



## *Igman Initiative*

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### **Regional Cooperation Index: Dayton Quadrangle Countries (Bosnia and Herzegovina, Montenegro, Croatia, Serbia)**

#### *Introduction*

Regional Cooperation Index is an overview of current regional cooperation among the four countries of the former Dayton Triangle which, with the declaration of independence of Montenegro, became a quadrangle creating circumstances rendering it possible to officially coin the phrase Dayton Quadrangle. Regional cooperation among Serbia, Bosnia and Herzegovina, Montenegro and Croatia is evaluated in three areas: politics, economy and society. The Index presents extensively and in good faith the current state of affairs in the areas chosen as indicative of regional cooperation. The 2019 and 2020 official data were sought from competent institutions, but it should be noted that although certain data are from earlier periods they are relevant for the reporting period covered by the European Commission, i. e. the activities are either still underway and have been carried out in 2020 and 2021 although they commenced in previous years, or they show a trend that the researches deem to be of exceptional importance.

Beside the timeframe, the developed methodology used in drawing up the Regional Cooperation Index anticipates a free access to information of public importance as a primary source of valid and updated information, while interviews with relevant stakeholders, analyses of the existing annual and other reports, as well as the Internet presentations of institutions which might be in possession of the needed data were also used in the research.

In addition to that, as identical data were collated for all four countries, i. e. the researchers addressed institutions with identical questions, the answers obtained in one country were also checked through responses obtained in other three countries. Thus, as an illustration, data gathered in Serbia were checked and compared to the data on cooperation with Serbia obtained in Croatia, Montenegro and Bosnia and Herzegovina. That way it can be claimed with a great certainty that the gathered data are correct and updated.

What came up as a separate issue is the harmonization of foreign policy of all four countries in question on issues of importance for EU foreign policy, however introduction of this benchmark would mean stepping out of the cooperation framework, i. e. lines of cooperation among the official Belgrade, Zagreb, Podgorica and Sarajevo, as yet there are not even hints of consultations of these countries on acting in concert in the region when foreign-policy directions taken or formulated by the European Union are concerned.

## I

### *Society*

In the spheres of cooperation of societies in the 4 countries, we are focused on the cooperation of academies of sciences and arts, as well as on the cooperation of universities, primarily public, as indicators of cooperation capacities in the sphere of science. This cooperation is analysed at the level of academies of sciences and arts established in these four countries at the level of cooperation of rectorates, professors and students, against a clear prospect of improvement of all forms of cooperation through the existing regional initiatives, as well as new ones that may be launched as a result of such reports and benchmarks.

The first evaluation, which was expected of course, is that cooperation in the sphere of exchange of students and mutual visits to institutions was significantly lower in 2020 in comparison to 2019 due to the COVID-19 pandemic, and that is taken into account for other areas covered by the cooperation index. However, in

spite of that, it is possible to see grounds for cooperation, shortages, as well as great potentials for improvement.

### *Cooperation of academies of sciences and arts*

#### **Cooperation of SANU with HAZU, CANU and ANUBiH**

Academies of sciences and arts in the region, with a strong track record and important role in crucial moments of all four countries, were selected as one of benchmarks of cooperation in the sphere of society.

The agreements Serbian Academy of Science and Arts signed tell of uneven regional cooperation and, according to the data obtained for the Republic of Serbia, there are no signed agreements on cooperation, therefore there are neither joint projects, with the Academy of Science and Arts of Bosnia and Herzegovina (ANUBiH)<sup>1</sup> and the Croatian Academy of Sciences and Arts (HAZU)<sup>2</sup>.

SANU signed an agreement on cooperation with the Academy of Sciences and Arts of Republika Srpska, the academy of sciences and arts of a Bosnian-Herzegovinian entity, (ANURS)<sup>3</sup>, in 2015, and currently a Thematic Plan comprising new projects is being drawn up, meaning there were no active projects in 2019 and 2020.

SANU signed the Agreement on Cooperation with the Montenegrin Academy of Sciences and Arts (CANU) in 2016, while the current 2018-2020 Thematic Plan comprises one project. There were no study visits of researchers within SANU and CANU cooperation in 2019 and 2020.

#### **Regional cooperation of the Academy of Sciences and Arts of Vojvodina (VANU)**

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<sup>1</sup>It is evident from interviews and available data that there is no cooperation between ANUBiH and SANU predominantly due to a dispute over Bosnian language (non-recognition by SANU of the Bosnian language as a constitutional category in Bosnia and Herzegovina).

<sup>2</sup> In its response, as a reason of a lower extent of exchange, as well as of non-existence of institutional links between SANU and HAZU, shortage of financial resources needed for such form of regional cooperation and exchange is stated as one of the reasons, although we are positive there is no genuine will for cooperation on either side and that it is primarily due to political reasons.

<sup>3</sup>ANURS was established in 1996.

According to the available data, VANU has a clear-cut cooperation with academies of sciences and arts, predominantly from Hungary, whereas there are no relevant data on cooperation with academies from the countries included in the research.<sup>4</sup>

### **Cooperation of ANUBiH with SANU, HAZU and CANU**

ANUBiH signed bilateral Agreements on Interacademic Scientific and Artistic Cooperation with the Croatian Academy of Sciences and Arts (HAZU) and the Montenegrin Academy of Sciences and Arts (CANU). Regretfully, there is no cooperation with SANU, and the main reason for that, according to ANUBiH president, is non-recognition of the Bosnian language by SANU, implying, among others, that "therefore, those who speak do not exist either", which is one of the reasons why cooperation with SANU, the oldest and biggest academy in the region is at the level scored 0.

According to the available data, in 2019 there were study visits paid to the Croatian Academy of Sciences and Arts (HAZU) within an interacademic scientific exchange. It is said in ANUBiH that there is a solid cooperation with HAZU, yet that it could be better, pointing out scientific and artistic cooperation as its best segment, as well as the intensity of friendly relations with CANU.

When multilateral meetings are concerned, representatives of ANUBiH participate in the work of general assemblies of international academy associations where they meet representatives or members of governing bodies of other academies (among which are also the Montenegrin Academy of Sciences and Arts, Croatian Academy of Sciences and Arts and Serbian Academy of Sciences and Arts).

Within the period under observation, which is 2019 and 2020, activities were reduced due to epidemiological measures and a great number of planned activities was cancelled. Within the cooperation ANUBiH has with HAZU and CANU, several official visits of delegations between both academies, as well as projects, were realized in 2019. The Academies also narrowly cooperated within the IAC SEE Program Committee (International Academy Council for South-East Europe).

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<sup>4</sup>See VANU page but note that certain data relevant for the research have not been updated since 2013, <http://vanu.org.rs/?p=335>

## **Cooperation of CANU with SANU, HAZU and ANUBiH**

CANU signed agreements on cooperation with SANU (1991), ANUBiH (2004) and with the academy of a Bosnian-Herzegovinian entity, Republika Srpska, ANURS (2006). Montenegrin Academy of Sciences and Arts has a regular cooperation with the mentioned academies and their academy members participate in scientific meetings and other relevant events.

There is a great number of scientific activities<sup>5</sup> in which CANU participates through bilateral and multilateral forms of cooperation (public lectures, fora, conferences, publishing...) that are already mentioned in the evaluation of academic cooperation among academies in the region and there is no need to repeat what is already said.

## **Cooperation of HAZU with SANU, CANU and ANUBiH**

Although it is in numerous ways deeply involved in processes that are underway in Bosnia and Herzegovina, against a strong favouring of the Dayton Agreement, particularly by the highest political actors, which is an additional argument in favour of public promotion of the phrase *Dayton quadrangle*, the Republic of Croatia does not create through its national academy a significant intensity of cooperation with other academies in the region, with the exception of cooperation with ANUBiH which might be evaluated as respectable, which is also visible from the evaluation of this cooperation by the Bosnian-Herzegovinian academy. We hope the cooperation between HAZU and other academies in the region will intensify in the forthcoming years, as we believe that membership to a political community (EU) does not mean a permanent loss of interest in scientific cooperation with related institutions in the Western Balkans.

### *Cooperation of universities*

In addition to the cooperation of the academies of sciences and arts, the cooperation of universities is also taken as a benchmark of regional cooperation in

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<sup>5</sup>The research team documented the cooperation of CANU with other academies with a great number of data from the sources of the Academy itself and they are stored in the research archive as reference documents on which we predominantly base both qualitative and quantitative evaluation of regional cooperation of this academy

the sphere of society, and the research comprises almost twenty most relevant universities in the region<sup>6</sup>, some of which furnished extensive data. It is noticed there is an increasing number of signed documents and memoranda, as well as specific projects in which participate universities in the region<sup>7</sup>.

Student exchange is also recognized as an element of cooperation, yet non-existence of clear data on the exchange is evident, which could be seen from answers we got to our inquiries and from the available data in reports as well. The resulting evaluation is that it is necessary to collect such data on a regular basis and update them. Visits of professors, and first of all those involved in governance, are also significant, with no greater upward or downward trends when compared to previous years if the pandemic consequences are excepted. In addition to that, the Rectors' Forum, as a traditional gathering of rectors from the South-East Europe and Western Balkans was, according to the data, held in Mostar in 2019, which was an additional opportunity for improvement of cooperation and signing the Academic Interinstitutional Agreement on Cooperation. This agreement provides for a strong involvement and cooperation in the sphere of scientific research work, higher education cooperation in creating joint teaching cycles, projects defined through different financing programmes and lastly, joint actions aimed at as high compatibility of higher education and labor market as possible. An additional form of cooperation on which data were gathered, is project cooperation which is frequent, yet uneven. Thus, as an illustration, an exceptionally active cooperation of universities from Croatia with universities from Serbia, Montenegro and Bosnia and Herzegovina can be seen within "mobility" projects.

The cooperation of universities from Bosnia and Herzegovina with universities in the region is fruitful. In extensive reports obtained by the Igman Initiative from their offices, particularly from the University of Sarajevo and University of

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<sup>6</sup>University Juraj Dobrila in Pula, University North, Croatian Catholic University in Zagreb, Zagreb University of Applied Health Sciences, University "Josip Juraj Strossmayer" in Osijek, University of Applied Sciences in Velika Gorica, University of Zadar, University of Belgrade, University of Kragujevac, University of Niš, University of Novi Sad, State University of Novi Pazar, University of Mostar, University of Sarajevo, University of Tuzla, University of Podgorica, as well as a number of institutes in the region.

<sup>7</sup>As an illustration: University of Rijeka, 4 agreements, of which two with universities in Kragujevac and Novi Sad, as well as two in Belgrade, University of Belgrade and University of Defence, but it should be noted that some agreements were signed 6 or 7 years ago with a validity period of 4 or 5 years and that in the absence of new agreements being signed they were automatically, or, it could be said, tacitly, renewed.

Mostar, it is evident that there is a trend of intensification of cooperation in scientific-research projects, but also in general in institutional cooperation among universities from the four countries under consideration. Tens of signed inter-university agreements between and among universities from Serbia, Croatia and Montenegro are an indicator that the cooperation process in the area of education intensifies, which results in a great number of quality bilateral and multilateral projects alike with a consortium participation of universities from the region. Student exchange is also recognized as an element of cooperation, yet non-existence of clear data on the exchange is evident, which could be seen from answers we got to our inquiries and from the available data in reports as well. The resulting evaluation is that it is necessary to collect such data on a regular basis and update them. Visits of professors, and first of all those involved in governance, are also significant, with no greater upward or downward trends when compared to previous years if the pandemic consequences are excepted. In addition to that, the Rectors' Forum, as a traditional gathering of rectors from the South-East Europe and Western Balkans was, according to the data, held in Mostar in 2019, which was an additional opportunity for improvement of cooperation and signing the Academic Interinstitutional Agreement on Cooperation. This agreement provides for a strong involvement and cooperation in the sphere of scientific research work, higher education cooperation in creating joint teaching cycles, projects defined through different financing programmes and lastly, joint actions aimed at as high compatibility of higher education and labor market as possible. An additional form of cooperation on which data were gathered, is project cooperation which is frequent, yet uneven. Thus, as an illustration, an exceptionally active cooperation of universities from Croatia with universities from Serbia, Montenegro and Bosnia and Herzegovina can be seen within "mobility" projects.

The cooperation of universities from Bosnia and Herzegovina with universities in the region is fruitful. In extensive reports obtained by the Igman Initiative from their offices, particularly from the University of Sarajevo and University of Mostar, it is evident that there is a trend of intensification of cooperation in scientific-research projects, but also in general in institutional cooperation among universities from the four countries under consideration. Tens of signed inter-university agreements between and among universities from Serbia, Croatia and

Montenegro are an indicator that the cooperation process in the area of education intensifies, which results in a great number of quality bilateral and multilateral projects alike with a consortium participation of universities from the region.<sup>8</sup>

## **Multilateral cooperation**

It can be seen from the collected data that a multilateral cooperation involving all four countries in question is exceptionally developed and this particularly refers to the Berlin Process, but to the Euro-Mediterranean Academic Network as well.<sup>9</sup>

## **The Berlin Process**

Due to the importance of this process not only for society, but for other two areas covered by the *Regional Cooperation Index*, our attention is devoted to the part of the Berlin Process dealing with the cooperation in the sphere of science. Thus, the 5th joint science conference within the "Western Balkans Process" was held in London.

The fifth joint science conference within the "Western Balkans Process" (the Berlin Process) was held in May 2019 at the Royal Society of the United Kingdom<sup>10</sup>. Under the title "Fresh Expectations for Research and Education Across Europe", the joint science conference was focused on two topics: „responsibility of science for society, particularly to rapprochement and reconciliation" and "communicating science".

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<sup>8</sup> As an illustration, University of Sarajevo participates in several Erasmus plus projects with colleagues from Serbia and Croatia, both from universities and scientific institutes. University of Sarajevo signed 13 bilateral agreements with higher-education and scientific institutions from Croatia, five with such institutions from Serbia and two with higher-education institutions from Montenegro, which resulted in a great number of visits, meetings and gatherings, particularly in 2019, but activities did not cease during the pandemic 2020; they were just "shifted" to online formats. University of Mostar developed a fruitful cooperation particularly with universities and educational state institutions of the Republic of Croatia; there is also a cooperation with universities in Serbia, predominantly with those in Belgrade and Kragujevac. In addition to that, University of Tuzla, although to a great extent blocked due to pandemic reasons, maintained a narrow scientific and institutional cooperation with higher-education institutions from Serbia and Croatia.

<sup>9</sup>According to the response submitted by CANU, its president Dragan K. Vukčević was elected chairperson of the network in 2020..

<sup>10</sup>More information on the 5th joint science conference within "Western Balkans Process" (The Berlin Process) is available on: <https://www.leopoldina.org/en/events/event/event/2719/>.



The expected outcome of the conference is a number of recommendations and ideas on the two topics with an aim of giving support to fostering societal cooperation and reconciliation in Southeast Europe, as well as to fostering the role of scientific findings in creating policies and societal development. Recommendations were included in the 6th Western Balkans Summit of heads of state and government in the Western Balkans held in Poznań, Poland in 2019. This conference is also an opportunity to discuss the latest achievements in education, research and innovations in the Western Balkans and within the Berlin Process. Representatives of national academies of sciences and arts, rectors' conferences, as well as prominent scientists<sup>11</sup> took part at the conference organized by the Royal Society of the United Kingdom and German Academy of Sciences Leopoldina.

### *Comprehensive evaluation of cooperation*

#### **Narrative evaluation**

The evaluation is that academies of sciences and arts and universities are clearly structured and they have departments for international and regional cooperation, but the cooperation between the countries included in the research (Serbia, Croatia, Montenegro, Bosnia and Herzegovina) is not balanced from the aspect of any of the four countries. Namely, given the gathered data, it is clear that a somewhat more active cooperation is that of Serbia with Montenegro and B-H, precisely, an entity within it, Republika Srpska, particularly when cooperation between academies of sciences and arts is concerned, whereas the cooperation with Croatia and the other part of Bosnia and Herzegovina is less pronounced.

The researches also deem that projects and cooperation among universities are not sufficiently presented to the public, there is no continuous presentation of such cooperation, particularly of project cooperation in media, and the same applies to joint successes resulting from such cooperation, yet a more active role of media,

<sup>11</sup>Participants from the University of Sarajevo were Rector, Prof. Rifat Škrijelj, and Prof. Adnan Efendić. Participants from Bosnia and Herzegovina were President of the Academy of Sciences and Arts of B-H Prof. Miloš Trifković, Vice-Rector of the University in Banja Luka Prof. Goran Latinović and doctoral candidate of Tuzla University-Clinical Centre Amra Šakušić. The conference was also attended by Prof. Vesna Bojičić-Dželilović from LSE, and assistant professor Adnan Mehonić from UCL. Rector Prof. Rifat Škrijelj met Baroness Catherine Ashton who moderated session: "Responsibility of Science".

particularly national broadcasters, can be expected. Multilateral cooperation, particularly through the Berlin Process, but through other regional initiatives as well, has solid foundations for further development and this particularly refers to the attainment of highly set objectives.

EVALUATION OF REGIONAL COOPERATION / INDEX IN THE SPHERE OF SOCIAL COOPERATION (ACADEMIES OF SCIENCES AND ARTS: ANUBiH, CANU, HAZU, SANU)

	Bosnia-Herzegovina	Montenegro	Croatia	Serbia <sup>12</sup>
Bosnia-Herzegovina				
Montenegro	4.0			
Croatia	2,5	4,0		
Serbia	0,0 <sup>13</sup>	3.8	3,0	

EVALUATIONS OF REGIONAL COOPERATION / INDEX IN THE SPHERE OF SOCIAL COOPERATION (Universities in the region<sup>14</sup>)

	Bosnia-Herzegovina	Montenegro	Croatia	Serbia
Bosnia-Herzegovina				
Montenegro	3,7			
Croatia	4 <sup>15</sup>	3.7		

<sup>12</sup> The cooperation of VANU with academies of sciences in the region in this index was not taken into account as, according to the available data, the cooperation is maintained predominantly with partners in Hungary. Upon obtaining a detailed report from VANU, there is a possibility of a change of weight, however by the time of writing this report no official material was received from VANU.

<sup>13</sup> SANU cooperate with an entity academy of Republika Srpska (ANURS) and only that cooperation was taken into consideration with 2.8.

<sup>14</sup> Numerical score is the result of a plethora of data on inter-university cooperation that are at disposal of our research team. A significant number of universities from the countries included in the research, and among them those that are the oldest, most influential and most relevant, with a robust institutional memory, proved to be a reliable partner and as a result of their devoted work, we created an exceptional inter-university database which enabled us critical evaluation (qualitative and quantitative) of bilateral and regional cooperation.

<sup>15</sup> Such a high score is the result of a good cooperation with the University of Sarajevo, but primarily it is the result of an intensive cooperation of the University of Mostar with academic and other educational institutions in the Republic of Croatia. It is worth mentioning here a key difference in the context of good relations between Croatian scientific and educational institutions with Mostar. Namely, Mostar has two universities, University of Mostar and University Džemal Bijedić of Mostar; the former is a scientific-educational institution in West Mostar, while the latter is in East Mostar. The division is therefore political and due to that academic and other educational institutions of the Republic of Croatia have an intensive cooperation with the University of Mostar, while, to our knowledge they have not established relations with University Džemal Bijedić of Mostar, that is we did not obtain such data either in Croatia or in Bosnia and Herzegovina.

Serbia	3,4	3,8	3,1	
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## II

### *Political level of cooperation*

One of three areas included in the regional cooperation index is the political sphere. Namely, the cooperation of ministries of foreign affairs in the four countries is evaluated and that also includes the available data on high-level visits of presidents / prime ministers, size of diplomatic missions, structure of those missions and bilateral agreements the respective four countries concluded in the period 2019-2020, with an aim of following trends and pointing to good sides and flaws in mutual relations of Serbia, Montenegro, Croatia and Bosnia and Herzegovina. Additional element is the practice of joint meetings of governments and activities of parliaments in the region and participation in regional activities, initiatives and exchanges. Participation of the four countries in regional initiatives and the degree of realization of what is agreed is also a level that is taken into account.

We stuck to this demanding work without an illusion that it would be possible to give a full presentation of the political level of cooperation on the basis of data submitted by the four ministries of foreign affairs, parliaments in the region, respective ministries, certain prosecutor's offices and other institutions, supplemented with available reports and current information from media.

Regional cooperation index for this area is conceived as a critical document, with few recommendations and without taking it as a systematic and full set of recommendations, but rather the first overview of carefully selected areas in which certain conclusions could be drawn by gradually, in terms of years, getting closer

of the entire region to the European Union, through regional cooperation, i. e. cooperation with neighbours as a key part and a precondition for acceding the EU. This part of the research and regional cooperation indexing also rely on the Berlin Process<sup>16</sup> which included all three areas we cover in its objectives, dealing with pressing political issues that have not been addressed for years, but are on agenda at highest-level meetings, as well as with issues relating to the cooperation of the scientific community and, certainly, economic cooperation as a foundation for the stability of the entire region with unavoidable connectivity.

### **Multilateral initiatives**

The research also comprised information on the cooperation of the four countries in the following regional initiatives within which highest-level meetings were organized, that is, the following are stated as regional initiatives in responses of ministries of foreign affairs:

- Brdo-Brijuni Process<sup>17</sup>
- Berlin Process<sup>18</sup>
- EU Strategy for the Adriatic-Ionian Region (EUSAIR)<sup>19</sup>
- Central-European Initiative (CEI)
- Adriatic-Ionian Initiative (JJI)
- South-East European Cooperation Process (SEECF)
- Regional Cooperation Council (RCC)
- Centre for Security Cooperation (RACVIAC)
- South-Eastern Europe Health Network (SEEHN)

In addition to that, an informal meeting of EU foreign affairs ministers, known as Gymnich is held semi-annually in the EU country presiding the Council of the EU.

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<sup>16</sup><https://berlinprocess.info>

<sup>17</sup>The meeting was held in 2019 and in 2021, while in 2020 it was cancelled due to the pandemic.

<sup>18</sup>The meeting was held in April 2019 in Warsaw and afterwards the summit in July 2019 in Poznań. In 2020, two meetings of ministers of foreign affairs were held. In November 2020 the Berlin Process Summit was held in online format with two topics: common regional market and the Green Agenda for the Western Balkans.

<sup>19</sup>Montenegro is the first non-EU member state which presided over such regional initiative, and in May 2019 it completed its successful one-year presiding over the EU Strategy for Adriatic-Ionian Region and was succeeded by Serbia.

In 2019, the four countries of the region participated in both Gymnich meetings in Bucharest and Helsinki.

During Croatian presidency, the EU-Western Balkans Zagreb Summit was held in May 2020 via video conference and the agenda included the support and solidarity during the pandemic, urgent investments in healthcare sector and the economic recovery of the region. In the same year, 2020, a video conference of the Commissioner for Neighbourhood and Enlargement Olivér Várhelyi and ministers of foreign affairs was held with the talks focusing on the EU Economic and Investment Plan for the Western Balkans. There was also a number of meetings dealing with the response to the pandemic, as well as a video conference organized by the Austrian Chancellor Sebastian Kurz on the same topic<sup>20</sup>.

The 2020 Danube Strategy is also worth mentioning, being an initiative implemented by Croatia during its presidency.

Multilateral regional highest-level meetings, the scope of which was reduced over a certain period due to the pandemic, are an indicator of cooperation, and based on the data we obtained we give a detailed analysis of their topics, agreements made and follow up activities of the agreed.

### **Bilateral activities**

According to the available information, we present bilateral meetings by number and subsequently we also give a qualitative assessment based on the data submitted by ministries of foreign affairs.

This issue is covered by the presentation of bilateral meetings, by their effects on pressing issues against a clear presentation of media attention given to those meetings and, lastly, by incidents attracting greater attention of both politicians and media, and consequently of the public in all four countries.

### **Bilateral meetings during 2019 and 2020**

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<sup>20</sup>A detailed list of meetings is available to researchers and authors of the regional cooperation index, and the most detailed account is given in a response of the Ministry of Foreign Affairs of Montenegro.

	Bosnia and Herzegovina	Montenegro	Croatia	Serbia
Bosnia and Herzegovina				
Montenegro	There were no high- and highest-level bilateral meetings in 2019, while in 2020 there was one <sup>21</sup>			
Croatia	1 visit in 2019 and 5 in 2020 <sup>22</sup>	5 in total <sup>23</sup>		
Serbia	1 high-level visit	There were	<sup>25</sup>	

<sup>21</sup>According to the submitted report of the Ministry of Foreign Affairs of Montenegro.

<sup>22</sup><https://www.tportal.hr/vijesti/clanak/dodik-u-posjetu-zagrebu-kod-milanovica-u-banskim-dvorima-bez-zastitne-maske-foto-20200916>, <https://ba.n1info.com/vijesti/a495508-covic-u-zagrebu-mi-smo-to-nazvali-puzajucim-promjenama/>, <https://www.vecernji.hr/vijesti/covic-u-zagrebu-bez-jednakopravnosti-hrvata-u-bih-ona-nece-funkcionirati-1434588>, <https://www.tportal.hr/vijesti/clanak/izetbegovic-nakon-zagreba-u-hrvatskoj-malo-znaju-0-slozenim-odnosima-u-bih-foto-20200930>

<sup>23</sup>According to the data submitted by the Ministry of Foreign Affairs of Montenegro 3 visits were paid and 2 were hosted in 2020. More precisely, meetings of two ministers of foreign affairs on Prevlaka dispute (2021) <https://vlada.gov.hr/vijesti/hrvatska-i-crna-gora-ce-spor-na-prevlaci-rjesavati-bilateralnim-putem/32064>  
President Milanović paid a working visit to Montenegro (2020)  
President Milanović had a meeting with prime minister and president of the Assembly of Montenegro (2020) <https://www.predsjudnik.hr/vijesti/predsjudnik-milanovic-sastao-se-predstavnicima-hrvatskih-tvrtki-te-s-premijerom-i-predsjudnikom-skupstine-crne-gore/>  
<https://www.predsjudnik.hr/vijesti/predsjudnik-milanovic-na-cetinju-dosao-sam-dati-podrsku-europskom-putu-crne-gore/>  
President Milanović received a delegation of the Croatian Civic Initiative from Montenegro (2020). <https://www.predsjudnik.hr/vijesti/predsjudnik-republike-primio-izaslanstvo-hrvatske-gradanske-inicijative-iz-crne-gore/>  
Working trip to Montenegro in 2020 when president of Croatia met with the president of Assembly of Montenegro. <https://www.predsjudnik.hr/vijesti/predsjudnik-milanovic-sastao-se-predstavnicima-hrvatskih-tvrtki-te-s-premijerom-i-predsjudnikom-skupstine-crne-gore/>  
<https://www.predsjudnik.hr/vijesti/predsjudnik-milanovic-na-cetinju-dosao-sam-dati-podrsku-europskom-putu-crne-gore/>

<sup>25</sup><https://vlada.gov.hr/vijesti/ministar-bosnjakovic-sa-srpskim-izaslanstvom-nismo-razgovarali-o-ratnoj-odsteti/25325>  
<https://www.vecernji.hr/vijesti/zgodna-srbijanska-ministrice-sastala-se-s-bosnjakovicem-cilj-je-rjesavanje-otvorenih-pitanja-1300699>

	in 2020. In 2019 there were no visits. 4 highest-level visits in 2019 and 7 in 2020 <sup>24</sup>	no bilateral meetings		
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Certain meetings had as a purpose resolving long-standing disputes. Thus, Croatia and Montenegro after a number of years reverted in 2021 to resolving the Prevlaka dispute, i. e. unresolved issues which two ministers of foreign affairs discussed.

Cooperation of parliaments was also included in the research and gathered data show a certain number of join activities and initiatives of parliaments in the region, however there is space for much more to be done<sup>26</sup>.

In 2019, more precisely on 15 February, Serbian Information and Culture Centre, the so-called Serbian House was opened in Podgorica in the presence of the then special envoy of the president of the Republic of Serbia Nikola Selaković, currently minister of foreign affairs of Serbia.

<sup>24</sup>All visits included a member of B-H Presidium Milorad Dodik.

<sup>26</sup>The cooperation of the Croatian Sabor with parliaments of B-H, Serbia and Montenegro takes place through meetings at all levels: speakers and deputy speakers of parliaments, working bodies, delegations and groups of friendship and individual MPs.

In the period under consideration (2019-2021) no bilateral agreements were signed, while in 2018 a protocol on cooperation was signed which should be mentioned.

29 June 2018. – Zagreb – Committee for European Affairs of the Croatian Parliament and Committee for European Integration of the Assembly of Montenegro signed the Protocol on Cooperation of the two committees.

Cooperation with parliaments of B-H is carried out through Twinning Project "Fostering and Further Support to the Parliaments of Bosnia and Herzegovina in the EU Accession" by the Croatian Sabor in cooperation with Hungarian and Austrian parliaments.

In addition to participation in the said regional initiatives, it is important to briefly present bilateral cooperation, that is, there was an increasing number of bilateral meetings between the Croatian Sabor and Parliament of Montenegro, while there were fewer links between the parliaments of Serbia and Croatia and between the parliaments of Croatia and Bosnia and Herzegovina.

It is also important to mention that the Croatian-Montenegrin group of friendship held a number of meetings in the Parliament of Montenegro.

According to the submitted documents there is also a project cooperation, such as twinning projects of support to the parliaments of B-H in European integration and in the sphere of agriculture.

<https://www.sabor.hr/hr/press/priopcenja/hajdukovic-glavasevic-i-stier-sudjelovali-na-konferenciji-u-okviru-twinning>

<https://www.sabor.hr/hr/press/priopcenja/saborski-odbor-za-poljoprivredu-u-okviru-twinning-projekta-podrzava-bih-na-putu>

Trilateral meetings in the region also take place, such as two meetings among the Republic of Serbia, Bosnia and Herzegovina and Turkey in 2019 and 2020.

Due to specific characteristics of Bosnia and Herzegovina as a state, in accordance with the Agreement on Special Parallel Links between the Republic of Serbia and a Bosnia-Herzegovinian entity Republika Srpska, there is a cooperation and the highest-level meetings held between the two parties<sup>27</sup>. Meetings of the Council for Cooperation<sup>28</sup> are held, as well as a number of operational meetings and commemorations of anniversaries or important dates<sup>29</sup>. Thus, the first visit of prime minister Ana Brnabić to the region was paid to Banjaluka when together with the prime minister of Republika Srpska the commencement of realization of HES Gornja Drina Project was announced. This project, due to differences in legal interpretations became politically disputable and a group of MPs appealed against it before the Constitutional Court of B-H.<sup>30</sup>

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<sup>27</sup>There is also a cooperation with the "other entity within Bosnia and Herzegovina, particularly with the Serbs living in it", is stated in a document submitted by the Ministry of Foreign Affairs of Serbia.

<sup>28</sup>They were not held in 2019 and 2020, and one, the eighth was held on 22 April 2021.

<sup>29</sup>Visits of ministers from Serbia to Donja Gradina to commemorate the Remembrance Day on the victims of ustasha crime – genocide in Jasenovac, and then visits of highest representatives of a **B-H entity** Republika Srpska to commemorate the 20th anniversary of NATO bombardment of the Republic of Serbia were organized in Niš, as well as marking the **unconstitutional** Day of Republika Srpska in 2019 when prime minister of the Republic of Serbia was decorated with Republika Srpska medal on ribbon.

<sup>30</sup> Twenty-four members of the House of Representatives of the Parliamentary Assembly of Bosnia and Herzegovina filed on 28 December 2020 a claim to the Constitutional Court of Bosnia and Herzegovina to give its opinion on the dispute with the Republika Srpska entity caused by Resolutions on Defining Conditions for Giving Concessions through a negotiating procedure for construction and exploitation of hydroelectric power plants "Buk Bijela", "Foča" and "Paunci" on the Drina, municipality of Foča, was an announcement from the B-H Parliamentary Assembly. It is stated in the announcement signed by 24 representatives that "Passing the said Resolutions on concession granting and conclusion of an agreement on concession are actions contrary to Article I/1., Article I/2. and Article VI/5. of the Constitution of Bosnia and Herzegovina". Claimants believe that the authorities of the Republika Srpska entity breached the Constitution of Bosnia and Herzegovina with their actions and the right of the state of Bosnia and Herzegovina to dispose of state-owned property. They are of opinion that with the said activities final and binding decisions of the Constitutional Court of B-H determining that river water and river beds are "public good" constituting part of state-owned property (property of the state of Bosnia and Herzegovina) are breached. The MPs remind that the Constitutional Court in its previous decisions found that state-owned property has a special status, that it reflects statehood, sovereignty and territorial integrity of Bosnia and Herzegovina. The right of disposing of state-owned property, including the disputable water potentials of the Drina, is exclusively of the state of B-H until the law on the status of state-owned property at the B-H level is passed. It is also stated in the announcement that actions contrary to this, particularly unilateral as in this case, are contrary to the Constitution of B-H and should be rendered invalid. <https://www.slobodnaevropa.org/a/31022937.html>



## Collection of bilateral treaties

The number of concluded bilateral treaties in the period 2019/2020 gives us partial idea of regional activities and on the basis of collected data it is noticeable that those treaties do not correspond to the image of cooperation created by media, that is, the concluded treaties are not sufficiently presented to the public while the absence of cooperation is pointed out, particularly in Serbia and Croatia, in spite of relatively vivid activities in resolving bilateral issues and certain gestures that might be said to be very friendly, like the activities relating to Ban Jelačić house and subsequently vaccines offered to the citizens of the entire region.

Areas in which bilateral treaties were signed can be divided into:

- Transport and infrastructure
- Border issues
- Search for missing persons
- Healthcare

Thus, from the data submitted by the four ministries of foreign affairs, an increased activity of harmonization and signing more important treaties and memoranda between Montenegro and Croatia<sup>31</sup> are visible, while that cannot be said when Serbia and Montenegro<sup>32</sup> are concerned, which also corresponds to the fact that there were no bilateral meetings between Serbia and Montenegro in the period under observation, only incidents were observable<sup>33</sup>. In addition to that, important matters addressed in bilateral meetings of Montenegro and Bosnia and Herzegovina resulted in a greater number of protocols and agreements regulating

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<sup>31</sup>In the sphere of defence, security and protection of cross-border operation, economy and finance, as seen in the response from the ministries of foreign affairs and on web page: <http://www.mvep.hr/hr/vanjska-politika/bilateralni-odnosi/pregled-bilateralnih-medunarodnih-ugovora/crna-gora.236.html>

<sup>32</sup> Without diminishing the importance of the agreement on civil-military cooperation, that it, an annex to the Agreement on Civil-Military Cooperation in Management, Control and Protection of Air Space of Montenegro, as well as the important protocol on defining a tripoint among Montenegro, B-H and Republic of Serbia and the agreement on border crossings for international transport and regulating border traffic regime.

<sup>33</sup>Dispute over statements and actions of the ambassador of Serbia in Montenegro and numerous other examples.

matters such as cooperation and assistance in the EU accession process, missing persons etc.

Relations between Croatia and Bosnia and Herzegovina in that period implied a number of agreements in the sphere of maintenance and reconstruction of bridges on the state border, the already mentioned issue of missing persons, urgent medicine<sup>34</sup>, as well as an agreement on economic cooperation.

In that period there was an increase in the number of affirmative information on cooperation in the region<sup>35</sup>, and as an illustration, there were significant activities of purchase and conservation of the house of Ban Jelačić<sup>36</sup>, with a key giving act<sup>37</sup> which brought closer Serbia and Croatia and for a short period the trend in relations seemed to be upward.

In 2019 and 2020, Montenegro and Croatia held a number of bilateral meetings, a meeting of the two ministers of foreign affairs with Prevlaka dispute on the agenda.

(<https://vlada.gov.hr/vijesti/hrvatska-i-crna-gora-ce-spor-na-prevlaci-rjesavati-bilateralnim-putem/32064>)

And lastly, in 2019 commenced activities that resulted in the agreement between Serbia and B-H Council of Ministers on the realization of Sarajevo–Beograd–Sarajevo highway project, and in 2020 the agreement on opening Bratunac border crossing was signed, an activity present in other countries as well, facilitating movement of persons and goods in accordance with regional initiatives, including the Mini Schengen initiative.

Incidents were noticeable, resulting in an increased focus on the absence of cooperation in the region and pointing to a necessity of meetings and agreements. Although fewer in number, they occupied more space in media than the examples of cooperation among the four countries, while bilateral agreements are hardly ever reported in media and information on them can be seen only on web pages of

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<sup>34</sup>The Agreement was concluded in 2019, and not affected by the pandemic, as it preceded it.

<sup>35</sup><https://vlada.gov.hr/vijesti/dunavska-strategija-treba-projekte-koji-bi-ujednacili-regije/30705>

<sup>36</sup>Covered modestly by media in Serbia, but takes a prominent position in the responses from the Ministry of Foreign Affairs of Serbia.

<sup>37</sup>Reported on by media in Croatia, as well as posted on the web page of the Government of the Republic of Croatia: <https://vlada.gov.hr/vijesti/grlic-radman-predaja-jelaciceve-kuce-iskorak-u-odnosima-zagreba-i-beograda/30608>

official institutions that signed them. The news that Croatian companies laid gas pipes for the Russian Brod Refinery<sup>38</sup> beneath the Sava (2021) without seeking an approval from B-H led to a minor political crisis between Croatia and Bosnia and Herzegovina. There was a similar situation, and a crisis was generated in relations between Serbia and Bosnia and Herzegovina by Serbia announcing it would support and finance the construction of a hydroelectric power plant (see footnote 15) on the territory of Republika Srpska, of which the official Sarajevo was not notified, or, more precisely, an approval was not asked assuming the competence of Republika Srpska in the sphere of energy and water.

Notes of protest exchanged by the ministries of foreign affairs of Serbia and Croatia were given media attention and adversely affected mutual relations, but had no effect on other forms of cooperation and vivid activity in signing bilateral agreements described here and documented in the response of the Ministry of Foreign Affairs of Serbia.

What is also noticeable are statements of politicians assessing the current situation in the region, particularly bilateral, as extremely poor and announcing warming of relations. Having visited Zagreb, Bakir Izetbegović said: "It was agreed that the two ministers of foreign affairs will within one month make preparations and an analysis which could set things in motion" and this could be taken as symptomatic for an evaluation of the current cooperation among the four countries, with the exception of the relations between Montenegro and Croatia. To our regret, there were more negative reactions of politicians than in other countries, particularly during commemorations of some events from the 1990s war period, which raised tensions in mutual relations to which media controlled by the ruling structures also gave their contribution by not only reporting on the statements, but also by their negatively connotated articles on neighbouring countries which additionally worsened the relations between these countries.

## **Joint meetings of governments, frequency and agenda**

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<sup>38</sup>[Oslobođenje - \(VIDEO\) Pod okriljem noći: Hrvatske kompanije bez saglasnosti države BiH ispod Save položile plinovodne cijevi za rusku Rafineriju u Brodu \(oslobođenje.ba\)](#)

Although this benchmark is deemed exceptionally important, there were no joint meetings of governments of any of the four countries in the period under consideration, 2019 and 2020, due to which the final score in the regional cooperation index is significantly lower<sup>39</sup>. It should be noted that one joint meeting of the Government of the Republic of Serbia and the Government of Republika Srpska was held in 2019 and one in 2021.

### **Size of diplomatic missions in the region**

The size of diplomatic missions is taken as one of the benchmarks of regional cooperation index, however, at the time of writing this report we do not have complete data for all four countries, that is, for Croatia, and a preliminary conclusion would be that the size of missions is in accordance with ordinary practices of ministries of foreign affairs in other countries of the same size and importance, and that on the average, 60% of their described jobs is filled. It needs to be stated in this chapter that in 2020 the ambassador of Serbia to Podgorica was declared a *persona non grata*, to which Serbia had a reciprocal response, so that at the time of completing this report neither Serbia has ambassador in Podgorica nor Montenegro has ambassador in Belgrade.

### **Cooperation of prosecutor's offices in combating organized crime and war crimes**

In addition to a number of agreements signed in previous decades, meetings of highest representatives of prosecutor's offices in the region are noticeable with specific topics of cooperation in combating organized crime and trying war crimes<sup>40</sup>.

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<sup>39</sup>Joint meetings of governments as a practice with certain neighbouring countries, and as an example we state joint meetings of the Governments of Serbia and Hungary and of Slovenia and Serbia.

<sup>40</sup>Attorney General of the Republic of Croatia took part in the conference of prosecutors from the region on cooperation in the matters of war crimes held in Sarajevo, Bosnia and Herzegovina. The conference was a continuation of the meeting held in Belgrade in May 2019 and it was organized by the United Nations Development Programme (UNDP) with the support of the governments of the United Kingdom and Italy. Beside representatives of prosecutor's offices in the region, the conference was attended by the Chief Prosecutor for the International Residual Mechanism for Criminal Tribunals, Serge Brammertz. The goal of the conference was improvement of regional cooperation in the matters of war crimes through exchange of experiences and discussion.

In 2019, the Public Prosecutor's Office of the Republic of Croatia – DORH and lower public prosecutor's offices continued their direct cooperation through exchange of data and provision of various forms of assistance to prosecutor's offices of foreign countries on the basis of the Protocol, i. e. Memorandum on Agreement in Realization and Improvement of Mutual Cooperation in Fighting All Forms of Major Crime, however, just as in the previous year, there is a trend of scaling down of this form of international cooperation due to a more extensive cooperation through Eurojust and EJM in criminal matters with "third" countries as well. The mentioned prosecutor's office protocols are still an important form of cooperation with public prosecutor's offices of third, in particular neighbouring countries (Republic of Serbia and Bosnia and Herzegovina) in preliminary stages of investigation with an aim of obtaining relevant information, conducting investigation and police interviews predominantly in the matters of organized crime and war crimes.

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### **Assistance in emergency situations**

This benchmark is introduced to mention sudden solidarity actions that we are currently witnessing regarding vaccination and in emergencies caused by floods,

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<sup>41</sup>Source: 2020 DORH Annual Report

earthquake<sup>42</sup> etc., being predominantly affirmative aspects of regional cooperation both in 2019 and 2020. When it is about the pandemic, 2021 brings new positive signals, particularly in the attitude of Serbia toward citizens of the three countries in the region included in the research, as well as of Croatia toward Montenegro and Bosnia and Herzegovina<sup>43</sup>.

## **Narrative evaluation**

All data published in this part of the study, obtained from the competent institutions and other sources could even lead to an optimistic conclusion that regional cooperation at different levels and in different spheres exists and that through its further improvement it could result in relatively stable relations in the region. One of the goals of this study is to encourage such trends. However, if some stated facts are dealt with more thoroughly, then they might lead to some very disturbing conclusions. Some of them are the following:

- highest-level meetings take place at multilateral gathering exclusively, while bilateral meetings are very infrequent, there were only few. When it is about Serbia, they are intense exclusively with representatives of one B-H entity, i. e. Republika Srpska;
- joint government meetings are held mainly with the countries with which there are no important open issues, while in the period under observation no joint meeting of any two governments of the Dayton Agreement countries was held;
- instead of improving interparliamentary cooperation in accordance with aspirations of speeding up on the path to the EU, it is constantly on decline if compared with periods preceding the one covered by the report;
- in the period under observation a trend of further deterioration in relations among the four countries of the Dayton Agreement continued, fueled to a great extent by

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<sup>42</sup>On the territory of Croatia and on a smaller part of Bosnia and Herzegovina.

<sup>43</sup>On 13 May on the basis of a decision of VRH MVEP RH in cooperation with MIZ (Ministry of Health) and HZJZ (Croatian National Institute of Public Health) it is planning to donate 10.000 Covid-19 vaccines to each of the following countries: Albania, Montenegro, Bosnia and Herzegovina (Source: e-mail response from MUP R<sup>CZ</sup>)

statements of highest officials and media mainly under control of the ruling structures;

- Montenegro and Serbia have not had ambassadors in Belgrade, i. e. Podgorica for almost one year;
- two decades after the beginning of the normalization of relations among the four countries of the Dayton Agreement there are still unresolved key issues: borders, missing persons, succession, protection of rights of national minorities.

Taking all stated into account, the following numerical evaluation of the cooperation in the sphere of politics is given:

### EVALUATION OF REGIONAL COOPERATION / POLITICAL COOPERATION INDEX

	Bosnia and Herzegovina	Montenegro	Croatia	Serbia
Bosnia and Herzegovina				
Montenegro	2.8			
Croatia	2.4	3.0		
Serbia	2.9	2.3	2.6	

### III

#### *Economic cooperation*

### GLOBAL ECONOMIC TRENDS

In order to evaluate regional cooperation and its prospects it is necessary to place the four countries in the global context, therefore we give a brief overview of global economic trends. In January 2021, the IMF published the latest projection of global economic trends according to which the 2020 projection of a drop of global

economy was adjusted from -4,4% to -3,5%. The 2021 global growth was also adjusted by 0,3 p.p., to 5,5%.

The optimism on the recovery is based on solid indicators in the second half of 2020 confirming that the economy adapted to extraordinary circumstances to some extent. The greatest recovery is in personal consumption, while investments, with the exception of China, are still slowly returning to normal. However, as personal consumption was for a few months entirely subdued, the effects of such a sudden leap should be taken as provisional.

According to the indicators for the fourth quarter of 2020, it can be concluded that there have been significant improvements in industry and commerce, while service sector is still lagging with recovery. The beginning of vaccination gives hope that if the immunization continues as planned, the epidemic might be suppressed by the end of 2021 and that it might end by the end of 2022. Extensive fiscal assistance packages in the USA, Japan and EU are a significant recovery component not only of these countries, but of their trade partners as well.

As far as financial conditions are concerned, they are expected to remain at the current level with signs of improvement in borrowing requirements for growing economies as their fiscal deficits reduce. Global trade will grow by approximately 8% in 2021, which would be followed by a slight slowdown in 2022 and with a 6% growth. Due to a huge production gap which will remain open by the end of 2022, inflation will be low – at the level of approximately 1.5% in developed economies and of approximately 4% in growing economies.

### **Regional cooperation of chambers of commerce of Bosnia and Herzegovina, Montenegro, Croatia and Serbia**

Chambers of commerce (and industry) favour and support all processes of fostering regional cooperation, and currently the greatest number of activities is realized through the Western Balkans 6 Chamber Investment Forum with all four countries covered by the Regional Cooperation Index being its members.

International cooperation is also carried out within the following initiatives:



- Adriatic-Ionian Initiative,
- Euroregional Cooperation Danube-Drava-Sava,
- ASCAME,
- Central-European Initiative (CEI),

The cooperation is also carried out within business delegations, trade fair participation where all current issues relating to cooperation in the sphere of energy, digital development etc. are discussed. It is important to mention intergovernmental commissions addressing all these issues at the state level.

### **Western Balkans Chamber Investment Forum**

This association will be given greater attention both in the narrative and scoring part within the regional cooperation index due to its importance, range, as well as potential. It was established in Vienna in 2015 and included B-H Foreign-Trade Chamber and chambers of commerce of Slovenia, Croatia, Montenegro, Macedonia, Albania, Kosovo and Serbia. As Croatia and Slovenia are EU members since 2017, a decision was made to set up a new association.

Giving due regard to the implementation of the Berlin Process in fostering regional cooperation in the Western Balkans, presidents of the Union of Chambers of Commerce of Albania, B-H Foreign-Trade Chamber, Chamber of Commerce of Kosovo, Chamber of Commerce of Montenegro and Chamber of Commerce of Serbia launched an initiative for active inclusion of national chambers of commerce in the realization of specific goals of the Berlin Process, and on the margins of the 2015 Vienna Western Balkan Summit established the Western Balkans Chamber Investment Forum. The goal of this common initiative is articulation of the voice of business communities of the region and thus and facilitation of mutual contacts and promotion of the region as one into an investment destination.

Having recognized the importance of improvement of inter-connections in the Western Balkan Region as a whole for its economic prosperity and European Union path, emphasising a full devotion to the implementation of the Balkan Process on the basis of a continuous dialogue and partnership of all chambers with an aim of creating a clear concept of joint activities directed to fostering economic

growth and development of the Western Balkan Region, setting up of the Chamber Investment Forum has been recognized as the most adequate framework for giving contribution of the chambers to this complex task.

The essential goal the founders of this chamber association aspire to is to put in focus development of competitiveness of economies of the region of Western Balkans through joint chamber activities, cooperation and harmonization of activities. In addition to monitoring the realization of major regional infrastructure projects approved by the European Commission, the Chamber Investment Forum is dedicated to determining the needs and giving proposals for smaller-scale projects, classified as secondary infrastructural projects which can significantly improve economic cooperation in the region.

Western Balkans 6 Chamber Investment Forum represents interests of approximately 400 000 companies from the region. The mission of the Forum is to offer new networking opportunities, eliminate the remaining barriers to development of regional economic cooperation and improve business and investment climate on the markets of the Western Balkan region.

Regional economic integration and cooperation have become one of key instruments for contribution to the economic dimension of integration of the South-East Europe region into the EU, for releasing new potentials of economic growth and encouragement of political cooperation in the region. The Berlin Process so far has resulted in ambitious programmes aimed at improvement of links among persons and businesses in the region and with the EU. In addition to that, governments in the region, with the support of EU institutions, undertook to further deepen economic integration by eliminating barriers to movement of goods, services, persons and capital.

Chambers of commerce in the region recognized this process as an important source of business opportunities for their business communities and decided to establish a cooperation platform for giving support to enterprises in getting benefits from development in various fields.

Support to the Chamber Investment Forum is given by the European Commission – Directorate-General for Neighbourhood and Enlargement Negotiations, European Bank for Reconstruction and Development, Regional Cooperation Council (RCC), CEFTA Secretariat, other business associations and organizations, such as EUROCHAMBERS, Austrian Federal Economic Chamber (WKO), Association of German Chambers of Commerce and Industry (DIHK).

The Chamber Investment Forum is part of agendas of economic part of the Berlin Process Summit, based on which its members participated in those events in Paris (2016), Trieste (2017) and Poland (2019).

Besides, CIF has been recognized as a very important promoter of the ideas of the Common Economic Area (former REA, present CRM), as through a broad network of the economy of the region it represents needs and proposals of the business community are articulated.

Activities of the Chamber Investment Forum comprise:

- Support to economic development of South-East Europe
- Support to competitiveness of small and medium-size enterprises
- Improvement of local and regional investment climate and facilitation of investments that contribute to economic development and new jobs creation
- Joining human resources and structures in the area of business support, research, education and communication
- Managing and organizing activities enabling visibility of the role chambers have in creating a better business and investment climate and providing business support
- Provision of instruments for a more efficient use of available funds from the European Union and other international fund providers in order to attain the stated goals.

The Chamber Investment Forum is managed by the Management Board comprised of presidents of member chambers of commerce. With an aim of as good as possible functionality and a possibility of utilization of available funds, CIF established at the level of its six non-EU members (WB6 CIF) the Standing Secretariat in Trieste in 2017 in the presence of the ministers of economy of the countries of the region and high representatives of the Italian Government. Beside premises in Trieste, the Office of the Western Balkans Chamber Investment Forum was opened in the premises of the Chamber of Commerce of Montenegro in February 2019.

In the previous period, EBRD supported activities of the Standing Secretariat. As a result of such support, an online investment platform [www.investinsee.com](http://www.investinsee.com) was made containing information relevant for potential investors in all countries of the

Western Balkans. The platform was presented at the EBRD Western Balkans Investment Summit in London in February 2018.

Activities of the Chamber Investment Forum are realized through organization of meetings of the Management Board, meetings of national coordinators and project teams, as well as through organization of numerous events, i. e. conferences, seminars, info days etc.<sup>44</sup>

As to the meetings of the Management Board / presidents of chambers in 2019 and 2020 they were organized in the following sequence: Vienna, 14 Jan. 2019, Trieste, 23 April 2019, Podgorica, 23 July 2019, Budva, 23 Oct. 2019, Skoplje, 10 March 2020, Zoom, 15 May 2020, Tirana, 5 Oct. 2020, Belgrade, 3 Feb. 2021, Podgorica, 19 March 2021, Belgrade, 14 April 2021.

Bilaterally, an increased activity between chambers of commerce of Croatia and Bosnia and Herzegovina, and Montenegro and Croatia is noticeable, while other chambers, although there were important visits, are more oriented to regional fora.

## **Labour mobility**

In expectation of further bilateral agreements on freedom of movement of labour, employment procedures and other incentives for easier labour flow and mobility that slowed down in 2020 due to the pandemic, this category of cooperation is a potential that will be monitored in the years to follow at drawing up annual regional cooperation index. This is where the issue of diploma recognition among the four countries emerges. Due to that, labour mobility will be dedicated more attention in the forthcoming years at drawing up regional cooperation index.

## **Foreign trade**

Taken by regional groupings, foreign-trade commodity exchange in 2020 was greatest with the European Union<sup>45</sup> and CEFTA Agreement signatories. The remaining most significant portion of the total foreign-trade exchange was with China and Turkey. Economic cooperation among the countries in the region therefore has a great potential, although some countries in the region are ranked

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<sup>44</sup>For information on the meetings held and current CIF projects visit <https://www.wb6cif.eu/>

<sup>45</sup>Exchange of Montenegro with the EU accounts for 44.1%, and with CEFTA Agreement signatories it accounts for 31.2%

high in regional exchange, even in foreign direct investments. The four countries in question have a solid commodity exchange and in certain cases a greater disproportion between export and import is visible.<sup>46</sup>

Tourism as a branch of economy, although included by the methodology for drawing up regional cooperation index, will not be analysed as an indicator of regional cooperation trends due to the COVID-19 pandemic, but it should be noted that there are great potentials and the four countries of the region are important tourist destinations, first of all Croatia and then Montenegro, Serbia and Bosnia and Herzegovina.

### **Narrative evaluation**

As it could have been expected, the economic cooperation, being based on economic interests, deserves the highest score in the regional cooperation index covering the three areas under consideration. Due to that, it is important for its overall development that these countries make efforts in eliminating the existing tariff and non-tariff barriers. That could be significantly improved by introduction of integrated border management, as the coordination of all offices and bodies on both sides of borders would result in a faster transport of goods and reduced waiting time on borders.

### **EVALUATION OF REGIONAL COOPERATION / INDEX IN THE SPHERE OF ECONOMIC COOPERATION**

	Bosnia and Herzegovina	Montenegro	Croatia	Serbia
Bosnia and Herzegovina				

<sup>46</sup>In 2020, the most important foreign-trade partners in the export of Montenegro were: Serbia (101,0 mil. EUR or 27,6%), Slovenia (35,8 mil. EUR or 9,8%) and Kosovo (23,4 mil. EUR or 6,4%), and in import: Serbia (414,9 mil. EUR or 19,7%), China (218,0 mil. EUR or 10,4%) and Germany (204,0 mil. EUR or 9,7%). Foreign-exchange data for 2021 show that the first three positions of the most important partners remain the same, only Bosnia and Herzegovina took place of Kosovo as the third biggest export partner.

Montenegro	3.8			
Croatia	3.4	4.2		
Serbia	4.0	4.1	3.7	