



**SPECIAL CO-ORDINATOR OF THE
STABILITY PACT
FOR SOUTH EASTERN EUROPE**

**Regional Table
Chairman's Conclusions
Tirana, 05 December 2003**

The Regional Table of the Stability Pact for South Eastern Europe met under the chairmanship of Special Co-ordinator Erhard Busek on 05 December in Tirana.

The year 2003 has seen progress in South Eastern Europe (SEE) including enhanced regional co-operation and further integration of the region into European and Euro-Atlantic structures. Nevertheless, the region continues to face severe economic difficulties exacerbated by high unemployment and lack of investment. Thus, ensuring sustainable economic development is vital for continued progress in SEE. Stimulating such economic growth, including attracting investment, requires improvements in the macro and micro-economic environment as well as in the overall rule of law, in particular fighting organised crime and corruption. Participants agreed that important steps have been made in this direction, but emphasised that consolidated and concerted efforts should be intensified.

The Regional Table welcomed the results of the Thessaloniki EU-Western Balkans Summit, which set a joint agenda on the way to European integration, and reiterated its willingness to ensure continued complementarity of Stability Pact activities to the Accession and the Stabilisation and Association Processes (SAP) of the EU where applicable. The Stability Pact will continue to facilitate regional cooperation in SEE in general as well as in those areas particularly called for in the Thessaloniki Agenda. It stands ready to explore, in close cooperation with the European Commission, proposals to develop more fully the regional co-operation element of the SAP.

In May 2004, five Stability Pact participants will become EU member states. This will give additional importance to these Central European countries. The Table commended the initiative of the Special Co-ordinator to increase and channel the involvement of the incoming EU members in SEE on specific elements of the Transformation Experience in order to enhance assistance to the region.

Enlargement will also significantly change the European context for the SEE countries, and in turn the environment in which the Stability Pact will operate. In

this context, the Regional Table welcomed the New European Neighbourhood policy and instruments of the European Union as a useful complementary approach for those countries not addressed by the ongoing Accession and Stabilisation and Association processes and an important tool to promote cross-border cooperation with South Eastern Europe. Considering the trans-regional implications of issues such as organised crime, the Regional Table highlighted the need for coordination with the New European Neighbourhood policy.

The Regional Table commended the public apologies expressed by the President of Serbia and Montenegro for crimes committed in Bosnia and Herzegovina and the initiative of the Presidents of Croatia and Serbia and Montenegro to apologise for past wrongs as a sign of the improving situation in South Eastern Europe and indicative of a growing acceptance that good-neighbourly relations and regional cooperation are a necessity for further development of the region.

Participants noted the recent establishment of regional offices of several Stability Pact initiatives and commended this sign of enhanced regional ownership of activities within the Stability Pact while stressing the added responsibility that comes with such ownership. The Table also commended the regional ownership expressed through the South East European Cooperation Process (SEECF), the voice of the region, and called for continued close cooperation between the Stability Pact and the SEECF.

Participants highlighted the Stability Pact's function as a framework for coordination among international actors of their support towards the region and its contribution to the transatlantic partnership with regard to South Eastern Europe. They also welcomed the continued efforts of the Special Co-ordinator to bolster cooperation with regional initiatives and organisations in and around South Eastern Europe.

The Regional Table welcomed the Annual Report on Stability Pact activities. It reviewed the conclusions from the Working Table meetings and the progress made in the Pact's activities. Participants appraised the efforts undertaken in the six core objectives and the overriding security area. It also considered how best to overcome obstacles in implementation. For each Working Table, participants highlighted the following points:

- **Working Table I (Democracy and Human Rights)** will continue to promote the democratisation process in SEE, with emphasis on protection of human and minority rights, an underlying theme of the Stability Pact overall. The role of women in decision-making and political processes on both national and local levels will continue to be supported. Decentralisation and strengthening the capacities of local authorities will be fostered in 2004. Cross-border cooperation – such as border security, visa regimes, trafficking and economic development – are cross-table issues, requiring close cooperation and coordination. This is also true for parliamentary cooperation which is growing in importance. Further development of the media environment towards European standards will continue to be a core objective. Education is a crucial component of the

development of the region, universal access to education for future generations thus being of the utmost importance.

- **Working Table II (Economic Reconstruction, Development and Cooperation)** reported the improvement that is perceived in the economic situation and the business climate in SEE. A window of opportunity has been created by the global recovery and the increase of foreign direct investment, but risks being squandered if the reform process does not accelerate. It is crucial for the future to promote more greenfield investment; also flows of foreign direct investment are spread unevenly in the region and appeared linked to the consistency of the countries in implementing reforms. To sustain the momentum, the Stability Pact must make its various instruments converge even more than in the past. More reliable energy supply, better transport connections, the promotion of entrepreneurship and start ups, support to small and medium enterprises to enhance their competitiveness, the removal of the remaining obstacles to regional trade, improved regulatory governance, development of the information society, improved employment policies, better vocational training and capacity building of the national employment agencies were all seen as crucial ingredients to secure sustainable economic growth and achieve the overarching objective of creating jobs. In this connection, the Working Table welcomed the political impetus provided by several important ministerial meetings, including the Venice Meeting on Reconstruction in the Balkans and the Ministerial Meeting, which adopted the Bucharest Declaration on Improving Employment in SEE.
- **Working Table III (Security Issues)** concluded that Stability Pact initiatives related to defence and security issues such as retraining of released personnel and defence conversion had been very successful in some SEE countries. Cooperation on a regional level should be enhanced and lessons learned made available to interested partners. A regional meeting to take stock of such progress and to identify areas for cooperation should be considered. The need for measures to cushion the social consequences of reductions of armed forces was emphasised. While important efforts in the direction have been made, parliamentary control of armed forces remain a key issue. The fight against organised crime and corruption requires a concerted effort by all partners, with an increased emphasis on practical measures. The countries of the region should take the lead in launching a joint campaign in this direction. Strengthening border management and security as promoted by the Ohrid Process, is of greatest importance in this respect. Regarding managing and stabilising of population movements the countries of SEE are moving in the direction of establishing a regional forum for dialogue on migration, asylum and refugees. The Working Table agreed that the search for sustainable solutions should take its strategic perspective from the notion of citizenship and the universal access to rights.

Based on the review of Stability Pact activities in 2003, the Regional Table agreed to continue focusing the work of the Stability Pact on six Core Objectives:

- Local Democracy and Cross Border Cooperation,
- Media,
- Trade and Investment,
- Energy and other Regional Infrastructure,
- Fighting Organised Crime and
- Managing and Stabilising Population Movements.

The Table endorsed the proposed set of Achievables for 2004 within the six Core Objectives (Annex).

Security and Defence related issues will also remain a core area of activity of the Stability Pact as agreed in the Sarajevo Summit declaration. Furthermore, participants underlined the facilitating role of the Stability Pact in enhancing parliamentary cooperation, an area of growing importance in the course of the reform processes in SEE. Moreover, the important dimension of social cohesion was highlighted – particularly regarding enhanced employment generation opportunities – as well as gender mainstreaming and deepening sub-regional cooperation.

The Table requested the Special Co-ordinator to continue to foster the integration of Kosovo into regional activities through enhanced cross border/boundary cooperation in full compliance with UNSC Res. 1244 and welcomed progress in involving Kosovo in practical Stability Pact activities, based on its inclusive regional and multilateral participation.

The Regional Table acknowledged the successful efforts of the Special Coordinator to streamline the operation of the Stability Pact as agreed by the Regional Table in Thessaloniki in December 2002. Back-to-back Working Table meetings together with the Regional Table have enhanced effectiveness and cross-table exchange.

Participants agreed that the bi-annual sessions of Regional Table and Working Tables should focus on the activities of the Working Tables during the summer sessions, assessing mid-year progress. The end-of-year sessions, on the other hand, should focus on the Regional Table, taking stock of the year and giving political guidance for future activities.

The Table noted the close, constructive cooperation between the Italian Presidency and the Stability Pact in furthering the implementation of the Thessaloniki Agenda. It welcomed Ireland's affirmation of its intention to maintain this momentum during its upcoming EU Presidency.

The Regional Table thanked all Working Table Chairs for their valuable input during the past year. Participants confirmed the appointment of Ambassador Janez Premoze as Chair of the Working Table (III) on Security Issues and thanked Ambassador Vladimir Drobnyak for his outstanding and dedicated

contribution in this capacity. Participants expressed their gratitude to the Albanian hosts for the meeting and agreed to hold the next Regional Table in June 2004 in Ljubljana.

ANNEX

Core Objectives of the Stability Pact and respective Achievables for 2004

Local Democracy and Cross-Border Cooperation

Systematic co-operation of local actors (governmental, civic, and business) across national borders to underpin regional co-operation in SEE, with a view to enhancing economic convergence, social cohesion and reconciliation, as well as local democracy and stability.

- Support, together with key partners, the decentralization and local governance reform process in SEE, including fiscal decentralization and transparency.
- Provide political support for the development and implementation of concrete local and regional cross-border activities relating to trade, economic development, cultural and social programs, and for addressing key political obstacles to cross-border cooperation, i.a. questions of non-Schengen visa and transit issues.
- Provide a forum for creating partnerships among interested donors and for information exchange with implementing partners.
- Together with the SEECF and Council of Europe, organize a ministerial meeting aiming at the adoption of a political agreement to further the development of cross-border and inter-territorial cooperation between local communities in SEE. The agreement could for example take the form of an MoU and endorse the goals of the European Outline Convention on Trans-frontier Cooperation between Territorial Communities or Authorities and its Protocols.
- Promote capacity building of local actors such as associations of local authorities, through e.g. education and training programmes, partnerships, and transfer of transformation experience from the incoming Central European EU member states, at both local and national levels of government.

Media

Enhance the position of independent media and standards of journalism in South Eastern Europe, through legislative reform, production of quality programmes and increased strength of local institutions for journalism training. Broadly composed Media Working Groups in all SEE countries ensure full involvement of local actors and coverage of regionally felt needs.

- Support local capacity building by facilitating the production of television programs on issues of social relevance to be broadcast throughout SEE;
- Adoption and implementation of reformed broadcast legislation in one remaining country;
- Amend defamation laws in two countries;
- Monitor and support implementation of relevant media legislation promoted by the SP to date.

Energy and other Regional Infrastructure

Ensure that both the countries of the region and the international community take a regional strategic approach to infrastructure development based on co-financing and

institutionalised partnerships including transport (roads, rail, air), energy and telecommunications, with a view to prioritising capital investment in order to benefit from economies of scale.

- Fostering political consensus for implementation of the expanded MoU including the gas sector and transformation of relevant parts of the MoU into a legally binding international agreement – on-going participation in Athens Forum and in particular organisation of meetings of high level advisers to prime ministers of signatory countries.
- Ensuring complementarity between the creation of a regional energy market and donor activities to foster generation and transmission of energy, as foreseen in the Regional Investment Plan of the MoU.
- Ensuring private sector interest and involvement through the organisation of industry promotion events, e.g. round tables, with participation of companies from all interested Stability Pact partners.
- Removal of bottlenecks on project implementation through the organisation, on request, of “facilitation” meetings between countries and International Financial Institutions (IFI) and donors concerned regarding particular problems and monitoring of follow-up.
- Facilitation of Private Public Partnerships (PPP) - preparation of concept paper and establishment of informal technical working group on a regional approach to improving environment for PPPs.
- Active participation in the Infrastructure Steering Group.

Trade and Investment

To foster a business climate conducive to investment, trade and employment, through the implementation of the free trade agreements (FTA) and the use of monitoring processes such as the critical time bound targets of the Investment Compact, thereby fostering capital and know-how transfer and thus the basis for sustainable economic development in South Eastern Europe

- Ensure entry into force of all FTAs and that steps are taken to ensure full conformity with MoU (review report on SP Trade Working Group action plan to be presented mid 2004)
- Further trade liberalisation through reduction and elimination of non-tariff barriers (NTB).
- Facilitate development of a free trade area in SEE including approval of SP Trade WG recommendations at 2004 Trade Ministerial Meeting, as called for in the Thessaloniki Agenda.
- On-going identification and implementation of investment oriented reforms (publication of regular progress reports)
- Intensify structured feedback from private sector to Government - ensure regular dialogue via Business Advisory Council and Foreign Investor Council meetings.
- Increase awareness of employment generation contribution of Foreign Direct Investment
- Promote business opportunities in SEE - organisation of and/or participation in appropriate promotional and institution development events.

Fighting organised crime

As highlighted at the London Conference on Organised Crime in SEE and the recent EU-Western Balkans JHA Ministerial, organised crime undermines the political and

economic development prospects of the countries of SEE. Fighting organised crime is thus essential for the development of the region and requires sound judicial systems and efficient law enforcement institutions. The activities of the SP, in particular the SPOC Secretariat, the newly established SPAI Regional Office and the Human Trafficking Task Force, are aimed at capacity building, improving the legal framework and cross-border cooperation with the focus on prevention, protection and prosecution.

- Stimulate and monitor closely the implementation of the Palermo UN Convention against Transnational Organised Crime, in particular through the creation of witness protection mechanisms.
- Continue facilitation of dialogue between the Regional Transborder Crime Fighting Center and other law enforcement agencies, particularly EUROPOL with the aim to increase formal operational exchanges on organised crime investigations. SP will continue to call upon EU member states to second advisors to the Regional Transborder Crime Fighting Center.
- Support the sharing of cross-border crime-related transformation experience from incoming Central European EU member states to the region.
- Reinforce the support to sustainable national and regional anti-trafficking policies to address trafficking in human beings, including co-operation with the UNODC within the framework of the Global Programme against Trafficking in Human Beings.
- Assist all the SEE countries in their efforts to draft and implement National Action Plans and appropriate legislation to fight corruption through, i.a. training programmes for the judiciary and law enforcement in this respect and promote co-operation with UNODC within the framework of the Global Programme Against Corruption.

Managing and stabilising population movements

Encouraged by the support received at the Thessaloniki Summit, the Migration Asylum Refugee Return Initiative (MARRI) aims to adapt the strategies to handle population movements in the region in a more comprehensive manner to make ethnic inclusion sustainable, with a perspective to rendering national action more effective in the areas of asylum, legal and illegal migration as well as border management.

- Facilitate the realisation of sustainable solutions for at least 50,000 refugees and Displaced Persons.
- Further development of a regional approach to non-discriminatory access to rights and citizenship;
- Establishment of a Regional Forum on Migration, Asylum, Visa, Border Management and refugee issues with regular meetings on political and expert level in cooperation with the European Commission and other partners.
- Gradual Transfer of MARRI support structures to the region by the end of 2004.
- Expansion of the information exchange project and extension of its scope of work in support of other MARRI activities.
- Development of a regional housing action plan and facilitation of a second high level housing conference.
- Continued support for the implementation of National Action Plans (NAP) in the areas of asylum, migration, border management and visa policies.
- Continued close coordination and complementarity of MARRI activities with the SAP.