they host 66% of the total number of Ukrainian refugees in SEE.¹⁶

Unlike the refugees and asylum seekers who arrived *en masse* during the 2015 crisis, and migrants who continue to arrive predominately through irregular channels, Ukrainian refugees relocating to EU economies have benefited from a largely holistic migration policy approach. Ukrainians are almost ‘automatically’ offered an initial 2–year residency permit and access to the job market, health facilities and education systems. As a result, the reception of the Ukrainian refugees has been positive or at least uneventful. Their impact on the SEE economies and societies remains to be determined however, as it is unclear whether or not they will actually remain and integrate in their host economies, which would help the host economies partly address their depopulation problems, or return to Ukraine as soon as the war comes to a halt. In the meantime, the infrastructure of the recipient economies is put to the test, notably for the economies receiving the biggest number of refugees relative to their own population, and exposes the limits of existing integration policies in many SEE economies.

Partnerships and resource mobilization

Considering the impact of the Ukrainian war on economies, although tragic and disruptive, has also demonstrated the **resilience** and foresight of economic policy makers. Primed by the pandemic and COVID–related emergency measures, many economies of the region lessened the shocks of war by continuing or reviving pandemic–era support. This served to further boost the economic situation of people, lessen the impact of disruptions to trade and energy, manage the dramatic increase in the cost of goods and inflation, and ease the downward pressure of low consumer sentiment stemming from an uncertain global economic market. Moreover, the policies and new approaches adopted by the US and EU central banking systems, which have been largely finetuned after the global financial crisis of the past decade, enabled them to quickly implement policies to slow down the spiraling inflationary pressure.

On a higher level, the sense of solidarity, foresight and coordination mechanisms that were developed on a global level as a result of the COVID pandemic has enabled economies to more smoothly address other external factors related to the war through dialogue, consensus building in the region and a “neighbourly” approach, which is no doubt supported by the notion that peace is in the region’s common interest.

The SEE 2030 Strategy through its holistic approach will be an appropriate instrument to display multidimensional impact of the pandemic and the war in Ukraine on the people of SEE. Otherwise, relying on over–emphasis on single policy instruments handled by compartmentalized institutions causes significant delays in responding to the socioeconomic aspects of these challenges that triggers high inflation in food and energy, exacerbates difficulties in access to housing, restrains and lowers access to health services, distorts overall security, and accelerates emigration at the same time.

16 Situation Ukraine Refugee Situation (unhcr.org)



Lessons learned

The unfortunate key takeaway from the war in Ukraine is that military conflict in Europe is not a thing of the past. Despite the many international agreements and partnerships to avoid it from happening again on a grand scale through the peace project of the EU, economies have been forced to reexamine their own interests, security and alliances. This has in many cases caused economies to temporarily flirt with hard realism in their approach to international relations, and even with isolationism. On the other hand, it has reaffirmed that partnerships, collaboration, information sharing and capacity building amongst EU and non-EU economies can offer the greatest cushion to the negative impact of external events. The region's geopolitical imperative to free itself from its dependency on fossil fuels and accelerate the green transition has been brought to the forefront. The EU's decision to take more responsibility and innovative actions towards aspirants in our region could also be considered as a new form of geopolitical imperative important, both for the EU but also for our region. The EU's four points plan to bring the Western Balkans closer to EU Single Market, to accelerate fundamental reforms, to deepen regional economic cooperation, and to increase the volume of pre-accession funds is in strategic synchrony with the overall goals of the SEE2030 and should be used for a greater streamlining of actions and funds.

In addition, the repeated cyberattacks from third party actors on various economies of the region highlights the importance of developing capacities against such attacks in cyberspace, but also fine-tuning the capacities to resist more sophisticated forms of hybrid threat. Finally, the importance of building **resilience** within health systems that includes psychological support for citizens and migrants alike has proven to be much-needed and a potential source of stability in uncertain times.

Post-pandemic health services and quality of life

SEE 2030 Strategy Priorities most relevant to post-pandemic health services and quality of life

9. Facilitating access to health and supporting improvement of its quality

11. Improving access to and quality of environment/sanitation services and affordable, safer and healthier housing

13. Facilitating creation of sustainable funding mechanisms to support implementation of SEE 2030 Strategy while respecting development cooperation effectiveness principles of transparency and accountability.



The COVID-19 pandemic and its impacts

A disaster that engulfed the world like no other in a few months' time, namely the COVID-19 pandemic, was something that seemed to be as out of a science fiction book or an epidemiologist's worst nightmares. Although pandemics occur approximately every 100 year or so, COVID was greatly accelerated by the level of global connectedness through international travel and trade. The World Health Organization (WHO) declared in May 2023 the end of the pandemic, thus marking the point when the COVID-19 virus and its mutations are thought to have become endemic, joining a series of other viruses of the corona family with periodic comebacks without threatening further health disasters. That being said, the WHO also stresses that the COVID pandemic exposed the weaknesses of economies' health systems and the need to address the challenges through foresight and **resilience** building, before the next pandemic inevitably strikes.

Continuous tracking since the start of the pandemic points to a total of 767.364.883 confirmed cases worldwide, with 6.938.353 deaths reported to WHO until 31 May 2023.¹⁷ For Europe as a whole, there has been a total of 276.467.414 confirmed cases with 2.238.788 deaths. For the SEE region, the corresponding totals are 34.477.527 and 338.405 respectively, as detailed in the table below:¹⁸

SEE PARTICIPANT	POPULATION (IN MILLIONS)	TOTAL CASES	TOTAL DEATHS	FATALITY RATE (DEATH/CASES) (%)	VACCINES ADMINISTERED PER 100 POPULATION
ANKARA	84,78	17.004.677	101.419	0.59642	60,94
ATHENS	10,64	6.067.218	36.969	0.60932	205,1
BELGRADE	6,83	2.541.522	18.051	0.71024	97,1
BUCHAREST	19,12	3.404.197	68.184	2.00294	83,3
CHISINAU	2,62	620.574	12.118	1.95271	56,7
LJUBLJANA	2,11	1.344.104	9.364	0.69667	143,6
PODGORICA	0,62	291.845	2.827	0.96866	83,4
PRISTINA	1,79	273.899	3.208	1.17123	102,3
SARAJEVO	3,27	402.998	16.347	4.05635	58,7
SKOPJE	2,07	348.276	9.677	2.77854	89,4
SOFIA	6,88	1.307.420	38.382	2.93571	66,4
TIRANA	2,81	334.090	3.604	10.78751	107
ZAGREB	3,90	1.273.795	18.255	1.43312	133,9
TOTAL	147,44	34.477.527	338.405	0.98152	

Table 1. COVID-19 cases, deaths and vaccination percentages in the SEE region as of 31 May 2023.

¹⁷ <https://covid19.who.int/>

¹⁸ <https://covid19.who.int/>, except for population data <https://data.worldbank.org/country/>; accessed on 1 June 2023.



It is clear that there are significant differences among the SEE economies in terms of the fatality rate, and more importantly, in the number of vaccines administered. For vaccinating their populations, the EU members fared better overall, riding on the availability of resources and the joint procurement of vaccines via the European Commission, while non-EU members had to fend largely for themselves. There was also a factor of vaccination suspicion or rejection by segments of the population, even in economies where vaccines were readily available, which may indicate a need to bring health systems and health-related public communication closer to people.

The impacts of COVID went well beyond health and health services in affecting the overall well-being and quality of life in a multitude of perspectives. For example, the pandemic greatly impacted the education sector, causing the closing of schools and a temporary switch to online education. Economies were not adequately prepared and they responded with various degrees of success. This switch was easier for students from relatively wealthier families and communities who already possessed or could easily afford a computer, and had larger space to work from home, unlike children with a lower-income background.¹⁹ Even if the pandemic pressure has now eased, it is evident that the negative impact on educational outcomes has persisted and inequalities have increased between wealthy and poor populations.

WHO reports have taken stock of health-related SDGs across Europe in 2021^{20 21}, and more recently of the changing landscape around health equity.²² For example, analyses have found that:

- a widening gap in trust in others, with those earning low incomes reporting 50% lower trust in others than those on high incomes;
- trust in governments decreased as a result of the pandemic;
- 600,000 deaths during the pandemic were due to underinvestment in health systems and low human development;
- 64% of young people aged 18–34 years in the EU had a low WHO-5 score following the COVID pandemic and were therefore considered at risk of depression.

Moving towards universal health coverage in SEE²³

Universal health coverage (UHC) envisages the use of quality health care by any individual without presenting them with a risk of financial hardship. Economies in Europe have committed to make progress towards UHC through the 2008 Tallinn Charter on Health Systems for Health and Wealth (WHO Regional Office for Europe, 2008), the Sustainable Development Goals set out in 2015 (United Nations, 2015) and the European Pillar of Social Rights established in 2017 (European Commission, 2017). UHC is one of three core priorities in WHO's European Programme of work, 2020–2025 (United Action for Better Health).

19 <https://unctad.org/system/files/official-document/osg2022d1.en.pdf>

20 The European Health Report 2021: highlights. Taking stock of the health-related Sustainable Development Goals in the COVID-19 era with a focus on leaving no one behind (who.int)

21 The European Health Report 2021. Taking stock of the health-related Sustainable Development Goals in the COVID-19 era with a focus on leaving no one behind (who.int)

22 Transforming the health and social equity landscape: promoting socially just and inclusive growth to improve resilience, solidarity and peace: executive summary (who.int)

23 The whole section on moving towards universal health coverage in SEE was excerpted from the WHO's written contribution to the draft AIR



Financial protection – affordable access to health care – is central to UHC. It is undermined when health systems rely heavily on out-of-pocket payments to finance health care (WHO Regional Office for Europe, 2019).

Out-of-pocket payments can be a barrier to access, leading to unmet need for health care and cause financial hardship for people using health services, leading to impoverishing or catastrophic health spending. Without financial protection, people may be forced to choose between health care and other basic needs such as food, housing and heating. This deepens poverty, erodes health and well-being and increases social inequalities within and across economies (WHO Regional Office for Europe, 2020).

In the following figures, the key indicators of financial protection in some SEE economies, for which the data are available, are presented.

To avoid issues related to representativeness of the ‘normal’ circumstances when using data collected during the COVID-19 pandemic, the data compiled by WHO focus on the pre-pandemic situation – 2019 or the latest available year before COVID-19. Most of the data required to monitor financial protection are only available with a time lag of two years, so post-pandemic data are not yet available.

Out-of-pocket payments push people into poverty – or further into poverty – in almost all SEE economies but to a different extent: impoverishing health spending affects less than 2% of households in Ljubljana and Zagreb but over 5% of households in nearly half of the other SEE economies.

Catastrophic health spending means a household can no longer afford to meet basic needs – food, housing, heating and electricity – due to cost incurred through out-of-pocket payments for health care. Over 5% of households experience catastrophic health spending in most of the SEE economies except Ljubljana, Zagreb, and Ankara in every SEE economy where WHO data are available, catastrophic health spending is highest among households with low incomes.²⁴

Outpatient medicines, medical products and dental care are the main drivers of catastrophic health spending in SEE economies. For households with the lowest incomes, the main driver is outpatient medicines in almost all SEE economies, except in Ljubljana, and in Ankara to a lesser degree. Financial hardship is therefore driven by out-of-pocket payments for primary care.²⁵

Unmet need is also an issue in SEE economies. For example, the share of people reporting an unmet need for prescribed medicines ranges from just under 4% in Athens to around 10% in Zagreb and Belgrade. There is also evidence of socioeconomic inequality in unmet need for prescribed medicines. Socioeconomic inequality tends to be greater in the SEE economies with a higher incidence of catastrophic health spending, indicating serious problems with affordable access to outpatient medicines in these economies.

The incidence of catastrophic health spending is closely correlated with how heavily an economy relies on out-of-pocket payments to finance the health system. In turn, the out-of-pocket payment share is correlated with public spending on health as a share of GDP, which varies widely across SEE economies but is generally well below the EU average. There is also significant vari-

24 WHO Barcelona Office for Health Systems Financing; <https://apps.who.int/iris/bitstream/handle/10665/347522/WHO-EURO-2021-3448-43207-60537-eng.pdf?sequence=1&isAllowed=y>

25 WHO Barcelona Office for Health Systems Financing; [WHO-EURO-2021-3448-43207-60537-eng.pdf](https://apps.who.int/iris/bitstream/handle/10665/347522/WHO-EURO-2021-3448-43207-60537-eng.pdf)



ation in the share of the government budget that SEE economies allocate to health. Most SEE economies have the potential to give greater priority to health when allocating public spending.

Partnerships and resource mobilization

The South East European Health Network (SEEHN) attests to the fact that COVID exposed gaps in development, health and well-being within and between EU and non-EU economies. The SEEHN itself was established in 2001 as a regional intergovernmental organization, which currently operates under the auspices of the RCC and includes 10 SEE economies and Israel. It aims at promoting collaboration and common values, and encouraging joint efforts towards peace, health and well-being of the people of its members.²⁶ There is a broader range of instruments in place that attempt to redress the development, health and well-being gaps, including:

- the European Union (EU)'s policies for its member states, as well as the EU's enlargement policy for non-EU economies;
- the WHO European Programme of Work (2020–2025) – “United Action for Better Health in Europe” (EPW); and
- the adoption of the Roadmap for Health and Well-being in the Western Balkans (2021–2025).

In spite of all this, though, the region remains behind the EU, as exemplified among other things by the difference in average life expectancy, which in the EU is three years higher than the SEE average.

The SEE economies experienced issues related to health services even before the pandemic. The WHO finds an overall heavy reliance on hospitals, instead of primary healthcare, and of out-of-pocket payments to finance health care. Post pandemic, there are even greater deficits in access and coverage, including with primary healthcare, essential services, medical personnel, supplies, infrastructure, and public health systems in non-EU economies. From a societal perspective, inequalities are increasing and so is the impact on ethnic groups and the poor, as health care costs become prohibitive. Unfortunately, unaddressed mental health issues among the youth are also on the rise, as are disabilities amongst the lower income population, due to their inability to access preventative medicines in a timely fashion.

Health spending has been steadily increasing over the years in all SEE economies but for most economies it remains well below the 9% to GDP ratio.²⁷ Depending on the economy the increase in health spending may depend on out-of-pocket payments, that burden in particular the underprivileged patients, or on government hand-outs. External aid does not seem to be directed towards stronger, high-quality healthcare systems that guarantee universal health coverage.²⁸

Quoting from a WHO Europe publication:

“The pandemic has revealed how health, the economy and the social fabric of our communities are interwoven. Recovery requires action across all three fronts. When people are not adequately supported, they turn away from social solidarity and trust. These networks of re-

26 <http://seehn.org/>

27 <https://stats.oecd.org/Index.aspx?DataSetCode=SHA>

28 https://apps.who.int/nha/database/country_profile/Index/en



relationships between people, and with governments and other institutions (often referred to as social capital) underpin stability across the Region. Their disruption threatens the peace and cohesion required for a healthy population and a healthy economy.”²⁹

It is estimated that the health and social work sector accounts for, on average, 10% of employment in the WHO European Region. Even during economic recessions, the health sector exhibits strong **resilience**. Moreover, accessible health services can contribute to the retention of rural populations or even the return or attraction of new populations, local economic stability and human capital development – thus contributing to cohesion within and between geographic areas.³⁰

Lessons learned

The WHO and SEEHN have asserted that economies cannot wait for the next pandemic to destabilise the healthcare systems further. To ensure the **resilience** of healthcare systems and the societies they serve, there is a need to rethink the sector with universal, high-quality coverage and an emphasis on primary care and prevention, including psychological support, with lower out-of-pocket payments for the lower income population. A strong healthcare sector also supports a strong economy, in view of the employment and other economic activity that it generates. People are the backbone of all societies, so a people-first approach, which puts health equity and resilient health systems at the center, will enable societies to recover faster from crises, increase human capital, and decrease inequalities and related social tensions.

A WHO study of financial protection in 24 economies in Europe, including many SEE economies, found that health systems with strong financial protection share the following features (WHO Regional Office for Europe, 2019):

- there are no major gaps in health coverage;
- coverage policy (the way in which health coverage is designed and implemented) minimizes out-of-pocket payments, particularly for people with low incomes and regular users of health care;
- public spending on health is high enough to ensure timely access to a broad range of health care; and
- out-of-pocket payments do not account for more than around 15% of current spending on health.

The experience of economies in Europe suggests that the following policies are most likely to protect people from unmet need and financial hardship linked to out-of-pocket payments (WHO Regional Office for Europe, 2019):

- cover the whole population, including refugees, asylum seekers and migrants; in economies with social health insurance schemes, this involves breaking the link between entitlement to publicly financed health care and payment of contributions;
- use fair and transparent processes to define a broad benefits package, including outpatient medicines, medical products and dental care;

29 “Transforming the health and social equity landscape: Promoting socially just and inclusive growth to improve resilience, solidarity and peace”, WHO European Region 2023, page 1.

30 “WHO Regional Office for Europe response to RCC Interim Monitoring exercise for SEE 2030 strategy”, coordinated by the WHO European Office for Investment for Health and Development (Venice, Italy), May 2023.



- exempt poor people and regular users of health care from co-payments, cap all co-payments and replace percentage co-payments with low fixed co-payments;
- lower expectations about voluntary health insurance as it usually exacerbates inequalities in access to health care; and
- support changes to coverage policy with an adequate level of public spending on health.

Review of the UN SDGs Implementation and Challenges in the SEE

People

SEE 2030 Strategy Priorities relating to the 'people' dimension

6. Better utilisation of human capital potential of the SEE Region
7. Supporting diaspora to promote economic activity in the SEE Region
8. Facilitating access to education and supporting improvement of its quality
9. Facilitating access to health and supporting improvement of its quality
10. Improving equal access to and quality of justice and public services in SEE
11. Improving access to and quality of environment/sanitation services and affordable, safer and healthier housing

The unifying pillar of not only the SEE 2030 Strategy but all institutional strategies is 'people', as people are impacted by and impact upon the state of the world as we know it: we are in the era of the 'Anthropocene'. At the heart of discussions about 'people' in the SEE region is the challenge of combating depopulation, caused by a variety of factors, including brain drain and low fertility. As regards the depopulation segment that is linked to migration, identifying why citizens move abroad and do not return is a main focus of the RCC's research and efforts to ensure the **resilience** of SEE economies. Currently, the SEE region stands at 150 million persons population and is anticipated to fall to less than 123 million by 2100. The latest Balkan Barometer of RCC has found that a mismatch between citizens' satisfaction with their lives and the region's realities can account for some of the key drivers encouraging SEE citizens to emigrate, and that different age groups have different motivations. The main considerations of people in the region have been found to be: health, education, transport/infrastructure, utility services, housing, job opportunities, public services and prices.



POLICY AREAS OF LIFE SATISFACTION	SATISFACTION RATE (% OF N)
UTILITY SERVICES	42
EDUCATION	34
PUBLIC SERVICES	30
TRANSPORT INFRASTRUCTURE	30
ACCESSIBILITY AND AFFORDABILITY OF HOUSING	28
HEALTH	25
JOB OPPORTUNITIES	15
LEVEL OF PRICES	12

Source: RCC's computation based on Balkan Barometer of 2022

Note: Balkan Barometer was based on a survey with a total number of 6109 people in all six Western Balkan economies.

Considering the youth of the Western Balkan economies, more than three quarters would be inclined to emigrate to another economy. Meanwhile, the age groups of 55+ are less willing to move outside of their economies. Younger groups are anxious to relocate to destinations where they will find more satisfaction with the level of prices, job opportunities, the level of salaries, and quality of health services, in addition to better infrastructures overall, enhanced civil liberties, a well-functioning, meritocratic public sector, etc.

Emigration intentions in Western Balkans disaggregated by age groups						
Survey question: Would you consider living and working abroad?						
			Yes	No	Do not know or refuse to answer	Total
Age	18 – 24	Count	544	192	34	770
		% within age group	70.6	24.9	4.4	100.0
	25 – 34	Count	769	315	63	1147
		% within age group	67.0	27.5	5.5	100.0
	35 – 44	Count	594	402	62	1058
		% within age group	56.1	38.0	5.9	100.0
	45 – 54	Count	413	561	53	1027
		% within age group	40.2	54.6	5.2	100.0
	55 – 64	Count	230	688	46	964
		% within age group	23.9	71.4	4.8	100.0
	65+	Count	104	917	40	1061



Age		% within age group	9.8	86.4	3.8	100.0
Total		Count	2654	3075	298	6027
		% within age group	44.0	51.0	4.9	100.0
Average	18–65+	%	46.26	53.74		
	18–54	%	61.22	38.38		

Source: RCC Balkan Barometer (2022)

The importance of the natural environment is increasing as a consideration and is connected to the overarching theme of ‘quality of life’. Regrettably, the SEE’s air, land, rivers and coastal habitats remain exposed to many environmental toxins on account of energy poverty, weak environmental protections and low costs of labor (EC Europa). Together with significant imbalances across the region in regards to liquid and solid waste management, citizens are often exposed to illegal dumping, and polluted water supplies. The general deterioration of quality of life in cities and communities, cited by UNCTAD, may work as an additional driver for depopulation, not on account of the poor environmental status per se, but rather as an indicator to the youth of the (low) level of foresight and hope for the future provided by their economies. By contrast, more developed economies have placed the green transition and the acceleration of renewables and transition of urban mobility at the center of their economic growth policies.

Health services are one of the major factors for the quality of life, and, accordingly, feature prominently as emigration causes. The effects of the COVID-19 pandemic and its containment measures have exacerbated pre-existing health social and economic vulnerabilities, particularly for marginalised groups.³¹ In this regard, without financial protection, out-of-pocket payments for medicines and health services threaten to inhibit access to health services, forcing people to choose between health and other basic needs.³² This consequently leads to increased social inequalities and poverty. The Western Balkans, in particular, do not meet the WHO recommended limits for out-of-pocket expenditure. In general, health and well-being gaps persist between the non-EU and EU members within the SEEHN.³³ Despite the Western Balkans’ economic growth, the region has fewer hospital beds, lower life expectancy than in the EU, poorer mental health,³⁴ and the proportion of population living without basic sanitation and basic drinking water services is higher than in the EU (the latter is twice as high in the Western Balkans compared to the EU).

As a result of the changing ways in which citizens perceive quality of life, it is even more important for the SEE to have tailor-made indicators in order to formulate targeted people-first policies in a holistic approach, in order to emphasize the interactions between different aspects of life and how each aspect affects people’s satisfaction towards their individual lives. Thus, micro-level analysis down to household level would allow the policy makers to consider holistic people oriented and innovative policy solutions, which could be undertaken at local, economy and regional levels.

31 WHO. <https://www.euro.who.int/en/health-topics/health-determinants/social-determinants/publications/2020/health-in-equity-and-the-effects-of-covid19-2020>

32 WHO. <https://apps.who.int/iris/handle/10665/340809>

33 WHO. <https://apps.who.int/iris/bitstream/handle/10665/345937/WHO-EURO-2021-3437-43196-60510-eng.pdf?sequence=1&isAllowed=y>

34 WHO EURO Health Equity Status Report. 2019.



Prosperity

SEE 2030 Strategy Priorities relating to the 'prosperity' dimension

1. Promoting economic growth through trade creation, sustainable and responsible tourism and enhancing transport connectivity
2. Promoting investment, research and innovation in renewable energy to increase the share of carbon free energy supply and improve energy efficiency
3. Enhancing capacity to improve detection and risk reduction of natural disasters to minimise their impact on economic growth
4. Reducing digital divide through better broadband connectivity, development of digital skills and accelerated digitalisation of industry and public services
5. Enhancing public-private sector partnership and role of financial sector/financing for development for the implementation of SDGs in SEE

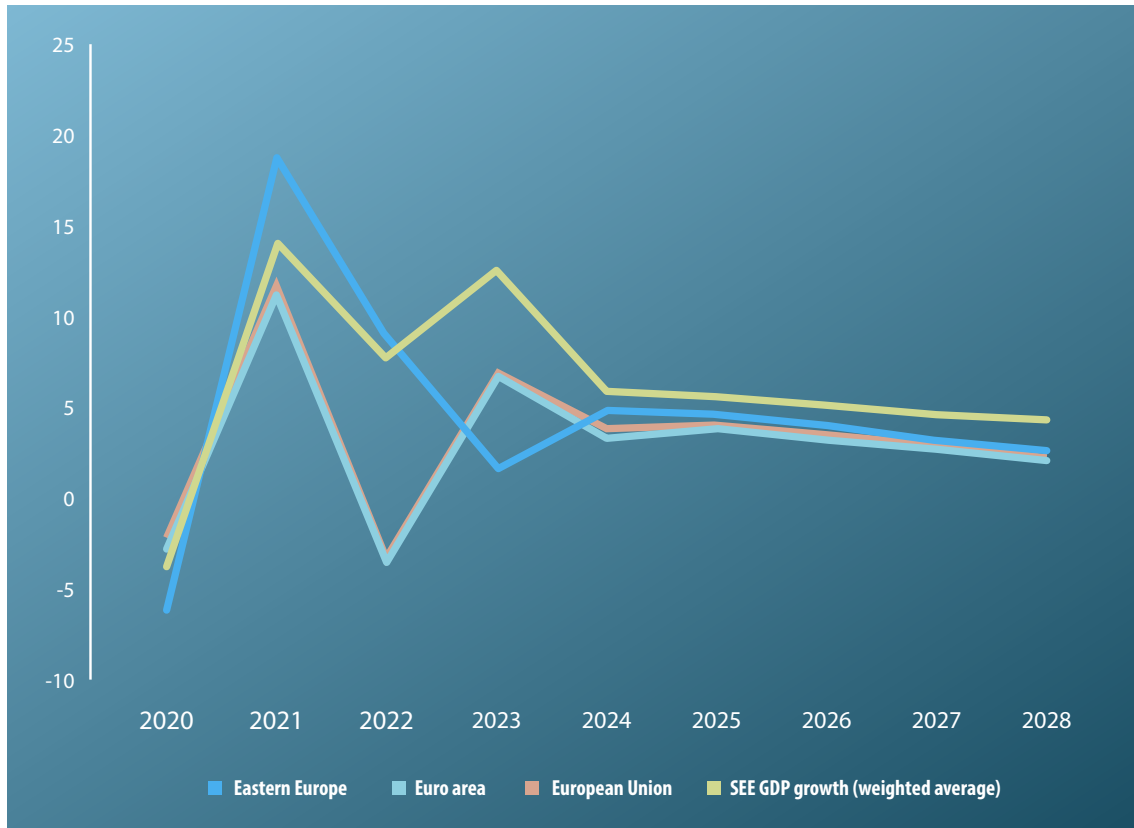
The SEE 2030 objective of **affordable and clean energy** has still not recovered from the impact of COVID-19, during which citizens in many economies had to resort to cheaper, more polluting methods of energy. Specifically, the use of coal in energy supply in SEE is 26% on average, and in extreme cases reaches even up to 50% at the level of individual SEE participants, versus the EU average of 16% (RCC data). On the other hand, however, some participants noted progress in transitioning to renewable energy. It is evident from the diversity in energy policies, sources and consumption, that on a regional level, there is a need for energy sector modernization and decarbonization, clarifications in legislative processes to facilitate the transition, and a better access to financing mechanisms to support the transition.

To consider several key economic figures, the RCC notes that real **GDP growth** in the region stands at 7.86% (higher than the targeted 6% of annual GDP growth rate for the region), against -3.21% GDP in the EU. Despite the fact that the GDP in SEE decreased by 3.60% compared to the contraction of 2.13% in EU in 2020, the recovery after the pandemic was much steeper and quicker in the SEE region.

However, international experience shows that GDP growth rates may not be the most appropriate measurement tool to identify people-oriented challenges and the multidimensional issues related to SDGs. In the same vein, it is widely understood that economic figures do not paint the full picture of the level of 'prosperity' of the economy in SEE. In fact, retaining a simplistic view of economic indicators may have negative consequences in relation to people's well-being, if such an approach is the main determinant of economic decision-making.



GDP growth rate in % according to USD current prices SEE compared to its European peers



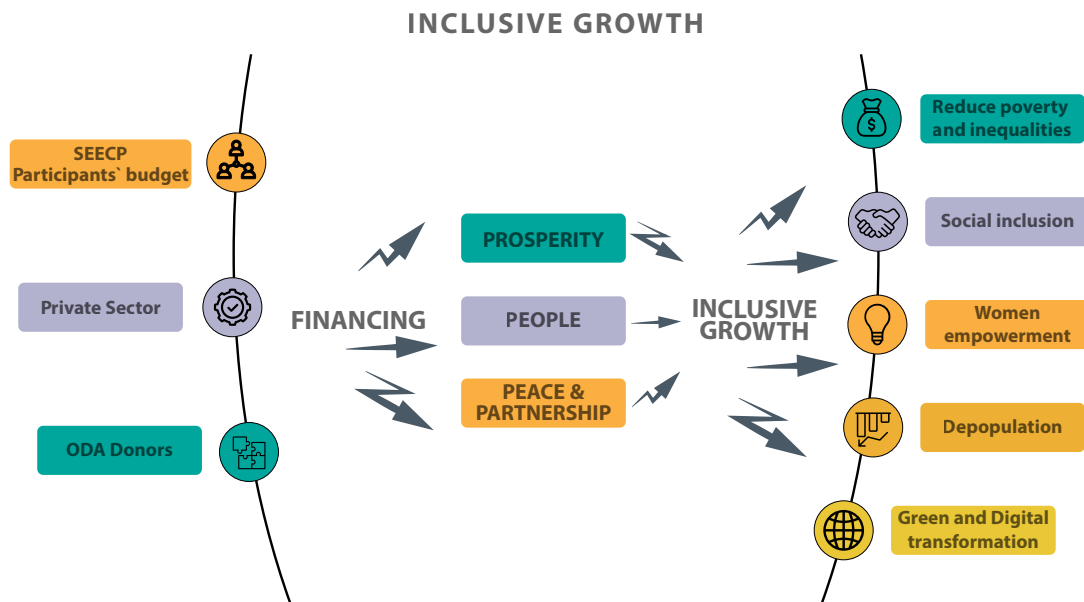
source: RCC computation based on IMF data

Figure 2: SEE Region’s annual GDP growth rate based on annual GDP according to the USD current prices and weighted averaged. IMF estimated GDP is taken into account for the years of 2023 and onwards.

The OECD cautions that measurements of growth should go beyond GDP to also include social performance. Along these lines the OECD argues that economies must strive for inclusive growth, which “is growth that is distributed fairly across society and creates opportunities for all.”³⁵ Including the value of nature and ecosystem services in economic performance indicators is another trend gaining strength in mainstream economics. “Beyond GDP” is now a major discussion at the UN. Alternative indices include the Human Development Index of the UN Development Programme and the Good Life Index of the OECD.

The RCC has compiled a visual on key issues for the region which need targeted policies to promote inclusive growth (see chart below). SEE 2030 governance structures may consider following up on this discussion related to how the region may perform better to ensure its growth is more inclusive and passes through to all social layers in the context of SEE2030.

35 <https://www.oecd.org/inclusive-growth/>



As indicated in the chart above, policies to promote women’s empowerment, just green and digital transformation, a reduction in depopulation and a reduction in poverty and inequalities are interrelated with each other and could not be monitored properly if their measurement is done individually without a holistic approach. Unfortunately, regional data on inclusive growth is not available. RCC’s proposal for the establishment of an SEE-specific inclusive growth index is hence a timely and necessary step to inform holistic policies towards maximising the prosperity of the SEE region.

Peace and Partnerships

SEE 2030 Strategy Priorities relating to the ‘peace and partnerships’ dimension

12. Supporting the institutional strengthening for smart implementation of the SEE 2030

13. Facilitating creation of sustainable funding mechanisms to support implementation of SEE 2030 Strategy while respecting development cooperation effectiveness principles of transparency and accountability.

Efforts toward implementing the SEE 2030 Strategy and the SDGs can only be successful if all relevant actors come together to do their respective parts. Some frameworks of cooperation already exist, and more that may be needed will have to be established.



Regional cooperation

The regional cooperation context in SDGs is provided by the SEECP and SEE2030 Monitoring Committee, supported by the RCC. The potential of regional cooperation may only now be starting to emerge, as demonstrated by suggestions included in the answers to the questionnaire circulated to the Monitoring Committee members by the RCC Secretariat – see summary in Chapter 3. It is clear that the respective units in line ministries of the participating economies will have to establish direct links for the exchange of good practices and mutual support, where appropriate. “Match-making”, peer-learning, team-building, brainstorming, and/or capacity building sessions can be organized by the RCC Secretariat, under the guidance of the Monitoring Committee, for respective offices of each economy that are responsible for priority areas of the SEE 2030 Strategy.

Eventually, and as a result of such osmosis, it should be possible, when questions or requirements arise, for the respective officials to exchange real-time advice and coordinate on issues of shared concern. If that would occasionally mean the identification of synergies and complementarities in tackling such issues of shared concern, as for example the lack of expertise from one party in one area and the surplus of expertise from another party in the same area, so much the better.

Remaining within the region, in addition to the public authorities at the central level, it is important to activate **networks of other semi- and non-governmental actors** that can similarly benefit from mutual exchanges and potential synergies. Prominent among them could be groups of parliamentarians from all economies, which would exchange views on priority legislation that would enable implementation of the SDGs and the SEE 2030 Strategy across the region. In this context, SEECP Parliamentary Assembly will be one of the key stakeholders in the implementation of the SEE 2030 Strategy besides other SEECP structures. There already exists a regional network of local authorities, in the form of NALAS – the Network of Associations of Local Authorities of South-East Europe.³⁶ Professional associations, funding agencies, investors and of course academic institutions, think tanks and civil society organizations from all economies should be encouraged and empowered to come together to really make this a vibrant, active and attractive region.

Cooperation with actors from outside the region

The region does not exist in isolation, neither can it fulfil its potential without sustained interactions with its neighbourhood and beyond. The European Union institutions and its member states act as the main donors of official development assistance to the Official Development Assistance (ODA) recipient economies of the SEE region.

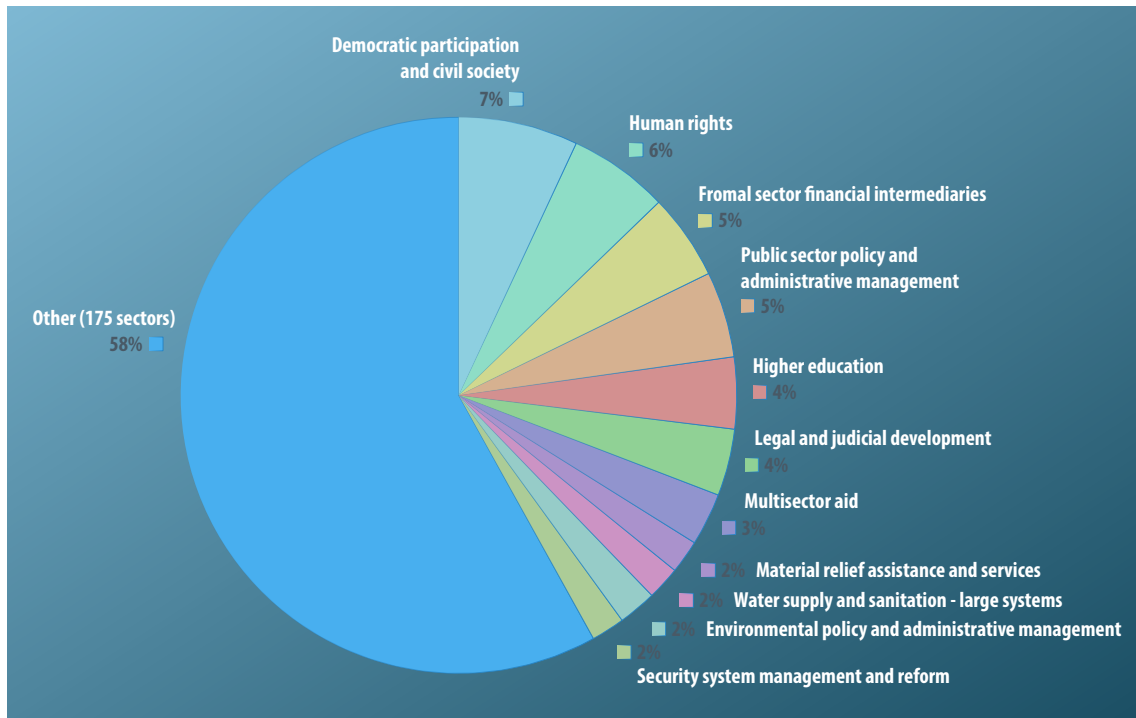
The latest OECD data reveal that democratic participation and civil society, human rights, and financial intermediaries are the first three sectors representing 18% of 3.7 Billion USD disbursed in 2021 by the members of the Development Assistance Committee (DAC) of the OECD as ODA in the SEE recipient economies. Whereas, taking into account the total ODA disbursed in SEE since 2015, higher education has come up as the top sector with its share of 6% of the cumulated disbursed ODA of 26.4 Billion USD.³⁷

³⁶ <http://www.nalas.eu/>

³⁷ OECD DCD Statistics of 2021

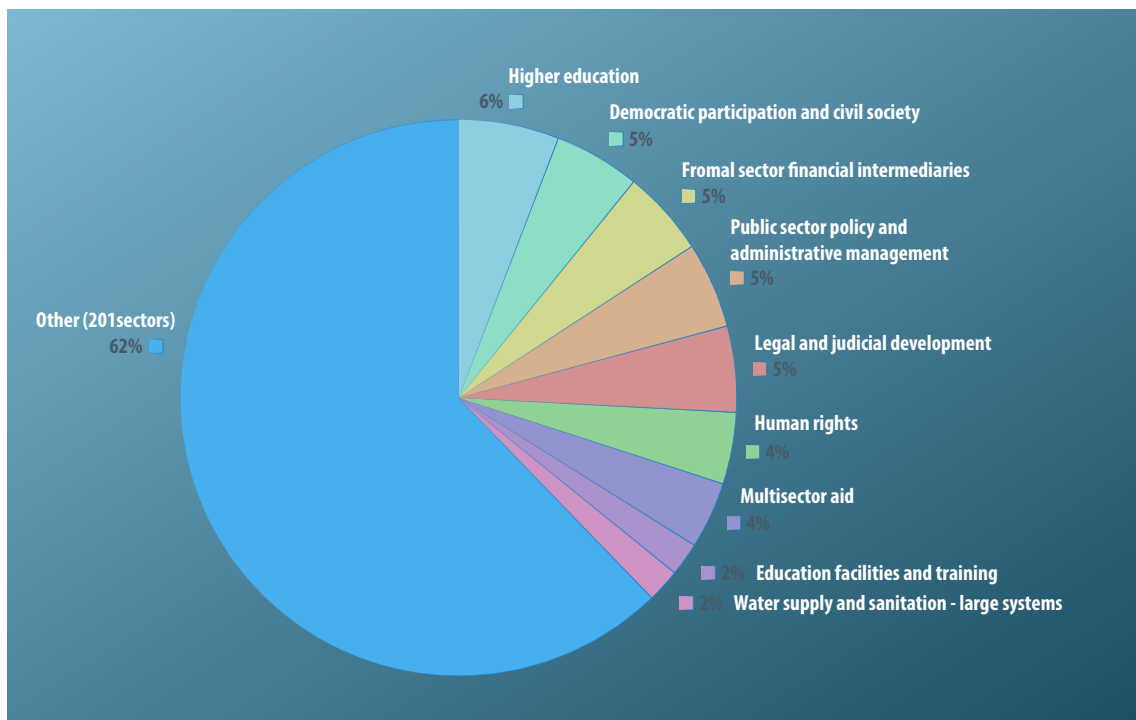


DAC members' ODA disbursed in SEE recipients by sectors (2021)



source: OECD ODA statistics

DAC members' ODA disbursed in SEE recipients by sectors



source: OECD DAC Statistics 2021

Figure 3: DAC members ODA disbursement according to OECD ODA sectors in percentage.



The funding opportunities provided by the EU's Interreg and other programmes should be utilized to the maximum extent to connect SEE to its varying regional contexts (i.e. Black Sea, Adriatic, Ionian region, Danube, and Mediterranean).

Clear and coordinated regional priorities, more active role and ownership of the SEE recipients to SDGs and the Agenda 2030, in line with the Paris Framework and Accra Agenda for Action, would also help all donors recalibrate the allocation of development assistance towards priority areas for the achievement of the SEE 2030 Strategy and the SDGs in the regional context.

This broadly sketched network of partnerships will increase the region's chances to achieve the goals it has set for itself and to fend off new challenges that will inevitably emerge at this time of polycrises. The **resilience** of the region as a whole and its individual economies is inextricably linked, and the bet now is to complete the cooperation ecosystem that will enable that.



Chapter 2: Status and Overview of the implementation of SEE2030

Governance

All SEE participants, except Pristina, appointed their SEE 2030 national coordinators and identified contact points for the daily communication with RCC.

SEE2030 Monitoring Committee, the main governance structure held two meetings during the reporting period.

The second meeting of the SEE 2030 Strategy Monitoring Committee

At its second meeting held in Thessaloniki on 7 June 2022, the Monitoring Committee adopted the first Annual Interim Implementation Report (AIR). SEE participants confirmed their support to the implementation of SEE2030 Strategy as an instrument that contextualises a regular and all-inclusive dialogue within the SEECP. Furthermore, SEE participants agreed to design their all-inclusive regional actions of solidarity without excluding the appropriate participation of the relevant stakeholders such as Parliaments, CSOs, academia and think-tanks in the region through employing the contextual framework of SEE 2030.

The Monitoring Committee members tasked the RCC to circulate a matrix where Participants can confirm their interest and level of participation and contribution to each submitted project proposal. The matrix will help SEE Participants to identify and disclose which part of a specific project they would like to support, as well as whether they would wish to contribute to the budget.

The Monitoring Committee also agreed on organising technical level follow-up on each project proposal between interested SEE Participants and relevant stakeholders.

As for monitoring, it was decided that a series of meetings with the statistical authorities would be held from September 2022 on.



3rd Meeting of SEE2030 Monitoring Committee

The Third Meeting of the SEE 2030 Strategy Monitoring Committee was held in Istanbul, on 7 March 2023. Its objectives were: to present and discuss the overview of activities of the SEE 2030 Strategy between June 2022 and March 2023; to agree on the proposal to regularise dialogue with civil society for the SEE 2030; to follow up on human resources and financial capacity requirements for the implementation of the SEE2030 Strategy; and to present the reporting cycle.

The RCC Secretariat reiterated the call to Participants to announce and share their visibility activities and SEE 2030 promotion-related events. In addition, the Participants agreed that the SEECP Chairmanship in Office would send an official letter to Tirana and Pristina to appoint their National Coordinators and remind Participants to appoint their SEE 2030 Parliamentary Contact Points. Following the 3rd Monitoring Committee, Tirana appointed its national coordinator and contact point for the SEE2030.

Programming

In February 2023, the RCC Secretariat prepared an evaluation matrix and asked all delegations to share their scores, which the RCC could aggregate for each specific project in the pipeline. The participants were asked to provide their evaluations of each project proposal by April 2023. The projects receiving highest scores would be prioritised. During the reporting period, Ankara, Belgrade, Bucharest, and Zagreb submitted their assessments of the project proposals in the programming cycle. The following table ranks the project proposals according to the aggregated assessment score.

CURRENT RESULTS OF SEE PARTICIPANTS' ASSESSMENTS OF PROJECT PROPOSALS			
PF#	Project title	Score (cumulative)	Evaluators
12	Launching SEE grant programme for demographic/ depopulation challenges (proposed by RCC)	249	ANK, BUCH, BEOG, ZGRB
4	SDGs Academic Research Award (proposed by RCC)	220	ANK, BUCH, BEOG, ZGRB
7	SEE Multi-hazard Early Warning System (proposed by WMO and DPPI)	173	ANK, BUCH, ZGRB



3	Promotion of visibility in SDGs implementation in SEE and aid effectiveness (proposed by RCC)	161	ANK, BUCH, ZGRB
1	Support to the preparation of input and output tables of non-OECD members of SEECP (TiVA) (proposed by RCC)	155	ANK, BUCH, ZGRB
5	Automation of data collection, processing and reporting on SEE2030 (proposed by RCC)	154	ANK, BUCH, ZGRB
9	Disaster Risk Finance in the six participants of SEE (DRFSEE6) (proposed by EuropaRE)	143	ANK, BUCH, ZGRB
14	SEE Value chains, creation and promotion of interregional investment in innovation (proposed by Zagreb) (Ministry of Regional Development and EU Funds)	130	ANK, BUCH, ZGRB
15	Strengthening cooperation between health specialists from Skopje and Ankara as SEE participants	130	ANK, BUCH, ZGRB
13	Strengthening of performance management and strategic planning systems in the SEE region (proposed by Zagreb) (Ministry of regional development and EU funds)	123	ANK, BUCH, ZGRB
2	SEE SecuriMeter (proposed by RCC)	122	ANK, BUCH, ZGRB



16	Establishing preventive protection of forests against fire in Durmitor National Park	120	ANK, BUCH, ZGRB
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In addition, the RCC Secretariat reiterated the possibility for Participants to propose new projects. At the third Monitoring Committee meeting, Ankara informed about two new project preparations, which they had subsequently submitted.

The Monitoring Committee mandated Athens, together with other capitals if interested, to approach EC DG REFORM on behalf of the Monitoring Committee. The Monitoring Committee aspires to establish communication with DG REFORM in order to learn how the projects could be submitted for financial assistance and how the SEECP can benefit from DG REFORM's technical assistance. Athens agreed to circulate with the RCC Secretariat and other SEECP Participants its own current multi-country project proposals that are approved or under approval for DG REFORM assistance. Furthermore, in addition to Athens's proposal, the Committee agreed to follow-up on the initiative to organise a peer-review and peer-learning workshop regarding the Voluntary National Reviews.

Monitoring cycle of the SEE2030

A regional network of SEE Statistical Authorities was established. The South East Europe Statistical Authorities Network (SSN) will be the main regional structure to discuss and confirm the proposal of RCC to develop an SEE-specific Inclusive Growth Index to monitor the overall implementation of the SEE 2030 Strategy. At its first meeting with SSN, held in June 2022 after the Second Monitoring Committee meeting, the RCC Secretariat discussed the issues of data availability and time lags.

The 3rd Monitoring Committee discussed the RCC's proposal to create a quantitative monitoring exercise measuring the region's inclusive growth through specially designed index. The proposal was circulated to the Committee members prior to the meeting. The Monitoring Committee agreed to keep the Inclusive Growth Index proposal on the agenda with an open-ended discussion. The SSN is to be actively involved in discussion on the creation of this exercise.

RCC will revise its proposal on Inclusive Growth Index to involve quality of life-related data available in EUROSTAT and the relevant data standards which are aligned with the EU.



SEE 2030 Dialogue Mechanism

Dialogue with civil society and think-tanks

After initiating a procedure for the adoption of the Civil Society Dialogue and Think Tanks Dialogue mechanism within the SEE (T4SEE) – proposal on regular dialogue with think-tanks – Ankara had sent comments that were subsequently incorporated in the proposal. RCC had shared this second version with the SEE Participants. The written procedure for the approval of the second version was launched. In the written procedure, the RCC received comments from Sofia and Zagreb. Following the bilateral exchanges with Zagreb, the RCC sent a revised version of the proposal accommodating the comments from Zagreb, and Zagreb gave the consent to this revised proposal. The Monitoring Committee Members agreed to re-launch the written procedure at the Third meeting of the Committee. No objections to the latest version have been received, opening the room for the Monitoring Committee to take further steps in this regard at its Fourth meeting.

The RCC's proposal on SEE2030 Dialogue Mechanism with Civil Society and Academia was adopted by the SEE2030 Monitoring Committee on 10 May 2023.

Dialogue with private sector representatives

Through RCC's facilitation, all SEECP Participants' Chambers and Banking Associations along with the representatives of Eurochambers, European Banking Federation, European Bank for Reconstruction and Development, and World Bank held an online meeting on 16 November 2022 to discuss the role of private sector and commercial banks in the implementation of SDGs and green transformation. As foreseen by the SEE 2030 Strategy and as agreed at the mentioned meeting, the RCC will organise a follow-up meeting in late 2023. The follow-up meeting is envisaged to also include insurance associations.

At the November 2023 meeting, two proposals were presented: to organise a session for good practices and experience exchange and to create a joint fund between the interested banking associations for a private- and banking sector-oriented SDG activities. Monitoring Committee Members did not object these proposals.

Meetings with SEECP Parliamentary Assembly (PA)

Podgorica's Parliament, as the rotating Chair-in-Office of SEECP Parliamentary Assembly, invited the RCC to the Standing Committee meeting of SEECP PA. RCC's SEE 2030 Coordinator made a presentation on the SEE 2030 Strategy at the Standing Committee meeting on 9 December 2022. Furthermore, the RCC was present at the Plenary Session of the SEECP PA. The SEECP PA adopted the following conclusions as part of its final declaration agreed by all SEE parliaments on 19 May 2023:

- SEECP PA reaffirmed its support to the SEE 2030 Strategy and its goals, which provide the rotating SEECP Chairs with a framework to prioritise their activities in line with the Strategy;



- SEECP PA recognized that strong implementation of the SEE 2030 Strategy as a bottom-up strategy that aligns all of its priorities and actions with the cross-cutting policy areas of SEE 13, is a necessity in order to strengthen regional cooperation in SEE and to collectively reach the Sustainable Development Goals and Agenda 2030;
- SEECP PA highlighted that parliaments play an important role in implementing the SDGs, concurrently being one of the key stakeholders in the implementation of the SEE 2030 Strategy.

With its role as a facilitator for the implementation of the SEE 2030, RCC will play a key role in acting as an interlocutor between the SEE 2030 Governance Structures, SEECP and SEECP PA.

Dialogue with other institutions

The RCC established contacts with numerous stakeholders. With some, the cooperation is to be deepened. In this regards, starting from January 2023, the RCC had been discussing and working on a cooperation concept with DG ECHO, DPPI SEE and UNDRR in the area of disaster management and risk reduction within the framework of the SEE 2030 Strategy. The draft text of the quadrilateral cooperation statement was shared with the DPPI SEE. The DPPI SEE members provided their technical comments on the draft statement. Following the endorsement of the statement by DPPI SEE, the draft text will be submitted to the SEE 2030 Monitoring Committee for its approval. Signing a non-binding agreement between RCC and DG ECHO will be one of the preferred options to implement European disaster management and risk reduction priorities in line with the SEE 2030 Strategy and the Sendai Framework.

The RCC deepened its bilateral contacts with the UNDRR as well as with the WHO.

In March 2023, the SEE 2030 Coordinator met with the Black Sea Economic Cooperation (BSEC) Secretariat, as foreseen by the SEE2030 Strategy. The SEE 2030 Coordinator and the BSEC's Executive Director agreed to organise a follow-up meeting and to focus on project-oriented collaboration. Regarding the exploratory talks and cooperation with neighbouring regions, the next step for the RCC Secretariat is to approach the Union for the Mediterranean.

Based on the discussion in Thessaloniki and the given mandate, and supported by Athens and Bucharest, the RCC Secretariat also approached DG NEAR. The RCC had had an online meeting with the European Commission, after which the RCC Secretariat shared with them a non-paper that included a request for both financial and non-financial support from the EU, such as technical support and know-how for the monitoring exercise and inter-regional projects.

The RCC has signed a new Action Grant with the European Commission which foresees the allocation of 258,500 EUR to the SEE 2030 related activities for the years between 2023 and 2025 (i.e. support to the organization of development financing network meetings, technical assistance to developing and monitoring an inclusive growth index, and support to the organization of the SEE 2030 Monitoring Committee meeting).

To raise further funds for the implementation of SEE 2030, an International Donors' Conference is envisaged in late 2023 or early 2024. The aim of this Conference will be to fundraise for the



SDGs and for the project proposals under the SEE 2030 Strategy from regional and international donors and from mentioned EU institutions.

Human Resources and Financial Capacity Requirement for the implementation SEE 2030

The Monitoring Committee agreed to hold a thematic meeting to discuss the possible solutions to resolve the human resources and financial constraints of RCC regarding the implementation of SEE2030 Strategy.

Based on the agreement from the Third Monitoring Committee meeting, the RCC sent a letter to SEE2030 National Coordinators who had already given the consent in principle to take action in leading the clusters, to confirm their interest in clustering concept. So far, only Ankara confirmed to take the co-lead of connectivity cluster.

A thematic meeting on SEE2030 financing is planned to be held in September 2023.

Visibility activities and SEE2030 Strategy promotion

The RCC presented the *access to justice related priorities of the SEE 2030 Strategy* at the 6th meeting of the SEE Judicial Training Institutes network on 5 October 2022. Amongst other things, the JTI network participants from SEE suggested organizing a regional workshop on Sustainable Development Goals (SDGs) and SEE 2030 Strategy in 2023.

Together with the representatives of the Ministry of Foreign Affairs and the Chambers of Commerce of Athens, Podgorica, Ankara and Bucharest had invited the RCC to present the SEE 2030 Strategy and its priorities at the Sustainable Development Goals (SDGs) Forum in Iasi, Romania, on 18 and 19 October 2022. At the Forum, the RCC highlighted the trends of depopulation and increasing poverty in the SEE region and the delays in convergence between South East and Western Europe.

The RCC also attended DPPI SEE High Level Panel and DRR Financing Workshop in Dubrovnik on 25 and 26 October 2022. At the Plenary Session, the RCC made a verbal presentation of the priorities and objectives of SEE 2030. In the margins of the Panel, RCC's SEE 2030 Coordinator held a bilateral meeting with the Head of UNDRR Europe Office.

RCC's SEE 2030 Coordinator participated in the Conference on Green Transformation and Innovation organized by the Podgorica's Chairmanship, in Podgorica on 15 and 16 May 2023.

Furthermore, the RCC undertook efforts to establish a more coherent multi-stakeholders regional cooperation in the field of protection against natural and man-made disasters in South East Europe. In this regard, the RCC co-organised and moderated a special session on disaster



management and risk reduction within the 14th “Days of BHAAAS in Bosnia and Herzegovina” on 2 June 2023 in Tuzla. The objective of the session was to discuss and present applicable methods in estimating multi-dimensional damage of disasters and policy instruments for enhancing capacity to improve the detection and risk reduction of natural disasters in South East Europe. The session gathered experts from Ankara, UNDRR, Japanese International Cooperation Agency, Europa Re, DPPI SEE, and University of Sarajevo.

State of play of implementation of action plan

The programming cycle of the SEE 2030 does not have any major delays. There are significant delays in the monitoring cycles stemming from the financial and human resources constraints of the RCC. Although the adoption of the proposal on Dialogue Mechanisms with CSOs and Academia was confronted with significant delays, the successful completion of the written procedure for the adoption of the RCC’s proposal after addressing all the comments received from SEE participants was a major success for the multi-stakeholder coordination and cooperation. Another major success was the allocation of EU funds for the implementation of the SEE 2030 within the new Action Grant. A possible success in the near future, which would bring the SEE 2030 forward to a more mature stage of implementation, would be to adopt the quadrilateral statement between RCC, ECHO, UNDRR, and DPPI SEE. Regarding the delays in monitoring, a carefully designed innovative composite index would provide a substantial monitoring instrument to the Monitoring Committee without creating an additional burden over the Statistical Authorities of SEE. In order not to confront any further delays, the SEE participants should provide their recommendations at the thematic meeting on how the financial and HR related constraints could be solved.

Programming and Aid effectiveness

ACTION	TIME	CURRENT STATE OF PLAY	REMARKS
PROGRAMMING IDENTIFICATION (COLLECTING PROJECT PROPOSALS)	Continuous (starting from February 2022)	Ongoing	
DEVELOPMENT COOPERATION EFFECTIVENESS AND DONOR COORDINATION	May-23	Ongoing with delays	RCC signed with EU a new Action Grant which foresee some financing to SEE2030
PRIORITISATION AND FORMULATION	Continuous	Ongoing with delays	Only 3 SEE participants sent their assessments in full and one SEE participant sent its partial assessment.
FUND RAISING (DONOR CONFERENCE)	4Q 2023 or 1 Q2024	Delayed	



Monitoring

ACTION	TIME	CURRENT STATE OF PLAY	REMARKS
ESTABLISHING SEE STATISTICS NETWORK (SSN) UPON THE APPROVAL OF MC	Jun-22	Completed with delays	1st meeting held in June 2022
2ND MEETING OF SSN	3Q2023	Ongoing	
REVISING SEE IGI PROPOSALS	3Q2023	Ongoing	A TA will be hired with the financial assistance of EU.

Dialogue mechanisms

ACTION	TIME	CURRENT STATE OF PLAY	REMARKS
2ND MEETING WITH DEVELOPMENT FINANCING NETWORK (CHAMBERS, BANKING ASSOCIATIONS AND INSURANCE ASSOCIATIONS)	3Q2023	Ongoing	A follow-up meeting organised with the Chambers and Banking Associations in November 2022. Insurance Associations to be included in the follow-up meeting in late 2023. EU financial assistance will be used to finance the 2nd meeting
BRIEFING SEECP PARLIAMENTARY ASSEMBLY ABOUT THE CURRENT STATE OF PLAY ON THE IMPLEMENTATION OF SEE 2030 STRATEGY	2H 2023 and 1H2024	On time	Depending on the Skopje's SEECP PA Chairmanship
EXPLORATORY MEETINGS WITH INTERNATIONAL SECRETARIATS OF BSEC AND UNION FOR MEDITERRANEAN	September - December 2022	Partially Completed	Exploratory talks with BSEC held in March 2023.

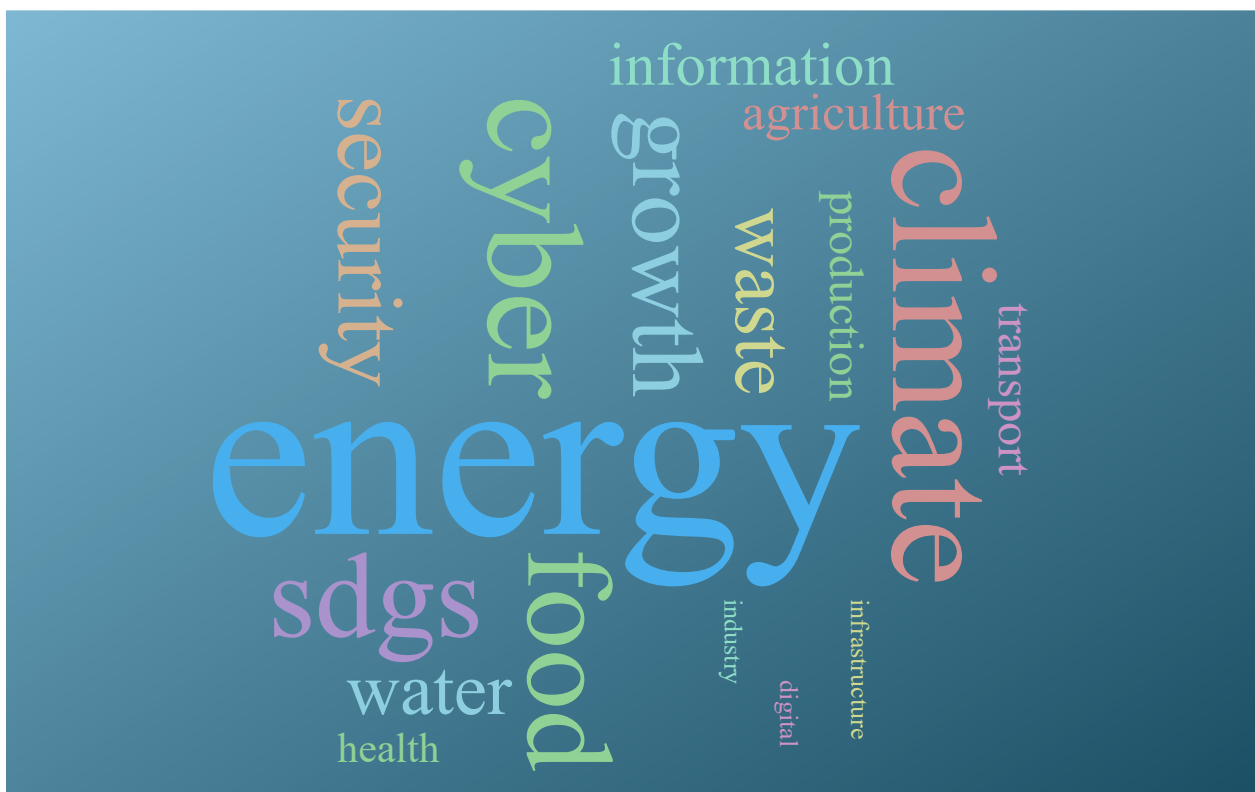


Chapter 3: Input from SEECP Participants on SDGs and SEE2030 Strategy

Overview

As part of the drafting process for the Second Annual Interim Implementation Report, in line with the SEE 2030 Monitoring Framework adopted by the SEE 2030 Monitoring Committee at its first meeting, SEECP Participants were requested to complete a questionnaire related to the implementation of the SEE 2030 Strategy. The Participants were asked to provide feedback on three topics presented in the questionnaire:

- Q.1. Key challenges undermining the progress of your economy in achieving Sustainable Development Goals and the areas of regional cooperation in the context of SEE2030 Strategy.
- Q.2. Key achievements and good practices in the implementation of SDGs.
- Q.3. Constrains in the implementation of SEE 2030 Strategy and remedial actions.





The feedback to the questionnaire received from the SEECP Participants (Ankara, Athens, Bucharest, Skopje, Sofia, Ljubljana, and Zagreb) has been anonymized and processed on the basis of keywords (see above word map) and common themes. It is presented in this chapter with a focus on the most frequently occurring and shared challenges and constraints, as well as best practices and remedial actions employed by SEE economies. The SDGs offer the overall framework for the elaboration of the development strategies of the regions' economies, whereas the SEE 2030 Strategy provides a focused structure that takes into account the region's shared vulnerabilities and priority action areas. It is broadly recognized that SEE economy level development strategies and subsequent implementation plans require the convergence of both political will and technical expertise to be successful, as well as the availability of human and material resources. The ultimate goal is the improvement of the lives of all citizens in all SEE participating economies.

Shared Challenges

Reeling from the impact of the COVID–19 pandemic, and while the world was already off track in achieving the majority of the SDGs, due to the reversal of development gains of previous years and the deepening of economic and social inequalities, the war in Ukraine added a further layer of complexity through energy and food price hikes, inflationary pressures and refugee flows. Participants noted in their feedback that their economies had already been struggling with the implementation of the SDGs and fueling the green and digital transition before the start of the war in Ukraine. Along with the rest of Europe and the world, the SEE economies saw their growth rates drop compared to forecasts made prior to the outbreak of the war.

The negative impact of the war in Ukraine thus figures prominently among the challenges hindering SDG and SEE 2030 Strategy implementation in the SEE economies. It compounded the uncertainties inevitably associated with the transition of the SEECP Participants to a low–carbon and circular economy, which has been taking place in the context of the EU's Green Deal and the UN's Paris Agreement. Despite the immediate need caused by the war to ensure energy supplies, requiring a pause or reversal of decisions to accelerate the transition to low–carbon energy generation, efforts were made to stay on track in terms of medium– and longer–term investments in energy efficiency and renewable energy.

With the onset of the war, SEE economies proceeded to subsidize households and businesses in order to avoid a sharp drop in living standards and a collapse of economic activity. This is true for all SEE economies, although the responses depended on respective vulnerabilities and strengths. For example, EU members have been able to count on cash transfers from NextGenerationEU and its European Recovery and Resilience Facility, which is not the case for non–EU economies. Institutional capacity and human resources issues have also been identified as key constraints in the implementation of the SEE 2030 Strategy, as there are not enough well–trained personnel dedicated to coordinating the planning and operationalization of the Strategy. Moreover, natural disasters have challenged most if not all SEE economies, with impacts varying significantly depending on where disaster struck in the period under review, with a notable peak in the catastrophic earthquakes in Kahramanmaraş and Hatay regions in February 2023.



In their feedback to the questionnaire, participants highlighted the continuing complex nexus of weak economic growth, high inflation, depopulation, unemployment, housing shortages, heavy demands on the healthcare and education systems. Different legislation in force within EU members compared to non-EU members furthermore presents a challenge in implementing the objectives of the SEE 2030 strategy and in accelerating the green and digital transition. Moreover, the absence of a regional disaster risk reduction strategy undermines cross-boundary and regional collaboration, making it ad hoc and inefficient. The importance of such a regional strategy is becoming increasingly evident, in light of the increasing frequency of severe weather events that are related to climate change and other natural disasters, such as earthquakes.

Good Practices

Many good practices emerge from the questionnaires submitted by SEE economies, which can largely be categorized as socioeconomic, administrative, interregional and SDG related actions. Actions and initiatives around SDGs are frequently connected to administrative reform, monitoring and reporting and awareness rising, but there are also many projects that push forward the SDG agenda in sector specific areas.

Among other things, the importance of extended COVID-19 assistance funding and social assistance programmes is notable for improving the **resilience** especially of vulnerable populations, including populations living in islands and mountainous regions. This has proven useful for tackling the impact of the war in Ukraine as well, such as inflation and rising energy costs, at least for the initial stages of the conflict. Inclusive employment policies targeting youth and the unemployed have figured prominently, along with policies supporting self-employment and upskilling. Additional socio-economic approaches that have produced results in supporting vulnerable populations include: freezing/slowing the increase in prices of certain products, policies that support the well-being of children, mainstreaming of “leave no one behind” principles to promote inclusiveness, programs to support working mothers through the provision of accredited childcare services, and housing programs that aim to assist youth in finding housing, in adapting housing for the elderly, and in providing housing and support for the reintegration of the homeless into society through rent and work subsidies as well as counselling.

A positive side effect of the pandemic response was the acceleration of the digitalization of public services that enabled a more timely, accurate and user-friendly response to citizen demands, along with the new importance placed on the gathering, monitoring, publishing, and analyzing of data to support evidence-based decision-making. To coordinate SDG implementation and monitoring, special bodies were established at the core of governments, with a cross-sector, cross-ministry mandate. Additionally and embracing the concept of **resilience**, some economies have established new special secretariats on strategic foresight which anticipate multisectoral trends, risks and opportunities. Meanwhile, independent bodies have been set up in some economies to manage multidisciplinary tools that monitor the progress of economies in implementing SDGs through economy-based and Eurostat indicators. Responding to the lack of adequately prepared personnel, public institutions are proceeding to update the relevant legislative frameworks and establish new job descriptions for civil servants entrusted with sustainable develop-



ment tasks. These “Sustainable Development Experts” need to be trained on the economic, social and environmental dimensions of sustainable development so that they can fulfil their tasks. Connecting to the private sector, in some cases economies have standardized the requirements for and publicizing of non-financial data from businesses on the impact of their activities on all three dimensions of sustainability. This final point is an important tool to harness the potential of the private sector and encourage investment in more sustainable businesses and practices.

When considering the multi-level dimension of sustainable development implementation, it becomes crucial to bring in local and regional authorities and to localize implementation of the SDGs and the SEE 2030 Strategy, because it empowers those who can take action closer to the citizens. To that end, economies report organizing awareness-raising and/or capacity-building activities for local authorities, businesses and chambers of commerce and industry, academic institutions/think tanks, the non-profit sector and civil society activists. For this to have a lasting effect, some economies have or are introducing comprehensive decentralization measures that include fiscal decentralization, through the increase in tax revenue and other resources turned over by the central government to local authorities. Additional awards are foreseen for the better performing local authorities, while enhanced transparency and accountability measures are introduced to ensure the proper management of the increased resources. Moreover, depending on the particularities of each economy, there are initiatives on SDG or Paris Agreement implementation that bring in targeted resources for progress in specific territorial units or sectors of the economy, such as promoting certain islands as energy-independent, green economy models and reducing food loss and waste.

Moving beyond to the interregional level, the potential unifying power of the SEE2030 strategy becomes clear through inter-economy and interregional projects. Some of these projects promote multilateral collaboration and economic relations through the organization of multisectoral sustainable development events on promoting sustainable development. Other interregional best practices come in the form of largescale infrastructure which, once completed, will connect Europe with Asia and improve connectivity between SEE economies. Some of the planned projects, catalyzed by financing from institutions such as the EU, EBRD and World Bank, focus on increasing capacities of freight and passenger rails, reducing bottlenecks, eliminating technical barriers, improving logistics and establishing new rail lines. The expected outcome is the strengthened social, economic and regional cohesion, as well as potential for economic development with neighboring regions of the world.

In relation to substantive SDG projects, SEE economies have engaged in actions to improve healthcare and education, promote the adoption of sustainable mobility and renewable energy, circular economy and reduction of food and resource waste, and farm-to-fork actions. Moreover, they dedicated efforts to building **resilience** to climate change, natural disasters and cyber-threats. Some economies have adopted adaptation strategies that assess the impact and vulnerability of their economies to climate change, including in relation to climate risk insurance, and have introduced adaptation measures that also consider horizontal issues that must be addressed to improve **resilience** such as education, research and capacity development.

In conclusion, good practices have been developed and are in the process of being implemented by SEECF Participants for an improved implementation of the SDGs and the SEE 2030 Strategy, as adapted to the needs of their respective contexts. Different priorities and indicators chosen by each economy, as well as different monitoring and reporting cycles, complicate the process



of region-wide coordination and reporting. It is abundantly clear, though, that virtually all economies place central emphasis on SDG implementation, have already made or are in the process of making it a whole-of-government, central-and-local-government-level joint effort, and engage their respective statistical authorities and scientific institutions for adequate monitoring and implementation.

The preparation of VNRs by most SEE economies, some of them twice already, and their presentation to the High-level Political Forum meeting annually under the UN Economic and Social Council (ECOSOC) helps monitor and make adjustment to the process of SDG implementation through the internal data collection exercise and the peer review at the UN. The preparation and peer reviewing of Nationally Determined Contributions (NDCs) submitted in accordance with the Paris Agreement specifically on climate action (SDG13) has a similarly positive impact. In this context, there is scope for further coordination, exchange of good practices and capacity building within the region, as these are periodic endeavors that concern most economies of the region.

A stronger and more harmonized regional dimension, with direct links among the competent authorities of each and every economy, could better support all Participants in their respective efforts, whether through cross-border/boundary frameworks, actual projects on shared priorities, or joint capacity building initiatives. Joint activities of this kind can involve the region as a whole (that is, all SEE economies), or can bring together specifically those Participants that share similar needs and priorities on a certain issue. Additionally, an intraregional approach can help mobilize financial organizations to offer targeted and relevant financial support for priority projects within the Strategy. In all cases, the Monitoring Committee and the RCC Secretariat are available instruments that can be utilized to facilitate the planning of joint activities, find the right partners for each such activity, both from the SEE and beyond, help monitor implementation, and draw collective lessons for the next monitoring and implementation cycles.



Conclusions and Recommendations

A comprehensive review of this year's implementation of the SEE 2030 Strategy brings forward the importance of “**resilience**” for the SEE region to confront multidimensional challenges popping up one after another. Resilient, sustainable, and people-oriented inclusive growth is the backbone of inclusive governance perspective. Regional cooperation in that context therefore requires a new boost in terms of commitment and ownership, as **resilience** against multidimensional challenges caused by the polycrisis environment cannot be achieved through compartmentalized, donor driven, top-down agendas.

Regional cooperation in that context therefore requires a new boost in terms of commitment and ownership, as **resilience** against multidimensional challenges caused by the polycrisis environment cannot be achieved through compartmentalized, donor driven, top-down agendas.

The SEE 2030 Strategy enjoys a high-level commitment and ownership at the level of national coordinators in each SEE economy. The Strategy spent its first two years establishing its main governance structures and adopting the primary level procedures for its implementation cycles, which have so far functioned seamlessly, despite minor delays. In the second two years, the Strategy will enter into a stage of tangible outcomes production. Otherwise, the ownership and commitment of SEE participants towards the Strategy and its substance visibility will be at stake.

It is recommended that the upcoming period should devote more attention in each SEE participant towards advancing the commitment to the Strategy to a higher political level. In that regard, a dedicated SEEEP Summit together with the UN Secretary-General and other top-ranking officials of the relevant international organisations may have a booster effect on displaying the commitment of SEE leaders to the SDGs, the 2030 Agenda, and the SEE 2030 Strategy.

The implementation of the SEE 2030 Strategy lacks sufficient funding to ignite a stronger implementation. On the other hand, the absence of funds has led the Strategy to invent novel tools of solidarity and cooperation among SEE participants. Nevertheless, the SEE 2030 financing cannot be detached from the overall trends in SDGs financing globally. Despite a strong narrative supporting the SDGs, several humanitarian crises around the world and donor-led prioritization of ODA programmes narrow down SDG responsiveness of ODA in the world, as well as in the SEE region. Reaching tangible outcomes within the SEE 2030 Strategy will only be possible if the SEE region makes a collective effort to enhance the SDG responsiveness of ODA. Active and sincere calls from SEE economies can be considered as an appropriate collective action to initiate the discussion in OECD DAC with other donors on how to increase SDG responsiveness of ODA, at least in the donor financed programmes in the SEE region. This action can be a global-level eye-catching catalyst in SDGs financing. Furthermore, the RCC may encourage the OECD and other international organisations to explore possible and appropriate ways to organize multi-



lateral meetings aimed at exploring ways of strengthening the role of SEE recipients in shaping ODA programmes financing the SDG implementation in their economies. In this context, RCC–SEECP–SEECP PA coordination will lead SEECP PA to play a more active role in showcasing the importance of parliaments in ODA prioritization in accordance with the Paris Framework and the Accra Agenda for Action. As highlighted by the relevant UN resolution, parliaments have essential role for the effective implementation of SDGs through their enactment of legislation and adoption of budgets and their role in ensuring accountability.³⁸

Last year's SEECP Summit declaration referred to security-related challenges and their interaction with the implementation of SEE 2030. The Thessaloniki Declaration reads that the current price hikes in energy supply are a hindrance to poverty reduction efforts and to competitiveness of the region's industries. Therefore, SEECP leaders urged for the consideration of the socio-economic impact of energy price increases and called on the SEE 2030 Strategy Monitoring Committee to re-prioritize the relevant regional actions to mitigate the threat of poverty and low competitiveness by strengthening regional cooperation.³⁹

The SEE 2030 Strategy also needs to take into consideration security aspects without undermining its guiding principles of leaving no one behind and putting people first. Therefore, **human security** as a concept needs to be introduced in the SEE 2030 Strategy to encompass security- and safety-related determinants of people's lives, together with other quality of life determinants. The objective of human security is "to safeguard the vital core of all human lives from critical pervasive threats, in a way that is consistent with long-term human fulfillment".⁴⁰ The reason why the current AIR proposes to uptake human security-related aspects and explore how to make them an integral part of the activities within the SEE 2030 Strategy in the upcoming period is that the overall security in the Region has recently become significantly more volatile, particularly after the Russian invasion of Ukraine. The current security related development exacerbates the challenges in implementing SDGs by the SEE region. Embedding people-oriented security challenges better in the SEE 2030 priorities in an all-inclusive way will help integrate all determining factors of human life, ranging from political, economic, cultural and social, to health and environmental risks, as well as security concerns such as cybercrime, disinformation, proliferation of small arms and light weapons, organized crime and corruption. Involving human security within the SEE 2030 is also one of the take-aways from the SEE participants' feedback to the questionnaire.

Having taken into account the existing constraints of RCC's financial and human resources allocated for the implementation of the SEE2030, and the SEE participants' urgency to receive tangible benefits from the Strategy to push its visibility upwards in their political hierarchy, the upcoming period will have a larger number of peer learning activities. Through regional peer learning exercises, the SEE participants would benefit from experience sharing and know-how transfer among each other. One of the first peer learning exercises is planned on experience sharing in designing administrative structures and coordination bodies in SDG-related strategy making and preparation of VNRs.

38 Par. 45 of the UN resolution 70/1.

39 SEECP THESSALONIKI SUMMIT DECLARATION Thessaloniki, 10 June 2022, 879876_4c61765071eb4556be9ad52b-63c430f6.pdf (seecp.info)

40 Alkire, Sabina. "A Conceptual Framework for Human Security." (2003), A Conceptual Framework for Human Security. - ORA - Oxford University Research Archive



The third Monitoring Committee meeting referred to the need to approach SEE parliaments to advocate for their more active role in the implementation of SDGs and SEE 2030. In this regard, the RCC will liaise with Skopje’s SEECP PA Chairmanship based on the lessons learnt and the experience of impeccable communication with the previous SEECP PA’s chairmanship of Podgorica.

The monitoring of SEE2030 will be one of the key implementation priorities in the upcoming period. RCC is continuing its technical preparations on developing an SEE–specific Inclusive Growth Index that addresses all the preliminary comments received at the third Committee meeting. The revised proposal will be submitted to the second meeting of the Statistical Authorities Network.

Deepening the relations with EU institutions including its line–DGs and EUROSTAT, EU–financed inter–regional projects, and other international organisations directly related to the implementation of SEE 2030 priorities, will be a key factor for the successful implementation of the Strategy objectives. In particular, the collaboration with UNECE, UNFPA, UNDRR, WHO, and OECD will be prioritized. For disaster management and risk reduction, the collaboration with DG ECHO will be another critical factor of success. In this context, RCC’s collaboration with DPPI SEE would be deepened further, in parallel with the augmented active role the RCC would play in that priority.

Human resources and financial constraints of the RCC in the context of the SEE 2030 implementation need to be tackled through a holistic approach. Therefore, the SEE economies should be ready to share their sincere opinion regarding the extent of regional cooperation they wish to see in the implementation of the SDGs and whether the current state of play in the implementation of SEE 2030 have so far met their expectation or not. The upcoming thematic discussion in the third quarter of 2023, agreed by the third Monitoring Committee meeting, will offer an open platform for SEE participants to provide their guidance to the RCC on how the current constraints could be tackled.

Ownership by the SEE participants has so far been and will continue to be the key success factor of the SEE 2030 Strategy!



ANNEX: Summary of Good Practices by Participant

Stakeholder participation in international R&D projects to tackle problems related to climate change, water management and other aspects of sustainability

Involvement of actors from academia, the private sector and the government in international R&D projects on green technologies, such as Horizon Europe projects co-funded with the EU, as an important tool to increase R&D capacity in Science, Technology and Innovation (STI).

Reducing the use of pesticides and anti-microbials

Studies to reduce the use of pesticides and antimicrobials in line with the corresponding EU targets.

Residue action plan (2022–2024) for products with pesticide residue risk and “National Veterinary Antibiotic Resistance Monitoring Project” in order to reveal the dimensions of antimicrobial resistance on a national scale. (E-Prescription) and Medicine Tracking System (ITS).

Development of organic agriculture

“Project for the Promotion and Control of Good Agriculture” carried out as part of efforts to reduce pesticides, and contacts and legislative work to complete the harmonization with the EU’s organic agriculture legislation.

Reduction of the use of chemical fertilizers

Carrying out studies in line with the EU’s target and policy changes to reduce the use of chemical fertilizers.

Land consolidation activities

Carrying out consolidation registration activities.

Increasing the use of renewable energy in agriculture

Supporting greenhouses and production facilities using renewable energy, including the use of geothermal resources in Specialized Organized Industrial Zones Based on Agriculture (geothermal greenhouse).



Improving waste and residue management in agricultural production

R&D studies on reuse of waste and residues in agricultural production.

Reducing food loss and waste

National Strategy On Prevention, Reduction and Monitoring of Food Loss and Waste and Its Action Plan to ensure food security, reduce losses in the supply chain, prevent waste and improve the rules and capacities to regulate markets to that end, while increasing consumer awareness in order to prevent food loss and waste. Global campaign entitled “Save Your Food” launched by the relevant Ministry in cooperation with FAO; series of events with the involvement and assistance of relevant stakeholders.

Awareness raising of the EU Farm–to–Fork Strategy and Biodiversity Strategies

Organizing information activities on the EU Farm–to–Fork and Biodiversity Strategies among relevant public authorities and other stakeholders, including educational activities in schools.

Child prioritization

Children and youth are mainstreamed in all social national action plans and strategies. Better education, equal opportunities to psychosocial development, unhindered inclusion, protection from poverty and violence, a healthy way of living and SDG awareness are among the main priority fields.

Human rights action plans: leaving no one behind

A number of National Action Plans (NAPs) and strategic policy documents mainstream the principle of “leaving no one behind” in public policies and include updated strategies for gender equality, NAPs for youth, children’s rights, child protection from sexual abuse, the rights of people with disability and those of the LGTBQI+, as well as Roma integration .

Special Secretariat for Strategic Foresight

A newly established self–contained unit, within the Presidency of the Government, with a focus on supporting the long–term strategic planning and decision–making process of the Government through the provision of useful information and data on forward–looking issues, challenges, trends, risks and opportunities closely related to sustainability and economic, social and institutional resilience.

“GR–eco Islands” initiative

A strategic initiative that aims to transform islands (starting with Chalki, Astypalea and Tilos) into models of green economy, energy autonomy, digital innovation and eco mobility building on



the high renewables potential of the islands and taking into account their sensitive natural ecosystem. Athens' national goal of complete decarbonisation by 2028 is also worth mentioning, based on relevant references in Greece's 2022 Voluntary National Review (VNR).⁴¹

Nannies of the Neighbourhood

Initiative established by law with the aim of promoting equality through work-life balance and of strengthening women's access to the labour market. Provision of support to working mothers to take care of their babies, aged from 2 months to 2.5 years, by giving them access to accredited caregivers and providing financial support to working mothers to cover a part of the childcare cost through a voucher, while supporting decent wages for certified caregivers.

Housing and work for the homeless

A housing-first inspired programme for individuals and families experiencing homelessness that provides rent subsidies, one-off allowances for household equipment and household bills, counselling and social support, work subsidy and subsidy for training and working skills building, among other things.

National set of sustainable development indicators and multi-disciplinary sustainable data aggregator

The national set of sustainable development indicators is a tool for monitoring the implementation the National Sustainable Development Strategy 2030 and for substantiating decision-making processes in the central public administration. A multi-disciplinary statistical data aggregator brings together the 291 national indicators of sustainable development and Eurostat indicators; it also includes a section dedicated to public perception.

Legislative framework to enable adapting civil servant job descriptions to sustainable development-related duties, and inclusion of new profession

Updated legislative framework allows public institutions to adapt job descriptions for civil servants with duties in the field of sustainable development, and the Administrative Code now includes the new profession of "sustainable development expert".

Regional conferences on National Sustainable Development Strategy

Conferences held in each of the economy's development regions on the status of the National Sustainable Development Strategy brought together people working in local public administration, the business environment or the non-profit sector, including universities, research institutes and youth organizations.

⁴¹ See <https://hlpf.un.org/sites/default/files/vnrs/2022/VNR%202022%20Greece%20Report.pdf>



Code of Sustainability for transparent non–financial reporting of companies’ activities

The Code of Sustainability, to be operationalized through a Government Decision, is a tool for transparent non–financial reporting of companies’ activities on the impact of their operations on sustainable development. Reporting is carried out electronically and relates to aspects such as value chain complexity, innovation, use of natural resources, climate–relevant emissions, equal opportunities, qualifications, human rights, corporate citizenship, political influence.

Explore opportunities for business internationalization

Forum “Development of multilateral economic relations in South–East Europe and the Danube region in the context of sustainable development” brought together business incubators, clusters, Regional Development Agencies, Chambers of Commerce and Industry, national and local public authorities, academic and research institutions, non–governmental organizations in the SEE region and beyond, to explore opportunities for business internationalization from territorial economic concentrations.

Annual Development Report to monitor the realization of the Development Strategy 2030

An independent government body, whose main objective is the preparation of macroeconomic forecasts and analysing productivity and development objectives, is tasked with monitoring the realisation of the Development Strategy 2030, which is closely aligned with the 2030 Agenda and the SDGs. Its annual Development Report not only monitors, but also provides key findings and gives recommendation to the Government for the creation of a high quality of life for all through balanced economic, social and environmental development. Reproducing such yearly report at the SEE level could provide a clear picture of the outcomes and effectiveness of SEECF.

Setting of medium– and long–term goals and adoption of a set of strategy and policy documents that define a Roadmap for climate action

Preparation and adoption in the period 2021–2023 of key documents such as: the Enhanced Nationally Determined Contribution to the Paris Agreement (eNDC), Long–term strategy on Climate Action and Action Plan, Integrated energy and climate plan; as well as supportive instruments on financing and de–risking defining a Roadmap for implementation of the eNDC.

Comprehensive legal framework to facilitate cross–sectoral policy design, implementation and monitoring

Successful climate action and overall SDG and SEE 2030 Strategy implementation require a comprehensive legal basis and legally established coordination instruments to facilitate cross–sectoral policy design and implementation, with adequate monitoring. Most important among the national strategic documents that need to integrate climate related aspects are the National Strategy for Education and the National Innovation Strategy.



Decentralization process for greater democratisation, improved public services and intensified local development

Focusing on sustainable cities and communities as a priority of the SDGs and the SEE 2030 Strategy, the decentralization process continues to the end of greater democratisation, improved (better quality and expanded) public services and intensified local development in the interest of the citizens. This includes strengthening the municipalities' financial sources, while increasing the accountability and transparency of their operations.

Incorporation of the SDGs in the National Development Programme and establishment of coordination mechanism to monitor and report on their implementation

The SDGs have been mapped when developing the National Development Programme 2030 and progress towards their implementation will be monitored within the framework of the 3-year Action Plans for implementing the Programme. Overall responsibility for monitoring and reporting on SDG implementation rests with the Council of Ministers, with leading institutions assigned responsibility for monitoring and reporting on specific SDGs.

Active employment policy measures

Programmes aimed at encouraging employment, self-employment and additional/lifelong education, with funding through the National Recovery and Resilience Plan 2021–2026 and a voucher system that puts emphasis on acquiring skills related to the green and digital transition. The Youth Guarantee programme focuses on improving youth employment, while “integrative workshops” are used to promote the employment of persons with disabilities.

National framework for climate action

The Act on Climate Change and Ozone Layer Protection provides a national framework for action both for climate change mitigation and adaptation. The Climate Change Adaptation Strategy contains an assessment of climate change for the period up to 2040 and 2070, an analysis of the impact and vulnerability to climate change, and a series of measures that include horizontal measures relating to education, research and capacity development.



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Regional Cooperation Council Secretariat

Trg Bosne I Hercegovine 1/V

71000 Sarajevo, Bosnia and Herzegovina

T: + 387 33 561 700

www.rcc.int



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