



THE BALKAN FORUM: 'INNOVATIVE COLLABORATION FOR SUSTAINABLE DEVELOPMENT'

*Report on the Balkan Forum on Regional Cooperation
Held in Thessaloniki, Greece, 7-9 February 2013*

Abstract

The Balkan Forum initiative aims to utilize the region's strengths, and each individual country's comparative advantages, to catalyze innovation and advance a shared vision for the region based on sustainable development, collective growth, and prosperity, within a framework of democratic values and the rule of law.

The inaugural Balkan Forum on Regional Cooperation, held in Thessaloniki, Greece in February 2013, marked an important start, enabling a group of diverse stakeholders and emerging leaders to achieve a mutual understanding of the advantages of cooperation and opportunities for economic development, grounded in a commitment to collaborative action.

This report summarizes the purpose and parameters of the first forum, the discussions and recommendations of participants, and 'next steps' in developing a process to transform innovative ideas into concrete actions. It also lays out a scope of work for the Balkan Forum, a newly formed non-profit organization based in Thessaloniki that will plan subsequent coverings, collect data, commission research and analyses, and facilitate consensus-building processes on the development and implementation of collaborative initiatives.

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Introduction

The first Balkan Forum on Regional Cooperation was held in Thessaloniki, Greece, on 7-9 February 2013. It marked the launch of a larger initiative to transform the region into a unified force poised to act on the European and global stages.

The Forum gathered diverse stakeholders and leaders from the Western Balkans and Southeast Europe. Over 50 participants with backgrounds in civil society, the private sector, academia, and government worked together to generate ideas and innovative strategies for drawing on the region's strengths and comparative advantages in order to catalyze economic development and competitiveness. On the first evening of the Forum, participants were welcomed by Mayor of Thessaloniki Yiannis Boutaris; George Papandreou, former Greek Prime Minister; David Burger, Deputy Director in the Office of South Central European Affairs at the U.S. Department of State; and Haki Abazi, program director for the Rockefeller Brothers Fund's Western Balkans program.

The three-day Forum was a working meeting designed to explore new frameworks for cooperation and to begin shaping a shared vision and agenda for collaborative action. Participants debated the potential for regional cooperation in four key sectors: Regional Educational Approaches; Human Capital and Labor Markets; Infrastructure and Tourism Development; and Economic Development, Energy, and the Environment. Several promising cooperative initiatives were identified, including some initiatives that would be modest in scope but likely to produce meaningful impacts, thereby demonstrating the value of and creating demand for continued cooperation.

The Balkan Forum is held in Thessaloniki, an historical anchor of the region, and symbol of the shared identity of the region's people. The current Mayor has demonstrated his commitment to sustainable and progressive urban policy and the values of respect, multiculturalism, and inclusion.

In addition, discussions at the meeting informed planning for the Balkan Forum organization, a coordinating body that will support the development and implementation of shared agendas for action. This organization, together with annual forums and other convenings, will provide an ongoing platform for the many people who have a positive, practical vision of sustainable development in the Balkans. Over time, the Balkan Forum initiative aims to create a new narrative that treats the region's cultural, religious, and ethnic diversity as a valuable asset and presents the region as a unified market throughout which people and goods can move freely.

This report synthesizes the discussions that took place in Thessaloniki and lays out a plan for the Balkan Forum organization, based on recommendations from the meeting. Over the coming year, the organization will work to build on the momentum generated at the first meeting by implementing initial projects and beginning to create a broad network of

forward-looking individuals and organizations that are committed to collaborating across borders and sectors in pursuit of shared regional development goals.

Background & Approach: The Run-up to the First Balkan Forum

For the last decade, progress toward cooperation among Balkan states – a precondition for EU accession – has been slow and uneven, with most efforts characterized as ‘externally-driven,’ ‘top-down,’ state-centric, or bilateral rather than regional. The time is ripe for developing new approaches to collaboration and for creating a shared regional vision and agenda for cooperative action. The Balkan Forum initiative is a unique effort to create the conditions for an evolution that is inclusive and brings together civil society, private sector, and government representatives. Four broad concepts guided the Forum’s planning:

1. *A Positive Agenda Focused on Action:* By bringing people into a regional conversation that highlights the advantages of cooperation and opportunities for sustainable development, the Forum will set in motion a process within which it is possible to identify mutual interests and shared benefits. The Forum will take a pragmatic approach, leaving aside difficult issues if necessary and focusing on “low-hanging fruit” – projects that are feasible, that enjoy broad support, and that can help to solve concrete problems. Early wins will create momentum for change and the realization that the region can actually cooperate, thus improving the region’s image globally and fostering sustained prosperity.

2. *Broadening Dialogue and Consensus:* Effective regional cooperation requires closer and more inclusive cooperation across borders and sectors, including civil society, the private sector, and government. Enabling diverse actors to forge new partnerships, while also amplifying the voices of young and marginalized leaders, will help unlock the potential for collective growth in the Balkans. The Forum will rely on continuous dialogue with a growing network of partners to define its strategy, identify priorities, and formulate action agendas.

In advance of the meeting, the coordinating team engaged with nearly every participant in order to exchange ideas and refine concepts, promote new ways of looking at problems, and solicit input into the design and structure of the first Balkan Forum.

3. *Leveraging the Region’s Resources:* The region possesses the resources, talent, and potential to create solutions to the problems it faces. This is evidenced by the many innovative initiatives that already exist at the local and regional level. Unfortunately, such initiatives are often sidelined in favor of more conventional ideas and solutions. The Balkan Forum will connect, strengthen, and leverage forward-looking initiatives, institutions, and networks in the region, helping to incubate and scale up effective strategies for change. The Forum’s success and integrity relies on the expertise and talents of the individuals in its network.

4. *Lessons, Not Blueprints:* Approaches to cooperation cannot be imported from other regions; but the Forum can draw on lessons learned from the experiences of others. The

Forum will be a platform for sharing inspiration and ideas about how to encourage productive relationships and dialogue, even in times of crisis.

Framing the Balkan Forum: Planting Seeds for Cooperation

The first full day of the Forum kicked off with opening remarks from Stephen Heintz, president of the Rockefeller Brothers Fund, and keynote speeches by Prime Minister Papandreou and Jan-Erik Enestam, the Secretary-General of the Nordic Council – an example of successful regional cooperation considered at the Forum. While unable to attend, Baroness Catherine Ashton, EU High Representative for Foreign and Security Policy, sent the following message and asked to be kept informed of the initiative's progress:

“This forum takes place at a crucial juncture for the Western Balkans: Croatia is a few months away from becoming the 28th EU member state, Serbia and Kosovo have seriously engaged in talks to normalize their relations, and in December 2012, the conclusions adopted by the [EU] Council pointed to further possible progress for the region in 2013. The topic of this conference, regional cooperation, is a cornerstone of European integration and it has an inherent value for the region, opening up opportunities for everyone.”

An invitation to experiment

All of the opening speakers encouraged participants to think creatively and to experiment as they began to generate concrete ideas about opportunities for regional cooperation. While acknowledging the important role of the international community in facilitating such cooperation, the speakers urged people in the region to strengthen their own connections across borders and sectors, so they could take the lead in creating a more prosperous region. This in turn would help to build political will and support from the general public for the idea of regional collaboration, rather than be seen merely as a precondition for EU accession.

Rethinking Balkan cooperation in the wake of the crisis

Prime Minister Papandreou, a strong proponent of regional cooperation and European integration, noted that the current economic crisis has exposed the limits of the EU growth model and technocratic approaches, forcing a rethink of the EU's institutional base and how it might most effectively foster regional cooperation. Both EU members and prospective members now must look beyond the goals of promoting peace and integration, to the goal of ensuring readiness to meet global challenges.

The crisis provides an opportunity to ignite new patterns of thinking and behavior in the region. Sub-regions within Europe have gained in importance, and cooperation within regions represents a crucial bulwark against the imposition of unilateral policies that could result in further deterioration of the socioeconomic environment. A more unified Balkan region – with a market of more than 30 million inhabitants – could have more influence with EU institutions on strategies for addressing the crisis. A more unified region could also attract more investment and target and coordinate requests for financial assistance in areas such as infrastructure, energy, and the environment, where all of the countries have some common interests.

The Balkan region can play an important role in shaping the future of the EU – and more importantly, its own future. By banding together, the region’s small states and civil societies can increase their competitiveness and steer development in a more inclusive and transparent direction. By drawing on the region’s assets and comparative advantages – its natural resources and cultural richness, but also its hard-won insights into the management of conflict and societal transition – the Balkans can be a model for other regions in its neighborhood, such as the Middle East and North Africa.

Critical challenges remain, of course, including organized crime, clientelism, corruption, and the rise of nationalist fervor, all of which threaten the rule of law, expand illicit economies in the region, and marginalize ordinary people. Stronger, constructive regional networks and the social capital they help to create are essential to the development of shared strategies for addressing these increasingly transnational challenges – and to building the political and public will to tackle entrenched interests and revitalize the region’s democracies.

Turning crisis into opportunity: The example of Thessaloniki

In the midst of a severe economic crisis, Thessaloniki has ‘bucked the trend’ in Greece and significantly increased tourism to the city, attracting thousands of visitors from neighboring countries through a variety of deliberate efforts to highlight Thessaloniki’s multicultural past and create a new narrative around the city’s diversity. At a time when xenophobia is spreading in Greece, the city leadership undertook a number of initially unpopular projects to present Thessaloniki as a center of the Balkans, the birthplace of Kemal Ataturk and the ‘Jerusalem of the Balkans.’ The residents of Thessaloniki were encouraged to embrace ethnic and religious diversity as an asset; to that end, the city organized numerous free cultural activities and tours for residents. To attract tourism from neighboring countries, the city hosted exchanges and special events (such as a Balkan music festival); promoted organized tours of the city’s monuments; and emphasized common cultural heritage in official visits to neighboring countries.

As the project got underway, it soon demonstrated that “shared prosperity brings people together.” Within two years, the number of visitors from Israel is estimated to have risen 340 percent, and the number of Turkish visitors grew by 30 percent. Turkish Airlines increased its flights to Thessaloniki from two to ten per week.

Models of Cooperation in Other Regions

The Forum highlighted examples of cooperation from other regions in order to provide lessons for the Balkan Forum. Recognizing that each region has its own unique mix of

“It is not enough to develop a political vision. You also need to create support and create political will by identifying self-interest based on common mutual benefits.”

–Conference Participant

characteristics, discussions explored models of cooperation that could be *adapted* to meet the needs and build on the assets of the Western Balkans. Special attention was paid to the Nordic Council, one of the most successful and instructive models of regional cooperation in Europe. Participants looked at the work of Friends of the Earth–Middle East, which has helped Israeli, Palestinian, and Jordanian residents of the Jordan River recognize that cross-

border cooperation can be a matter of vital self-interest. They were also urged to consider the example of the Caribbean Islands, which have developed a regional development bank, a regional university (the University of the West Indies), a regional hurricane warning system and weather forecasting, and a common tariff policy.

Nordic cooperation, the Nordic Council, and creating Nordic value

Even though the differences between the Balkans and the Nordic countries are significant, Nordic cooperation could be an inspiration and a guidepost for the Balkan Forum.

While a shared history and linguistic similarity certainly facilitated cooperation, the countries of the Nordic region also had to put aside past conflicts and come together to forge a common future. Today the Nordic region, a market of 26 million inhabitants, is considered a ‘global winner region,’ able to adapt and compete in a globalized world, and ranked among the top ten regions in technology and creativity.

Regional cooperation does not yield losers! Prosperity in the region is a win-win situation.

–Conference Participant

The Secretary-General of the Nordic Council described how Nordic cooperation emerged through an organic process as people and institutions learned that “cooperation is a useful instrument for creating a strong future” and “more integration gives small regional economies an edge in an increasingly competitive world economy.” Academics and civil society leaders helped to educate the public about the benefits of cooperation. Commerce across borders showed the private sector that economies of scale and division of labor could yield shared benefits. Then politicians came on board and created an intergovernmental forum that could prepare and take decisions. Through the formal institutions of the Nordic Council and the Nordic Council of Ministers, regional cooperation is facilitated in all functional policy areas. Political will to sustain cooperation has been nourished by the recognition that small countries can have greater influence and defend their interests more effectively when they band together.

Rather than allowing initial failures to block cooperation, the Nordic Council works to turn

them into successful initiatives. For example, the failed attempt to establish a Nordic Union prompted the development of the Nordic Investment Bank, an AAA bank which finances the Nordic Council's budget and invests in energy and infrastructure projects without any cost to national governments.

Nordic cooperation is grounded in a core set of principles and values such as mutual respect, trust, inclusion, equality, fairness, and mutual interests and benefits, among others. In order to be considered for adoption by the Nordic Council or related institutions, proposed cooperative initiatives are expected to meet certain criteria. They must: 1) yield value over and above what a nation alone could accomplish; 2) manifest and help further develop bonds in the region; 3) strengthen competence and competitiveness; and 4) support Nordic influence in Europe and the world.

Examples of Successful Nordic Initiatives

Nordic Investment Bank

Nordic Environmental Investment Corporation

Common electricity market

Nordic Genetic Resource Centre

Nordic Research and Innovation

Nordic Cultural Programs and Institutions

Nordic Masters

Nordic Days in Washington (culture abroad)

A Vision and Framework for Regional Cooperation

What kind of regional cooperation might best support the promotion of sustainable development, shared growth, and increased investment in the Balkans? What frameworks for cooperation might effectively facilitate the transformation of this vision into concrete collaborative activities? Participants debated these questions throughout the Forum.

Locally-driven processes founded on mutual interests and shared benefits

Participants agreed that Balkan cooperation must be grounded in communities of interest at all levels of state and society, and not merely driven by EU integration and state actors. Nor would a “one size fits all” approach suffice; we cannot “copy/paste models of cooperation,” participants agreed (although we can learn from others’ experiences – “copy/paste/adapt and edit”). The region is rife with examples of projects and/or initiatives failing when donors forced templates without consulting local experts or considering Balkan realities. The EU, in particular, has tended to look at the region from ‘above and outside.’ In the Balkans, where democratic institutions are generally new and relatively weak and where political power, in some cases, has been captured by organized criminal networks, textbook models of economic development and cooperation do not apply. Civil society networks, social capital formation, local leadership, transparency, and accountability – these factors become all the more important if sustainable, democratic, and equitable development is to be encouraged.

To be sure, the EU’s progressive vision and flexible institutional framework can play a role in shaping regional cooperation. The values promoted by the EU encourage the Balkans to embrace their region’s diversity and multiculturalism, for example, rather than trying to deny or suppress it. But the Balkans should move toward greater regional cooperation not because the EU is

pressing for it, but rather because it will advance mutual interests and produce shared benefits. One panelist asked who is most successful at cooperating in the region: criminals and smugglers! We could learn something from their model, he suggested; they see *mutual interest in cooperation based on shared benefits*. Strengthening regional cooperation within a framework of democratic values and the rule of law represents an opportunity to set the region on the right track – to move beyond the relationships of the past and foster a more inclusive political, economic, and societal landscape.

“We don’t need to hate each other, that is for sure. But we also do not need to love each other. We can come together on terms of equality, trust, and respect to pursue mutual interests.”
–Conference Participant

Beyond state-driven efforts

In the last fifteen years, a number of intergovernmental forums, regional tables, and political initiatives have been created in the region to focus on specific issues, reestablish regional dialogue, and act as a security net in case of political instability. Intergovernmental cooperation has produced some positive results on energy and transit policy, disaster mitigation, and climate change-related challenges. Far less successful have been efforts to

develop a common education policy (stymied by vested political interests) and an integrated cadastral system (which foundered on the competing aims of donors).

With the exception of the South-East European Cooperation Process (SEECP), these intergovernmental initiatives have been externally driven. In 2007, the Regional Cooperation Council (RCC) was established, as the successor to the Stability Pact for Southeastern Europe, to provide a framework for cooperation among the Western Balkan countries, and to provide SEECP with operational capabilities. The Secretary General of the RCC explained to participants that the Council is currently developing a regional growth strategy and working to coordinate parliamentary cooperation. He also emphasized that the RCC's role is to define policy, not implement it. As an intergovernmental forum, the Council is not well known among the public and has had difficulty reaching out to civil society.

This sparked a debate at the Forum about the ability of state-driven efforts to make a real impact on economic development and cooperation in the region. Some participants focused on the need to encourage more complementary efforts among

“Political will is the essence of democracy; it’s about citizens’ ability to create change and without that, institutions can do what they want. What tools are available to make the connection from building political will to exercising political clout?”
-Conference participant

top-down and bottom-up initiatives. This triggered a larger discussion about critical governance challenges in the region, and the reality that creative, progressive civil society initiatives are often stalled by entrenched interests or corruption, or because radicalized elements are able to exploit public fears and nationalist sentiment.

Participants discussed how the Balkan Forum initiative might best support creative ideas and fresh voices and help to ensure that those voices are channeled toward and support other regional initiatives including the RCC; how the Forum might help new and established leaders to network and collaborate; and how the Forum could play a role in mobilizing and connecting local authorities and municipal officials, who might be more responsive to community needs than national politicians.

Recommendations for the Balkan Forum included:

- Make use of new technology to: 1) mobilize civil society around issues of concern and regional collaboration; and 2) increase transparency and monitoring of decisions about investment of public funds.
- Take a bottom-up approach to ensure that cooperation is based on the real needs of people in the region. Articulating a shared vision and setting an agenda will not be sufficient; it is about the ability to translate a vision into actions and implementation.
- Maximize impact by leveraging and building on existing initiatives. Start by mapping existing regional efforts and innovative local development initiatives.
- Create public awareness of the benefits of cooperation. The public does not have a good understanding of how regional cooperation and pooling the region's capital

(intellectual, financial, material, etc.) could help countries individually and the Balkans as region to deal with global challenges.

Priorities for Regional Cooperation in Four Interconnected Issue Areas

To ground its aspirations in the possibility of real collaborative action, this year's Balkan Forum featured four parallel workshops, held over two days, that gave participants an opportunity to focus on some of the issue areas in which regional cooperation and innovation seem most necessary – and most likely to be fruitful. These small-group conversations addressed four interconnected and crosscutting themes: tourism and infrastructure development; human capital and labor markets; regional educational approaches; and energy, the environment, and economic development. Each workshop explored challenges and opportunities in its issue area; tried to identify existing assets, constraints, and capabilities; and sought to develop a sense of common purpose around a handful of priority ideas for cooperative action. The aim was to identify and reach some consensus around a few recommended initiatives that would address significant problems but also be feasible. “Small but impactful” was one phrase that was used; other concepts that circulated were “starting small,” and “building on existing initiatives” so as not to duplicate effort. The Balkan Forum organization will take forward some of these ideas in the coming months and year.

On the last afternoon of the Forum, in a plenary session, each workshop presented a report on its discussions and recommendations. The descriptions that follow are based on those reports and on notes taken during workshops. While all groups tried to answer similar questions, each produced a slightly different kind of report, which is reflected in the varying formats of these syntheses.

Context

The Balkan region is currently in a deep recession from which it is struggling to emerge. Heavily dependent on foreign direct investment (FDI), remittances, and external assistance, the region has been particularly vulnerable to downturns in European and global markets. The banking sector is almost entirely under the ownership of EU banks. Public sector debt has increased substantially as states have had to rely on official support loans from international financial institutions to fund payroll, social welfare obligations, and debt reduction. In addition, the region faces grave competitiveness and employment challenges. It lags far behind its European peers in workforce participation rates, labor input productivity, and FDI, while suffering from poor labor mobility and significant problems of social exclusion. At the same time, the region faces a major jobs crisis hundreds of thousands of jobs have been lost mainly in the private sector (as the public sector remains overly protected).

A cursory glance at indices from different data sets (e.g., the Global Logistics Index and the World Economic Forum's Competitiveness Index) reveals that no country in the region is currently on the path to upper income status and sustained prosperity. Over the last decade, the region's economies have been marked by “jobless growth,” driven by external financing, while conditions for business remain highly unfavorable. A combination of economic, political, and social factors has contributed to the region's current predicament. Persistent corruption and clientelism not only prevent entry into productive legal business

sectors but also create barriers for equitable growth, productivity, and competitiveness. Moreover, efforts to deepen regional collaboration and development remain stifled by differentiated visa regimes and bureaucratic obstacles to freedom of movement, whether for travel or work.

At the same time, and despite these constraints, there are opportunities to set the region on a sustainable development track, revitalize its democracies, and increase its influence within Europe by offering a credible new vision for the region and a feasible, collaborative action plan. People in the region are looking for economic development that provides employment, guarantees a dignified life, and ensures the wise use of natural resources. Creating political will and public demand for cooperative efforts to those ends will require communicating and demonstrating the benefits of regional integration for the states and societies of the Balkans, and promoting a positive narrative for the region that focuses on assets and resources, rather than on conflict and discord.

Tourism and Infrastructure Development

While tourism constitutes a growing source of revenue for the Balkan countries, much of that growth has been fueled by domestic demand and cheap package tourism, often with adverse environmental effects. The potential for developing scaled up, regional initiatives and sustainable tourism products that can celebrate Balkan diversity remains unexplored.

The Balkans is widely recognized for its impressive coastlines, its rich cultural traditions and gastronomic heritage, and its wines and agricultural products. Yet there are several underlying issues that will challenge any effort to develop a shared vision for regional tourism based on sustainable development. There remains a **lack of consensus on the mutual benefits** (income, jobs, and investment opportunities) of shared tourism products. The persistence and recent increase in **nationalist sentiments** has reinforced competitive over collaborative approaches, exacerbated the region's image problem, and made it difficult to celebrate the region's diversity. **Connectivity** is limited between cities of the region (for visitors) and transport networks are poor. Even reaching Thessaloniki from Podgorica can require three flights to travel a distance of only 639 kilometers! In terms of **capacities**, the region underperforms in quality and status of academic tourism programs, while lacking collaborative vehicles or networks that could facilitate cooperation and help to manage and promote a regional tourism 'product.' Finally, the region suffers from a **branding problem**; the "Balkans" conjures up narratives and stereotypes of conflict and fragmentation.

Strengthening transportation infrastructure was identified as critical for improved regional tourism and sustainable economic growth in the Balkans. But investments in infrastructure will not happen without productive regional cooperation, the building of consensus, and the creation of political will; those are preconditions. For instance, current plans for mutually beneficial transport projects, such as the Adriatic Highway, remain stuck at the level of discussions in spite of the clear advantages they would offer. Instead of starting with big transport initiatives, workshop participants suggested starting with modest initiatives that connect municipalities across borders, produce tangible benefits for communities, and generate local demand for improved infrastructure.

TABLE 1: Tourism – Initiatives and Priorities

<p>In creating a vision, the region must leverage its diversity to celebrate and promote a multiplicity of narratives and to highlight its shared values of hospitality, gastronomy, rural areas, natural beauty, and architecture. <i>"We need to project the region as a welcoming community of opportunity, progress, and multiculturalism!"</i></p>	
<p>SHORT TERM PRIORITIES: INITIATIVES</p>	
<p>Research and Mapping Exercises</p>	<ul style="list-style-type: none"> • Cultural events (e.g., festivals and weddings) • Existing destinations (ski centers, summer resorts) • Potential touristic routes (wine, gastronomy, Via Egnatia) • Local product mapping (e.g. olive oil, selected produce) • Existing regional bodies and cooperation mechanisms • EU standardization and criteria (e.g., for wine and cheese)
<p>Develop Rebranding/ PR Campaign, based on mapped regional offers</p>	<ul style="list-style-type: none"> • Begin with social media rebranding campaign that is low-cost/low-level and includes: logo, calendar of events an interactive map w/destination and attractions. Requires: <ul style="list-style-type: none"> ○ Creation of principles and criteria for inclusion ○ Differentiated marketing strategy – one for internal market and one for external ○ Youth ambassadors
<p>Develop Regional Touristic Routes</p>	<ul style="list-style-type: none"> • Routes ranging from those focused on Balkan wines and the region’s gastronomic heritage to historical routes <ul style="list-style-type: none"> ○ Creation of principles and criteria for inclusion ○ ‘Balkan Wine Routes’ ○ ‘Route of Balkan Products’ ○ Via Egnatia, an ancient Roman route in the region • Execute vision through development of a regional network or regional chamber of tourism
<p>Establish Mayors Network</p>	<ul style="list-style-type: none"> • Host events & exchanges between cities to mobilize cooperation locally where know- how exists, authorities more responsive, etc. • Platform to exchange info, knowledge, ideas, and promote and implement joint projects. Examples may include: <ul style="list-style-type: none"> ○ City escapes/Village getaways ○ Develop joint ski packages
<p>LONG TERM PRIORITIES:INITIATIVES</p>	
<p>Improving Transport within Region</p>	<ul style="list-style-type: none"> • Create a common lobby for EU funds

Human Capital and Labor Markets

The workshop aimed to build consensus on the benefits of a more inclusive regional market, recognizing that educational systems must be oriented towards preparing talent in the disciplines and careers required in a globalized economy. Participants suggested a number of small steps targeting key constituencies – businesses, universities, students, and employees – and focused on fostering regional mobility aimed at improving regional market function while strengthening social capital.

In spite of the region's high rates of university enrollment and other comparative advantages, there are a number of challenges that not only create obstacles for labor mobility in the region but also represent structural deficiencies that leave people jobless, constrain economic development, and increase inequality. **Prominent skills gaps** have left businesses without an adequate pool of talent and graduates without employment prospects. This results from poor coordination between educational and labor market policies; the lack of on-the-job-training opportunities and internship schemes; and the absence of a well-developed business sector that can articulate its needs and expectations. **Poor social policy and social exclusion** leave women and youth, in particular, without access to decent paid work, resulting in exceptionally low labor force participation and rising inequality. **Political, bureaucratic, and institutional barriers** impede entrepreneurship and innovation.

In developing a shared agenda and a recommended plan of action, workshop participants first established a set of common principles that should align all future initiatives aimed at fostering human capital and promoting a more inclusive and well-functioning regional market. These include:

- An approach that is **bottom-up**, incremental, and geared to local concerns
- Measures that are **triple win** (design measures bringing material profit to all parties: country of origin, receiving country, and worker/employer)
- Actions that ensure **mutuality** (employer/employee) and **sustainability**.

In addition to these principles, participants urged special attention to youth development needs and opportunities to decrease inequality and promote social inclusion.

While participants did not have an extensive conversation about a new growth model for the region, they highlighted the potential for green job creation and green growth through energy efficiency, sustainable forms of tourism, and localization of small projects.

In designing approaches to impact labor market functioning in the region, the group suggested support to the creation of **associations and cooperation platforms** that can pool resources, provide access to information, and effectively bring key constituencies together across the region to build trust, advocate, and create the conditions for change.

TABLE 2: Human Capital and Labor Markets – Initiatives, Priorities, and Strategies

Initiative	Why should this be a priority?	Possible Strategies and Immediate Needs
<p>Regional Market for Professional Services: <i>Free trade of goods is facilitated via the Central European Free Trade Agreement (CEFTA), but no arrangements have been created for professional services in region.</i></p>	<ul style="list-style-type: none"> • Builds and pools existing assets in different sectors in region • Cultural & language similarities create demand in certain sectors (e.g. nursing/home care) • Potential for helping to dismantle monopolies in certain service sectors in region 	<ul style="list-style-type: none"> • Research on obstacles to mobility (legal barriers, discriminatory practices, unprepared faculty) and challenges for educational institutions • Map professional associations & other assets for creating regional market for professional services • Support creation of associations/cooperation platform to foster regional market and access to information
<p>Regional Internship and Mentorship Schemes, <i>especially for professions not overly populated. Two approaches:</i></p> <ul style="list-style-type: none"> • <i>Facilitate the design and introduction of university career offices;</i> • <i>Facilitate job training in different sectors through regional exchanges.</i> 	<ul style="list-style-type: none"> • Builds capacity of universities • Addresses a need among several stakeholders: Students and employers alike recognize that graduates are not employable and competitive with current skills base • Leverage existing laws and policies on voluntary work • Promote work experience and regional travel 	<ul style="list-style-type: none"> • Engage and create networks of interested universities and employers • Map existing internship opportunities in region • Identify some high impact areas for enhancing internship and training programs (i.e. where there is a skill gap, growing demand)
<p>Regional Scheme for Lifelong Learning</p>	<ul style="list-style-type: none"> • Provides wider range of retraining opportunities • Facilitates return to market • Provides adult education and vocational education, especially to marginalized groups such as woman and the elderly 	<ul style="list-style-type: none"> • Support creation of retraining voucher schemes that give people choice. • Consider opportunities for creating a regional fund for cross border mobility in relation to training

Regional Educational Approaches

The purpose of this workshop was to set out a regional agenda of priorities to reform and create a modern Balkan education community. Participants discussed challenges such as how to retain top students, professors, and researchers at the region's universities; whether common education materials and curricula might foster a stronger sense of Balkan identity; and whether university degrees should be recognized across the region.

The discussion was grounded in a shared sense that the development of regional approaches to enhancing the quality of education would serve several objectives:

- Advancing regional reconciliation and understanding, and countering the resurgence of nationalism among young people (education for democratic citizenship).
- Ensuring the region is a producer of knowledge and innovation; retaining skills; and stemming the “brain drain.”
- Preparing young people to work in a multicultural region, Europe, and the global community.
- Building the region's human capital as a foundation for economic development.

The group acknowledged that the region currently underperforms in the higher education arena: out of the top 500 universities in the world, only four are in the region – and none ranks high on the list. Putting more of the region's universities “on the map” of outstanding institutions is essential. An effective regional approach, the group felt, would be to create networked centers of excellence, each involving institutions from several countries, that would focus on critical research challenges (including global challenges). The group could not agree that mutual recognition of degrees should be a priority, given concerns about uneven quality among institutions.

While there was a general sense that striving to create a “common Balkan identity” through common educational materials was neither possible nor necessary, the group spent considerable time talking about the Joint History Project (JHP), an existing regional collaboration that has produced “multi-perspectival” treatments of the region's history for secondary schools and even introductory courses at the college level. They noted that creating a regional “civics” or “citizenship” curriculum would be politically very difficult but felt that it could be very productive to approach this challenge through **innovative learning opportunities – both formal and informal** – in the areas of history (like JHP), culture, the arts, and theater.

Participants agreed that **student and teacher (and even administrator) exchanges** across the region would be a low cost/high impact strategy for increasing understanding and integration among the region's young people, including secondary school students. Some participants argued that regional programming offering new opportunities for students should include a focus on marginalized student groups, such as rural students, Roma and minority students, and students from immigrant communities.

TABLE 3: Education – Initiatives, Priorities, and Strategies

Initiatives	Why should this be a priority?	Possible Strategies	Immediate Needs/Next Steps
<p>Facilitating Student and Teacher Mobility <i>Enabling exchanges at tertiary & secondary schools (short duration – semester, year, workshops). Facilitating teacher exchanges to reach lower grade levels and administrator exchanges to reduce discriminatory practices</i></p>	<ul style="list-style-type: none"> • Low cost/high impact • Facilitated by geographical proximity • Feasible • Potential for countering extremist narratives 	<ul style="list-style-type: none"> • Create network of willing institutions (5 each in 5 countries?) • Create student mobility fund to provide financial assistance and to advocate for lowering barriers to mobility • Increase institutional capacity to welcome exchange students • Integrate non-formal education opportunities (e.g., cultural experiences to promote mutual understanding) 	<ul style="list-style-type: none"> • Research on current situation: obstacles to student and teacher mobility (legal barriers, discriminatory practices, unprepared faculty)? Challenges for educational institutions? • Invite input from students, teachers, and administrators • Assess existing exchange opportunities in the region, including EU programs and opportunities for marginalized groups (girls, rural, minority).
<p>University Centers of Excellence; <i>promote sustained cooperation among the region’s best university departments on particular issues and research challenges. Centers can be networked or virtual, not sited at a particular university.</i></p>	<ul style="list-style-type: none"> • Risk of losing EU funding for research in region with low ranking universities • Builds on existing assets/strengths • Encourages regional academic coop outside of traditional EU frameworks • Positions regional institutions to make contribution to overall quality of European universities • Retains top faculty & students • Retains skills (science/engineering) 	<ul style="list-style-type: none"> • Start where there is mutual interest and existing assets • Assess desired focus for centers of excellence among key stakeholders (i.e. global challenges, conflict resolution?) • Incorporate improvement of libraries as part of creating centers of excellence 	<ul style="list-style-type: none"> • Map strengths of region’s universities, identify opportunities for synergy • Engage regional networks of interested academics and high quality academic institutions in developing pilot projects /plans. • Research and develop funding models and opportunities for support
<p>Building on the Joint History Project <i>Multi-perspective approach to history, rather than ethnocentric or polarized narratives.</i></p>	<ul style="list-style-type: none"> • An existing asset & example of area of cooperation • History is central to the creation of a new narrative for the region • JHP has the potential to be built out in ways that indirectly address citizenship education needs (tolerance, respect, equality – marginalizing extremism). 	<ul style="list-style-type: none"> • Incorporate JHP-related activities in student mobility initiatives (e.g., use JHP materials in regional workshops) • Focus on JHP’s potential contribution to citizenship education / cultural education 	<ul style="list-style-type: none"> • Research to assess use and impact of JHP and extract lessons learned • Convene to identify possible follow up projects & consider how to best build on existing work, i.e. common regional narrative. • Identify related programs inside/ outside region to build alliances

Energy, the Environment, and Economic Development

This workshop set out to challenge assumptions and identify the region's comparative advantages and opportunities in order to inform the development of an economic model founded on sustainable local economies, employment generation, investment stimulation, and thriving small and medium enterprises.

The countries of the Western Balkans face substantial hurdles when it comes to long-term planning and attracting credible and sufficient investment. There are many legal, bureaucratic, and procedural disincentives to setting up productive businesses in the region. In addition, some participants pointed out that a number of misguided assumptions tend to impede green growth in the region, including the belief that energy efficiency (EE) and regional energy supply (RES) strategies are too expensive to pursue – despite the fact that more than 30 EU grant programs in the region fund EE initiatives, with about € 1.377 billion available for such work. Participants also noted that there is a general lack of understanding of the true costs of traditional energy production; several studies indicate that renewable energy is cheaper than fossil fuels in the long-term, even before the costs of externalities are factored in. Another challenge is the lack of understanding among key stakeholders that complementary and collaborative approaches, not competitive approaches, will bring sustained prosperity to the region.

Participants believed that environmental issues may provide impetus and a framework for cooperation efforts, but emphasized the need 'to design an economic engine' that can drive sustainable development (e.g., community-based tourism; household investments in EE; SMEs development; 100 percent locally produced and locally owned RES; and energy cooperation beyond reduction in tariffs). Participants also asserted that such a strategic re-orientation, with established principles, would have a beneficial spillover effect in other sectors. Similarly to the Nordic region, setting EE criteria for buildings can boost cooperation in the construction industry regionally. At the same time, it could help reduce the power of cartels and monopolies in the construction industry.

In order to facilitate the development of a shared agenda, workshop participants recommended the following research agenda: 1) identification of examples of sustainable development frameworks in the region and beyond that boost regional cooperation; 2) identification of existing energy resources and gaps; 3) Research on energy delivery systems and mapping all generation capacities in the region; and, 4) comparative studies on national sustainable development strategies.

The group outlined a number of requirements for moving forward in the longer term: a good group of businessmen who could make use of resources; strategies to **facilitate home-market trade** in the region; **centrality of sustainable development** to planning; the creation of a **knowledge base**; and **outreach to professionals** first, since they tend to think regionally while politicians respond to their constituencies and think only about national infrastructure investment; and **public campaigns** on the economic benefits of working together.

TABLE 4: Energy and the Environment – A Regional Framework and Agenda of Priorities

<p>Framework</p>	<ul style="list-style-type: none"> • Nordic Region model • Liberalization and energy and climate change requirements • Energy Community Treaty to be more inclusive
<p>Energy Efficiency Programs</p>	<ul style="list-style-type: none"> • Through promoting good country examples • Energy efficiency code for buildings – Construction Code • Standardization to facilitate cooperation in construction industry (and break monopolies)
<p>Mapping Energy Resources (comprehensive regional study/studies)</p>	<ul style="list-style-type: none"> • Through linking right people from the countries and involving civil society organizations • Identify gaps that need to be overcome to comply with Athens Energy Community Treaty • Show interconnections among countries that will allow complementarity of the energy supply systems to work based on the Athens Energy Community Treaty
<p>Comparative Studies on Sustainable Development Strategies in the region</p>	<ul style="list-style-type: none"> • Compare country based strategies to find out common goals and highlight opportunities for regional cooperation
<p>Successful Small-scale Projects that can be replicated (RES)</p>	<ul style="list-style-type: none"> • Create municipal association under the leadership of Mayor Boutaris to enhance local sustainable development and create hub for resources and capacities in the region. • Foster cross-border cooperation among municipalities (rural mountain areas; agricultural areas) • Energy Cooperatives and green economy show cases
<p>Economic Development through Preserving Shared Natural Resources</p>	<ul style="list-style-type: none"> • Design an “economic engine” (e.g., community-based tourism; household investments and SMEs development; 100 percent locally produced and locally owned RES; and energy cooperation beyond reduction in tariffs) that drives sustainable development • Utilization of rivers as an asset of the region • Community- based tourism as advantage (generates job opportunities while reducing pressure on environment and resources)
<p>Public Campaign on why regional cooperation is economically beneficial</p>	<ul style="list-style-type: none"> • Translate Athens Energy Community Treaty into action plan for region by involving right experts and International Energy Agency, e.g. or World Resource Institute, in order to give more weight • Challenge grid and gas pipelines, looking to Iceland case where 95% of heating comes from geothermal • Focus on social and economic aspects (e.g., price of electricity; energy poverty, etc.)



Next Steps: The Balkan Forum Initiative

The inaugural Balkan Forum marked the beginning of a collaborative and consultative process that will continue in the coming months and years, facilitated by the newly established Balkan Forum organization in Thessaloniki. The success of this initiative will depend on its ability to build upon the ideas and momentum generated at the first Forum and to help advance a set of strategic, cooperative projects and activities that reflect the thinking and bolster the collaborative efforts of a growing Balkan Forum network. It seeks to build on and complement other forward-looking initiatives in the region.

Based in Thessaloniki as a nonprofit organization, the Balkan Forum will be a lean operation that utilizes existing resources, capacities, and networks in the region; builds consensus and alliances among diverse stakeholders; and serves as a catalyst for transforming ideas into concrete actions in specific priority areas of regional collaboration. The organization will draw on and benefit from the city’s significant resources and a close partnership with the office of the Mayor of Thessaloniki who is committed to a vision of the city as a hub for regional collaboration.

What follows in this section of the report is a description of the concept and overall orientation of the Balkan Forum – the how, what, who, and where of it. This concept will undoubtedly evolve over time as the organization matures and as Forum participants – including new participants – provide additional feedback and input. The section also lays out some possible initial activities for the Balkan Forum, in order to stimulate reflection and discussion. The Balkan Forum, together with the support of its network, will reach out

to both private and public funding sources to help support its activities and the action plan laid out below.

Overview

How the Forum will work: ‘unlocking potential to set in motion regional change’

The Balkan Forum will serve as a platform for convening diverse leaders across sectors: civil society, private, and government. It will act as a neutral broker and facilitator to identify opportunities and catalyze promising collaborative initiatives, and it will leverage resources, assets, and relationships to incubate and scale up shared strategies for change. The Forum will consciously foster experimentation and innovation, especially in reaching out to governments to build consensus, translate ideas into actions, and move beyond rhetoric on collaboration to real policy implementation.

By balancing consultation with action, the Forum seeks to chart a pragmatic course, leaving aside difficult issues and focusing on projects that are feasible, enjoy broad support, and can help solve real problems. The Forum aims for some early wins that will create momentum and lay the foundation for sustained collaboration.

What the Forum will focus on: Leveraging Assets and Concentrating Resources

The Balkan Forum will focus on integrated strategies that: 1) build on each country’s strengths, competitive advantages, and potential for excellence; 2) engage multiple stakeholders and encourage experimentation; 3) strengthen relationships and “grow” the Forum network; 4) build a shared knowledge base; and 5) continuously evaluate and assess our efforts to ensure accountability and impact. Substantively, the Forum will concentrate its efforts in four interconnected issue areas where integrated, collaborative strategies could produce significant and broadly shared benefits: Tourism and Infrastructure, Human Capital and Labor Markets, Education, and Energy and Environment.

As an initiative of civil society, the Forum will work at local levels to mobilize, connect, and support sustainable initiatives across the region that have a positive impact on people and communities. This, in turn, will help create political will and broad public demand for regional cooperation, thereby supporting efforts at the political level. The Forum also will encourage and strengthen productive alliances between social and business leaders in building and growing more localized, sustainable, and progressive economies in the region.

Who will be involved: Connecting Partners and Amplifying Voices

The Balkan Forum aims to connect diverse initiatives, multiple stakeholders, and emerging social entrepreneurs in order to enable collaboration and maximize impact. Through ongoing dialogue with a growing network of leaders from civil society, academia, business, and government, the Forum will help its “partners” identify opportunities for collaborative action, develop coordinated strategies, and craft mutually agreed-upon action agendas.

The Forum is committed to engaging young thinkers and innovative entrepreneurs and to amplifying progressive voices. It will bring together established and new initiatives, and strengthen the work of a wide range of individuals and organizations that are ready to collaborate across borders and sectors in pursuit of shared regional development goals.

Where the Forum will work: ‘Defining’ the Region and Scope

The Balkan Forum has an expansive, flexible view of the Balkan region and does not seek to exclude countries. As a starting place, the Forum is focusing on the Western Balkans and Greece – a region that includes countries aspiring to EU membership, sandwiched between the oldest Balkan member of the EU (Greece) and the country (Croatia) that is set to become the newest. The Forum will not only look “inside” the region, but also take account of the region’s position relative to multiple other regions, within and beyond Europe. It will seek to learn from the successes and pitfalls of other regional initiatives.

Values and Principles

The Balkan Forum envisages a resource efficient, greener, and more competitive regional economy that is based on knowledge and innovation, job creation, and social cohesion. In pursuing that goal, it will abide by the following principles:

- **Transparency and Accountability**, through continuous self-assessment and reviews of priorities and actions at each annual Forum.
- **Participatory Leadership**, allowing all stakeholders to help shape and “own” the strategy of the Balkan Forum.
- **Bottom-Up Approaches** that are driven by the support, participation, and collaboration of local leaders, civil society leaders, and private sector leaders.
- **Adding Value** by filling gaps and connecting the dots.
- **Modesty** – recognizing that no country can do it alone. The contributions of many individuals, organizations, and sectors will be needed to make progress toward a more sustainable, competitive, and fair regional economy.
- **Continuous Innovation** and willingness to experiment and consider new ideas.
- **Mutuality** – the goal of ensuring shared benefits and addressing common needs. This concept underpins all of the Forum’s activities, from planning conferences to facilitating the development of regional initiatives.

Potential Activities

The Forum’s main activities will be convening; collecting data and commissioning targeted research and situation analyses; facilitating consensus-building processes on the development and implementation of collaborative initiatives; and adding value to those initiatives in highly targeted ways. There will be two broad and overlapping dimensions to the Forum’s work:

- *Network Building*: The Balkan Forum will work to build a network that is a source of mutual learning, inspiration, ideas, and alliances for all of its members, thereby empowering them to identify, design and implement collaborative initiatives that are more inclusive, innovative, and strategic. In addition to organizing conferences, workshops, and roundtables for diverse stakeholders, the Forum will provide access to information and contacts that network members would otherwise have to track down themselves (for example, a Balkan Donor Index might be created or coordinated advocacy trips might be facilitated). The Forum will identify and share successful cases of

collaboration in other regions, so network members can benefit from the experiences of their counterparts elsewhere in Europe and the world. In all of these ways and more, the Balkan Forum will serve as a “neutral broker” among individuals, organizations, and networks of organizations, and will provide an infrastructure for its network that is responsive to the needs and priorities of the members.

- *Programmatic activities:* As priorities for collaborative action are identified, the Forum will also take active part in bringing those ideas to fruition. The Forum may commission **targeted research to fill gaps** in the knowledge base. It may help **mobilize important stakeholders** who are not already at the table in order to exploit opportunities and leverage resources in pursuit of a shared agenda. It may **hold expert conferences and workshops** or host planning sessions. The Balkan Forum might **facilitate the process of consensus building and dialogue** among government officials **to build the necessary political will for policy action on regional cooperation initiatives**. In some cases, the Forum might play a role in identifying funding sources for pilot projects.

Vision and Mission of the Balkan Forum

We aspire to help transform the region into a unified force poised to act on the European and global stages. The attributes that unite Balkan cultures—hospitality, generosity, and solidarity—together with its diversity, are the best tools for tackling global challenges. We aim to utilize the region's strengths, and each individual country's comparative advantages, to catalyze innovation and development, within a framework of democratic values and the rule of law.

The Balkan Forum will plan the annual Forum on Regional Cooperation. As secretariat to the annual meeting, it will track progress during the intervening year, review and assess efforts that were undertaken, and build on progress made each year. As a resource center, it will collate existing information as well as generate new research that fills in gaps in data, and promote evidence-based solutions and discussions.

Strategic Goals and Aims:

- Promoting a shared vision for the Balkan region based on economic integration, prosperity, and sustainable peace.
- Creating a platform for cross-border and cross-sector dialogue that brings together diverse stakeholders and emerging leaders to generate new thinking on regional challenges and opportunities through the annual Balkan Forum and other convenings.
- Incubating ideas for and catalyzing regional initiatives in four key issue areas.
- Developing a knowledge base that fosters mutual learning and accelerates progress toward innovative solutions to regional development challenges.
- Supplying research and policy analysis to support and promote regional collaboration and economic development.

The First Year

The Balkan Forum intends to follow up on a limited number of short-term actions that were identified and recommended by participants in the 2013 Forum. The initial emphasis is likely to be on activities that will enhance understanding of the regional context and build trust and confidence, such as research on assets, obstacles, current status, and potential actors in each of the Forum’s issue areas. The range of possibilities is suggested in Table 5, which compiles the research and mapping needs that were identified in each area. As this is far more than the Balkan Forum could undertake in its first year, the priorities and actions will be revisited at the annual Balkan Forum meeting. In its mapping and data collection and analysis efforts, the Forum will take, where possible, a bottom-up approach to research that fosters dialogue, networking, and collaborative action. These may include, among others, interregional work groups, expert workshops, sub-regional conferences, etc.

TABLE 5: Recommended Research Activities in support of implementation of ideas

Sectors	Research and Documentation
Regional Tourism Development	<ul style="list-style-type: none"> • Analysis for Regional Context and Comparative Advantages • Transportation Routes in Region (road, rail, air) • Cultural Events • Existing Destinations and Potential Touristic Routes • Local Product Mapping • Existing Regional Bodies and Cooperation Mechanisms • EU Standardization and Criteria (e.g. wine and cheese)
Human Capital & Labor Market	<ul style="list-style-type: none"> • Existing Internship Opportunities region-wide and beyond • Existing Training Opportunities • Professional Associations, Incubators, small and medium enterprises
Regional Education	<ul style="list-style-type: none"> • Analysis of obstacles and opportunities for student mobility • Existing Exchange Programs for Students and Teachers • Transportation Route in Region • Database of Universities in Region, with ranking • EU and other institutional programs/funding for region
Energy, Environment, and Economic Development	<ul style="list-style-type: none"> • Energy Resources in the Region • Regional Sustainable Development Strategies (e.g. EE, alternative energy) • Donors
Regional and Interregional Context	<ul style="list-style-type: none"> • Regional Assets (assess existing assets, evaluating major regional strengths and weaknesses, identifying bottlenecks & obstacles to innovation systems) • Interregional Context – Assets & Obstacles; Similarities, Complementarities, Advantages; etc. • Models of Successful Regional Initiatives • Network of Mayors

ANNEX 1: LIST OF PARTICIPANTS AND INSTITUTIONAL AFFILIATION

Prefix	First Name	Surname	Affiliation
Mr.	Haki	Abazi	Program Director, Western Balkans, Rockefeller Brothers Fund
Mr.	Shpend	Ahmeti	Lecturer, American University in Kosovo
Mr.	Vlatko	Andonovski	President, Balkan Foundation for Sustainable Development
Mr.	Miodrag	Atanasievski	President, Macedonian Chamber of Tourism
Dr.	Will	Bartlett	Senior Research Fellow, London School of Economics
Ms.	Jelena	Berkovic	Deputy Executive Director, GONG Communications
Mr.	Yannis	Boutaris	Mayor of Thessaloniki
Mr.	Darko	Brkan	President, CSO Why not/Zastone
Mr.	Gidon	Bromberg	Israeli Director, Friends of the Earth Middle East
Dr.	Neven	Budak	Professor, University of Zagreb
Mr.	Goran	Buldioski	Director, Think Tank Fund, Open Society Foundations
Mr.	David	Burger	Deputy Director of the Office of South Central Europe, US Department of State
Ms.	Betsy	Campbell	Vice President for Programs, Rockefeller Brothers Fund
Mr.	Costa	Carras	Trustee, Center for Democracy and Reconciliation in Southeast Europe, Rapporteur for the Joint History Project
Mr.	Teodor	Celakoski	Project Coordinator, Multimedia Institute
Mr.	Milan	Culic	President of the Managing Board, The Centre for Tourism Research and Studies
Ms.	Jelena	Curuvija Djurica	Actress, Hypermnesia
Mr.	Aleksandar	Damjanovic	Member of Parliament, Parliament of Montenegro
Mr.	Dorian	Ducka	Director of European Integration, Ministry of Economy Trade and Energy of Albania
Mr.	Nikos	Efthymiadis	Chairman, Stability Pact Business Advisory Council for Southeast Europe
Mr.	Jan-Erik	Enestam	Secretary General, Nordic Council
Ms.	Maro	Evangelidou	Secretary General for Energy and Climate Change, Ministry of Environment Energy and Climate Change of Greece
Mr.	Tryggvi	Felixson	Senior Advisor, The Environment and Natural Resources Committee, Nordic Council
Mr.	Mark	Freeman	Executive Director, Institute for Integrated Transitions
Ms.	Eda	Gemi	Researcher, ELIAMEP-Hellenic Foundation for European and Foreign Policy
Mr.	Dennis	Gratz	President, Nasa Stranka/Our Party
Mr.	Yehuda	Greenfield	Director, SAYA Design Group, LTD
Mr.	Milan	Grubor	Senior Advisor to President of the Parliament of Republic of Srpska
Mr.	Stephen	Heintz	President, Rockefeller Brothers Fund
Ms.	Dragana	Ilic	Program Assistant, Western Balkans, Rockefeller Brothers Fund
Mr.	Sladjan	Ilic	Economic Advisor, Municipality of Strpce
Ms.	Orsalia	Kalatzopoulos	Secretary General, Black Sea Trade and Development Bank
Dr.	Christina	Koulouri	Professor of Modern History, Panteion University
Ms.	Rachel	LaForgia	Program Assistant, Peacebuilding and Western Balkans, Rockefeller

			Brothers Fund
Ms.	Priscilla	Lewis	Co-founder, U.S. in the World Initiative
Dr.	Leonidas	Makris	Advisor to the Mayor of Thessaloniki
Ms.	Jelena	Milic	Director, Center for Euro-Atlantic Studies
Mr.	Suljo	Mustafic	Member of Parliament, Parliament of Montenegro
Mr.	Andrej	Nosov	Director, Hypernesia
Mr.	Darko	Pajovic	President, Positive Montenegro
Ms.	Ariadne	Papagapitos	Program Officer, Peacebuilding, Rockefeller Brothers Fund
Pres.	George	Papandreou	Former Prime Minister of Greece
Mr.	Spyros	Pengas	Deputy Mayor for Culture and Tourism, Thessaloniki
Mr.	Dukagjin	Pupovci	Executive Director, Kosovo Education Center
Ms.	Helena	Qirici	Program Assistant, Balkan Forum on Regional Cooperation
Mr.	Boris	Raonic	President, Civic Alliance
Mr.	Ilir	Salihu	Chief of Staff, Office of the President of the Republic of Kosovo
Ms.	Evangelia	Stamouli	Advisor to the Secretary General for Western Balkans, Ministry of Environment, Energy and Climate Change
Mr.	Paul	Stubbs	Senior Research Fellow, The Institute of Economics, Zagreb
Mr.	Goran	Svilanovic	Secretary General, Regional Cooperation Council
Ms.	Despina	Syrri	President, CSO Symbiosis
Ms.	Marika	Theros	Coordinator, Balkan Forum on Regional Cooperation
Dr.	George	Triantafyllou	Researcher, Balkan Forum on Regional Cooperation
Ms.	Sumeja	Tulic	Program Officer, Civil Rights Defenders
Mr.	Alban	Ukaj	Actor, Hypernesia
Mr.	Ivan	Vejvoda	Vice President for Programs, German Marshall Fund of the US
Mr.	Toni	Vidan	Vice-President, Green Action
Ms.	Bosiljka	Vukovic	Head of the Division for the Support to the National Council for Sustainable Development, Ministry of Sustainable Development and Tourism

ANNEX 2: BALKAN FORUM AGENDA

The Balkan Forum on Regional Cooperation

7 – 9 February 2013

Thessaloniki, Greece

THURSDAY, 7 FEBRUARY 2013

18:00 – 21:30 **Reception and Dinner**

Keynote Speeches: **Yiannis Boutaris**, Mayor of Thessaloniki
David Burger, Deputy Director, Office of South Central European Affairs,
U.S. Department of State
George Papandreou, Former Prime Minister of Greece

FRIDAY, 8 FEBRUARY 2013

9:00 – 9:10 **Welcoming Remarks**

- **Marika Theros**, Coordinator, Balkan Forum
- **Stephen Heintz**, President, Rockefeller Brothers Fund

9:10 – 10:20 **Rethinking Regional Cooperation: Concept, Approach, & Objectives**

- **George Papandreou**, Former Prime Minister of Greece
Framing Discussions: Opportunities and Challenges for the Balkans as a Region
- **Jan-Erik Enestam**, Secretary General, Nordic Council
Reflections on Nordic Cooperation: Past and Present

10:20 – 12:00 **A Framework and Vision for Regional Growth and Prosperity**
What frameworks for cooperation might best support the transformation of a vision of an integrated region into effective regional initiatives? The purpose of this panel is to discuss key opportunities, constraints, and priorities for constructing a framework of cooperation and building a vision for a region that promotes sustainable development, collective growth, and collaborative investment.

Moderator: **Mark Freeman**, Institute for Integrated Transitions

Speakers: **Shpend Ahmeti**, American University in Kosovo
Dorian Ducka, Ministry of the Economy, Trade and Energy
Leonidas Makris, Political Advisor to the Mayor of Thessaloniki
Jelena Milic, Center for Euro-Atlantic Studies

12:00 – 12:30

Coffee Break

12:30 – 14:00

Regional Cooperation Initiatives

What lessons can the Forum draw from existing or past initiatives and how can effective approaches be adapted to meet the needs of the region? The purpose of this panel is to analyze and discuss several examples of regional cooperation and development and think through the lessons they can provide for the Balkan Forum as it evolves from a generalized vision into concrete plans for policy action.

Moderator:

Priscilla Lewis, U.S. in the World Initiative

Speakers:

Darko Brkan, Zasto Ne (“Why not”)
Gidon Bromberg, Friends of the Earth Middle East
Tryggvi Felixson, Nordic Council
Orsalia Kalantzopoulos, Black Sea Trust and Development Bank
Goran Svilanovic, Regional Cooperation Council

14:00 – 15:30

Lunch

15:45 – 17:45

Parallel Workshop Sessions

Workshop Objectives: to discuss the current situation in each issue area, identifying existing capabilities, assets, and constraints, as well as measures that need to be undertaken to fill gaps and move forward with regional initiatives; to generate ideas for collaborative initiatives and capture initial thoughts about possible frameworks for cooperation.

THEMATIC SESSIONS

Regional Educational Approaches	<p>Moderator: Ivan Vejvoda, German Marshall Fund</p> <p>Discussants: Nevan Budak, University of Zagreb Costa Carras, Center for Democracy & Reconciliation in SE Europe Christina Koulouri, Panteion University Despina Syrri, Symbiosis</p>
Human Capital & Labor Markets	<p>Moderator: Goran Buldioski, Open Society Foundations Budapest</p> <p>Discussants: Will Bartlett, London School of Economics Eda Gemi, ELIAMEP Spiros Pengas, Deputy Mayor of Tourism & Culture, Thessaloniki Dukagjin Pupovci, Kosovo Education Center Paul Stubbs, Institute of Economics</p>
Infrastructure & Tourism Development	<p>Moderator: Bosiljka Vukovic, Office for Sustainable Development</p> <p>Discussants: Yiannis Boutaris, Mayor of Thessaloniki Milan Culic, Center for Tourism Research and Studies Dennis Gratz, Nasa Stranka (“Our Party”) Sladjan Ilic, Local Development Expert</p>

Economic Development, Energy, & the Environment	Moderator: Toni Vidan , Green Action Discussants: Shpend Ahmeti , American University of Kosovo Maro Evangelidou , Ministry of Environment and Energy Triggvi Felixson , Nordic Council
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18:45 **Informal Dinner, Thessaloniki Concert Hall**

20:00 **Hypernesia Theater Production, Thessaloniki Concert Hall**
Hypernesia portrays the memories of eight actors, born between 1976 and 1986, as they transition from childhood to adulthood. Their stories illustrate the ways in which social and political events in the region influenced, changed, destroyed, and preserved families. The play is a co-production of the Heartefact Fund and Belgrade's Bitez Theater.

21:30 **Cocktail Reception**

SATURDAY, 9 FEBRUARY 2012

9:00 – 10:30 **Parallel Sessions continued: finalizing ideas**
Aim: to finalize and prepare a short summary of the discussion, including recommended areas of collaboration (existing and potential) and a suggested program of action.

10:30 – 11:00 **Coffee Break**

11:00 – 12:00 **Reporting Back and Open Discussion**
Moderator: **Priscilla Lewis**, U.S. in the World Initiative

12:00 – 13:00 **Moving Forward: Next Steps**
Moderator: **Marika Theros**, Coordinator, Balkan Forum

13:00 **Informal Lunch and Departures**

ANNEX 3: HANDOUTS ON THE FOUR WORKSHOP THEMES

Tourism and Infrastructure Development Workshop Overview

Already an important source of revenue for the Balkans, tourism's full potential in the region has yet to be realized. The Balkan coastline, gastronomic heritage, and cultural traditions are among the most attractive tourist offerings in Europe and draw hundreds of thousands of visitors every year. This number could be vastly increased through regional tourism initiatives that celebrate the Balkans' cultural heritage and diversity and that strengthen the infrastructure linking individual countries. Such initiatives would provide financial returns to rural and urban communities throughout the region, and reinforce connections among the region's peoples.

The Balkan Forum aims to become a catalyst for closer regional cooperation around shared economic development goals. The workshop on Infrastructure and Tourism Development will contribute to the creation of a vision for regional tourism development and facilitate discussion of specific initiatives that might be undertaken toward that end. The discussion will draw on successful examples of local tourism development, and extrapolate lessons for regional cohesion and advancement. Challenges to be addressed include the need for public education about the potential benefits of shared tourism (such as job creation and better management of cross border resources and areas); the need for tourism initiatives that are ecologically, economically, and culturally sustainable; and the need to promote a shared cultural heritage while celebrating diversity. In addition, there is a need to strengthen the regional infrastructure that could create the conditions for improved regional tourism – including, for example, rail lines that would ease the movement of tourists, regional tourism advertising campaigns, regional education and training initiatives, and easier cross-border migration for job seekers.

Participants will be invited to discuss the following kinds of questions and consider the feasibility of cooperative efforts to advance solutions in these and other areas:

- What sort of tourism does the region want to promote?
- Is there a way to “brand” the region in terms of its touristic benefits?
- Is there a demand by tourists outside the Balkans to explore the countries as a part of a wider region?
- What are some specific tourism-related investment opportunities and needs?
- Should there be a “tourism council” of some kind that would help to coordinate local tourist destinations, set standards around energy and the environment, etc.?
- How can existing local tourist attractions (ski resorts, etc.) transition from seasonal to year-round destinations? What impact might this transition have on regional tourism – might it invite increased tourism to the region?

Human Capital and Labor Markets Workshop Overview

Building on the region's competencies, the Balkan Forum seeks to mobilize closer regional cooperation to promote human capital development and improve regional market functioning. In so doing, it aims to help build consensus on the benefits of a more flexible regional market that can compete in an interconnected global economy. Development practice suggests that steps taken to foster human capital, linked with increased labor mobility and inclusive social policies, can boost overall competitiveness, alleviate poverty, and strengthen governance.

While there are ongoing efforts to foster regional trade and promote private sector development, challenges persist that leave people (especially young people) jobless, constrain economic development, increase inequality, and weaken communities. These challenges include poor coordination between educational and labor market policies; imbalances between labor demand and supply, linked to skill mismatches; inadequate systems for forecasting labor market trends and skills requirements; political, bureaucratic and institutional impediments to entrepreneurship, innovation, and new company formation; insufficient research and development; and obstacles to free movement of labor, among other issues. In addition, facilitating the emergence of a regional labor market will require special attention to harmonizing education and training systems across the region, ensuring the mutual recognition of diplomas and degrees, and upgrading the region's research capacities.

This workshop will examine these challenges within the context of a larger vision that builds on the region's comparative advantages while promoting local, sustainable development and social investments. Participants will be invited to focus on the following types of questions and to consider the feasibility of cooperative projects in these areas:

- What are the characteristics of the labor market and skillset in the region, and where is there potential for sustainable growth and employment generation?
- What types of systems could help map, analyze, and forecast national and regional opportunities and constraints, in order to facilitate better alignment among economic, labor, and education policies?
- What are the legal, regulatory, and political obstacles to fostering an inclusive regional labor market? What role could cooperation play in overcoming these obstacles?
- How could greater labor mobility benefit the region, and what would it take to regularize it? What political obstacles to labor mobility can be addressed most easily?
- What types of training and education initiatives are needed at the regional level (i.e., internship and professional development programs, regional research programs, employer-union training, apprenticeship)? What kinds of collaborative mechanisms could accelerate the implementation of such programs?
- What is the potential for cooperation on innovative solutions that go beyond macro-economic planning and focus on linking together local, sustainable initiatives across the region?
- What is the role of different stakeholders (civil society, the private sector, etc.), especially in a context of weak institutions and political will, and how can they best work together?

In debating these challenges, the workshop provides participants the opportunity to develop and recommend ideas for collaborative action that may start small but will have real impact.

Regional Educational Approaches Workshop Overview

The Balkan Forum aims to become a catalyst for closer regional cooperation in creating a modern, enhanced Balkan educational community, founded on the Balkans' rich historical and cultural background, which will eventually become an integral part of the European education community.

There are a number of ongoing efforts to address education-related needs and opportunities in the region. For example, the Novi Sad Initiative, which operates under the umbrella of the Regional Cooperation Council, focuses primarily on questions of structural reform in higher education; the Tempus program of the EU promotes institutional cooperation between the EU and the Western Balkans, with an emphasis on the reform and modernization of higher education systems; the EU's new Western Balkans Platform on Education and Training, which convenes at the Ministerial level, seeks to assist the region with reform efforts in the area of education and training, as well as to increase regional cooperation.

Despite these efforts, challenging issues remain to be addressed: Educational infrastructure in the region is weak; obtaining recognition of national educational degrees and diplomas by other states is a lengthy and cumbersome process; 'educational migration' toward the EU is depriving the region of valuable human resources; levels of cooperation among academics are low, except through EU initiatives; and differences in national educational curricula prevent the development of a common Balkan identity.

The Balkan Forum recognizes the importance of dealing with these issues at the regional level and within the context of a larger vision for the Western Balkans that builds on the comparative advantages of the region. The Forum Workshop on Regional Educational Approaches is an opportunity to identify and begin developing some promising cooperative strategies for reforming and aligning the region's education systems, and for narrowing the gap between those systems and their European counterparts. Participants will be invited to focus on the following types of questions and on the potential for making progress in these areas through regional collaboration:

- What kinds of institutions are needed to retain top students, professors, and researchers?
How can these institutions attract students from neighboring countries?
- Would common educational materials facilitate a stronger sense of Balkan identity?
Should there be common curricula around local and global challenges?
- Should educational titles be mutually recognized by all Balkan countries without need for further national examinations?

Education is a cornerstone of the region's economic development and integration into the European and global communities. Close cooperation on practical education initiatives can produce benefits that improve the lives and prospects of all citizens of the Western Balkans.

Economic Development, Energy, and the Environment Workshop Overview

The economic challenges that the Western Balkan countries face today represent an opportunity for reform that can not only set the region on the right development track but also revitalize its young democracies. People in the region are looking for development that provides employment, guarantees a dignified life, and promotes just and wise use of natural resources. The Balkan region is no different from other parts of the world in its struggles to find an economic model that supports growth and the welfare state - sheltering people from inequality, protecting public health, providing quality education for all, and allowing for fair treatment of migrants. For the first time in its history, conditions are ripe for governments, civil society, and the private sector to create an integrated regional market based on common interests, thereby establishing an attractive environment for foreign, domestic, and large diaspora investors. A regional platform would be no barrier for country-based development; rather, it would give the Balkans a comparative advantage in fierce international competition.

The economic development and production growth fostered by a shared regional platform can support the aspiration of each country to be a full-fledged and equal member of the European Union. An integrated approach to regional development will stop the brain drain of educated young people from the Western Balkans, improve the image of the region, stem the export of illegal immigrants, and attract legitimate investors from around the world. Complementing national-centric policies and strategies, a collaborative approach would allow the Western Balkan countries to be treated as a market of more than 35 million people. Such a market could produce outcomes that support sustainable local economies and enable small and medium enterprises to flourish, forge new business relationships, and create new jobs. Competition among economic enterprises in the region would help to improve the quality of goods and services, strengthen ties across sectors, and make the region more competitive. As idealistic as this might sound given the situation today, it is the only way for the region to emerge from crisis and develop a viable economy.

The region is not starting from scratch when it comes to collaboration, and the Balkan Forum will work to facilitate the emergence and implementation of promising new ideas, and help mobilize resources and investments that advance collaboration. The Energy Community treaty signed in Athens in 2005 is a great starting point; it demonstrates that the region can uphold agreements that create integrated markets on the basis of common interests and solidarity. It shows that the Western Balkans can prepare itself not only to receive and make good use of European assistance, but also to contribute significantly to the stability, development, and independence of the EU's energy sector.

Thanks to its geographic location, together with its natural resources, mixed Mediterranean and continental climate, and human capital, the Western Balkans is in a very favorable position, with real comparative advantages over other regions of Europe. The time is right for a new model economy and regional approaches. With sufficient political will, intellectual capacity, civil society leadership, and determination to learn from the past, the countries of the region can make a fresh start, from a position of mutual trust, and forge a new history of the Balkans based on shared economic prosperity.

- What will it take to create the right environment for farsighted, innovative, and collaborative action? For seizing this moment? Should the Balkans' niche be the green economy, with development centered on the manufacturing and use of solar, biomass, wind, and geothermal technologies, and on maximizing energy efficiency? Is the time right to embrace a different model of sustainable economic development that encompasses democratic governance; human capital; and resource use that does not compromise the quality of life of future generations?