

Regional Ownership - SEE taking the lead or being led?

Ladies and Gentlemen,

One year ago we met in Portoroz where we had the opportunity to assess where we stood after five years of the Stability Pact. I think this was very valuable to review where we stood at that point in time, what had been achieved and what still lay ahead of us. This led to my proposal to use the summer Regional Tables **to take some time out to discuss and assess important issues that impact on South Eastern Europe and our work in the Stability Pact in a more informal and discussion oriented framework**. The positive response to this proposal indicates that there is a clear need for such discussions and the topic we have on our agenda today - regional ownership - is one of utmost importance for our work in the Stability Pact as well as overall development in South Eastern Europe.

Let me start by taking a step back to **look at where we are today** and here I of course have to start by congratulating our Bulgarian hosts and Romania on the **signing of their accession treaties** a few weeks ago. While their accession is now only a question of time, it is increasingly unclear what kind of European Union they are joining. I do not want to dramatise matters and it is of course not just the question of how France will be voting next weekend in the **referendum on the European Constitution**. But the Union is clearly at a very difficult stage, grappling with the ratification of a constitution that has been rightfully described by many as crucial to ensuring that the Union can adapt to its current 25 members and beyond. The **European landscape is constantly changing**. After the enthusiasm of enlargement in May 2004 we are now in an inward-looking phase, trying to come to terms with what this means.

And this **applies just as much to the Euro-Atlantic integration of South Eastern Europe** as a whole new series of Eastern European countries voice their interest in NATO membership while NATO itself is occupied in an internal debate on how to strengthen the political role of the organisation in times when large parts of its resources are occupied with running peace keeping operations in new areas.

For South Eastern Europe, this means that it is more important than ever to **make itself heard in a very clear and coherent manner**. This leads me directly to our topic today: regional ownership - the need for South Eastern Europe to take charge of its own matters and lobby for its interests.

Regional Ownership is **also of crucial importance with regard to the Stability Pact** and the different regional co-operation processes we have initiated. The Pact, as we all know, was not created as a permanent institution, but one that should make itself redundant over time, as its tasks are achieved. This means that in order to **ensure sustainability of the regional co-operation processes** established under the auspices of the Stability Pact, they have to become self-reliant at some point.

Do not get me wrong: I am not here today to announce the closure of the Stability Pact. **We still have important tasks to fulfil** and to move out of established processes at a premature stage would be irresponsible, yes indeed problematic for the stability of the region. **Building up regional ownership and the necessary institutional capacities is a process** and will take some time. What I want to flag today is that **defining this process and bringing it forward should be our joint priority**.

I think we have already come quite a way on this path of enhancing regional ownership. As a first step - and I have pursued this ever since I took over as Special Co-ordinator - we have **moved more and more Stability Pact activities to the region**. A number of Regional Centres have been

established throughout the region. But establishing these centres is of course only the beginning.

What comes next is to secure a **stronger regional buy-in to these centres through concrete resource commitments, be it financial, staff or through providing offices**. Only with a growing contribution by the region to the budget and personnel of these centres can we really speak of regional ownership. Only very few centres are already at that stage. Projects would still require donor support but the bulk of the initiative's day-to-day work would then be owned by the region.

A third and final step is the **move from regional ownership to regional leadership**, with more and more of the actual policy making and political guidance of the centres being done by the region and not by internationals. In some centres we are already seeing signs in this direction, but considering the limited administrative capacities and specialised expertise of most of the countries in the region it is not surprising that these are clearly the exceptions.

I will not take you through the whole list of regional centres, but would like to look at the **general requirements for enhanced regional ownership** as I see them:

First of all, it is quite obvious that without a degree of **political commitment** to the issue in question it is not possible to enhance regional ownership. This is a **sine qua non for regional ownership**. So, is there a way to enhance the political commitment? Either the issue at stake is of immediate political interest to the governments in question so that they invest political capital and thus take ownership. Or the 'return on investment' is of a longer-term nature - regional co-operation is after all a precondition for further European integration; for a country to take charge of a regional centre and make it operational could well be considered an important check mark on regional co-operation within the Stabilisation and Association process. It would be good if we could establish a list of benchmarks to break down this overall condition of regional cooperation into concrete steps.

Second, **qualified personnel** are by now available throughout the region. But regional centres are still often staffed with internationals. Secondment of staff from SEE countries for a certain period of time should be seen as a way to enhance regional ownership and build human resources at the same time. A very positive example regarding the secondment of staff is the liaison officers in the Transborder Crime Fighting Centre in Bucharest, where all member countries have seconded staff. How can we better tap into the available personnel resources in the region?

Thirdly, organising regional co-operation is a task that requires significant **administrative capacities**, capacities that are still somewhat scarce in most countries of the region. The MARRI Regional Forum, which is chaired by a different country each year could be seen as a burden sharing mechanism which might work elsewhere as well. How can we support the required capacity-building in the state administrations in the region?

And finally, the **budgetary constraints** in all of the countries of the region are well known and it is certainly not intended to overburden anyone. Nevertheless, a degree of financial commitment also leads to a stronger buy-in. Regarding the budgetary commitment of the participating countries the Sava Commission will hopefully soon be the example to follow, since all of the running costs of the Commission will be covered by the four countries involved, only project funding and support will be coming through international sources. While this is certainly a good model, is it realistic for other regional centres as well?

Apart from the establishment of these Regional Centres, regional initiatives such as the **South East European Co-operation Process** are important for regional ownership. The Stability Pact has been and continues to work closely with and where possible strengthen the SEECP. We stand ready to support the SEECP wherever this is requested on its path towards developing a more operational role, but this depends first of all on the profile SEECP wishes to develop.

When speaking about regional ownership, there is of course a certain **dilemma between the international community in many cases dictating the direction and local government taking responsibility**. In this respect, **regional ownership is a two-way street**: The countries of South Eastern Europe on the one side taking more responsibility of their own affairs while we internationals have to accept taking a step back and letting go of things - which may possibly go into a different

direction than we originally intended.

In the course of this process, donors have to let go of some of the decision-making. I consider it a very important and positive development that more and more **donor support is focused on capacity building. We need more of this kind of capacity-building to build the basis for regional ownership.** This is of course an important shift of emphasis in donor support and I am looking forward to the comments from donor partners around the table.

In all these considerations, the EU integration perspective of the countries of South Eastern Europe remains the overarching driving force. All our programmes are aimed to support this objective - much of this was clearly spelled out in the Thessaloniki Agenda. The EU and in particular the **European Commission is thus our key partner**, also when defining regional ownership in specific details. Also, large parts of CARDS are devoted to institutional capacity building and thus crucial for this process. But let me stress that **bringing together in addition to the EU all the non-EU donors** from the Canada, Japan, Norway, Switzerland and the USA is one of the key roles of the Stability Pact which we should make use of this in our exchange today.

I very much **look forward to our discussions**, because the question of enhancing regional ownership is at the heart of ensuring sustainability of the many positive processes started within the Pact. **Enhancing regional ownership is the core of making the Stability Pact's legacy sustainable.** While the need for greater regional ownership is crystal clear, **there are still many questions on how to best get there.**

I hope that our discussions here today will provide us with a good basis to move a step further and develop a concrete work plan in Prague in November on how to achieve this joint aim of ours. In view of this, **I call in particular on the countries of the region to make their voices heard today.** We need a clear assessment from the region in the run-up to the Prague Regional Table to **define where the support of the Stability Pact is still necessary.** We still have several years of hard work ahead of us - but in the vein of regional ownership, this time should be focused on those issues that are considered priorities by the region itself.

Thank you.