



AVİM

Türkmeneli İşbirliği ve Kültür Vakfı
AVRASYA İNCELEMELERİ MERKEZİ
CENTER FOR EURASIAN STUDIES

SOUTH EAST EUROPE, THE BALKANS: PROSPECTS FOR THE REGION



March 31st 2014, Ankara Palas



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Ret. Ambassador Alev KILIÇ
Director of Center for Eurasian Studies

We are starting today another brain-storming session of Center for Eurasian Studies. We have six Ambassadors with us from the Balkan region, as well as the Director General from the Ministry of Foreign Affairs in charge of the Balkan region and a representation from Turkish International Cooperation and Development Agency (TİKA), which is very active in the Balkans.

Our panel is attended by the Ambassadors of Bosnia and Hercegovina, Bulgaria, Croatia, Macedonia, Serbia and Slovenia in the alphabetical order. I thank to the Ambassadors, Their Excellences, for having accepted our invitation.

What we envisage today is to have presentations by our key-note speakers, distinguished Ambassadors for about 10 to 15 minutes. We will start with Ambassador Hızlan, Director General for the Balkans in the Ministry of Foreign Affairs.



H.E. M. Babür HIZLAN

**Ambassador, Director General for the
Balkans and Central Europe.**

Ministry of Foreign Affairs of the Republic of Turkey.

**SOUTH EAST EUROPE, THE BALKANS AND PROSPECTS FOR THE REGION IN THE
FUTURE**

Mr. Chairman,

Distinguished guests,

Ladies and gentlemen,

It is an honour to attend this conference where I shall present our views on the topic of "South East Europe, The Balkans and Prospects for the Region in the Future".

Despite the economic crisis, Europe is still a prosperous continent with high standards of living. This, however, is not the case for the South East corner of the continent. After ten years of interval in my involvement with the Balkans, one major change is that, there is no military conflict in the region.

More than that, lately, there is a positive momentum in the region that needs to be seized. As a result of the agreement reached between Serbia and Kosovo, Serbia launched accession negotiations with the EU. Kosovo started negotiations for the signing of the Stability and Association Agreement. Montenegro is already well advancing in the Chapters. And Croatia became the latest member of the EU.

Without a doubt, the most important positive pull factor for the region is the prospects for EU and NATO membership. This is an effective tool for domestic reform and regional peace making.

Yet, numerous negative influences are still abound, such as extreme nationalism and xenophobia. They require close monitoring.

High unemployment, and especially significant levels of educated youth unemployment, present a high risks which was evident in the warning shots manifested in the form of widespread street demonstrations in most major cities of Bosnia and Hercegovina (BiH) in early February 2014.

The developments in Ukraine and Crimea have distracted international attention away from the Balkans as evidenced in High Commissioner Ashton having to postpone her planned visit to BiH following the protests in that country. Many in the region have questions in their minds about a possible anti-statusquo role of Russia. That would also have negative repercussions in the region.

The primary counter weights to such negative influences to regional peace, stability and prosperity are, as I mentioned earlier, European and Euro-Atlantic integration.

Naturally, memberships in these organizations are tied to certain conditions. These conditions should not be allowed to become impediments. One such example is in BiH, where unfortunately domestic political issues are hindering progress in these avenues.

Consequently, it is necessary to adopt a proactive approach to not only assist but, where necessary, push candidate countries to undertake the necessary reforms to reach these goals.

Time is also of importance. We cannot allow the Balkans to become a black hole in the middle of Europe, prone to possible negative influences from Russia.

It goes without saying that political stability is closely linked to economic progress and prosperity.

Turkey for its part, is doing its utmost to provide economic and infrastructural assistance across the region through direct monetary contributions as well as substantial aid via Government agencies such as TİKA. In this context we have recently provided a 100 million Euro “Soft Loan” credit line in aid of returnees in BiH. Our current figures indicate that more than 60% of this loan has been issued to those in need.

Other Turkish institutions such as the Yunus Emre Cultural Institute, the Presidency for Turks Abroad and Relative Communities, the Presidency for Religious Affairs, Municipalities and Turkish Universities, play a significant role in fostering cooperation and development in numerous fields all across the Balkans.

As the 16th largest economy in the globe today, Turkish investments and trade have also expanded exponentially in the past 12 years. Turkey’s total volume of trade with the Balkan countries grew more than six times, from a mere 2.8 billion Dollars in the year 2000 to over 17.5 billion Dollars in 2012. In fact, Turkey is one of the leading foreign investors in the region. In countries such as Kosovo and Albania, Turkey holds the rank of 2nd highest foreign investor.

Turkey also has a key role in extending the energy supply lines from the Middle East and Caspian Basin to the Balkans and Western Europe with projects like the Trans-Anatolian and Trans-Adriatic Pipelines (TANAP and TAP). We can now understand better the importance of source diversification.

Our major interest in the Balkans is stability. That is why we are investing heavily in this, both in the bilateral and trilateral spheres. In particular we have seen the benefits of our trilateral consultation mechanisms between Turkey-BiH and Serbia and Turkey-BiH-Croatia in the last four years.

We also place importance on regional ownership through the South East European Cooperation Process (SEECP) and its operational arm, the Sarajevo based Regional Cooperation Council (RCC), which is facilitating and streamlining the mechanisms tied to the EU accession process of the countries of the region.

Going back to my initial argument, I would conclude by saying that what we need in the Balkans is more Europe and more NATO.

Thank you.



H.E. Damir DZANKO Ambassador of Bosnia and Herzegovina

Ambassador Kılıç,

Thank you! Ambassador Babür, I would also like to thank you for your comprehensive approach to the region and Bosnia and Herzegovina.

First of all, I would like to brief you on Bosnia's perspectives, especially in the sense mentioned by Ambassador Babür. The key elements of Bosnian foreign policy are the European Union and NATO membership as well as the intensified regional co-operation. I would also like to speak about the role of Turkey in the trilateral mechanism and its importance. I will give you an update on the current Bosnian position in the process of joining NATO and the EU. As Ambassador Babür mentioned, we are engaged in intensified dialogue with NATO and the EU, but due to the internal political debates and struggles Bosnia hasn't fulfilled all requirements yet.

So far we have signed the agreement of stabilization with the EU in 2008.

Meanwhile one very important legal issue came up. It is so-called "Sejdic-Finci" case, to those who are not familiar with Bosnian names and particularly with the

Bosnian political structure, the case represents a legal frame to allow anyone who is a Bosnian citizen to be a candidate in the election process for the highest state positions.

Even though Bosnian society has a grassroots value of accepting differences in everyday life, there hasn't been reached a politically acceptable agreement yet to incorporate that value into the constitutional structure in order to implement the "Sejdic-Finci" case decided by the Grand Chamber of the European Court of Human Rights in 2009.

One of the reasons for not changing the election provisions yet is the necessity to expand the State Parliament Assembly with additional delegates. All of that makes a quite complicated scenario for the leading political participants in Bosnia.

One important condition to join NATO concerns participation in the MAP. The requirement is to resolve the issue concerning the registration of immovable defense property as state property.

So far we have identified the property which should be registered as state property and given to the Defence Ministry. But, due to different approaches, there is a tendency to treat the military property as a part of the entity property, which led to the blockage of the registration process. But, I am hopeful that we will further our efforts to work constructively. Moreover, we have fulfilled all basic legal requirements including the decision of the Bosnian Constitutional Court on state property which allows the Defence Ministry to start the registration process.

Regarding the regional cooperation, Bosnian foreign policy is actually very much focused on all neighboring countries: Croatia, Serbia, and Montenegro. Bosnia and Hercegovina supports and encourages all possibilities of regional cooperation emphasizing the economic benefits which can be gained through it. We speak almost the same language; we have a similar economic infrastructure, which gives us a good perspective to boost the economic sphere in region. According to economic figures, Bosnia has developed the major economic cooperation with its neighboring countries. Bosnia sincerely supports the achievements of all neighboring countries on their path to the EU as well as their aspirations to join NATO. Now I would like to elaborate our own collaboration with NATO. Although we are still working on resolving some pending issues, Bosnia's role in international peace efforts has become visible by contributing in Iraq with six rotations as well as in Afghanistan with a commitment to support Afghan National Troops after 2014.

I would like to emphasize Bosnian's cooperation with Turkey as well as our expectations. Turkey has established a very successful and fruitful trilateral mechanism between Turkey, Bosnia Hercegovina and Serbia. It is a consultative political forum

which provides the leadership of our countries with opportunities to discuss all open issues in a more relaxed manner. I think after trilateral summits we will be approaching a new level in our relations and perhaps we will be discussing how to turn this into economic summit between Bosnia, Serbia and Turkey. The trilateral mechanism between Croatia, Bosnia and Turkey had also served to more effective regional cooperation. I hope that by the end of this year we will be able to organize a new trilateral meeting.

Economy as a key for prosperity is a major issue in Bosnia. I would like to say that there are some extraordinary positive developments in the Bosnian economy. In Gorazde, a town near the Serbia border, we have been witnessing exceptional positive economic developments over the last five years. There are no unemployed. Moreover, people from surrounding areas, including Serbia are coming to work there. If we would make Gorazde a role model and replicate it on a state economy, we could find a solution for the economic recovery.

I would like to use this forum to underline exceptional relations between Bosnia and Turkey. In our relations the sky is the only limit. However, we both have to make stronger efforts to encourage private sector of the Turkish economy to accept the challenge of doing business in Bosnia. We have welcomed some very respectful companies from Turkey like Ülker or ETİ which are already exporting to Bosnia.

So the next stage with a help of our friends from the Ministry of Foreign Affairs and from other Turkish institutions will be to increase the role of the Turkish private sector companies in Bosnia and support them operating in the Bosnian market.

Thank you for your attention.



H.E. Krasimir TULECHKI Ambassador of Bulgaria

Remarks on the European prospects of the Balkans

I am afraid I will focus more on putting questions rather than on giving answers. The position of Bulgaria on the European prospects of the Balkans is well-known and the commitment to bring the region within the EU's borders remains firm.

Unfortunately, today, due to the economic crisis, the European Union is focused more and more on its own problems and the Balkans are sort of a reflection of it. Today, all of the pillars that served to build and justify the existence of the European Union to certain extent are no longer valid.

Some may call it the collapse of the main pillars of the European Union. We should agree that looking in the past, some of these pillars just lost their meaning they had before.

First of all – WW II: it is very difficult to justify the memories of the WW II which united Europe. We have a generation which is far from the nature of the history of the war.

The second element that facilitated the emergence of the European Union was the Cold War - another phenomenon which no more exists at least in the meaning it had before.

And the third pillar is prosperity. Still the European Union countries are very rich - even if this observation does not apply to some countries like Bulgaria for example. Irrespective of the fact, that the majority of the Europeans think that their children will live in worse conditions than they live now, comparing with the other areas, the European Union is still one of the most attractive ones. The poor countries of the EU and those who still await to join the Union rely on the advantages they can acquire from the membership irrespective of the economic forecasts that they will remain as poor in comparison to the rich members as they were on the day of the accession to the Union.

Bulgaria continues to be convinced that the only future of the Balkans is in the united Europe and that the only reason of the delay of the accession is the Balkans itself. Most of the EU countries do not share the same history or the same language, but it is not unusual to speak of "We" when referring to the European Union. At the same time on the Balkans the picture is a bit different - we share much more common history; we share much closer or even common languages. But we do not say "We" when we refer to the Balkans.

Therefore one of the main challenges for the Balkans is to be able to speak as "we" when we refer to the region. This is the only way to make visible the common European future and Bulgaria will continue to support policies in this direction.

Thank you.



H.E. Dražen HRASTIĆ
Ambassador of Croatia

I will start by thanking AVİM for inviting me to participate at this important event. It is my pleasure and honour to be here as Croatian Ambassador, as somebody coming from the region. Allow me to share some of Croatia's experiences and views on the situation and prospects of the region, South Eastern Europe, the Balkans, from perspective of the newest NATO member, the newest EU member and the first post-war, post-conflict country that managed to join both organizations.

As all of us know, history of the Balkans has been determined by various cultures and empires. From Roman Empire, Slavic, Byzantine, Ottoman, Habsburg and some others, it has been a blessing and a curse at the same time. Since the people of the Balkans have been a part of these empires for most of its history. It has contributed to the specific sensitivity of the people of the region to national and ethnic identity as well as to any kind of tutorship or paternalism. And, which unfortunately resulted with the strong focus on the past and history instead on the future. The good thing is that today we are witnessing the historic change from past-looking to future-looking policies. The Balkans, as area, as a symbol, has not been always seen in a positive context in most parts of the world, in the region itself and in my country. My country

is the multiregional one, as Turkey is, being Central European, Mediterranean and the Balkan country. We have been neglecting and denying the Balkan part of our identity for many years. We are now rediscovering that part of identity and the numerous connecting points. This has been considered as a very positive process which came out of cooperation in the regional context, in bilateral cooperation. Here, I have to underline cooperation with Turkey on many regional issues.

Our duty to change this perspective, what Ambassador of Bulgaria just has said, the notion of “we”, in my opinion, is very important for us and one of the preconditions for enduring peace and stability in the region. So, how we see the future of the region? As previous speakers have already said, the future is, as we all know, Euro-Atlantic integrations: EU membership for all the Balkan countries and the NATO membership for those that aspire to be members of the Alliance. We, in Croatia, see the EU and NATO as genuine and the most successful peace projects in the history of mankind. They have brought more than 60 years of peace to the continent. With recent developments in mind we hope that this will remain so. I was referring to the situation in Ukraine.

But we consider NATO and European Union more than peace projects. These communities are value based, which means functional democracy, good governance, rule of law, market economy, human rights, media freedom, and focus on citizens rather than the state itself. Turkey is a NATO member for many years and it was one of the biggest supporters of Croatia on the road to NATO membership. Turkey strongly supports NATO membership for other Balkan countries. Being the EU candidate for a long period of time Turkey understands the situation of the Balkan countries on their Euro Atlantic path.

We in Croatia think that Turkey should become a member of European Union and we are trying to contribute in this context. We also hope and believe that Turkish people would keep strategic patience and stay on the EU membership course. As far as the EU membership is not only about the end result. It is about the accession process itself. Croatia is today definitely a better country for its citizens because of the EU accession process. We have undergone through comprehensive and extremely painful reforms that are for the good of our citizens. And these reforms were more comprehensive, deeper, faster and better because of the process itself.

So, as far as Croatia’s foreign policy is concerned, I can tell that we have two major pillars. It is Euro-Atlantic policies and it’s regional cooperation. And through this context and in terms of EU membership, Croatia is not only sharing its experience, but also on a day to day basis, transfers what we gained from the accession process to make their easier and hopefully faster. It is always done on a partnership bases. In this regard, we have offered to sign EU partnership agreements to all Balkan countries. And

we have shared EU *acquis-communitaire* translations with those countries that it may be relevant.

Ambassador Babür has mentioned that EU membership is a merit-based process. It is absolutely the case. I don't think that anybody would be in the position to join NATO and the EU before it fulfils the preconditions. One of the very good examples in this context was dialogue and the results of the dialogue between Belgrade and Pristina. What Croatia strongly advocates is for Bosnia to get a chance to move faster in terms of institutional links with European Union. In this context, we have launched initiative within the European Union together with some other countries like Slovenia and so on. So, what can we do? I think that we can easily agree that we work on the common values I mentioned before. We have to enhance the cooperation among the Balkan states on the partnership basis. We have to contribute to more cultural and economic exchange; people to people contacts and most importantly for coming generations to focus on future-oriented philosophies. Turkey definitely plays extremely important role in this context and Croatia will definitely play its constructive role in common efforts towards long during peace, stability and prosperity of the region. Thank you very much.



H.E. Goran TASKOVSKI
Ambassador of Macedonia

ECONOMY IN THE REGION – economic prosperity and stability as a measure for political and ethnic cohesion, cooperation and understanding

We the countries from the Balkans are very good at speaking and uttering specific messages and situations to the region and to the rest of the world, this is something that is very colorful and nearly always has devastating consequences in the end. We never succeed in unifying and specifying our politics and policies for the good of the region and of the citizens of the Balkans. History has shown and proved, that what we are generally most capable of, and the best at, is - **division, unrest, misunderstandings, blocking, spite and building a future that is connected with despair, intolerance, and hostility.**

In order for the region and all of us to go forward, we have to face reality and change our mentality and our point of views towards each other, how do we expect to be

respected by others if we do not respect each other, if we are not able to provide a clear and prosperous future for our children, a future that will finally put an end to the negative reputation of the region, our countries and all citizens of the Balkans.

When we mention the word Balkans, it always associates to a region in Europe which is unstable, full of conflict and misunderstandings between neighboring countries. These kinds of epithets should not be taken lightly from the citizens of the Balkan countries and most of all by the political leaders and relevant governing institutions in the region. This kind of picture is not something that we should hang on the wall where everyone can see and admire. This is a major concern for all citizens of all countries situated there. Especially, when we the citizens of Macedonia are only concerned about economic growth, investments, employment, open markets, tourism, friendship and a prosperous future, I can also honestly stress, that all citizens of the Balkan countries agree that changes have to be made.

The only thing that can change us and send us striving into harmony and good will is **ECONOMY, ECONOMY AND MORE ECONOMY**. The Republic of Macedonia has accomplished so much in a very short period in the field of economy, which has also brought political and ethnical stability and prosperity in every possible field. The dedication of the Macedonian government to economy and all of the positive results that have been achieved, are sufficient enough to force upon the region, the ability that economic prosperity and political and ethnical stability are possible and it is not something that we should give up on.

Macedonia strongly believes in, and urges forward the aims and goals that have been a strong foundation of Macedonia's policies towards the region, policies which in the same sense have been incorporated in the framework of the SEECP and RCC:

- strengthening of political and security cooperation
- intensifying cooperation in the field of economy, democracy, justice and human rights
- battle against illegal activities
- strengthening of good neighboring relations
- obtaining peace in the region in order to intensify the process of becoming closer to NATO and EU

Macedonia has always based its policies on a strong economic dimension, adopting an action plan for regional economic cooperation during the chairmanship of the SEECP, at the same time practicing the principle for good - neighborliness, as one of

the initial foundations of its foreign policies. In that direction, Macedonia continuously suggests and contributes to the building of a strong foundation in cooperation with all countries in the region, with a strong commitment to the implementation of priorities and activities focused on further developments of relations in the field of culture, health, parliamentary cooperation, disaster risk reduction and climate change adaptation, cooperation of the local and regional authorities, science and education.

Supporting all above mentioned elements, Macedonia has constructed a list of initiatives that are primarily tied with promoting honest and open relations and deeper cooperation with neighboring countries Bulgaria and Greece.

GOALS AND AIMS WITH BULGARIA:

- Signing a treaty of friendship, good neighborliness and cooperation between the Republic of Macedonia and Republic of Bulgaria
- Agreement on exchange of facilities intended for premises of the Embassy of the RM in Sofia and the Embassy of the RB in Skopje
- Renewal of the legal framework between the RM and the RB
- Strengthening political relations and cooperation
- Establishing expert dialogue on historical issues
- Regulation of military cemeteries of the RB in the RM
- Environmental cooperation in the cross border area
- Implementation of the memorandum for cooperation in the field of European and Euro-Atlantic integration between the governments
- Resuming the practice of holding regular consultations on EU affairs between the Ministries of FA
- Strengthening cooperation in infrastructure connections, transport and energy
- Adoption of culture cooperation
- Strengthening cooperation with the Ministry of Education of the RB
- Strengthening cooperation among health sectors
- Strengthening cooperation in preventing cross-border crime

- Strengthening cooperation in fighting financial crime
- Strengthening cooperation in the area of labor law, labor market and fight against grey economy
- Renewal of border marks

GOALS AND AIMS WITH GREECE:

- Establishing a bilateral framework for the protection of investments
- Establishing a legal framework for scientific and technological cooperation, cooperation in the health sector and cooperation in regulation of railroad traffic
- Exchanging of experiences and cooperation in the field of EU integration process
- Cooperation in the field of environment, transport and communication, electronic communications, broadcasting of radio experiences, fighting illegal migration, social affairs and agriculture
- Renewal of border marks
- Strengthening of economic, trade and commercial ties

All with the purpose of turning the page and focusing on the future and on positive activities, that will bond the bilateral issues between neighbors, and promote regional reconciliation

Even though the Republic of Macedonia is still not a member of NATO and EU, all necessary conditions and bench marks have been covered and established a long time ago, meeting all necessary criteria and needed reforms. The only reason why Macedonia is not a member of both organizations, is because of the imposed name issue dispute with its Southern neighbor. This situation can be easily resolved only through dialogue and communication and not through accusations and vetos. In that sense, respecting international institutions, as in the case with **THE INTERNATIONAL COURT OF JUSTICE**, and the decision made by the court for the violation of the agreement by the Greek side, signed between Macedonia and Greece in the UN in 1995.

In the situation, in 2008 when Greece blocked Macedonia in becoming a member of NATO during the Summit in Bucharest. Nevertheless, the Republic of Macedonia is very much dedicated to becoming a member of NATO and EU, with the five concisive recommendations made by the EU commission for the beginning of negotiations with Macedonia and the concisive vetos from Greece. Macedonia still highlights that, this

is the only road for the country and the region. There is no alternative or a side path. Macedonia is a part of Europe and is situated in the heart of the Balkans. In that sense, Macedonia has to play the role of the main actor in the region, in order to force upon everyone and all countries in the region. – understanding the political and economic stability and prosperity – and together to change the image and face of the Balkans, solving problems mutually through dialogue and friendship. The Republic of Macedonia has shown that this is possible, that everything can be discussed and solved. By organizing and cleaning its own yard, Macedonia now can thoroughly focus on imposing positivity on the Balkans, by introducing its positive experience and the secret to wholehearted success.

Personally, and in the name of the Republic of Macedonia, the initial goal for the region is economic prosperity, cooperation and understanding. In future, we all need to hear positive assessments for the Balkans, economic growth, political stability, investments, employment, security, increasing of pensions, salaries, new infrastructure, schools, hospitals, sport facilities, ethnic and religious cohesion.

It is important for the region to be evaluated as in the case of Macedonia – positive remarks by the FORBES MAGAZINE, IMF, WORLD BANK and other dedicated, eminent and well known international institutions.

The FORBES MAGAZINE is the most read magazine in the field of economy, stating that Macedonia is the top new destination for economy in Europe, assessing Macedonia as 6th country for monetary freedom, 16th for the protection of investments, 46th for trade freedom, ranking Macedonia as 36th from 100 best countries in the world for doing business. According to international institutes Macedonia boasts one of the best performing economies in Europe, with a growth of 3.4%, which is above EU average, punching well above its weight in economic strength, investment potential and development prospects. Macedonia also offers great potential for additional growth in the future with EU leading fundamentals – such as public debt ratio of 33.8% - the fourth lowest in Europe, annual inflation of 2.8%, a budget deficit of just 3.9%, Fitch rates Macedonia's long term currency and bond ratings as BB+ - with a stable outlook, unemployment has dropped 10% in the past few years, Macedonia is a dynamic European economy, with solid macroeconomic fundamentals. In line with EU economic guidelines, Macedonia launched its national strategy for sustainable development in 2010. The commitment to making it as simple as possible to invest and set up a new venture – by removing red tape and bureaucratic hurdles, and then going the extra mile to ensure it prospers, providing support every step of the way – has helped Macedonia move up the world bank's overall business climate rankings from 94th place in 2006 to 23rd in 2012, free trade agreements with many countries, flat rate taxes, advanced communications, infrastructure and highly trained workforce. Macedonia

has made great strides in the last couple of years in developing the tourism sector as well, with outstanding results.

While many of its rivals are still suffering from the effects of the global recession, Macedonia possesses a dynamic emerging economy with a stable macroeconomic situation, an enabling business environment, an attractive tax package and pro-business policies.

In the up - coming period Macedonia will be focused on five strategic goals:

- Increasing of economic growth and employment
- Maintaining inter-ethnic stability and relationships
- EU and NATO integration
- Judicial reform
- Investing in education, science and information

The Republic of Macedonia in the past, now and in future was, is and will be the main pillar on the Balkans for implementing prosperity, economic growth, free and open markets, ethnical harmony and neighborly friendship. At the moment, it can be stressed that the Republic of Macedonia is a positive example for political and economic stability on the Balkans, with a striving economy, which according to World Bank and IMF is currently the best economy on the Balkans and a better economy than 21 EU member countries, which have brought about to structural development of the Macedonian society and a bright light at the end of the tunnel for the young citizens of the country, concerning their future.

The government of the Republic of Macedonia is completely dedicated in providing to the citizens of Macedonia, outstanding conditions in everyday life, with the development of infrastructure, building and reconstructing schools, hospitals and other institutions of importance for all people. The main focus of the government is also aimed at the development of the spirit to be healthy and to recreate and to endure in sport activities, with the construction of sport facilities, sport arenas and establishing a sportive atmosphere, in order to persuade the youth of Macedonia to attain a habit for respecting each other through physical activities and in that way respecting other cultures, religions, nationalities and also their neighbors. With the constant growth of pensions, salaries and other funds during the past few years, the long term effects that the government was establishing and working on have finally paid off, in that sense showing a positive trend for becoming even better, establishing a society based on the freedom of speech and free media and press.



The exceptional efforts of the Prime minister and his team to attract foreign investments has proved to be very successful and helped to lower the level of unemployment in Macedonia drastically. With the organization of Road Shows and business/economic forums throughout the whole world, the results are envious and that is why in every economic report from any international institution, the Republic of Macedonia has been praised for the positive conduct of business, enforced by the government and all the positive terms and strategies imposed by the government in order to overcome the world and European business and financial crisis. The current pace of new investments in Macedonia is fascinating, investors from all over the world have recognized all the positive advantages that Macedonia is offering, the outstanding tax policies, free economic zones, industrial zones, incentives and an open government that shows a broad understanding of how to be a partner and not a stranger to businessmen and companies.

The Balkans as a region and countries situated there can succeed and strive together to reach all necessary goals, by supporting the **Strategy for SEE 2020**, which is based on economic advancement of the region, with major reforms and concrete steps, which are structured by the SEECF and realized by the RCC, and also taking into consideration the positive achievements of Macedonia, it can be stated that if everyone is willing, then it is doable. Macedonia has proven this, the road was dark and bumpy with the name issue, language issue, church issue, 2001 conflict, veto for EU and NATO, Kosovo Crisis and so on and so on.

Lets support the Balkans and change the image and make a brand that everyone will accept and respect.



H.E. Danilo VUCETIC Ambassador of Serbia

Dear Mr. Chairman, Dear Colleagues,

First of all, it goes without saying how much we appreciate the initiative of the AVIM to organize this kind of conference.

I would like to greet you all and to say that is an honour for me to be in a position to say a couple of words about region, South East Europe, and how we in Serbia see prospects of its future.

The Region of South East Europe, or how many would say Balkan region, has been, unfortunately, throughout history known for its difficult fate. Many wars in this region contributed that the Balkans has often been called `powder keg- barut fiçısı – bure baruta`. `Historia magistra vitae est` is an ancient Latin proverb and therefore we should all draw lessons from history, so it does not repeat again. On the other hand, I am deeply convinced that one should know history, but not to live in it. One must look forward to future, for the sake of our current and future generations. We should make

conditions that words `Balkans` or `Balkanization` do not ever again have a negative connotation.

Having that approach in mind, the European perspective of Balkans as a whole is the best way to never fall to the danger of repeating history. Indeed, today all western Balkan countries strive to become members of the European Union. It is not only about being member of the EU, Europe contributes to change of mentality, rule of law, democratization of our societies, economic development, human rights and many other positive things. Though some problems left, Balkan countries have much greater political stability nowadays than they had in recent history. Mutual trust has been building up, slowly but safely. Nations in South East Europe tend to cooperate with each other in many fields of life, to be partner to each other.

One of the best ways for enhancing this cooperation is for sure regional cooperation. Regional cooperation is one of the foremost foreign policy priorities of the Republic of Serbia, contributing in a multitude of ways to our main goal – membership of the European Union. Serbia is strongly committed to fostering regional cooperation, both through the development of good-neighbourly relations in the region of SEE and by means of a proactive participation in regional fora and initiatives.

We believe that the historic process of the EU enlargement cannot be complete until the entire Western Balkans is included in the European Union. In this light, Serbia wants to contribute to the region`s stabilization and the continuation of the EU enlargement process across the Western Balkans and to help its neighbours on this path. Serbia has a clear position that, only through an open and continued dialogue, it is possible to address outstanding issues, in order to establish a stable, economically inter-connected region, focusing fully on cooperation.

We consider that regional cooperation, in particular through regional initiatives:

- is a versatile tool that helps intensify and promote relations among the member states of a variety of cooperation-oriented fora,
- accelerates EU integrative processes in the SEE region,
- creates conditions conducive to economic growth and development as well as the improvement of the living standard of the citizens, while at the same time reducing the adverse consequences of the global economic crisis on the SEE economies, and
- supports the development of the civil society.

It is known that Serbia in January started negotiating with the EU. I would like to

mention another issue important to us, that is the issue of Kosovo and Metohija. As you are no doubt very well aware, the Republic of Serbia has been actively involved in the EU-facilitated dialogue with Pristina. Due to its comprehensive and gradual approach – the dialogue has given a number of remarkable results and helped us advance on a number of issues, the application of the principle of all-inclusiveness in regional cooperation among others. The first of these results, as pertaining to regional cooperation, were the Arrangements Regarding Regional Representation and Cooperation reached on February 23, 2012. The Arrangements enabled Kosovo* (with asterisk and footnote, and without prejudice to positions on status, and being in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence) to participate in a multitude of regional meetings. On a very practical aspect, it is important to note, the Republic of Serbia supported the alteration of Annexes I (List of Participants) and II (Statute) of the RCC Joint Declaration allowing Kosovo* to become fully-fledged participant in the Regional Cooperation Council.

Unlike the previous EU candidates negotiating the EU accession, the Republic of Serbia is in a specific situation. In good faith and wishing to find sustainable and long-term solutions, and notwithstanding the complexity of the challenge it is facing, Serbia participates in a high-level dialogue with Pristina that is facilitated by the High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton.

Since October 19, 2012 when the first dialogues at the highest political level were held, there have been more than 20 meetings. The most significant achievement is the



First Agreement of Principles Governing the Normalization of Relations between Belgrade and Pristina, which was signed in Brussels on April 19, 2013.

With the facilitation of the High Representative of the Union for Foreign Affairs and Security Policy, Belgrade and Pristina also agreed on the implementation plan on May 22, 2013.

The implementation of the results of the local elections in Kosovo and Metohija, presuming the establishment of the Community of Serb Municipalities, in accordance with the citizens' electoral will, is vitally important for the application of the First Agreement of the Principles Governing the Normalization of Relations, as well as for the overall normalization of relations between Belgrade and Pristina.

Fully understanding that the EU accession process and normalization process should run parallel and support one another, Serbia will remain entirely committed. But, it does not imply recognition of unilateral proclamation of independence of Kosovo and Metohija.

The acceleration of the EU integrative processes in the SEE region, besides through the SEECP and the RCC, is also conducted in direct cooperation with the European Commission and the EU member states through close collaboration on the implementation and development of the EU macro-regional strategies.

The EU Strategy for the Danube Region (EUSDR) and the EU strategy for the Adriatic and Ionian Region (EUSAIR) which is currently being developed are both inseparable parts of Serbia's integration in the EU. These two strategies are also an integral part of the broader common EU policies benefiting both the EU as well as 'not-yet-EU' member states.

Let me briefly say some words about our bilateral relations and, specifically, our relations with the Republic of Croatia and Bosnia and Hercegovina.

The bilateral relations between all the neighbouring countries have been visibly upgraded in 2013 and the beginning of 2014. The political dialogue has been intensified, deepened and its quality has been improved by a large number of bilateral visits at the high and the highest levels, by holding joint government meetings, as well as the trilateral cooperation mechanism.

Bilateral cooperation with the Republic of Croatia is based on: addressing issues from the past; promotion of economic cooperation; cooperation in the European integration area. A number of bilateral commissions have been committed to addressing the outstanding issues from the past (for missing persons, for minorities, for preparation and exchange of the lists of persons accused or convicted of war crimes,

for border issues, back payment of pensions, return cultural heritage). As regards the processes before the International Court of Justice, it was reiterated during the meeting between First Deputy Prime Minister of R. Serbia A. Vucic and Deputy Prime Minister and Minister of Foreign Affairs of R. Croatia V.Pusic, on February 24, in Belgrade, that the officials of the two countries reaffirmed their commitment to addressing their future relations and leaving the past to the judicial authorities and historians. The approach is more than clear.

R.Serbia is committed to good-neighbourly cooperation, based on the closest relations, with the authorities in Bosnia and Hercegovina on the central level, as well as to expanding and intensifying cooperation with the Federation of BiH, including further deepening and enrichment of the special ties with the Republic of Srpska. The Republic of Serbia sees stability of Bosnia and Hercegovina as an important factor of stability of the entire region. I also wish to recall that Serbia has underlined on several occasions, on the highest level, that we accept any agreement on whatever issue, including the issue of internal organization, to be reached by consensus of Bosniaks, Serbs and Croats in Bosnia and Hercegovina. Any changes that would be possibly be made against the will of any of the three constituent peoples would only create new problems, while not resolving any existing ones.

Dear Friends,

You could hear how we see the future of South East Europe and how the regional cooperation can contribute to it, in all its relevance. We remain deeply confident that the future of our region is in good hands. Peace and cooperation are the principles we should never give up from. I am proud that I am witnessing an emergence of better, European Balkans.

Thank you very much for your esteemed attention.



H.E. Milan JAZBEC Ambassador of Slovenia

Assoc. Prof. Dr. Milan Jazbec Ambassador Extraordinary and Plenipotentiary of the Republic of Slovenia

SLOVENIA AND THE WESTERN BALKANS

Ambassador Dr. Milan Jazbec, Assoc. Prof. of Diplomacy

Introduction

Slovene relations with the Western Balkan countries stem from a long history of mutual contacts, heritage and political frame. Therefore it is natural to speak about the region as a part of the Slovene foreign policy attention what rests from one point of view on informal contacts throughout history and from another one on the fact that Slovenia was part of the Yugoslav state during major part of the previous century.

Slovene identity has been, historically speaking, after the first few centuries following the period of settlement, primarily influenced by millennia of being part of the German speaking area, most of the time by the Habsburg Empire, with a brief interlude being part of the Napoleon State as an Illyric Province two centuries ago. After the end of the WWI Slovenia became part of the newly established Yugoslavia and remained this, through its various political forms, till the independence in 1991. Nowadays Slovenia contains a mixture of cultures, architecture, ethnicities, religions, which enrich its Slavic origin with influences from German, Italian, French, Balkan, Mediterranean, Panonian, and others, what makes a special heterogeneity of added values.

An important turning point in the recent Slovene history was achieved a decade ago with the membership in NATO as well as in the EU in March and May 2004, respectively. This was followed by the entrance in the Schengen area and with the adoption of Euro as a currency. Those facts and achievements strengthened and marked the Slovene identity, in particular in policy terms and frame. It also sharpened the role of Slovenia as a player in the Western Balkans what could be observed and noticeable through the Slovene policy expertise and advice as well as political and diplomatic support, economy, security, military, and defense engagement, development cooperation, cooperation in culture, science, education, and in people to people contacts. Hence, one can speak about hard power and soft power approach and activities of Slovenia in the Western Balkans. Slovenia has been traditionally participating in peace support and similar activities in the region, starting with the ALBA in 1997 till nowadays with its biggest contribution in KFOR.

There is a variety of soft power tools with which Slovenia is present in the region (but also elsewhere): Center for European Perspective (CEP), Center of Excellence in Finance (CEF), Forum of Slavic Cultures (FSC), International Trust Fund for Demining and Social Rehabilitation of Mine Victims (ITF), International Center for Public Enterprises (ICPE), as well as various other organizations, institutions and projects of civil society, like the International Advertising Festival, (the CUP), this year organized in Belgrade.

An outstanding political project is the Brdo Process, established jointly in March 2010 by the then Prime Ministers of Slovenia and Croatia, aiming at building trust and confidence on the top political level, while the Bled Strategic Forum is an annual gathering of politicians, diplomats, analysts, business community, media and NGO representatives, discussing contemporary political and policy issues. One should also point out the international scientific journal European Perspectives, published by CEP.

General Overview

As an outline one has to point out that the region – the Western Balkans – is in the strategic interest and of the strategic importance of Slovenia. This policy approach has been strengthened by inclusion of Slovenia in the Euro-Atlantic integration. It has been of key importance of the development of Slovenia, particular of the 2004 dual membership. It is also because of this reason that Slovenia gives full and constant support for the same ambition of the Western Balkan countries. Within this context we see regional cooperation and ownership as two key elements for the development of political stability, security and economic advancement of the region. Additionally there is a need to create an environment which would be beneficial to investment stability and progress. That would also help to address security challenges strongly and efficiently and improve administration capacity. From this the confidence building measures process could stem as a most normal process also helping to get away with symptoms of weak governance that still is a challenging issue across the region.

Bilateral Overview

The above presented could be very well illustrated by numerous figures. Bilateral trade of Slovenia with the countries of the region amounted in 2013 to 43 billion EUR (21 export + 22 import). This presented 14% of Slovene export and 8.6% of Slovene import, that is 5% of increase in comparison with the year before. To illustrate even vividly: 70,3% of Slovene investments are materialized in the Western Balkan countries what amounts to 3.9 billion EUR. Overall it means more than 1600 companies with major Slovene share across the region – they employ more than 60,000 of work force.

Apart bilateral trade and investment projects, the third area where strategic interest, cooperation and structural connectiveness with the Western Balkan countries comes into the sight is development cooperation. The Western Balkan countries are the first priorities of Slovenia in this area. In the year 2013 Slovenia had at its disposal 46 million EUR for development cooperation what amounted 0.13% of GDP. 70% of that amount was materialized in the Western Balkan countries, among them 40% for Montenegro and Macedonia as the priority (with these two countries it is based on so called program cooperation and with others on project cooperation).

Last but not least, we see and experience joint economic commissions which meet by the rule on the annual basis with the countries of the region as one of the most important tools of implementing, developing and overseeing both economic and political relations. However due to our experiences one could point out that the institutional environment referring to this area should improve. It would significantly contribute to increase overall bilateral trade and cooperation.

Country Examples

Let us have now a look at country examples (by alphabetical order) to prove and illustrate the above elaborated in additionally detailed approach.

Albania

This is the only country in the region with which there were no contact and cooperation during the period before the independence of Slovenian and before the end of the Cold War. The fact has an influence on the overall cooperation in that sense that it practically had to be build from the scratch. When comparing figures with the rest of the region's countries it becomes quite obvious.

Bilateral trade between the two countries amounts 36 million EUR (35,4 export + 0,6 import). There isn't any Slovene investment in Albania although there are varieties of opportunities which could bring two countries together and expand cooperation. Slovenia allocates 194.000 EUR for development cooperation activities with Albania (project cooperation). Otherwise there are lots of activities focused on the support and transfer of expertise regarding the EU ambition of Albania.

Bosnia and Hercegovina

Bilateral trade between the two countries amounts 909 million EUR (557 export + 351 import). The amount for foreign investment in Bosnia and Hercegovina has reached 572 million EUR. More than 100 companies with major Slovene share are present in the country and they employ more than 15,000 people. Also development cooperation plays an important role – projects involve amount to 809,000 EUR. Both countries are also interested in and explore possibilities for joint appearance in the third markets. Overall cooperation between the two countries is dynamic and a reflection of strong connections.

Croatia

The overall dynamic and tempo of bilateral relation could serve as a model example for cooperation. Croatia is the fourth economic partner of Slovenia and basically one would need no additional collaboration for the previous statement. Bilateral trade has reached 2,5 billion EUR (1,4 export + 1,1 import), while investment projects amount to 1,5 billion EUR. Most important and perspective areas are services and tourism. Additional and increasingly important statement would be that the EU membership of Croatia contributed highly beneficial for the overall bilateral relations. One could dare to say this is the most important message for the region.

Kosovo

Bilateral trade between the two countries amounts to 81,8 million EUR (80 export + 1,8 import), while there are 51 million EUR of Slovene investment in Kosovo. Slovenia allocates 1 million EUR for development cooperation activities in Kosovo (project cooperation). The overall cooperation is increasing and confirming the fact that there are always ways and means to materialize opportunities and possibilities.

Macedonia

Bilateral trade between the two countries amounts to 219 million EUR (168 export + 32 import). There are overall 354 million EUR Slovene investments in Macedonia. What is in particular important is that Slovenia allocates according to the concluded area agreements 2,6 million EUR for development cooperation (program approach). Bilateral joint economic commission had the session in the beginning of this year what was an important encouragement for the possible enhancement of cooperation.

Montenegro

Bilateral trade between the two countries amounts to 100 millions EUR (80 export + 20 import), while there is 118 million EUR Slovene investment on the spot. What is in particular important is that Slovenia allocates according to the concluded area agreements 1,5 million EUR for development cooperation (program approach). Bilateral joint economic commission is meeting regularly on annual basis. Overall cooperation between the two countries is smooth and focuses primarily on the energy sector, tourism and agriculture.

Serbia

The overall dynamic and tempo of bilateral relation between the countries is an outstanding one. The overall amount of bilateral trade has reached 1 billion EUR (0,6 export + 0,4 import), while the foreign investment activities are even more illustrative – we reached 1,3 billion EUR. There is highly impressive number of 1300 companies with the major Slovene share in Serbia and they employ 35,000 people. This is the highest figure among any of the countries where Slovenia is present. Development cooperation includes projects worth 591,000 EUR (project cooperation). Bilateral joint economic commission is meeting regularly on annual basis. Overall cooperation is a very smooth and efficient one. An important part of this is focused on transfer of Slovene EU expertise to the relevant activities in Serbia.

Slovenia and Turkey

Last but not least, speaking from the point of Slovene-Turkish bilateral relations, it should be pointed out that both countries share strong interest and support for the Western Balkans and see it as the important region for their foreign policy activities and approach. This offers many ways to engage in joint projects of various kinds in the Western Balkans, in particular having in mind the strategic partnership between Slovenia and Turkey. As an excellent example and proof of such approach one could mention the joint Turkish-Slovene initiative to ensure the membership of Bosnia and Hercegovina in the NATO membership action plan what was achieved at the Riga summit 2006.

Conclusion

To conclude and wrap up the overview of Slovene engagement and cooperation with the Western Balkans countries and the region and the whole one could express an appropriate level of satisfaction and both ways benefit and enrichment. However for the next stage there should be even more conceptualization and coordination supported with stronger funds. Additionally its implementation should be further on focused on the regional context as well as on instruments and opportunities in the region and countries concerned to advance trust and ownership.



TİKA - DEPARTMENT OF THE BALKANS AND EASTERN EUROPE - BADA

Hakan SEÇİLMİŞ, Specialist

**Ali MASKAN, Head of the Balkans and Eastern Europe
Department**

About TİKA in Brief

TİKA, Turkish Cooperation and Coordination Agency, is a public administration subordinated directly to the Turkish Prime Ministry.

Coordinating official development assistance of Turkish Republic abroad TİKA builds cooperation and friendship bridges between Turkey and the cooperating countries by means of 35 PCO's in 32 countries. Additionally, TİKA cooperates directly with over 100 countries worldwide.

TİKA accepts in principle to perform its activities for the development of the people

in the cooperating countries without any discrimination in race, language, religion, sect, sex etc.

TİKA performs its activities and projects according to the needs and priorities of its cooperation partners, on a demand-driven basis. Therefore TİKA pays special attention to the projects on education, health, water supply, agriculture and culture evaluating them as the basic needs and priorities of the people.

TİKA doesn't afford assistance only to the least- and underdeveloped countries, also cooperates with the countries which are disposed to benefit from its experience, effectiveness and capacity.

Establishment of TİKA

TİKA was established first to contribute to the statehood of the Newly Independent States (NIS) in Cenral Asia and Caucasus emerged after the collapse of the Eastern Block and the Soviet Union, in 1992, considering the socio-cultural and historical ties between Turkey and NIS.

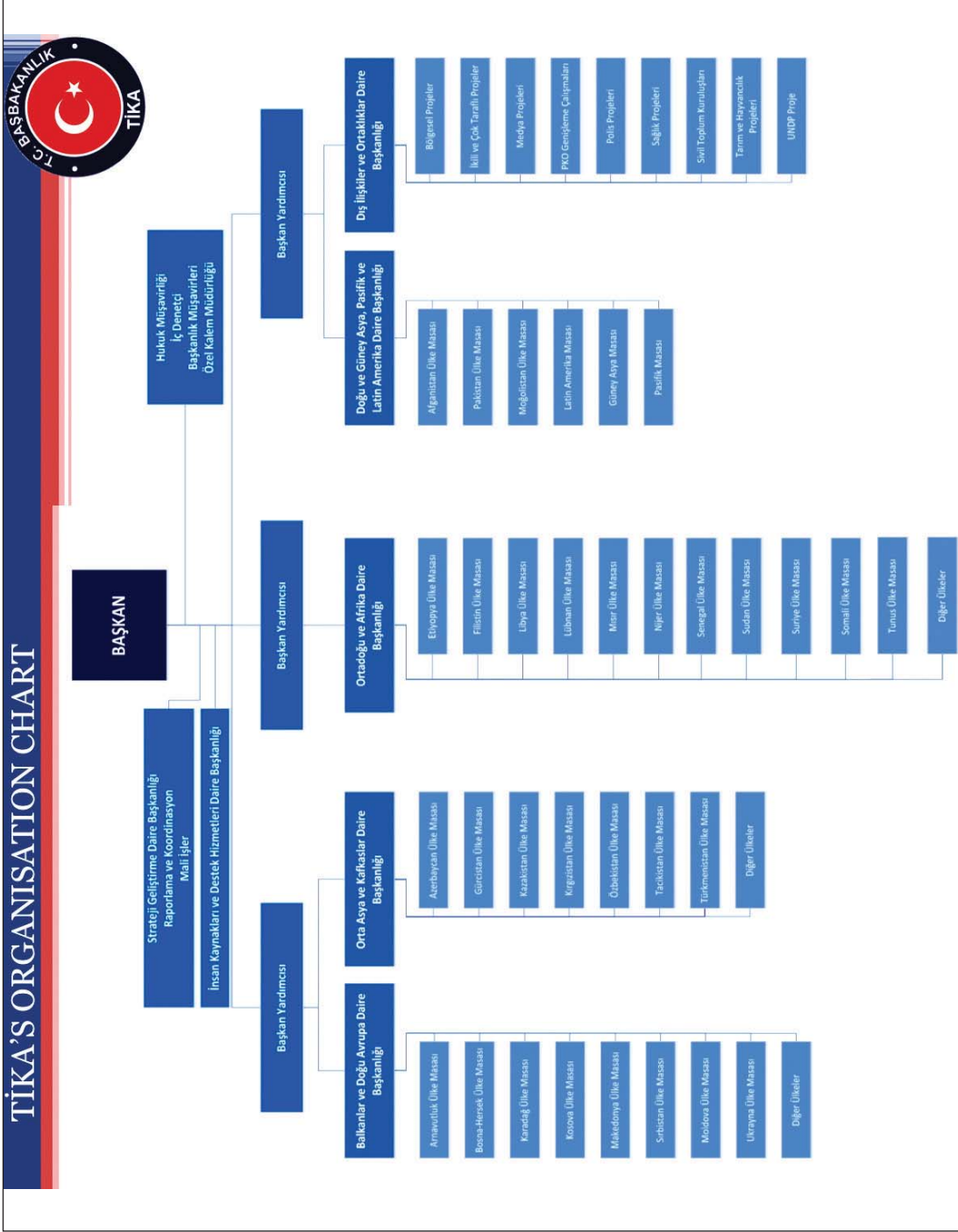
The rapid change in world affairs and accordingly the change of the Turkish Foreign Policy let TİKA extend its areas of activity first to the Balkans and then to the Middle East, Africa and South Asia.

TİKA was first named Turkish International Development and Cooperation Agency, a technical assistance unit affiliated to the Ministry of Foreign Affairs, and eventually was subordinated to the Prime Minister's Office in 2001.

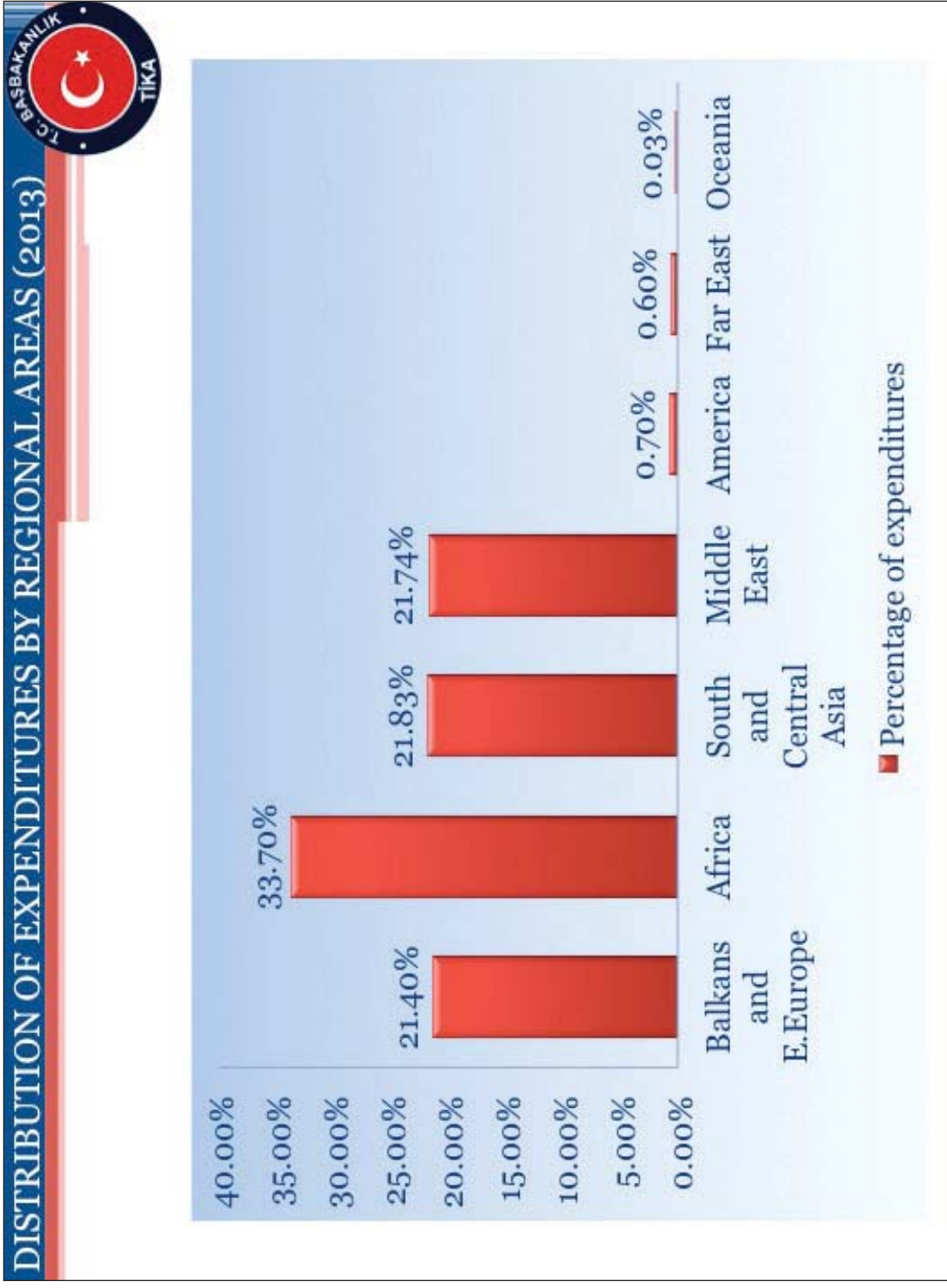
With the approval of Decree 656 on October 24, 2011, TİKA got restructured, under the name of «Turkish Cooperation and Coordination Agency», in order to increase the efficiency of the technical cooperation and coordination process.

The above mentioned degree increasing its capacity in many fields let TİKA extend its area of activity as well as change its Organisation Chart recruiting new personnel in a large number.

TIKA'S ORGANISATION CHART



SOUTH EAST EUROPE, THE BALKANS: PROSPECTS FOR THE REGION





BADA continues its activities in 8 countries by means of PCO's and in 8 countries directly from TIKA headquarter in Ankara.

<u>COUNTRIES WITH PCO</u>	<u>INAUGURATION OF PCO</u>	<u>COUNTRIES WITHOUT PCO</u>
ALBANIA / Tiran a PCO	1996	BULGARIA
BOSNIA HERZEGOVINA / Sarajevo PCO	1995	LITHUANIA
KOSOVO / Pristina PCO	2004	POLAND
MACEDONIA/ Skopje PCO	2005	ROMANIA
MOLDOVA / Chişinău PCO	1994	CZECH REPUBLIK
MONTENEGRO/ Podgorica PCO	2007	HUNGARY
SERBIA/ Belgrade PCO	2009	CROATIA
UKRAINE/ Kiev PCO	1995	ESTONIA

2011 – 2013 BADA PROJECTS IN MAIN SECTORS				
SECTORS	2011 projects and activities	2012 projects and activities	2013 projects and activities	Total projects and activities
EDUCATION (Construction, renovation, furnishing of schools and dormitories)	57	110	89	256
HEALTH (Construction, renovation, furnishing of hospitals and health centers; health screening)	12	30	39	81
WATER SUPPLY AND SANITATION (drinkable and useable water supply; water wells; sewage treatment)	4	6	6	16
CULTURAL COOPERATION (Construction, renovation, furnishing.. Contributions to festivals, fairs, exhibitions, congresses and conventions)	74	56	94	224
RESTORATION (Preparation, application, supervision of the projects)	11	35	36	82
PRODUCTION SECTORS (Progress of infrastructures on agriculture, livestock, donation of equipment, material, seed and sapling)	13	12	22	47
TOTAL BY YEARS>	171	249	286	706



