REGIONAL INITIATIVES AND MULTILATERAL COOPERATION IN THE BALKANS
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This book is a revised and updated edition of Duško Lopandić’s „Regional Initiatives in South Eastern Europe“, published in 2001 by the European Movement in Serbia and the Institute of International Politics and Economics in Belgrade. The first edition endeavoured to provide a systematic treatment of what was at the time a comparatively unfamiliar subject: multilateral regional cooperation in the Balkans as part of the new international and European regionalism. Work began at a difficult time for Serbia, caught up in the conflicts of the 1990s and struggling under international sanctions. As it transpired, however, the book appeared at a judicious point, just as various forms of regional institutions, forums and organisations began to emerge in a greatly improved internal and international context, both for Serbia and the region. We are happy to say that our work was to a certain extent a precursor and a handy source for the many studies that have appeared in this field over the last ten years. The English translation has, moreover, proved a useful tool for diplomats abroad, for journalists, researchers, students and all those interested in multilateral cooperation in the Balkans.

It is almost ten years since the appearance of the first edition. In the interim, there have been many changes in regional cooperation while interest in the book has remained undiminished, making a new revised edition long overdue. We would point out that our aim was to add to and update the previous edition, not to write a new book. It is logical that most of the changes have been to Part Two, which lists and describes the activities of multilateral cooperation initiatives. This section has also been restructured, as some organisations and forums have long since ceased to exist, while others have taken their place. A new section has been added – Part Three, which presents various multilateral forms of cooperation, from trade to security. Part Four, which refers to the role and regional policy of the EU in South Eastern Europe has also been altered considerably.

As regional cooperation and its activities are a „never ending story“ - as projects and conferences succeed one another - we would like to point out that our presentation of meetings and activities ends at the moment when the Serbian version of the book went into editing (i.e. the end of 2010). The year 2011 has seen exceptional
activity on the part of Serbia, which simultaneously found itself chairing not less then three initiatives (SEECP, CEI, AII), or even four, if we count the upcoming chairmanship of the BSEC in early 2012.

By kindly agreeing to join in the work on the present edition, Jasminka Kronja has contributed her many years of experience in the practice and study of regional cooperation.

The authors would particularly like to thank Nataša Dragojlović who helped write the section on security and confidence building in Chapter 4 of Part 3.

Our gratitude also goes to Dr Jelica Minić and others whose comments, support or suggestions, directly or indirectly helped us in our labours.

A special debt of thanks is due to the European Movement in Serbia, particularly its Secretary-General Maja Bobić, and the Friedrich Ebert Foundation whose support enabled this book to be published in Serbian language.

*We dedicate this book to the children of the Balkans - citizens of Europe.*
Ten years after the appearance of Duško Lopandić’s invaluable study „Regional Initiatives in South Eastern Europe“, the reader can now avail of a new, expanded and even more attractive edition, produced in tandem with Jasminka Kronja, another specialist in this vast area. Together they offer a lively, intriguing and comprehensive picture of the complex process of multilateral linkage and cooperation taking place in South Eastern Europe in an ever increasing number of fields. In this already running tide of state administrations of the particular countries, business circles, universities, the media, non-government organisations, various branches of the European Union, international financial and other organisations and many European and non-European donor countries, choosing an appropriate range of subjects and analytical methods, introducing a measured historical perspective and paying due attention to those who play a dominant role in guiding these processes while judging the value of each initiative was no easy task. The last section raises important questions, to which the study gives only partial answers, but the authors provide a final diagnosis and possible scenarios for the further development of regional multilateralism in the Balkans.

How will this evolve from its present form, a series of concentric circles with the Western Balkans at its heart, surrounded by EU members Bulgaria, Greece, Romania and Slovenia, on the outer rim a large, strong Turkey and small, underdeveloped Moldova? Are we about to see a new European macro-region that will follow in the path of the Nordic Council, or a loose arrangement that will disintegrate as more candidate countries enter the EU? Will the new Strategy for the Danube Region, presently being formulated under EU auspices, give added impetus or sap the energy of dynamic multilateral cooperation in South Eastern Europe? Are we witnessing the forging of firm, longterm links, or is this a study of mere transient and ephemeral forms that have served to fill a political, social, developmental and time vacuum in the Western Balkans? The authors do not offer direct answers to these questions, but their wide-ranging analysis provides a basis on which to predicate potential outcomes.

It seems that the intervening ten-year period saw the final stages of the fragmentation of the region, and at the same time the first signs of its reintegration. In
his celebrated article on „The Yugosphere“, Tim Judah envisages the growth of the latter process, deducing it in fact from the same documentary material provided by the authors of this book. In later discussion and interviews, he compares the process of reintegration to the tide, an inexorable and unstoppable course of events. The gathering speed at which an ever increasing number of local independent mechanisms and institutions of regional cooperation are emerging, not simply in response to pressure and/or financial inducement from outside the region, helps confirm this point of view. It should be remembered that reports covering over 40 regional structures in South Eastern Europe showed the Western Balkans to be the only countries participating in almost all of them. The presence of other countries of the region is significantly less: their participation in the total number of mechanisms and organisations of multilateral cooperation is between a fifth and a half, indicating that the driving force of reintegration is in fact in the Western Balkans, however strange this may sound to some, or however politically unappetising it may appear.

Exponents of the new regionalism from Björn Hettne to Mario Telò stress the importance of the institutions. The new regionalism obviously includes voluntary jurisdictional forms of integration, implying the need for more developed and/or uniform solutions for the whole in relation to its parts. We might ask: how much do the numerous regional initiatives contribute to the general advancement and strengthening of institutions in South Eastern Europe? Or is it perhaps the strengthening of institutional capacities in the member countries that has given birth to such a plethora of multilateral institutions? One thing is certain: in both cases, the countries of the region, directly or indirectly, are meeting their obligations stemming from the process of European integration. Here the connection between regional cooperation and European integration is very visible.

Ultimately, there are specific interests behind the institutions providing the framework for some of the activities through which multilateral cooperation manifests itself. When establishing and developing regional cooperation, were interests guided only by the prospect of European integration, and some of the countries by the interests of the EU (if they were already members), or was it only authentic regional interests that were established or even recognised? It may be said that the characteristics of these interests and those who uphold them differ from one field of cooperation to another. Economic cooperation, science, culture, sport, the civil society, local communities, all have already beaten their own paths to cooperation without too much intervention on the part of the institutions – these came later. With increasing frequency, however, it is the governments that stand firmly behind key projects in the infrastructure, energy or transport. Here the European Union has stimulated and assisted the emergence of institutions of cooperation. New bod-
ies of interest are being set up directed at making multilateral cooperation sustainable in the long term. Much has been built up over the past ten years. This book describes the underlying architecture, but the structure is still fragile, susceptible to shocks and periodic breakdown, and requiring much patient work.

This book can certainly play an important part in a variety of ways: as a written and well documented chronicle of regional cooperation in South Eastern Europe; as a basis for serious professional debate, reexamination, analysis and assessment of regional cooperation; as a source for students and researchers; as a guideline when selecting suitable policies, mechanisms and areas of cooperation; and last but by no means least, as intriguing and compelling material for the curious reader, interested in the future of the Balkans. For the media, this is a source of valuable information and appraisal which will help lift the veil from this hitherto somewhat opaque subject.

Jelica Minić,
Deputy Secretary-General,
Regional Cooperation Council
PART ONE

DEVELOPMENT OF multilateral cooperation in the Balkans: a general view

“We wish to announce that our direct contacts and our cooperation in the course of the work of the conference has clearly shown that we are brotherly peoples and that we can, with mutual understanding and by peaceful means, resolve the conflicts that divide us... We call on all the Balkan nations, Albanians, Bulgarians, Greeks, Romanians, Turks, Yugoslavs, to follow our example. On us alone depends whether we are truly independent, whether we achieve high renown in the world and improve our fate... Nothing can prevent us from following the new path we have determined. Our Alliance: here is a new idea for all the nations of the Balkans.”

(From a Message to the Peoples of the Balkans from the First Balkan Conference, Delphi, 30 October 1930)
1. INTRODUCTION
MULTILATERAL COOPERATION AS A MODERN FORM OF INTERNATIONAL RELATIONS

Multilateral regional cooperation represents a general trend in the development of relations among states in the second half of the twentieth century, occurring on all continents in the wake of globalisation. Regionalisation is an older phenomenon, which at various times and in various ways reflects the nature of international relations. In recent decades, a concept known as “new regionalism” has been particularly to the fore. The idea arrived comparatively late in the Balkans, or South Eastern Europe, due to the unfortunate centrifugal forces of the 1990’s that clouded the prospects for any rapid inclusion of the region in broader European integration. This tardiness has been compensated for to a certain extent by a number of new initiatives and forms of multilateral regional cooperation in the last decade of the twentieth century, quickly developed in the first decade of the present one. The number and activity of various forms of regional and multilateral cooperation in the Balkans over the past ten years are perhaps the most interesting and encouraging phenomena to emerge after the gloomy years of conflict and separation of nations and countries.

Geographically, it is not simple to define the Balkan region, or rather South Eastern Europe as it is now more popularly called; it is even less easy to define it in the geo-

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2 “At the end of the XIX century, a big game is still underway in the Balkans, in the way in which South Eastern Europe, in the process of progressive balkanisation, is being left far behind the European integration movement” in: M. Fuše, Evropska republika (European Republic), Stubovi kulture, Belgrade, 2000, p. 92.
political sense. Such a definition depends considerably on one’s angle of vision and one’s objective. In broad geographical terms, the Balkan Peninsula encompasses an area today home to eleven states: Albania, Greece, Romania, Bulgaria, Turkey and the six countries of the former Yugoslavia – Croatia, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia and Slovenia. Socio-economic studies of the Balkans frequently omit Greece and Turkey as countries that, unlike the other nine, are not countries in transition but have been long integrated into Western European political, economic and military structures. Slovenia too is often omitted from this group as geographically not being in the Balkans, to which it belongs even less from the cultural and economic point of view. This country has already held the Presidency of the European Union. On the other hand, a new entity has emerged – Kosovo, its status unresolved but recognised by a large number of EU members and countries of the region.

Finally, besides “South Eastern Europe,” in EU geopolitical jargon the term “Western Balkans” is also in use to denote the countries of the former Yugoslavia (Montenegro, Serbia, Croatia, Bosnia and Herzegovina and Macedonia), without Slovenia but with the addition of Albania.

It has been our primary wish in this book to present the main multilateral fora for cooperation amongst the countries of the Balkans/South Eastern Europe (SEE). These are initiatives that have either evolved in South Eastern Europe, or encompass this sub-region along with other neighbouring regions such as Central Europe, the Black Sea, the Mediterranean etc. Our interest focuses on initiatives for regional cooperation representing official, inter-state and international forms of cooperation, and involving more than two countries of South Eastern Europe.

We have divided international fora and initiatives into two geographical groups. The first contains organisations and initiatives which are mainly or exclusively concerned with cooperation in the Balkans: the South East European Cooperation Process (SEECP), CEFTA 2006 (the New CEFTA), the Stability Pact for South Eastern Europe (SPSEE, which used to include older initiatives such as SECI and the Royaumont Process) and its successor, the Regional Cooperation Council (RCC).

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4 See, for example: Commission of the EU: Report – Prospects for the development of regional cooperation for the countries of the former Yugoslavia and what the Community could do to foster such cooperation, Brussels, 14 February 1996, SEC (96) 252 final, p. 6.
There are also numerous initiatives and organisations that are either geographically contiguous to the Balkans, or include it in a broader context such as: Black Sea Economic Cooperation (BSEC), the Central European Initiative (CEI), the Danube Cooperation Process (DCP), or the Adriatic-Ionian Initiative (AII). Finally, we must not forget that in addition to these complex umbrella initiatives and organisations, the wide expanse of themes and – frequently – the territory they cover (the CEI, for instance, covers almost half of Europe, not counting the Russian territories), there are numerous more narrowly-based initiatives and longterm cooperation projects. We shall endeavour to show these forms of cooperation by reviewing multilateral cooperation in the Balkans according to theme in each individual area, from trade to education and security.

Finally, European Union policy occupies a special place in promoting cooperation in the Balkans through its regional policy, part of the Stabilisation and Association Process, bringing the countries of the Western Balkans closer to the EU. The Process has both bilateral and multilateral aspects.

At the beginning of the book, we refer to the history of Balkan cooperation, wishing to point out that, despite all the differences and frequent conflicts, the Balkans is nonetheless a European region where, for over a hundred years, there have been attempts to establish multilateral cooperation amongst the countries in many domains.

The development of multilateral cooperation in the Balkans has not been a continuous process. It mirrors the same instability and impermanence that marked the history of the region in the twentieth century. Weighed down by divisions, (ideological, military), unsolved bilateral problems, border issues, conflicts over minorities and interference by the major powers, multilateral relations among the Balkan countries have not been able to advance further than the occasional short-term realisation of good intentions. Although ideas of cooperation and integration together with attempts at putting them into practice have almost always been present among the different social groups and political movements that run the gamut from civic to communist, their actualisation has been extremely sporadic. Up to the last decade of the twentieth century, the Balkan countries have only twice succeeded in achieving short-term regional organisations – the Balkan Entente in 1934, which lasted for six years, and the Balkan Alliance in 1953, which actually functioned for only two years. However, although those agreements were multilateral, they were not pan-Balkan, as some countries were reluctant or unable to join them: Bulgaria and Albania in the former case, Bulgaria, Albania and Romania in the latter.

If we exclude the specific case of Yugoslavia, into which the Yugoslav communists following World War II endeavoured to introduce some elements of the earlier
proposed Balkan (con)federation, attempts at integrating individual countries on a bilateral basis (a Yugoslav-Greek Union, a Yugoslav-Bulgarian Confederation) were sporadic and devoid of any real effect.

In the course of eighty years, from the Balkan wars to the fall of the Berlin Wall (1913-1990), these countries have succeeded only twice in gathering at official level: at the Balkan Conference (1930-1933), which was of a semi-official nature, and at the conferences of foreign ministers (1988-1990). Disputes, along with membership in opposing political, military and economic blocks, have been far more frequent than attempts to find ways of mutual, pan-European cooperation. In the inter-war period, the Balkan countries were divided by their foreign policies into one group of “revisionist” countries (that wanted changes to the borders in the Balkans) and another in favour of the status quo, which ultimately led to them taking up different sides in World War II. In the period from the end of the Second World War to the end of the bipolar era (1945-1990), the Balkan countries were even more divided: two were members of the Warsaw Pact, two joined NATO, one was non-aligned and one was neutral.

Ideas of multilateral cooperation and integration in the Balkans have usually emerged as an expression of the general international situation and as a reflection of pan-European efforts: the Balkan Conference came about on a wave of peace-making and attempts at pan-Europeanism in the 1930s; the multilateral technical meetings in the 1970s were possible thanks to the CSCE; the Conference of Foreign Ministers in 1988 was initiated on the eve of the collapse of the blocks that divided Europe. With the growth of the political and economic importance of the European Community (later the Union) as the focal point for integration in Europe, the organisation has also had a considerable influence on long-term strategy and attitudes towards the multilateral endeavours of certain Balkan countries.

Up to the 1970s, multilateral initiatives in South Eastern Europe were typically channelled first and foremost into issues such as border security, territorial integrity and defence (the Balkan Conference, Balkan Entente, Balkan Alliance). While economic and cultural cooperation were also present, they were of lesser importance and tended to be kept in the background. Minorities have been a constant source of conflict and disagreement instead of the “bridges of cooperation” they are so often proclaimed as be. Association in the Balkans, when it was not all-inclusive, was primarily seen as “association against” some other Balkan country, and not “association in favour of” any positive idea of cooperation and integration. The spirit of narrow coalitions and “association against” only gave way to “association in favour” when a policy of cooperation and integration replaced that of division and blocks throughout Europe.
This book will introduce the reader to the official institutions, the initiatives and their programmes. It does not intend to dwell on elements of Balkan identity or provide economic or social indicators. Our primary aim is to help experts in this field and the public at large to gain a closer insight into the basic facts on the official initiatives and fora for cooperation in which our country is included. In what concerns the complete reintegration of Serbia and the Serbian economy into global and European processes, cooperation at regional level is a particularly important element of its foreign policy.

We hope that this modest contribution will serve all, from students to professionals, to find their way through the tangled web of Balkan initiatives.
2. REGIONAL INITIATIVES IN THE BALKANS: INCENTIVES; OBSTACLES TO COOPERATION AND INTEGRATION

Most contemporary initiatives for multilateral cooperation in the Balkans were implicitly inspired by the experience of the European Community/Union, that is by the neo-functionalist theory of inter-state cooperation. The basic postulate of the theory is that close technical cooperation among state administrations or politicians will in the long term produce a spillover effect on the overall bilateral and multilateral climate in the region. In other words, they enable a process of rapprochement on the political and open the door to integration on the economic level. This theory, however, is so far not fully proven as far as the Balkans is concerned, and has remained somewhat controversial regarding its long term effects on European integration.

The reasons why new initiatives and forms of cooperation are required between the new and old countries of South Eastern Europe are:

- the need for rapprochement with the European Union and other European integrations; cooperation in South Eastern Europe should contribute to the “architecture” of Europe;
- the interdependence of neighbouring countries upon one another, particularly in view of relatively limited national markets, levels of economic strength, the need for the development of the infrastructure and the lack of regulation in the face of increasing social and economic issues at regional and international level;
- the need for the better use of one or more common resources and for market liberalisation;
- external pressure on the Balkan countries from the EU and other forces to establish better and more effective mutual cooperation;
- the existence of models in other sub-regions of Europe or outside it (such as the countries of Benelux, Scandinavia, the Mediterranean or the Baltic states);
- the disappearance of the SFRY and the emergence of six new sovereign suc-

5 On the evolution of the European idea, see: D. Sidjanski, Federalistička budućnost Evrope (Federalist Future of Europe), Belgrade, 1996, p. 442.


7 Itself a form of (un)successful European integration in miniature.
cessor states, in addition to centrifugal tendencies, produced a considerable vacuum and gave rise to a need for new forms of cooperation. At the same time, there are many obstacles to the process of sub-regional cooperation including:

- the lack of a tradition of multilateral cooperation;
- underdeveloped economies and limited resources (financial and human) for cooperation;
- the peripheral position of the region as compared to the European centres of integration, coupled with an overriding tendency of most countries in the region for political and economic cooperation and integration with developed Western countries (EU, EFTA, etc.);
- longstanding and unresolved regional disputes and conflicts, including disputes over borders or national minorities;
- political and economic incoherence;
- differences in national, political and economic interests.

2.1. Evolution, objectives and activities of certain regional initiatives

The first attempts at multilateral cooperation in the Balkans date back to the end of the nineteenth and the first half of the twentieth century (the Balkan Agreement, Balkan Pact, proposals for a Balkan Federation, etc.), which we shall examine in more detail in the next chapter.\(^8\) The second half of the twentieth century (the

1970s), saw the beginnings of multilateral technical and economic cooperation at expert level in the Balkans. This process culminated in the organisation of Balkan cooperation at foreign ministerial level (1988-1990), but was brought to a halt by the conflicts in the former Yugoslavia. The European Community did not at that time have a defined, coherent policy towards the region.

New initiatives were not to emerge until the end of the 1980s and in the course of the 1990s. These were linked to two processes: the first wave of proposals came between 1988 and 1992 as a direct consequence of the break-up of the Eastern Block, particularly the dissolution of the Council for Mutual Economic Assistance (Comecon), and the need for those organisations to be replaced by new forms of inter-state cooperation channelled towards integration with the European Community and free from the hegemony that had encumbered Comecon. Thus the creation of the Central European Initiative (CEI) came about in November 1989, Black Sea Economic Cooperation (BSEC) in June 1992 and the Central European Free Trade Association (CEFTA) in December 1992, as well as proposals for regional cooperation such as the Danube Working Community, the Adriatic Sea Working Community, etc. For its part, the European Community initiated a policy of relations towards the “Countries of Central and Eastern Europe,” which led to the conclusion of agreements on association, and later to negotiations on membership of those countries in the EU.

A new wave of initiatives was related to the disappearance of the former Yugoslavia, with the ending of the war in Bosnia and Herzegovina (later in Kosovo), and to the need to define a new system of relations in this area and in the Balkans as a whole. This new system of relations included mutual cooperation (the Conference of Countries of South Eastern Europe – South Eastern Europe Cooperation process (SEECOP) in 1996, the Royaumont Process in 1996, the South-East Europe Cooperation Initiative (SECI) in 1997 and the Stability Pact for South Eastern Europe in 1999). The Adriatic-Ionian Initiative, launched by Italy, was also included in this period. The European Union endeavoured to alleviate disintegration by means of a “regional approach” to the countries of South Eastern Europe (1996), which in 2000 was transformed into the “stabilisation and association process” of countries of the Western Balkans (the Federal Republic of Yugoslavia - FRY, Bosnia and Herzegovina, Croatia, Macedonia and Albania) with the European Union.

Lastly, we must point out that the most recent period of regional initiatives and organisations coincides with the consolidation of political and economic relations among the new countries of the Western Balkans, accompanied and encouraged by the enlargement of the European Union to Central and South Eastern Europe which took place in two phases: 2004 and 2007. With the entry of Romania and Bulgaria into the EU, of which Greece was already a member, the Union acquired its “Balkan aspect” which undoubtedly affects regional and multilateral cooperation in the region.

The principal objective of all these multilateral initiatives was the development of multilateral cooperation as a basis for economic progress, political and economic stabilisation and the consolidation of good neighbourly relations. They may be divided into two basic groups, in accordance with their sphere of action, one containing initiatives that provide for a very broad field of activities and development or envisage a large number of bodies and forms of cooperation, which we might call umbrella initiatives and/or organisations. These would include the CEI, BSEC, SEECP and RCC, where the CEI and SEECP provide for the political and the many economic and technical areas of cooperation, while the BSEC has so far been restricted to non-political cooperation. The other group would consist of initiatives that are considerably more limited in area and form of cooperation – thematic initiatives, such as trade in CEFTA; specialised projects in the economy or ecology; combating organised crime (the SECI Centre in Bucharest); forms of cooperation in the civil society, professional associations, etc.

The economic and technical activities of the initiatives may be quite diverse and may cover all areas that are of interest to the countries and of regional importance. Thus, in the case of the Regional Cooperation Council (RCC), CEI or BSEC, there are dozens of active work groups, each of which has its own work programme and projects: telecommunications, energy, transport, infrastructure, agriculture, civil protection, migration, the small-scale economy, statistics, training and education, science and technology, tourism, finance, environmental protection, combating trans-border and organised crime, etc.
2.2. Basic characteristics of certain initiatives

Although we shall be treating each of these initiatives in detail in the individual chapters, we will attempt here briefly to outline their main characteristics.\(^{10}\)

To a certain extent, *the Sofia Declaration* of June 1996 revived initiatives on Balkan cooperation from the late 1980s, under a new name and with different participants. First called the “Conference on Good-Neighbourly Relations, Stability, Security and Cooperation in South Eastern Europe,” later renamed the *South Eastern Europe Cooperation Process – SEECP*. Unlike the majority of other initiatives in the Balkans, this initiative represents an autochthonous endeavour on the part of the countries of South Eastern Europe themselves. Although many foreign ministers’ conferences have been held in recent decades and - significantly - a number of summits of heads or states or governments, it cannot be said that the SEECP has achieved spectacular results in vital political issues of bilateral or other relations in the region, Greece and Turkey being a case in point. Still, the very regularity of the high level meetings provided a quality of its own. The process of institutionalising the SEECP yielded no results, precisely because of the opposing views of Greece and Turkey. However, with the establishment of the Regional Cooperation Council (RCC) as the regional successor of the Stability Pact for South Eastern Europe (SPSEE), which at the same time became institutionally linked to the SEECP, a new quality emerged in regional cooperation. We will discussed this in another chapter.

There can be no doubt that the formation of the *Stability Pact for South Eastern Europe* (1999-2008) and its almost ten years of work were a particularly important factor in the history of multilateral cooperation in the Balkan region, particularly the Western Balkans. Conceived as a European Union initiative and subsuming some previous initiatives (SECI and the Royaumont Process), with the idea of post-conflict action in an economically and socially devastated former Yugoslavia, the Pact went through several phases: from high hopes, through a cooling of expectations to a more realistic phase of action, in which it contributed greatly to the blossoming of dozens of regional projects and initiatives. Supported and assisted by foreign donors, especially the EU, the Stability Pact has played a fundamental part in spreading and deepening regional cooperation and the growth of an externally induced cooperation into a very regionally administered process: the Regional Cooperation Council (from 2008). Through a few dozen areas and several dozen re-
gional projects, the Pact particularly encouraged key forms of regional cooperation such as free trade, security and confidence building, and the civil society.

In the initial years, the Regional Cooperation Council, based in Sarajevo and with a secretariat composed of representatives of the Balkan countries, endeavoured with varying success to establish itself as the legitimate and more advanced successor to the SPSEE.

The Central European Free Trade Association (CEFTA) initially represented the economic component of the Visegrád Group (created in 1991). It came about upon the suggestion, or rather insistence, of European Community countries in order to avoid free trade between the EC and countries of Central Europe having a negative effect on mutual trade amongst neighbouring countries in the region. The same idea was at the root of the forming of the “New CEFTA”, or “CEFTA 2006”, successor to the previous organisation and with the same name, but a completely different membership - the countries of the Western Balkans and Moldova – and another founding document on free trade. The New CEFTA of 2006 is, technically speaking, a far more modern contract on free trade. Unlike the previous CEFTA, it has a secretariat in Brussels.

The Central European Initiative (CEI) arose out of an Italian initiative in the early 1990s as an attempt to create a new form of cooperation between some EEC members and some of the Eastern European countries. Many projects in various fields were initiated within CEI. Its primary function was as an exercise in regional cooperation, as practice for integration into the EU. One of its comparative advantages was the active participation of two of the wealthier EU members (Italy and Austria), as well as its combination of principled ideas and proposals with the operational support of the CEI Secretariat at the European Bank for Reconstruction and Development (EBRD) in London. On the other hand, the political effects of the initiative, despite its ambitions (annual meetings of prime ministers, political declarations, political dialogue, missions abroad, the activity of the CEI Troika, etc.) remained rather limited. Today, the CEI plays the role of a bridge between the parts of Europe that are outside the EU and those within, precisely reflecting the position of its member countries.

In 2000, Italy launched another multilateral initiative with a somewhat different membership under the name of the “Adriatic-Ionian Initiative”, which has its own “mini-role” to play in certain forms of multilateral cooperation between the countries bordering the two seas.

The Black Sea Economic Cooperation (BSEC) came about mainly on the initiative of Turkey and with the cooperation of Russia, which was determined to start out upon a path of new “non-hegemonic” cooperation in its environs. Despite the
relative non-hegemony of the countries in the region, the BSEC evolved into quite large-scale and diverse institutional cooperation (summits of member countries, many work groups, a permanent secretariat, gatherings of businessmen, parliamentarians, etc.), while at the same time being careful to avoid encroaching upon purely political issues. A Charter was drawn up in 1998 whereby the BSEC became an international organisation. Although the Black Sea Bank for Trade and Development opened in Thessaloniki in 2000 as part of the broader BSEC system, while the organisation’s own activity was more project-oriented, in fact the BSEC has to a great extent represented a kind of “declarative cooperation”, while concrete results and projects have lagged considerably behind institutionalised cooperation. Multilateral cooperation, however, was not of much help in overcoming the numerous disputes dogging the situation in the Black Sea.

2.3. Organisation and functioning of individual regional initiatives

The salient characteristic of most multilateral initiatives in South Eastern Europe is their great organisational flexibility. They primarily take the form of fora and initiatives for cooperation amongst sovereign states whose institutional structures are gradually growing in strength, some of them becoming real international organisations with their own separate budgets or financial sources. Aside from “older” examples of partial or full institutionalisation like the CEI or CMES, in recent times CEFTA 2006 and the Regional Cooperation Council have been set up on a much firmer basis, with a founding document, a precise description of their responsibilities and the status of the members, and a dedicated secretariat (with budget) to support the cooperation process. Unlike the history of the development of the European Communities\textsuperscript{11}, these attempts do not have any supra-national characteristics, nor do they cherish any such ambitions.

The activity of most initiatives takes place on two levels: political, and expert or technical. The highest political level may comprise summits of heads of state or government, as is the case with the CEI, BSEC and SEECP, which are held once a year or less frequently. The regular political driving force of cooperation in most initiatives consists of the meetings of foreign ministers of the member countries (CEI, BSEC

\textsuperscript{11} A case in point was the creation of the European Community for Coal and Steel, where some of the sovereign jurisdiction of the member states was transferred to that organisation.
Regional initiatives and multilateral cooperation in the Balkans

Similarly to EU Council practice, there is the yearly or six monthly period during which one country presides, upon whose activity and interest the overall work of the initiatives depends. Besides these main bodies, there are also auxiliary bodies in the cooperation fora.

Continuity of work of the initiatives is, in certain cases of more complex organisation, reflected in the setting up of international secretariats (e.g. BSEC, CEI, RCC, CEFTA 2006) or in the introduction of the function of a coordinator (the former Royaumont process, SECI, Stability Pact for SEE), which then has technical support from the secretariat or some other more developed international organisation (these are, depending on the individual case, the OSCE, UN/ECE or EU). In cases where not even these elementary forms of structural cooperation have been set up, the only factor responsible for cooperation is the country presiding over the initiative. This is to a fair extent the case with the SEECP, where the setting up of a secretariat was discussed, but then the RCC Secretariat was functionally linked to the political bodies of the SEECP. The light structure of some initiatives may be bolstered and consolidated by external support from individual international organisations or states, the UN/ECE, OSCE and the US administration in the case of SECI, the General Secretariat of the EU Council and the EU Commission in the case of the Stability Pact, and (partly) the CEI Secretariat at the European Bank for Reconstruction and Development in the case of the CEI.

Technical level cooperation is carried out by monitoring bodies made up of high-ranking officials (the Committee of National Coordinators for the CEI, the RCC Board of National Coordinators, the Joint Committee for CEFTA, a Committee of high-level officials for BSEC, a meeting of political directors for SEECP, etc.), in other words, experts for various domains in many work/expert/project or ad hoc groups. The CEI, for example, had around 18 work groups (now somewhat fewer); BSEC had 14-17 work groups; SECI had around ten project groups; the Stability Pact over twenty task forces and projects, etc., alongside often numerous sub-groups or sub-projects. In certain cases (CEI, BSEC, SEECP) workgroup meetings are also held at the level of the relevant ministers.

Bodies capable of providing financial support to various projects and initiatives for concrete cooperation amongst South Eastern European countries are of particular importance, if they exist at all, bearing in mind that the cooperating countries have limited financial resources. That was why the BSEC members formed the Black Sea Bank for Reconstruction and Development which opened in 1999 in Thessaloniki. The CEI too has its Secretariat at the European Bank for Reconstruction and Development, whose task is to translate the projects into proposals eligible for Bank approval. The Stability Pact was partially supported by an EU programme...
(CARDS). SECI and Stability Pact projects obtain support from the World Bank and other international financial institutions (EBRD, EIB).

Besides the main objective of cooperation, the activity of multilateral initiatives is supplemented, encouraged and monitored by numerous parallel forms of contacts, cooperation and fora, such as gatherings of parliamentary representatives (the BSEC Parliamentary Assembly, CEI Parliamentary Committee, meetings of the chairmen of foreign policy committees of the national parliaments in the SEECP countries, the CEI parliamentary dimension, etc.), of economic representatives (business councils at BSEC, SECI and the Stability Pact, associations and initiatives of chambers of commerce at CEI and SEECP) or other civil society representatives (the Stability Pact, for instance, initiates meetings and exchanges of people in the media, universities, young people, etc.). Alongside the individual initiatives and usually with the support of the individual member states, an accompanying galaxy of various expert centres and institutes is also evolving, aimed at various forms of activity (e.g. the Balkan Centre for Small and Medium Enterprises at the BSEC in Bucharest, the International Centre for Black Sea Studies in Athens, the Centre for Coordination and Exchange of Statistical Data in Istanbul, the Black Sea Regional Energy Centre in Sofia, etc.)

2.4. Instruments of Cooperation within regional initiatives – forms of “soft law” of international organisations

Several types of instruments and techniques of cooperation help in the evolution of activity in regional initiatives. The main direction for cooperation is given at political level, by means of “conclusions” or “declarations.” This is the broad framework that provides a basis or platform for cooperation.

Cooperation is then given concrete form through various action plans, programmes and specific projects. The activity of multilateral fora usually takes the form of gatherings, conferences, expert seminars, workshops and other kinds of exchange of experience and activity, through which networks of personal contacts and information exchange are set up in the region. Many work groups in the Stability Pact (nowadays the RCC) sometimes act as fora for international negotiations on various issues. The work/programme/expert and similar groups responsible for cooperation in the initiatives rely to a considerable extent on the host country, which in turn is responsible for coordinating their work. This is why the results of the indi-
individual work groups directly depend on the capacities of the administration and the interest of the coordinator country in the particular projects. Efforts have recently been made to overcome this disadvantage by including coordinators or special representatives tasked with taking horizontal action to encourage and articulate the functioning of various projects.

This activity and cooperation, which could be called “primary,” is further supplemented by concrete projects, whose effectiveness is often directly linked to the provision of financial resources or bank credits for their execution. Note should be taken here of CEI practice, whereby dozens of various projects, albeit of varying importance, have been carried out in the course of time. This was made possible both thanks to the support and links existing between CEI and EBRD (in transport, for instance), and to support from other funds (national or through the EU), provided by the developed CEI members (Italy, which finances a separate fund in EBRD intended for CEI projects, and Austria).

Regional initiative projects may be limited (micro- or pilot projects) or may have broader, more important objectives such as the linkage of electricity or gas systems of member countries (BSEC, SECI), the development of pan-European corridors (CEI, BSEC), the construction of satellites, transport development plans etc. Here the European Union (or the European Commission) plays a special part, having in recent years launched several ambitious projects aimed at accelerated sectoral integration of the Balkan countries in Union projects. One example is the SEE Energy Community in which the EU takes part on an equal footing, agreements on aviation, road transport and so on.

Regional initiatives also have an impact on the development of special legal instruments, whereby the member states undertake politically or legally to cooperate on specific issues. These are usually memorandums of understanding concluded by the participants in the initiative. There are also frequent joint “declarations of intent” adopted at political level and providing the framework for cooperation to develop in individual areas. Bearing in mind the flexibility of multilateral initiatives, it is not surprising that in certain cases inter-state arrangements have been concluded. These agreements are frequently extremely flexible and, legally speaking, come somewhere between political declarations and legally binding documents. Characteristic in that respect is the CEI document called the CEI Instrument for the

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12 For example, the Memorandum of Understanding on Trade Liberalisation and Facilitation in SEE signed in 2001, the Memorandum of Understanding on the facilitation and liberalisation of international road transport concluded in SECI in April 1999; a memorandum on cooperation amongst eight BSEC countries in electricity production and supply, etc.
Protection of Minority Rights (1994), which does not represent an international convention (such as conventions of the Council of Europe), but nonetheless has specific legal weight with respect to the obligations undertaken by the signatory states.

Furthermore, in the realisation of regional initiatives (RI) we encounter a small number of agreements, binding from the point of view of international law, which also refer to very specific and narrow spheres of cooperation. One such agreement is amongst BSEC countries on “collaboration in emergency assistance and emergency response to natural and man-made disasters in the Black Sea region.” A similar arrangement was also concluded within CEI in 1994. An “agreement on combating trans-border crime” has been prepared in SECI.

Finally, but no less important for the cooperation process, there is a system for the supervision of the implementation and implementation of decisions, programmes or projects through various working bodies, the submission of periodical reports, the organisation of seminars, etc.

This, then, is the construction by degrees of an entire corpus of legal or paralegal documents, the gradual introduction of the “soft law” of multilateral cooperation in Europe, including South Eastern Europe.

In this sense, the system of regional initiatives represents a separate group of international organisations or fora, which often do not have full legal recognition or status in international law, but evolve specific forms and rules by which they run, and thus come to play their own original and unique role in inter-state cooperation.
3. HISTORICAL OVERVIEW
INITIATIVES FOR MULTILATERAL
COOPERATION IN THE BALKANS FROM
THE FIRST WORLD WAR TO THE END OF
THE BIPOLAR ERA

“We have to work for a Balkan alliance with all our might. A Balkan alliance cannot be only a Southern Slav alliance... All Balkan nations should be in that community. It is the task of future Serbian politics to work to bring about such an alliance.”

(Stojan Novaković, speech to the Serbian National Assembly, 20 December 1908)

3.1 Cooperation and integration of Balkan countries in the early 20th century

Ideas for multilateral cooperation in the Balkans did not emerge only with the Stability Pact for SEE, SECI and similar initiatives of the past two decades. Practically speaking, from the 19th century creation of independent nation states in the Balkans and liberation from the rule of the great Hapsburg and Ottoman empires, there had been various attempts to place relations among Balkan countries on a new footing in order to enable closer cooperation and integration. Among the first attempts usually mentioned are the liberation alliances formed by some Balkan coun-


The first such alliance was formed on the initiative of Prince (\textit{Knez}) Mihailo in 1866-1867 and included bilateral agreements between Serbia on the one hand, and Montenegro, Greece and Romania on the other. It also contained plans for cooperation and unification with the Slav nations (Bulgarians, Serbs, Croats) under Turkish rule (“the Serbo-Bulgarian Kingdom”) and under Austro-Hungarian rule (the Southern Slav Empire). The initiatives came to nothing, however, after the assassination of Prince Mihailo in 1867.\footnote{In the meantime there were also other attempts at rapprochement and economic integration on bilateral level, such as the draft \textit{customs union between Serbia and Bulgaria} of 1880. There was another similar attempt in 1904-1905. The Greeks launched an initiative in 1892 to create a League of Alliances of Balkan Nations. See: Č. Djordjević, “\textit{Kratak pregled Balkanskog pokreta i rada tri prve konferencije}” (“A Short Review of the Balkan Movement and the Work of the First Three Conferences”) in: \textit{Treća Balkanska konferencija} (Third Balkan Conference) published by the Yugoslav national group for the Balkan Conference, Belgrade, 1934, p. 5.}

The second Balkan Alliance was created immediately prior to the First Balkan War (1912) as preparation for war with Turkey. It contained bilateral agreements of a military-political nature between Serbia and Bulgaria, Serbia and Greece, Bulgaria and Greece, and Serbia and Montenegro.

Besides these primarily military alliances, which also contained clauses on other forms of cooperation, the greatest concrete example of the integration of Balkan nations at the beginning of the twentieth century was the formation on 1 December 1918 of the State of Serbs, Croats and Slovenes – Yugoslavia – which, under various names and with interruptions, survived until the beginning of 1992.

Other attempts at broader Balkan cooperation and integration were registered in the inter-war period. The most interesting and most significant of these was the Balkan Conference which resulted in the first multilateral agreement on the part of the Balkan countries – the Balkan Pact (Balkan Entente).

Turning to endeavours to establish multilateral Balkan cooperation from 1918 to 1991, these can be divided chronologically into three: the period between the
two world wars (the Balkan Conference and the Balkan Entente), the period of the Second World War and the cold war (the Balkan Confederation and Balkan Alliance) and thirdly, the period of détente (the Conference of Foreign Ministers of the Balkan Countries).

3.2. Attempts to establish multilateral cooperation between the two world wars (1930-1940: Balkan Conferences and the Balkan Pact)

3.2.1. History of Balkan Conferences (1930-1933)

The Balkan conferences between 1930 and 1934 were meetings of unofficial representatives of all Balkan states, aimed at the creation of a “Balkan Union (Alliance)”

The idea of a Balkan Alliance was the result of numerous initiatives launched after World War I to eliminate the threat of war and unite the European states (the League of Nations, the Briand Plan for a European federation in 1929, conventions on the definition of aggression, etc.) Thus, at the Twenty-Seventh World Peace Congress in 1929, held at the invitation of the International Bureau for Peace in Athens, it was concluded that a conference of representatives of the Balkan countries be convened


18 For more details on the Briand Plan, see: M. Vanku, “La Yougoslavie et le Plan Briand” (“Yougoslavia and the Briand Plan”), Jugoslovenska revija za medjunarodno pravo, 1992, 1, pp.19-37. It should also be pointed out that there were also proposals by social democratic parties in the Balkans “Srpski narod nema drugog izlaska do revolucije na Balkanskom poluostrvu...” (“The Serbian nation has no other solution than a revolution on the Balkan Peninsula...”) (S. Marković, Srbija na Istoku /Serbia in the East/). Thus, the First Balkan Conference of Social Democratic Parties was held as early as 1910. It was attended by delegates from Serbia, Bulgaria, Turkey, Croatia, Slovenia, Bosnia and Romania. The Conference called for an alliance of Balkan nations (a Balkan Federation), as a way to solve all the national, social, class... problems of the Balkan nations. The Federation of Balkan Communists (Bulgarians, Romanians, Yugoslavs and Greeks) functioned between the two wars until the end of the thirties. See: M. Stojković, “Développement de la cooperation multilaterale dans les Balkans,” Initiatives balkaniques, Medjunarodna politika, Belgrade, 1988, pp. 5-6.
with the objective of creating an alliance among the Balkan states. Those mainly responsible for this initiative were the Greeks, headed by former Greek Premier Papathanasiou, while a “national committee” was founded in each of the six Balkan countries (Albania, Bulgaria, Greece, Yugoslavia, Romania, Turkey). With the knowledge of their governments, the committees formed delegations for the First Balkan Conference, which included eminent politicians, intellectuals, representatives of chambers, journalists, etc., while official diplomatic representatives of the Balkan states had observer status. Although the Balkan Conference was formally unofficial in nature, the standpoints of the national groups were always in line with those of their governments.

The First Balkan Conference was held in Athens from 5 to 12 October 1930 and was attended by 99 delegates. The Yugoslav delegation, which numbered 10 members, was headed by Dr Čedomir Djordjević, and Živko Topalović, secretary of the Chamber of Workers in Belgrade, was secretary to the delegation. The Conference adopted a number of very ambitious declarations that were to represent the basis for further work on the rapprochement of the Balkan states and peoples. Resolutions were adopted on the economic rapprochement of the Balkan countries, on the foundations of the Balkan Alliance, on the political measures required to create the Alliance, intellectual rapprochement, transport and on “social and hygiene issues.” In a separate “Missive to the Nations, Governments and Press of the Balkans,” it was stated, among other things, that “the personal contact amongst us (i.e., the Conference participants) and our cooperation … has demonstrated splendidly that we are brotherly peoples and that we can resolve the disputes that divide us peacefully and by agreement…” As one of the first steps, the Conference suggested regular meetings of Balkan foreign ministers in order for them to exchange opinions on issues of common interest.

The Conference also adopted a statute establishing it as a permanent organisation, whose objective was the “rapprochement and cooperation of the Balkan na-

19 Prva Balkanska Konferencija (First Balkan Conference), a publication of the Yugoslav national group for the Balkan Conference, Belgrade, 1931, p.7.

20 In his work, Č. Djordjević mentions that a group of intellectuals in Yugoslavia had already launched an initiative for an association for the Balkan community somewhat earlier, in 1928, op.cit. p. 6


22 Ibid, p. 105

23 The texts of the resolutions were published in: Prva balkanska konferencija, loc. cit., pp.103-110.
tions... for that rapprochement ultimately to be directed towards a union of Balkan states.” Upon the model of the League of Nations, it was envisaged that the bodies of the Conference should be the Main Assembly, Council, Bureau, Secretariat and national groups.

The Second Balkan Conference was held in Constantinople (Istanbul) and Ankara from 20 to 25 October 1931. It was attended by nearly three hundred delegates, and the Conference was addressed by President Mustafa Kemal (Ataturk) of Turkey. The Yugoslav 16-member delegation was headed by former minister Vasilije Jovanović, who was to remain delegation head at forthcoming conferences. Amongst other prominent figures, it included the composer, Josip Slavenski. The Conference sat in six commissions which adopted conclusions or resolutions as provided in the statute: an organisation commission, a commission for political rapprochement, a commission for intellectual rapprochement, an economic commission, a transport commission and a commission for hygiene and social policy. Amongst the forty or so national “pro-memoria” on various subjects, of particular significance was the Greek delegation’s proposal for the formation of a Balkan Pact, which would have the objective of preventing further war amongst Balkan countries.

An Inter-Balkan Trade and Industrial Chamber, an Inter-Balkan Postal Union and a Balkan Tourist Federation were also formed at the Conference, and their statutes were adopted. A number of other proposals were also submitted for the formation of other technical cooperation bodies: an “international bureau for the protection of cereals,” an “international bureau for tobacco,” a “Balkan institute for historical research,” a “Balkan maritime commission,” a “Balkan health and hygiene commission”, an “inter-Balkan labour bureau,” etc.

It is also interesting to note that the Conference sought the abolition of visas for citizens of Balkan countries as a measure to bring the peoples of the Balkans closer together and allow them freedom of movement.

The Third Balkan Conference was held in Bucharest from 22 to 27 October 1932. The most significant result was the adoption of a draft Balkan Pact by the political commission, which, however, provoked the first major disagreement. The draft of a Convention on the Status of Citizens of Balkan Countries was also adopt-


25 The “Association of Balkan Press” had been formed in Sofia somewhat earlier, in December 1930, while Pan-Balkan Sports Games had been organized since 1929 in Athens, as well as a Balkan football cup.
ed. Amongst the various proposals for the intellectual rapprochement of the Balkan nations, it is interesting to note the proposal for a common textbook on the history of the Balkans, for the translation of works of literature, the use of radio and film in acquainting the Balkan peoples with one another, and the work of a commission of jurists to prepare a conference on adjusting existing laws in order to bring them closer to one another. A proposal was also adopted on the statute of a Balkan Physicians’ Union.

At the Third Conference, however, differences in the positions of some national delegations became evident. Differences on certain issues had in fact handicapped the Conference’s work from the outset. These hinged upon the regulation of the minority issue between “revisionist” countries dissatisfied with the borders created after the First World War (mainly Bulgaria and Albania), and the others, particularly Yugoslavia, whose delegation did not wish to present the Conference with an opportunity to broach the issue of the Bulgarian or Albanian minorities, thus leading indirectly to a revision of borders. Dissatisfied with the progress made in the resolution of the minority problems, the Bulgarian delegation initially opposed the adoption of the draft Balkan Pact, and when it was outvoted, (decisions at the Conference were passed by majority vote and not by consensus), it temporarily suspended its participation in the Conference.

The Fourth Balkan Conference was held in Thessaloniki from 4 to 11 November 1933 after several postponements. The most significant result of this Conference was the adoption of a draft Regional Economic Agreement of Balkan States. Also adopted were drafts of a Statute for a Balkan Cooperative Office and a statute for a Maritime Section at the Inter-Balkan Chamber of Trade and Industry. The text of a Convention on a Balkan Labour Office was proposed. It is particularly interesting to note that the Conference examined and adopted proposals on the development of Balkan transport infrastructures (railways, roads) with precise mention of the transport links to be given priority.

Regardless of technical progress, the Fourth Conference was burdened by the same disagreements as the previous ones. As soon as it emerged, the draft of the Balkan Pact provoked consequences that were in direct contrast to its objectives and became the apple of discord amongst the individual delegations. Both the Yugoslav and the Bulgarian delegations did their best to revise the proposal adopted in Bu-

26 For more detail, see: Treća balkanska konferencija (Third Balkan Conference) published by the Yugoslav national group for the Balkan Conference, Belgrade, 1934.
The importance of the Balkan Conference was further weakened by the conclusion of both the “Little Entente” between Yugoslavia, Romania and Czechoslovakia, and particularly by a four-member “Balkan Alliance Pact” or “Balkan Entente” between Yugoslavia, Greece, Romania and Turkey, which Bulgaria and Albania refused to sign. This confirmed the deep division amongst the Balkan countries, which was reflected in the Conference’s work. During preparations for the Fifth Balkan Conference, the Yugoslav delegation indicated that it would not participate on account of the minority issue being once again placed on the agenda. In a letter, the Yugoslav delegation proposed that political issues no longer be examined (as the Balkan Entente had been formed in the meanwhile) and that the Conference should devote itself exclusively to economic and intellectual rapprochement. For other reasons, the Turkish delegation also indicated that it would not take part in the Fifth Conference, which was then never held. Proclaiming that the creation of a “Balkan Agreement Pact” amongst Yugoslavia, Greece, Romania and Turkey represented the fulfillment of its basic objectives, the Balkan Conference thus dissolved itself ahead of time.

3.2.2. The Balkan Conferences: Main Proposals

A large number of proposals for cooperation amongst the Balkan nations in virtually all spheres of political, economic and social life were submitted at the four Balkan Conferences. Some of them retain contemporary significance. Doubtless the most important referred to the conclusion of a Balkan Pact, and to proposals for economic cooperation and integration, as well as the status of Balkan citizens.

a. Basic Principles of the Balkan Alliance and draft of the Balkan Pact

Even at the first Balkan Conference, as part of the political rapprochement of Balkan states, it was assumed that it was necessary, if a Balkan Union were to be created, first and foremost to improve political relations among individual countries and set them on a basis of mutual trust and security. The Resolution of the First Conference on the basic principals upon which the Balkan Alliance should rest states that:

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27 Četvrta balkanska konferencija (Fourth Balkan Conference), published by the Yugoslav national group for the Balkan Conference, Belgrade, 1935, particularly pp. 13-25.

28 Ibid, p. 32.
“The Alliance should take the form of a grouping of independent nations; it should not violate the sovereignty of a single member state; it should not aspire to suppress individual ethnic entities. The Alliance should consolidate peace amongst states, multiply common elements of civilisation and harmonise their forces to the benefit of all without exception, with ever greater free cooperation amongst them, ever more direct agreement and ever more systematic agreement. Finally, it should be carried out in the scope and the spirit of the League of Nations.”

The “Resolution on Political Measures for the Creation of the Balkan Alliance” suggests the conclusion of a pact with the following principles: (a) to ban war by law; (b) to resolve all disputes by peaceful means, and (c) to provide mutual assistance in the case of violation of the ban on war. A separate committee was formed to draft the Pact. In the period between the Second and Third Balkan Conferences, the committee worked on a proposal submitted by the Greek delegation. The definitive draft of the Balkan Pact was adopted at the Third Balkan Conference, despite stiff opposition from the Bulgarian delegation, which suspended its participation at the Conference forthwith.

The draft Balkan Pact had 39 articles, divided into five chapters: non-aggression – friendship; peaceful resolution of disputes; mutual assistance; protection of minorities, and general provisions. The signatory sides would undertake not to have recourse to war against another side under any circumstances and to submit to a procedure for peaceful resolution of disputes (Article 1). A procedure was envisaged for the peaceful discussion of disputes before a “Standing Reconciliatory Commission,” or before the Permanent Court of International Justice, or before selected arbitration. Of particular importance for the Yugoslav delegation was Chapter III on mutual assistance, which provided, in the case of the flagrant violation of the stipulation on non-aggression, for “each of the signatory powers to undertake to provide immediate assistance to the party against which such violation was directed” (Article 20). A procedure for the engagement of the League of Nations was also provided for.

Upon the insistence of the Bulgarian and Albanian delegations, Chapter IV on the protection of minorities was included in the Pact. It envisaged that an “Office for Minorities” should be set up in each Balkan country, to which petitions could be addressed concerning the implementation of international agreements on minorities (Article 22). The formation of an Inter-Balkan Commission for Minorities was also foreseen, to which the national offices would forward the petitions they had received, as well as their own decisions. In the case of the Commission coming to a unanimous

29 The text of the draft was published in: Treća balkanska konferencija, loc. cit., pp. 191-199.
decision on a given issue, that decision would become binding for all signatory states, while, if that were not the case, that issue would be submitted to the League of Nations Secretariat for further processing. During negotiations on the Pact, the Yugoslav delegation tried to prevent the adoption of this chapter, and, when it was outvoted, it attempted to raise the issue of a subsequent revision of the wording, pointing out that the issue of minorities came under the jurisdiction of the League of Nations.

b. Draft Economic Agreement of Balkan States

A proposal for a “regional economic agreement” was adopted at the Fourth Balkan Conference as the first stage towards the formation of a Balkan Customs Alliance. The draft has 12 articles. In Article I, the signatory states guarantee one another most favoured treatment. A Standing Commission for International Trade among the Balkan Countries was set up with the objective of promoting mutual trade (Article 10), and there was also the foundation of a Compensatory Chamber of Trade amongst Nations that would facilitate payment in commodity exchange.

Of particular interest is the second Article of the draft on “favourable treatment for inter-Balkan trade.” It provides for the member states to introduce a “Balkan clause” withdrawing most favoured treatment (following the example of the Iberian clause) in trade agreements with non-Balkan countries. The same Article also envisaged that lower customs tariffs (preferential rates for customs consignments) should be mutually approved for a specific number of products of particular interest to Balkan countries. The size of the reduction and the consignment was to be established in separate bilateral agreements (Article 3).

30 In the book Četvrta balkanska konferencija, loc. cit., Č. Djordjević gave a detailed account of the efforts exerted by the Yugoslav delegation to bring about a revision of the Bucharest draft of the Balkan Pact (pp.20-25).

31 The initial Greek proposal on the basis of which this draft was made, was called the “Preliminary agreement on a partial customs union amongst Balkan countries.” For more details on the ensuing debate and the standpoints of the individual countries on the subject of this proposal, see: A. Papanastasiou, Vers L’Union balkanique, op. cit., pp. 195-199

32 In other words, that the Balkans be treated as a “preferential zone”, that is that the mutual benefits accruing to Balkan countries should not be valid for other countries with most favoured status.

33 “The introduction of preferential customs tariffs represents the first step towards the creation of a single Balkan market” (A. Papanastasiou, op. cit. p.198). It is interesting to note that the same author divides the Balkan states into two groups: the group of “exporters” (with a surplus in trade exchange) included Romania, Turkey and Yugoslavia, while the group of “importers” included Bulgaria, Greece and Albania.
Article 7 provided for adjustment procedure in the nomenclatures of the signatory states’ customs tariffs, customs formalities, statistics, etc. Finally, Article 8 provided for the signatory states to join efforts to protect export interests vis-à-vis non-Balkan countries.

c. Draft Convention on Personal Status of Citizens of Balkan Countries

The First Balkan Conference proposed, as part of the resolution on social and hygiene issues, that the Balkan states “ensure the same treatment to citizens of other Balkan countries as they do to citizens of their own country with respect to freedom of movement, work and overall activity.” To that end, it was proposed that a separate convention be prepared, the draft of which was adopted at the Third Balkan Conference.\(^{34}\)

It was envisaged that the Convention should form a constituent part of the formation of the Balkan Alliance and that it should be implemented as part of a political-economic triptych, together with the draft of the Balkan Pact and the Economic Convention (Article 16 of the draft).

The first Article of the draft Convention provided for citizens of each party to the agreement to enter the territories of other parties without passport formalities, that is to say, free entrance. According to the Convention, Balkan citizens would be equal in all activities of an economic nature (trade, industrial, financial), like treatment being accorded to enterprises as well as the exercise of the “free professions” (with certain exceptions). National treatment was, under the condition of reciprocity, also envisaged with respect to right of inheritance and right to acquire, possess or rent movables and real estate (Article 5). The citizens were also equal with respect to legal and judiciary protection, as well as what concerned duties, taxes and dues of a fiscal nature.

Article 9 of the draft defined national membership of trade associations (constituted according to the legislation of each specific state), whereby activity in other Balkan states was permitted, according to the laws in force in that state.

d. Other proposals of Balkan Conferences

Even today, many proposals submitted at Balkan Conferences are of contemporary importance, and can be found in the same or similar form in the activities of today’s regional initiatives in the Balkans. We shall mention just some of these:

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\(^{34}\) As in the previous cases, this was the wording proposed by the Greek delegation.
gradual harmonisation of the laws of Balkan nations and the creation of an inter-Balkan commission of jurists;
regular student exchange;
teaching of Balkan languages, history and literature at universities and schools;
celebrating “Balkan weeks”;
a Balkan Press Association;
standardisation of working conditions, the treatment of women and minors;
proposal for an inter-Balkan pact on extradition and judicial assistance;
adoption of a network of priority roads and railways of international and Balkan importance;
preparation of a Balkan veterinarian convention;
preparation of a child protection charter;
public works of Balkan importance;
measures to develop tourism in the Balkans;
cooperation in air, maritime, railway and road transport.

3.2.3. Balkan Entente Pact – epilogue to the Balkan Conferences

The four-member Balkan Agreement Pact (Entente) comprising Romania, Yugoslavia, Greece and Turkey was signed in Athens on 9 February 1934. It was preceded by a series of bilateral agreements amongst these countries, concluded in the period from 1928 to 1933\(^35\), as well as the Convention on the Definition of Aggression, concluded on 4 July 1933 amongst the USSR, Czechoslovakia, Yugoslavia, Romania and Turkey.

\(^{35}\) Pact on non-aggression and arbitration between Romania and Greece of 12 March 1928;
Pact of friendship and peaceful resolution of disputes between Romania and Greece of 1929;
Pact of friendship, reconciliation and judicial negotiations between Yugoslavia and Greece of 27 March 1929;
Agreement on friendship, neutrality and arbitration between Greece and Turkey of 30 October 1930;
Pact on a cordial alliance between Greece and Turkey of 14 September 1933;
Agreement on friendship, non-aggression, arbitration and reconciliation between Romania and Turkey of 17 October 1933;
Agreement on friendship, non-aggression, judicial negotiations, arbitration and conciliation between the Kingdom of Yugoslavia and the Republic of Turkey of 27 November 1933.
Bulgaria and Albania refused to accept the territorial *status quo* in the Balkans and addressed themselves to developing closer relations with Italy and Hungary. For that reason, the “anti-revisionist” Balkan countries concluded a multilateral Balkan Agreement Pact, also called the Balkan Entente, which referred primarily to a territorial guarantee of the *status quo* and comprised only three articles. “Created upon the initiative of France, the Balkan Entente was to represent an obstacle or at least a counter-balance to the strengthening of Germany and Italy in the Balkans.”

In the first Article of the Pact, Yugoslavia, Greece, Romania and Turkey mutually guaranteed the security of their Balkan borders. In the second Article, the signatory countries undertook to consult one another on measures to be taken in case of encroachment upon their interests, as defined in the agreement. They further undertook to coordinate political action vis-à-vis other Balkan countries, including possible political commitments (for which the consent of the other signatories would be required). The third Article stated that the Agreement would be open to all Balkan countries and all applications for membership would be considered favourably.

Alongside the Pact, a supplementary Protocol containing a definition of an aggressor was also concluded, while, in November 1936, Yugoslavia, Romania and Turkey concluded a tripartite military convention. On the other hand, Greece refused to conclude a military convention, fearing it would be drawn into a conflict with a non-Balkan power.

The signing of the Balkan Pact was received with considerable disappointment in Balkan Conference circles, bearing in mind the elevated ideals proclaimed at the Conference that clashed with everyday realpolitik. It was pointed out that not all Balkan countries were included in the Agreement, and the differences were stressed between the far more comprehensive draft Pact, which had been submitted by the Balkan Conference (the principle of non-aggression, peaceful settlement of disputes, protection of minorities and mutual assistance) and its realisation, which was limited to the mere guaranteeing of the inviolability of borders.

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38 Greece was endeavouring to maintain the best possible relations with Italy, which represented a constant threat to Yugoslavia and its borders. Through an irony of history, it was Greece that Italy first attacked (in 1940), not Yugoslavia.

Modelled on the Little Entente, the Pact was completed in October 1934 with a Statute, on the basis of which a Permanent Council was formed, made up of the foreign ministers of the four countries who held regular meetings every six months. The creation of a Balkan Bank and the harmonisation of legislation were also envisaged. A Permanent Council Secretariat was also formed, with its headquarters in the country presiding over the organisation for that year. Finally, there was also an Economic Consultative Board that was to promote economic relations, trade, transport, tourism, etc.

Between 1934 and 1936, Pact members showed solidarity on international issues; following this, however, their international policies took different directions. At the meeting of the Balkan Entente in Belgrade in May 1936, it was decided that cooperation would be only political, not military. A Pact of Eternal Friendship between Yugoslavia and Bulgaria was signed in January 1937 and hailed as a victory for Bulgarian politics, although it was signed with the agreement of the other members of the Balkan Entente. In summer of 1938, an agreement on friendship and non-aggression was signed between Bulgaria and the Balkan Agreement member states. According to this, Bulgaria was granted the right to arm itself, but it undertook not to take any measures that would lead to the changing of borders by force. Although the prolongation of the validity of the Balkan Pact for another seven years was confirmed at the meeting of the Permanent Council of the Balkan Pact in Belgrade on 2 April 1940, the Agreement formally functioned until September 1940, when Romania officially withdrew its participation. Italy’s attack on Greece in October 1940 did not provoke any reaction from the other members of the already defunct Pact. “The Balkan Entente did not even succeed in preventing the consolidation of pro-fascist tendencies in individual member countries, let alone organising resistance to the nascent aggression of the fascist forces. Even before the beginning of the Second World War, the Balkan Entente had disintegrated on account of the increasing German and Italian influence on the Balkans and the ever-diminishing role of France and other Western democracies.”

42 In a legal and technical sense, it is interesting to note that, besides the Bulgarian minister, the agreement was signed for the other party by only the Greek foreign minister “in the capacity of President of the Permanent Council of the Balkan Alliance, acting on behalf of all members of the Balkan Alliance,” see: *Balkanski ugovorni odnosi*, loc. cit. vol. II, p. 416.
43 For more detail, see: M. Skakun, *op. cit.* p. 57
44 R. Petković, *op. cit.*, p. 44
3.2.4. Instead of a conclusion: the Balkan Conferences – product and victim of their time

Like many other attempts to regulate inter-state relations in Europe between the two world wars, the Balkan Conferences were an interesting mixture of idealistic enthusiasm for peace-making and realpolitik. On the one hand, the Balkan delegations, headed by the Greeks, submitted extremely daring and far-reaching proposals on the creation of a Balkan Union, on customs and monetary unification, on the Balkan Pact, on equal treatment of Balkan citizens and companies, on equality of the sexes, on cooperation and rapprochement amongst journalists, scientists, historians, on school and university student exchange, on sporting events and games, etc. Many of these proposals seem quite contemporary today. On the other hand, it very quickly became evident that the delegations of individual countries endeavoured to promote their current political interests and the international objectives of their governments first and foremost, which could not but give rise to disputes similar to those already dividing them.

One of the reasons for the problems encountered in the early stages of the Balkan Conference may have been in the way in which it worked. Decisions were passed by majority vote, not by consensus, with the result that the outvoted delegations were reduced to boycotting the work of the Conference as their sole method of defence. Besides, international circumstances were not evolving in favour of Balkan conciliation and integration, which could not have succeeded even with the best intentions of its participants. Ideas such as the League of Nations, a European federation, a ban on war, suffered a similar fate. In fact, the last Balkan Conference was held in 1933, the year that Adolph Hitler came to power and European history was set headlong on the downward slope to catastrophe, instead of peace and cooperation.

It was to take more than four decades before the Balkan countries could again regroup in order to fulfill the noble goals of multilateral cooperation and integration.
3.3. Attempts at Balkan integration in World War II and during the cold war period

3.3.1. Yugoslavia and Greece: the pro-western Balkan Union project

It is interesting to note that the most elaborate draft of integration between two Balkan countries was concluded between the royal governments of Yugoslavia and Greece in exile on 15 January 1942. The agreement came about amongst a series of similar projects initiated amongst members of the anti-fascist coalition during World War II, which, however, never saw the light of day. The Balkan Union was perceived as a “political hinge made up of Yugoslavia and Greece, around which a close political and economic community of all Balkan states would be formed”. The creation of a Balkan Union in London “suited the interests of Great Britain, which endeavoured to preserve its position on the Balkans through that alliance”.

It is stated in the preamble to the Agreement that the principle of “the Balkans for the Balkan Peoples” was one of the objectives of that unification. For that reason, Article 10 provided for “other Balkan states too” to be able to join the Agreement.

The Agreement had only 11 articles, but a significant institutional infrastructure was envisaged. The first Chapter provided for a political body which would consist of foreign ministers, and an economic-financial body of two government members in charge of financial and economic issues from each country. A permanent military body was also foreseen, with two bureaus (one for the army and air force and the other for the navy), in which the governments would be represented by the heads of staff. A joint general staff was also envisaged (Article 2). Article 8 provided for the adoption of a common defence plan and common types of weaponry, while the main objective would be “the defence of the European borders of the Union states.”

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45 For example, the project for the “unification” of Great Britain and France, the Central European Alliance between Poland and Czechoslovakia, etc.


Also envisaged were the foundation of a permanent bureau (and a secretariat) with two “sections” for political and economic-financial issues, and cooperation among the parliaments.

The second Chapter defined the tasks and spheres of jurisdiction of the Union bodies. The political body was to coordinate the international activities of the members, to prepare conventions on conciliation, arbitration, and cultural cooperation. A separate press committee was also envisaged, “aimed at the rapprochement of public opinion.” Article 7 stated that the tasks of the economic-financial body were to coordinate foreign trade and customs tariffs “with the objective of forming a customs union,” and to elaborate a “common economic plan” for the Union that would improve traffic and tourism amongst Union members. What was of particular importance was that this body was to prepare a convention on a Balkan monetary union.

Ambitiously conceived, the Agreement on a Balkan Union was never implemented. In the meantime, the war had changed the thinking of the big powers on the need for federations of smaller countries, with the result that “by 1943, the Balkan Union and the Central European Alliance had utterly ceased to exist.”

### 3.3.2. Communist project for a “Balkan (Con)federation”

During and immediately after the Second World War, the pre-war Comintern idea of a Balkan Federation was revived in communist circles, based on former social-democratic proposals. This was to be made up of countries of “the people’s democracies”, Yugoslavia, Albania, Bulgaria and Romania, and in late 1944 negotiations began between Yugoslavia and Bulgaria, in the course of which eight projects of agreement on a future federation were elaborated.

The “Agreement on Political, Military and Economic Cooperation and Brotherly Unity of the Peoples of Yugoslavia and Bulgaria” drafted by the Central Com-
mittee of the Communist Party of Yugoslavia in November 1944 envisaged a joint foreign policy for Yugoslavia and Bulgaria, the immediate establishment of a single command of the armed forces, and the abolition of passport formalities and other obstacles (including customs) that stood in the way of freedom of movement between the two countries, henceforth to be linked in the closest possible economic cooperation. There was to be no time limit to the Agreement. Supplement II on economic cooperation, in addition to freeing mutual trade of customs and other barriers, provided for the introduction of a joint customs body and joint trade agreements with third countries. It was also envisaged that joint plans be adopted for the rational use of raw materials, water resources, coal and electrical energy. The conclusion of a currency agreement was also foreseen.

One of the main problems in the way of unification was choosing the countries that would form the future federation. The Yugoslav side suggested a state with seven federal units (Bulgaria, Serbia, Bosnia and Herzegovina, Croatia, Slovenia, Montenegro and Macedonia) that would share a government, parliament and customs union. Bulgaria, however, proposed a parity relation between Yugoslavia and Bulgaria, as two federal units

Although the idea of a federation remained present in relations between the two countries up to 1948 (the Cominform conflict), it could not be brought to fruition due to opposition from Western countries (particularly Great Britain), which considered the proposal a method of expanding Soviet influence, and also because of reservations and an ambiguous attitude on the part of the USSR, or rather Stalin, towards this project.

3.3.3. Second Balkan Alliance/Balkan Pact (1953-1955) – a short-lived idea of regional cooperation

In vastly different international circumstances in the wake of World War II and the bipolar division of Europe, the second Balkan Alliance (Balkan Pact) represented a second concrete, albeit incomplete, form of multilateral cooperation. The


53 Bearing in mind that the constitutive agreements did not use the terms “Balkan Alliance” or “Balkan Pact”, this terminology is taken from the literature and commentaries of the Ankara and Bled Treaties.
participants were those of the Balkan Entente of 1934 with the exception of Romania: Yugoslavia, Turkey and Greece. It represented a form of military alliance, indirectly linking Yugoslavia, in the existing complexities of the cold war, to the NATO system. In fact, it existed for a very short time, only two years.

Within that two-year period, four treaties and agreements were concluded:

(1) The “Treaty on Friendship and Cooperation between the Federal People’s Republic of Yugoslavia, the Kingdom of Greece and the Republic of Turkey” was signed in Ankara on 28 February 1953\(^\text{54}\). Its ten articles provided for the parties to consult on a regular basis on all issues of common interest. To that end, regular meetings of foreign ministers were envisaged (Article 1)\(^\text{55}\). The parties to the Treaty were to exert efforts to preserve peace and security, including the taking of common defence measures (Article 2). The Treaty therefore provided for cooperation amongst general staffs “in order to ensure coordination of decisions in the sphere of defence”\(^\text{56}\). Article 8 stated that this Treaty did not impinge upon Greek and Turkish obligations towards NATO. Article 4 provided for cooperation in the economy, technology and culture, upon which separate agreements could be concluded and separate bodies set up\(^\text{57}\).

Article 9 of the Treaty allowed for other interested parties to join it.

(2) A supplementary agreement to the Ankara Treaty\(^\text{58}\) was concluded on 7 November 1953. It contained 12 articles and provided for the creation of a Permanent Secretariat and a technical body. The tasks of the Permanent Secretariat were: to prepare foreign ministers’ conferences, to examine questions of political, military, economic and other cooperation, to examine measures for achieving the objectives of the treaty, and to propose the convening of conferences or the establishment of

\(^{54}\) Published in: “Medjunarodni ugovori i drugi sporazumi” (“International Treaties and Other Agreements”), FPRY Official Gazette, No. 3, 1, 29 April 1953, pp. 1-3.

\(^{55}\) Ministerial conferences were held in Athens, 7-11 July 1953 and in Bled, 6-9 August 1954. The third conference in Ankara was transformed into the First Meeting of the Permanent Council (from 28 February to 2 March 1955).

\(^{56}\) Six meetings of the three general staffs were thus held in the course of 1953 and 1954.

\(^{57}\) On the basis of this Article, it was envisaged that an economic conference be convened, but this never took place. On a bilateral level, FPRY concluded with Greece an “Agreement on Economic Cooperation and Commodity Exchange” (26 February 1953) and with Turkey a “Convention on Trade and Navigation and Trade Agreement” (28 February 1953). On the cultural level, alliances or joint bodies were formed among some sporting, student and journalistic associations.

\(^{58}\) “Medjunarodni ugovori i drugi sporazumi” (“International Treaties and Other Agreements”), FPRY Official Gazette, No. 2, II, 26 March 1954.
permanent or temporary commissions (Article 2). The Permanent Secretariat consisted of a Committee (the political body) and a Permanent Bureau (the technical body). It also had sections for political, military, economic and cultural/educational issues. Decisions were passed unanimously, and the Permanent Secretariat was based in the country which hosted the regular foreign minister conferences.

It is of particular importance that the Permanent Secretariat of the Ankara Treaty had the “status of international organisation.”

(3) The “Bled Treaty on Alliance, Political Cooperation and Mutual Assistance” was signed on 9 August 1954. In relation to the Ankara Treaty (which remained in force), the Bled Treaty introduced three new factors: the raising of relations to the level of an alliance, the creation of a Permanent Council and the precise definition of the parties to the Treaty in the case of aggression (common defence). The Treaty definitively formalised military cooperation amongst the three countries in the form of a political and military-defence alliance. It was concluded to be valid over a period of 20 years. The parties to the Treaty agreed that any military aggression against one would be considered as aggression against all the others, and that all means would be used to go to the assistance of the country attacked, in accordance with the provisions of Article 51 of the UN Charter (Article 2). In order to implement the Treaty effectively, a Permanent Council made up of foreign ministers and other government members was set up and was to meet twice a year (Article 4).

(4) An Agreement on the Establishment of a Balkan Consultative Assembly was signed at the meeting of the Permanent Council in Ankara on 2 March 1955. It provided for the Assembly to examine issues concerning the consolidation of cooperation amongst the three countries in all domains. It was to comprise 60 members (20 parliamentarians from each country), elected by the national parliaments. Decisions were to be made by majority vote, but such decisions would only be adopted if a majority were reached in each of the three national delegations. That Assembly, however, never met.

“In the specific conditions in force in the Balkans in the fifties, the Balkan Pact renewed and reaffirmed the idea of Balkan cooperation, contrary to the conflict


60 “Medjunarodni ugovori i drugi sporazumi” (“International Treaties and Other Agreements”), FPRY Official Gazette, No. 6, II, 27 April 1954, pp. 1-4.


62 The first meeting of the Permanent Council was held from 28 February to 2 March 1955. Besides the conclusion of an Agreement on a Balkan Consultative Assembly, it was agreed there to found a Balkan Institute and convene an economic conference amongst the three countries.
amongst those countries in the previous period...” However, in practice the Balkan Pact was already frozen in 1955, mainly because of the Greek-Turkish conflict over Cyprus, and because of a gradual loss of interest in that alliance on the part of Yugoslavia, once its relations with the USSR and other socialist countries had returned to normal.

3.4. Reviving the idea of multilateral cooperation in the Balkans during détente

3.4.1. Multilateral meetings on technical level (1975-1987)

From the mid-fifties to the mid-seventies, multilateral cooperation among Balkan countries was at a standstill, existing only in some branches of culture or in technical matters. Here traditional tourist cooperation was particularly dynamic.

New winds began to blow through the Balkans with the progress of the détente and the conclusion of the Helsinki Charter (1975). On the initiative of the Greek Premier at the time, Konstantinos Karamanlis, a Conference of Governmental Experts for Economic and Technical Cooperation was held in Athens in February 1976. The meeting was attended by representatives of the Socialist Federal Republic of Yugoslavia (SFRY), Bulgaria, Greece, Romania and Turkey, while Albania,


64 M. Skakun, op. cit., p.190 mentions: the multilateral agreement on cooperation in the domain of tourism amongst Yugoslavia, Bulgaria, Romania, Greece and Turkey of 1971; the Balkan Conference on Plant Protection of 1966; the Balkan Medical Alliance (in existence since 1931); the Alliance of Mathematicians of the Balkans (since 1937); Meetings of Architects of the Balkans (since 1966); the Conference of Engineers of South Eastern Europe; meetings of journalists, and cooperation in the domain of sport.

65 The 21st conference of official representatives of tourist bodies of Balkan countries was held in 1988.


67 On the level of deputy planning ministers.
true to its policy of self-isolation at the time, boycotted this and following gatherings. On the basis of proposals from the delegations, a list of proposals for multilateral cooperation in economic and technical fields was drawn up, in which 162 spheres of possible cooperation were defined in: agriculture, management of water resources, trade and economic cooperation, energy production and supply, transport, communications, environmental protection and health care²⁸.

A second meeting of experts in PTT traffic and telecommunications was held in Ankara in November 1979, while a third meeting of experts in international (freight and passenger) transport was held in Sofia in June 1981. The next, fourth meeting of experts was held in Bucharest in June 1982 and was devoted to cooperation in the energy and energy raw materials. The fifth meeting of experts was held in Belgrade in June 1984 on industrial cooperation. The following (sixth) experts’ meeting was on ecological protection in the region and was held in Sofia in December 1987. That was the first gathering to be attended by Albania, and opened the path for meetings of all Balkan countries at senior political level²⁹.

### 3.4.2. Conferences of foreign ministers of the Balkan countries (1988-1990)

To a certain extent, multilateral meetings on a technical level did help to renew the tradition of cooperation in the Balkans. However, in order to raise it to a higher political level, international relations needed to improve too, particularly between the blocks and the super powers.

It was mainly thanks to the Yugoslav foreign service which prepared the First Conference of Foreign Ministers of Balkan Countries in Belgrade (24-26 February 1988), that multilateral cooperation in the Balkans was raised to the level of regular ministerial conferences³⁰. That Conference was attended by all six Balkan countries.

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²⁸ For a detailed review of proposals in the individual domains, see: M. Stojković: op. cit., pp.479-484.


The final communiqué from the Conference stressed the desire for cooperation among the Balkan countries in a spirit of mutual trust, respect and understanding, while at the same time honouring differences in political and economic systems and respecting independence, sovereignty, integrity, equality and non-interference in internal issues. There was a need to promote multilateral cooperation in all domains, whereby the improvement of bilateral cooperation between individual countries would have a positive effect on overall cooperation. Cooperation also needed to be developed in: trade, transport, local border cooperation, industry, tourism, banking, energy, science and technology, agriculture, management of water resources, telecommunications, the environment, health care, culture, sport and information.

The importance of national minorities was also emphasised as a factor of linkage and cooperation. Readiness was expressed to join in combating terrorism and drug and arms trafficking. As for the form of cooperation, it was stated that meetings of ministers of foreign affairs of Balkan countries should be held periodically as well as regular meetings of senior ministerial officials. It was also agreed to hold a number of ministerial meetings in various domains, as well as other forms of cooperation (parliamentary and academic meetings, with journalists, non-governmental organizations, etc.)

The Second Conference of Foreign Ministers of Balkan Countries was held from 24 to 25 October 1990 in Tirana. The Conference supported the further institutional consolidation: meetings of foreign ministers and meetings of trade and economy ministers would be held once a year, while meetings of high-level foreign affairs officials would be held twice a year. In addition, the possibility was envisaged of meetings of heads of state or government. A Balkan Forum was proposed, where periodic meetings would be held. There were other proposals for a Balkan Development Bank, an Institute for the Study of Balkan Economic Cooperation (in Athens), a Conference on Security and Cooperation in the Balkans and others. Two more ministerial-level meetings were envisaged in the course of 1991 (for transport in Tirana and for health care in Turkey).

The foreign ministers’ conferences were a strong incentive for the development of multilateral cooperation in a range of domains. It is mentioned that over twenty meetings at governmental level and thirteen at non-governmental level were held on various themes between 1988 and 1990. The subjects covered were: transport (Belgrade, 1988), foreign trade (Ankara, 1989), industry and technology transfer (Bucharest, 1989), energy (Tirana, 1990). Experts also met to draft a Convention on the Ecological Protection of the Balkans, as did the committee for the seismic protection of the Balkans, and representatives of the railways, trade unions, universities, automobile associations, mayors, etc. In parliamentary cooperation, a meeting was
held in Bucharest (May 1991) of the foreign affairs committees of the national par-
liaments, which came up with a number of proposals for cooperation in various do-
mains (regular parliamentary cooperation, trade, chambers of commerce, defence, communications, culture)\textsuperscript{71}.

However, this spate of cooperation among Balkan countries was halted once
again following 1991, this time on account of the grave crisis in the SFRY, which
resulted in the violent break-up of the country, an economic embargo and the inter-
national isolation of the FR Yugoslavia.

\textsuperscript{71} V. Tudor: “European Projects of Regional Cooperation in the Balkans,” \textit{Eurobalkans}, No. 145, Summer, 1994, p. 43; B.S. Popescu Nesceti: “Political and Economic Cooperation between the
PART TWO

MULTILATERAL COOPERATION INITIATIVES IN SOUTH EASTERN EUROPE

„Looking back, if one tries to show up the mistakes of statesmanship after the [first] World War, it will be recognised that the greatest was that the European as well as the American politicians mutilated instead of carried out Wilson’s clear and simple plan. His idea was to give the small nations freedom and independence, but he well knew that freedom and independence could endure only within an association of all states, large and small, in an authoritative entity.“

(Stefan Zweig, The World of Yesterday, Memoirs of a European, 1942)
This section describes some of the subregional initiatives in the Balkans and South Eastern Europe. It is our endeavour to show each initiative systematically: how it came about, the areas of cooperation, its development, organisation and structure, activities (general and current), and to give an assessment of its effects, generally and individually. Due attention has been given to the chronology of how the initiative emerged. Here we should recall the division into umbrella initiatives primarily aimed at the Balkan Region, such as the SEECP, CEFTA 2006, SP and the RCC, and initiatives and organisations with a wider geographic spread such as the BSEC, CEI, DCP and the AII. Further on, in Part Three, we give a thematic review of multilateral cooperation in various important areas and sectors.
INITIATIVES FOR THE BALKAN REGION

1. THE SOUTH EAST EUROPEAN COOPERATION PROCESS (SEECP) – An autochthonous initiative

1.1. Launching the South East European Cooperation Process

The Conference on Stability, Security and Cooperation in South East Europe (CSSC), later known as the South East European Cooperation Process, was a continuation of the ministerial conferences of the Balkan countries at the end of the 1980s. With the outbreak of the crisis in the former Yugoslavia in the early 1990s, the activities of Balkan multilateral cooperation launched at the ministerial conference in Belgrade in 1988 gradually ceased. The third conference of foreign ministers, scheduled for Sofia in 1991, was never held. In 1992, Bulgaria proposed convening an International Forum on the Balkans to revive regional cooperation. However, neither this nor Romania’s proposal for a Balkan foreign ministers’ conference to be held in mid-August 1994 to improve security and stability in the region ever came to fruition.

It was the signing of the Dayton Accords in 1995 and the de-escalation of the situation in Bosnia and Herzegovina that at last provided some of the conditions permitting the renewal of local, independent, regional cooperation in the Balkans.

72 The name was changed during Romania’s chairmanship in office of the SEECP (1999-2000), see: Luciana-Alexandra Ghica, Friendship Communities? The Politics on Regional Intergovernmental Cooperation in Central and Eastern Europe 1990-2007, Central European University, Budapest, 2007, p. 214.

under a new title: the Conference on Stability, Security and Cooperation in South East Europe (CSSC), and with a new set of participants. The initiative was originally launched in 1996, parallel to other similar attempts such as the Royaumont Process, initiated by the European Union, or the SECI initiative, instigated by the US. In contrast to these two, however, the CSSC was an independent local initiative by the Balkan countries themselves, drawing on their experience of multilateral Balkan cooperation from 1975 to 1991.

In the relatively brief interval between two grave Balkan crises: Bosnia, followed by Kosovo in 1998-1999, meetings of the foreign ministers of the countries of South Eastern Europe took place regularly: Sofia (July 1996), Thessaloniki (June 1997), Istanbul (June 1998), Bucharest (December 1999), Skopje (June 2000). The Thessaloniki meeting was particularly important, as the final Declaration approved a substantial agenda for further Balkan cooperation while preparing the ground for the first multilateral gathering of Balkan heads of state or government. It was this period that gave rise to the custom of summit meetings of the South Eastern European countries (Crete, Antalya, Bucharest, Skopje), the crowning achievement of this initiative.

As the Kosovo situation escalated and NATO launched air attacks on the then Federal Republic of Yugoslavia (FRY) from April to June of 1999, initial cooperation experienced a temporary crisis. The fourth foreign ministers’ conference, held after considerable delay in Bucharest on 2 December 1999, saw the de facto exclusion of a country which had hitherto been an equal participant – the Federal Republic of Yugoslavia – and the conference thus became hostage to the latest deterioration of the international situation in the Balkans. The FRY resumed its status as active participant in the SEECP at an informal summit in Skopje on 25 October 2000, and was returned to full membership at the formal summit, also held in Skopje, on 23 February 2001.

1.2. Participants in the South East European Cooperation Process

Throughout almost the entire twentieth century until the collapse of the Socialist Federal Republic of Yugoslavia (SFRY), there were six countries in the Balkans. Since the fall of Yugoslavia, it is not quite clear exactly how many countries there are in the Balkans or South Eastern Europe. Some of the new states are, geographically

speaking, not strictly in the Balkans, or do not wish to be for geopolitical, internal or other reasons. This does not refer only to Slovenia, which geographically, historically and culturally clearly inclines towards Central Europe, but applied for a long time also to Croatia, and even Bosnia and Herzegovina, and Romania.

This ambivalence was reflected in the countries participating in the SEECP (formerly the CSSC). The original full-fledged members at ministerial meetings and summits were: the FRY, Macedonia, Greece, Turkey, Romania, Bulgaria and Albania. Although invited, Macedonia did not attend the first ministerial meeting in Sofia because of a dispute with Greece over the name of the country\textsuperscript{75}. On the other hand, Bosnia and Herzegovina took full part in Sofia, although with certain reservations and on a level lower than ministerial\textsuperscript{76}. Later, at meetings in Thessaloniki and Istanbul and the summits in Crete and Antalya, B&H attended as an observer. However, at the informal summit in Skopje in October 2000, B&H was ranked equally with the other countries, represented by the Chairman of its collective Presidency, and it joined formally in the Charter on Good Neighbourly Relations in Skopje in February 2001. From 1997, Croatia too attended meetings of the foreign ministers and the Antalya summit only as an observer, until the foreign ministerial meeting in Bucharest on 22 October 2004, when it became a full member. The case of Moldova is interesting, as its request for membership of the SEECP was received with some hesitation by the other members, in view of the geographical condition for joining. Romania supported Moldova’s inclusion, the same meeting accorded the country observer status and it was received into the membership at the Thessaloniki summit in 2006. Following its declaration of independence, Montenegro became a full member at the summit in Zagreb in 2007. The most recent SEECP member is Slovenia, welcomed in June 2010 at Istanbul.

The final provisions of the basic document of the SEECP, the Charter on Good Neighbourly Relations, Stability, Security and Cooperation in South Eastern Europe, states that by agreement among the participating countries, the South-East European Cooperation Process is open to appropriate forms of participation by States geographically located in the area that declare their full adhesion to the present

\textsuperscript{75} One result of the unresolved dispute between Greece and Macedonia was that official SEECP documents do not mention the names of the countries, only the personal names of the participants or the names of the capital cities, while the meeting rooms are hung with the flags of the various countries.

\textsuperscript{76} The Bosnia and Herzegovina representative (Deputy Foreign Minister) said in a speech at Sofia, however, that B&H was „not interested in forming new multilateral organisations in the South Eastern Europe“, Eurobalkans, No. 22-23, Spring/Summer, 1996.
Charter. It should, however, be pointed out that the issue of new members is subject to decision by consensus, a factor of some importance in view of the ever-changing relations in the Balkans. Following Kosovo's unilateral declaration of independence, recognised by a majority of SEECP members, the question of its inclusion will arise in due course. Up to now, Kosovo has been represented by the head of the United Nations Interim Administration Mission in Kosovo (UNMIK), in the capacity of guest at ministerial conferences and summit meetings.
1.3. Key meetings of the SEECP and documents adopted

1.3.1. The 1996–2002 period.

The conferences on stability, security and cooperation in Southeast Europe envisaged as their main objective the development of relations among the Balkan countries following the cessation of hostilities in B&H. Top level CSSC meetings, and then the SEECP, adopted declarations accordingly.77

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**KEY MEETINGS OF THE SOUTH EAST EUROPEAN COOPERATION PROCESS, 1996-2010**

**PARTICIPANTS:** Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Moldova, Montenegro, Romania, Serbia, Turkey

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The foreign ministers’ **Sofia Declaration**, 6 July 1996\(^{78}\) on „good neighbourly relations, stability, security and cooperation in the Balkans“ contains very broad-based objectives for possible cooperation. The Declaration divides these areas into **four large groups**:

- political relations (enhancing good neighbourliness and confidence-building measures);
- regional economic cooperation (cross-border cooperation, the infrastructure, trade and investment, the environment);
- humanitarian cooperation and human rights, and finally:
- justice and home affairs (such as combating smuggling and terrorism, issues of visas, immigration etc.)

The **political principles for cooperation** reiterate the usual principles, as established by the UN Charter, the Helsinki Final Act and the Paris Charter for a New Europe. It is perhaps indicative of the degree of mutual trust existing between the countries that at almost every meeting thereafter and in all succeeding declarations it was necessary to refer explicitly to all ten principles of interstate cooperation laid down by the Helsinki Charter.\(^{79}\)

The foreign ministers’ **Thessaloniki Declaration** that followed on 10 June 1997\(^{80}\) - a particularly voluminous document - underlines the „European orientation of the States of the region“, as „an integral part of their political, economic and social development“. The document was divided in similar fashion to the Sofia Declaration (political cooperation, economic cooperation, the environment, humanitarian, social and cultural cooperation; justice and home affairs). It is significant that the conclusions by the chair express the general agreement that in order „to promote mutual understanding, reinforce a climate of trust and enhance cooperation“, an informal meeting of the heads of state or government should be held in Crete in November of 1997, subsequently to be hosted at the end of each year by the country chairing the initiative.

\(^{78}\) „The Sofia Declaration on Good Neighbourly Relations, Stability, Security and Cooperation in the Balkans“, 6 and 7 July 1996 in English, with speeches by the participants was published in: *Eurobalkans* No. 22-23, Spring/Summer 1996.

\(^{79}\) These are: sovereign equality; respect for the rights inherent in sovereignty; refraining from the threat or use of force; inviolability of frontiers; territorial integrity of states; peaceful settlement of disputes; non-intervention in internal affairs; respect for human rights and fundamental freedoms; equal rights and self-determination of people; cooperation among states; fulfilment in good faith of obligations under international law.

The Joint Statement\textsuperscript{81} of 3 November 1997 by the heads of state or government of the countries of South Eastern Europe \textit{meeting in Crete} confirmed the key elements of former declarations (the Helsinki principles, European orientation, areas of cooperation etc.). There were special efforts to institutionalise the objectives of cooperation-in-principle by proposing regular meetings of ministers and experts in certain areas, and an idea to form a joint secretariat was mooted. Despite the elevated level of the meeting, however, these proposals were not immediately put into effect. It should be said that there had been initiatives to institutionalise cooperation from the outset (the idea of a secretariat), but because of resistance by some countries, such as Bulgaria and Romania, they were never realised\textsuperscript{82}.

The chief importance of the Crete meeting was the fact that it had taken place at this level and that it gave the representatives of certain countries the opportunity of addressing the resolution of serious bilateral problems at the highest level and face to face, such as the Greco-Turkish dispute over the Aegean Sea and the „historic“ meeting of FRY and Albanian representatives\textsuperscript{83}. To an extent, the Crete meeting represents the culmination of the development of multilateral cooperation in the short interval between 1996 and 1999. By the following year, this process was experiencing a certain amount of crisis due to the events in Kosovo.

The Istanbul Declaration of 9 July 1998 by the ministers of foreign affairs announced work on a Charter of Good Neighbourly Relations in South Eastern Europe and the possibility of cooperation among national parliaments (in the form of a proposal). Characteristically, however, political differences arose among the participants at the conference and were reflected in the final documents. Due to a clash of viewpoints on Kosovo and opposition by the Yugoslav delegation to this being included in the conference’s final declaration, the other ministers (of Albania, Greece, Turkey, Macedonia, Bulgaria and Romania) adopted \textit{a separate „declaration“ on „the sidelines of the meeting“} in Istanbul, expressing grave concern because of the deterioration of the situation in Kosovo and proposing certain measures. At the same time, the chairman of the meeting published conclusions on the state of af-

\textsuperscript{81} Published in: \textit{Međunarodna politika}, No. 1062, 1. 11. 1997, pp. 2-3.


\textsuperscript{83} See: \textit{Naša borba}, 5 November 1997; \textit{Politika}, 5 November 1997. The meeting of Slobodan Milošević, then FRY President, and Albanian Prime Minister Fatos Nano was the first top level Yugoslav-Albanian meeting to take place since the Tito-Enver Hoxha meeting of 1947.
fairs in Kosovo, outlining the viewpoints of „the six“ and the opposing views of the Yugoslav foreign minister.\(^{84}\)

There was less contention surrounding the adoption of the *Antalya Declaration* from the second summit of the countries of South Eastern Europe on 13 October 1998, as this meeting took place following a temporary lull in hostilities in Kosovo.\(^{85}\) The Declaration\(^{86}\) confirmed the necessity of institutionalising cooperation on various levels and under various headings, which once again remained in the domain of wishful thinking. On political issues, the view was „that the SEE countries should resolve regional issues together“. The state of affairs in Kosovo, Albania and Bosnia and Herzegovina was discussed and the European perspective of the participants confirmed. In economic affairs, the finalisation of an arrangement on a Regional Centre to promote Trade in the Balkans was hailed and the need for conditions to establish a free trade zone in the region pointed out, „in line with the international obligations“ of the individual countries.\(^{87}\)

Although the Antalya Declaration announced the holding of the next summit of the countries of South Eastern Europe in Romania in 1999, this did not materialise. The meeting was postponed to the following year in view of a crisis in Balkan cooperation due to the hostilities between NATO and the FRY. The foreign ministerial meeting, scheduled for June 1999, was postponed twice and was eventually held on 2 December 1999 in Bucharest. The FRY did not attend.

Romania as chairman in office, together with Albania and with the external support of the US and EU, initiated the expulsion of the FRY. The meeting adopted a generalised joint statement by the SEECP foreign ministers and a declaration on the Stability Pact for South Eastern Europe (SPSEE).

The third meeting of heads of state or government of the South Eastern European countries in *Bucharest* on 12 February 2000 adopted the Bucharest Declaration and the *Charter on Good Neighbourly Relations, Stability, Security and*

\(^{84}\) Both these documents were published in: *The South Eastern European Yearbook*, 1997-1998, loc. cit., pp. 477-480.

\(^{85}\) The Milošević-Holbrooke Agreement on sending OSCE observers to Kosovo.

\(^{86}\) Published in: *Međunarodna politika*, No. 1073, 01. 10. 1998, pp. 8-9.

\(^{87}\) This referred to the position of Greece as a member of the EU, i.e. of a customs union, and to the position and commitments of other countries (Turkey, Bulgaria, Romania) to the EU. The FRY was a proponent of the idea to form a Balkan free trade zone.
**Cooperation in South Eastern Europe**\(^\text{88}\) - the basic document of the SEECP.

At the fourth formal meeting of heads of state or government\(^\text{89}\) in **Skopje**, February 2001, the FRY was restored to full membership of the initiative, while Bosnia and Herzegovina moved from observer status to full membership. The initiative thus counted eight sovereign countries, with Croatia as an observer. The Declaration reaffirmed the basic principles of the SEECP founding document and its commitment to full cooperation with European and Euro-Atlantic structures. The summit also adopted an **Action Plan for Regional Economic Cooperation**\(^\text{90}\), and a top-level Economic Forum was held on the eve of the meeting, attended by the ministers of trade or the economy of the countries of the region, and business people.

As already mentioned, an **informal SEECP summit was held in Skopje** on 25 October 2000 at the initiative of Macedonian President Boris Trajkovski, which discussed recent political events in the FRY and the positive implications for stability and security throughout the region.

We should add that it was during Macedonia’s chairmanship in office that the first meeting of the SEECP foreign ministers was held on the sidelines of a larger international gathering, in this instance the UN millennium summit in New York in September 2000.

The fifth summit in **Tirana** on 28 March 2002 was the first SEECP summit to be held after the terrorist attacks of 11 September 2001. The Tirana Declaration thus afforded considerable space to condemnation of all forms of terrorism while expressing readiness to increase cooperation at all levels in the struggle against terrorism and organised crime\(^\text{91}\). The political section hailed the signing of an agreement redefining relations between Serbia and Montenegro in Belgrade on 14 March 2002, expressing the belief that it would contribute to consolidating the new state union. The holding of elections and the inauguration of a parliament and other institutions of self-governance in Kosovo were also welcomed, while underlining the need for full implementation of UN Security Council Resolution 1244 (1999).

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\(^\text{88}\) For semi-official FRY comment, see: *Politika* of 28 November 1999 and 3 December 1999. Because of the non-attendance of the FRY, Greece lowered its level of participation, sending only a deputy foreign minister to the conference.

\(^\text{89}\) Information on Macedonia’s chairmanship in office at: (izbrisano JUNE) http://www.seecp.gov.mk/general_info.htm (20.06.2010).


It is interesting that those attending the summit supported the results of the Third Conference of Parliamentary Speakers in Tirana on 5 March 2002, including a proposal to establish a SEECP Parliamentary Assembly, one which, like many other initiatives of the Process, failed to materialise.92

The Declaration also notes the need to enhance the effectiveness of the SEECP and hails a draft document prepared by Albania, an Action Plan on the Institutional Enhancement of the SEECP, to be further discussed at forthcoming meetings93.

1.3.2. Chairmanship of the FR Yugoslavia/Serbia and Montenegro, April, 2002 – April, 2003.

The FRY’s chairmanship in office was marked by two crucial events at home: the transformation of the Federal Republic of Yugoslavia into the state union of Serbia and Montenegro (February 2003), and the assassination of the Serbian Prime Minister, Zoran Djindjić, in March of the same year. On a broader front, there were the preparations for the EU-Western Balkans summit in Thessaloniki, and the war in Iraq.

The FRY’s chairmanship was a breath of fresh air and a step towards infusing the actions of the SEECP with real substance94. The focus was on four specific areas of cooperation which were of interest to the entire region: 1) free trade, 2) energy and the integration of energy systems, 3) telecommunications and 4) fighting organised crime. In addition to political meetings of political directors, foreign ministers and the summit, a series of sectoral meetings was held at ministerial level.

92 The first two meetings of parliamentary speakers of the South Eastern European countries were held in Athens in 1997 and in Skopje in 2001.


SECTORAL MEETINGS UNDER SERBIA AND MONTENEGRO’S CHAIRMANSHIP

- **International conference on trade liberalisation**, Belgrade, 7-8 October 2002, attended by the regional trade ministers;
- **conference on telecommunications and development**, Belgrade, 28-29. October 2002;
- **meeting of energy ministers of the SEECP countries** on the signing of a Memorandum of Understanding on the Regional Electrical Energy Market, Athens, 15 November 2002;
- **foreign ministerial conference on visa liberalisation, preventing organised crime and human trafficking**, Belgrade, 3-4 March 2003;
- **conference on the position and role of women in parliament in the member countries of the SEECP**, Budva, 9-11 May 2003 (following expiry of chairmanship).

Also under FRY chairmanship, discussion continued on enhancing the Process, the Troika was activated, coordination with the EU and the Stability Pact for South Eastern Europe was stepped up\(^{95}\) and the practice of a report by the chairman in office was introduced.

It should be said that the FR Yugoslavia raised the question of visa liberalisation at all regional and international meetings, particularly in contacts with the institutions and member countries of the EU.

**The Belgrade summit**\(^{96}\) of 9 April 2003 was attended by the highest representatives of the countries of the Process. A precedent was created by the presence of EU Commission President, Romano Prodi, illustrating the importance attached by the EU to the region.

The Declaration set out the standpoints on the political events in the FRY, the region and the world, stressing adherence to the principles of sovereignty and territorial integrity, the inviolability of borders, implementation of the Dayton Accords and UN Security Council Resolutions 1244 and 1345, cooperation with the ICTY, and the common aspiration to join European and Euro-Atlantic structures. It also pointed out the importance of the forthcoming EU-Western Balkan summit in Thessaloniki, from which further impetus to strengthening the Stabilisation and Association Process was expected, including more financial support.

\(^{95}\) The Informal Consultative Committee – ICC - was formed in order to improve coordination. Its members were the representatives of EU institutions (the Commission, the Council and the country holding the EU Presidency), The Stability Pact for South Eastern Europe, and from April 2002, the chairmanship in office of the SEECP.

\(^{96}\) The Belgrade Declaration, Internet: http://www.mvpei.hr/see cp/docs/5_BELGRADE_DECLARATION_9_APRIL_2003.pdf (20.06.2010).
Specific conclusions were adopted and guidelines given for further cooperation in trade liberalisation and the formation of a free market in the region, telecommunications, energy, development of the transport and infrastructural systems and in combating terrorism and organised crime. The creation of the Business Advisory Council – BAC – in Skopje on 10 December 2002 was welcomed, and the Council was called upon to submit concrete proposals to the SEECP.

With regard to Albania’s proposal for further enhancement of the Process, meetings of the political directors and foreign ministers clarified certain proposals such as the reactivation of the Troika, regular meetings of the Committee of Political Directors, the strengthening of the parliamentarian dimension of the Process, coordination with the EU and the Stability Pact for South Eastern Europe through the work of the ICC. Concrete decisions to institutionalise the Process, however, were postponed until the following ministerial meeting in Sarajevo. The main bone of contention was the proposal to form a secretariat, an idea that was later to fade away due to the constant adjournment of any firm decision on this subject. The operational strengthening of the SEECP came about indirectly, through the setting up of the Regional Cooperation Council based in Sarajevo.

Moldova submitted its request for membership of the SEECP at the Belgrade summit.

1.3.3. The 2004–2010 period

_The Sarajevo Declaration_ 97 (seventh SEECP summit, 21 April 2004) sharply condemned „ethnically motivated violence“ in Kosovo, with its loss of human life and destruction of the religious and cultural heritage, „the common property of all Europeans“. The great importance of the Thessaloniki EU-Western Balkan summit in strengthening the process of integrating all countries of South Eastern Europe into the European Union was emphasised. There was praise for solidarity and cooperation in the region during preparations for the Thessaloniki summit and its aftermath, and the holding of the first meeting of the foreign ministers of the EU and the Western Balkans was welcomed (Brussels, 9 December 2003). There was support for the enlargement of NATO and the EU, and the belief was expressed that Bosnia and Herzegovina and Serbia and Montenegro would soon join the Partnership for Peace.

It was agreed to strengthen economic and trade relations between the SEECP

countries through specific new projects, as part of the Skopje Action Plan. A priority of Bosnia and Herzegovina’s chairmanship in office was the status of young people in the region and the steps to be taken to enhance it, engendering a Regional Youth Forum held from 12-14 March 2004 in Sarajevo. The first meeting of Defence Ministers of the SEECP countries was also held in Sarajevo on 15 April 2004.

The Declaration from the eighth summit in Bucharest\(^\text{98}\), held on 11 May 2005, hailed Croatia as a full member, and Moldova as an observer to the SEECP\(^\text{99}\). In addition to the usual formulations of respect for sovereignty, territorial integrity and the inviolability of borders, the principle of respect for international law and upholding dialogue as a means towards the peaceful resolution of disputes was adjoined. In regard to Kosovo, there was full support for the implementation of standards, respect for UN Security Council Resolution 1244 and for a constructive dialogue between Priština and Belgrade. It should be said that throughout Romania’s chairmanship in office, the Kosovo question was very much present as an issue of interest to the security of the entire region, and one which required the countries to take up a joint position. This question was significantly to affect bilateral and multilateral regional relations in the years that followed.

The Bucharest summit reiterated the readiness of the countries of the Process to cooperate in the areas of security and stability, to combat terrorism, organised crime, corruption and illegal trafficking in all dimensions. A Romanian initiative to organise a joint campaign and set up a consultative group to fight organised crime and corruption was supported.

The economic priorities were: stimulation of entrepreneurship and conditions that would favour a growth in employment, increased investment in the transport infrastructure and connecting the region, better trade exchange, the establishment of business links, using the Danube potential etc. Development was hailed in regional cooperation on migration, asylum and refugees (the MARRI Initiative), along with the opening of a regional MARRI centre in Skopje.

The Thessaloniki Declaration\(^\text{100}\) of 4 May 2006 dwelt on Kosovo as the most important political question of interest to the security and stability of the entire region. It emphasised the importance of implementing standards, the inviolability of

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\(^{99}\) Decided at the SEECP ministerial meeting in Bucharest, 22 October 2004.

borders, the fulfilment of the recommendations made in the report by the UN Secretary General’s Special Envoy, Ambassador Kai Eide, and on-going negotiations on the status of Kosovo. The work of the UN Secretary General’s special representative, Martti Ahtisaari, was also supported. During Greece’s chairmanship in office, there were several activities and meetings on the Kosovo question: in addition to the foreign ministerial meetings, the Troika visited Priština and Belgrade on 6 and 7 December 2005 and there was a meeting with high-ranking representatives of the Contact Group and other international bodies taking part in the negotiation process at Vouliagmeni on 5 April 2006.

Those attending the summit spoke of the European prospects of South Eastern Europe and adopted a separate document accelerating the implementation of the Thessaloniki agenda. The importance of infrastructural development, particularly integration into EU plans, and of enhancing conditions for investment and the promotion of trade in the region was underlined. The signing of a Treaty establishing an Energy Community (Athens, October 2005) was welcomed, as was the signing of an agreement on setting up a modern highspeed rail network in the region (4 May 2006) and the integration of the regional transport network into pan-European corridors.

With regard to the perennial question of institutionalising the SEECP, Greece proposed an Action Plan as its contribution to the debate on setting up a new structure of regional cooperation. This was initiated as the exit strategy of the Stability Pact for South Eastern Europe, thus merging two lines of debate on the new structure: the one within the Pact and the debate on institutionalising the SEECP, which had been present from the outset.

Moldova became a full member of the SEECP at the Thessaloniki summit.

The tenth SEECP summit in Zagreb, 11 May 2007, was a crucial step in establishing a new structure of regional cooperation in South Eastern Europe, enhancing the SEECP and moving the countries of the region further along the path towards European integration. The decisions made at the previous day’s meeting of the foreign ministers were confirmed, i.e., that Sarajevo was to be the headquarters of the Secretariat of the new Regional Cooperation Council (RCC), and Croatian candidate Hidajet Biščević was to be appointed its first Secretary General. A Protocol to


the Charter on Good Neighbourly Relations, Stability, Security and Cooperation in South Eastern Europe was also signed, amending an annex on procedural matters. The Zagreb Final Document on enhancing the SEECP and the Zagreb Declaration were also adopted, with reservations on the part of Albania, which opposed the omission of the Ahtisaari Plan in par. 27 on Kosovo. The fundamental principle that SEECP decisions should be taken by consensus was thus violated for the third time.

The Zagreb summit rounded off the eventful process of restructuring regional cooperation, with the South East European Cooperation Process providing the political framework and the Regional Cooperation Council emerging as the new operational body. Montenegro became the eleventh full member of the SEECP.

The eleventh summit of heads of state and government of the SEECP countries at Pomorje, Bulgaria, 21 May 2008, welcomed work on the transformation of the Stability Pact for South East Europe into the Regional Cooperation Council, in keeping with the idea of enhancing regional ownership.

Disagreement over Kosovo among the countries of the Process augmented under Bulgaria’s chairmanship in office. The Pomorje Declaration therefore inserted a neutral passage stating that “the delegations took note of the variety of positions among the SEECP participating countries on the Kosovo topic“. An incident arose when the UNMIK representative gave the floor to “the Foreign Minister of Kosovo“, upon which the Serbian delegation walked out. This had happened once before at a foreign ministerial meeting in Sofia on 28 February 2008, following which Serbian Foreign Affairs Minister Vuk Jeremić dispatched several protest notes to the chairman, Bulgarian Foreign Minister Ivaylo Kalfin.

The twelfth summit of heads of state and government of the SEECP countries at Chişinău on 5 June 2009 expressed concern for the global financial and economic crisis and its effect on the South Eastern European region. The meeting concluded that one response would be to enhance cooperation in the region, setting in motion major regional projects in areas such as transport and energy, inland waterways,

103 All documents available at: http://www.mvpei.hr/seeep/

104 The first violation of consensus in the SEECP was at the Bucharest summit in 2000, when the SEECP founding document was adopted in the absence of Serbia, then at the ministerial meeting in Zagreb on 2 March 2007, when the Albanian delegation did not agree to the invocation of UN SC Resolution 1244.

105 Of the eleven SEECP members, six recognised Kosovo’s independence: Albania, Croatia, Turkey, Bulgaria, Macedonia and Montenegro. Those who did not were Serbia, Bosnia and Herzegovina, Moldova, Romania and Greece.
civil aviation, the reconstruction and rehabilitation of railways, the land transport infrastructure and harbours, and the building of irrigation canals and systems. It welcomed EU assistance from the Instrument for Pre-Accession Assistance (IPA) programme in order to help the region cope with the consequences of the crisis. The section on enhancing regional cooperation within the SEECP and the Regional Cooperation Council welcomed the successful launch of the work of the RCC and called on the EU institutions to support it in its activities. In keeping with the new rules, the RCC Strategic Work Programme for 2009-2010 was endorsed.

The thirteenth SEECP summit at Istanbul, 23 June 2010, gave rise to considerable surprise when Slovenia was accepted into full membership. High-ranking Slovene representatives explained it as the interest of their country in playing an active part in a „dynamic and promising region“. This raised the membership to twelve, of which four were members of the European Union. The Istanbul Declaration reiterated the participants’ wish to foster cooperation in South Eastern Europe and to strengthen the Process as the overarching regional political forum. It emphasised the importance of the principles of „regional ownership“ and „all inclusiveness“ for the success and effectiveness of regional cooperation in keeping with the statutory documents of each regional initiative or organisation in South Eastern Europe. Because of the differing views of the member countries, the Declaration did not mention Kosovo directly, but pointed out that the consolidation of peace, safety, stability and all-inclusiveness was the greatest contribution to the prosperity of the entire region, thus implicitly referring to Kosovo’s participation in regional cooperation.

It deplored the Israeli attack in international waters on a convoy carrying humanitarian aid to the Gaza Strip on 31 May 2010, appealing for an investigation of the incident and for alleviation of the humanitarian situation in Gaza.

The Declaration noted that the Regional Cooperation Council had taken important steps to transform the shared vision of regional cooperation into concrete and targeted project cooperation in priority areas. It endorsed the RCC progress report for 2009-2010, along with its strategy and work programme for 2011-2013, and the two-year reappointment of RCC Secretary General Hido Biščević. The participants expressed satisfaction at the advance of the Western Balkan countries in progress towards their accession to the EU and commended the high-level Western Balkan-EU meeting in Sarajevo on 2 June 2010. The liberalisation of the visa regime for Serbia, Montenegro and Macedonia was applauded and hope expressed that the EU would soon extend this to Bosnia and Herzegovina and Albania.

A number of important meetings were held under Turkey’s chairmanship in office, in particular a meeting of speakers of parliament\textsuperscript{107}, which revived the initiative to found a parliamentary assembly of South East Europe, and the transport ministers’ meeting\textsuperscript{108}, which defined further directions for developing a regional transport system.

At the end of the summit it was decided that following Montenegro’s chairmanship in office (2010-2011), Serbia would then take the chair (2011-2012), to be succeeded by Macedonia.

### 1.4. Charter on Good Neighbourly Relations, Stability, Security and Cooperation in South Eastern Europe

The Charter on Good Neighbourly Relations, Stability, Security, and Cooperation in South Eastern Europe, adopted at the summit in Bucharest in 2000, is an elaborate document with a preamble, three chapters and an annex on procedural aspects. However, despite its special character, political importance and length, it can hardly be said that the Charter was a real step forward in the actual practice of cooperation. It gave concrete form to an old idea, codifying and systematising the practice and experience gained in the SEECP or other similar bodies.

In the preamble, the heads of state or government of South East Europe confirmed their commitments arising from the Helsinki Charter and other OSCE and Council of Europe documents, the objectives of good neighbourliness, stability, development and so on. Interestingly, the Charter emphasises the importance of integrating the region not only into European but Euro-Atlantic structures, i.e. NATO. The chapter on “Scope and Principles of Regional Cooperation“ points out that: „The framework of this process comprises political cooperation which includes questions of security and stability, developing economic and environmental cooperation, promotion of humanitarian, social and cultural cooperation, cooperation in the fields of justice, combat against organised crime, elimination of terrorism, illicit drugs,

\textsuperscript{107} The eighth meeting of the parliamentary speakers was held from 5-8 June in Antalya, following a two-year lull. The Declaration is available on the Internet: http://www.seecep-turkey.org/uploads/8th_SEECP_Final_Declaration_final.pdf (07.07.2010)

\textsuperscript{108} The meeting was held on 11 March in Izmir and ended with the Izmir Declaration on the Development of a New Common Vision for the Transport Sector with the SEECP, Internet: http://seecep-turkey.org/icerik.php?no=50 (07.07.2010).
arms and human trafficking. The second chapter, “Objectives and mechanisms of cooperation” comprises:

- enhancement of political and security cooperation through meetings of the heads of state and government, foreign ministers and political directors in the foreign ministries, confidence-building measures, ad hoc missions and in other ways;\(^{109}\)
- fostering economic cooperation: promoting trade, cross-border cooperation, infrastructural projects, joint regional programmes;
- enlargement of cooperation in the fields of human dimension: democracy, justice, etc.

The final provisions particularly point out that the SEECP is open to all states geographically in South Eastern Europe and declare their full adhesion to Charter, and to other countries on an ad hoc basis. The original version of the annex to the Charter entitled: “Procedural Aspects and Follow-Up Mechanisms of the South-East European Cooperation Process“, which forms part of the Charter, was amended by the signing of a Protocol in Zagreb in 2007. Let us recall that the objective of the amendment was to define the relationship between the SEECP and the Regional Cooperation Council. The new wording confirms and details the already well-oiled mechanism of cooperation: yearly summits, foreign ministerial meetings (the main forum for exchange of opinions and directing cooperation), the Committee of Political Directors, the SEECP Troika (composed of the past, current and future chairmen in office at ministerial and political director level), sectoral ministerial meetings, expert and working groups. All SEECP decisions are to be taken by consensus, which is understood to be the absence of objection. Special guests representing countries outside the region, international organisations or regional initiatives may attend annual meetings. Invitations will be sent by the chairman in office by agreement among the participating countries, and observers and special guests may address the meeting following prior consultation with the countries.

The relationship between the SEECP and the RCC is defined in the following provisions:

- the RCC provides the SEECP with operational capabilities as well as with a forum for the continued involvement of the members of the international donor community engaged in the region, (the Secretariat and working groups);
- the RCC Secretary General presents annual reports and programmes to the SEECP summit, and attends SEECP meetings at all levels;

\(^{109}\) This section supports relatively new forms of military cooperation in the Balkans, such as the South-East European Defence Ministerial Framework – SEEDM, and the Multinational Peace Force – South Eastern Europe.
the RCC annual meeting is held back-to-back with the SEECP summit. The annual meeting is co-chaired by the Secretary General of the RCC and the Foreign Minister of the SEECP Chairmanship in Office (CiO).

- The SEECP participating states are members of the RCC and its Board and are represented by National Coordinators.
- The SEECP member countries take active part in the procedure of electing and dismissing the Secretary General, who is appointed by the SEECP foreign ministers and approved by the summit;
- any change in priorities of regional cooperation shall take place by joint procedure of the RCC and the SEECP.

1.5. Assessment of the South East European Cooperation Process

The South East European Cooperation Process is the oldest and the only purely autochthonous regional initiative in the Balkans, and draws on processes initiated in the mid-1970s. As such, the Conference on Stability, Security and Cooperation in South East Europe and the SEECP summits have yielded certain results. In the first place, they were held at the level of heads of state or government of the Balkan countries, or of the foreign ministers, something which would have been unfeasible prior to the emergence of the Process. In principle, this provided an opportunity to improve the general climate in the region, particularly in view of the collapse of the Eastern Bloc, transition, the violent break-up of the Socialist Federal Republic of Yugoslavia (SFRY), the ensuing wars and the general economic crisis in the region. The meetings also had a positive effect on public opinion in the SEECP countries.

Key meetings and the Charter on Cooperation envisaged multilateral cooperation in all leading areas between the states, along lines which matched modern trends in European cooperation and integration, such as politics, economics, culture and ecology. However, for a long time these objectives remained generalised and abstract, given the absence of political will (and probably resources, notably financial) to carry out even quite clear-cut decisions, such as meetings of the ministers responsible for a certain portfolio etc. In time, meetings of a more targeted and focused nature began to be held, a process which picked up speed under FRY chairmanship, the point being to stimulate regional cooperation in certain areas. Admittedly, this greatly depended on the country currently in the chair.
The SEECP was moreover struggling with a number of difficulties which prevented it from translating its stated intentions, announced at the highest political level, into concrete action, projects, programmes or forms of cooperation. As for the participants, bilateral problems between some of the countries appeared as a restricting factor which hampered the work of meetings, as, for instance, relations between Turkey and Greece, Greece and Macedonia, Serbia and its neighbours who recognised Kosovo’s independence etc. A particular problem at one period was the *de facto* suspension of the FRY from the SEECP, which endangered the entire process. Later, the question of Kosovo’s participation and representation arose.

The disparity between the elevated character of the meetings, the range of areas envisaged for cooperation and the paucity of actual results became painfully obvious. The underlying reason lay in the fact that the South East European Cooperation Process had not progressed very far along the path of its own institutionalisation and was working via a system of *ad hoc* conferences without any precise rules of operation, a political and/or administrative secretariat, or any working or implementing bodies. As the experience of international organisations has shown, particularly the achievements of the European Union, objectives and proposals contained in declarations and decisions made at meetings cannot become reality if no method has been defined to put them into effect, if there are no recognised bodies to carry them out, or deadlines by which these objectives must be achieved. One likely reason for this is the fact that most of the participating countries were involved in other, similar, parallel, regional or European initiatives, such as EU programmes, Black Sea Economic Cooperation, the Central European Initiative, the Southeast European Cooperation Initiative (SECI) and others. This distracted attention in various directions, while like projects in the SEECP may have been considered as competition and treated as a waste of resources, both human and financial.

An important new process to emerge in recent years is the convergence or perhaps even future integration of the SEECP and the Regional Cooperation Council. The founding of the Regional Cooperation Council should contribute to overcoming the discrepancy between summit-level political decisions and their implementation. In a certain sense, the RCC has provided the Cooperation Process with an operating arm that is both tangible and pragmatic. Through the SEECP, the RCC can also become more politically visible, capable of fleshing out the practical aspects of cooperation with existing cooperation at a high political level. There is, therefore, plenty of room for complementary activity by the SEECP as an authentically rooted, highly visible political forum on the one hand, and the Regional Cooperation Council on the other as the operating mechanism, with its more developed support from international financial institutions and other potential donors. However, there is a
great difference in the way in which both bodies operate. The RCC has not yet become a real secretariat to the SEEC, although its evolution in that direction might reasonably be expected.

In the near future, the South East European Cooperation Process and the Regional Cooperation Council should give concrete form to their continued cohesion, and work together in order to make the principles of cooperation they proclaim a reality.
2. STABILITY PACT FOR SOUTH EASTERN EUROPE
- origin, development and end of an initiative -

2.1. Reasons for and origins of the Stability Pact for South Eastern Europe

The Stability Pact for South Eastern Europe\(^{110}\) (SPSEE) may be considered the third generation of various attempts to stimulate cooperation in the Balkans and place this unstable region on the road to joining Europe by means of certain regional initiatives and forums. The first generation were the initiatives that emerged on the eve of the collapse of the Eastern Bloc and immediately after (1989-1991), such as the Central European Initiative or Black Sea Economic Cooperation. Attempts connected to the disintegration of the SFRY and at solving the crisis in the former Yugoslavia represent the second generation: the South East European Cooperation Process launched in Sofia in 1996, the Royaumont Process initiated by the EU, and the Southeast European Cooperation Initiative (SECI), an initiative for which the US provided the motivation. All these attempts, however, offered only limited proposals and partial solutions which did not substantially affect the political and economic situation in the region, nor inhibit the outbreak of fresh crises, such as those in Kosovo in 1998-1999. The SPSEE is interesting because it is one of the rare initiatives in South Eastern Europe to have done away with itself after a dynamic development. This was not because it failed. On the contrary, it was the outcome of the good results it had achieved and the desire of the donor countries to limit the existence of a forum which had from its inception been envisaged as temporary. To an extent, the SPSEE shared the fate of several earlier initiatives from outside the region, such as SECI and the Royaumont Process, which were provisional (the latter two were in fact tacitly merged into the SPSEE). Apart from that, the discontinuation of the SPSEE was accompanied by the setting up of another regional initiative, the Regional Cooperation Council (RCC), also a rare phenomenon of which more will be said in the section that follows.

It should be recalled that the Stability Pact is not a recipe prepared by European diplomats strictly for the Balkan countries. The first Stability Pact, intended for the countries of Eastern and Central Europe, was proposed in 1993. The main mover of the idea was former French Premier Edouard Balladur who, struck by the EU’s power-

\(^{110}\) Stability Pact for South Eastern Europe: http://www.stabilitypact.org/
lessness to stop the war in the former Yugoslavia, in April 1993 proposed the endorsement of a pan-European document and a number of bilateral treaties to avoid similar conflicts in the future. The European Union accepted the idea as part of its common foreign and security policy and linked it to conditions for its own eastward expansion. The Pact’s inaugural conference was held in Paris on 26 and 27 May 1994. The meeting envisaged the negotiations within the Pact as taking place through two regional round tables. The first of these covered the Baltic states, Latvia, Estonia and Lithuania, and all other countries with an interest in the region, Russia above all. The second round table included the rest of the Central and East European countries: the Czech Republic, Poland, Hungary, Slovakia, Romania and Bulgaria. The South East European region was not included at all at this point, because of the ongoing war in the former Yugoslavia. Following a year of talks, the Stability Pact was declared at a new Paris Conference (20-21 March 1995), and the entire diplomatic process was for the most part completed. The Pact consisted of three parts: a declaration, a list of bilateral treaties concluded between the participating countries and an arrangement on good neighbourly cooperation, accompanied by projects for consolidating good neighbourly relations. However, despite certain positive effects, such as pressure from the EU leading to the settling of relations between Hungary and Romania and Hungary and Slovakia in compliance with international law, the Pact did not seriously affect the general situation or the character of bilateral relations among certain Central and East European countries and cannot be compared with the new 1999 initiative for South Eastern Europe.

The idea of the Stability Pact came to life in a different form at the height of the NATO bombing of Serbia. In May 1999, the Foreign Minister of FR Germany, Joschka Fischer, launched a post-conflict initiative for a Stability Pact for South Eastern Europe, supported by the Council of the European Union and designed to overcome the state of perennial instability and spasmodic local conflict existing in the Balkans. Of particular importance in this initiative is the fact that the EU Council emphasised „the prospect of the full integration of those countries into EU structures with the aim of membership in the EU“.

2.2. Main phases in development of the Stability Pact for South Eastern Europe

Broadly speaking, the SPSEE may be considered an instrument of the European Union and other supporting countries such as the US to stabilise the regional situation in South Eastern Europe through various cooperation projects which were
not defined in advance. Ways and means of cooperation, links to the EU and other international players, the extent of financial aid and many other elements of the SPSEE were decided as it went along, in the light of previous experience and actual needs. Over the ten years of its work (1999-2008), the Pact passed through three main phases:

- the build-up phase (1999-2001),
- readjustment and consolidation (2002-2005),

The inertia inherent in international relations, particularly in international institutions, leads to the persistence of various bodies once they have been created, even when their usefulness or particular contribution to fostering relations are not immediately apparent. In the case of the SPSEE, however, there was a definite transformation, and from 2008, it was replaced by another South East European forum: the Regional Cooperation Council. In view of the importance and effects of the SPSEE, however, we consider it useful to present here the basic facts and the results it achieved in the almost ten years of its existence.

2.3. Founding document of the Stability Pact for South Eastern Europe

The Declaration on the Stability Pact for South Eastern Europe was adopted at a ministerial meeting in Cologne on 10 June 1999. In order to attach maximum political clout to the initiative, the participating countries gathered shortly after for a summit meeting at Sarajevo on 30 July 1999.

The founding document of the Stability Pact for South Eastern Europe (Cologne) consists of eight sections and an annex: (1) Participants, Description of Situation; (2) Principles and Norms; (3) Objectives; (4) Mechanisms of the Stability Pact; (5) Roles of and Cooperation between Participants; (6) Regional Initiatives and Organisations; (7) International Donor Mobilisation and Coordination Process; (8)


112 The founding documents of the Pact are available at: http://www.stabilitypact.org/include/sub-cat5_1.asp
Implementation and Review Mechanisms. The Stability Pact for South Eastern Europe had much broader aims and a broader range of fields (politics, the economy, security) than had been the case with the Balladur initiative. The Pact’s objectives were longterm stability, security, democratisation and the economic renewal and development of the region. The participants undertook to cooperate in an effort to reduce tension, enhance democratic processes, develop good neighbourliness, preserve multi-ethnic societies, promote market economies, combat organised crime, prevent illegal migration, encourage the return of refugees and integrate the countries of the Pact into European structures. To this end, as part of the OSCE process, a Regional Table for South Eastern Europe was formed, and three working tables. The participants in the Pact were envisaged as being all the countries of the former Yugoslavia, neighbours of the former SFRY, the EU countries, the USA, Russia, Canada, Japan – 28 countries (without the FRY) and 16 international organisations.

The Declaration from the Sarajevo summit (30 July 1999), attended by statesmen from Western countries too, affirmed the common objective to build a Europe that would be undivided, democratic and at peace. Regional cooperation was to „serve as a catalyst to the aspirations of the countries in the region to integrate themselves into broader structures“ (paragraph 6).\footnote{See: Sarajevo, Summit Declaration, Internet: http://www.stabilitypact.org/constituent/990730-sarajevo.asp}

2.4. Participants and organisation of the SPSEE

In formal terms, the Stability Pact for South Eastern Europe came under the OSCE. Decision no. 306 of the 237th annual meeting of the OSCE Permanent Council of 1 July 1999 placed the Pact under OSCE auspices\footnote{For the decision, see the official OSCE site: http://www.osce.org/pc/28786}, which meant the utilisation of OSCE bodies and instruments in the activity of the Regional Table for South Eastern Europe and the working tables.

The participants in the Pact were divided into three groups:
- participant countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Hungary, Romania, Slovenia, Turkey; this group was further broken down into beneficiaries of the Pact, i.e., countries who could anticipate financial assistance from Pact projects, and the rest (Hungary, Slovenia and Turkey). Full and equal participation by the FRY was postponed until the conditions for a solution
to the Kosovo crisis were met, and „respect ... for the principles and objectives of this Pact“ achieved. When democratic forces came to power in Belgrade in October 2000, the FRY became a full participant in the SPSEE, and when Montenegro left the FRY, it in turn became, like Serbia, a full participant.

- facilitating countries: members of the EU, the US, Russia, Canada, Japan. At the second SPSEE Regional Table meeting in Thessaloniki on 8 June 2000, the decision was made to include Canada, Japan, Switzerland and Norway in the Pact115.

- others: international organisations such as the UN, NATO, OECD, Council of Europe, OSCE, WEU; international financial institutions: the World Bank, IBRD, IMF, EIB, EBRD; regional initiatives such as SECI, BSEC, the Royaumont process,116 CEI, and the South East European Cooperation Process.

Interestingly enough, the Kosovo area has become gradually included in SPSEE activities through the participation of UNMIK, the UN Mission in Kosovo. As Erhard Busek, for many years the Pact’s high representative and special coordinator said, Kosovo’s participation in the form of UNMIK was possible because of the peculiar character of the SPSEE, which was not an international organisation, but a temporary forum.

Busek gave particular importance to this participation in view of the fact that, as he said, it was the conflict over Kosovo that was the real reason for the emergence of the Pact117.

The SPSEE worked in the form of a Regional Table for South Eastern Europe, which laid down guidelines while also acting in a supervisory capacity118. There were in addition working tables that discussed questions of multilateral interest in order to come to arrangements and agreements for solving disputes and eliminating problems; projects were identified which would facilitate the concluding of agreements, and development was initiated in certain fields. Three working tables dealt with:

(1) **democratisation and human rights**, chaired initially by Max Van der Stoel, OSCE High Commissioner for Minority Rights, followed by Panagiotis Roumeliotis, formerly coordinator of the Royaumont Process; the first meeting was held on 18 October 1999 in Geneva.

115 See: II Meeting of the Regional Table, Record of the meeting, Thessaloniki, 8 June 2000, item 4.
116 As we have seen, the Royaumont Process has been incorporated into the Pact since 2000.
118 Documents from all sessions of the Regional Table at: http://www.stabilitypact.org/rt/
(2) Economic reconstruction, development and cooperation, chaired by Fabrizio Saccomani, director of Banca d’Italia; the first meeting was held in Bari on 8 October 1999, and

(3) Security issues – internal and external, initially chaired by Jan Eliasson, Sweden’s State Secretary for Foreign Affairs; the first meeting was held in Oslo on 14 October 1999.

As we see, in the early stages the EU countries left nothing to chance, ensuring that they held the key posts and chaired the working tables - six out of seven leading positions. The countries of the region, on the other hand, were awarded the consolation prize of co-chairing three working tables, rotating every six months. In the first round, which began in 2000, these were occupied by Hungary, Macedonia and Bosnia and Herzegovina. After 2002-2003, in the period of encouraging greater incentive from the region in the SPSEE (regional ownership), chairmanship of the working tables began to pass to figures from countries in the region (e.g. Goran Svilanović, former Foreign Minister of the FRY, chaired Working Table 1).

The SPSEE founding document (par. 13) envisages a special coordinator, appointed by the EU in consultation with the OSCE chairman in office and other participants. The Special Coordinator chaired the Regional Table. He was responsible for the overall running of the forum and reported regularly on progress to the OSCE. The first to be appointed, based in Brussels and Thessaloniki, was German diplomat Bodo Hombah, with three deputies from the US, Netherlands and Finland. After 2002 until the organisation was abolished, the SPSEE Special Coordinator was Austrian Minister Erhard Busek. The Special Coordinator had a secretariat in Brussels with a staff of about twenty. He held regular meetings with the chairs of the working tables and sub-tables, and with the national coordinators. Each of the participating countries appointed a national coordinator, whose objective was to ensure that the activities of the various bodies were in line with their counterparts in his or her own country, and to be a direct link with the Special Coordinator.

Closely linked to - but not part of - the Stability Pact in South Eastern Europe was an ad hoc High Level Steering Group for South East Europe. It was responsible for the strategic coordination of donor activity for economic reconstruction, reform and development in South Eastern Europe. The group, which continued to exist for some time.

119 Replaced as of June 2000 by Kim Traavik, who also chaired the subgroup for defence and security.

120 National coordinators for the FRY, later for Serbia, were: Milan Pajević, followed by Jovan Ratković, Duško Lopandić and others.
time after the cessation of the SPSEE, was composed of the President of the World Bank and a member of the European Commission for Economic and Monetary Affairs (for a long time there was a separate office of the World Bank and the European Commission responsible for coordinating these issues). Participating in the group were the finance ministers of the G-8, countries, the SPSEE Special Coordinator, and representatives of the UN, EU, IMF, EIB and EBRD. The group also met at lower, working level. It was formed by a summit of the G-8 to coordinate the financing of projects and initiatives launched within the Pact and was later called the International Financial Institutional (IFI) Advisory Group. Since the abolition of the SPSEE, a place in the group is occupied by a representative of the Regional Coperational Council.

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*Some working table themes and projects have changed with time, or been dropped.

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**The SPSEE Donors’ Conference**

The first SPSEE Donors’ conference was held in Brussels on 29-30 March 2000, nine months after the launch of the Pact. The conference was anticipated as the moment of truth that would finally show whether Western promises and projects were backed by adequate financing. The foreign ministers of 47 countries and representatives of 36 international institutions attended the conference. Present from the FRY were the Montenegrin Foreign Minister and the UN Special Representative for Kosovo.

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121 France, FR Germany, Italy, Japan, Canada, Great Britain, US, Russia.
The conference focused on quick-start projects, which were supposed to go into action with a year at the latest. Before the meeting, the SPSEE Special Coordinator submitted a report seeking support for projects worth a total of €1.539 billion, of which €814 million had been ensured in advance, with the difference of €725 million to be supplied by the Conference. With additional requests, the total sought was €1.787 billion. The largest sum - €1.449 billion - was for Working Table II, most of which was earmarked for the infrastructure (€1.131 billion as proposed by the European Investment Bank, with a further €2.73 billion for medium-term projects). Working Table I requested €36.7 million for 72 projects, with an additional €218 million relief for refugees. Finally, Working Table III sought €77.8 million for 26 projects, while €5.2 million was envisaged for „cross-table activities“. The „quick start“ infrastructural projects planned a total of 24 projects with a further 11 studies. Of the beneficiary countries, Albania had 6 projects, Bosnia and Herzegovina 3, Croatia 3, Bulgaria 2, Macedonia 4, Romania 2, while Kosovo, Montenegro and Serbia (for clearing the Danube of bridges destroyed by NATO) had one each. There was one project for the region as a whole: Transport and Trade Facilitation – TTF.

2.5. SPSEE: Development and principal projects

By 2008, there had been fourteen meetings of the Regional Table since the founding of the SPSEE in Sarajevo in 1999 and the donors’ conference a year later. The 14th Summit was the last, and was held in Sofia on 27 February 2008.

The first working meeting of the Regional Table on 16 September 1999, endorsed
the SPSEE work plan submitted by the Special Coordinator\textsuperscript{127}. This was a flexible plan covering the period up to the end of 2000, and was by way of a „beginners’ guide“ for dedicated task forces that would work out the details of the goals outlined in the founding document and the work plan. The tables also prepared their own work plans, with deadlines for completion of the projects. The second meeting of the Regional Table endorsed an Agenda for Stability, which was actually the Special Coordinator’s work plan, updated in the light of experience gained in the first year of activity. The Agenda particularly emphasised the immediate priorities of the Pact: the business and investment climate, combating corruption and organised crime, liberalisation of trade, protection of human and minority rights, independence of the media and reform of the defence system. In the second round the priorities were: return of refugees, development of the infrastructure, regional trade cooperation, enhancing education and supporting the opposition in Serbia (the Szeged Process)\textsuperscript{128}. The overall activities of the working tables were divided into 21 sectors; 7 for WT I, 6 for WT II and 8 for WT III\textsuperscript{129}.

A key stage in the development of the SPSEE was the election of the second Special Coordinator, Erhard Busek, and „readjustment“ activities in the Pact. The initial period of euphoria surrounding the launching of the Pact was succeeded by one of unfulfilled expectations. The beneficiary countries were disappointed when it became apparent that the SPSEE was not a new Marshall Plan, and joining it did not mean the automatic inflow of large sums of cash in the form of aid. Misunderstandings arose also between the donors (particularly the European Commission) on the one hand and the Pact Secretariat on the other, as to what the real role of the Pact was and how far it could interfere in coordinating finance and the like. By March 2002, the new Special Coordinator was proposing steps to the EU Council of Ministers to harmonise the work of the Pact with the priorities of the Stabilisation and Association Process (SAP) of the Western Balkan Countries with the European Union\textsuperscript{130}. It was particularly pointed out that there was a need to:

- match resources to activities,
- focus the work of the Pact and the working tables on some of the core objectives instead of on a large number of unrelated activities,

\textsuperscript{127} http://www.stabilitypact.org/rt/990916-workplan.as

\textsuperscript{128} Special Co-ordinator of the Stability Pact for SEE: Agenda for Stability, II Regional Table, 8th June 2000, Thessaloniki, point 21.

\textsuperscript{129} See: Special Coordinator of the Stability Pact for SEE: Current Activities, Regional Table, 8th June 2000, Thessaloniki.

\textsuperscript{130} Gregor W. Koessler, „Adapting to a changing environment“, loc. cit., p. 19.
devote more attention to transferring activities to regional participants (regional ownership and leadership),
make Pact activities complementary to the Stabilisation and Association Process (SAP).

It was especially important that these SPSEE objectives had been taken over to a certain extent and supported by the European Union at the EU-Western Balkan Summit in Thessaloniki in 2003. The Thessaloniki Agenda insists on regional cooperation within the Pact, and cites some of the key areas for this: regional free trade, visa-free movement, small arms collection, regional markets for electricity and gas, development of transport, energy and telecommunications infrastructures, the environment, water management, research technology, cross-border cooperation and parliamentary cooperation.

From then on, coordination by the Stability Pact for South Eastern Europe was especially aimed at promoting a smaller number of core objectives, in an effort to organise activities. The core objectives of the Pact in 2006, for instance, were: parliamentary cooperation, cross-border cooperation, local government, energy and infrastructure, trade, investment and employment, combating organised crime and corruption.

2.5.1. Working Table I on democratisation and human rights

The development of democracy and human rights is one of the conditions for cooperation and integration stipulated in recent years by the developed Western countries for all countries in transition. Interestingly, this was once the “third basket“ of the CSCE. The first meeting of Working Table I was held in October 1999 in Geneva. Eight specific areas were defined for which task forces were set up and coordinators appointed (countries or organisations). The activities of this Working Table were augmented by those of the Royaumont Process, which thus ceased to operate as a separate initiative131. Initially, the task forces covered the following areas:

- **human rights and national minorities**;
- **education and youth** – the Graz process – lists six priority areas for cooperation: higher education, the teaching of history, general education, training, youth, training for a democratic society.
- **good governance** – coordinated by the Council of Europe and Romania – three priority areas were local government, the introduction of the institution

131 For this see: Déclaration sur le Processus de Royaumont, from the second meeting of the Regional Table (“Record of the meeting”), 8 June 2000.
of ombudsman in all countries of the region (coordinated by Hungary), public administration and public law.

- **gender equality**\(^{132}\) - this initiative gradually acquired institutional form with the establishment of a secretariat in Zagreb;

- **media** – the task force prepared a Charter for Media Freedom as part of the free media initiative. This covered the principles of government attitudes towards the media, and the principles of public conduct by the media (the Media Task Force ceased activity in 2006);

- **parliamentary cooperation** – this activity, coordinated by the former special coordinator of the Royaumont Process, covered the creation of a parliamentarian network, the training of new members of parliament, parliamentary administration, and meetings of speakers of parliament;

- **the return of refugees and displaced persons** – this area represented more a condition for restoring minimum trust among ethnic groups, and therefore for democratisation, than an important element in developing democracy. This could be seen from the funding, which was far greater than the all other financing earmarked for action by Working Table I - €218 million as against €37 million. Within this framework, the Regional Return Initiative was launched, with a Steering Group chaired by Hans Koschnick, and comprised of representatives of the SPSEE, UNHCR, OHR, the EC and others;

- **cooperation with the Serbian opposition**, including (official) representatives of Montenegro was a separate priority area within the Szeged Process. The Hungarian Government set up a separate fund, earmarked for various fields of cooperation (mayors of opposition-governed towns in Serbia, non-government organisations etc.\(^{133}\). Following political changes in the FRY, these activities were restructured towards all-embracing cooperation among local governments in the SPSEE countries.

In the first decade of the twenty-first century, certain fields of cooperation within Working Table I were institutionalised, others underwent transformation, and some ceased to exist after the cessation of the SPSEE. From 2005 on, the two

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\(^{132}\) The second meeting of this task force, held in Zagreb on 26 April 2000. The task force has an Advisory Council composed of representatives of international bodies who deal with gender equality issues. For details see: SCSP: *Newsletter on Current Developments*, No 3, Brussels, 17 May 2000, p. 3.

\(^{133}\) The second meeting of the Szeged Process was held on 22 March 2000. Among other things, this process enabled about 40 opposition-governed townships in Serbia to link up with partners in Western Europe.
core objectives of the Pact became parliamentary cooperation and cross-border activity with local self-government.

Parliamentary cooperation gradually came to be treated as the overarching theme that lies at the heart of the democratic process in the Balkans. This cooperation was therefore retained as a special objective of the new Regional Cooperation Council (RCC). Through its various activities (seminars for members of parliament, forming networks for various issues, training of parliamentary staff, contacts between regional parliaments and European bodies, particularly with networks of the European Parliament) it is articulated as cooperation within the SEECP, but had its own secretariat as a focal point, based in Bulgaria and formed in 2007. Within this framework, meetings are held at various levels from parliamentary speakers to various committees and, as we shall see, a body was formed for cooperation with the European affairs committees of the national parliaments of EU member states – (COSAC), known in the Western Balkans as COSAP (Conference of the European Integration Parliamentary Committees of States Participating in the Stabilisation of Association Process)\textsuperscript{134}.

Cross-border cooperation and local government cooperation – once, a core objective of Working Table I, this occupied a special place in Pact activities, undoubtedly due to the opinion that it was an important condition for regional cooperation, in which the local communities themselves showed great initiative\textsuperscript{135}. With the cessation of the SPSEE in 2007, however, this cooperation passed to the Council of Europe, the international institution that deals most with these matters.

Building human capital – various initiatives, such as the Task Force for Education and Youth gradually grouped under this title. The Education Reform Initiative (ERI SEE) was particularly important, with a secretariat initially in Zagreb\textsuperscript{136}, a continuation of the one-time Graz Process.

\textsuperscript{134} See: Petra Blass, Talia Boati, “Parliamentary cooperation in the framework of the SP“, in: E. Busek, B. Kune: \textit{From Stabilisation to Integration,} loc. cit, p. 75.

\textsuperscript{135} Srdjan Cvijic, “A bottom up approach to democratisation“, in: E. Busek, B. Kune, \textit{From Stabilisation to Integration,} loc. cit, p. 45.

\textsuperscript{136} The ERI SEE Secretariat later moved to Belgrade.
2.5.2. Working Table II on economic reconstruction, development and cooperation

The working table for economic matters covered what were probably crucial areas for regional stability and cooperation, as may be seen from the number of topics and the volume of funds envisaged for projects on some of the tables. The founding document of the Stability Pact for South Eastern Europe of 10 June 1999 included the following among the activities of Working Table II:

“fostering economic cooperation in the region and between the region and the rest of Europe and the world, including free trade zones; cross-border transport; energy supply and savings; deregulation and transparency; infrastructure; promotion of private sector business; environmental issues; reintegration of refugees and other important issues”

The Pact Work Plan, adopted on 16 September 1999, covered 14 areas of cooperation: support to private investment in the region, the programmes of international financial institutions, training and education, enhancing and liberalising trade, coordinating trade rules in the countries of the region, public procurement, establishing a business council, bolstering the small economy, the rules of competition, environmental issues, supporting agriculture, fostering social partnerships (employers and trade unions), infrastructural projects (transport, telecommunications, electric power systems, oil and gas). When organising the first donors’ conference in March 2000, the World Bank prepared a Regional Strategy Document on development in the region for the next ten years, based on an across-the-board consideration of trade liberalisation and joining the EU as guarantors of development, and other essential issues such as reform, social programmes, development of private sector business, the environment, good governance, infrastructural projects.

The main themes of Working Table II were:

- **integration into European structures** – activities linked to European Union policy and strategy on the Western Balkans (a regional approach, the Stabilisation and Association Process, new financial aid programmes such as CARDS etc.);

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138 http://www.stabilitypact.org/rt/990916-workplan.asp

• **developing regional infrastructures** – based on a study by the European Investment Bank, which identified about 400 infrastructural projects, of which 35 projects were included in the Quick Start Package for financing within twelve months of the Donors’ Conference in Brussels (March 2000\(^{140}\)). In his concluding remarks marking almost ten years of the SPSEE, Special Coordinator, Erhard Busek pointed out that the idea of a „quick start“ for the infrastructure was a mistaken one on the part of the original SPSEE, simply because it is impossible to quick-start infrastructural projects and even more so to complete them, due to problems of financing, the procedures entailed in deploying substantial sums on the part of international organisations and so on;

• **private sector development and business environment improvement** – a strategy for encouraging development of the private sector was elaborated by the European Bank for Reconstruction and Development (EBRD) in a document which was also presented to the Donors’ Conference. The strategy was mainly based on encouraging regional initiatives for the private sector, developing a system of bank guarantees, microcredits and insurance for the development of new small-scale enterprises;

• **stimulation of foreign investment was based on a plan known as the Investment Compact**, prepared by the services of the OECD and Great Britain.\(^{141}\) A special Action Plan was also endorsed;

• **in stimulating trade**, a separate task force was chaired by Macedonia.\(^{142}\) In June 2000, the Task Force endorsed a working programme for 2000\(^{143}\). As part of the endeavour to liberalise mutual trade, a forum on trade policy of the foreign trade ministers of the SPSEE countries was held in Geneva in January 2001. In order to make commitment legally binding, the ministers undertook to conclude a Memorandum of Understanding as soon as possible; as we have

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141 The compact is published at [http://www.stabilitypact.org/investment/Adopted%20Text.pdf](http://www.stabilitypact.org/investment/Adopted%20Text.pdf). It consists of a preamble, commitments to adopt international instruments (conventions) to safeguard

142 Within this framework, under the auspices of the World Bank, six countries in the region signed a Memorandum of Understanding on Trade and Transport Facilitation in South Eastern Europe (TTF SEE). The World Bank undertook to finance projects to modernise border crossings to the tune of over USD 80 million. It is typical of the existing confusion and colliding initiatives that the World Bank project is shown both as an initiative of the SECI and the SPSEE.

see, this area developed quickly and resulted in the entry of all SPSEE beneficiaries into the CEFTA 2006 organisation;

- **in environmental matters, the Regional Environmental Reconstruction Programme (REReP) was launched.** An *ad hoc* task force was also formed, chaired by the EU Commission and one country from the region;
- among more recent initiatives, one on social cohesion should be mentioned, together with a proposal for an integral programme to introduce ebusiness into the region (eBalkans).

There were also certain activities in training and education coordinated by the European Training Foundation (a body of the EU). Its priorities were small and medium enterprises and infrastructure management. Among the SPSEE bodies attached to the SPSEE was the Business Advisory Council. In contrast to similar bodies linked to other regional initiatives such as the BSEC and SECI, the BAC is dominated by large multinational corporations and US or EU companies, with a smaller number of business people from the region\(^\text{144}\).

With the streamlining of SPSEE initiatives in the 2005-2006 period, the salient features of the numerous economic activities, were – unsurprisingly - infrastructural development on the one hand, trade, investment and employment on the other.

Some of the more significant in the infrastructure were:

- **energy** - the countries of the region in tandem with the EU established the *Energy Community of South East Europe*, based in Vienna. There is also a Task Force for Energy, which was part of the SPSEE before it was taken over by the RCC. The production of electrical energy is crucial to overall development in the Balkans;
- **transport** – the region has a functioning transport monitoring centre called the *SEE Transport Observatory* based in Belgrade, which was not directly connected to the SPSEE. The signing of a treaty on a Transport Community for South East Europe is underway with EU involvement, and is expected to give added impetus to developing the regional traffic and transport infrastructure.
- **aviation** – the countries of the region are included in the European Common Aviation Area – ECAAA. SPSEE/RCC representatives take part in the Committee.
- **development of the Danube** and surroundings (Danube River Basin Cooperation) – the SPSEE indirectly helped and encouraged Danube cooperation, which is a

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144 Co-chairing the BAC at the time were Manfred Nussbaumer of Züblin AG, Germany, and Jerôme Monod, later De Sigly, of Lyonnaise des Eaux, France. The chairs of the SECI Business Council from Greece and Turkey are members of this BAC. Members are elected for a period of two years. The first, founding meeting was held in Berlin on 19 January 2000.
special international regional initiative: the Danube Cooperation Process (DCP); In *transport, investment and* employment, the following key initiatives should be mentioned:

- *trade liberalisation* in the form of the new CEFTA 2006, to which a chapter of this book refers;
- *investment* – the investment compact, supported by the OECD Secretariat, refers in the first place to monitoring the investment climate in South Eastern Europe (including treatment of the small business sector), with investment climate indexes for certain countries. There are regular annual ministerial conferences on investment;
- *eSEE (electronic South Eastern Europe)* – the secretariat for this initiative was set up in Sarajevo with UNDP support. In addition, there are projects afoot for a centre in Ljubljana for the development of electronic governance (*e-Governance*). The Regional Cooperation Council continued to support these initiatives after the SPSEE.

In addition to the above, projects of social cohesion, which have a horizontal aspect, are also important, as social issues affect almost every aspect of economic policy, but their viability in the period following the SPSEE depends on the support and interest of the Balkan states in discussing these issues at regional level.

### 2.5.3. Working Table III on Security Issues

This working table dealt mostly with problems of confidence-building in defence matters, and security in the broad sense (home affairs), including defence sector conversion, planning, democratic civilian control of the military, weapons reduction, particularly small arms and light weapons, and other issues. The initial plan of the Stability Pact for South Eastern Europe envisaged the forming of two separate working sub-tables: one dealing with justice and home affairs, the other with defence and security.

**a) Justice and Home Affairs**

The main activities of this sub-table focused on building the institutional bases for internal security, reform of internal security, combating corruption and organised crime; border control; migration, customs, disaster preparedness etc. The
Council of Europe and the OSCE engaged in helping the countries of the region to bring themselves in line with the other European countries. There were activities to foster effective, legitimate and honest police administration, such as actions by the Association of European Police Colleges, the Council of Europe and others. One initiative was launched to combat organised crime (SPOC), another against corruption: the Stability Pact Anticorruption Initiative (SPAI).

The following activities under SPSEE auspices were important for this field:
- the Migration, Asylum, Refugees Regional Initiative (MARRI) for the control of migration and asylum – these are projects transferred from Working Table I following the merging of two initiatives, one referring to refugee issues the other to migration. A secretariat was established in Skopje in 2004. The supervisory body is known as the MARRI Forum;
- SPOC – The Stability Pact Initiative against Organised Crime. This initiative was connected to the SECI Centre for combating transborder crime. Both secretariats were in Bucharest. When the SPSEE was in its last stages, SPOC was integrated into the SECI Centre, which brings together police authorities in the region - a sort of regional Interpol. In addition to these two, the SPSEE stimulated police cooperation through the Police Forum and also a special form of contact between regional police chiefs: the South East Europe Police Chiefs Association (SEPCA);
- DPPI – the Disaster Preparedness and Prevention Initiative for cooperation in combating natural and man-made disasters – brings together fire-fighting and similar services, and has from the outset been of a very practical nature. The Secretariat is based in Sarajevo. Despite the obvious practical importance and usefulness of this kind of cooperation, the DPPI has somehow remained in the shadow of the more politically visible activities of the SPSEE’s third Working Table;
- SPAI/RAI – The anti-corruption initiative arose in response to the need to identify corruption as a key problem in the process of accession to the EU for the countries of the region. The SPAI, followed by the RAI (Regional Anticorruption Initiative) Secretariat, is also in Sarajevo. The initiative formed the basis for a national anti-corruption strategy and for founding national councils to combat corruption.

b) Defence and security

Because of the wars in the former Yugoslavia and the emergence of new countries with their own military forces, the question of confidence building and good neighbourly relations in defence was one of the most important issues in the first
years of the SPSEE. The first meeting of the defence sub-table was held in October 1999 in Oslo. The meeting defined the following areas of cooperation: defence economics, arms control and non-proliferation, military contacts and cooperation, fighting illicit transfers of light arms and small weapons, humanitarian demining. Special attention was focused on transparency in military planning and the transition of personnel from the military to the civilian sector. Demobilisation projects began in Romania, Bulgaria and Bosnia and Herzegovina. For military contacts, an informal task force was formed in order to link up and coordinate various confidence-building measures and agreements in this area in the region.

Throughout the years, the following issues acquired a special place in the activities of Working Table III (of which more in a separate section):

- **The Ohrid Process** – a process which improved border control in SPSEE beneficiary countries. A common platform was endorsed at Ohrid in May 2003, heralding the demilitarisation of border areas still under military control, with police taking over the borders from the army. In 2007, it was concluded that the basic objectives of this process had been achieved, and the Ohrid process was wound up;

- **RACVIAC** – the Regional Arms Control Verification and Implementation Assistance Centre. Established in Zagreb, it gradually evolved into a centre for military and civilian cooperation on defence matters in a context of European and Euro-Atlantic integration. It played an active part in programmes for the conversion of military into civilian industry;

- **SEESAC** – South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons. This is a programme to eliminate small arms and light weapons in the countries of the region. It is based in Belgrade and operates under the UNDP umbrella.

### 2.6. Results achieved by the Stability Pact for South Eastern Europe: an assessment

The Stability Pact for South Eastern Europe was a kind of second chance for the international community, most of all the EU followed by the US, to influence the course of stabilisation in the former Yugoslavia and throughout the Balkans by means of specific international mechanisms, and to turn the region towards development and gradual integration into Europe. Following the initial strategic mistakes in handling the Yugoslav crisis in 1991-1992, it was clear that the instruments available to the EU were insufficient to permit it to act in a crisis situation or to resolve the accumulated structural problems
of South Eastern Europe, which the collapse of the SFRY had only served to reinforce. No initiative taken on the Balkans, from the Balkan Foreign Ministers Conference (initiated in 1988 in Belgrade, revived in 1996 in Sofia), to the Royaumont Process, SECI or EU regional policy in South Eastern Europe, was remotely capable of affecting events in any meaningful way, or of turning them away from confrontation and degradation towards real cooperation, integration and renewed development. In this sense, the Stability Pact for South Eastern Europe represented the most ambitious attempt to date, in terms of resources, both human and financial, political level and the broad sweep of the initiative.

There were, however, many obstacles in the way of the SPSEE: bureaucracy, overlapping of action and competencies with other similar initiatives, and fatigue on the part of the international community, particularly the donors. Among the donor countries, assistance was sometimes or partly reduced to formal declarations of support, never to be realised, as happened with the Royaumont Process. Among the Balkan beneficiary countries, there was a danger of unfulfilled expectations leading to new frustrations and the possibility that the entire process of all-inclusive regional cooperation might come down to the issue of the amount of financial aid.

From the technical aspect, there was a clear challenge in the form of greater coordination, with demands for complementariness in various initiatives for South Eastern Europe, which should not have been permitted to become a battleground for competition, where rivals snatched away good ideas and projects from one another. The sheer number of international agencies, banks, private donors and NGOs without any clear strategic vision or coordination sometimes caused an overlap of activities and „agency parasitism“, where agencies and programmes remain and renew projects for their own sake, not for the needs of the region.

The actual situation in the Balkans: over-fragmentation, the emergence of tiny statelets lacking adequate human and financial resources, the non-existence of any serious regional plan or development coordination, can only partly be overcome by coordinated initiatives in the absence of stronger institutional linkage that would help overcome these structural problems. If, for instance, we compare the post-war experience of the Marshall Plan in Europe, it is noteworthy that in the case of the Balkans, there was no initiative to form institutions such as the Organisation for Economic Cooperation and Development (today’s OECD). A minor administration such as that of the SPSEE Special Coordinator was naturally insufficient even for the proper coordination of the projects. The SPSEE gradually assumed the role which rightfully belonged to it: that of a complementary instrument in a much wider process led by the European Union (i.e. the European Commission), under the name of the Stabilisation and Association Process, whose longterm goal was to integrate the region into the EU.
As in the case of the SECI and some other forms of multilateral cooperation, the essential SPSEE issues were the question of financial resources and who would be responsible for the various projects. The SPSEE, as such, did not possess a large budget or any substantial funds to stimulate projects. The financing of projects always depended on “real“ donors: countries or international financial institutions, who in fact bore most of the responsibility for the results.

In his final (2008) report on the achievements and shortcomings of the SPSEE, Special Coordinator Erhard Busek stated\textsuperscript{145} that the Pact’s principle successes were the growing awareness that many problems could only be solved at regional and multilateral level, support for advancing Euro-Atlantic integration of the Balkan countries, and specific results in certain areas. Listing the areas where the SPSEE had influenced positive results, Busek brought up the return of a million refugees, trade cooperation, particularly the forming of the CEFTA 2006 organisation, support for setting up the Energy Community of South East Europe, and RACVAC activities in military cooperation. Busek also pointed to unreal expectations in the initial stages that the Pact would have large sums for finance and investment in the region at its immediate disposal, and the unreality of expecting the SPSEE to resolve the numerous bilateral problems besetting the Balkan states. On the other hand, he emphasised the importance of the broader context in which regional cooperation was being encouraged by measures of crisis management and crisis resolution, along with a vision of integration into Europe. Among the positive results of the SPSEE, Busek includes the fact that it contributed to diminishing tensions in the region by placing them in the broader context of regional cooperation and European integration, that it served as a neutral mediator, easing contacts between donors and the beneficiary countries; the SPSEE also gave significant support and encouragement to developing a cooperation network in dozens of fields, whilst retaining a comparatively lightweight administration: the Secretariat and the cooperation network\textsuperscript{146}. The SPSEE was a fairly positive example of successful regional cooperation, made considerably easier thanks to the active participation of countries and institutions from outside the region, such as the EU and the USA.

\textsuperscript{145} E. Busek, “Responding to the crisis on our doorsteps - The SP and Regional Cooperation in SEE: Achievements, shortcomings and lessons for the future“, in: E. Busek, B. Kune, \textit{From Stabilisation to Integration}, loc.cit. p. 255.

3. REGIONAL COOPERATION COUNCIL
- from regional stabilisation to active cooperation, assuming responsibility for progress -

3.1. Formation of the Regional Cooperation Council (RCC)

The changing situation in South Eastern Europe and the advance of all countries of the region on the road to the European Union and Euro-Atlantic integration required a change in the concept of regional cooperation, where the countries of the region would take on a more active role and greater responsibilities. The idea was that in a new and better phase of regional cooperation, the countries themselves should take the initiative and responsibility for their individual and shared future. International donors expressed readiness to remain engaged, but on condition of a more active attitude on the part of the countries of the region towards the programme, personnel, financial and other aspects of cooperation.

In May 2005 in Sofia, a session of the Regional Table of the Stability Pact for South Eastern Europe initiated the process of reviewing results, with a wide-ranging debate on future directions for the development of regional cooperation in South Eastern Europe, formulated as enhancing „regional ownership“.

This process was to be the Pact’s exit strategy, but it acquired broader dimensions in defining further directions for the enhancement of regional cooperation in South Eastern Europe. These included new institutional arrangements as part of European Commission thinking on a fresh strategical approach to the countries of South Eastern Europe in the on-going process of EU enlargement. Active parts were played by the countries of the region through the South East European Cooperation Process (SEECP), the European Commission, NATO and other significant donors.

The initial document was drafted by a special group headed by Finnish Ambassador Alpo Rusi, whose task was to examine and assess the results of the Pact and general regional cooperation and make recommendations for a future regional ar-
rangement\textsuperscript{147}. Following several rounds of consultations with the countries of the region, EU institutions, other international organisations and donors, the South East European Cooperation Process and other important players, the group published its report on 6 March 2006, on the eve of an informal meeting of the Council of the EU in Salzburg\textsuperscript{148}.

The report’s basic message was that future regional cooperation implied the active participation of both the countries of South Eastern Europe and the EU, with a sharper focus on joining the EU, clear and full political will on the part of the countries of the region to cooperate in priority areas, and the continued support of donors outside the EU, international financial and other organisations. It was proposed to replace the Pact with a new institution: the South East Council, which at a later stage could be integrated into the South East Europe Cooperation Process as its operational component. It was important among other things to ensure a framework for continued engagement by the countries and institutions who were the main donors, such as the EU, the US, Norway and international financial institutions in activities of regional cooperation.

On the basis of the group’s report and further consultations, in late April of the same year the European Commission and the Pact Secretariat drafted specific proposals on priorities and organisation of future regional cooperation, together with proposals on the course of transforming the Pact. These were adopted at a meeting of the Pact Regional Table on 30 May 2006 in Belgrade.\textsuperscript{149} At Belgrade it was decided to form a new body, the Regional Cooperation Council (RCC), which would continue Pact activities, especially in EU integration, and be closely linked to the SEECP. The Regional Cooperation Council would encompass the countries of the region, the EU and the international community. It would be headed by a secretary general from the region, appointed by the SEECP.

\textsuperscript{147} The Senior Review Group was founded by SPSEE Special Coordinator Erhard Busek in agreement with Olli Rehn, European Commissioner for Enlargement. Goran Svilanović, former Foreign Minister of Serbia and Montenegro, Vladimir Drobnjak, chief negotiator for Croatia’s accession to the EU and Franz-Lothar Altmann of the German Institute for International Policy and Security Affairs were members of the Group.


\textsuperscript{149} Proposal by the Commission and the Pact: From Stabilisation to Integration - Towards a Regionally Owned Cooperation Framework in South Eastern Europe, Internet: http://www.stabilitypact.org//media/regionalownership/ECSCSP.asp (20.06.2010)
It was also decided that the work of the Regional Cooperation Council would focus on six areas of priority interest for the entire region: economic and social development; infrastructure and energy; justice and home affairs; security; building up human capital, with parliamentary cooperation as the overarching topic. The Belgrade meeting was followed by a year of intensive work coordinating documents and putting in place the legal basis for the new Council to go into operation. First, the necessary financial arrangement for the RCC Secretariat was defined, and a decision taken at a meeting of the Pact in Bucharest in November 2006. By committing themselves to financing a third of the Secretariat’s annual budget, the countries of the region showed the will and intention to take active part in this new institution.150

An Institutional Working Group was then formed that laid down the framework for the operation of the RCC, such as its mandate, structure, mode of operation, its relationship with the SEECP, decision-making and reporting procedures, the legal basis for the Secretariat and so on. Meetings of the Group were co-chaired by a representative of the country currently holding the SEECP chairmanship (Croatia) and a representative of the Pact. The participants were: representatives of the SEECP countries, UNMIK/Kosovo, the European Commission and other donors intending to finance the RCC Secretariat. It should be pointed out that work on preparing to set up this new body had a positive effect and was a new and useful experience. The constructive atmosphere in the Working Group and the active contribution by all participants working together to set up this new body for regional cooperation signalled a new era in relations among the countries of the region. The experience of the Council of the Baltic Sea States, in which EU member and non-member countries also take part, was put to good use. At the SEECP foreign minister meeting in Zagreb on 2 March 2007, the mandate and election procedure for the first secretary general were endorsed, along with criteria and procedures for selecting a headquarters for the Regional Cooperation Council Secretariat.

The Statute of the Regional Cooperation Council was endorsed at the the SEECP summit in Zagreb on 11 May 2007. The Secretariat was to be based in Sarajevo and Hidajet Biščević, State Secretary at the Croatian Foreign Ministry was appointed Secretary General. At the same time the basic SEECP document was amended: the Charter on Good Neighbourly Relations, Stability, Security and Cooperation in South Eastern Europe, in order to regulate mutual relations and the connection between the RCC and the SEECP.

150 The remaining two-thirds of the budget is supplied by the European Commission IPA multibeneficiary component and other interested donors. The decisions of the Financial Working Group are available at: http://www.stabilitypact.org/about/RCCbackgrounddocuments.asp
The Host Country Agreement on the headquarters of the RCC Secretariat was signed in Plovdiv on 14 September 2007, and Hidajet Biščević formally took up his duties as Secretary General on 1 January 2008.

The two-year process of transforming the Stability Pact for South Eastern Europe into the Regional Cooperation Council officially ended with the last meeting of the SPSEE Regional Table and the inaugural meeting of the RCC on 27 February 2008 in Sofia. The meeting adopted a Joint Declaration on Founding the Regional Cooperation Council, and its Statute. The Council became fully operational in May 2008.

3.2. Regional Cooperation Council: Mission and Objectives

The key role of the Council is to stimulate and coordinate development projects which will accelerate reform in the countries of the region and their integration into European and Euro-Atlantic structures. To ensure this, it must create the necessary climate of policy and support in the region and the international community. The aims of the RCC are to contribute to stability and dialogue in the region; to be the operative link between interests in the region and the EU through development projects within the framework of the multi-beneficiary IPA; to coordinate international political, technical and financial support; to be a regional forum for dialogue among various countries, international organisations and other partners.

The RCC realises these objectives in several ways by: a) coordinating and ensuring coherence and continuity both of activity and participants in regional cooperation; b) facilitating access to political, financial and technical aid while being careful to avoid duplication and overlapping of activities; c) promoting joint cooperation, technical assistance, networking in order to achieve concrete results; d) maintaining various forms and directions of communication and promotion of the work of the RCC; e) drafting documents, guidelines, cooperation protocols etc.; f) monitoring the situation and identifying priorities in the needs of the region, regional initia-

151 For material from the last meeting of the Pact and from previous meetings see: http://www.stabilitypact.org/rt/

152 All important documents and decisions taken while the Pact was in transition towards the RCC may be found at Internet address: http://www.stabilitypact.org/about/RCCbackgrounddocuments.asp
tives, international organisations and donors. The European Commission sees the RCC as its principle interlocutor in regional cooperation in South Eastern Europe.

The Council, in fact its Secretariat, plays an important role in directing, coordinating, dispensing information and in developing links with international partners in about 50 regional initiatives and task forces in various fields of cooperation.\textsuperscript{153} Due to the variety in their status, type of cooperation and activity, the Council’s relations with them also vary, ranging from direct responsibility and involvement to monitoring and the exchange of information.

The Council also acts as initiator and facilitator in setting up new initiatives in which the region is interested. It is noteworthy that the number of initiatives and work groups has grown compared to the number bequeathed by the Stability Pact for South Eastern Europe. This might be interpreted as growing maturity on the part of the region in articulating its needs as it moves to join Europe, and the awareness that problems will be solved more effectively by working together in an exchange of knowledge and experience.

The South East European Cooperation Process directs RCC policy. Its objectives, mode of operation and priority areas of action are defined in the Statute and programme documents.

\section*{3.3. Tasks and Rules of Procedure of the Regional Cooperation Council}

The basic document for the running of the Regional Cooperation Council is the Statute. The Statute defines the tasks of the RCC, its structure, priority areas of cooperation, meeting format, and its relations with individual task forces and initiatives (see Important Documents for Balkan Cooperation in the Annex to this book).\textsuperscript{154} The members of the RCC are: eleven, or from June 2010, twelve countries participating in the South East European Cooperation Process: Albania, Bosnia and Herzegovina, Bulgaria, Greece, Croatia, Macedonia, Moldova, Montenegro, Roma-


nia, Serbia, Turkey, and the new member, Slovenia; UNMIK on behalf of Kosovo in keeping with UN Security Council Resolution 1244; the European Union represented by the Troika, consisting of the EU Presidency, European Commission and Secretariat of the Council, the European Parliament and a certain number of countries and institutions actively supporting regional cooperation in South Eastern Europe (47 members as of June 2010).

The tasks of the RCC are as follows: to sustain focused regional cooperation; to provide political guidance to task forces and initiatives; to promote integration of the region into European and Euro-Atlantic structures; to direct the work of the Secretariat and the Secretary General. In addition, the RCC acts as a forum for the continued engagement of a large number of countries and international organisations in the region. Below we give the priority areas for regional cooperation via the RCC.

**REGIONAL COOPERATION PRIORITIES**

- **Economic development** – regional trade, local and foreign investment, particularly the CEFTA multilateral agreement;
- **Infrastructure and energy** – transport infrastructure, focusing on the main South East European corridors, energy (including gas), air space, environmental protection, e-South East Europe;
- **Justice and Home Affairs** – especially the fight against organised crime and corruption, including support to improving links between the SECI Regional Centre for Transborder Crime (Bucharest) and Europol;
- **Cooperation in the security sector** – defence conversion, reform of the security sector;
- **Building human capital** – support for reform and inclusion in European priorities in education and research;
- **Parliamentary cooperation**

In the context of these priority areas, horizontal issues such as gender mainstreaming, social cohesion and involvement of players in the civil society will be important factors.

The annual meeting of the RCC is held back to back with the SEECP summit and is co-chaired by the RCC Secretary General and the foreign minister of the SEECP chairmanship in office. The annual meeting endorses the Secretary General’s annual report on regional cooperation in SEE, as well as the strategic work programme for the following year. The operative body – the RCC Board, which consists of those RCC members financing the Secretariat – meets quarterly, and
the practice of working meetings of national coordinators from the region has been introduced. The Board issues operational guidelines and oversees the work of the organisation. Decisions are taken by consensus, which is understood as the absence of objection. The structures of the RCC consist of the Secretary General, the Secretariat in Sarajevo and its EU liaison office in Brussels. The Secretary General, appointed by the SEECP for a period of three years with the possibility of extending for another two, is a strong political figure from the region whose task is to support the rotating chairmanship in office of the SEECP and to head the RCC Secretariat. The Statute sets out in detail the procedure for electing the Secretary General and also his/her obligations. Secretariat staff should be recruited on a competitive basis. The Secretary General shall select the candidate, taking gender and geographical balance into account as appropriate, and appoint his/her deputy. Subsequently, the present Secretary General appointed his own special envoy for liaison with the EU Presidency. The working language is English.

3.4. Regional Cooperation Council: Activities

_The first annual meeting of the Regional Cooperation Council_ was held on 4 June 2009 in Chişinău when Moldova was chairman in office of the SEECP. Representatives of all the countries of the region were present, of the institutions of the European Union, individual EU member countries, the US, Switzerland, Norway, Canada, international organisations and financial institutions, a testimony to continued interest in cooperation in the South East European region. The Secretary General submitted a report on the first year’s work of the RCC and a strategic plan for 2009-2010. From the outset, the Secretary General and the Secretariat took steps to promote the RCC, to establish contacts and institutional dialogue with players in the region, EU institutions and other key players. The Secretariat was consolidated, equipped and staffed for work; the state of affairs in regional cooperation was monitored, as was the progress of the region towards the EU, and note taken of needs in that context; problems were duly noted; there was liaison with existing regional initiatives and task forces. Secretary General Hidajet Biščević held a number of consultations with senior representatives of the RCC members, especially those in the region, and with EU institutions and other donors in order to ensure their support for RCC activities.

155 Documents available on the RCC website: http://www.rcc.int/
Further afield, the first year of the RCC was marked by the world economic and financial crisis. Some of the region’s population were hard hit by problems with the supply of Russian gas through Ukraine. The dramatic situation in places where gas was the only source of heat stimulated a climate of solidarity. There was raised awareness of the importance of secure energy supplies and of the necessity of acting together to achieve this.

As we have said, the RCC established active cooperation with EU institutions, especially in identifying regional priorities within the IPA and became the main spokesman with the Commission on regional cooperation in South Eastern Europe. In order to mobilise potential and resources and enhance regional cooperation, the RCC undertook a number of activities to forge links between RCC members in the region, the European Commission and international financial institutions. This networking resulted in a list of ideas for 22 projects which the RCC submitted on behalf of the region to the European Commission in early May of 2009, for financing from the IPA’s 2010 multi-beneficiary component.

Good contacts were also set up with countries holding the EU Presidency. As we have said, the Secretary General appointed his own special envoy to liaise with the EU Presidency. To mention just one instance, the foreign ministers of three EU countries (representing the previous, current and future EU Presidency) visited the Regional Cooperation Council and gave their support to cooperation with the RCC and joint activities. As a result of cooperation with the EU Presidency, two conferences were convened: a ministerial conference on developing a research strategy for the Western Balkans (with the Czech Republic), and another on the effect of the financial crisis on the region, EU enlargement and regional cooperation (with Sweden).

Because of the new relationship between the SEECP and the RCC in cooperation in South Eastern Europe, effective lines of communication were established with Moldova, the chairman in office of the SEECP.

In its first year of work, the RCC established links and regulated relations with regional initiatives and task forces in priority areas.

**Significant results per area of cooperation:**

- *In economic and social development* the RCC promoted relations with several regional initiatives aimed at creating a better climate for investment and the

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156 Czech Foreign Minister Karel Schwarzenberg, Swedish Foreign Minister Carl Bildt and French Foreign Minister Bernard Kouchner (8 April 2009).
development of small and medium enterprises, trade liberalisation, improvement of public health, social dialogue and reform of employment policy. Good relations were set up with the CEFTA 2006 Secretariat in Brussels, and with the Investment Committee under the auspices of the OECD in Paris. Together with its partners, the RCC Secretariat prepared a ministerial conference on public-private partnership (PPP), in order to see how PPP might stimulate direct foreign investment (Sarajevo, September 2009).

- **In infrastructure and energy** the RCC supported the implementation of the Treaty on the Energy Community and concentrated on strengthening relations with its principle partners in the field of infrastructure. An important ministerial conference was convened on climate change and South Eastern Europe in Sarajevo in November 2008. The conference adopted a SEE Climate Change Framework Action Plan for Adaptation. In the same field, another important gathering on integrating transborder management of water resources in South Eastern Europe took place also in Sarajevo, in May 2009. Participants identified the most urgent steps to be taken in order to prevent, control and reduce negative transborder effects on health, security, nature and socio-economic conditions.

- **In justice and home affairs** the RCC Secretary in September 2008 organised the first coordinating conference of regional initiatives and international organisations active in justice and home affairs in South Eastern Europe. The idea was to improve coordination and coherence in cooperation so as to avoid overlap, fragmentation and duplication.

- **In the security sector** the RCC set out to identify problems that had not been discussed in the framework of regional cooperation, and to find modalities to resolve them effectively through regional cooperation. One of the projects supported by the RCC was the establishment of the Southeastern and Central Europe Catastrophe Risk Insurance Facility (SECE-CRIF, initiated by the World Bank). This was to be a real example of public-private partnership whose basic objective was to help develop a disaster insurance market in South Eastern Europe. Another project was the founding of the South East European Firefighting Regional Centre, especially for forest fires, in coordination with the Disaster Preparedness and Prevention Initiative (DPPI).

- **In building human capital** the RCC in cooperation with the Czech Republic as the country holding the EU Presidency organised the conference of Science Ministers mentioned above, which agreed to draft a Western Balkans Regional Strategy on Research and Development and confirmed the readiness of the region to cooperate in research and innovation.
In parliamentary cooperation the RCC established good relations with all parliaments in South Eastern Europe, the European Parliament and the Regional Secretariat for Parliamentary Cooperation in South East Europe in Sofia.

The second annual meeting of the RCC was held on 22 June 2010, one day before the SEECP summit in Istanbul. Secretary General Hidajet Bilićević submitted the annual report (June 2009 - June 2010) on the work of the Council and a Strategy and Work Programme for 2011-2013 were endorsed. It was proposed to extend the mandate of the Secretary General until 31 December 2012, and the decision was adopted the same day at a meeting of the SEECP foreign ministers. The RCC meeting was co-chaired by General Secretary Biščević and Turkish Foreign Minister Ahmet Davutoglu. The International Organisation for Migration (IOM) became the latest member of the RCC, bringing the membership up to 47.

The RCC’s second year continued activities to establish the Council as „the voice of the region“, especially with EU institutions. There was also much work on the strategic programme for the 2011-2013 period.

Dialogue increased with RCC members in the region, the European Commission, the chairman in office of the South East Europe Cooperation Process and with other players and donors.

The Council defined its relationship with numerous initiatives and groups in priority areas of cooperation and contributed to streamlining them in accordance with the needs of the region.

The following are the RCC’s key activities in the various areas of cooperation in the second year of its work:

- In socio-economic development, the RCC worked on transferring the South East Europe Investment Committee from the OECD to the RCC, which was to take place by the end of 2011. There was support for the Public-Private Partnership Network, and work in cooperation with the World Bank on strengthening the capacities of the region in this field. The RCC also reactivated the initiative for e-South East Europe and any ensuing innovations of the regional agenda in this field.

- In energy and infrastructure, the RCC continued close cooperation with the Secretariat of the Energy Community, particularly in planning future joint activities, such as a meeting on the reduction of greenhouse gas emissions in the entire region held in Sarajevo in October 2010. In transport, the RCC began preparations for an assessment of airline development in South Eastern Europe, in view of the inadequate air traffic connections in the region and the need to improve this.
• *In justice and home affairs* the RCC worked mainly on preparing a regional anti-corruption conference, held in Bucharest on 20-21 May 2010. The Council was also engaged on drafting a Regional Strategy on Justice and Home Affairs for the 2011-2014 period.

• *In the security sector* the RCC continued its support for the institutionalisation of two major projects; the World Bank project to set up the Southeastern and Central Europe Catastrophe Risk Insurance Facility, and the project to establish the South East European Fire-Fighting Regional Centre. Additionally, in cooperation with the Police Chiefs Association, the RCC helped found a regional network of policewomen.

• *In building human capital* the RCC worked on the reform of the Educational Reform Initiative for South East Europe (ERI SEE), cooperating in solving the more concrete problems facing the countries of the region in reforming their educational systems. Special attention was devoted to enhancing university cooperation (the Novi Sad Initiative). In culture and the protection of the cultural heritage, activities continued with the taking over of the Ljubljana Process, due to be completed in early 2011.

• *In parliamentary cooperation*, in March 2010 the Council organised a preparatory meeting in Sarajevo before the Eighth Conference of the SEECP Speakers of Parliament. The meeting was important because of the long break between two speakers’ conferences, as during its chairmanship in office, Moldova had not called the regular meeting of the parliamentary speakers. The RCC was also engaged in enhancing the parliamentary dimension of the SEECP and the institutionalisation of the Cetinje Parliamentary Forum.

### 3.5. Strategy and Work Programme for 2011-2013

The Strategy and Work Programme for the 2011-2013 period was prepared by the RCC Secretariat after a year of intensive consultation and dialogue with RCC members, the European Commission and other donors. The underlying idea was that in the first two years of its work the RCC had successfully taken on the work of the Stability Pact for South Eastern Europe, consolidated its structures, become fully operational, built up a good basis for a new phase of regional cooperation and that

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it was now time to define specific strategic objectives. Their implementation would mean increased effectiveness of the Council’s work and its contribution to the quality of regional cooperation. The RCC had shown itself to be a well-conceived and organised institution, equipped for a new stage in its work.

The document consists of a general section, a Strategy defining the horizontal directions of the work of the RCC, and a Work Programme identifying specific tasks in the six priority areas. The annexes give a more detailed overview of the planned activities, followed by a review of existing regional initiatives and task forces. The RCC defined the following as the strategic directions of its work:

- **Representing the region**: The RCC and its Secretary General were to continue to represent the region, in keeping with the policy guidelines of the SEECP, in international initiatives, at fora and meetings, promoting socio-economic development and the integration of the region into European and Euro-Atlantic structures;

- **Operational support to the SEECP**: the RCC would continue to foster relations with the SEECP as set out in the SEECP founding document and the RCC Statute. It was planned to introduce regular meetings of the RCC Secretariat and the SEECP Troika, with participation by the EU, back-to-back with the changeover in chairmanship of the SEECP, in order to coordinate and plan activities;

- **Monitoring regional activities**: through its Secretariat the RCC would play a key role in monitoring and reporting on the numerous regional activities in South Eastern Europe, and this would be presented in the RCC Secretary General’s annual report. This meant an ongoing exchange of information, attendance at meetings and gatherings and, when necessary, setting up working arrangements with regional initiatives and organisations;

- **Taking a leading position in regional cooperation**: the RCC was to take a leading position in promoting regional cooperation in South Eastern Europe in close cooperation with other players. The RCC’s advantage lay in its professionalism and familiarity with the circumstances, which enabled it to provide a regional dimension, and not only in the context of joining the EU. More attention was to be devoted to assessing current activities, promoting the principle of all-inclusiveness, identifying needs, support to new activities and advancing existing ones;

- **Providing a regional dimension in donor assistance, particularly in EU assistance within the framework of the IPA**: the RCC would continue to participate in programming multibeneficiary components of the IPA in order to adjust donor and IPA priorities to the chief needs of the region. For the same reason, the
RCC Secretariat would take part in the International Financial Institutional (IFI) Advisory Group and in the Steering committee of the Western Balkan Investment Framework (WBIF).

- **Supporting increased involvement of the civil society in all RCC activities.**

According to the 2011-2013 work programme, the RCC would be engaged on the following tasks:

- **In economic and social development** it was to take on the SEE Investment Committee and ensure its functioning. It would examine ways and means of improving access by the private sector to financing, including launching a network of financiers for initial support to private firms. The RCC would also be working for the greater inclusion of social and employment dimensions in economic reforms. It would support the establishment of a permanent secretariat for the Employment and Social Policy Network, and projects which would advance employment policies in the region. One of the tasks would be the stimulation of regional cooperation in building and information society and carrying out the eSEE Agenda Plus.

- **In infrastructure and energy** support would continue to the Sustainable Energy Development Regional Initiative (SEDRI) and cooperation with the Energy Community Secretariat would be enhanced. The RCC would contribute to the drafting and implementation of the EU Danube Strategy. In transport, the potential for better air traffic connections in the region would be examined, and for raising the level road safety in keeping with EU directives and other international documents and decisions.

- **In justice and home affairs** the RCC was to continue coordinating the passing of a Strategy and Action Plan for the 2011-2014 period, including noting any overlap among the various regional initiatives and projects. The RCC would engage in strengthening cooperation and liaison between the police, public prosecutors and the courts on criminal issues. It would support existing initiatives in combating corruption, particularly the Regional Anti-Corruption Initiative (RAI) at local and interregional level. It would support the MARRI initiative in improving capacities for dealing with migration, gathering and exchanging information on potential countries of origin from which refugees and asylum seekers might come. The RCC would initiate regional cooperation and exchange of good practice in private and civil law.

- **In the security sector** the Council was to engage in setting up new regional mechanisms of cooperation such as: a forum of directors responsible for defence policy in South Eastern Europe, a forum of national institutions for information security in South Eastern Europe, a forum of military intelligence services and a forum of chiefs of counterintelligence services. The RCC was to
continue setting up regional structures such as the SEE Fire-Fighting Regional Centre (SEEFREC), and take part in the World Bank project to build a new South Eastern and Central Europe Catastrophe Risk Insurance Facility (SECE-CRIF). It would provide legal aid to the Disaster Preparedness and Prevention Initiative (DPPI) Secretariat in its endeavour to achieve legal entity status.

- **In building human capital** the RCC was to act as cooperation coordinator in the second stage of the Ljubljana Process and form a regional task force for culture and society, and a permanent secretariat. The RCC would support activity to reform higher education and set up a Steering Group for guiding and monitoring progress of higher educational structural reform. In scientific and technical research, the RCC was to coordinate and assist in drafting the Western Balkans Regional Strategy for Research and Development and help in carrying out activities planned in the Strategy.

- **In parliamentary cooperation**, the RCC would help the chairman in office of the SEECP in promoting the parliamentary dimension of the SEECP, in preparing the annual meetings of the parliamentry speakers, and in establishing a network of national coordinators among members of parliament. The RCC would also be engaged in institutionalising the Cetinje Parliamentary Forum, establishing its secretariat and providing technical and policy support.

### 3.6 Work of the Regional Cooperation Council: an assessment

After two years, the Regional Cooperation Council could be said to have achieved the status of a significant representative of the region in Europe and internationally, and that it had done much to consolidate the programmes, functioning and various themes of regional cooperation in South Eastern Europe. This was no easy task in the complex political and economical situation that followed a global economic crisis, Kosovo’s declaration of independence, the deterioration in bilateral relations of several countries, and internal problems in the EU which dampened enthusiasm for further enlargement.

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158 The Ljubljana Process was launched in 2003 by the Council of Europe and the European Commission to protect and rehabilitate the cultural heritage through economic recovery and development at local level. The Council of Ministers of Culture of South East Europe was founded in 2005.
Regional ownership had taken a step forward and the countries of the region had become more active in RCC structures, as was evident during the changeover process from the SPSEE and when defining the new scheme of regional cooperation. It could be said that the appointment of a Secretary General and selection of a deputy and Secretariat staff who came from the region was a move in the same direction. The regional team was obviously well acquainted with circumstances in South Eastern Europe and motivated to represent regional interests in EU institutions and with other donors, all of which helped to place partnership on a new footing. Good foundations were laid for more targeted and effective work by the RCC in terms of faster response to regional needs in carrying out reforms and introducing European norms and standards. As a study produced by the Centre for Regionalism on the balance of relations in the region ten years on from the Igman Initiative states,\(^\text{159}\) the innovation introduced by the Regional Cooperation Council was „the particular way in which it works, similar to the one used with success when founding the European Union. On the one hand, this is a functional approach, a liaison which leaves aside large, unsolved political questions in favour of economic and other cooperation in areas that are of importance to people’s everyday lives. On the other hand, everything that is done is part of a larger strategy, the overarching idea of our region’s integration into Europe. Only this combination of small, practical steps with broad vision can guarantee success“.

The future of the RCC will depend among other things on the engagement of its members in the region, but also on the wider political and economic circumstances such as the further effects of the global economic crisis, a possible slowdown in the process of European integration, the state of bilateral political relations in the region and the sustainability of the regional structures. One of the Council’s most important duties is to identify any duplication or overlap in the activities of the numerous regional initiatives and groups, to ensure that the basic criterion for launching cooperation in a new area is the interests of the region, meaning financial, personnel, programme and other capacities. As we have said, there has been a noticeable jump in the number of initiatives in comparison with the Stability Pact for South Eastern Europe. We must ask the question: is this due to increased interest and maturity of the region in articulating its requirements, or is there another reason?

\(^{159}\) J. Teokarević, M. Simurdić, *A Balance of Relations in the Region - Ten years of Normalisation of Relations and Ten Years of the Igman Initiative*, Centre for Regionalism, Novi Sad, 2010. The study was distributed at the 10th Meeting of the Igman Initiative on 29 May 2010 in Sarajevo.
4. CENTRAL EUROPEAN FREE TRADE AGREEMENT – CEFTA  
- from Central Europe to the Balkans -

In contrast to the previous comprehensive „umbrella-type“ regional initiatives, CEFTA is a single-theme organisation. However, trade, i.e. broadbased economic exchange, is in itself a very comprehensive field, not only because of its economic but also its political and social effects. The formation of a free trade area in a particular region has always had wider-reaching political objectives in addition to economic ones. In these terms, CEFTA merits inclusion among those initiatives considered most responsible for overall regional cooperation.

The evolution of the Central European Free Trade Agreement is specific to it, and to a certain extent symbolises the overall development of subregional initiatives in Europe in light of the enlargement of the European Union. Today we refer to two organisations of the CEFTA countries: the „old“ CEFTA (1992-2006) and the „new CEFTA“ (2006), known as CEFTA 2006. Although there is a continuity between the two, their membership and legal underpinning (the Agreement) are quite different. Initially, the old CEFTA covered only the Visegrád Group of Central European countries: Czechoslovakia, Hungary and Poland, later spreading south- and southeastwards to include Bulgaria, Croatia, Macedonia, Romania and Slovenia. The new CEFTA (CEFTA 2006), on the other hand, emerged during a period of enlargement of the European Union and covered the Western Balkan countries of Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and UNMIK-Kosovo, along with Moldova. A description of both the old and new CEFTA is given below.

4.1. The first CEFTA

4.1.1. Founding and development

Formed by Czechoslovakia, Hungary and Poland in December 1992, in its initial stage the Central European Free Trade Agreement (CEFTA) was not aimed at the countries of South Eastern Europe. With the breaking of the institutional ties connecting the East European countries following the collapse of the Council for Mutual Economic Assistance (COMECON) and the Warsaw Pact in the late 1980s,
these three countries initially formed the Visegrád Group. A summit meeting on 15 February 1991 in the Hungarian town of Visegrád adopted a „Declaration on cooperation between the Czech and Slovak Federal Republic, the Republic of Poland and the Republic of Hungary in striving for European integration“160.

The Visegrád Group was supposed to play the role of an informal „pressure club“ whose objective was speedy entry into Western European organisations, while bolstering mutual cooperation among the three. In addition, one of the basic aims of cooperation was consolidating democracy and introducing a market economy. One of the more cogent reasons for forming this forum, and later CEFTA, was pressure from the European Community on the countries of Central Europe to work more closely together economically and politically, and not merely to seek assistance and integration with the EC161.

In October of 1991, the three countries agreed in principle to conclude a free trade agreement among themselves, and the Central European Free Trade Agreement – CEFTA – was concluded on 21 December 1992 in Kraków. CEFTA derives its name from the similar but much older group of West European countries – EFTA, the European Free Trade Association162. The Agreement envisaged that all customs and other barriers would be eliminated among CEFTA members by 1 January 2001. As of 1993, CEFTA had four members, as Czechoslovakia in the meantime had split into two states. Initially, the states signatories did not envisage any further expansion of the arrangement. However, after some years it seemed that Eastern European expectations of a swift entry into the EC had been over-optimistic. At the same time, other countries of Central and South Eastern Europe, anticipating their own negotiations with the Community, attempted by drawing closer to the CEFTA countries to ensure at least the same mutual trade conditions as EC member countries enjoyed with CEFTA.

In September 1995, a CEFTA summit meeting in Brno endorsed criteria for a possible extension of the Agreement to the countries of Central and Eastern Europe


162 Today’s EFTA consists only of Norway, Switzerland, Liechtenstein and Iceland. Many present members of the EU have passed through the organisation: Great Britain, Ireland, Denmark, Sweden, Finland, Portugal, Austria.
who were not members of the Visegrád Group. In order to join CEFTA, three conditions were required: (1) membership of the World Trade Organisation (WTO), (2) an Association Agreement with the EU and (3) a bilateral free trade agreement with each of the other CEFTA members.

In the first wave of enlargement, CEFTA turned towards South Eastern Europe. Thus Slovenia became the fifth member on 1 January 1996. Romania became a full member in 1997, Bulgaria in 1999. In the next phase, Croatia (2003) and Macedonia (2006) joined CEFTA, but at this point the countries who had entered the European Union were already beginning to leave. (As the EU was a customs union, membership was incompatible with a free trade agreement such as CEFTA). In 2004, therefore, the Czech Republic, Slovakia, Poland, Hungary and Slovenia all left CEFTA, and since 2007, Romania and Bulgaria are no longer members.

4.1.2. The first CEFTA: Organisational structure

In contrast to other fora for cooperation in Central and South Eastern Europe which tended to compensate for the absence of any real cooperation by a great number of working and other bodies at various levels, the reverse is true of CEFTA. Its organisational structure was simple, but cooperation in the shape of its trade liberalisation programme was real and substantial. The only cooperation body was the Joint Committee, composed of senior officials of the member countries (ministers for the economy or for foreign economic relations). According to Art. 34, par. 2 of the earlier CEFTA Agreement, the Joint Committee supervised implementation and administered the Agreement. The Joint Committee met at least once a year, or more frequently (Art. 35, par. 1). Decisions and recommendations were arrived at by

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163 In contrast to CEFTA, the Visegrád Group has not enlarged its membership to this day, and has remained with the four original founder countries. It does, however, sometimes meet in V+2 format, when Austria and Slovenia attend meetings. For more recent information on the Visegrád Group see: http://www.visegrad.org.

164 The Agreement was signed on 27 November 1995. Interestingly, in 1994 Slovenia considered CEFTA to be “insufficiently dynamic” as an organisation, and attempted to avoid membership by concluding only bilateral arrangements with individual members. ILA: “Regional Economic Development Law”, loc. cit.

165 Based on an agreement signed in Bucharest on 12 April 1997.

consensus and according to the Rules of Procedure. The country chairing CEFTA for the year also chaired the Joint Committee.

### 4.1.3. The original CEFTA Agreement

There were six annexes and seven protocols to the original CEFTA Agreement. These contained detailed arrangements for abolishing customs duties. Agreements to include new countries were in the form of protocols to the basic Agreement. In the preamble, the signatory parties stated their intention to do away with the majority of trade barriers in keeping with the GATT provisions, in order to support the process of European integration. Adherence to the principles of the CSCE Final Act, the principles of the Paris Charter and other OSCE documents was affirmed. Art. 1 envisaged that the parties would gradually form a free trade area, in keeping with GATT Art. XXIV, by 1 January 2001 at the latest.\(^1\) Articles 2-10 set out modalities for abolishing customs for industrial goods and a ban on new taxes. Import and export customs duties, taxes equivalent to customs duties, fiscal charges and quantity restrictions were all eliminated. A timetable was set by the protocol abolishing customs among the CEFTA countries. The tempo of liberalisation depended on the degree of sensitivity of certain goods. In principle, as soon as CEFTA entered into force on 1 March 1994, 40% of basic customs duties was dropped. In the course of 1995, new protocols agreed to accelerate the abolition of customs, so that by 1996, about 80% of industrial goods were being exchanged without customs duties, and in 1998 this reached 90%. Arts. 11-15 referred to agricultural products. In separate protocols (nos. 4-6), the member countries approved mutual customs concessions for agricultural produce, but to a lesser extent than for industrial commodities. Concessions basically referred to reducing customs by, say, 50% on certain non-tariff consignments. The issue of further liberalisation in the agricultural sector was the main subject of disputes in trade relations among the CEFTA countries from 1992 to 2004. The General Provisions of the CEFTA Agreement (Arts. 16-42) set out the rules of origin, fiscal non-discrimination, competition (state monopolies, antitrust laws, government assistance), payment issues, public procurement, intellectual property, dumping, protective measures etc. These rules came very close to EU clauses in

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\(^1\) Art. XXIV of GATT envisaged the possibility of exceptions to the Most Favoured Nation clause when establishing customs unions or free trade areas. For details: D.Carreau, P.Juillard, T. Flory, *Droit international économique*, Paris, LGDJ, 1980, pp. 255-280.
trade agreements and similar arrangements (EFTA and others). The possibility of introducing new customs duties existed, but only in certain cases (new industries, the restructuring of some sectors) and under special conditions (Art. 28)\textsuperscript{168}.

The Agreement had no time limit and the parties could withdraw from it on six months’ notice (Art. 41). It also contained an „evolutionary clause“ (Art. 33) permitting the signatories to propose the extension of the Agreement even to questions it did not cover, such as mutual recognition of standards and the like.

The first CEFTA Agreement, however, did not include some important issues affecting trade liberalisation and economic integration. This refers in the first place to the „(non-)elimination of non-tariff barriers to trade“\textsuperscript{169}, today the main element of protectionism in domestic industry. Neither did CEFTA regulate issues such as the free movement of people, provision of services, starting up companies, and establishment of natural persons. Unlike the EC, CEFTA had no joint policies for industry, investment, social issues, the economy, transport etc.

4.1.4. Results of the first CEFTA

In contrast to its early years, when members of the Visegrád Group, rather unwillingly and under pressure from the European Community, came together in the middle of an economic crisis to form CEFTA, later assessments of its role and results (both official and academic) were mainly favourable. It was said that the Agreement had „helped to a considerable extent in renewing and revitalising trade between the former Comecon members“\textsuperscript{170}.

CEFTA is singled out as one of the most successful free trade organisations, having among other things enabled trade among its members almost to double in only four years, from USD 6 billion to USD 11 billion between 1993 and 1997\textsuperscript{171}. By developing cooperation in trade among themselves, the CEFTA countries strengthened their position for entry into the EU.

However, despite positive results, CEFTA was not without its problems. In real-

\textsuperscript{168} The measures could remain in force for a maximum five years, cover a maximum 15% of all industrial imports and must not exceed 25% of the \textit{ad valorem} tariff.

\textsuperscript{169} V. ILA. „Regional economic...“, loc.cit.

\textsuperscript{170} P. Balas, Hungarian Deputy State Secretary for International Economic Relations: “CEFTA Proved to Be a Success“, \textit{The Hungarian Economy}, Internet: http://www.gm.hu/hunec/v27n2/cefta.htm

\textsuperscript{171} P. Tašić, \textit{CEFTA - sporovi su prevladani} (Disputes have been overcome) \textit{op.cit.}, p. 32.
ity, it was closely linked to the EU system and depended on the evolution of trade policy of the European Community, including the enlargement process to include the countries of Central and Eastern Europe. Trade by definition provokes constant economic disputes, such as the question of further liberalisation in the exchange of agricultural produce among the CEFTA countries. Certain problems such as a negative balance of trade would lead to the use of protective measures or cause a temporary withdrawal from the liberalisation process. In 1997, due to a payment deficit, Slovakia introduced a special import tax of 7%. Poland levied protective duty on steel in the same year, and in 1999 withdrew some of the concessions already approved for agriculture.

These were the reasons for the complete revision of the Agreement and the introduction of new elements into CEFTA in the light of its expansion to include the countries of South Eastern Europe: the Western Balkans and Moldova.

4.2. The New CEFTA 2006

With the entry of the Visegrád Group and Slovenia into the EU, by 2004 CEFTA had only three members - Romania, Bulgaria and Croatia - until Macedonia joined in February 2006, and was thus on the verge of disbanding, as Bulgaria and Romania were about to enter the European Union. One problem with enlarging the membership was the relative rigidity and complexity of the conditions for membership from the point of view of potential members in South Eastern Europe. As we have seen, the candidate country needed to be a member of WTO (the World Trade Organisation), to have concluded a Stabilisation and Association Agreement with the European Union and, finally, to have signed bilateral free trade agreements with each of the existing CEFTA members. Such conditions meant a lengthy postponement of the entire question of admitting new members; in other words, under present circumstances, the enlargement of CEFTA was blocked 172.

172 By way of example, Serbia only concluded an Agreement of Stabilisation and Association in 2009 and by 2010 had still not become a member of the WTO. Bosnia and Herzegovina and Montenegro found themselves in a similar position.
4.2.1. Renewal of CEFTA

In April 2006 after Macedonia’s entry into CEFTA, the decision was taken to accelerate CEFTA enlargement to the entire Western Balkan region including Kosovo under UNMIK control, in addition to Albania, Bosnia and Herzegovina, Moldova, Montenegro and Serbia. The decision was taken on the initiative of the Stability Pact for South Eastern Europe, but actually under the influence of European Union thinking on the further development of trade and political relations in the region. As in preceding instances, any resistance that might have been raised by some countries was overcome by the powerful influence of the EU, or the European Commission, the EU’s protagonist for policy in the trade sector.

**First step in the emergence of the new CEFTA: the Memorandum of Understanding on Trade Liberalisation in South Eastern Europe**

As we have said, the Stability Pact for South Eastern Europe (SPSEE), backed by the European Commission, played a major role in the emergence of the new CEFTA. In view of the need for trade renewal and development in the Balkans, particularly after the wars of the first half of the nineties, a Working Group for Trade Liberalisation was formed on the initiative of the SPSEE in 2000. It was composed of Albania, Bosnia and Herzegovina, Bulgaria, Croatia, FRY, Hungary, Macedonia, Romania, Slovenia, Turkey and representatives of the international community (the EU, World Bank, USA and others). Based on the work of this group, a Memorandum of Understanding on Trade Liberalisation was adopted at a ministerial meeting in Geneva in June 2001. Its most important provisions were the commitment of its signatories to concluding bilateral free trade agreements by the end of 2002. With strong support and encouragement from the SPSEE Secretariat and the EU Commission, as many as 28 bilateral agreements (32 if we count UNMIK arrangements on behalf of Kosovo) had been signed by late 2004.

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173 Resistance came not only from the countries of the Western Balkans, but also from the East, as Romania and, in particular, Bulgaria were afraid that regional grouping would mean slowing down the process of their entry into the Union.

In the next phase in December 2006, talks within the SPSEE Trade Group ended with the signing of a new CEFTA agreement, known as the Agreement on Amendment to and Accession to the Central European Free Trade Agreement (CEFTA 2006). This was, in fact, a completely new agreement, modernised and improved under the influence of the European Commission and SPSEE experts who were informal participants in the multilateral trade negotiations. Under the new agreement, the member countries undertook to establish a free trade area by 30 December 2010.

The most important innovation in CEFTA 2006 as opposed to the first CEFTA was in the form of the Agreement. It was not only multilateral in principle but in effect, as its free trade zones were formed on a multilateral basis. Art. 4 of the CEFTA 2006 Agreement envisaged that parallel to the Agreement going into force, the states signatories would abolish their mutual free trade agreements. As we have said, the countries of the region had concluded many bilateral agreements among themselves, frequently differing in content. The existence of these agreements produced a “spaghetti bowl“ effect, as this complicated and interweaving web of relationships is known in the literature. Simply by replacing 32 bilateral agreements with a single multilateral one, relations between the CEFTA member countries gained in clarity and transparency, which was not without effect on the business and investment climate.

4.2.2. The modernised CEFTA 2006

CEFTA had also been modernised, in the sense that elements from EU and WTO policy which emerged in the last decade of the 20th and the early 21st centuries were included. While the CEFTA of 1992 had been the darling of international trade relations of the eighties, CEFTA 2006 gained from the experience of the preceding 15 years. This refers in the first place to the degree of liberalisation and the range of themes covered by the Agreement. CEFTA 2006, for instance, provides much more detailed rules on the free movement of goods, including agricultural goods, and on other issues such as protection of intellectual property, services, the rules of competition and so on. Many CEFTA 2006 provisions point to a greater degree of liberalisation than earlier agreements. Agricultural commodities, for example, are largely covered by the Agreement, which was not previously the case. Restrictive clauses and exceptions to the Agreement (protective measures) have

175 More detailed information on CEFTA on the website: http://www.cefta2006.com/
Regional initiatives and multilateral cooperation in the Balkans

CEFTA 2006 includes several completely new areas, not found in the old agreement. These are the chapters on investment (Chapter 6B), on transparency (Art. 44), on technical barriers to trade (Chapter 4), on sanitary and phytosanitary measures, and on arbitration for the resolution of any disputes among the members. It is noteworthy that the Agreement contains more direct references to the EU Treaty (e.g. on competition) and to GATT and WTO provisions (e.g. on various technical definitions such as customs, sanitary measures, technical barriers to trade, state monopolies and state enterprises). The reason for the link with WTO is probably because all CEFTA members have not yet become members of WTO. It was therefore necessary that they should assume commitments directly from WTO through the CEFTA Agreement. Mention of the EU is explained by preparation for the gradual inclusion of almost all CEFTA 2006 members in the EU (with the exception of Moldova).

Of particular importance was the setting out of the rules of origin, which directly link the CEFTA Agreement to the pan-European rule of origin and the Mediterranean rule of origin (which exists in European agreements with the countries of Central and Eastern Europe, and with the countries of South Eastern Europe as well as in EU agreements with the Mediterranean countries). In practice, this means that certain industrial goods may be manufactured in more than one country in the EFTA, CEFTA and Mediterranean regions. In other words, investment and industrial cooperation in these fields is indirectly encouraged.

All in all, it may be concluded that CEFTA 2006 is a considerably more ambitious and comprehensive arrangement than the first (1992) CEFTA. It covers not only trade in industrial commodities, but trade in services, investment, the rules of competition (including the matter of state monopoly), public procurement, and the question of intellectual property. Regulation of this volume in international trade exchange is known in theory as “deeper integration”, but not full integration, as there is no customs union (full harmonisation of customs) among the members of the organisation.


As for the institutional aspects of setting up CEFTA 2006, it might be said that the CEFTA 2006 Joint Committee, consisting of representatives of the signatories, did not differ essentially from a similar body in the first CEFTA. An intergovernmental body that works by consensus, the Joint Committee has limited powers in decision-making. Its chief duty is to provide a forum for the exchange of information and consultation between member countries. On the other hand, CEFTA 2006 also has a permanent Secretariat based in Brussels, which was not the case with the first CEFTA. In addition, there is a telling difference in the fact that CEFTA 2006 has a dispute resolution mechanism, including the possibility of arbitration, whereby decisions are binding on participants. To a certain extent, this mechanism represents the last generation of trade agreements of a regional character and makes CEFTA 2006 a very modern institutional system.

CEFTA 2006 came into force on 26 July 2007 (24 October 2007 in the case of Serbia). The first summit meeting of the CEFTA countries was held in Skopje in November of the same year. The CEFTA permanent Secretariat was formed in 2008 and is based in Brussels\textsuperscript{178}.

\section*{4.2.3. Concluding the CEFTA 2006 Agreement: advantages for Serbia}

As an up-to-date, liberal free trade agreement covering over 90\% of the commodity exchange in the region, CEFTA 2006 encourages the continued growth of exchange and competition, as it enables economy of scale and reduces production costs while increasing efficiency, productivity and specialisation. This is of particular importance for Serbia, in view of the fact that exchange with CEFTA signatories covers 32\% of Serbia’s exports and 12\% of its imports. The new CEFTA region is the only one with which has traditionally had a trade surplus. Apart from abolishing customs, the other measures of the new Agreement such as abolishing non-tariff barriers, introducing standards, phytosanitary regulations and so on, also facilitate trade and increase exchange.

It is especially important for Serbia that the multilateral CEFTA Agreement eases cross-border production, thanks, as we have said, to the possibility of a cumulative origin for products, which may be manufactured jointly in several countries (facilitating customs-free treatment in the case of exports to the EU or EFTA coun-

\textsuperscript{178} More detailed information on CEFTA on the website: http://www.cefta2006.com/
tries). The CEFTA Agreement emits a positive signal while providing an improved framework for joint investment and investment from other regions (Foreign Direct Investment - FDI). It also facilitates access to a market of ca. 25 million people. As we have seen, one part of the Agreement regulates investment (guarantees, most-favoured treatment), and the liberalisation of public procurement – sectors with the greatest economic prospects. Increased inflow from investment will ensure a revamping of production, new technological know-how, an updated approach to marketing and management, improvement in the quality of goods and services and thus of exports to countries in the region.

CEFTA 2006 also facilitates the process of integration into the EU, which declared the signing of the Agreement to be one of the priorities of its Balkan regional policy. Free trade in the region is actually a condition of further integration into the EU. The sections of CEFTA 2006 directly inspired by articles of the EU Treaty (competition, state subsidies and monopolies, public procurement and so on) also affect the preparation of countries in the region for entry into the Union. In practice, certain problems have already emerged in the functioning of the Agreement. Bosnia and Herzegovina, for instance, long continued to apply protective measures to certain agricultural and food products vis-à-vis Croatia and Serbia, in contradiction of the provisions of the Agreement. The participation of UNMIK-Kosovo since Kosovo declared independence in 2008 has been a permanent source of technical and political problems, such as in the use of customs certificates and so on.

Nonetheless, overall the CEFTA Agreement provides conditions for a more balanced development of the entire Western Balkan region, enhancing cooperation and solidarity, harmonising development policies, improving the infrastructure and indeed the general image of the region abroad. It also encourages more up-to-date and stable conditions for regulating trade in the region, including what are known as the new areas. The Agreement regulates relations in the spirit of the WTO rules and other international rules referring to industrial property, competition, services, public procurement and arbitration in disputes.

The end result of all these positive moves enabled by the CEFTA Agreement should be reflected in a growth in competitiveness of goods and services, in overall exports (and thus employment), and in the final analysis, in the standard of living.

As for the political aspects of the Agreement, it is interesting to note that the denotation „Central Europe“ has been retained in CEFTA, although geographically speaking, its member countries are in Southeast Europe. Without wishing to give too much importance to this aspect of a trade agreement, it must nevertheless be said that high-level politics sometimes allots a very high place to geographical identity.
OTHER REGIONAL INITIATIVES IN THE BALKANS

1. CENTRAL EUROPEAN INITIATIVE - CEI - two decades of multilateral cooperation -

1.1. Origins of the CEI

Today numbering eighteen members, the Central European Initiative was for a long time the only fully completed organisation in a number of multilateral initiatives that included the Balkans in addition to other countries. The CEI emerged on a wave of regional fora at the end of the eighties (initially as the Quadrigonal), at a meeting of the foreign ministers of Italy, the Socialist Federal Republic of Yugoslavia (SFRY), Hungary and Austria in Budapest on 11 November 1989. The initiative came from Italy, who saw in this forum for cooperation a way of ensuring its interests in certain countries of Central and Eastern Europe and as a counterweight to the German sphere of interest. This was the first subregional initiative to admit East and West European countries, including EU members and neutral countries. The initial objective was to ease the transition of Hungary and the SFRY into European political and economic structures. This goal was later expanded to include all other CEI members in Central and Eastern Europe.

In the first joint statement from Budapest in 1989, the ministers stated that they wished to contribute through quadrigonal cooperation to further improving the atmosphere in Europe and to bolstering the CSCE (now OSCE) process. They

179 The final document of the CEI Prague Summit of 5 November 1999 marking the tenth anniversary of its founding, acknowledges Italy’s leading role, referring to the key part played by Italy in supporting operations and activities throughout the years.

pointed out the importance of joint cooperation in a dozen economic and technical areas. The principle form of cooperation was envisaged as annual meetings at a high political level and working groups in various fields. By the following year, with the inclusion of Czechoslovakia, the initiative had grown into the Pentagonal. When Poland joined in 1991 it became the Hexagonal. With the collapse of the SFRY the following year and an increase in the number of members (Slovenia, Croatia, Bosnia and Herzegovina), the forum changed its name to the Central European Initiative (CEI). In 1993, Macedonia, the Czech Republic and Slovakia became new members. Finally, in 1996 and 1997, another six East European countries were received as full members: Albania, Bulgaria, Romania, Belarus, Ukraine and somewhat later – Moldova in 1997. The conclusion was that the initiative had now reached the limits of its capacity as a form of subregional cooperation. At the same time, the possibility was left open for the FRY, along with the other countries of the former SFRY, to take its place as a member of the CEI, as it eventually did in November 2000. When Montenegro left the state union of Serbia and Montenegro, it became the eighteenth and last CEI member (2006).

1.2. CEI: development and areas of cooperation

Development of the Central European initiative could be divided into four periods:

- a formative period, expanding to the countries of Central Europe up to the collapse of the SFRY (1989-end 1991);
- a period of adjustment to transition in the countries of Central and Eastern Europe, and of expanding to include more East European countries: from six to sixteen members (1991-1996);
- a period of consolidation, revitalisation and growing cooperation (from 1997


183 Today the eighteen members of the CEI are: Austria, Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Italy, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine.
to 2004), including the deployment of special financing by Italy in support of
the forum (*Trust Fund at the EBRD*), redefining and fine-tuning the three ba-
sic strategy objectives of the CEI: enhancing mutual cooperation; facilitating
participation in European integration; stimulating the transformation of CEI
countries in transition;\(^{184}\)

- a repositioning period (2004-2008 and later) due to the fact that many of the
  Central and East European members had joined the European Union, and that
  the form of regional cooperation in the Western Balkans had changed (the
  phasing out of the SPSEE in favour of the RCC in 2008).

Having initially emerged as a projection of Italian (and to a certain extent Aus-
trian) foreign policy interests, the CEI’s main role later became that of a bridge
between two groups of countries: those that were EU members and those still outside
the EU. As part of the general restructuring of regional cooperation in Central and
South Eastern Europe (the end of the Stability Pact for South Eastern Europe, the
formation of the RCC etc.), from 2007 the CEI restructured and changed direction
in terms of „dividing the labour“ between regional initiatives and concentrating
cooperation on some priority areas.

**CEI areas of cooperation:**

According to the *Guidelines and Rules of Procedure of the Central European
Initiative* laid down on 6 October 1995 at a summit meeting of the heads of govern-
ment of the CEI countries in Warsaw\(^{185}\), later amended and updated at CEI summits
in Graz on 9 November 1996\(^{186}\), Budapest on 25 November 2000 and on the last oc-
casion in Sofia in April 2007, cooperation includes the following areas:

- exchanges of opinion on political questions of common interest;
- economic and technical cooperation;
- infrastructural development (transport, energy, telecommunications, agricul-
ture);
- enhancing democratic institutions and human rights, including minority
  rights;
- environmental protection;

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\(^{184}\) See for example: „Plan of Action 1998-1999“, adopted at the CEI summit in Sarajevo (28-29

\(^{185}\) Published in: CEI: Political and Economic Documents, vol. 1 *loc.cit*, pp. 185-188.

\(^{186}\) *Ibid.*, p. 213
- cooperation in science and technology, the media, culture, education, youth exchange, tourism;
- cross-border and inter-regional cooperation.

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In terms of geostrategical position and status in Europe, the membership of the Central European Initiative is mixed. This is explained by the desire to avoid „new, artificial divisions in Europe“. Until 2004, two participants were EU members (Italy and Austria), seven were members of CEFTA (Poland, Czech Republic, Slovakia, Hungary, Slovenia, Romania, Bulgaria), four had emerged from the former Yugoslavia (Croatia, Bosnia and Herzegovina, Macedonia, FRY), Albania then joined, and some European countries of the former USSR (Belarus, Ukraine, Moldova).

After 2007, the division in the CEI was half-and-half, one half (nine) being EU members, the others still outside the EU (Western Balkans and three countries of the former USSR). The latter group, however, can be further divided into candidates or potential candidates for EU membership (Western Balkans) and the European Neighbourhood countries (Ukraine, Belarus and Moldova). This fact makes the CEI suitable for passing on experience gained in the process of European integration.

Despite the advantages, however, differences in the positions of the countries of the CEI raise the question of the coherence of the organisation and the degree of real participation and action by some of its members, whose interests and socio-economic circumstances vary widely. It should be pointed out especially that the CEI summit in Graz on 8 November 1996 decided that a member country in grave violation of CEI principles (as set out in the Guidelines) could be suspended from participation in foreign ministerial meetings and the summit could decide to curtail the membership of such a country. In this case, the decision would be taken by „consensus minus one“. Following stabilisation of the situation in the former
SFRY, in today’s circumstances this could perhaps apply to Belarus. The CEI, however, has avoided raising the politically sensitive issue of status and suspension of membership.

1.3. CEI: Organisation, principles and functioning

The CEI was conceived on the one hand as a forum for high level debate (heads of government and foreign ministers) of political and economic issues of regional interest, and on the other as an operative body to guide and organise specific projects in cooperation and development. In recent years, the CEI has been geared less towards highflown political dialogue (although the regular CEI summits and foreign ministerial meetings have survived), and more towards project activities designed to add impetus to economic development and the development of human resources.

The organisation and operation of the CEI are laid down in the Guidelines for Activities which define the CEI as a forum for cooperation guided by the principles of: the UN Charter, the documents of the Helsinki Process/OSCE, including the Paris Charter on a New Europe, the Pact on Stability in Europe and on all final declarations and documents from meetings of heads of government and foreign ministers of the Quadrigonal, Pentagonal, Hexagonal and the CEI. The CEI is defined as „part of the European integration process“, whose objective is to „work for cohesion of a united Europe, without dividing lines, a Europe of shared values, embracing all countries, regions, peoples and citizens of the continent“.

According to the Guidelines (1995-96), the organisational structure of the CEI is „flexible and not institutionalised“ . However, this is not quite true, as in practice the work of the CEI is largely institutionalised. The CEI has an organisational dimension, linked to the executives of the various countries (heads of state, foreign ministers, political directors, national coordinators, an executive secretariat), a parliamentary dimension (speakers of parliament, a parliamentary assembly, parliamentary committees, working bodies), and a business dimension (annual gatherings of chairmen of chambers of commerce through the Central European Chambers of Commerce Initiative, CECCI, and the CECCI Secretariat).

187 The Guidelines were changed on several occasions, for the last time at the CEI summit in Sofia in 2007. CEI: Guidelines and Rules of Procedure (Sofia, April 2007).

188 Paragraph 10 of the Guidelines.
The highest CEI bodies are: the meeting of heads of government (a summit held once a year in winter, also attended by the foreign ministers), and the foreign ministers’ meetings, held once a year in June. The heads of government meeting, besides discussing general subjects, decides on the following questions:

- Political and economic guidelines for CEI cooperation;
- CEI membership;
- CEI principles.

The foreign ministers decide all general and specific questions of cooperation in the CEI, including political cooperation, the areas and ways of cooperation, issues of personnel and finance, secretariat issues, contacts with other organisations and regional political issues. They also appoint the Secretary General of the CEI Executive Secretariat.

Between conferences, the initiative is represented and run by the country holding the chairmanship which rotates annually, usually (but not always) in alphabetical order. Meetings of political directors of the foreign ministries also take place annually in Rome.

The basic working body of the CEI is the National Coordinators Committee, in charge of coordinating activities in the CEI at national level and among the member states. The Committee meets six times a year (every two months). It discusses all issues of cooperation and prepares proposals which are decided by the heads of government or the foreign ministers of the CEI countries. The work of the National Coordinators’ Committee is supported by the CEI Executive Secretariat in Trieste. A committee may be formed attached to the National Coordinators’ committee in order to deal with some specific question in which not all member countries must share (for instance, the Financial Committee, as an advisory body in charge of financial questions in CEI activities etc.)

CEI subsidiary bodies were: working groups (permanent and ad hoc, project groups and the like, whose number tends to vary). As of 2008, these working groups

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189 From 1989 to 2000, 11 meetings of CEI heads of government were held (once a year on a regular basis) and 16 foreign minister meetings.
190 See CEI Guidelines, paragraph 8.
191 It is made up of representatives of the CEI Troika countries: Austria, Italy, the Secretariat for CEI Projects at the EBRD and the Executive Secretariat, see paragraph 12, subparagraph 2 of the Guidelines.
were transformed into 13 focal points (2010). Project implementation groups and task forces are responsible for carrying out the projects.

**Permanent technical bodies** are: The CEI Project Secretariat (CEI-PS) at the European Bank for Reconstruction and Development in London (EBRD), whose task is to prepare and propose projects for financing by the EBRD and other financial institutions; the CEI Executive Secretariat (formerly the Information and Documentation Centre) in Trieste, which acts as the secretariat of this initiative and helps with chairmanship activities. There is also a Supervisory Committee attached to the CEI Project Secretariat.

**The parliamentary dimension** of the CEI is made up of representatives of the national parliaments. They meet in the CEI Parliamentary Assembly and the CEI Parliamentary Committee, as well as at regular encounters of the parliamentary speakers of the CEI countries. Parliamentary cooperation has advanced and developed institutionally in recent years, as shown in the special “Rules of Procedure of the CEI Parliamentary Dimension.”

Institutionalised cooperation at commercial level is known as the Central European Chambers of Commerce Initiative (CECCI), within which the presidents of the various chambers meet once a year. CECCI has its own working groups. Parallel to summit meetings of the CEI, as of 1998 economic fora have also been held which gather together representatives of the administration and the economy.

**Decision making:**

According to paragraph 27 of the CEI Guidelines, decisions of its official bodies are, as a general rule, taken by consensus. Procedural questions are decided by a

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193 The CEI Project Secretariat was formed by decision of a CEI summit in July 1991, based on a subsidy from Italy.

194 Founded in 1996. The name of the Executive Secretariat was changed at the CEI summit in Sarajevo, 28 November 1997.

195 See: Rules of Procedure of the CEI Parliamentary Dimension, adopted 28 October 2009. Internet: http://www.ceinet.org/sites/default/files/attachments/docs/PD%20Rules%20of%20procedure%202009.pdf. The CEI Parliamentary Dimension has a President and Vice-Presidents, standing and general parliamentary committees etc.

196 The Economic Forum tends to be a combination of a business conference and a commercial fair, attended by the ministers for the economy and several hundred firms from the CEI countries.
simple majority of the member states. Decisions are adopted in the form of final acts and documents, political declarations or recommendations. The CEI chairmanship and the Secretary General of the Executive Secretariat may conclude agreements on behalf of the CEI. The CEI working language is English.

**Financing:**

According to the Guidelines, each member country bears the costs of its participation in the CEI (meetings etc.) Since 2001, members have financed the CEI Cooperation Fund, which facilitates the CEI’s work. The Fund’s annual budget is €300,000. Since 1998, there is also a Solidarity Fund for support to participation by the poorer members of the organisation. Since 1991, there has been a Trust Fund established by Italy at the EBRD which finances feasibility studies for larger projects (the total sum was €28 million). Finally, in 2007 the CEI set up a Fund for Climate and Environmental Protection. Recently, the CEI has made notable efforts to have certain projects agreed and financed by the EU.

### 1.4. CEI: Activities

The dual objective of the CEI: to act as a forum for exchange of opinion at senior political level while facilitating pragmatic cooperation in various fields, is reflected in official documents and declarations from CEI political meetings, all of which devote a section to the broader political issues and another to mutual cooperation and concrete projects.

#### 1.4.1. Areas of political cooperation

Although the CEI has endeavoured to maintain a balance between the political and economic aspects of cooperation, political cooperation has been restricted in range. Its objective was to contribute to stability in the region through dialogue, bolstering mutual trust, understanding and convergence among the participant states. It was primarily geared towards the CEI region and open political questions. At one time, these arose mainly from the difficulties that emerged from the collapse of the SFRY. However, CEI political declarations mainly covered the same ground as other

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197 In 2009, the CEI through its Project Secretariat became the leading partner in three EU-financed projects: CERES, Inovoncerto and SEETAC. See: *CEI Secretariat Annual Report 2009*. 
more prestigious or influential fora such as the UN, the OSCE and the EU. For this reason, they did not have much effect on public opinion and were hardly noticed by the media.

At the earlier meetings, political dialogue covered a wider range of themes than was later the case. Thus, the political document of the Pentagonal foreign ministers in November 1990 discussed five questions: the CSCE, the Council of Europe, relations with the EC, minority issues and security issues. Later, for instance, the political section of the Final Document from the foreign ministerial meeting in Turin of 18 November 1994 discussed the following issues: organisation of the work of the CEI and the status of associate members, the situation and resolution of the conflict in Bosnia and Herzegovina, the conflict in Croatia, the call for dialogue between Belgrade and the Kosovo Albanians, the question of the SFRY succession, the OSCE Conference, preparation of CEI documents on minority protection, and parliamentary cooperation. The document from the foreign ministerial meeting in the Czech Republic (Karlovy Vary, 24 June 1999) discussed: the Kosovo crisis, minority status in the FRY, launching the Stability Pact for South Eastern Europe, EU enlargement and NATO, launching the EU Stabilisation and Association Process, the role of NATO, relations with the OSCE, the peace agreement in Bosnia and Herzegovina, the status of Montenegro and the FRY in the CEI, the situation in Moldova, respect for human rights and other matters.

The 2007 decision on repositioning the CEI states that CEI final documents shall be adopted only at summit meetings of the forum. Ministerial meetings were to adopt only the chairman’s conclusions and the like. The final documents from CEI summits have in recent years become more structured and formulaic. This points to a further diminishment of the political component in CEI statements, which have two parts. The first is headed: „The Situation in the Region“, but in fact refers mainly to noting progress made by certain countries or groups of countries in cooperation with the EU. Thus, for instance, in the Final Document of November 2008, there was no mention of the burning political question of the moment: Kosovo’s unilateral declaration of independence, obviously due to the impossibility of finding any common ground among the members on this highly problematic international issue. The second part of the Final Document is called „The Role of the CEI“ and discusses action by the forum, its bodies and funds in the inter-summit period.

Apart from high-level political discussion (summits, foreign ministers), polit-

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199 Adopted by the CEI summit in Sofia, 27 November 2007.
cal questions are also discussed by the political directors of the foreign ministries of the CEI countries, who meet twice a year. At one time, political action took the form of fact-finding missions in crisis areas.

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**THE CEI INSTRUMENT FOR THE PROTECTION OF MINORITY RIGHTS**

The CEI Instrument for the Protection of Minority Rights was prepared on 15 November 1994 in Budapest, since when it has been open for signing by the high representatives of the CEI member countries. Although in the form of a convention, the Instrument is a political document and is not internationally legally binding. There are 27 articles. The Preamble to the Instrument points out *inter alia* that national minorities are „a factor of enrichment of each respective State and society“ of the CEI member countries, and that issues affecting the rights of those who belong to national minorities are the subject of „legitimate international concern“.

In Article 1 of the Instrument, the States „recognise the existence of national minorities as such, considering them integral parts of the society in which they live and guarantee the appropriate conditions for the promotion of their identity“. National minorities are defined as „a group that is smaller in number than the rest of the population of a State, whose members being nationals of that State, have ethinical, religious or linguistic features different from those of the rest of the population, and are guided by the will to safeguard their culture, traditions, religion or language“. In Article 4, the States „guarantee the right of persons belonging to national minorities to express, preserve and develop their ethnic, cultural, linguistic or religious identity and maintain and develop their culture in all its aspects“. To this end, the State will take special measures (enhancing equality, protecting from discrimination and racism, enabling the use of one’s own language in contact with the public authorities, the right to the use of personal names and the names of localities, religious rights, the learning of minority languages, the existence of minority institutions and associations, to schooling, adaptation of education, to media in minority languages, political parties, partic-
pation in public affairs and to an effective remedy before judicial authorities. The State shall also encourage transfrontier cooperation and interpersonal contacts, with all due respect for the sovereign equality, territorial integrity and political independence of the State. Members of minorities are also obliged to respect the rights of other citizens, including those who belong to the majority population, and to respect the laws and sovereignty of their State.

Most of the CEI’s specific activities in the political field were aimed at the protection of minorities. One of the CEI task forces (coordinated by Hungary and Romania) dealt with minority issues. Its role, among others, was to adapt the principles of the Council of Europe Convention on Human and Minority Rights to the regional context.\(^{201}\)

One of the principle achievements in this context was agreeing on a definition of what constituted a national minority.\(^{202}\) The CEI countries adopted a specific document: *The CEI Instrument for the Protection of Minority Rights*, which as of May 1996 has been open for signing by the individual member countries. This is a political declaration, not a legally binding document.\(^{203}\)

In the more recent phase of CEI activity, minority issues are no longer treated as a political priority, and come under the broader heading of multicultural and transborder cooperation.\(^{204}\)

More recent action within the CEI framework has concentrated on the inclusion of an ombudsman in the legal systems of member countries, in order to bolster protective bodies and promote human and fundamental rights.


\(^{204}\) Thus, for example, the CEI Action Plan for 2010-2012 included this issue under the heading: “Intercultural Cooperation Including Minorities”, as part of a chapter on “Developing Human Resources”.
1.4.2. Political cooperation and the interests of certain countries

Regardless of the fairly limited range of political cooperation in the CEI, it must be said that the participation or absence of a country from the regional initiative can have certain consequences for its political interests. This is not insignificant, particularly in the case of the smaller countries, or when vital interests are at stake. CEI practice was a good example of this, especially in what concerned attitude towards countries during the wars in the former Yugoslavia. As decisions and declarations are adopted by consensus, it is clear that a country participating in the process can ensure itself a more favourable position (i.e. formulations, declarations and standpoints) than countries that have been excluded from the forum. The absence of Serbia/FRY when suspended, for instance, (it took no part in the CEI from 1992 until late 2000), reflected drastically on the political documents adopted. In keeping with Western policy (Italy/Austria) in the 1991-1992 period, the member countries of the Initiative soon ceased to support the SFRY Federal Government in late 1991 and accepted the factual situation, including requests for membership from Slovenia, Croatia and later Bosnia and Herzegovina in the CEI. Between 1992 and 1999, CEI declarations regularly contained views referring to the region of the former Yugoslavia that were very close to the political views of the European Union. Furthermore, the non-participation of the FRY/Serbia in the CEI resulted for a long time in a lack of balance when appraising the situation and the position of certain minority ethnic groups, which manifested itself in especially drastic fashion in the Final Document of the CEI foreign ministers meeting in Karlovy Vary on 24 June 1999.205

As we have mentioned, more recent – particularly high-level - CEI declarations, have practically ceased to deal with controversial political issues linked, for instance, to the situation in the Western Balkans or the countries of the former USSR.

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205 Paragraph 2 of this document expresses satisfaction with the ending of the Kosovo crisis and stresses the obligation to respect the rights of all who belong to national and ethnic groups in Yugoslavia (without explicitly mentioning the persecution of the Kosovo Serbs). It also stated: «In this context, the delegations of Hungary and Croatia drew special attention to the situation of minorities in Vojvodina and Sandjak. Furthermore, the delegation of Bulgaria drew special attention to the situation of the Bulgarian national minority in Dimitrovgrad-Bosilegrad, the delegation of Albania to Albanians in the Southern part of Serbia and the delegation of Macedonia drew special attention to Macedonians living in Yugoslavia». The document does not explicitly mention any other minority in any country of the CEI. Document available at: http://www.mzv.cz/file/18328/_1999mfa_karlovy_final.pdf
1.4.3. Areas of economic and technical cooperation

**a) Working groups and financing projects**

The CEI in its time has developed a great number of varied programmes and projects in its many working groups. Simultaneously, cooperation has been adapted, refocused and redirected towards the gaps not covered by other regional initiatives. The choice of project depends to a fair extent on the interests of those financing it (Italy, Austria etc.), and the enterprise of the countries taking part. In July 2000, the CEI had an official 17 working groups, of which most were permanent and some temporary\(^{206}\). Once the Stability Pact for South Eastern Europe had been launched, the CEI formed an Expert Advisory Committee for the SPSEE at the summit in Prague on 5 November 1999, and endorsed proposals for support to the Pact\(^{207}\).

CEI activities took place in accordance with two-year action plans that grouped activities in three target areas: (1) cooperation among CEI member countries; (2) activities directed towards integration into Europe (3) support for transition measures.

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**CEI METHODOLOGY FOR PROJECT FEASIBILITY AND EBRD FINANCING**

The CEI has built up a procedure for linking project ideas to concrete possibilities of financing by the banks. Working groups identify project ideas that may be of interest to the EBRD or other international financial institutions. These are then submitted to the EBRD for initial selection (concept clearance), listing: potential sponsors, cost estimates, final beneficiaries, potential revenues, financial requirements etc. Project preparation for EBRD financing takes place through technical cooperation, which may include a feasibility study, introducing an information system, seminars, training, technology transfer, an assessment of the effect on

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\(^{206}\) These were working groups for agriculture, civil defence, culture, energy, the environment, combating organised crime, development of human resources and training, information and media, migration, minorities, reconstruction in Bosnia and Herzegovina and Croatia, science and technology, small and medium enterprises, tourism, transport. The number is not fixed, as groups are formed and disbanded at almost every CEI ministerial meeting or summit. Some work groups remain inactive for lengthy periods. See: *Status Report on CEI Working group activities*, July 2000, Internet: http://www.ceinet.org/meetings/StatusReport.html.

\(^{207}\) See: *Statement on the CEI contribution to the implementation of the Stability Pact for SEE*, Meeting of the Ministers for Foreign Affairs, CEI, Karlovy Vary, 24.06.1999.
the environment and other elements. The CEI Secretariat prepares a CEI Project List which contains general information on projects in hand or completed. The CEI Secretariat has designed forms with precise instructions for each phase of the procedure (identifying the investment project, need for technical assistance, a list of experts needed to prepare the project etc.).

Only very major projects (€30 million or over) are directly financed by the EBRD, while the minimum EBRD stake per project is €10. For smaller projects (sub-projects) the EBRD uses financial agents (local banks, investment funds and the like.)

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**b) CEI Programmes and Plan of Action for 2010-2012**

According to the decision taken in 2007 to reposition the CEI, the priority areas are: climate and the environment, sustainable energy, development of entrepreneurship, tourism, human resource development, information society, media, intercultural cooperation, minorities, multimodal transport, science and technology, sustainable agriculture and – as a horizontal form of cooperation - regional and cross-border cooperation. In principle, the focal points select projects on the recommendation of the CEI Secretariat, using the following criteria: relevance of the projects to the CEI Plan of Action, the cost/benefit ratio, level of participation (number of participants, eligibility etc.).

Apart from the CEI Secretariat and the focal points, a particular form of programme development is supplied by the CEI operative instruments: the CEI Project Secretariat (a department of the Secretariat), the CEI Know-How Exchange Programme (an exchange of experience in European integration among CEI member countries), the CEI University Network (18 universities – exchange of lecturers and students) and the CEI Science and Technology Network (based on a cooperation protocol).

The aims of the CEI Plan of Action for 2010-2012 were: to emphasise the comparative advantage of the CEI (in order for the forum to focus on what it did best and leave the rest to other regional organisations); cost effectiveness (most favourable use of financial resources), a bottom-up approach (concentrating on the beneficiary’s real needs), giving priority to member countries outside the EU, and streamlining its field of action. Three programme activities were singled out: economic development, human development and horizontal instruments (cross-border and interregional cooperation).
The first theme, economic development, covers the following areas of cooperation: (1) climate, the environment and sustainable energy, (2) enterprise development, including tourism, (3) multimodal transport and (4) sustainable agriculture.

The second thematic area, human development, includes the following areas of cooperation: (1) human resource development, (2) information society and media, (3) intercultural cooperation, including minorities and (4) science and technology.

Finally, as we have said, the third thematic area includes a horizontal instrument of cooperation – interregional and cross-border cooperation.

As may be seen from the above, there has been a noticeable effort to streamline the areas of cooperation, although some themes are broad enough to cover any issue of interest (e.g. human development).

1.5. Assessment of the work of the CEI: strengths and weaknesses

The Central European Initiative is one of the more successful examples among the regional initiatives and multilateral fora to which the countries of South Eastern Europe belong. In recent years, the CEI has noticeably tried to slim down its role to a certain extent and adjust it to relatively modest financial resources. This was in the first place to reduce the political component in CEI declarations and at meetings, to make the forum project-oriented and avoid exhausting itself by forming numerous cooperation groups and bodies. The CEI has endeavoured to use its sizeable membership, evenly divided into members and non-members of the EU (nine-nine), as an advantage which will enable it to act either as a preparatory forum for EU membership or as an institution that will help overcome new divisions in Europe.

In comparison with other, similar initiatives, the CEI’s advantages would appear to be the following:

- The CEI responds to the need for a new „European architecture“, so that cooperation in Europe, besides bilateral cooperation between states or in organisations with pan-European objectives (Council of Europe, OSCE, EU), can also take place in flexible, subregional fora;
- The CEI has years of experience in multilateral cooperation with many European countries, ranging from high political level to technical, and in a variety of areas; it has succeeded more than any other similar forum in combining political activities at senior level with the concrete measures of numerous pro-
programmes and projects that are of practical value for the economies and societies of the member countries;

- CEI members include countries from several European subregions (the EU, Central Europe, the Balkans, the former USSR), which positively influences the avoidance of new, artificial divisions in Europe; it is particularly important that the CEI „did not insist on pre-conditions for cooperation among states and that it provided the basis for equal relations“ among countries208;

- The fact that the CEI includes EU member – i.e. wealthier – countries, enables adequate coordination and support from the European Union, both financial and technical, at least in principle;

- With its many programmes and projects, the CEI is an additional instrument in preparing the South East European countries for transition and integration into Europe;

- One of the reasons for the relative effectiveness of the CEI lies in the fact that its activities are properly supported by the wealthier members (with the interest and subsidies in the first place of Italy, Austria and others), and that the appropriate contacts have been established between the forum, its member countries, working bodies, initiatives and projects on the one hand, and with the financial institutions on the other (Secretariat activity with the EBRD and the CEI connection with the EBD, EBRD loans). However, the road from ideas and suggestions to actually financing the projects is often a long and complex one.

This said, the CEI had a certain number of weaknesses:

- In the course of a few years (1989-1993), the CEI quickly grew from 4 to 17 participant countries (eighteen today), with the result that there was a certain amount of floundering in seeking out the most favourable strategy, objectives and programme for the Initiative;

- Besides being an advantage, the large number of CEI participant states can also hamper its effectiveness because of the disparity in the interests of the various countries and the stretching of resources throughout the region. This leads to a loss of coherence and the possibility of concentrating the objectives and instruments necessary to achieve certain results in some of the subregions.

- The differences that exist among member countries lead to differences in the degree to which they take active part in the CEI, particularly in working groups.

and projects. This depends on the financial and human potential of the participants. There is a distinct impression that the degree of participation tends to decline from west to east, Central European CEI members being more active than the countries of Eastern Europe. This impression, it is true, has changed somewhat in recent years;²⁰⁹

- despite lofty ambitions, the CEI has not achieved any palpable success on the political level; certain useful actions have been taken (minority protection, enhancing the democratic process etc.). However, CEI activity at this level appears more like a simulation of the role of other organisations (Council of Europe, OSCE, EU political cooperation) than authentic projects with independent results;

- Certain CEI programmes and projects have no broad regional significance, serving merely to multiply project numbers. Economic-type activities are diffuse and rather artificially grouped under various cooperation headings. It is hard to see, for instance, why the goal of transport cooperation should be European integration instead of mutual cooperation or support for transition. Furthermore, the CEI has insufficiently streamlined some lynchpin programmes, around which the activities of the entire Initiative could group, such as trade liberalisation and the like.

²⁰⁹ Perhaps the best illustration of this is the hosting of summit meetings, or of the chairmanship of the CEI. In the first ten years, for example, there were 15 meetings of the CEI foreign ministers, five of them were held in Italy, three in Austria, three in Hungary and one each in Poland, the Czech Republic, Croatia and Bosnia and Herzegovina. A number of CEI member countries have not yet hosted a summit meeting. Over the past ten years (2001-2010), however, summits have been held six times in EU member countries and four times in non-member countries, in other words, a certain balance has been reached.
2. BLACK SEA ECONOMIC COOPERATION
- economic cooperation and political challenges -

2.1. Origins of Black Sea Economic cooperation, participants

Black Sea Economic Cooperation (BSEC) was established in 1992 at the initiative of Turkey at a particularly favourable juncture for the development of new forms of regional cooperation in Europe, after the disappearance of the Eastern and Western Blocs, Comecon, the Warsaw Pact and the USSR. The BSEC was founded by eleven countries, five of them Balkan states: Turkey, Bulgaria, Romania, Greece and Albania\(^{210}\), countries of the Black Sea coast/former members of the USSR: Russia, Ukraine, Moldova and the three countries of the Southern Caucasus - Azerbaijan, Armenia and Georgia. These countries cover a region stretching from the Adriatic to the Pacific. It has been pointed out that in addition to the Black Sea, the area includes another seven seas in its immediate neighbourhood.\(^{211}\) Together they have a population of 327 million (5.8% of world population) and their cumulative GNP is about 3.21 of global GNP.\(^{212}\) If, however, we take into account only the three Russian

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\(^{210}\) The presence of Greece and Albania in the BSEC, although not Black Sea coastal countries, derives from the Initiative’s original concept which was broadly to cover the Balkans, including the former SFRY, and Turkey’s specific interest in promoting Albania’s position. For the preparations leading up to the BSEC and the motives of certain member countries, see: Y. Vasilinakos, S. Karaganov, „The Creation and Evolution of the BSEC: An Assessment“, in: T. Veremis, D. Triantaphyllou (ed.), Southeast European Yearbook 1997-1998, ELIAMEP, Athens, 1998, pp. 243-291.

\(^{211}\) The Sea of Azov, the Sea of Marmara, the Aegean Sea, the Caspian Sea, the Ionian Sea, the Adriatic and the Mediterranean. For this, see: E. Kutovoi, “BSEC: Current Activities, Prospects for the Future", Romanian Journal of International Affairs, Vol. III, 1, 1997, p. 82.

areas on the Black Sea\textsuperscript{213}, their total population comes to 190 million people. According to World Bank classification, BSEC member countries fall into two groups: four are less developed\textsuperscript{214} and seven are medium-developed countries.\textsuperscript{215} In the joint economic potential of the eleven BSEC members in 1993, almost half the cumulative GNP (49.5\%) was produced by Russia, almost a fifth (18.9\%) by Turkey, approximately a tenth by Ukraine (12.9\%), followed by Greece (8.6\%), Romania (4.3\%), etc. The region is especially important because of its natural and energy resources, particularly oil and gas, and because of its strategically important position as a transit area. Foreign investment for the moment, however, remains rather modest\textsuperscript{216}.

Although the formation of the BSEC was supported by all the countries bordering on the Black Sea – traditionally a conflict-torn region of great economic contrasts\textsuperscript{217} – each looked to its own national interest. Russia was desirous to show a new approach to regional foreign policy, surrendering its former hegemony as something belonging to the vanished USSR. Turkey saw an opportunity to make use of its geostrategic position, growing economic power and ambitions of regional leadership, while smoothing relations with Russia\textsuperscript{218}. Initially cautious, Greece joined the BSEC in an endeavour to monitor and keep a check on initiatives by Turkey, while using its position as an EU member to act as an intermediary between the European centre and the periphery. Ukraine, like other newly recognised countries of the former USSR, wished through BSEC membership to affirm its new position as a sovereign player in international and regional affairs. A similar interpretation applies to Albania, which had just re-surfaced on the international scene after decades of self-isolation. Finally, Romania and Bulgaria, although at the time preoccupied with achieving the privileged bilateral relations of association followed by membership of the EU, are traditional supporters of developing economic cooperation in the

\textsuperscript{213} Rostov, Krasnodar and Stavropol. This was the criterium adopted by the European Commission, see: \textit{Commission des CE, Coopération régionale dans la région de la mer Noire, communication au Conseil}, COM (97) 597 final, Bruxelles, 14 November 1997, p. 7.

\textsuperscript{214} Albania, Armenia, Azerbaijan and Georgia.

\textsuperscript{215} Greece, Turkey, Russia, Ukraine, Romania, Bulgaria and Moldova.

\textsuperscript{216} P. Kazakos \textit{et al}, \textit{op.cit.}, p. 191.


\textsuperscript{218} „From the Turkish point of view, the main importance of the Black Sea initiative was to provide a historic framework for stabilising the age-old Turkish-Russian rivalry“ in: Y.Valinakis, S. Karaganov, \textit{op.cit.}, p. 257.
Black Sea area, on which they so vitally depend.\textsuperscript{219}

Interestingly, in contrast to other similar forms of cooperation, the number of BSEC members and the members themselves have scarcely changed, except for the admission of the state union of Serbia-Montenegro, and later, after the separation of Montenegro, Serbia alone. This was not because of a lack of interest on the part of other countries, but mainly the result of a lack of consensus among the BSEC members on longterm options in extending and developing it. It was also partly a consequence of the complex political situation or international position of some of the candidate countries (Macedonia and Iran, for instance).\textsuperscript{220}

Although other initiatives for cooperation in this region were to follow the founding of the BSEC, the latter is undoubtedly the most far-reaching and comprehensive, both in terms of membership and areas of cooperation.

\section*{2.2. Key stages in developing cooperation}

Following two years of preparation, the BSEC was launched at a meeting of the heads of state and government of eleven countries of the region on 25 June 1992 in Istanbul. The summit endorsed two documents: a Declaration on Black Sea Economic Cooperation and the Bosphorus Statement\textsuperscript{221}, setting out objectives and

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\textsuperscript{220} At various periods, Macedonia, Iran and Uzbekistan submitted requests for BSEC membership. Observers in the BSEC (whose status is renewed every two years) were Austria, Egypt, Israel, Italy, Poland, Slovakia and Tunis. Bosnia and Herzegovina, Croatia, Jordan, Cyprus, Slovenia and Kazakhstan also requested observer status. In 2009, for instance, observers at the BSEC foreign ministerial meeting were: Egypt, Austria, France, Italy, Poland, USA and the European Commission.

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forms of economic cooperation in a range of areas. The participants deliberately avoided the inclusion in the forum of other important but purely political or security issues. According to the Istanbul Declaration, the main legislative body of the organisation was to be the Council of Ministers of Foreign Affairs. The latter were to meet at least once a year „for the purpose of analysing the results of the cooperation and determination of new targets”.

The period of almost twenty years of Black Sea Economic Cooperation to date could be divided into the following phases:

- Phase 1: initiation (1990), gradual organisation and streamlining of the initiative throughout the first two or three years, without much in the way of concrete results or clear-cut organisation, up to the first meeting in 1992. This phase continued up to 1995;
- Phase 2: may perhaps be linked to the second high-level meeting (heads of state or government or other senior representatives) in Bucharest on 30 June 1995, after which the foreign ministers endorsed an Action Plan stimulating and reorganising the work of BSEC subsidiary bodies. An additional eight new working groups were also formed. Cooperation was enhanced by introducing a Troika of ministers. The work of the BSEC Permanent International Secretariat in Istanbul (known as PERMIS) was stepped up, and from the end of 1995 was jointly financed by all members (having hitherto been funded only by Turkey). BSEC meetings at all levels were held more frequently throughout this phase, especially of heads of state or government. (Two BSEC summits were held: in Moscow in October 1996, at Yalta in June 1998). Ultimately, this period ended with the signing of a charter at Yalta transforming the BSEC into an international organisation, and the long-awaited activation in early 1998 of an agreement setting up the Black Sea Trade and Development Bank;
- The ratification and implementation of the Charter of Cooperation among the BSEC countries heralded a new phase of institutionalisation. In this phase, the BSEC gradually assumed all the characteristics of a regional international organisation with well-developed accompanying bodies, capable of adopting internationally binding agreements and memoranda. Although the BSEC turned from a formally declared forum into a project-targeted organisation, the transformation was not a complete success.

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222 Transport, communications, information exchange, statistics, standards and certificates, energy, mining, tourism, agriculture and agro-industry, veterinary and sanitary protection, health and pharmaceuticals, science and technology. See also: V. Sandru: op.cit., pp. 128-129.
• The latest phase of BSEC development may be linked to the process of EU enlargement towards Central and Eastern Europe in the early twentyfirst century. After 2007, two BSEC members (Bulgaria and Romania) became at the same time members of the European Union. This brought the EU to the shores of the Black Sea, with the result that it has become much more involved in relations with the BSEC, particularly through the policy known as „Black Sea Synergy“.

2.3. Permanent bodies

The BSEC has a wealth of varied insititutional bodies and forms of cooperation, which contrasts somewhat with the rather meagre results it has produced so far.

2.3.1. In addition to occasional meetings of the heads of state and government, the principle decision-making body is represented by the regular meetings of the foreign ministers of the BSEC countries. Initially an annual event, since 1995 they have been held each semester, in accordance with the six-monthly rotation of the chairmanship.\textsuperscript{223}

Up to the summit at Yalta, ten regular foreign ministerial meetings were held and one special meeting of foreign ministers and ministers for the economy (Istanbul, 7 February 1997), the latter issuing a declaration of intent to form a free trade zone of the BSEC countries. The Troika system which coordinates some BSEC activities has been in force since 1995. On coming into effect of the BSEC founding Charter, its most senior body is the Council of (Foreign) Ministers, who continue to meet twice a year\textsuperscript{224}. Armenia and Azerbaijan chaired the BSEC in 2009, Bulgaria and Greece in 2010. The Council also decides requests for membership in the organisation, observer status, the rules of procedure, setting up subsidiary bodies and endorses decisions and recommendations. Meetings of senior officials of the various foreign ministeries (Committee of the Senior Officials) are held back to back with Council meetings. The Council of Ministers adopts resolutions, decisions and recommendations. It is interesting to note that only major decisions are adopted by consensus (status and organisational issues, admission of new members and observers, financial questions and decisions on cooperation), while other decisions may be adopted by a two-thirds majority, or a simple majority in the case of recommendations that are non-binding on member countries.

\textsuperscript{223} Held by the countries in alphabetical order from 1 May to 31 October and from 1 November to 30 April each year.

\textsuperscript{224} The majority of countries are represented at these meetings by deputy or assistant foreign ministers.
2.3.2. **The BSEC Permanent International Secretariat (PERMIS)** began work in March 1994 and is based in Istanbul as the BSEC’s only permanent institution. It is interesting that it was initially Turkey that financed the lion’s share of the Secretariat’s budget (until 1996 *in toto*, later about two-thirds, followed by a third).

2.3.3. **BSEC subsidiary bodies** (working and expert groups) provide the framework for the fundamental activities of the BSEC. In time, 18 working and expert groups were formed in a great number of fields. Up to 1997, these groups met 80 times, sometimes at ministerial or deputy ministerial level. In order to promote effectiveness of the working groups, the foreign ministerial meetings decided to appoint a coordinating country for each working group and to adopt „plans of action“.

The BSEC is connected to a number of other bodies for special questions or areas of cooperation, such as the international Centre for Black Sea Studies in Athens, the Black Sea Regional Energy Centre in Sofia, the Coordination Centre for the Exchange of Statistical Data and Economic Information in Ankara and the Balkan Centre for Small and Medium Sized Enterprises in Bucharest.

2.3.4. **BSEC Parliamentary Assembly (PABSEC)** was formed in 1993 but only in 1997 covered the parliaments of all BSEC member countries (up to then the Bulgarian parliament had had observer status as had Greece up to 1995). PABSEC is the organisation’s consultative body. It meets in the framework of the General Assembly (70 parliamentarians), has a Bureau and a standing committee as well as three parliamentary standing committees for economic, legal and cultural cooperation. In addition, there is an international secretariat.

2.3.5. **The BSEC Business Council** has gathered business people from the region since 1992 and holds observer status in the BSEC. The Council, which has its own Secretariat in Istanbul, is run by a board of directors, and the Council chairman changes every six months. One of the largest manifestations arranged by the Business council was the BSEC Business Forum attended by representatives of the...
FRY (Bucharest, April 1996)\textsuperscript{228}. The Business Council was restructured for a better response to the needs of the private sector. Parallel to this, the \textit{Association of the Black Sea Zone Chambers of Commerce and Industry} was formed\textsuperscript{229}.

2.3.6. \textit{The Black Sea Trade and Development Bank (BSTDB) in Thessaloniki} was formed based on an agreement reached in 1993 among the member states, but which only came into force in 1997, the bank opening for business in June 1999. According to the agreement, the greatest stake in bank capital (1 billion IMF special drawing rights – SDR) was held by Turkey, Greece and Russia (16.5% each), Bulgaria, Ukraine and Romania (13.5% each), each of the other member countries having 2% of the total initial capital. The Bank is administered by a Board of Governors (11 members from each member country) which elects the President, and a Board of Directors (11 members).\textsuperscript{230}

Finally, the International Centre for Black Sea Studies was established in Athens, to conduct research in economics and develop cooperation among national institutes of learning.

\textsuperscript{228} The BSEC Business Council holds traditional gatherings with representatives of MERCOSUR.

\textsuperscript{229} Other organisations are the Black Sea Region Association of Ship Builders and Ship Repairers (BRASS, 1993) and the International Black Sea Club consisting of representatives of the port towns (Varna, Burgas, Piraeus, Thessaloniki, Constanța, Galați, Istanbul, Odessa, Kharkiv and others).

\textsuperscript{230} The Bank’s website is at: http://www.bstdb.gr. The BSTDB’s first commercial decision was to grant a loan of USD 12 million to help Ukraine build a gas compressor station for the trans-Balkan gas pipeline (December 1999).
2. 4. The BSEC Charter – an important step in promoting cooperation

As already mentioned, at the BSEC summit at Yalta on 5 June 1998, the heads of state or government of all 11 member countries signed the Charter of the Organisation of the Black Sea Economic Cooperation, from which the forum grew into a regional organisation with recognised international status. In fact, the Charter did not really introduce anything new into the running of the BSEC, but converted customary practice into the language of binding international law.

The Charter, whose official language is English only (not Russian) has 34 articles and is divided into 10 chapters. The preamble states the wish of the signatories to develop „lasting and closer cooperation“ as part of the integration process in Europe based on the UN Charter, the Helsinki Act and the Paris Charter, on the principles of respect for human rights and fundamental freedoms, social justice and „equal security and stability“. Among the principles and objectives of cooperation, Article 3 mentions the spirit of friendship, good neighbourliness and trust, along with the need to improve the business environment. Article 27 states the legal personality of the BSEC organisation, which shall have the power to contract, acquire and dispose of property and initiate legal proceedings. Article 4 lists the 14 areas of cooperation in the organisation, of which the majority are already up and running in the form of working groups or committees (see foregoing). Article 11 establishes the Council of Foreign Ministers as the principle organ – the main change to the existing institutional framework. Subsidiary organs are planned (Art. 12), work in the form of a Troika (Art. 14), the Committee of the Senior Officials, which prepares the work of the Council and supervises implementation of its decisions, and the Permanent Secretariat in Istanbul (Art. 16). The Charter lists the other – now existing – separate bodies of the BSEC, which have a separate budget (the Parliamentary Assembly, the Business Council, the Bank, Academic Cooperation and various subsidiary centres). Article 6 sets out the admission of new countries, as decided by the Council. It allows for the possibility of observer status and for setting up specific relations with the organisation (partnership dialogue, sectoral dialogue and guest status).

The Charter came into force when it had been ratified by at least nine of the signatories. Other subsidiary documents were later produced, such as the Protocol on Privileges and Immunities of the BSEC Organisation, the rules for Secretariat personnel etc.

231 The BSEC Charter is available at: http://www.bsec-organization.org/documents/LegalDocuments/statutory/charter/Pages/charter.aspx
2.5. Enhancing cooperation between the BSEC and the European Union („Black Sea Synergy“)

After years of hesitation over any deeper involvement in the Black Sea region, the European Union changed its strategy after the admission of Romania and Bulgaria. The EU thus arrived on the shores of the Black Sea and its role in the region changed accordingly. The EU Commission received observer status in the BSEC.

One of the first signs of greater EU involvement in the BSEC region was the announcement of the Black Sea Synergy initiative. In a joint statement endorsed in Kiev on 14 February 2008, the foreign ministers of the EU and the BSEC countries (called „the broader Black Sea region“) announced the development of Black Sea Synergy as a new form of cooperation. Essentially, Black Sea Synergy complemented various forms of bilateral EU cooperation with individual BSEC members such as: the EU-Turkey accession strategy, strategic partnership with Russia and neighbourhood policy with Ukraine, Moldova and the countries of the Caucasus.

The main areas identified as themes for developing synergy were: democracy and human rights, managing crossborder movement, the „frozen“ conflicts, energy, transport, environment, trade, maritime policy and fisheries, science and education. Partnership is planned in three key sectors: environment, transport and energy.

In a way, Black Sea Synergy represents the regional element of EU policy on the BSEC countries, which does not replace but supplements its bilateral policy towards individual countries. In this sense, synergy is part of European neighbourhood policy towards the countries of Eastern Europe232. Its most important aspect is its potential for obtaining considerable financing for cooperation from European Union funds earmarked for neighbourhood policy (the Neighbourhood Investment Facility – NIF) and others.

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Greece held the chairmanship in office of the BSEC from 1 June 2010. Its priority was enhancing projects linked to ecological development (Black Sea Turns Green) and the projects of two themes:

- Investment projects linked to infrastructural works (the Black Sea Ring Highway – a corridor around the Black Sea and the „motorways of the sea“);
- Regional development projects supported by the BSEC-Hellenic Development Fund. Greece also undertook to enhance cooperation between the BSEC and the European Union, especially through the Black Sea Synergy initiative.

### 2.6. The BSEC: Results and weaknesses

Among the **main general results** of the BSEC is the very fact of its formation and successful functioning as a forum for discussion on regional cooperation in non-political areas. A developed network of bodies for cooperation has already been set up. The BSEC has also achieved a certain international reputation and position, and has played a part in supporting the social evolution of its member countries in transition. However, while it has been particularly effective in organising groups and bodies for discussion of various matters, the actual realisation of projects and finding more joint work for this ambitious institutional framework have only begun in the past few years.

Among the **concrete achievements** in individual areas we may cite a series of agreements in various fields such as: an agreement on combating organised crime, with a protocol on combating terrorism; an agreement for emergency assistance; a memorandum of understanding (MoU) on road transport of goods; an MoU on the Black Sea ring road, an MoU on diplomatic academies. All these arrangements are in force. In addition, there are two more agreements in process of ratification in the BSEC countries on simplifying the visa regime for truck drivers and business people.

In the individual sectors, we would quote the following examples:

- **telecommunications** – a number of projects have been implemented in laying down optical transmission cables between member and other countries (the ITUR, KAFOS, TAE, BCFOCS, TET, DOKAP and other projects).
- **transport** – priority transport corridors have been agreed among member countries in order to build infrastructures linked to the Trans-European network of corridors (Trans-European corridor no. VII the Danube and no. X – the Adriatic-Black Sea). In addition, experts of the member countries have agreed on a
map of other important transport infrastructures of joint importance (maps of railroads, roads, major ports and shipping lines);\(^{233}\)

- **energy** – the project for the Interconnection of Electric Power Grids in the BSEC Region was endorsed and a memorandum of cooperation signed by eight BSEC members;
- **environment** – a draft Agreement on Collaboration in Emergency Assistance was endorsed and an Emergency Response to Natural and Man-Made Disasters in the Black Sea area. A Strategic Action Plan for the Rehabilitation of the Black Sea Area is planned.
- **health** – a special action plan was endorsed;
- **trade** – a declaration of intent was adopted to form a Black Sea free trade zone (foreign ministers’ meeting in Istanbul on 7 February 1997). As a follow-up to this initiative, the Working Group for Trade and Economic Development prepared an action plan to put free trade into effect, but without much result;
- **foreign investment** – declaration endorsed at a foreign ministers’ meeting: Basic Principles of Cooperation in Investment in the BSEC Region;
- **international relations** – the BSEC set up certain forms of contact and cooperation with a number of international or regional organisations and initiatives, the most important being with the European Union\(^ {234}\), the Central European Initiative (CEI)\(^ {235}\), the OSCE, the UN Economic Commission for Europe, SECI etc.

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235 A joint conference was arranged on transport infrastructures.
AGREEMENT AMONG THE GOVERNMENTS OF BSEC MEMBER COUNTRIES ON COOPERATION IN COMBATING CRIME, PARTICULARLY IN ITS ORGANISED FORMS

- Signed in Corfu, 2 October 1998;
- Ratified October 2000 by: Armenia, Bulgaria, Georgia, Moldova, Romania, Russia and Ukraine;
- Ministers of the Interior to meet at least once a year;
- Working Group formed for cooperation in combating crime, to hold regular meetings at least once a year before the foreign minister meetings;
- Mandate of the Working Group (Article 6 of the Agreement);
- Drafting joint scientific studies in criminalistics;
- Enhancing border cooperation of the responsible bodies
- Ad hoc liaison in order to discuss individual questions of the Agreement;
- Concluding protocols, agreements, arranging expert meetings; forming joint bodies for cooperation in combating crime;
- Organising training and seminars;
- Coordinating action and planning to prevent transborder crime networks.

Among the drawbacks evident in cooperation to date with the BSEC countries are: the lack of a clear longterm strategy and priorities (especially in the early BSEC phase); insufficient political support for projects proposed; insufficient effectiveness or long delays in implementing ideas and proposals; insufficient financing for cooperation, connected to the low level of development and economic difficulties of the majority of member countries; the effect of political instability in some of the member states on the entire process; great cultural, social and political differences among members, leading an incoherent membership; a tendency towards non-political objectives while avoiding resolution of crucial political and security questions; inadequate division of responsibilities among certain BSEC members and duplication of activities; unresolved bilateral political and security problems among some of the members, which affects the general atmosphere in the BSEC; duplication of activities and/or membership in similar subregional organisations etc.

However, for now the most spectacular progress of the BSEC has been in its institutionalisation. This refers both to the formation of the BSEC itself as an international organisation, and of the BSTDB as a potentially powerful financial lynchpin.
of the Organisation. Additionally, conclusion or preparation of a number of international agreements, conventions, memorandums etc. are in the pipeline, some in „soft security“ (combating corruption, help in time of disaster etc.).

2.7. An assessment of the role of the BSEC

If we agree that „the security and safety of each region... depends to a great extent on the level achieved in regional cooperation“236, we may conclude that much of the Black Sea Economic Cooperation has justified the reasons for which it was formed. Thanks to the numerous bodies and broad field of activities of the BSEC, the Black Sea region has taken at least a step closer to European criteria of regional cooperation, as the foundation and condition of prosperity and security. On the other hand, in view of the great economic and social differences between participants and the burden of heritage, no fast or spectacular results were to be expected from Black Sea Economic Cooperation, such as might have been possible in the integration of countries that more resembled one another, or in a smaller or more coherent geopolitical region. BSEC ambitions were not to provide an alternative to European integration, but like the Central European Initiative, Balkan Cooperation and similar forms of subregional cooperation, and following the example of the Baltic region, to build mutual trust among neighbouring member countries and develop the habit of multilateral cooperation in order to prepare the participating states for inclusion in more ambitious European integration projects.

The Black Sea region labours under the strain of frozen conflicts (Moldova, Georgia, Azerbaijan-Armenia), on which regional cooperation processes could not have much effect. As has been seen in other regions and is particularly clear in the case of the Black Sea area, regional cooperation is not a suitable framework for resolving or overcoming security questions. However, it can be a good framework FOR monitoring steps taken to resolve entrenched bilateral political problems.

The most important new trend in recent years is enhancing participation by the European Union in the BSEC region. The Union has an interest in taking direct action to relativise or suppress the influence of two major participants in the region which do not belong to the EU: Russia and Turkey. The greatest advantage of EU participation lies in the fact that its policies are usually accompanied by much

more significant financing than that usually available for regional cooperation. In addition, the Union is not regarded by anyone as a danger, its role as a civil force facilitates communication and enables it to act as intermediary in some regional or bilateral disputes. The importance of energy resources in the region of the Black and Caspian Seas will certainly result in increased interest on the part of the EU for involvement in BSEC in the near future.

Serbia has been part of the BSEC since 2004. The importance of the connection with the Black Sea via the Danube, bilateral relations with individual countries and a strategic interest in the development of energy corridors means that Serbia in the near future will continue to be interested in increasing its participation in the BSEC Organisation.
3. THE ADRIATIC-IONIAN INITIATIVE

3.1. Origins of the Adriatic-Ionian Initiative (AII) - Members

Like the Central European Initiative, the Adriatic-Ionian Initiative was launched by Italy. The first indications of this initiative appeared in 1998 and were primarily intended for the Adriatic region. When Greece joined the project, it was expanded to include the Ionian Sea. The launch of new initiatives should be considered in the broader context of measures taken by the EU and other international factors in Southeast Europe. The political crisis, the collapse of the Socialist Federal Republic of Yugoslavia (SFRY), the wars, the fast rise in crime, numbers of refugees all threatened to overflow into neighbouring regions. The initiative gained the support of the European Union at an extraordinary EU summit in October 1998 in Tampere on EU strategic measures in justice and home affairs. It was officially launched at a ministerial meeting in Ancona, entitled the Conference on Development and Security in the Adriatic and Ionian Region (19-20 May 2000), which adopted the Ancona Declaration as the initiative’s founding document.

According to the Italian officials, one of the objectives of the AII was to reinforce the EU’s Mediterranean dimension and to support democratic stabilisation of the Balkans within the SPSEE.

The original AII members were: Albania, Bosnia and Herzegovina, Croatia, FRY, Greece, Italy and Slovenia, with full participation by the European Commission. The FRY was admitted to the Initiative at an extraordinary meeting of the AII Council on 24 November 2000 in Zagreb. Initially Montenegro and the Italian

239 For more information on the AII, see the official site of the Italian Ministry of Foreign Affairs: http://www.esteri.it/MAE/EN/Politca_Estera/Aree_Geografiche/Europa/Balcani/IAI.htm and the site of the virtual university UNIADRION: http://www.uniadrion.net/initiative.php
regions had observer status. After the separation of Serbia and Montenegro, both states continued to take part in the AII\textsuperscript{241}, so that it now has 8 members.

### 3.2. Organisation and Functioning of the AII

The highest body of the AII is the Council of Foreign Ministers which meets once a year. The meeting of foreign ministers on 24 November 2000 in Zagreb adopted Rules of Procedure for the Council of the Adriatic-Ionian initiative. The Council convenes at least once a year, the chairmanship in office rotating yearly among the countries in (English) alphabetical order. The Council sessions are prepared by the High Officials’ Committee and working groups may be formed. The working language of the AII is English. Decisions are made by consensus.

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<tr>
<th>CHAIRMANSHIP OF THE ADRIATIC=IONIAN INITIATIVE</th>
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<td>2000-2001, Croatia</td>
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<td>2006-2007, Bosnia and Herzegovina</td>
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<td>2009-2010, Italy</td>
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<td>2010-2011, Montenegro</td>
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<td>2011-2012, Serbia</td>
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In order to ensure continuity of cooperation and to focus the AII on concrete projects, a permanent secretariat was established with Italian support in 2008 in Ancona. Its role is to provide administrative and organisational support for AII activities and to the country holding the chairmanship.

The Adriatic-Ionian Initiative works closely with other organisations and initiatives in South Eastern Europe, such as the CEI, RCC and the SEECP, the Danube Cooperation Process and the Black Sea Economic organisation. Cooperation has increased with the Council of the Baltic Sea States with which it shares many similar interests, particularly in protection of the coast and marine environment, collaboration between universities and cooperation with civil society organisations.

\textsuperscript{241} Sarajevo Declaration, 9th meeting of the AII Council, Sarajevo, 1 June 2007, Internet: http://www.mvpei.hr/MVP.asp?pcpid=1254.
**The Ancona Declaration**

The preamble of the founding Declaration reaffirms commitment to the principles of the UN Charter, the Helsinki Final Act, the Paris Charter and other OSCE documents and expresses a desire for synergy with other initiatives such as the SPSEE and the CEI. The decision is taken to launch the AII as „an initiative for dialogue and cooperation in the Adriatic and Ionian region“, within the framework of the Adriatic-Ionian Council of Ministers. The Initiative has two broader aims: security and combating crime, and the prosperity of the entire region.

The priority areas of cooperation are listed as: the economy, transport, tourism, technical cooperation, sustainable development and environmental protection, cooperation in culture, science and education and in fighting illegal activities. In economic cooperation, particular support is given to the idea of the Investment Compact of the SPSEE, maritime transport and cooperation between the ports, infrastructural development (a highway, European corridors, communications).

**Ten years on – the Second Ancona Declaration**

At the end of Italy’s chairmanship in office on 5 May 2010, the 12th Meeting of the AII Council of Ministers in Ancona in addition to the customary declaration, issued a special Declaration of Support for EU Strategy in the Adriatic-Ionian region.

As we have said, the AII established cooperation with the Council of the Baltic Sea States, whose representatives attended the meeting in Ancona. Cooperation between two European regional initiatives is part of overall EU development strategy until 2020 to define mutually linked strategies for the macro-region. It was proposed at the meeting that the EU should draft a strategy for the Adriatic-Ionian macro-region as it had already done for the Baltic and Danube regions.

The special Declaration states that the Adriatic-Ionian region covers an area of about 610,000 kms, has a population of over 96 million and is increasingly acquiring the characteristics of an internal European Union macro-region, qualifying it for a separate EU strategy. The member countries agreed to promote this idea as much as possible, particularly the member countries of the EU, within the relevant EU institutions.
3.3. Areas of cooperation

The AII is active in various areas of regional cooperation, particularly through the round tables, initially numbering six: for maritime affairs and transport; for the economy; tourism and cooperation among small or medium enterprises; for environmental protection; sustainable development and preserving resources; for culture; for education and inter-university cooperation; for protection from organised crime.

Following the reforms endorsed at the Council of Ministers meeting in Zagreb on 27 May 2008, the number of round tables was reduced to four:

- for tourism, culture and inter-university cooperation,
- for transport and maritime cooperation,
- for environmental protection and cooperation in fire-fighting and prevention,
- for cooperation among small and medium enterprises.

In tourism in 2005, the AII Council endorsed a Declaration of Cooperation which envisaged a multi-sector approach to the sustainable development of tourism. Cooperation was to increase the attraction of lesser-known tourist locations while reducing the burden on well-known and popular resorts.

Cooperation was planned in numerous areas such as: marine tourism, investment, education, presenting the Greek system of training tourist guides, cooperation in sustainable development, linking tourism through various programmes (such as the „wine routes“), combining culinary traditions of the member countries, linking water tourism to cultural tourism, the preservation of ancient underground sites, cooperation networks in modern culture, protection of the non-material cultural heritage, cooperation with the UniAdrion institutions.

In culture and inter-university cooperation, protection of the cultural heritage is the main objective. In collaboration between universities, the UniAdrion project is one of its best results: a virtual network of universities and research centres in the region which encourages mobility of students, professors and researchers.

UniAdrion network has four groups working on innovative projects in: 1) protection of cultural heritage, 2) environment and sustainable development, 3) cultural tourism 4) communications and enhancing economic relations. UniAdrion had a general assembly, a president, a board of advisors (Dr. B. Kovačević, Rector of Belgrade University, is a member) and an executive secretariat. The Serbian universities of Belgrade, Novi Sad and Niš are members of the network.

242 See site: UniAdrion: http://www.uniadrion.net/initiative.php
In transport and maritime cooperation, an air traffic network is planned among all member countries of the AII, enhancement of existing air connections, promotion of maritime transport, a joint European maritime area without barriers, increased security at sea, revision of the International Convention on Training, Certification and Watch-Keeping for Seafarers (SCTW), improving cooperation for prevention, readiness and action in cases of maritime pollution in countries of the AII.

Protection of the environment and cooperation in fire prevention are of exceptional importance for development of the region, says the AII Neum Declaration (2007). The aim is to adopt an integrated coastal security system and introduce subregional plans for fire-fighting and in case of danger. A meeting of environmental ministers in Zadar in June 2003 adopted the Adriatic Action Plan, linking the efforts of all AII countries in reducing the negative impact of human activities. The closed nature of both seas and a rise in the negative consequences of economic activity are a serious threat to the sustainable development of the region.

Cooperation with small and medium enterprises was embodied in a Protocol on Cooperation in SME, signed in 2003. It stressed the need for close cooperation among industrial clusters that find it difficult to be competitive on the European market. The AII countries signed a new Memorandum on Cooperation in SME in the Adriatic-Ionian region which was adopted in January 2010 in Verona. The Memorandum includes networking of business people, identifying potential synergy sectors for business cooperation, hi-tech issues, innovation, small and medium enterprises, renewable sources of energy and enhancing cooperation in women’s entrepreneurship.

The AII also develops a parliamentary dimension. During Croatia’s first chairmanship in office, a meeting of the parliamentary speakers of the AII member countries was held on 27 April 2001 in Zadar. These meetings are held once a year during the chairmanship of each member country.

Parliamentary cooperation provides guidelines for enhancing cooperation at all levels: in the economy, shipping, transport, tourism, the environment, science, culture, crossborder cooperation and combating all forms of organised crime. Parliamentary cooperation stimulates the exchange of knowledge and information among the participant countries, defines common interests and supports closer cooperation with the EU and other regional initiatives, while bolstering peace, security and regional stability.
3.4. Concluding remarks

In recent years, there has been a noticeable decrease in interest by member countries in the activities of AII, while there is a need to restructure the organisation to avoid overlap with other regional initiatives and adjust activities to the interests of the member countries. The establishment of a permanent secretariat in Ancona, restructuring the themed round tables, setting up cooperation with the Baltic Council and initiating the drafting of an EU strategy for the Adriatic-Ionian region are certainly steps in the right direction and towards a new concept of cooperation within the AII.

However, regardless of all these positive steps, the AII cannot aspire to play a more important part in regional integration. Born of a certain hypertrophy in Italian foreign policy, the AII can only endure as a complementary, low visibility instrument in multilateral cooperation among some countries.
PART TWO

Multilateral Cooperation Initiatives in South Eastern Europe

4. DANUBE AND SAVA RIVER BASINS
   - numerous forms of cooperation -

   The Danube River Basin with its huge development potential is one of the most
   important regions in Europe. Its potential is of manifold importance for the develop-
   ment of each individual country of the Danube Basin, for resolving joint prob-
   lems at subregional and regional level and for the European Union, through the
   heart of which it flows. The region increasingly requires a macro-regional approach
   and coordinated action\textsuperscript{243}.

   The Danube is the theme uniting EU external priorities (enlargement, stabi-
   lisation and association) and internal (sustainable regional development, cohesion
   policy). The latest EU enlargement and the participation of some countries in the
   Danube Cooperation Process (DCP), the Stabilisation and Association Process, or
   European neighbourhood policy, bring the region as an entity closer to European
   integration, while demonstrating ever more clearly that the Danube flows through
   the very heart of the EU. The special expectations of the Danube countries, there-
   fore, arise from the specific interest shown by the EU in deciding to work out its own
   strategy for the Danube River Basin and including this area in development strategy
   up to 2020.

   A number of organisations deal with certain segments of the Danube prob-
   lem, but what is missing is effective coordination and liaison. Besides the Danube
   Cooperation Process, which is somewhat akin to an umbrella political initiative, a
   number of other institutions and organisations, including many EU bodies, deal
   with a broad spectrum of activities connected to the Danube river and its basin.
   Some organisations specialise in certain aspects, such as the Danube Commission,
   the International Commission for Protection of the Danube River (ICPDR), the
   Steering Committee of Pan-European Transport Corridor VII and the Working
   Community of the Danube Regions. There are other organisations that broadly af-
   fect the Danube Basin such as SECI, CEFTA and CEI, to name but a few.

   The EU’s Danube strategy is expected to draw together all the threads of the
   Danube question and provide the impetus for a systematic resolution to shared
   problems. Serbia takes part in most organisations dealing with Danube coopera-

\textsuperscript{243} European, regional and national documents relevant to cooperation in the Danube River Ba-
   sin may be found at: http://www.secinet.info/danube-info-centre/danube-library

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tion, and for years has pointed to the Danube as its priority and major development opportunity. In the main, however, these statements have not led to concrete action, apart from some incomplete attempts at serious projects. The European Commission and Stability Pact for south Eastern Europe have several times endeavoured to send signals to Serbia to take the initiative in the region and launch proper projects.

Below is a review of the major organisations for cooperation in the Danube basin, with a brief reference to the International Sava River Basin Commission, a significant form of sub-regional cooperation closely linked to the Danube.

4.1. Danube Commission

Although the oldest subregional international organisation in South Eastern Europe, the broader significance of the Danube commission (DC) is somewhat limited, as its primary task is the free navigation of river transport along the Danube, and not broad-scale cooperation among the member countries. A convention on a Danube navigation regime was signed at a diplomatic conference in Belgrade on 18 August 1948 by Bulgaria, Czechoslovakia, Romania, Yugoslavia, Hungary, USSR and Ukraine. The USA, France and Great Britain also attended the conference. The USA voted against the Convention, while the other two countries did not vote on the grounds that the Danube Statute of 1921 was still in force.244 With the 1948 Convention, the Danube countries for the first time became the administrators of the entire navigable course of the river. A permanent body, the Danube Commission, was formed to monitor implementation of the Convention. Nowadays, the permanent members of the Commission are: Russia, Bulgaria, Romania, Ukraine, Serbia, Hungary, Slovakia and Austria. Germany, Croatia and Moldova became fully-fledged members of the Commission on the basis of a Supplementary Protocol of 1998. Belgium, Greece, Cyprus, Netherlands, Turkey, France, Montenegro and the Czech Republic have observer status.245 In addition to a secretariat in Budapest, the Danube commission has a president, vice-president and a secretary.

Following the opening of the Rhine-Main Canal and the establishment of a single navigable waterway between the Black Sea and the North Sea, many coun-

244 Navigation on the Danube in the interwar period was regulated by the Paris Peace Treaty (1856) and the above-mentioned Statute, whereby the river was administered mainly by non-Danubian countries: France, Great Britain and Italy.

245 For all information on the Danube Commission see: http://www.danubecommission.org/
tries and organisations initiated a link-up with the Danube Commission. There is also an initiative for a new diplomatic conference on Danube cooperation in order to enlarge the present rather limited powers and activities of the Danube Commission.

The experience gained in over six decades of the Convention, together with the political and economic changes that have taken place in the past twenty years in Europe and the Danube Basin, point to the need for revision of the Convention aimed at integration into a pan-European network of waterways, with a fairly unified regime and navigational standards. The European Union, whose members now form the majority in the Danube Commission and in which it has observer status, is interested in membership in a reformed version of the Commission.

4.2. Working Community of the Danube Regions

The Working Community of the Danube Regions (WCDR) was founded on 17 May 1990.246 As in the case of the Alpe Adria Working Community, this is a form of subregional cooperation which gathers together not only sovereign countries but also regions of the Danube countries. There are 38 members (regions) from ten Danube basin countries247. Serbia is part of the Community, although its membership was suspended between 1992 and 1996. After 2000, it was again included in WCDR activities, chairing the Community in 2003.

The objectives of this particular association are: to encourage economic development, transport, regional planning, tourism, culture, science and environmental protection. Although the early years of the WCDR saw much activity in economic cooperation and environmental protection in regions of the Danube Basin through working groups devoted to various aspects of shared problems – which still exist in name - throughout the years of inter-regional cooperation the focus shifted to culture and sustainable use of cultural resources for the development of tourism.

The activities of the Working Community of the Danube Regions are defined annually by the prime ministers of the member countries. Decisions take the form of


247 Germany, Austria, Slovakia, Hungary, Croatia, Serbia, Romania, Bulgaria, Moldova and Ukraine.
recommendations and are arrived at by consensus. The chairmanship of the WCDR rotates each year. Nineteen conferences of the prime ministers of this organisation have been held so far, the last on 29 June 2009 in Linz, Austria.

The main executive body of the WCDR is the Senior Officials’ Working Group, composed of permanent representatives from each member country. The Working Group designates the working bodies through which cooperation takes place, and which run the Community. The work of the WCDR Secretariat is always carried out by Lower Austria.

4.3. International Commission for Protection of the Danube River

The activity of this Vienna-based international organisation, founded in 1998, refers not only to the Danube but to its tributaries and ground water resources along its entire course. The Commission is composed of 14 countries and the European Union. The ICPDR’s chief mission is to implement the Danube River Protection Convention whose aim is to ensure that the surface water and groundwaters of the Danube are preserved, improved and rationally used to the benefit of all countries in the river basin.

From the time it was founded, it has grown into one of the largest and most active international bodies for river basin management in Europe. It carries out its mission by making recommendations for improving water quality, develops mechanisms for flood and accident control and sets standards for inputs of pollutants and hazardous substances. Since 2006, the ICPDR organises and coordinates the implementation of transborder aspects of the EU Water Framework Directive.


249 The ICPDR members are: Austria, Bosnia and Herzegovina, Bulgaria, Croatia Czech Republic, Germany, Hungary, Moldova, Montenegro, Romania, Serbia, Slovakia, Slovenia, Ukraine.

250 The convention was signed on 29 June 1994 in Sofia and came into effect in 1998.

251 Assessment in E. Busek's document “How to Enhance Co-ordination and the Efficiency within the Danube Co-operation Process“.

On 30 January 2003, the Federal Republic of Yugoslavia ratified the Danube River Protection Convention, and as the state union of Serbia and Montenegro, became a fully-fledged member of the ICPDR in August the same year. Membership later continued as the two separate entities of Serbia and Montenegro, with Serbia taking the chair of the ICPDR in 2008.

The ICPDR ministerial meeting in Vienna in February 2010 adopted the Danube River Basin Management Plan which plans the measures to be taken to 2015 in order to enhance the environment in the districts of the River Danube and its tributaries. The measures refer to: the reduction of pollution by organic matter, improvement of the waste water systems in urban environments, the market promotion of non-phosphate detergents, an effective system of pollutant damage control etc.

4.4. Danube Cooperation Process

4.4.1. Origins and participants

The Danube Cooperation Process is a political and diplomatic initiative initiated in June 2001 by Austria, Romania, the European Commission and the Stability Pact for Southeast Europe, in order to give political impetus to the strengthening of multilateral relations among the Danube countries, with special reference to European integration, but without setting up new institutions. The Process was officially inaugurated at the first ministerial conference in Vienna on 27 May 2002, hosted by Austria.

Thirteen countries of the Danube Basin take part in the Process: Germany, Austria, the Czech Republic, Slovenia, Slovakia, Hungary, Croatia, Bosnia and Herzegovina, Serbia, Romania, Bulgaria, Moldova and Ukraine, with the European Commission and the Regional Cooperation Council as the successor to the SPSEE. France, Macedonia, Russia, Turkey and the US take part as guests, along with Danube organisations such as the Danube Commission, ICPDR, the Working Community of the Danube Regions, the Steering Committee of Corridor VII, CEI, AII, SECI, CEFTA and BSEC.

253 More information at: http://www.secinet.info/danube-cooperation-iwt/dcp
4.4.2. Declaration on Establishment of the Danube Cooperation Process

The documents that define the Process strategy are the Declaration on the Establishment of the Danube Co-operation Process and the Principles and Working Methods for the Functioning of the Process. The Declaration „established a process of political and economic cooperation of the countries of the Danube Basin Region with the objective of promoting and increasing cooperation among them in a number of areas of common political, economic and cultural interest“.

It is underlined that the Process is not a new, institutionalised form of cooperation, nor does it duplicate already existing organisations and regional structures. It is rather a unified effort towards democratic progress, economic development and further integration of the region into European structures, through mutual cooperation and in joint action with existing regional organisations and initiatives. It opts for a Process of multi-dimensional character in which the political dimension dominates, and establishes priorities for action within the initiative. It defines six horizontal dimensions of cooperation: economic, navigational, ecological, cultural, subregional cooperation and cooperation in tourism.

SIX DIMENSIONS OF THE DANUBE COOPERATION PROCESS

**Economic dimension** – the accent is on transport (Pan-European Corridors nos. vii, iv, v, x);

**Navigation dimension** - in cooperation with the Danube Commission, redrafting the Belgrade Convention (1948);

**Ecological dimension** – in partnership with the ICPDR, developing cooperation in protection and promotion of the environment;

**Tourism** – developing the tourist potential of the region, including agrarian and eco-tourism;

**Culture** – promoting the cultural characteristics of each member country and of the region as a whole;

**Subregional cooperation** – activities aimed at developing existing Euro-regions on the Danube and creating new forms for transboundary and interregional cooperation.
4.4.3. DCP: Functioning, key meetings

The principles and Rules of Procedure of the Process elaborate the fundamental points of the Declaration and set out concrete principles for action by the Process. The activities are defined at the ministerial conference held every other year, while in the meantime senior representatives of the foreign ministries of the participating countries meet to consider current questions and to prepare the ministerial conference.

Since 1998, the Process has also held Danube regional business conferences, aimed at enhancing trade cooperation in the region and formulating recommendations from business people and academics to the governments of the countries of the Danube Basin.254

The second DCP ministerial conference was held on 13-14 July 2004 in Bucharest, and the third in Belgrade on 18 April 2007, at the end of Serbia’s chairmanship. A fourth ministerial conference was to be held in Kiev in June 2009. However, due to political circumstances in Ukraine, it was cancelled, which indicates a certain level of crisis within the Process.

4.4.4. Concluding remarks

It might be said that on the one hand, the DCP successfully identified a number of issues that were blocking cooperation in various dimensions, while on the other, it did not manage to take adequate action. The reason lies partly in the institutional structure of the DCP which does not enable the implementation of certain projects and programmes, and partly in inadequate coordination within the various dimensions and among them. Here we should mention SPSEE Special Coordinator Erhard Busek’s endeavour to strengthen and push the Process forward, contained in the document: How to Enhance Coordination and Efficiency with the Danube Cooperation Process, to which, however, no appropriate response was forthcoming from the DCP members. The standstill in cooperation since the last meeting in February 2009 testifies to crisis in the initiative. As the European Union has in the meantime

254 Three business conferences were held in Vienna (1988, 1999 and 2001) up to the time the Process was established, and continued under its aegis.

begun to draft a Danube strategy, it is to be expected that existing initiatives and organisations dealing with Danube matters, including the DCP, will each find its place in it.

**4.5. Danube strategy**

On 8 June 2009, the European Commission received a mandate from the Council of the EU to draft a joint comprehensive strategy for the Danube Basin Region. The formal adoption of the Strategy was planned for the first half of 2011, when Hungary would hold the Presidency of the EU, and was to be conceived on the model of the EU Baltic Strategy, whose projects returned revenues of about €70 million in the first phase.

Elaboration of the Strategy means defining the pillars of cooperation, which would be worked out in detail in a plan of action and translated into specific tasks, from which the projects would be defined. Three pillars were envisaged:

- promoting interconnection and communication systems, particularly in transport, energy and the information society;
- preserving the environment and preventing natural hazards;
- stimulating potential for social and economic development.

According to prior statements, the priority areas will be: a) transport and energy, b) environmental protection, c) social and economic development, and d) security.

The prevailing opinion is that fresh structures and funds should not be set up for the new Strategy, but better use ensured of existing ones. It has been clearly announced that the European Commission will not consider establishing a special fund for Danube Basin regional cooperation in the next financial period (2013-2020), but use existing funds. (At the moment there are 13 separate regional funds: for the Baltic, the Mediterranean, for Atlantic cooperation and so on).

The EU is also of the opinion that in elaborating the Strategy, EU non-members in the Danube Basin should be included on an equal basis (Croatia, Serbia, Ukraine, Moldova). The inclusion of countries gravitating towards the Danube (Bosnia and Herzegovina, Montenegro and Macedonia) remains an open question.

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4.6. The Danube Black Sea Task Force

The Danube Black Sea Task Force (DABLAS)\(^{257}\) was founded in 2001 on the initiative of the European Commission\(^{258}\) in order to boost cooperation in protecting the waters and eco-systems of the Danube and Black Sea regions. Countries and entities from both regions took part in the Task Force, the ICPDR, the Black Sea Commission, international financial institutions, the European Commission, interested member countries of the EU and other donors.\(^{259}\) The full membership of DABLAS meets once a year, while decisions and activities are carried out by the Secretariat and other parties.

Activities include making lists of priority projects for renewing the waters of the regions, providing support in preparing projects and cooperating with interested parties on priority projects. According to figures from November 2009, there were 24 projects on the DABLAS waiting list in 2009, in various phases of procedure (in July 2007, there were 36).\(^{260}\)

4.7. International Sava River Basin Commission

The initiative for a regional project to rehabilitate the Sava River basis was launched under the auspices of the Stability Pact for South Eastern Europe. On 3 December 2002, the riparian countries Slovenia, Croatia, Bosnia and Herzegovina and the FR Yugoslavia signed the Framework Agreement on the Sava River Basin and the Navigation Protocol. The Agreement came into force on 29 December 2004. The joint aims of the four countries which led them to institutionalise cooperation were: the establishment of an international regime of navigation on the Sava River and its

\(^{257}\) Information at: http://ec.europa.eu/environment/enlarg/dablas/index_en.htm


\(^{259}\) Danube and Black Sea countries taking part in DABLAS are: Albania, Austria, Bosnia and Herzegovina, Bulgaria, Montenegro, Croatia, Armenia, Macedonia, Hungary, Moldova, Germany, Romania, Russia, Slovakia, Slovenia, Serbia, Turkey, Ukraine and “Kosovo in accordance with UN Security Council Resolution 1244”.

navigable tributaries; establishment of sustainable water management; undertaking of measures to prevent or limit hazards and reduce and eliminate adverse consequences, including those from floods, ice hazards, droughts and incidents involving substances hazardous to water. The Framework Agreement was coordinated with the European Union Water Framework Directive, and combined elements of the Belgrade Danube Convention of 1948 and the Sofia Convention on Cooperation for the Protection and Sustainable Use of the River Danube of 1994.

The Agreement envisaged a number of protocols to regulate areas of cooperation such as: protection against flooding, excessive groundwater, erosion and ice hazards, drought and water shortage; water use/utilisation; exploitation of stone, sand, gravel and clay; protection and improvement of water quality and quantity; protection of aquatic eco-systems; prevention of the water pollution caused by navigation, and emergency situations; Serbia, as the country on the lowest reaches of the Sava Basin is particularly interested in accelerating the production of these protocols (on transboundary pollution, prevention of pollution from vessels in navigation, on emergency situations and flood protection, protection from groundwater, erosion, ice hazards, drought and water shortages).

From the Framework Agreement, the International Sava River Basin Commission was founded in June 2005, a permanent working body responsible for implementing the Framework Agreement, drafting a Plan of Action for the Sava River Basin and passing the necessary legal regulations and accompanying Protocols. The Sava Commission and its Secretariat are based in Zagreb. The duties of the Sava Commission, in the interests of implementing the Agreement, are to adopt: a) decisions that will ensure conditions for safe navigation; b) decisions on the conditions for financing the building and maintenance of navigation routes; c) decisions on its work, budget and procedures; and d) recommendations on all other matters related to putting this Agreement into effect. The work of the Sava Commission is financed by the countries that are signatories to the Framework Agreement.

Serbia has a lasting interest in being an active participant in ensuring an efficient navigation route on the Sava river as part of sustainable European navigation and general EU transport policy. It is also interested in stepping up cooperation in tourism and culture and in the realisation of joint projects which would link up economic, scientific and other activities in the Danube and Sava River Basins.

261 Internet site: www.savacommission.org.
PART THREE

THEMATIC REVIEW: COOPERATION IN THE BALKANS - PRIORITY AREAS
1. TRADE AND ECONOMIC COOPERATION

In today’s world, cooperation in trade with other countries is a condition of economic prosperity. The fall of Yugoslavia in the nineties led to the collapse of customary trade and economic relations between businesses in the various republics. The war, economic sanctions against Serbia, drastically reduced markets, the emergence of new borders and obstacles to the free flow of goods brought about a fall in both national product and mutual exchange in the late nineties, and so a change in direction of the flow of trade. The same trend was evident to a certain extent in other countries of Central and Eastern Europe after the disintegration of the Eastern Bloc.

1.1. Trade and investment in the region

The GNP index for 2006 compared to seventeen years earlier (1989) was a mere 75 for Bosnia and Herzegovina, 91 for Macedonia, 105 for Croatia and 64 for Serbia. In other words, except for Croatia, these countries had not yet achieved the level of national product they enjoyed prior to the collapse of Yugoslavia.262

Growth in GNP remained fairly stable throughout the region from 2000 up to 2008, which saw the onset of a world-wide economic crisis. The growth was based chiefly on domestic demand (loans, wage increases, remittances from abroad) and foreign investment, and to a lesser extent on a growth in exports.

At the end of the twentieth and throughout the first decade of the 21st century, efforts were made to revive and strengthen Balkan trade connections along lines which would in the long run be compatible with European integration. The first step was to conclude bilateral agreements among the Balkan countries (32 were signed). These then gave way to a single multilateral free trade treaty: CEFTA 2006, treated here in a separate chapter.

Literature on Balkan regional cooperation frequently airs the question of whether the Balkans can, economically speaking, be considered a region at all. The European Union occupies the most important place in its trade with the rest of the world. The EU share of imports into certain countries ranges between ca. 44% in

Macedonia to 68% in Albania (ca. 48% in the case of Serbia). In exports, the EU’s share is between 54% in Serbia to 81% in the case of Albania.

After the EU, regional trade is next in importance. However, a glance at the percentage of the Balkan region in the trade of individual countries leads to the conclusion that regional trade has been and continues to be of special importance for the countries of the former Yugoslavia. It occupies a much lower level in Romania, Bulgaria and Albania. The share of the region in Albanian exports (2006) was only 7.3%, Romanian 5.1% and Bulgarian 13.5%. On the other hand, the Balkan region took up 39% of Macedonian exports, 35% in the case of Serbia and 34% for Bosnia and Herzegovina.\(^{263}\)

According to World Bank expert reports\(^{264}\), regional trade varied greatly over the past twenty years, with wide oscillations. This was particularly noticeable in the case of Macedonia, with exports from the Western Balkans or CEFTA 2006 making up 14.2% of GNP in 2008. This was followed by Bosnia and Herzegovina (12.1% of GNP), Serbia (7.2%), Croatia (4.8%) and Montenegro (4.7%). On the other hand, Albania’s trade with the region was a mere 1.5% of its GNP. Overall trade with the CEFTA countries doubled between 2004 and 2008, although concern remained that its structure was essentially unchanged. On the whole, exports from the Western Balkans were not as competitive and differentiated as those of other European subregions such as the Baltic, or the Asian countries. Exports continue to be based on raw materials and there is insufficient integration into the global exchange network (within multinational companies etc.) The low export potential of the Western Balkans remains a constant. Despite the growth in trade, export from these countries continues to fall short of its potential. This is illustrated by statistics from intra-industrial exchange in the region, showing the degree of integration into the surrounding and international economy. Intra-industrial exchange was less than 22% of trade among the CEFTA members, which is much lower than the European average.\(^{265}\)

In foreign direct investment (FDI) as a potential for GNP growth, it could be said that the trend in foreign investment was similar to that in foreign trade. The Western Balkans have shown a growth in FDI, particularly in the first ten years of this century, but the ground lost due to the conflicts in the former Yugoslavia


cannot readily be restored. The figures for foreign investment in the Hungarian or Romanian economies in the 1989-2007 period, for instance, (49 and 45 billion US dollars respectively) were greater than investment in all six countries of the Western Balkans put together (43 billion dollars). Croatia (USD 19 billion) led in FDI in the Western Balkans in this period, ahead of Serbia (USD 12 billion), Bosnia and Herzegovina (USD 5 billion), Albania (USD 2.6 billion), Macedonia (USD 2 billion) and Montenegro (USD 2 billion). In 2007, Croatia had USD 4.6 billion in FDI, ahead of Serbia (USD 2.2 billion) and Bosnia and Herzegovina (USD 2 billion).

The global crisis of 2008 hit the Balkan region too, if not to the same extent as those countries whose economies were more integrated into world economy and finance, or geared more towards US financial markets.

1.2. Forms and instruments of trade and economic relations in the region

The CEFTA 2006 organisation is beyond doubt the most significant form of regional cooperation in trade and the economy. However, it is not the only one. There are various fora for cooperation among regional business associations, agencies to regulate or promote trade, or associations grouped around certain sector issues such as technical regulations, transport procedures and so on. We will give here the names of some of these.

- **The Investment Compact for South East Europe**

  Concluded in 2000 within the OECD framework, its priority goal is to ensure private sector development and a favourable investment climate in South East Europe. As part of the process, the investment climate in each of the countries of the region is monitored and assessed, and reform of the economic system encouraged. In 2007, the SEE Investment Committee was founded in Paris.

- **The Business Advisory Council (BAC)**

  This forum originated in the SECI initiative of 1996. It consists of a small number of business people (about 40) from twenty countries of the regions and the surroundings. The aim of the BAC is to establish the closest possible cooperation among leaders of major companies in the private sector. It also stimulates coopera-


tion between the private sector and public administration (PPP), promoting investment, business development and a favourable business environment. The BAC has launched an initiative to found an investment bank in South Eastern Europe.

- **Electronic South Eastern Europe Initiative – eSEE**
  This initiative was launched in 2000 in Istanbul. The secretariat is in Sarajevo. Its salient objectives refer to the development of an information society and improving knowledge transfer. In 2007, the Agenda Plus of this initiative was endorsed in Sarajevo, expanding activities to issues such as e-Governance (government digitisation) and the like.

- **Adriatic Region Employers’ Centre**
  This forum was launched on the initiative of the International Organisation of Employers (2008). It is based in Zagreb and consists of representatives of employers’ associations of all the countries of South Eastern Europe. Its mission is to promote joint projects, contacts and an exchange of experiences referring to the business environment and conditions in the region.

- **South East Europe Trade Union Forum**
  This forum has no permanent address. Its aim is to draw together trade union organisations as partners for cooperation with employers’ organisations at regional level.

- **CEFTA Forum of Chambers of Commerce**
  The forum’s objective is to establish better regional dialogue between the chambers of commerce on the one hand and cooperation between chambers and governments on the other. It set up the same working groups as exist at official level in the CEFTA 2006 member countries (for customs, non-tariff barriers and agriculture).

- **South East European Public Private Partnership Network (PPP)**
  The objective of the Zagreb-based network is to coordinate activities and exchange experiences, including the mutual adjustment of regulations and the business environment affecting the PPP. The network was set up by a declaration of the ministers of the region in Sarajevo in September 2009.

- **Regional Network of Investment Promotion Agencies**
  The network’s objective is to link regional agencies in order to enhance economic cooperation. A Memorandum of Cooperation was signed in Vienna in June 2009.

- **Association of the Balkan Chambers of Commerce**
  The Association was formed in 1994 to support business activities in the region. Its members are the chambers of commerce from most of the SEECP countries.

Apart from the above, there are other forms of cooperation in the region among certain professions directly linked to economic activity, such as the Network
of Policy Makers, a business women's network, a regional development network, an employment and social policy network, an employment agency centre, a trade union forum, the South Eastern Europe Health Network and others.
2. INVESTMENT AND INFRASTRUCTURAL DEVELOPMENT IN THE BALKANS

The European Commission document „Western Balkans: enhancing the European perspective“ identifies the main challenges for investment and socio-economic development as: increasing competitiveness, reducing high levels of unemployment, fostering human development and labour market participation and ensuring social cohesion

268. The economic crisis of the 1990s, the disintegration of Yugoslavia’s common market, conflicts and wars had a devastating effect on local physical and financial capital, so that foreign direct investment (FDI) became essential if a sustainable economic growth was to be achieved, technical innovation introduced and job possibilities opened.269

In recent times, the South East European economies have also been hit by the global economic crisis. Advantageous investment conditions and accelerated reform in a multitude of sectors are important for long-term competitiveness and prosperity throughout the region, together with the speedy development of the transport, energy and telecommunications infrastructure.

2.1. The investment climate

Keen international competition to attract investment means that the countries of South Eastern Europe must work together to enhance the overall climate and promote the region to foreign investors, while at the same time encouraging local ones.

As we have said, in order to bring about a more favourable climate for investment, give impetus to the development of the private sector and accelerate the necessary reforms, the OECD together with the Stability Pact for South Eastern Europe

launched cooperation in 2000 by way of the Investment Compact for SEE\textsuperscript{270}. The Compact provides support through instruments designed to increase investment, growth and employment, while speeding up the European integration process. On 27 June 2006 in Vienna the South East European countries endorsed a Regional Framework for Investment. In this document, the region clearly opts for cooperation in enhancing competitiveness, maximising the inflow of fresh investment, greater regional ownership of the process and continuing to strengthen links with the EU.

A key element of the Regional Framework for Investment is the revised mechanism for monitoring and assessment: the Investment Reform Index (IRI)\textsuperscript{271}, which gives a structured evaluation of the investment climate based on a number of agreed criteria. The Index was formed by three-way consultation among the countries of South Eastern Europe, the OECD and members of the business communities. The first IRI was published on 9 November 2006, and the second in April 2010. As an analysis, it is exceptionally valued internationally. Many countries and organisations make use of it and its results have a considerable influence on economic policy and relations. They are also used in launching projects which help to define policy and promote and stimulate investment in South Eastern Europe.

The policy of increasing the regional ownership of investment policy led to the establishment of the SEE Investment Committee, consisting of senior government officials and private sector representatives from South Eastern Europe and the OECD countries, modelled on the OECD Investment Committee. The Committee’s objectives are: to develop guidelines on how to implement policy reforms along the priority areas identified in the Investment Reform Index; to monitor and implement the OECD Regional Framework for Investment; to work closely with the Regional Cooperation Council in enhancing the investment climate in the region. The Committee meets twice yearly at senior representative level, and at ministerial level once a year.\textsuperscript{272} The Compact set up four working groups for the areas covered by the IRI: regulatory reform, investment promotion, anti-corruption policy and development of human capital. The Committee planned to be completely responsible by the end of 2011 for administering and coordinating regional activities in enhancing the investment climate, with the full support of the Regional Cooperation Council.

\textsuperscript{270} More information available at the website: http://www.investmentcompact.org/

\textsuperscript{271} Can be accessed at the Investment Compact website: http://www.investmentcompact.org/

The Investment Compact is actively linked to the OECD’s Business and Industry Advisory Council (BIAC), the Business Advisory Council (BAC), the Foreign Investors’ Councils (FIC) in the countries of the region, and the SEE Regional Network of Foreign Investors’ Councils, with whom consultations take place as part of the IRI process.

In order to achieve a critical level of competitiveness, overcome the restrictions of small, fragmented markets and convince investors that the South East European region can be a reliable and competitive location for investment, a solid, balanced policy and institutional framework must be ensured, both by the individual countries and the region as a whole.

INVESTMENT REFORM INDEX IN 2010

The IRI assesses and reports on the economies of 9 countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia and Kosovo (according to UN Security Council Resolution no. 1244). Assessment covers seven areas:

- investment policy and promotion,
- human capital development,
- trade policy and facilitation,
- access to finance,
- regulatory reform and parliamentary processes,
- tax policy analysis,
- infrastructure for investment and SME policy.

In short, the report published in 2010 gave the economies a positive assessment in areas such as investment policy and promotion, and certain aspects of SME trade and policy. However, in areas such as the development of human capital, tax policy and access to finance they lag behind international best practice. It was particularly pointed out that development of human capital is a field where the expectations of the private sector are far in excess of what South East Europe’s educational systems currently offer.
2.2. Developing the infrastructure

Security of energy supplies, a developed transport and energy infrastructure, the cherishing and enhancement of the environment are all of crucial importance to economic development and quality of life in the region. The economic and financial crisis and its social consequences, climate change and other negative influences on the environment are additional challenges. Regional cooperation in these areas is essential too, because of the trans-border nature of energy security, transport networks and the environment. More than in other fields, regional cooperation is inseparable from integration into the European Union, so that EU regulations and standards in the region are of joint interest even before accession, while completely integrated energy and transport networks are also of vital importance to the EU.

Since 2000, with the help of donations and loans from the international community, there has been significant investment in renewal and improvement of the infrastructure. As mentioned in the chapter on the Stability Pact for SEE, the International Financial Institutions (IFI) Advisory Group was established in September 2001 to assist the development of the South East European regional infrastructure and its integration into the EU Trans-Boundary Networks (TENs). The members of this body are representatives of the European Commission, the World Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Development Bank of the Council of Europe and the Regional Cooperation Council.

Regional cooperation in energy, transport and the environment has increased and advanced considerably over the past ten years, as several important projects attest, mainly initiated by the European Union: The Energy Community Treaty, the Transport Community Treaty, based on cooperation within the SEE Transport Observatory, European Common Aviation Area, and the Regional Environmental Network for Accession (RENA), which prepares the countries of the region for adoption of an ambitious acquis communautaire in the environment. The EU Danube strategy should be added to these projects.

2.2.1. Energy

The energy infrastructure is crucial for economic recovery in South Eastern Europe, where according to many parameters, energy efficiency is extremely low.

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in comparison with European standards. Low prices, poor management and huge losses threaten the growth and development of most of the energy sector.

At the initiative of the EU, the Energy Community Treaty was signed in Athens on 25 October 2005 and came into force on 1 July 2006\(^\text{274}\), thus creating the world’s largest internal electricity and gas market, shared by 34 countries and entities: the 25 members of the European Union at the time, and nine signatories from South Eastern Europe (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Romania, Serbia and UNMIK/Kosovo). The following institutions were established to implement the Treaty: the Ministerial Council, Permanent High Level Group, Energy Community Regulatory board (ECRB), fora and a Secretariat based in Vienna.

The signing of the Treaty was the final phase of the Athens Process, begun in 2002 in Athens with the signing of the Memorandum of Understanding that created a regional electric energy market in South Eastern Europe, on the initiative of the European Commission. The following year, a second Memorandum was signed integrating the market in gas. In 2007, another Memorandum of Understanding on Social Issues was signed in the context of the Energy Community.

The Athens Process and the Energy Community Treaty envisage that the signatories shall:

- implement plans for electricity and gas tariff reform;
- implement all necessary technical standards, such as grid codes, accounting systems and information exchange for the operation of the grid;
- ensure effective access to the infrastructure for third parties;
- establish national regulatory authorities and transmission system operators;
- develop local solutions for urgent problems of regulation, energy poverty and social equality, and
- apply EU directives on gas and electricity.

The Energy Community Treaty deliberately followed the model of the Coal and Steel Community, which in fact laid the foundation for the European Union. The Treaty represents an effective pre-accession instrument for South Eastern Europe, its objective being to expand the advantages of the EU internal energy market to the countries of the region even before they become members. It is important too for the stability of the region and its future role in energy transit. The Black Sea countries (Bulgaria and Romania) launched a reform of the energy market earlier, and have made considerable progress. A regional approach in the energy sector, therefore, could help accelerate reform and the adoption of good practice from the neighbourhood.

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2.2.2. Transport

For most of the countries in the region, the main obstacles to developing a transport infrastructure are: low institutional capacities, poor planning and maintenance of roads, financial limitations, debt capacities, problems with border crossings and undeveloped intermodal transport.

Of the ten Pan-European Transport Corridors confirmed by the Crete Conference in March 1994, four are important for the Western Balkans: Corridors V and VII (Danube), VIII and Corridor X which was proposed following the end of the hostilities in the former Yugoslavia. The first phase of regional integration in transport began with the signing of a Memorandum of Understanding on the Development of the South East Europe Core Regional Transport Network in Luxembourg on 11 June 2004. The signatories were: Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia, UNMIK/Kosovo and the European Commission. On this basis, a Regional Steering Committee was established along with a South East Europe Transport Observatory (SEETO)\(^{275}\), based in Belgrade. Five year plans are regularly endorsed for the development of the SEE Core Regional Transport Network. The fourth of these, covering the 2009-2013 period, is currently in hand, the first having been for 2006-2010.

According to the project’s list of priorities, by 2011 a further 506 km of road and 834 km of railroad track and signalling systems should have been upgraded; bottlenecks in navigation on the Danube should have been removed and ports and airport capacities improved in order to meet growing needs.\(^{276}\) Border crossings were to have become almost invisible (passenger checks in moving trains), and the electronic exchange of information on rail freight transport was to have been set up, all by 2011.

Yet another agreement integrating the region into the European transport system is the Multilateral European Common Aviation Area (ECAA) Agreement. In late 2005, the European Community, its members and partners in South Eastern Europe (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Romania, Serbia and UNMIK) reached agreement on setting up a common aviation area. Serbia signed the agreement on 29 June 2006. It envisages the full approximation of local regulations with those of the European Union in air safety, security, air traffic management, airport management, protection of the rights of passengers rights and other users of air transport services, liberalisation of the aviation market, a ban on state aid, protection of the environment.

\(^{275}\) More information at the SEETO website: SEETO: http://www.seetoint.org/

Similarly to the Energy Community, the EU opened negotiations on establishing a Transport Community. Official talks began on 24 June 2008 and were to conclude by the end of 2010, but did not manage to do so. (They are now expected to finish by the end of 2011.) The Agreement is to be signed by the European Union and the contracting parties in South Eastern Europe: Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and Kosovo (UN Security Council Resolution no. 1244/99). The Agreement replaces the Memorandum of Understanding signed in 2004.

The Transport Community (TC) will include road, rail, inland waterways and maritime transport, development of a transport network, including airport infrastructure (but not air transport, which is covered by the ECAA Agreement). The Agreement on the Transport Community contains the basic agreement and annexes, with protocols for each of the SEE contracting parties defining the conditions of a transitional arrangement between them and the EU. The gradual progress of each of the regional parties towards full implementation of the Transport Community Agreement will depend on the European Commission’s assessment of how conditions have been met under the transitional arrangement.

The Transport Community will develop a regional aviation network in harmony with the trans-Europe transport network. The Agreement envisages the following institutions: a Ministerial Council, a Regional Steering Committee, a Technical Commission, a Social Forum and a permanent Secretariat. In addition to providing administrative support to these bodies, the Secretariat will have the role of Transport Observatory in order to monitor the implementation of the Core Regional Transport Network.277

2.2.3. Environmental protection

International cooperation in protecting and improving the environment, particularly among neighbours, is imperative because of its transboundary nature. It is founded on a number of multilateral conventions and agreements. Legal approximation to the standards and regulations of the European Union is of special importance. However, it is found that implementation of international instruments in the region is tardy and ineffectual and insufficient use is made of opportunities for cooperation.

277 Information according to the draft Agreement of July 2009.
The Regional Environmental Centre for Central and Eastern Europe (REC) in Szentendre, Hungary, founded by the US, the European Commission and Hungary, has offices in 17 countries including Serbia. In 2008, together with the Regional Cooperation Council, the REC initiated a Framework Programme for cooperation in environmental matters in SEE. The programme began with a ministerial conference on the effects of climate change in South Eastern Europe, which adopted a Joint Ministerial Statement and endorsed a Framework Action Plan for adjustment to climate change.

One of the more important environmental projects was launched by the European Commission (CARDS): the Priority Environmental Investment Programme for SEE (PEIP) in order to identify the main threats to the region’s environment, for which investment is required. With REC cooperation, a unified methodology was developed for the entire region instead of resorting to a national approach. A map showing hot spots identified the ecologically problematic areas, or places where the natural environment was in a considerably worse plight than in the surroundings, resulting in a list of 79 priority projects for the region.

Because of the volume of EU legislation on the environment, a regional project called the Environmental Compliance and Enforcement Network for Accession (ECENA) came into being. The objective was to assist the SEE countries to improve environmental protection by effectively taking over EU regulations and putting them into practice, including the boosting of inspection services. It should be added that environmental protection projects also form part of the transborder cooperation programmes among the countries of the region.

The latest initiative in this field is the Regional Environmental Network for Accession (RENA), to be financed from the IPA’s multi-beneficiary component in the 2010-2012 period. This is actually a continuation of the Regional Environmental Reconstruction Programme (RReP) which closed in 2009. The RENA focus will be on regional cooperation in strategic planning and investment, including monitoring progress and compliance, on climate change, transborder cooperation, multilateral agreements on the environment, and ECENA.

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278 The website of the Regional Environmental Centre for Central and Eastern Europe may be found at: http://www.rec.org/
2.2.4. Developing an information society

Mindful of the fact that the widespread use of digital technology is of exceptional importance for fast economic development and employment growth, the countries of South Eastern Europe actively cooperate at regional level in several initiatives designed to assist the development of an information society. They are:

- the Electronic South East Europe Initiative (eSEE) – institutional framework;
- the Broadband South East Europe Task Force (bSEE) - infrastructure;
- the private sector forum for ICT – participation of the private sector;
- eGovernance centre – transfer of knowledge and experience

The Electronic South East Europe Initiative (eSEE) was launched in October 2000 in Istanbul and went into operation in January 2001. Since 2002, the secretariat has been in the local UNDP office in Sarajevo.\(^{279}\)

The eSEE programme complies with EU strategic documents and is focused above all on creating an institutional framework for the development of an information society in the countries of the region. To this end, in late 2002 the countries of South Eastern Europe adopted the regional eSEE Agenda, committing themselves to:

- adopt the policies and strategies of the information society;
- adopt and put into practice the legal infrastructure of the information society in keeping with the EU countries’ *acquis communautaire*;
- set up regional cooperation and a mechanism at national level to implement what was agreed;
- promote the development of the information society.


In late June of 2005, a ministerial conference in Thessaloniki ended with the signing of a new Memorandum on Developing Broadband Communication Resources (bSEE), designed to ensure the proper infrastructure for an information society. The new initiative’s main objective was a unified broadband market in South Eastern Europe which would be completely integrated with European and international networks. The underlying ideas were: 1) the integration of electronic communications among countries in the region, and 2) joint projects, development

\(^{279}\) More information at: http://www.seeinitiative.org/
of electronic communication technology and a market, while jointly attracting investment.

The most recent development in regional cooperation on the information society was the founding of a Centre for e-Governance Development for SEE, whose primary aim is to create and transfer knowledge in e-governance and e-business, in order to bring about a forward-looking and transparent public administration in South Eastern Europe.\textsuperscript{280}

In addition to these initiatives, the Private Sector Forum for Information and Communication Technology (ICT) acts within the Business Advisory Council (BAC), aiming at strengthening the links between state institutions and the private sector, enhancing the ICT business environment and ensuring input from the private sector in defining state policies.

\textsuperscript{280} The Memorandum of Understanding establishing a Centre for e-Governance Development in SEE was signed in Ljubljana in January 2008. The Centre will handle training, education, counselling and research related to e-governance in the region, in close coordination with the eSEE Initiative Secretariat in Sarajevo. The Centre website is at: http://www.cegd.eu/Pages/default.aspx
3. DEMOCRATISATION AND SOCIAL DEVELOPMENT

3.1. Parliamentary cooperation

As legislators, the parliaments of South Eastern Europe play a key part in encouraging and carrying out reforms as part of the European agenda, and in raising efficiency and transparency among the country’s ruling structures. Parliamentary cooperation contributes to reconciliation and good neighbourly relations. It is also important in the context of joint efforts to approximate and align national legislation with the EU acquis communautaire, and to develop dialogue and political cooperation in the run-up to accession. In late 2004, the Stability Pact for South Eastern Europe initiated parliamentary cooperation as a priority in regional cooperation. The objective was to strengthen parliamentary capacities in the region and build a sustainable structure that would link them operationally. Parliamentary cooperation continues to be a priority in regional cooperation and the work of the Regional Cooperation Council, a theme that pervades all areas.

There are three regional initiatives for parliamentary cooperation: the SEE Regional Secretariat for Parliamentary Cooperation based in Sofia, the Cetinje Parliamentary Forum in Montenegro and the Conference of the European Integration Parliamentary Committees of states participating in the Stabilisation and Association Process (COSAP). The first initiative has a broad regional dimension in the SEECP, while the other two are directed only at the Western Balkans. To these should be added a programme for an exchange of experiences among SEE women members of parliament. Parliamentary cooperation includes the following activities: strengthening and institutionalising links between kindred parliamentary committees; training and capacity building of members of parliament and professional personnel; regular training programmes for newly elected members and professional staff; the twinning of parliaments with others outside the region, and enhancing the exchange of information on the activities of international and regional partner organisations. Key cooperation areas include European integration, particularly approximation of legislation to EU standards, democratic control of the security sector, control of the budget, reform of the judiciary, macroeconomic and social policy, visa regime issues and education.

The Regional Secretariat for Parliamentary Cooperation in South East Europe (RSPC SEE) began work following the seventh meeting of the parliamentary speakers of the countries participating in the SEE Cooperation Process (14 April 2008), who signed a Memorandum of Understanding on Parliamentary Cooperation in South East Europe, and a Final Declaration which provides the basis for cooperation among the countries of the region. A previous meeting had taken the decision to establish a secretariat located at the Bulgarian Parliament. The role of the Secretariat is to coordinate activities, including donor assistance, keep the parliaments in the region informed of important developments and inform the public on parliamentary cooperation. The first step towards institutionalising parliamentary cooperation can be assessed as preparing the ground for the establishment of a future South East European Parliamentary Assembly. The Secretariat also prepares annual meetings of the speakers within the framework of the SEECP. It should be added that the 9th meeting of the parliamentary speakers, scheduled to be held during Moldova’s presidency of the SEECP, was postponed. It was held from 5-8 June 2010 in Antalya, when Turkey held the presidency.

COSAP was founded in June 2005 in Sarajevo, a result of the Thessaloniki Summit of 2003. The Sarajevo meeting adopted Rules of Procedure according to which the Conference has a rotating chairmanship and meets twice a year to debate current aspects of the Stabilisation and Association Process and the enlargement of the EU, and a Troika composed of the former, current and future chairmanship was introduced.

The COSAP quickly established relations with a kindred European association: COSAC (Conference of European Affairs Committees of the Parliaments of the EU Member States). COSAP meetings are adjusted to the COSAC calendar of meetings. COSAP has a clear agenda with a view to boosting cooperation among the committees for European integration, where considerable assistance is provided by the European Parliament. It could be said that the COSAP is a successful, functioning network with a clear agenda. In November 2009 COSAP held a meeting in the Serbian National Parliament.

282 See the Regional Secretariat website at: http://www.rspcsee.org/

283 The decision was taken at a meeting of the parliamentary speakers of the SEECP countries on 18 April 2007 in Zagreb. Rival candidate for host country was Serbia, but it was thought that as an EU member with developed relations with the European Parliament, Bulgaria could contribute more to strengthening cooperation, not only among countries in the region, but with the European Parliament and other similar international institutions.

284 The meeting was postponed due to electoral turmoil in Moldova.
The Cetinje Parliamentary Forum (CPF), an autochthonous regional initiative for parliamentary cooperation of the SEE countries was conceived and launched by the Montenegrin Parliament and the Parliament of Serbia and Montenegro. The inaugural meeting was held on 8 and 9 February 2004.

The objective of the CPF is to boost cooperation, transfer knowledge and experience, strengthen ties, deepen parliamentary cooperation and diplomacy in the region, improve bilateral and multilateral links and bring together representatives of the legislature in countries which share a common historical and cultural heritage, along with a European perspective.

The CPF meets in various formats: speakers or deputy parliamentary speakers, the chairs of parliamentary committees, parliamentary secretaries, committee secretaries and experts. The themes are very varied, but all are tangential to the integration of the participant countries into Europe. The ninth meeting (26 April 2010) discussed the challenges and role of parliaments in combating corruption and organised crime, while the tenth (21 June 2010) focused on the role of women parliamentarians in consolidating peace and security. The Regional Cooperation Council, in consultation with the Montenegrin Parliament, the Montenegrin chairmanship of the SEEC瑾 (from June 2010) and the other parliaments in the region, discussed the possibility of strengthening and institutionalising the CPF (by establishing a secretariat), as a coordination centre for parliamentary activity to transpose the EU acquis communautaire to the Western Balkans.

3.2. Building human capital

As discussed in the chapter on the Regional Cooperation Council, one of six priorities in regional cooperation is the development of human potential, i.e. education and research. Let us recall that at the meeting of the Regional Table of the Stability Pact for SEE in Belgrade in May 2006, a new priority of regional cooperation was adopted under the title: Fostering and Building Human Capital. The reason for introducing this as a priority was the crucial part played by education and research in economic, political and social development, and the unsatisfactory state of education and research in all countries of the region. Change in the education
and research sectors are as important as successful reform of the economy. Fostering and building human capital is to contribute to solving specific problems in the reform of education and research and assist in developing a knowledge-based society, democratic and open to all. The same priority was integrated into EU development strategy at the time, known as the Lisbon Strategy, where the accent was on knowledge, innovation and building human capital for sustainable economic and social growth. It is also complementary and connected to earlier cooperation in the SPSEE Task Force for Education and Youth (TFEY), the South East Europe Education Reform Initiative (ERI SEE) and the European Research Area Network for integration of South East Europe into the European Research Area (SEE-ERA. NET).

A special Task force for Building Human Capital was formed in 2008 to regional activity and cooperation with the EU in higher education and scientific research, and to encourage continuing dialogue and exchange of information and experience. The political framework was the Memorandum of Understanding signed by the ministers responsible for education, science and technology in SEE (Istanbul, 2007) with an annex containing the framework for action. The priorities in regional cooperation in education are:

- implementation of the Bologna Process: curriculum reform, quality assurance, inclusion in the European Qualifications Framework, developing the concept of lifelong learning and preparation for participation in this EU programme, student and teacher mobility etc.

The priorities in research are:
- stimulating cooperation among countries in the region and cooperation with EU member countries;
- removing the barriers to integration into the European Research Area (ERA);
- harmonising bilateral and multilateral cooperation;
- drafting a regional strategy for research and development;
- support to Regional Centres of Excellence (RCEs);
- boosting administrative capacities;

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286 In the new EU development strategy up to 2020 (adopted March 2010), knowledge, innovation and education hold key positions.

287 More information on the ERI SEE website: http://www.erisee.org

288 More information on the project website: http://www.see-era.net

289 More information at the Task Force website: http://www.taskforcehumancapital.info/
To achieve these priorities, the countries of the region have access to some EU programmes and financial instruments such as:

- **The Tempus Programme** – reform of the higher education system, cooperation between institutions of higher education in the EU countries and South Eastern Europe, implementation of the Bologna Process and the objectives of the Lisbon Strategy.
- **Erasmus Mundus** – introducing European joint masters and doctoral studies at European universities and providing scholarships (a substantial number are planned for the Western Balkans).
- **The Seventh Framework Programme for Research and Technological Development – FP7.**
- **The multibeneficiary component of the EU Instrument for Pre-Accession Assistance (IPA).**

The defining of a Regional Strategy for Research and Development was a significant move in building human capital. A ministerial conference on developing a Regional Strategy for Research and Development (RCC, Sarajevo, 24 April 2009) inaugurated work on a strategy designed to enhance regional cooperation in education, research and innovation. The strategy was to advance national research policies through an exchange of experience and successful solutions, while maximising utilisation of EU funds and facilitating the entry of the region into the European Research Area.

We should add here that activities in education and research at regional level are coordinated with multilateral programmes and projects such as COST, EUREKA, UNESCO-ROSTE.

As mentioned in previous chapters, the field of education and science is the subject of cooperation in other regional initiatives as well (CEI, AII etc.)

Some examples are given below.

**The Central European Initiative University Network (CEI uniNET)**\(^{290}\) is a university network of the member countries of the Central European Initiative. The aim is to assist cooperation among universities and other institutions of higher education in Central, Eastern and South Eastern Europe by supporting and encouraging mobility and exchange of academic workers (doctoral and master courses). The idea to form a CEI University was launched by Italy at the CEI summit in Trieste in

\(^{290}\) http://www.ceinet.org/content/post-graduate-studies-university-network
2001. With the endorsement of its Founding Charter at the CEI summit in Warsaw in 2003, the work of the CEI University Network began. It is headed by the Rector of the University of Trieste in his capacity as General Secretary.

The Central and Eastern Europe University Network (CEEUN) was founded in 2002 as a network of international cooperation among universities and research centres in a broad field of subjects and innovative projects. It involves over four hundred professors, research staff and experts of international repute from ca. eighty institutions for scientific research in twenty-two countries. The Network’s publication is the journal *Transition Studies Review*. Originally focused on transition in Central and South Eastern Europe, in recent years its interest has expanded to include Russia, Ukraine, the Caucuses, the Black Sea and the Mediterranean. As of 2005, transition studies include Asia, Latin America and Eurasia.

The Central-East European Network (CEEN) is a platform for dialogue among presidents of national academies of sciences from Central and South Eastern Europe, founded in 2003 by the European Academy of Sciences and Arts. CEEN’s main mission is to support further integration of the region into the European Research Area. Its members are the academies of sciences and arts of Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Lithuania, Montenegro, Poland, Slovakia, Slovenia and Serbia and the World Academy of Art and Science. Representatives of the European Commission and the European Parliament regularly attend meetings.

The UniAdrion University was presented in the section on the Adriatic-Ionian Initiative.

### 3.3. Cooperation on a civil society

Civil Society Organisations (CSOs) have played a considerable part in setting up and advancing cooperation in the region, maintaining bilateral and multilateral contacts in the period up to 2000 and providing a driving force for democratisation and reform. In many areas, particularly in the struggle for human rights and the adoption of European norms and values, they were the precursors of cooperation among the states. Numerous contacts and joint projects throughout the region, particularly in the former Yugoslavia, have shown that cooperation is not feasible without the active inclusion of CSOs.

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291 [http://www.uniud.it/ricerca/strutture/dipartimenti_economica/difi/ossfi/part/ceeun](http://www.uniud.it/ricerca/strutture/dipartimenti_economica/difi/ossfi/part/ceeun)
During the period when relations were gradually being restored among the states after the painful era of wars and severed ties, they contributed greatly to the process of reconciliation and renewal of political, economic and other cooperation. Again, at the height of the tension between Serbia and Kosovo, several non-government organisations managed to maintain cooperation and continue dialogue.

With the coming to power of democratically elected pro-European governments in the Western Balkans and their inclusion in the Stabilisation and Association Process, the CSOs transformed and redefined their priorities. As the countries of the Western Balkans progressed towards EU membership, the role of the CSOs in promoting European values and EU accession gained in importance and they became state partners in the integration process. This approach is encouraged by the European Union, which in Article 11 of the Lisbon Treaty makes consultation with CSOs in the decision process binding on EU institutions. The Commission document „Enlargement Strategy 2007“ emphasises that the development of a civil society and the enhancement of civil dialogue in the Western Balkans are key priorities for the accession of the region. The importance of civil dialogue for candidate countries is mentioned for the first time in Commission documents in 2005 and again in 2006, when it is expanded to include all countries of the Western Balkans. In 2008, the EU launched the Civil Society Facility which stimulates the development of civil society and dialogue in the Western Balkans and Turkey. The role of the CSOs has been confirmed by government bodies in Serbia: encouraging the development of the organisations of a civil society and maintaining regular consultations with them is among the priorities of Serbia’s National Programme for Integration into the EU, adopted in 2008. The Regional Cooperation Council is devoting increasing attention to the broadest possible inclusion of CSOs in activities in all areas. As already mentioned, the Council’s Strategy and Work Programme for 2011-2013 sets out that one of the permanent „horizontal“ activities of the RCC is „supporting increased involvement of civil society in regional activities“, and this has been incorporated into RCC tasks in priority areas of cooperation.

Below we give a brief summary of some CSO associations and networks engaged in strengthening regional cooperation and promoting European values in South Eastern Europe.

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292 Commission Communication: Civil Society Dialogue between the EU and Candidate Countries, COM (2005) 290


- **The Igman Initiative.** The Centre for Regionalism (Novi Sad), The Democratic Alternative Forum (Sarajevo) and the Civic Committee for Human Rights (Zagreb) are the main initiators of a movement of non-government organisations, whose objectives are reconciliation and the restoration of relations in the „Dayton triangle“ between the FR Yugoslavia (now a rectangle with Serbia and Montenegro), Bosnia and Herzegovina and Croatia. The movement was formed in Zagreb in November 2000 and rallies over 140 NGOs. The mission of the Igman Initiative is to promote and facilitate local and regional dialogue in politics, the economy and culture, to build up trust and represent democratic values. From the time it was founded, the Igman Initiative has been very successful in carrying out programmes of varying range and dimensions. Members, for instance, successfully lobbied to abolish visa regimes among the countries of the „Dayton rectangle“ and with the EU countries. A key meeting of the Initiative took place in Sarajevo on 29 May 2010, attended by the presidents of the „Dayton rectangle“ which injected a powerful impetus into advancing bilateral relations and improving the atmosphere in the region.

- **PHILIA – The Association of multiethnic Cities for South East Europe.** The Association was founded in 2003, the result of a micro-project of the Igman Initiative for cooperation among cities in the Tuzla-Osijek-Novis Sad triangle, based on an agreement on inter-ethnic tolerance. PHILIA is based in Novi Sad, but the Association has offices in all the SEE countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Macedonia and Romania.

- **Civic dialogue** is a multiethnic initiative by NGOs from Serbia and Kosovo, launched in 2002 in an attempt to repair the ravages of war in the former Yugoslavia. In the aftermath of the tragic events of 1998 and 1999 which led to a total severing of relations between Kosovo and Serbia, leaders of the civil society, guided by a vision of a democratic and stable Balkans, joined forces in a concentrated and delicate endeavour to enable dialogue and promote tolerance and trust.

- **The CIVIS Association** was founded on 4 June 2007 and gathers together NGOs, foundations and members of the public in South Eastern Europe. Its mission is to promote and advance the rights of all citizens of this region and to stimulate civil dialogue both in the region and between the SEE regions and the member

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296 http://www.civil-dialogue.org/index_s.htm
297 http://www.civis-see.org/eng/
countries of the European Union. CIVIS promotes the European idea and Euro-
pean values, encourages NGO cooperation in accelerating the accession process and
transborder and regional cooperation among NGOs, municipalities, business peo-
ple and individuals. So far, the work of the Association has been directed towards
interconfessional dialogue, energy efficiency, the protection of the cultural heritage,
a balanced regional development etc.

CIVIS is an umbrella organisation representing the interests and opinions of
South East European NGOs in the Council of Europe at the Conference of Inter-
national Non-Governmental Organisations (INGO). In a very short space of time,
CIVIS has met all the requirements to obtain participant status in the INGO Con-
ference and has been sharing in its work on an equal footing since January 2008. In
this way, CIVIS has the opportunity to make contact with 410 associations from all
over Europe who are members of the Conference. Its primary activity, therefore, is
to set up and increase the cooperation of its members with associations and other
players in Western and Central Europe.

- **Coalition for Regional Cooperation and European Integration – the REI
  Coalition.** In 2008, the European Movement in Serbia moved to found a regional
network of non-government and think-tank organisations, in order to promote re-
gional cooperation and advance the process of European integration. A network of
partnership organisations from the Western Balkans is mainly gathered around the
project: „A regional framework for development and European integration“298, im-
plemented in 2006 and 2007. Cooperation continues on another project: the Ljublja-
na agenda for the Western Balkans.

- **The RECOM Coalition**299 is a network of organisations and individuals
whose mission is to support the establishment of a Regional Commission to de-
determine the facts of war crimes and other grave violations of human rights in
the former Yugoslavia. The Coalition was founded in October 2008. Its mandate
is to mount a debate on the need to establish a commission and to connect up
various groups and organisations of the civil society in order to ensure a climate
of support. The Coalition must also propose a suitable model for the RECOM to
accompany the initiative, and submit these for consideration to the parliaments
of the successor states of the former Yugoslavia on 1 June 2011. The Coalition’s
objective is to support the RECOM in carrying out its mandate, once it has been

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298 More information at the European Movement in Serbia website: http://emins.org/emins_eng-
lish/content/02_activities/projects/regional_framework/index.html

299 More information at the RECOM website: http://www.korekom.org/
established, and monitor implementation of its recommendations. The Coalition is active in Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, Slovenia and Serbia.
4. SECURITY, DEFENCE AND CONFIDENCE BUILDING

In the wake of armed conflict in the former Yugoslavia, cooperation in areas such as defence or the work of the security services became particularly sensitive. For this reason, the results achieved in these fields are very palpable. This was partly a consequence of the high-profile involvement and great interest demonstrated by international players, as well as interest on the part of the countries of the region in acquiring international legitimacy through regional projects and ensuring adequate support for some of their more important objectives as, for instance, joining NATO or collaborating with police agencies such as Interpol, Europol etc. Involvement by the US is particularly notable in this area, in sharp contrast to their frequently modest and discreet participation in many other regional questions.

In this chapter, therefore, we try to present the main aspects of security cooperation in the broader sense, covering the police, the judiciary and cooperation in disaster prevention.

4.1. Cooperation in defence

4.1.1. Cooperation among defence ministers

The South Eastern Europe Defence Ministerial Process (SEDM) was initiated by the US at a meeting of the defence ministers in Tirana in March 1996 and is intended to strengthen defence cooperation between the SEE countries and the US. SEDM’s basic aim is to step up political-military cooperation in South Eastern Europe in order to strengthen the region’s overall stability and security. SEDM should also enable these countries to become part of Euro-Atlantic integration, in

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300 This chapter was co-authored by Nataša Dragojlović.

the spirit of NATO’s Partnership for Peace programme. The SEDM member countries are: USA, Greece, Italy, Turkey, Slovenia, Romania, Bulgaria, Croatia, Albania, Ukraine, Macedonia, Bosnia and Herzegovina, Montenegro and Serbia (an observer since 2006, member since 2009), while Georgia and Moldova have observer status. The SEDM cooperation mechanisms are the ministerial meetings, meetings of the Coordination Committee (SEDM-CC), of the Political-Military Steering Committee (PMSC) and of the Chiefs of Staff of the SEDM Countries. The Coordination Committee was officially established in October 2000. Its job is to oversee and provide political guidelines for all projects initiated by SEDM. The Political-Military Steering Committee is the executive body of the Multinational Peace Force South Eastern Europe (MPFSEE) and its operative component in the form of a peace-keeping brigade in SEE: the South Eastern Europe Peacekeeping Brigade (SEEBRIG).

Although SEDM lacks a permanent structure, i.e. it has no charter or permanent secretariat, the yearly meetings at ministerial level have facilitated a number of exercises and projects designed to build up effective defence cooperation among the SEE countries and strengthen the inter-operability of partner armed forces with NATO. Decisions taken at SEDM meetings provide guidelines for further efforts by the member countries to respond to joint security challenges in South Eastern Europe.

Several successful activities have been initiated as part of the SEDM process, such as the:

Multinational Peace Force South Eastern Europe (MPFSEE) and its operative component in the form of a peace-keeping brigade in SEE – SEEBRIG. The MPFSEE was formed in Skopje on 26 September 1998 and SEEBRIG was activated on 31 August 1999, its objective being to contribute to regional security and stability and advance cooperation, transparency, interoperability and good relations among the SEE countries within the SEDM process. SEEBRIG can be actively deployed by a joint political decision and may be engaged in conflict prevention, humanitarian and peace operations of the UN or OSCE, under the command of NATO, the


303 Twenty-two meetings of the SEDM CC were held in ten years. As of July 2009, the Committee has been chaired by Bulgaria.

304 So far, 23 PMSC meetings have been held. As of July 2009, the Committee has been chaired by Bulgaria.

EU or independently. Since 2007 the Brigade Command has been in Istanbul. Greece, Italy, Turkey, Albania, Romania, Bulgaria and Macedonia all take part in the work of SEE BRIG, with the US, Croatia, Slovenia, Bosnia and Herzegovina and the Ukraine as observers. Having become a fully-fledged member of SEDM-CC, Serbia has the opportunity to become an observer within MPFSEE. Only then will it have the right to attend meetings of the Political-Military Steering Committee, and only as a full member can it form part of SEE BRIG.

**South Eastern Europe Simulation Network (SEESIM).** At the proposal of the US, this project was launched in October 2000. Through a series of simulated exercises, SEESIM is modelled so as to serve as a basis for the integration of several SEDM initiatives. These are SEE BRIG, in particular the Engineer Task force (ETF), Civil-Military Emergency Planning workshops (MCEP), and the Partnership for Peace Information Management System (PIMS). The idea is for SEESIM to grow into a joint regional exercise and a proper system for response to emergencies. Representatives of the Defence Ministry and the Serbian Armed Forces attended the exercise held in Sofia in October 2008 as observers.

**Defence-Military Support to Weapons of Mass Destruction (WMD) Counter-Proliferation, Border Security and Counter Terrorism (CBSC).** The project aims are: agreeing on a common assessment by the SEDM countries in case of a terrorist threat, setting up lines of communication and information exchange among SEDM members on steps to be taken against terrorism and the proliferation of WMD, avoiding duplication of activities in joint measures, projects and action by NATO, EU, OSCE and regional initiatives.

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306 SEE BRIG is a Brigade-size unit (about 5000 troops) consisting of: an HQ company, signal company, mechanised infantry regiment supported by an infantry company, mechanised company, reconnaissance company, reconnaissance platoon, 4 mechanised infantry battalions, combat support units (a battery of self-propelled howitzers, an engineering platoon and two anti-aircraft tactical units), a logistics battalion, engineer units (Engineer Task Force – ETF).


308 At a meeting in Antalya (Turkey) on 21 December 2001, the defence ministers of the SEE countries agreed to set up the CBSC Task Force to support international efforts to implement CBSC in the SEE countries, having regard to the other initiatives in the region supported by the UN, NATO, EU and OSCE. So far, 12 meetings of the task force have been held with Macedonia currently in the chair.
South Eastern Europe Military Education Cooperation - SEMEC\textsuperscript{309} This project plans lecturer and student exchanges, seminars, lectures, workshops, competitions, summer camps etc.

Telemedicine Project, Interconnection of Military Hospitals - IMIHO\textsuperscript{310}. The objective of this project is the interconnection of one military hospital from each of the SEDM member countries via satellite link for the exchange of information and practice. Following inauguration of the project, a working group was formed to note the requirements of the programme and prepare recommendations for review by the defence ministers. A representative of the Serbian MOD’s Material Resources Sector attended the 13th meeting in Bucharest in February 2010.

4.1.2. Conference of the Balkan Chiefs of Staff

The Conference of the Balkan Chiefs of Staff is an initiative originating in the region for inter-military cooperation,\textsuperscript{311} consisting of the chiefs of staff of the armed forces of Albania, Bosnia and Herzegovina, Bulgaria, Greece, Macedonia, Montenegro, Romania, Turkey and Serbia. The conference was established at the first meeting in 2007 in Thessaloniki (Greece), as a forum of the most senior military representatives of the Balkan countries, with the objective of developing dialogue and cooperation. A forum of chiefs of staff meets once a year, chaired by the chief of staff of the host country. All decisions are taken by consensus.\textsuperscript{312}

The forum works through two subgroups: the Subgroup for Training, Education and Exercises and the Subgroup for Asymmetrical Threats, and through a Coordination Group, whose job is to prepare the Conference of Chiefs of Staff.

The objective of this regional military initiative is to discuss and strengthen models of military-military cooperation among the Balkan states, so as to improve response to joint challenges, risks and threats to security. Activity consists of training and education, designed to reach the level of interoperability required for joint action in a multitude of situations. Particular attention is devoted to fighting and prevent-

\textsuperscript{309} At a meeting in Tirana in September 2006, the defence ministers of the SEE countries approved initiation of the SEMEC project, and Albania agreed to chair the task force.

\textsuperscript{310} The project began as SIMIHO (Satellite Interconnection of Military Hospitals) following a proposal by Greece agreed at meeting of SEE defence ministers on 9 October 2000 in Thessaloniki.

\textsuperscript{311} Born of an initiative by the Chiefs of Staff of Greece and Turkey in 2006.

\textsuperscript{312} A second conference was held in Anatalya (Turkey) in 2008, a third in Belgrade (Serbia) in 2009 and a fourth in Brasov (Romania) in 2010. Macedonia is to host the 2011 meeting.
ing emergency situations caused by natural disasters. Joint exercises are planned in this context and an annual assessment of asymmetrical threats in the Balkans.

The participating states have opened their national capacities – particularly training facilities - to all members of the Forum and other countries, in keeping with an agreed list of joint activities, divided into those reserved only for the Balkan states and others (courses, seminars, conferences) which are open to third parties. Lists of joint activities are updated annually.

Lists of direct contacts at chief of staff level have been established, also for MOD operations centres and the GHQs of the participating countries in case of urgent requests for assistance. The level of assistance and cooperation is, of course, defined by national legislation and set up by national procedures.

**4.1.3. RACVIAC – Centre for security cooperation**

In October 2000 by agreement between the Republic of Croatia and the Federal Republic of Germany, a Regional Arms Control Verification and Implementation Assistance Centre – RACVIAC – was established at Rakitje near Zagreb.

The primary aim of the Centre was to provide training in arms control, promote measures for confidence building and enhance security in general in South Eastern Europe. This was later expanded to cover military-political issues, including reform of the security sector, with the accent on defence conversion. Changes in the security environment and the desire of the post-conflict societies of the Western Balkans to begin the process of Euro-Atlantic integration, coupled with the fact that stability had been restored in the region, required that the founding objectives of this centre be re-examined. Its transformation ran parallel to that of the SPSEE. Apart from a change of RACVIAC’s mission, objectives and structure, the name was changed from the Arms Control Verification and Implementation Assistance Centre to the Centre for Security Cooperation. RACVIAC’s steering committee is the Multinational Advisory Group (MAG), composed of representatives of all the member states. International partners are also represented. MAG guides and inspects the work of the Centre.

The RACVIAC mission is to facilitate dialogue and foster cooperation in security in South Eastern Europe in partnership with the states of the region and international organisations. The basic aims are strengthening overall stability and secu-

rity in South Eastern Europe, improving existing mechanisms for arms control and verification and taking steps to increase confidence, promote the concept of reform of the security sector, provide education in the Euro-Atlantic integration processes and enhance regional cooperation in defence conversion. A considerable number of activities are in promoting EU Common Security and Defence Policy (ESDP). These objectives are implemented through seminars, courses and workshops, organised on various themes; reform of the security sector and questions of defence policy (Small Arms and Light Weapons, Code of Conduct, the Democratic Control of Armed Forces, Border Security Issues, Ottawa Convention); arms control and confidence building measures. The numerous seminars include English language courses, especially in the terminology of arms control, and courses in disaster management. As of 2005, education has been focused on three key aspects of defence conversion: the requalifying of military personnel who have been made redundant, conversion of military bases and restructuring the military industry. In keeping with the new strategic plan that followed the transformation of the SPSEE, since 2008 RACVIAC activities have been concentrated on three main areas: a cooperative security environment, including arms control, reform of the security sector and Euro-Atlantic integration.314

Up to 2007, funds were obtained from voluntary donations by most of the MAG countries. Since 2008, stable financing has been provided by annual contributions from the chief member states, in keeping with the concept of regional ownership, which was being promoted at the time. Financing is divided into the principal budget (fixed costs required to run the Centre) and a budget for individual activities, obtained from donations for projects. This part of the budget is obtained from contributions from associate members, international partners, and organisations such as the UN, NATO, EU, OSCE, SEESAC, DCAF, GCSP, RCC) and donor states.

4.1.4. The South-East Europe Clearinghouse (SEEC)

This forum for assistance to the SEE countries is a regional security initiative, launched in 2004 by the European Command of the US Armed Forces (US EU-COM) and the Slovene Defence Ministry. The objectives are to donate assistance to the countries of South Eastern Europe who are candidates for NATO (Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro and Serbia) and to accelerate the process of Euro-Atlantic integration. Major donors to date via SEEC were Great

314 RACVIAC General Guidelines Paper, Internet: www.racviac.org/downloadsdocumentsRACVIACGENERALGUIDELINES_PAPER.pdf
Britain, Denmark, US, Slovenia, Austria, Switzerland and Sweden, in the form of finance for certain projects, equipment, German and English language courses, media seminars and courses, civilian-military relations in emergency situations, preparation for participation by members of the armed forces in peace missions and so forth. At the tenth SEEC conference in Skopje, Macedonia from 21-23 June 2010\(^{315}\), projects were presented which have the potential to become regional centres, and the progress of three declared regional centres was discussed: the Nuclear-Biological-Chemical Defence Centre in Kruševac, Serbia, the Media Centre in Skopje and the Peace Support Operations Training Centre (PSOTC) in Butmir, Bosnia and Herzegovina.\(^{316}\)

**4.1.5. South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC)**

This centre for the control of small arms and light weapons was established in Belgrade in May 2002 as part of a regional plan to combat the proliferation of small and light weapons, which was formulated and endorsed by the SPSEE in late 2001. The unchecked proliferation and smuggling of small and light weapons were identified as one of the greatest post war security challenges, whose effects made themselves felt both in security and the socio-economics of all the states of South Eastern Europe. SEESAC receives political guidelines for its work from a Regional Steering Group formed of representatives of member governments, the Regional Cooperation Council (RCC), UNDP and observers from the EU, NATO, OSCE and the civil society. In 2008 the Steering Group approved the SEESAC Strategy\(^{317}\) and the mandate of the SEESAC office in Belgrade was renewed. SEESAC works directly with member state governments and the civil society, providing relevant information, technical assistance, coordinating and overseeing current and planned activities and ensuring financing for project implementation. All activities are directed towards increasing awarenesss of the dangers of the uncontrolled spread of small


\(^{316}\) http://www.mod.gov.rs/novi_lat.php?action=fullnews&id=2792

\(^{317}\) According to this Strategy, SEESAC supports activity in the following fields: transborder surveillance, legal issues, information management, communications strategies, research, a database on the collection and destruction of small and light weapons.
and light weapons and towards introducing national strategies\(^{318}\) that will guide the actions of each state in this area. Since 2006, a considerable number of activities have been aimed at harmonisation with EU legislation in the arms export sector.\(^{319}\) In 2006, the practice of an annual report on arms exports was introduced and in 2009 a report was produced for the region.

### 4.1.6. US-Adriatic Charter

Modelled on the US-Baltic Charter (Lithuania, Latvia and Estonia), in 2003 the foreign ministers of Albania, Croatia and Macedonia signed a partnership charter with the US in Tirana in order to enhance cooperation in Euro-Atlantic integration: the US-Adriatic Charter. The signing was preceded by a Declaration by the foreign ministers at a meeting in Dubrovnik in March 2003, confirming the desire for full membership of NATO and full implementation of the Member Action Plan (MAP). Apart from support to Euro-Atlantic integration, the Charter defines a number of joint activities and duties for the three signatory countries not only in the sections referring to integration, democratic reform and human rights, but particularly in those related to regional security. The provisions of the Charter also define the duties of the Partnership Commission. This body sees to the implementation of the commitments arising from the Charter and assesses the results of joint activity in developing democratic and economic reforms, human rights, combating organised crime and corruption, and contributing to regional security. Meetings of the Partnership Commission agree on concrete defence action: the founding of a Regional Peace Operations Centre at Krivolak (Macedonia), joint exercises on the territory of the signatory countries, preparation of joint units for peace support and peace-keeping operations, consultations on security and defence policy, exchange of elements of military education, military-technical cooperation and arms control. One of the concrete forms of trilateral cooperation among the countries of the US-Adriatic Charter is the dispatch of joint medical teams to Afghanistan as part of the Greek contingent of the ISAF operation, based on a Memorandum of Understanding signed in 2005.

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\(^{318}\) Today all member states have adopted a national strategy for the control of small arms and light weapons (SALW).

\(^{319}\) The Western Balkan states must approximate their legislation to the EU Council Common Position 2008/944/CFSP, which regulates government control over the export of military technology and equipment.
On the sidelines of the meeting of foreign ministers of the OSCE countries in Helsinki on 4 December 2008, Bosnia and Herzegovina and Montenegro were admitted as members of the Charter, the abbreviated version of whose name was changed to A5.\(^{320}\)

4.2. Cooperation in the police and the judiciary

In justice and home affairs, the following areas are of particular significance for the region: combating organised crime and corruption, reform of the police, law enforcement and reform of the judicial system, combating illegal migration, visa relaxation and liberalisation, and border management.

4.2.1. Regional Anticorruption Initiative (RAI)

The Initiative was set up in 2000 to step up regional cooperation in fighting corruption.\(^{321}\) Its members are: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania and Serbia.\(^{322}\) RAI supports the elaboration of a common comprehensive regional strategy for combating corruption. It also acts as a regional forum for cooperation among governments, the civil society and international organisations in the fight against corruption, and coordinates donor assistance to the region. The Regional Cooperation Council provides political support to the RAI and oversees implementation of anti-corruption projects. Since 2004, the RAI Secretariat has been based in Sarajevo. Problems with financing it were overcome by the signing in Zagreb in April 2007 of a Memorandum of Understanding on cooperation in fighting corruption through the South Eastern European anti-corruption initiative. This document commits the member countries to financing part of the


\(^{321}\) The Regional Anti-Corruption Initiative (RAI) emerged from the Stability Pact Anti-Corruption Initiative (SPAI). More information at: http://www.rai-see.org/

\(^{322}\) UNMIK has observer status.
Regional Anticorruption Initiative. RAI’s most important projects are investigating the independence of the judiciary and two projects carried out in partnership with the UN Office on Drugs and Crime (UNODC) for the development of instruments to monitor judicial and law enforcement bodies. In the period up to 2013, the RCC will support the RAI in promoting good practice in combating and addressing corruption at national and regional level, with particular attention to the obligation of the countries to apply the Group of States Against Corruption (GRECO) Recommendations.

4.2.2. Migration, Asylum and Refugees Regional Initiative (MARRI)

The MARRI initiative was set up in 2003 within the SPSEE by merging an initiative on asylum with another on the return to the region of displaced persons. The MARRI objectives are the management of migration and borders and bringing asylum and visa regimes in line with European standards and practice. MARRI is made up of two bodies: the Regional Forum, a political body composed of ministers and senior advisers, and the Regional Centre in Skopje, the Forum’s coordinating and executive body. MARRI also has a Steering Committee in which member countries, the European Commission and interested international organisations such as the OSCE, UNHCR, IOM and others are represented. Key documents of this initiative are the Memorandum establishing the MARRI Regional Forum, adopted in Herceg Novi in 2004 (since when it has functioned within the South East European Cooperation Process, following the guidelines on regional ownership), and declara-

323 MoU available at: http://www.rai-see.org/images/doc/32/Memorandum%20of%20understanding.pdf. RAI’s annual budget is about 350,000 euros, 30% of which comes from annual contributions by member countries and the rest from donations.

324 Development of monitoring instruments for judicial and law enforcement institutions in the Western Balkans and assessment of corruption and crime in the Western Balkans.


326 MARRI member countries are Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro and Serbia. International organisations take part as observers. For more detail on MARRI see: http://www.marri-rc.org/

tions from meetings of the SEE interior ministers. Up to 2008, finance was a crucial problem, in addition to which the initiative experienced difficulties with carrying out projects financed by the European Commission. In 2008, these obstacles were partially overcome and the Centre survived on the financial contributions of the member states. MARRI’s principal projects are directed towards setting up a single database to combat human trafficking in South Eastern Europe while providing support to victims. Another important project relates to document security. In the period up to 2013, MARRI activities will be primarily directed at combating illegal migration, strengthening regional cooperation and promoting the valid implementation of agreements on readmission signed between the member states.

4.2.3. South Eastern Europe Police Chiefs Association (SEPCA)

The SEPCA was formed in January 2002 in Pula, Croatia, with the aim of providing assistance to reform of police forces in the countries of South Eastern Europe. The first statute of the Association was adopted in October of the same year and revised in 2007. The SEPCA’s main objective is to raise the level of public security in the countries of South Eastern Europe by fostering police cooperation in the region, the greater inclusion of members of the public and the civil society, with the support of international organisations. This Association gathers together the police chiefs of Albania, Bosnia and Herzegovina (the BH Federation and Republika Srpska), Bulgaria, Croatia, Macedonia, Montenegro, Serbia and Canada.


331 "The Canadian Government and its Royal Mounted Police played an important part in forming SEPCA. The aims were to enhance police cooperation, professionalism among members of the police, and assist in the process of police reform in the countries of the region”. S. Đorđević, "Policijetska saradnja u državama jugoistočne Evrope", in: D. Dukanović and S. Knežović, Srbija i regionalna saradnja, Institute for International Politics and Economics, Belgrade, 2010, p. 221.
The SEPCA Secretariat is based in Sofia. Activity is financed partly from annual membership contributions and partly by donations. The SEPCA has a General Assembly, Executive Secretariat and five committees (for combating organised crime, community policing, education, legislation and projects). The RCC Strategic Plan to 2013 points to the important role of this and other initiatives for police cooperation in South Eastern Europe in combating terrorism.

4.2.4. Police Forum

An informal mode of cooperation among countries of the SEE region, the Police Forum was established in 2000. Its objective is to support and accelerate reform of the police. The Forum implements three projects: Regional Police Training, an Organised Crime Training Network, and the Stolen Car Project. Solid cooperation has been established with the European Police Association, the South East Europe Police Chiefs Association and the SECI Regional Centre for Combating Transborder Crime. The Forum receives substantial financial support from the EU Commission.

4.2.5. Police Cooperation Convention for SEE (PCC SEE)

The Police Cooperation Convention for SEE (PCC SEE) was signed in 2006 in Vienna, while Austria held the EU presidency, and is the most important international document for judicial and police cooperation in South Eastern Europe. The Convention was signed by Albania, Bosnia and Herzegovina, Bulgaria, Macedonia, Moldova, Montenegro, Romania and Serbia. For the Convention to be implemented, the states signatories must conclude bilateral agreements, standardise their communications systems and protection of personal data. The Convention sets out all the ways in which the states can enhance cooperation among law enforcement agents: from cooperation in normal circumstances through a dynamic exchange of information and standardisation of communications and equipment, to cooperation in the course of operations and investigations in order to prevent information


leaks from hampering proceedings. The Convention facilitates real cooperation in numerous fields and in many different ways, such as the appointment of liaison officers, witness protection, hot pursuit, controlled delivery, undercover investigations, transmitting and comparing DNA profiles and other identification material, training, and the exchange of good practice.\(^{334}\)

The Convention Secretariat (in Ljubljana, Slovenia, since 2008) monitors implementation of the Convention. The Secretariat’s main task is to prepare draft agreements, provide guidelines, and lobby for various political decisions; it also coordinates all bilateral and multilateral agreements reached within the Convention, and prepares meetings of all bodies envisaged by the Convention (the Committee of Ministers and the Expert Working Group), which also report on its work. It is financed by Austria, Slovenia, Liechtenstein, Switzerland and the Geneva Centre for the Democratic Control of Armed Forces (DCAF).

Another initiative in police cooperation is one for the formation of a Coordination Centre for Border Police Cooperation, launched at the Sixth Ministerial Conference on Border Police Cooperation in March 2009 in Belgrade. The declaration signed at the conference supported the formation of such a centre, whose mission would be to strengthen cooperation among the bodies responsible for border security in South Eastern Europe. It was to be based in Sarajevo and run by the state border service of Bosnia and Herzegovina in cooperation with DCAF, while the other signatory states were simply to assign a contact person through whom cooperation would take place. The main objective of this Centre was the coordination, promotion and monitoring of regional cooperation through reports by the contact persons and border police in the region. How support in carrying out joint operations is to be coordinated or provided in response to security threats on the borders of the countries themselves, however, remains unclear. \(^{335}\)


4.2.6. Women Police Officer Network - WPON

The Women Police Officer Network emerged as part of the South East Europe Police Chiefs Association (SEPCA) project, growing into an independent network of women police officers from nine countries. Its objective is to link them in cooperation with a view to promoting their careers, gender equality and the status and role of women in police work. This type of networking should contribute to a general improvement in regional cooperation and understanding, particularly in combating organised crime, corruption, terrorism and human trafficking. Key partners are the International Association of Women Police (IAWP), OSCE and the UN Development Fund for Women (UNIFEM).  

4.2.7. SECI Regional Centre for Combating Transborder Crime

The South East European Cooperation Initiative (SECI) was formed in 1996, following the cessation of hostilities in Croatia and Bosnia and Herzegovina, and the signing of the Paris-Dayton Accords, on the initiative of the United States of America.  

The SECI Regional Centre for Combating Transborder Crime began work in Bucharest in May 1999. Today, Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Hungary, Macedonia, Moldova, Montenegro, Romania, Serbia, Slovenia and Turkey are active in this multilateral arrangement. Partners of the SECI Centre include countries that are not from the South East European region: Austria, Liechtenstein, USA, Czech Republic and Switzerland. Fourteen countries

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have observer status. The Agreement on Cooperation to Prevent and Combat Transborder Crime provides the legal foundation for the work of the SECI Regional Centre. The member countries have undertaken to share in the exchange of information and data and to engage in the joint investigation and penalising of transborder crime. All member countries are represented at the SECI Centre through liaison officers, one for customs and one for police, and each country has formed a national focal point.

The SECI Centre has a Joint Cooperation Committee composed of representatives of the member countries, Interpol and the World Customs Organisation. In addition, the Centre has a director, deputy director and a Secretariat. There are seven fields of activity, for each of which a working group has been formed: to combat human trafficking and the smuggling of migrants, to combat fraud and smuggling, to combat white-collar and hi-tech crime, to combat trading in stolen cars, to combat terrorism and ensure the safe transport of hazardous materials.

Activities focus on a faster, coordinated exchange of information among law enforcement agencies on activity by criminal groups, coordination of regional operations, joint investigation by these agencies, multilateral operations and coordination in investigative proceedings in member countries. It is financed by donations from the observer countries, mainly the US Government.

The Convention on the South Eastern European Law Enforcement Centre (SELEC) was signed in December 2009 in Bucharest. Having been ratified by the parliaments of the signatory states, the SECI Centre became SELEC. SECI/SELEC will have 13 permanent members and 23 observers. Interpol and the World Customs Organisation (WCO) will be represented as permanent, non-residential advisors to the Centre. The first project to be financed and supported by the EU will focus on a faster, coordinated exchange of information among law enforcement agencies on activity by criminal groups, coordination of regional operations, joint investigation by these agencies, multilateral operations and coordination in investigative proceedings in member countries.

339 Austria, Azerbaijan, Belgium, Canada, France, Georgia, Germany, Great Britain, Italy, Japan, Netherlands, Portugal, Spain, Ukraine, USA.


341 The cases of information exchange between 2000-2007 increased 24 times, from 315 to 7583. A graph showing the number may be seen at: http://www.secicenter.org/p249/Information_Exchange_Cases

342 Up to 2007, there were 23 joint investigations and 30 regional operations, the most successful being „Danube“ and „Leotar“, which resulted in the smashing of two criminal groups engaged in human trafficking in the South East European region. The former was initiated by Serbia and the latter by Slovenia. For more detail see: S. Đorđević, “Poličijska saradnja u državama jugoistočne Evrope”, in: D. Dukanović and S. Knežović, Srbija i regionalna saradnja, Institute for International Politics and Economics, Belgrade, 2010, p. 221.
on building up SECI/SELEC capacities for combating transborder crime. It is also planned to improve coordination and work more closely on activities by the Secretariat of the Convention on Police Cooperation and SELEC, also with the RCC which is to enable political support, facilitate implementation of the projects and coordination with other regional initiatives also engaged in the regional struggle against organised crime.343

4.3. Cooperation among South East European prosecutors

4.3.1. South East European Prosecutors Advisory Group (SEEPAG)

SEEPAG344 was established on 12 December 2003 in Belgrade with the signing of a Declaration setting out its principal objectives. The group consists of twelve countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Moldova, Montenegro, Romania, Slovenia, Serbia and Turkey. Each member country appoints legal experts as its representatives. The headquarters of the organisation is in Belgrade. It is not an organisation in the traditional sense so much as a network of contacts in the prosecutors’ offices of the member countries, who serve to promote cooperation among prosecutors and provide one another with legal assistance. SEEPAG activities provide operational support, legal assistance, advice and guidelines to officers of the SECI Centre when investigating crossborder crime. There is significant cooperation between SEEPAG and the Western Balkans Prosecutors Network. Key partners in supporting SEEPAG’s work are the US Department of Justice, EUROJUST, the European Judicial Network (EJN), UNODC, the SECI Centre and the RCC.345


4.3.2. Western Balkans Prosecutors Network

The Western Balkans Prosecutors Network is a professional network of public prosecutors in 6 countries, founded in 2005 with the signing of a Memorandum of Understanding (MoU) among the chief prosecutors. Today it is run in accordance with an amended MoU, signed in 2010 on the basis of direct contacts between the national contact persons, who are at the same time judicial officers responsible for the implementation of international law in their own countries. The network is supported by the EU and the Council of Europe. The objective is to enable close cooperation in the investigation and indictment of persons suspected of organised crime and members of criminal associations. A platform is being drafted for better coordination between the Prosecutors Network and SEEPAG.

4.4. Cooperation in Emergencies

The Disaster Preparedness and Prevention Initiative (DPPI) was established in 2000 within the SPSEE to contribute to developing overall regional prevention and preparedness strategy for action in cases of disaster in the SEE region. In 2005, the Secretariat moved from Brussels to Sarajevo. Most activities focus on capacity building in order for member countries to develop and carry out projects and plans for prevention and response in emergencies, i.e. natural or manmade disasters.

A basic task of this initiative is to coordinate donor community assistance and effectively direct it towards strengthening national emergency systems while fostering regional cooperation in this area. This takes place primarily through training and learning from good practice, as well as through passing the necessary legislation in keeping with the EU standards generally accepted by international organisations working in this field. The DPPI is presently in transition towards regional ownership, the same process undergone by the other SPSEE initiatives between 2007 and the present day. In order to bring this to a successful close, significant

346 There are 13 countries in the initiative: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Hungary, Macedonia, Moldova, Montenegro, Romania, Slovenia, Serbia and Turkey.

347 One of the more important activities is certainly the initiative for all countries of the region to sign and agree to the obligations arising from the UN International Strategy for Disaster Reduction (UNISDR), particularly the Hyogo Framework for Action 2005-2015. For more detail see: http://www.unisdr.org/eng/hfa/hfa.htm and http://www.dppi.info/?q=node/13
assistance is required from the donor community, an appropriate legal framework to regulate both the status of the initiative itself and the kind of cooperation that will take place among the member countries. In working out the future role of the DPPI, existing organisations and projects will be taken into account, such as the EU programme for disaster preparedness and reaction, presently open to potential candidate countries, a regional initiative for disaster risk reduction financed by the EU and administered by UNDP and the World Meteorological Organisation (WMO), and the UN International Strategy for Disaster Reduction (UNISDR), adopted by the World Bank and the UN.348

PART FOUR

TOWARDS EUROPE: THE EUROPEAN UNION AND THE BALKANS

„And by my faith, if you but do as I intend, and do what is right, then peace and good order will reign in these parts as in the rest of Europe“.

(Petar Petrović Njegoš II, Prince-Bishop of Montenegro: Letter to the Pasha of Skadar, 23 July 1844)

This chapter shows the importance of relations between the EU and the Balkan countries and how they evolved. It goes on to analyse the regional approach of EU policy on South Eastern Europe, which began in 1996 with the policy of stipulating conditions, and finally, the stabilisation and association process proclaimed in 1999. Later we will show the extent to which the first decade of the 21st century represented a step forward in the integration of the countries of the Western Balkans into the EU (the Zagreb and Thessaloniki summits and the ensuing period.)
1. EUROPEAN UNION INTERESTS AND BALKAN DEVELOPMENT

“We always felt a certain unease whenever shots rang out in the Balkans...“

(Stefan Zweig: The World of Yesterday, Memoirs of a European)

European Union interests in the Balkans do not remain static but change with the circumstances. At the end of the cold war, the European Community (EC) had no particular relationship with the region, which geopolitically did not exist: two countries belonged to the Warsaw Pact, another two were members of NATO, one was a member of the Non-Aligned Movement and one did not belong to any regional organisation. In these circumstances, EC policy towards the then Communist countries of South Eastern Europe was adjusted to each particular country within two broad policy frameworks of (1) the countries of the northern Mediterranean, and (2) the Comecon countries. With the end of the cold war, the geostrategic importance of the region diminished, as demonstrated by the collapse of the former Yugoslavia.  

The disintegration of the Socialist Federal Republic of Yugoslavia (SFRY) and the ensuing years of conflict were a major obstacle to the shaping of a more definitive EU policy on South Eastern Europe at the time the cold war ended or when the Maastricht Treaty was signed. It is true that throughout the war years (1991-1995), EU bodies exercised a very active influence on political developments in the region. They undertook many and various efforts to avert war, halt military operations and prevent them from spreading, but the net effect of these endeavours was limited or unsuccessful. It was only with the (temporary) end to the conflict in the former Yugoslavia that EU policy on the Balkans began to acquire coherence and structure. On the other hand, this clash on the European Union’s doorstep was a con-

stant stimulus to improve its instruments and coordinate foreign policy, while at the same time building its common security and defence policy.\textsuperscript{350}

There were—and still are—certain differences in European Union interests in Central Europe on the one hand, and in the Balkans on the other. This is primarily a reflection of the political and economic interests of Germany, the EU’s predominant economic and political power, which is logically more interested in its immediate neighbours (Poland, Czech Republic, Hungary and Slovenia) than in the more distant countries of South Eastern Europe. This attitude was evident towards the end of the first decade of the 21st century, when Germany sought to slow down or postpone EU enlargement in the countries of the Western Balkans.

From the economic point of view, the level of development of the Central European countries—closer to the “golden triangle“ formed by the three apexes of Hamburg, London and Milan—has always been far above that of the Balkans. „The Balkan countries are seriously handicapped as compared, for example, with neighbours from the Visegrád Group: the development level is lower, their recession deeper, the institutional frameworks for market economy less developed, the stability of their democratic institutions is weaker and, finally, the regional political environment is highly unfavourable“\textsuperscript{351}. However, the Balkans are a particularly important transport link between Western Europe and the Middle East, and between Southern and Eastern Europe.

Today, three Balkan countries (Greece, Romania and Bulgaria) are members of the EU, Croatia is close to that objective, while the rest are official or potential candidates for membership. Evolution in the Balkans will, as hitherto, undoubtedly have important consequences for neighbouring countries in Central and Eastern Europe, for the Black Sea and the Middle East.

From the political and geostrategic angle, it is clearly in the interests of all of Europe to foster peace, stability and democracy and the integration of South Eastern Europe into the EU. Despite great strides in regional cooperation over the past ten years, unresolved disputes, developmental problems, border issues and minority questions continue to trouble the region. The full integration of the Balkans into European and Euro-Atlantic structures will go far to reduce the potential for clashes between the states, but will not provide a full guarantee for the long term stability of certain societies (the new nation states) which must resolve questions of economic


growth, poverty, raising the standard of living, social problems, the unequal rate of development of certain regions etc.

The integration of the Balkan countries into the EU has not always progressed at the same speed, as this did not depend on purely objective economic criteria but also on the EU’s own political interests. Thus, enlargement policy accelerated noticeably after 1999 (the Kosovo conflict), which led to the – perhaps precipitate – entry of Romania and Bulgaria into the Union in 2007. Encouragement for the countries of the Western Balkans was evident up to 2003 (the EU summits in Feira and Thessaloniki), only for enthusiasm to wane as internal problems within the Union increased (failure to agree on a European constitution, the economic crisis, the long-term social consequences of enlargement etc.)

As part of its enlargement strategy, the EU has developed special instruments for the Western Balkans, such as „European Partnership“ (a pre-contractual instrument), and „stabilisation and association“ (a contractual part of the association process, or pre-accession strategy). The Stabilisation and Association Process (SAP) is both a bilateral and regional process, which on the one hand establishes relations between the countries and the EU, while encouraging regional cooperation on the other. EU convergence advances in step with the development of this cooperation in the Western Balkans, following the EU’s own model of cooperation. Constructive regional cooperation among the SAP countries forms part of a set of special political criteria and is judged to be an indicator of the readiness of a country to integrate into the EU.

All SAP countries (of the Western Balkans) have advanced on their journey into the EU and signed Stabilisation and Association Agreements (SAA) with the EU: Macedonia (April 2001), Croatia (October 2001), Albania (June 2006), Montenegro (October 2007), Serbia (April 2008), and Bosnia and Herzegovina (June 2008). Three countries are candidates for membership: Croatia acquired candidate status on 18 June 2004 and began accession negotiations on 3 October 2005, Macedonia acquired candidate status on 15 December 2005 and is still awaiting a decision to initiate accession negotiations, while Montenegro acquired candidate status on 17 December 2010. The other SAP countries are potential candidates for EU membership. A decision of the Thessaloniki summit makes Kosovo part of the Stabilisation and Association Process, according to UN Security Council Resolution 1244, and talks are going forward within the SAP monitoring mechanism.

The next section deals in more detail with EU-Balkan bilateral relations, followed by a broader exposé of EU instruments that lend impetus to regional and multilateral cooperation.

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352 Greece blocked accession talks because of a dispute with Macedonia over the name of the country.
2. BILATERAL RELATIONS BETWEEN THE EUROPEAN UNION AND SOME BALKAN COUNTRIES

With the exception of the former Yugoslavia, Romania was the only East European country to have developed institutional links with the EU before the fall of Communism.

2.1. Republics of the former Yugoslavia

The Socialist Federal Republic of Yugoslavia (SFRY) traditionally had very developed and dynamic relations with the EU and its member countries. SFRY-EU trade in 1991 had reached about 13 billion ecus, with Yugoslavia among 10-15 leading economic partners of the Union. Before the introduction of UN sanctions against the FR Yugoslavia, its trade with the EU was about 44% of the country’s total trade with the world. Serbian exports to the EU in 1990 came to USD 2.6 billion, imports ca. USD 3 billion. Yugoslava was the first Socialist country formally to recognise the European Economic Community (EEC). Diplomatic relations were established as early as 1968. The first trade agreement was signed in 1970 and an agreement on cooperation in 1980\(^3\). The latter enabled the SFRY to export to the EEC under preferential conditions, without reciprocity. The majority of customs and quantity barriers to imports from the SFRY into the EEC were removed. The SFRY also obtained certain privileges for exports of agricultural products. Wide-ranging cooperation was established in a number of areas, including science and technology, standardisation, agriculture, veterinary medicine, transport, telecommunications, statistics and other matters. Between 1980 and 1991, three financial protocols were signed. All this was frozen in October 1991 when the EU introduced sanctions or „negative measures“ against Serbia and Montenegro.

The principal objective of European Union policy after 1991 vis à vis the individual Yugoslav republics was to achieve resolution of the conflicts in the former

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Yugoslavia. In addition to the disintegration of the market and the war in Bosnia and Herzegovina, UN and EU sanctions against the Federal Republic of Yugoslavia (FRY) had a particularly deleterious effect on the economy of the region. Following the political changes of 2000 in Serbia and Croatia, EU stabilisation and association policy was more vigorously implemented, involving the conclusion of separate agreements as the first step towards integrating these countries into the Union. In the first ten years of the 21st century, Stabilisation and Association Agreements were concluded with all the countries of the Western Balkans.

**Serbia.** EU (or EC) relations with Serbia, as distinct from the former SFRY, may be observed from the onset of the crisis, i.e. from 1991. Between 1991 and 2000, bilateral relations became totally degraded. From late 1991 until the fall of the Milošević regime, Serbia found itself constantly under some form of EC economic and political sanctions, peaking between 1993 and 1994, and again between 1999 and 2000. Parallel to this, besides economic sanctions, the EEC endeavoured to develop new instruments of its Common Foreign and Security Policy (CFSP) in this period: diplomatic mediation, monitoring missions and the like.

In the period from late 2000 to the present day, relations with the European Union have passed through several phases. The 2001-2002 period saw a dynamic restoration of relations following regime change in Belgrade, with the Union endeavouring to continue to play an active part in the then FRY by means of various diplomatic and economic instruments. On the one hand, it tried to provide active support to renewal and development of democracy in the FRY and the Republic of Serbia, while encouraging a transformation of relations between Serbia and Montenegro into a new form of state union, resulting in the Belgrade Agreement, followed by the adoption of a constitutional charter establishing the state union of Serbia and Montenegro in early 2003. It can safely be said that this ephemeral union would never have taken place without the active participation and influence of the EU permanent representative for Common Foreign and Security Policy, Javier Solana. At economic level, the EU played a very important part in ensuring financial support to the Serbian-Montenegrin governments, including the establishment of the Europe-

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an Agency for Reconstruction, responsible for the CARDS assistance programme in some countries of the Western Balkans. In addition, in late 2000 the EU began to apply „extraordinary trade measures“, i.e. trade privileges vis à vis Serbia-Montenegro.

The restoration of relations, renewal of political dialogue and cooperation between this country and the EU began with the first visit of then FRY President, Vojislav Koštunica, to the European Council in the course of an EU summit in the French resort of Biarritz in October 2000. During a visit of then President of the EU Commission Romano Prodi to Belgrade on 25 November 2000, a „Framework Agreement FRY-EU for the Provision of Assistance and Support by the EU to the FRY“ was signed. This was ratified on 31 March 2003.

The same year, however, saw a breakdown in developing cooperation. Politically, the progress of fast reform in Serbia was dealt a devastating blow by the assassination of Serbian Premier Zoran Đinđić in March of 2003. Simultaneously, EU-Serbian relations laboured almost constantly under the burden of political conditions for greater cooperation, especially in the light of Serbia's failure to fully cooperate with the International Criminal Tribunal for the former Yugoslavia at The Hague. Following a period of stagnation, new progress in relations between the EU and Serbia-Montenegro was achieved in late 2004 and in the course of 2005. In view of the progress of reforms in Serbia and Montenegro and the fulfilment of various political and economic conditions, in early 2005, the European Commission published a positive feasibility report on negotiations regarding a Stabilisation and Association Agreement (SAA) with Serbia-Montenegro. Based on this report and the support of the EU Council of Ministers, formal talks by both sides on signing an SAA began in October 2005. After Montenegro left the state union in May 2006, the EU concluded a separate SAA with this country. However, negotiations on the SAA were suspended for over a year because of failure to cooperate fully with the Tribunal at The Hague. They were renewed and brought to a close in the second half of 2007, after the forming of a new government in Serbia. However, the SAA was only fully implemented in 2009-2010 – again because of cooperation issues with the Hague Tribunal. Kosovo’s unilateral declaration of independence in February 2008, supported by the leading countries of the EU, additionally complicated Serbia’s relations with certain members of the Union. In December 2009, Serbia submitted a request for membership of the EU. An important step for its citizens was the EU decision to abolish visa requirements for Serbian nationals as of 19 December 2009.

Montenegro. Following a referendum that resulted in independence in May 2006, by October 2007 Montenegro had already signed an SAA. In December 2008, the country requested membership in the EU and acquired official candidate status by the
end of 2010. From 19 December 2009, as in the case of Serbia and Macedonia, visas for tourist visits to the Union were no longer required for Montenegrin nationals.

**Croatia** was included in the PHARE programme at the beginning of 1995\(^{356}\), but this was suspended in August the same year when Croatian troops attacked the Krajina. Cooperation was renewed following political changes in Zagreb in early 2000, when a joint Consultative Task Force was set up between the EU Commission and the Croatian Government\(^{357}\). An SAA between the EU and Croatia was signed in late 2001 and came into force in 2005. In 2003, Croatia submitted an official request for EU membership. On several occasions, difficulties in cooperation between Croatia and the Hague Tribunal led to delays or postponement of certain phases of integration. Accession negotiations began in 2006 and are expected to reach conclusion in 2011. Besides the Hague Tribunal, other factors that slowed down Croatia’s integration were a maritime boundary dispute with Slovenia and the problem of refugees, etc.

**Bosnia and Herzegovina** were also included in the PHARE programme from April 1996. After the signing of the Dayton Accords, the European Union invested considerable funds to support reconstruction. The total sum paid out by the EU between 1991 and 1999 was 2,006 million euros.\(^{358}\) Bosnia and Herzegovina also formed a Consultative Task Force with the EU Commission. Negotiations on a Stabilisation and Association Agreement between Bosnia and Herzegovina and the EU began only in 2006 and ended in June 2008 with the signing of an SAA. Bosnia and Herzegovina’s progress towards the Union was hampered primarily by unresolved constitutional and institutional issues in relations between the two entities and three ethnic communities that make up the state.

**Macedonia** had drawn-out difficulties in developing relations with the EU because of bilateral problems with Greece. In June 1996, the EU and Macedonia wound up talks on a cooperation agreement, a financial protocol and an agreement on transport\(^{359}\). Macedonia was the first country of the Western Balkans to conclude

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\(^{359}\) See texts in: COM (96) 533 final, Bruxelles, 25 November 1996.
a Stabilisation and Association Agreement with the EU (April 2001), and by 2004 had already requested membership, which has in a sense remained frozen up to the present (2010). Macedonia acquired official candidate status in 2005. In 2009, the European Commission recommended opening negotiations which, however, have not yet begun, mainly due to the dispute with Greece about the country’s name but also because of internal problems (relations with the Albanian community and others). In 2008, Greece blocked Macedonian membership of NATO.

Slovenia, together with Croatia, was recognised by the EU countries as an independent state on 15 January 1992 and was included in PHARE in August 1992. An agreement on trade and economic cooperation, very similar to its former agreement on cooperation with the SFRY, was signed on 5 April 1993. Throughout the nineties, Slovenia’s policy was one of „escape from the Balkans“, where in fact it does not geographically belong. In this it was largely successful. Over the last ten years, Slovenia has turned more towards cooperation, chiefly economic, with the former Yugoslav republics. In June 1996, the EU and Slovenia concluded a European agreement which envisaged a free trade area between the two sides. At the same time, it formally requested EU membership, succeeding in being included in the negotiations and becoming a member in 2004. In the first half of 2008, Slovenia was the first of the new member countries to hold the six-month presidency of the Union.

2.2. Other countries of South Eastern Europe

Albania. Formal relations between the EU and Albania were only established in 1991. An agreement on trade and cooperation was signed on 11 May 1992. Because of its low level of development, instead of loans the EU on several occasions approved special non-returnable financial assistance to Albania. Instead of signing a European agreement, Albania was included in the Western Balkan sub-region and the Stabilisation and Association Process. In 2003, negotiations on an SAA started and were concluded in 2006. The Agreement came into force in 2009. The same year, Albania applied for membership of the EU. The slow rate of the country’s integration into Europe is linked to the low level of its institutional development, and to its social and economic development in general. Progress in democratisation is also relatively slow due to clashes between the government and the opposition.

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**Bulgaria.** The first trade and cooperation agreement between Bulgaria and the EU was signed on 24 September 1990. In the same month, Bulgaria was included in the PHARE programme. A European agreement was signed on 8 March 1993. In December 1995, Bulgaria requested membership of the EU and began negotiations in late 2000. It became a member of the European Union on 1 January 2007. However, even after this, Bulgaria encountered difficulties in fulfilling all conditions for full integration into the EU. Because of corruption and the inappropriate use of financial assistance from the EU budget, Bulgaria became the first country to be punished by the European Commission, which blocked access to some EU funds in 2009.

**Romania** had been on the list of EU Generalised System of Preferences since 1974. The first trade agreement with the EC on trade in industrial products was signed as early as 1980. An agreement on trade and cooperation was signed on 5 March 1991. As of September 1990, Romania became a beneficiary of the PHARE programme. At the same time, it was receiving other forms of EU financial assistance, such as loans from the EIB and direct EU funds in support of its balance of payments. A European agreement on association was signed between Romania and the EU on 1 March 1993 and came into force in February 1995, thus enabling Romania to take a very significant step towards full EU integration. In June 1995, the country submitted a request for membership, and formal talks began in late 2000. On 1 January 2007, Romania entered the EU together with Bulgaria.

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364 For more on EU-Romania cooperation see in: G. Prisacaru, „Romania in transition“, *Eurobalkans*, No. 21, Winter 95/96, pp. 12-20, and other articles in the same issue. See also the special issue of Eurobalkans, Autumn 1996, No. 24, on the „EU and its southeastern neighbours“.
3. EUROPEAN UNION REGIONAL INITIATIVES IN THE BALKANS

By late January-early February of 1996, the EU was already formulating its regional approach toward the part of the Balkans composed of the countries that emerged from the former Yugoslavia. Several Council and Commission documents in the course of 1996 made it clear that the basic characteristic of the regional approach was the fostering of mutual cooperation among these countries and that this was considered a precondition for EU relations with each of them.

3.1. Conditionality policy – a precondition for cooperation with the EU

Even before the signing of the Dayton Peace Agreement for Bosnia and Herzegovina, it was clear that when signing future treaties with the Federal Republic of Yugoslavia (FRY), Croatia or Bosnia and Herzegovina, the European Union would insist on a number of political demands. The conclusions arrived at by the Council of the EU (the foreign ministers) of 30 October 1995 refer to respect for human and minority rights, the right of return for refugees and displaced persons, the development of democratic institutions, political and economic reform, readiness to establish regional cooperation, adherence to the peace agreement and, as far as the FRY was concerned, the granting of considerable autonomy to Kosovo. The Council made its position clear on this question in new conclusions reached on 26 February and 13 May 1996.

In a special chairman’s statement and in the EU Declaration of 9 April 1996 recognising the Federal Republic of Yugoslavia, additional political demands were made of the FRY Government: mutual recognition of all states emerging from the former Yugoslavia, cooperation with the International Criminal Tribunal for the Former Yugoslavia and a constructive attitude towards reaching agreement with the other republics of the former Socialist Federal Republic of Yugoslavia (SFRY) on the question of succession.
3.2. European Union regional approach to South Eastern Europe (1996) - geographical span and motives for the initiative

The underlying logic of the EU’s regional approach to the countries of South Eastern Europe did not differ greatly from its policy towards other states and groups with whom it develops relations. As the politically and economically dominant partner, for practical reasons the EU orders its relations with groups of smaller countries that belong to a certain region or subregion. In these circumstances, the EU tends to encourage cooperation among partners in the region when this coincides with its own strategic interests. According to the EU contract, in its relations with third countries the EU tries to contribute to the consolidation of democracy and the rule of law, which usually implies the laying down of some form of political conditions. There is another reason, perhaps the most important, for the EU’s united front on South Eastern Europe: this was the place where, for the first time since 1945, wars had been fought on European soil. It is therefore understandable that in order to maintain the security and stability of the continent at large, the EU should try to impose on the countries of the region a similar programme to that applied in the post-World War II restoration of a devastated and divided Europe, and which set it on the road to integration: the deployment of foreign military forces, an international protectorate, democratisation, the Marshal Plan and the gradual advancement of mutual cooperation. In early 1996, when key bodies of the EU discussed the form to be taken in the near future by the area that was once Yugoslavia, it was their declared opinion that in addition to the full and genuine implementation of the Dayton agreement, only the successful development of regional cooperation among the newly-emerged states could guarantee longterm stability and security.

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365 As, for example, with the countries of the ASEAN, the Andean Pact, the Gulf countries, the African, Caribbean and Pacific Ocean signatories of the Lomé Convention, or the members of the Central European Free Trade Association (CEFTA).


368 Report from the Commission to the Council, SEC(96)252 final, Brussels, 14 February 1996.
Many documents and political statements list the following *EU priority goals* in this area: (1) full implementation of the peace process, including cooperation with the Hague Tribunal, effective mutual recognition and the removal of obstacles to the return of refugees and the displaced; (2) fostering and developing the rule of law and democracy, particularly in the functioning of the state, public administration and the civil society; (3) the launching of economic activities requiring investment in the infrastructure and a change of direction from a military to a civilian, market economy. In the opinion of the EU, however, the state of affairs in each of these countries is such that no steps taken at national level would be sufficient to achieve these political and economic aims. This judgement is based on the complementarity of the economies, the similarity of the problems confronting them in economic transition, and the conviction that there can be no longterm political stability in the region without a significant degree of mutual cooperation. Besides strengthening stability in the region – a longterm strategic interest of the EU – the shaping of its regional approach to South Eastern Europe is undoubtedly influenced by the Union’s own economic interests\(^{369}\). These are reflected in the development of the regional infrastructure, the standardisation of customs and other regulations and the creation of conditions for profitable economic cooperation.

### 3.3. Stabilisation and Association Process: a key stage in EU policy on the Western Balkans

After almost ten years of troubled relations between the European Union and the Federal Republic of Yugoslavia (FRY)\(^{370}\), the political changes that took place in Belgrade after the elections of September and December 2000 opened the door to a new, more favourable phase. FRY-EU bilateral relations became part of the EU’s regional policy towards the Western Balkans and South Eastern Europe. For five of

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370 The first EU sanctions against the then Socialist Federal Republic of Yugoslavia (SFRY) were introduced in July 1991 (a ban on arms exports). Economic sanctions against Serbia and Montenegro were applied in October 1991. See, *inter alia*: D. Lopandić, “Stanje i perspektive odnosa SRJ/Srbije sa EU” ("State of and prospects for relations between the FRY/Serbia and the EU"), *Ekonomsko-finansijski odnosi sa inostranstvom* (Foreign economic and financial relations - collected articles), Naučno društvo ekonomista Jugoslavije, Belgrade, 1999, pp. 103-112.
these countries (Albania, Bosnia and Herzegovina, Croatia, the FRY and Macedonia), from mid-1999 the policy became known as the Stabilisation and Association Process (SAP).

3.3.1. EU Stabilisation and Association Process: concept and progress

The EU Stabilisation and Association Process is a fundamental component of the Union’s regional policy on the Western Balkans and includes activities such as humanitarian aid, unilateral measures etc. As we have seen, the specifically regional approach to some countries of South Eastern Europe developed only after the signing of the Dayton Accords on Bosnia and Herzegovina. With the clash over Kosovo in 1999, regional policy on the Balkans was redefined and two new initiatives launched: the Stability Pact for South Eastern Europe which replaced the Royaumont Process (launched after the Dayton peace agreement and which ended in failure), and the Stabilisation and Association Process amending the existing regional approach. In contrast to the preceding regional approach, the SAP redefined EU strategy, expressed most clearly in conclusions by the European Council meeting in Feira (Portugal) and reiterated at a joint summit attended by the EU countries and five Balkan countries in Zagreb on 24 November 2000. Here five Balkan countries were declared to be potential candidates for membership of the European Union. Of course, a set of general conditions would have to be fulfilled by the candidate countries of Central and Eastern Europe (the Copenhagen criteria), with specific political conditions for the Balkan countries, which would not be easy or swift to implement. The main elements of this process were:


372 For the formulation of EU policy on the Balkans in 1999 see an interesting analysis by L. Friis and A. Murphy, Negotiating in a time of crisis: the EU’s response to the military conflict in Kosovo, Europa University Institute, RSC, No. 2000/20, p. 40.

373 FRY President Vojislav Koštunica attended this gathering.

• development of the Stabilisation and Association Agreement as a new form of contractual relations between the EU and certain countries;
• development and fostering of existing economic and trade relations;
• development of existing financial assistance especially via a new financial instrument - CARDS;\(^{375}\)
• increased support to democratisation, a civil society and institutional renewal and development in the SEE countries;
• new opportunities for varied cooperation in a number of fields such as home affairs, security etc;
• development of political dialogue, including at regional level.

3.3.2. Stabilisation and Association Agreement (SAA)

The Stabilisation and Association Agreements (SAAs) are a key stage in a long-term process. After concluding these agreements, the partner country has access to Community programmes and may become an official candidate for membership of the EU, once it has submitted its candidacy. However, the road to signing an SAA is a thorny one. The partner country must: fulfill political and economic requirements, implement various „conclusions“, pass a test by the EU Commission in the form of a feasibility report\(^ {376}\); initiate negotiations on the agreement and finally, negotiate all elements of it. A Stabilisation and Association Agreement (such as between the EU and Serbia, hereinafter „agreement“) has ten parts\(^ {377}\): general principles; political dialogue; regional cooperation; free movement of goods; movement of workers, establishment, supply of services, movement of capital; approximation of laws and law enforcement; justice and home affairs; cooperation policies in various fields; financial cooperation; general and institutional provisions. The objectives of association (with Serbia) are: to provide a framework for political dialogue, to hasten Serbian integration into the EU, to support the development of the

\(^{375}\) Community Assistance for Reconstruction, Democratisation and Stabilisation. This programme replaced the previous PHARE and OBNOVA programmes.


\(^{377}\) See: Stabilisation and Association Agreement between the Republic of Serbia and the European communities and their Member States. This agreement was signed on 29 April 2008. The EU began the ratification process on 14 June 2010. Text (in English) available on the website of the the European Commission : http://ec.europa.eu/enlargement/pdf/serbia/key_document/saa_en.pdf
Serbian economy, to promote harmonious economic relations and a free trade area with the EU, and to encourage regional cooperation. Association with Serbia is to take place gradually over a six-year period. Three years after the agreement comes into force, the Association Council is to assess progress. Essential conditions of association are respect for human rights, respect for international law, the rule of law and the principles of a market economy. If any of these are violated, the parties may take appropriate steps, including the partial or complete suspension of the agreement.

A separate chapter is devoted to regional cooperation which includes Serbia’s commitment to conclude bilateral conventions on cooperation with countries who have also signed a similar SAA with the EU (Title III, Arts. 14-17). The main elements of these conventions cover political dialogue, the establishment of a free trade area, the unrestricted movement of workers, services and capital, and cooperation in justice and home affairs.

The key economic section of the agreement is on the free movement of goods. According to Article 18, the EU and Serbia are to form a free trade area in the exchange of industrial products for a maximum period of six years, whereby the EU would immediately do away with most customs and other barriers to imports, while Serbia would introduce this gradually for imports from the EU. For agricultural products, the mutual approval of concessions is envisaged. The approximation of laws (Title VI) sets out the rules governing competition, intellectual and industrial property, public procurement, standards and conformity assessment.

In cooperation policies, 26 fields are mentioned (by way of comparison, there were 23 in the EU agreement with Macedonia in 2003), including economic policy, statistics, banking, promoting investment, industrial cooperation, small businesses, tourism, customs, taxation, social matters, education, cultural cooperation, audio-visual policy, information society, consumer protection, transport, energy, science and technology, the environment and others.

The agreement sets up a Stabilisation and Association Council at ministerial level together with accompanying bodies (a committee, parliamentary committee etc.)
3.3.3. EU - Western Balkan Summits in Zagreb and Thessaloniki – a basis for multilateral regional cooperation

The democratic changes that took place in Croatia in early 2000 and in Serbia at the end of the same year paved the way for a new approach in EU cooperation with the countries of the Western Balkans. Under French presidency, the EU initiated a summit of EU and Western Balkan countries in Zagreb on 24 November 2000. The Coordinator of the SEE Stability Pact and the High Representative for Bosnia and Herzegovina also attended.

The aim of the summit was to open the way to regional cooperation and reconciliation among the countries of the former Yugoslavia. A joint declaration was adopted. Five countries of the region undertook to conclude regional cooperation agreements which would form the basis for political dialogue, a regional free trade area and close cooperation in justice and home affairs. These agreements were to be an element in the stabilisation and association process. Deepening regional cooperation was to go hand in hand with rapprochement with the EU. The EU heads of state and government, therefore, confirmed the European prospects of the countries participating in the Stabilisation and Association Process and their status as potential candidates for membership, in accordance with the Feira conclusions. The familiar conditions for cooperation with the EU were cited (the Copenhagen criteria and the Council conclusions of 29 April 1997). Assistance of 4.65 billion euros for the region was announced (CARDS). An annex to the declaration confirmed the individualised approach to future bilateral cooperation with the countries of the region, and cited the specific actions of further EU cooperation with individual countries.

In June 2003, another summit of the heads of state or government of the EU and five Western Balkan countries (Albania, Bosnia and Herzegovina, Serbia-Montenegro, Croatia and Macedonia) was held in Thessaloniki. This gathering adopted two documents of crucial importance for the further development of relations between the EU and the region: a Joint Declaration and the Thessaloniki Agenda for the Western Balkans. The ten-point declaration of 21 June 2003 pointed out that

378 The term “Western Balkans” does not appear in the summit documents, but occurs regularly in EU Council documents.

379 Approximately one billion euros less than the EU Commission’s first recommendation.

380 Although announced for Thessaloniki, the meeting in fact was held in an isolated resort in Halkidiki.

381 Documents published at: www.europa.eu.org and www.stablitypact.org
„the future of the Balkans is within the European Union“, but that the speed of integration lay in the hands of the countries of the Western Balkans. The Thessaloniki Agenda was called „a new important step in the privileged relationship between the EU and the Western Balkans“. The SAP was to remain the framework for integration of the Western Balkan countries until full membership was achieved, i.e., there would be no additional intermediate steps of an institutional nature. The countries undertake to work on meeting EU standards, including the fulfilment of all the recommendations made in the EU Commission report on SAP for 2003. A special paragraph was devoted to Kosovo (adherence to UN Resolution no. 1244 and the principle of standards before status), the fulfillment of all other international commitments (Dayton, Ohrid, Belgrade, cooperation with the International Criminal Tribunal for the Former Yugoslavia at the Hague) and the return of refugees. Combating crime, liberalisation of visa regimes (in the Western Balkans), the development of cooperation in economic questions such as the infrastructure, cooperation - regional and in other fields – also received special mention. Periodic meetings at all levels, i.e. political dialogue, within the EU-Western Balkan forum were planned, and annual meetings of foreign and other ministers. A detailed document entitled „The Thessaloniki Agenda for the Western Balkans - Moving towards European Integration“ adopted the previous day, 20 June 2003, by the EU’s European Council (and so without the Western Balkans) seems even more pertinent for the future development of EU policy on the Western Balkans. It contains the strategic basis for cooperation with the countries of the region. Its main elements are:

- confirmation of the European prospects of the Western Balkan countries as potential candidates for EU membership, while firmly setting out all the political and economic obligations and conditions to be fulfilled, in particular seeking support for the work and integrity of the International Criminal Court, in line with the relevant EU decisions,
- an enriched (enhanced) stabilisation and association process is announced through the following measures (a proposal to give this a new title that would include the word „integration“ was rejected):
  - developing political dialogue (multilateral meetings, summits, meetings of foreign ministers etc., in the form of an EU-Western Balkan forum, by including countries of the Western Balkans in some aspects of the EU’s common foreign and security policy etc.),
  - developing parliamentary cooperation,
  - introducing the „European partnerships“ instrument, a procedure similar to those applied to candidate countries at the time by drawing up strategic nation-
al plans for EU integration, approximating rules and regulations, implementing instruments applied to candidate countries such as TAIEX, twinning, etc.,
- opening some EU internal programmes intended for candidates and for the countries of the Western Balkans (in education, training, culture, research, support to small enterprises etc.),
- developing cooperation in justice and home affairs, and particularly in combating organised crime (illegal immigration, trafficking, visas),
- supporting economic development (trans-Europe infrastructural network, the environment, promoting trade, the energy market small enterprises, telecommunications, consultations on economic policies etc.)
- supporting regional cooperation (refugees, reconciliation, free trade, visas, regional energy market, weapons, water, transborder cooperation, science, parliamentary cooperation, regional agreements on networks, regional initiatives, - the Stability Pact for South Eastern Europe, SPSEE – there was mention of a liaison office in Thessaloniki.
- The document states that the CARDS budget will be increased by over 200 million euros by 2007 for the entire region.

The fact that the Thessaloniki Summit was the second - but for the moment the last - summit to be held between the European Union and the Western Balkan countries between 2003 and 2010 clearly illustrates diminished political interest by the EU in the region. Following several initiatives to hold high level meetings under the presidencies of Austria and Slovenia, it was Spain who succeeded in the first half of 2010 in holding a meeting of foreign ministers of the EU and the countries of the Western Balkans (Sarajevo, 2 June 2010). This meeting was more of a symbolic gathering, was not attended by all the ministers (France and Germany were absent), and no operative conclusions were adopted. Because of this, the Thessaloniki summit continues to be the main reference point for EU strategic policy towards the region.
4. REGIONAL COOPERATION IN THE SAA

There is increasing stress on the integration of regional cooperation in the SAP and its importance for progress towards the EU, and so this is underlined in the EU Stabilisation and Association Agreement with Serbia (the case too in agreements with other countries, as we said for the SAA for Serbia). Besides mentioning regional cooperation in the preamble as one of the obligatory criteria for EU membership, Article 1 of the Agreement says that one of the objectives of association between the Community and its member countries on the one hand and Serbia on the other, is to „foster regional cooperation in all the fields covered by this Agreement“. Article 10 of Title II on political dialogue mentions regional cooperation and good neighbourly relations as one of four areas which dialogue will particularly promote. Title III deals solely with regional cooperation. It declares that Serbia will actively promote this in keeping with its commitment to international and regional peace and stability, and that it will develop good relations with its neighbours.

After signing the Agreement, in Article 15 Serbia undertakes „to start negotiations with the countries which have already signed a Stabilisation and Association Agreement with a view to concluding bilateral conventions on regional cooperation, the aim of which shall be to enhance the scope of cooperation between the countries concerned“. The same article defines the elements of the bilateral document which Serbia must conclude within two years of the SAA entering into force. Articles 16 and 17 regulate Serbia’s obligations in cooperating with other countries covered by the SAP, and with other EU candidate countries not included in the Stabilisation and Association Process such as, for instance, Turkey.

The many areas covered by the Agreement include the regional aspect of EU and Serbian commitments: visas, border management, asylum and migration; trade; industrial cooperation; tourism; transport; energy; the environment etc.
5. REGIONAL ASPECTS OF FINANCIAL SUPPORT

The Stabilisation and Association Process is covered by European Union financial instruments. Between 2000 and the end of 2006 this was CARDS, and from 1 January 2007, the Instrument for Pre-Accession Assistance – IPA.

5.1. Community Assistance for Reconstruction, Development and Stabilisation – CARDS

Up to the end of 2000, the Balkan countries were to varying degrees beneficiaries of the PHARE (1989)\textsuperscript{383} and OBNOVA (1996) programmes.\textsuperscript{384} The Federal Republic of Yugoslavia (FRY) was an important exception as, apart from humanitarian aid, it could not benefit from EU programmes. At the end of 2000, the EU Council adopted new regulations:

- Regulation on assistance to Albania, Bosnia and Herzegovina, Croatia, FRY and Macedonia, (the CARDS programme)\textsuperscript{385};
- Regulation on the European Agency for Reconstruction\textsuperscript{386}.

According to the regulation, beneficiaries of the CARDS programme might be "state, federal, regional and local government bodies, public of semi-state agencies, cooperatives, associations, foundations and non-governmental organisations"\textsuperscript{387}. The prerequisite for receiving assistance was "respect for democracy, the rule of law, human and minority rights" (Article 5). The objectives of the assistance were: reconstruction, the return of refugees, stabilisation of the region, creating sustainable


\textsuperscript{387} See: Article 1, point 2.
institutions for the development of democracy, the rule of law, sustainable economic and social development, economic reform, development of closer relations in the region and between the countries of the region and the EU, regional, transnational, transboundary and intra-regional cooperation (Article 2). Assistance was approved in the form of non-returnable funds (from the budget), as part of national, multi-annual and annual programmes (Article 3).

In the 2000-2006 period, Serbia received $1.27 billion in assistance from CARDS for democratisation, assistance for government administration, building institutions and for economic and social development. Per area, the amounts were as follows: for minority rights and return of refugees €26.5 million; for a civil society and the media €32 million; for justice and home affairs €63.8 million; for integrated border management €36 million; for reform of the state administration €88.5 million; for health care €93.5 million; for entrepreneurship €70 million; for regional and municipal development €127.5 million; for agriculture €75.5 million; for the energy sector €441 million; for transport and infrastructure €83.5 million; for environmental protection €40 million; for education and employment €41.5 million. The EU is the biggest donor in the region and between 2000 and 2006 the Western Balkans received financial assistance of €5 billion 385 million.

### ASSISTANCE TO WESTERN BALKANS 2000-2006 (IN MILLION EUROS)

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount (Million Euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>315.5</td>
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<tr>
<td>Bosna and Herzegovina</td>
<td>502.8</td>
</tr>
<tr>
<td>Croatia</td>
<td>278.8</td>
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<tr>
<td>Macedonia</td>
<td>298.2</td>
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<td>Serbia and Montenegro</td>
<td>2559.8</td>
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<tr>
<td>Interim civilian administration</td>
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<tr>
<td>Regional projects</td>
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<tr>
<td>Other</td>
<td>345.8</td>
</tr>
<tr>
<td>Macrofinanci assistance</td>
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</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5130.2</strong></td>
</tr>
<tr>
<td>Croatia, pre-accession assistance 2005-2006</td>
<td>245</td>
</tr>
<tr>
<td><strong>TOTAL, including pre-accession assistance to Croatia</strong></td>
<td><strong>5385</strong></td>
</tr>
</tbody>
</table>

**Source:** European integration monthly, „Evropski forum“, Belgrade, no. 3, March 2008.

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5.2. Instrument for Pre-Accession Assistance – IPA

From 1 January 2007, a new Instrument came into force for the 2007-2013 period - the IPA. This united all previous pre-accession programmes such as PHARE, SAPARD, ISPA AND CARDS and the pre-accession instrument for Turkey into a single instrument with five components: 1) transition assistance and institution building; 2) regional and crossborder cooperation; 3) regional development; 4) human resources development, and 5) rural development.

Potential candidates have access only to the first and second components, while all are open to candidate countries. The IPA’s budget for the 2007-2013 period is 11.468 billion euros, ten per cent being set aside for the Multi-Beneficiary IPA component for joint regional projects by the beneficiary countries (at least three countries must participate). The Multi-Beneficiary IPA complements national IPA programmes in areas where regional cooperation has proved to be more productive and leads to better results in resolving certain issues of common interest for several countries. The priorities that apply to both candidate and potential candidate countries, and the funds to carry them out, are set out in the IPA MIPD – Multi-Beneficiary Multi-Indicative Planning Document 2008-2010. This document is prepared by the European Commission in consultative procedure with the relevant institutions in all the candidate and potential candidate countries, with international financial institutions, the Stability Pact for SEE, the Regional Cooperation council, organisations of the civil society, EU member countries and European Commission services. The document defines the priorities for each individual area, together with the finance needed for implementation over three budgetary years. The financial framework for the MIPD 2008-2010 was 458.4 million euros, divided as follows: for 2008 - €140.7 million, for 2009 - €160 million, and for 2010 - €157.7 million. MIPD includes regional and horizontal programmes. Regional programmes support regional cooperation processes, primarily aimed at promoting reconciliation,

389 Instrument for Pre-Accession Assistance – IPA - was established by European Council Regulation No. 1085/2006 of 17 July 2006.


392 Ibid., p. 3.
economic renewal and political cooperation. Horizontal programmes are intended to deal with problems of interest to several countries in the region which can be effectively resolved at regional level. Assistance from this part of IPA falls into five main categories:

1. Political criteria – democracy and the rule of law; human rights and minority protection; regional cooperation and international obligations; interim civil administration and civil society dialogue.

2. Economic criteria – cooperation with international financial institutions; education; youth and research.

3. Ability to assume the obligations of EU membership: free movement of goods; intellectual and industrial property policy; veterinary policy; transport policy; energy; taxation and customs; statistics; environment; TAIEX\(^\text{393}\); nuclear security and radiation protection.

4. Information and communications.

5. Monitoring activities: inspection and evaluation.

Here we will mention cross-border cooperation (CBC) programmes that are part of the second IPA component. CBC programmes are bilateral, but their cumulative effect contributes significantly to promoting overall regional cooperation. They cover Cross-border Cooperation both between EU members and countries with candidate or potential candidate status, and between the candidate/potential candidate countries themselves. IPA CBC’s objective is to encourage good neighbourly relations through joint local and regional initiatives in border areas, enhancing their social and economic development. An important feature of these programmes is that they function on both sides of the border, using the same set of rules, which enables equal and balanced programming and the forming of decision-making bodies both in the EU and candidate/potential candidate countries. Cross-border programmes mainly finance people-to-people activities, which draw in local participants from the border regions, such as NGOs, people from economic, social and cultural life, local government and so on. The programmes also support small investment projects and preparatory projects for greater investment in the infrastructure, to be financed from other sources.

Between 2007 and 2011, ca. 50 million euros were allocated annually for these programmes (about 30 million euros for CBC with EU members and 20 million

\(^{393}\) TAIEX (Technical Assistance and Information Exchange) is the EU instrument that assists partner countries with approximation, implementation and application of the *acquis communautaire* to the beneficiary country’s legislation.
for CBC among the Western Balkan countries). According to the same source, 8 "internal bilateral cross-border programmes are active in the Western Balkan region, and ten programmes with EU member countries“. Participation by countries of the Western Balkans in transnational programmes such as the "South East Europe" programme, which supports cooperation in the Danube Basin, are also financed by this component of IPA.

### Serbia in Cross-Border Cooperation Programmes

**Bilateral**

**Multilateral**
- Cross-Border Cooperation Programme „IPA Adriatic Programme“
  (Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, Slovenia, Serbia)
- Transnational Cooperation Programme „South East Europe“
  (Albania, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Hungary, Italy, Macedonia, Moldova, Montenegro, Romania, Slovakia, Slovenia, Serbia, Ukraine)

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6. ACTIVE EU PARTICIPATION IN REGIONAL PROJECTS

The number of regional projects in which the European Union takes an active part is considerable. We have already mentioned the leading role of the EU in the Stability Pact for SEE, in the process of its transformation, and in the Regional Cooperation Council. In the SEE Cooperation process, the EU or its representatives attend summits or ministerial meetings as special guests.

The framework for a review of significant regional projects and initiatives in which the EU takes part is provided by the above-mentioned European Commission document, *EU regionally relevant activities in the Western Balkans 2008/09* (Brussels, 19-20 June 2008).395

6.1. Expansion of European Union policies to the Western Balkans and enhancing regional cooperation

In the first place we should point to the „regional“ agreements of which the EU is a signatory: The Treaty establishing the Energy Community (European Community and the countries of the region and UNMIK – UN Security Council Resolution 1244), the multilateral Agreement on the European Common Aviation Area (the European Community and its member countries with the countries of the region and UNMIK), and the Transport Community Treaty (envisaged as being signed by the European Community, the countries of the region and – in a suitable form – Kosovo, by the end of 2010). Through the European Commission and the mechanisms set out in the contracts, the EU ensures the full integration of the Western Balkans into internal EU markets in the designated areas.

Although not a signatory of the CEFTA 2006 agreement, the EU greatly supports its implementation, financing its Secretariat among other things, (475,000 euros in 2008, reduced annually thereafter) and sub-committees (325,000 euros in 2009).

In combating organised crime and terrorism, the EU takes an active part in the SECI Centre Support Group which includes the EU Presidency, the EU Council Secretariat, the Commission, Europol and some EU member countries. Support to the SECI Centre is primarily aimed at cooperation with Europol and protection of personal data. The EU initiated a SECI Centre assessment of the dangers of organised crime in South East Europe, similar to one done by Europol for the EU countries. In order to enhance capacities in the Western Balkan Countries for cooperation in fighting organised crime according to European and international standards, the EU directly supports a network of public prosecutors of the Western Balkans (PROSECO).

An area to which the EU has recently devoted great attention is the enhancement of civil protection and reduction of the risk of disasters. A Commission document: *Western Balkans: Enhancing the European Perspective 2008*\(^{396}\), proposes that candidate countries for membership in the EU should take an appropriate part in EU activities in this field. A Disaster Risk Reduction Initiative that will include countries of the Western Balkans in the communitary mechanism and instrument for civil protection has been announced, and later confirmed by the EU Council for Justice and Home Affairs (5 June 2008), when the Council adopted general conclusions on cooperation with the Western Balkans in civil protection\(^{397}\). The objective of the Disaster Reduction Initiative is to produced a strategy and improve capacities in the Western Balkans for gathering, processing and exchanging information. The IPA provides support to this initiative and complementariness with similar initiatives such as DPPI, while avoiding duplication and overlapping of activities. It should be added that in 2007 the EU adopted a Civil Protection Financial Instrument in which candidate and potential candidate countries may participate, under certain conditions\(^{398}\).

An important instrument in EU pre-accession strategy, which enables institutions and the public at large to familiarise themselves with EU policies and work


methods, are the EU internal programmes and agencies. The programmes have a clearly defined place in the economic, social and political integration of the European Union member countries, as in the process of defining common policy in a number of different fields. These programmes are in fact action plans for the implementation of agreed policies with financial support from the EU budget.

At a meeting of the European Council in Thessaloniki in June 2003, the European Union decided to open these programmes and agencies to the countries of the Western Balkans according to a specially adapted model then in use for candidates. The first step was to conclude framework agreements with each individual country, including Serbia and Montenegro (signed 22 November 2004, entered into force in July 2005). As a potential candidate for EU membership, Serbia has access to most Community programmes. When it achieves candidate status, the number in which it will be included will be greater.

In the European Commission document, Western Balkans: Enhancing the European Perspective (Annex, table of Community Programmes[^399], the Commission recommends the inclusion of potential candidate countries in several Community programmes such as Culture 2007, MEDIA, Safer Internet Plus, IDABC, Customs, Fiscalis, Europe for Citizens, Competitiveness and Innovation programme (CIP), Progress and the Seventh Framework Research Programme. From 2007, Serbia was included on an equal footing in the following EU programmes: the Seventh Framework Research Programme, Programme for Employment and Solidarity (Progress), the Culture 2007 Programme, the Competitiveness and Innovation Programme – the Entrepreneurship and Innovation Programme (EIP), and the Information and Communication Technology Policy Support Programme (ICT PSP), the Customs and Fiscalis Programmes. Serbia also takes part in Community educational programmes intended for a wide circle of countries outside the EU: TEMPUS and Erasmus Mundus[^400]. For the Republic of Serbia, as for the other countries of the Western Balkans, participation in Community programmes means that both institutions and members of the public become familiar with the European Union’s value system, its policies in various fields, its laws and how they are applied, the good practice


[^400]: For more detail see: J. Kronja, Programi Evropske zajednice (European Community Programmes), European Movement in Serbia, Belgrade, 2009.
PART FOUR
Towards Europe: The European Union and the Balkans

and experience of other European countries, how the EU functions and the rules by which it operates. Taking part in Community programmes is an important step in preparing to benefit by other EU instruments of assistance in future, such as the cohesion and structural funds.

The Community agencies are independent organisations, established by a decision of the EU Council, whose task is to do specific professional work in certain areas, both for the EU and the member countries. Because of the nature of the work done by the agencies, conditions for participation implies a lengthy process of preparation and familiarisation. The familiarisation phase where the Western Balkan countries get to know the work of certain agencies was financed by the CARDS instrument, now by the IPA. Five agencies are included in the first phase of preparation and inclusion of the Western Balkan countries: the European Environment Agency, the European Monitoring Centre for Drugs and Drug Addiction, the European Monitoring Centre for Racism and Xenophobia, the European Maritime Safety Agency and the European Aviation Safety Agency. As candidates for membership, Croatia and Macedonia are negotiating participation and cooperation with some of these agencies. All countries of the Western Balkans cooperate with the European Environment Agency.

6.2. EU projects enabling people-to-people contacts and the development of a civil society

The document we have already mentioned, Western Balkans: Enhancing the European Perspective envisages a number of EU measures designed to contribute to increasing personal contacts among people in the EU member countries and in the Western Balkans as they get to know one another. One of the important measures which will facilitate people-to-people contact is certainly the liberalisation of the visa regime – the abolition on 19 December 2009 of visa requirements for Serbian, Montenegrin and Macedonian nationals, and on 15 December 2010 for citizens of Bosnia and Herzegovina and Albania visiting the Schengen Agreement countries of the EU. The greater number of grants available to students in the Western Balkans via the Erasmus Mundus programme, coupled with making more bilateral grants available for education in EU member countries, will certainly also contribute to increasing these contacts.

The EU has initiated a batch of complementary measures and projects for the Western Balkans in scientific and technological research, a key area for speedy socio-economic development. In addition to participation by the countries of the
Western Balkans in the extensive EU Seventh Framework Research Programme (FP7), there are also the Research Platform for the Western Balkans (enhancing research capacities, synergy of FP7 and the IPA, removing the barriers to researcher mobility), participation in the Joint Research Centre (JRS), composed of 7 institutes in 5 countries (Belgium, Germany, Italy, the Netherlands and Spain), with a wide range of laboratories and unique research facilities. The EU objective is to integrate the Western Balkan research area, thus consolidating Europe’s extensive but over-fragmented research potential, in order to make maximum use of its capacities in the interests of overall progress and development.

A Commission document „Enlargement Strategy for 2007“ points to the development of a civil society and the enhancement of civil dialogue in the Western Balkan region as one of the key priorities in the accession process. In this context, in 2008 the EU launched the Civil Society Facility (CSF), financed from the national components and the IPA’s multi-beneficiary component. The CSF supports projects which favour the following activities:

- support to local civil society initiatives and capacity building to ensure an active role for them in society;
- familiarisation programmes whereby reporters, junior politicians, trade union leaders, teachers etc. get to know the institutions of the EU;
- support to enhancing cooperation, exchange of know-how and good practice among organisations of the civil society, business circles, trade unions, employers and others in the Western Balkans with their counterparts in the EU member countries.

Cooperation covers areas such as protection of human rights, gender equality, social inclusion, health, the environment, business, the media, culture and consumer protection.

6.3. Economic and social development, enhancing good governance

The European Union is keen to see an advance and implementation of reforms in the region and has taken steps to enhance socio-economic development and good governance. In December 2009, the EU together with the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and the Council of Europe Development Bank (CEB) established a comprehensive
Western Balkans Investment Framework\textsuperscript{401}. The objective was to consolidate and coordinate various sources of finance and channel them towards priority projects in the infrastructure, including the social infrastructure, small and medium enterprises (SMEs), energy efficiency and other sectors.

The EU took special steps to ameliorate and remove the consequences of the global economic crisis, in which it included the Western Balkans. In November 2008, the EU adopted its own Economic Recovery Plan, which included the countries of the Western Balkans in the mutual interests of the EU and the region. The Commission allocated 120 million euros under IPA 2009 to the Western Balkans in the form of a Crisis Response Package, expected to leverage loans of 500 million euros from international financial institutions.

The individual measures of the package are as follows:

- €10 million for micro credits via the European Fund for South East Europe (EFSE),
- €10 million for SME loans via a new EC-EBRD SME finance facility,
- €30 million for lending to increase energy efficiency via the energy efficiency facility,
- €60 million for municipal investments,
- €6 million for a Regional Competitiveness Programme,
- €2 million for strengthening the co-operation between financial sector supervisors/regulators in the region and the EU.

Another EU project initiated at the 2003 Thessaloniki summit was the establishment of a Regional School of Public Administration at Danilovgrad, Montenegro\textsuperscript{402}. The School is supposed to help promote regional cooperation in public administration, strengthen administrative capacities in accordance with the requirements of European integration and develop human resources in keeping with the principles of the European Administrative Space (EAS). A protocol on cooperation among the countries and entities in the region was signed at ministerial level under the auspices of the then Commissioner for Enlargement, Olli Rehn on 2 May 2006 in Brussels (Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and UNMIK/Kosovo).

One of the areas in which the EU engages is the preservation and restoration of the cultural heritage in South East Europe. Since 2003, the European Commis-


\textsuperscript{402} See the School website at: http://www.respaweb.eu/en/content/&tid=1
Regional initiatives and the Council of Europe (CE) have been carrying out a project for the Integrated Rehabilitation of the Architectural and Archaeological Heritage in SEE. An assessment has been made of the requirements for 177 edifices and sites marked for restoration, suitable renewal and longterm conservation. In May 2008, the Commission and the CE launched the Ljubljana Process in order to find funding and define longterm support strategies for the renewal and protection of the cultural heritage of each country. The process includes international financial institutions along with local institutions and the non-governmental sector in promoting reconciliation throughout the region. The European Parliament was invested significant amounts (3 million euros in 2007 and again in 2008). The project is also important for economic development, particularly in developing tourism. As we said in reference to the Regional Cooperation Council, the Ljubljana Process will now come under the RCC, i.e. the region, where its secretariat will be located.
7. PART 4 - CONCLUSION

In sum, the salient features of European Union policy on the Balkans are:

- the EU formed a specific Balkan policy in the last decade of the 1990s, but only in regard to the Western Balkans. This has evolved in the first decade of the 21st century from the concept of stabilisation (post-conflict measures and instruments) to „association“ (measures of a pre-accession strategy);
- for the European Union, the Balkans is an area of secondary interest, coming after the countries of Central Europe and even some of the Mediterranean countries. The duration and character of the conflict in the former Yugoslavia and the EU’s involvement in it showed that the EU considered it had no vital political interests in South Eastern Europe. The same conclusion may be drawn from attitudes towards integration of the Western Balkans in the first decade of the 20th century. Interest in the region on the part of the EU countries grows only in a negative context (i.e. if there is looming crisis), and fades whenever the region is relatively calm;
- the concept of the EU’s regional approach to the Balkan countries is not always in keeping with its bilateral relations with individual countries. Use of the „regatta principle“ for certain countries in the integration process, whereby the stages of cooperation and a relations dynamic are established according to the fulfillment of individual criteria, in the medium term undermines regional policy and reduces its effectiveness;
- in economic relations, the level of bilateral relations between the EU and individual countries clearly reflects the disparity between the level of interest in Central Europe on the one hand and South Eastern Europe on the other. This is most visible in direct private investment. It is less so, but still obvious, in overall bilateral exchange, loans and other financial assistance (per capita) by the developed industrial countries to individual countries of Central and Eastern Europe. The least disparity is in multilateral assistance from the European Union through the PHARE programme and other forms of financial assistance (IPA). Again, however, there is great disparity in the size of the funds available to new EU members like Romania and Bulgaria compared with the rest of the Balkans, which is outside the EU;
- in the keen international competition among certain regions and subregions, whose aim is to attract foreign public and private finance and technology, the Balkans as a region remains far less attractive to foreign investors and traders
than Central Europe or the Baltic. This is partly due to the state of affairs that followed the events of the 1990s. However, it is also the result of a traditional tendency to lag behind Western and Central Europe;

- the basic objective of the various forms of the EU’s regional approach was an attempt to maintain and strengthen the reconciliation process through reviving regional cooperation, with the financial and other support of the EU. However, as it turned out, EU measures were frequently inadequate in light of the size of the region’s problems, economic, political and social. After the Kosovo conflict, the EU launched new initiatives with the countries of the Western Balkans, such as the Stability Pact for SEE and the Stabilisation and Association Process. The success of these initiatives has been evident, but the speed of reform and change in the Western Balkans remains slower than was the case with the Central European countries in the late 1990s;

- the lagging behind of the region (or some of its countries) in cooperation and gradual integration with the Union affects longterm economic, scientific, technological and all other potential, as well as economic competitiveness. This could well contribute to prolonging the weakness of the region and intensifying existing problems;

- in light of the EU’s own internal problems and the opinions of its leading members, the countries of the Western Balkans as a whole cannot expect any fast admittance into EU membership, as a short-term key to solving their problems, regardless of the EU principle that all Balkan countries are candidates for membership at different stages;

- in view of the economic situation and other political and social circumstances in the Balkans, it may be anticipated that following Croatia, these countries would become serious candidates for admittance to EU membership, or enter negotiations for membership only in the course of the next ten years. Meanwhile, significant international economic support to the region, the strengthening of subregional ties and cooperation will be of crucial importance for stability and for any longterm prospects of including the Balkans in European integration.

EU regional initiatives, therefore, are a complementary activity in the process of fully integrating the Western Balkans into all European structures, including the EU in the medium term. Stabilisation and Association is a process, not a situation or one-off event, where the European Union acts to support the development of the partner country, and the modernisation and harmonisation of its legislation with that of the EU. It is a very complex activity which in practice requires the mobilisa-
tion of the entire administration and its considerable improvement, particularly in carrying out regulations. EU legislation is voluminous and complex. Harmonising regulations means the deployment of large amounts of finance and the engagement of human resources in the form of experts, translators, administrators and others.

The road before Serbia, which has submitted its candidacy for membership in the EU, is still a long one, strewn with obstacles in the form of political problems such as the question of the status of Kosovo, rounding off cooperation with the Tribunal at The Hague, and social and regional problems.
REGIONAL COOPERATION IN THE BALKANS IN THE 21ST CENTURY

“The peninsula is a world unto itself. Its countries and people, as though all embarked on the same ship, must have one general political problem and political ideal, regardless of how varied they may be among themselves... Will the Balkans once and for all open its sleepy eyes and see its own enormous cultural capacity, if it moves as one...“

- Isidora Sekulić, Balkan (The Balkans), 1940.
In appraising the role and results of active regional initiatives in South Eastern Europe, several basic questions might be asked:

- To what extent do regional initiatives contribute to realising the objectives proclaimed in their founding documents?
- To what extent do regional initiatives contribute to advancing the economies, all forms of exchange in the region, overall stability (political, economic and military), reform, modernisation of the economy and society, and to improving the life of the inhabitants of South East Europe?
- To what extent have regional initiatives contributed to enhancing cooperation and integration processes in the region, including the geopolitical and economic shaping of the region as a specific entity in the architecture of Europe?
- To what extent have regional initiatives in South Eastern Europe contributed to the chief strategic objective of all the SEE countries: integration into the European Union?

(1) It may well be pointed out that the existence and activity of initiatives in South Eastern Europe is undoubtedly a positive thing. They bring about new models of behaviour that can help defeat narrow-minded nationalism and the idea that states can be self-sufficient. The initiatives stimulate cooperation among administrations, economies and other circles in the countries of the region, eliminate various obstacles to regional communication while facilitating it, creating contact networks by their very existence, influencing public opinion and bringing about an awareness of the common objectives of all countries in the region. They facilitate the preparation of cross-border projects and the deployment of international financial assistance.

(2) Despite the positive assessment of the „micro-effects“ of regional initiatives, it should also be noted that they have so far not been crucial to the efforts of the Balkan countries to ensure integration into the EU or change the political, economic and social environment. On the whole, subregional initiatives have produced only limited results, due to various factors, ranging from inadequate political support to a lack of financial resources. There were other problems too, such as a lack of administrative experience in the member countries, inadequate political and economic conditions for action, an absence of clear targets, work plans and so on. The volume and structure of trade and the economy in the Balkans confirms the preference of these countries for doing business with the EU and the developed countries of the West. Cooperation among neighbours (if we except the countries of the former Yugoslavia) is limited – a typical characteristic of marginal economic regions.
(3) An analysis of regional initiatives in the Balkans points to the fact that except for the SEECp, few are autotochthonous. The vast majority have either been formed outside the Balkans or initiated by the developed countries. This trend has changed somewhat over the last few years while the work of the Stability Pact for SEE, followed by the Regional Cooperation Council, provided additional impetus for cooperation and an increasing number of projects at local and regional level.

(4) An essential characteristic of regional initiatives in SEE is the comparatively limited nature of their objectives, often in contrast to the extent and difficulty of the problems confronting the countries, such as economic underdevelopment, social instability etc. In contrast to West European models, not a single initiative envisages a major, attractive integration project around which the initiative would be built. This too has changed recently, particularly with the emergence of the new CEFTA, a promising step forward in the process of economic cohesion based on free trade.

(5) Most, if not all regional initiatives in SEE are conceived from the outset as being complementary to the integration process, which mainly takes place within the European Union. They are supplementary to the architecture of Europe, not a replacement for the inclusion of the SEE countries in the EU and other pan-European organisations. Any delay or foot-dragging by the South East European region in the integration process, therefore, has an effect on the role and results of regional initiatives and their influence on the situation in the region.

(6) Participation in multilateral cooperation represents an added value in what concerns the influence and international standing of the various countries (particularly new or smaller ones), so that the majority endeavour to take active part in as many initiatives as possible.

(7) An examination of the type of working groups and projects initiated in certain regional initiatives points to the predominant influence of state and/or international bodies on the character and profile of cooperation in SEE. In recent years, this has been deflected somewhat. With increasing frequency, cooperation tends to originate in economic association or the civil society.

(8) The number, membership and origin of certain initiatives raises the question of their mutual complementariness and competitiveness, or lack thereof. Each active initiative developed autonomously, so that activities sometimes overlapped. This was overcome by holding special coordination meetings (of secretariats, coordinators, etc.) Gradually and spontaneously, a contact network has developed to a certain extent, and there is cooperation among the initiatives.

(9) As for the achievements of some regional initiatives, the experience of the CEI, BSEC and SECI indicates that good liaison and coordination among these fora
and adequate sources of financing at international, regional or national level are of vital importance if initiatives are to be effective. The articulation and dovetailing of the SEE Cooperation Process with the Regional Cooperation Council is of particular importance.

(10) Regulation of soft security issues and combating crime and corruption have proved to be key questions in the Balkans, requiring specific methods and solutions at regional level. This has produced a number of frameworks for cooperation with the ministries of defence or justice and home affairs in the countries of South Eastern Europe.

(11) Analysis to date leads to the conclusion that within the fora focused on the Balkan region alone (SEECP, RCC) or beyond (DCP, AII, BSEC, CEI), it would be useful to give some consideration to:

- further consolidating the work of some initiatives in SEE by coordinating action;
- programmes of support to the national administrations of the countries of South Eastern Europe in order to equip them to take active part in regional initiatives, particularly as host countries or as coordinators of certain working groups etc.
- taking steps to improve efficiency and the faster implementation of programmes and projects; coordinating and obtaining sources of financial support for projects within regional initiatives;
- adapting objectives and the work of some initiatives to the situation and needs of the SEE countries;

(12) Among the areas which could become key in future inter-Balkan cooperation and integration are free trade, development of the transport infrastructure, energy, environmental protection, cross-border and subregional cooperation (the Euroregions), tourism, development of services - particularly financial, cooperation in home affairs and security, science, education, culture and sport.

(13) In the long term, there will be increasing insistence on stronger, more coherent and more concrete cooperation – institutional and other - between the SEE countries and the EU via the SEECP and other regional initiatives. This is what may help bridge the gap between the need for transnational settlement of questions as diverse as border crossings and the environment, and that still unknown point in time when EU enlargement will reach out to include the entire region.
ANNEXES

DOCUMENTS

TABLES

LITERATURE
IMPORTANT DOCUMENTS FOR THE BALKAN REGION

1. EU - WESTERN BALKANS (The Stabilisation and Association process):
   - Zagreb Summit - Final Declaration
   - Thessaloniki Summit - Declaration
   - Sarajevo High-Level Meeting on the Western Balkans - Statement by the Chair

2. THE SOUTH EAST EUROPEAN COOPERATION PROCESS
   - Charter on good neighbourly relations, stability, security and cooperation in Southeastern Europe

3. REGIONAL COOPERATION COUNCIL
   - Joint Declaration on the Establishment of the Regional Co-operation Council

4. CEFTA 2006
   - Joint declaration (Bucharest, December 2006)
1.  **EU - WESTERN BALKANS**

(The Stabilisation and Association process)

**ZAGREB SUMMIT**

*(24 November 2000)*

**FINAL DECLARATION**

1.  We, the Heads of State or Government of the Member States of the European Union, Albania, the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina, Croatia and the Federal Republic of Yugoslavia, as well as the Foreign Minister of Slovenia, and the President of the European Commission, in the presence of the Secretary-General/High Representative for the CFSP, the Special Representative of the United Nations Secretary-General, the Special Representative of the EU to act as Coordinator of the Stability pact for south-east Europe and the High Representative for Bosnia and Herzegovina, are meeting in Zagreb at a time when democracy is about to carry the day throughout this region.

The year 2000 began with democratic change in Croatia, following the presidential and legislative elections. It continued with the victory of democratic forces in the FRY in the elections of 24 September. This movement is developing in the interests of all the countries in the region and offers them new prospects.

2.  The recent historic changes are opening the way for regional reconciliation and cooperation. They enable all the countries in the region to establish new relations, beneficial to all of them, for the stability in the region and peace and stability on the European continent. They give new impetus to a policy of good neighborliness based on the negotiated settlement of disputes, respect for the rights of minorities, respect for international obligations, including with regard to the ICTY, a lasting resolution of the problem of refugees and displaced persons and respect for States' international borders. They strengthen regional security and are bound to assist the conclusion by the countries concerned of the negotiations on weap-
ons control and reduction at regional level, as provided for in the Dayton agreements.
We would like to stress the important contribution made by the Stability Pact to the implementation of reforms, economic development and the strengthening of regional security and cooperation. The European Union was the initiator of the Stability Pact and will continue to act as its driving force.
Our aim is to hold a second Regional Funding Conference at which the countries concerned should submit economic recovery and reform programs. Democracy and regional reconciliation and cooperation on the one hand, and the rapprochement of each of these countries with the European Union on the other, form a whole.

3. Henceforth, the Heads of State or Government of the five countries concerned undertake to establish between their countries regional cooperation conventions providing for a political dialogue, a regional free trade area and close cooperation in the field of justice and home affairs, in particular for the reinforcement of justice and the independence thereof, for combating organized crime, corruption, money laundering, illegal immigration, trafficking in human beings and all other forms of trafficking. These conventions will be incorporated in the stabilization and association agreements as they are concluded with the European Union. The Heads of State or Government of the five countries concerned have declared the importance they attach to the training of police officers and magistrates and to the strengthening of border controls.
Rapprochement with the European Union will go hand in hand with this process of developing regional cooperation. Various initiatives by the partners also contribute to this aim. Hence, it is a matter of priority to develop regional cooperation, which must be applied to specific projects, such as re-establishment of navigation on the Danube. In this regard, we note with satisfaction that an extraordinary session of the Adriatic and Ionian Council took place this morning in Zagreb, with the participation of the President of the European Commission.
The European Union notes with satisfaction the first steps towards settling the question of the succession of the SFRY and urges the parties concerned to move forward. It also commends the rapid establishment of diplomatic relations between the countries in the region where they don’t yet exist.

4. In this context, the way is now open to all the countries of the region to move closer to the European Union as part of the stabilization and association process.
The European Union confirms its wish to contribute to the consolidation of democracy and to give its resolute support to the process of reconciliation and cooperation between the countries concerned. It reaffirms the European perspective of the countries participating in the stabilization and association process and their status as potential candidates for membership in accordance with the Feira conclusions.

This stabilization and association process is at the heart of the Union’s policy towards the five countries concerned. It takes account of the situation of each country and is based on respect for the conditions defined by the Council on 29 April 1997 concerning democratic, economic and institutional reforms. On the basis of these criteria, the Union proposes an individualized approach to each of these countries, the content of which appears in the Annex.

The prospect of accession is offered on the basis of the provision of the Treaty on European Union, respect for the criteria defined at the Copenhagen European Council in June 1993 and the progress made in implementing the stabilization and association agreements, in particular on regional cooperation.

The European Union will shortly be launching a single Community aid program for the countries participating in the stabilization and association process, entitled CARDS (Community Assistance for Reconstruction, Democratization and Stabilization).

This new Community instrument for Albania, the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina, Croatia and the Federal Republic of Yugoslavia will be endowed with a financial reference amount of EUR 4.65 billion over the period 2000-2006. It will accompany and support the democratic, economic and institutional reforms of the five countries concerned.

The Union is implementing and will extend to the five countries concerned asymmetric exceptional trade preferences which will favor access to the Community market for their industrial and agricultural products, so as to help relaunch their economies by stimulating their exports. The Union invites these countries to continue their reforms so as to draw maximum benefit from the trade opportunities created by these measures. The aim is to bring about the establishment of a balanced free trade between these countries and the European Union in compliance with the rules of the World Trade Organization.
ANNEX

STABILIZATION AND ASSOCIATION PROCESS ON AN INDIVIDUAL BASIS

**ALBANIA:** the Union has commended the progress made since the feasibility study conducted by the Commission and it calls on the country’s leaders to continue their efforts. The Union has decided to step up its cooperation and to spell out the reforms to be carried out. To this end it has been agreed that a high-level EU/Albania steering group will be set up. A report will be submitted to the Council before the middle of 2001 in preparation for the negotiation of a stabilization and association agreement.

**FORMER YUGOSLAV REPUBLIC OF MACEDONIA:** we are today initialising the first stabilization and association agreement, which marks an important stage in the implementation of the reforms, carried out. The Union calls on the leaders of this country to continue their reforms in line with the provisions of the agreement.

**BOSNIA AND HERZEGOVINA:** the Union calls on the authorities of this country to continue their efforts, on the basis of this progress made, to enable Bosnia and Herzegovina to fulfil by the middle of 2001 all the conditions laid down in the “road map” drawn up last spring, so that the Commission can undertake a feasibility study.

**CROATIA:** the Union commends the scale of the efforts and the success of the reforms embarked upon since the start of this year by this country’s authorities. They have now enabled negotiations to be started for a stabilization and association agreement: we hope they will progress rapidly.

**FEDERAL REPUBLIC OF YUGOSLAVIA:** the prospect of a stabilization and association agreement is now established in accordance with the invitation issued by the Council on 9 October 2000. A decision has been taken to set up a “EU/FRY consultative task force”. The Commission will work on a feasibility study with a view to negotiating directives for a stabilization and association agreement.
EU-WESTERN BALKANS SUMMIT
(Thessaloniki, 21 June 2003)

DECLARATION

We the Heads of State or Government of the member States of the European Union, the acceding and candidate states, Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia and Montenegro, as potential candidates, and the President of the European Commission, in the presence of the President of the European Parliament, the Secretary General of the Council/High Representative, the Special Representative of the UN Secretary General in Kosovo, the Special Coordinator of the Stability Pact for South-Eastern Europe and the High Representative for Bosnia and Herzegovina, meeting in Thessaloniki, agreed today on the following:

1. We all share the values of democracy, the rule of law, respect for human and minority rights, solidarity and a market economy, fully aware that they constitute the very foundations of the European Union. Respect of international law, inviolability of international borders, peaceful resolution of conflicts and regional co-operation are principles of the highest importance, to which we are all committed. We vigorously condemn extremism, terrorism and violence, be it ethnically, politically or criminally motivated.

2. The EU reiterates its unequivocal support to the European perspective of the Western Balkan countries. The future of the Balkans is within the European Union. The ongoing enlargement and the signing of the Treaty of Athens in April 2003 inspire and encourage the countries of the Western Balkans to follow the same successful path. Preparation for integration into European structures and ultimate membership into the European Union, through adoption of European standards, is now the big challenge ahead. The Croatian application for EU membership is currently under examination by the Commission. The speed of movement ahead lies in the hands of the countries of the region. The countries of the region fully share the objectives of economic and political union and look forward to joining a EU that is stronger in the pursuit of its essential objectives and more present in the world.

3. The endorsement yesterday by the European Council of The Thessaloniki agenda for the Western Balkans: Moving towards European Integration
represents a new important step in the privileged relationship between the
EU and the Western Balkans. Its content shall be considered as our shared
agenda, and we all commit to its implementation. The countries of the re-
gion will focus their efforts on meeting the recommendations this agenda
refers to.

4. We acknowledge that the Stabilisation and Association process (SAP) will
remain the framework for the European course of the Western Balkan
countries, all the way to their future accession. The process and the pros-
psects it offers serve as the anchor for reform in the Western Balkans, in the
same way the accession process has done in Central and Eastern Europe.
Progress of each country towards the EU will depend on its own merits in
meeting the Copenhagen criteria and the conditions set for the SAP and
confirmed in the final declaration of the November 2000 Zagreb summit.
The Western Balkan countries highly value the annual review mechanism
of the SAP, based on the Commissionís reports, and commit themselves to
implement its recommendations.
The Western Balkan countries welcome the decisions by the EU to strength-
en its Stabilisation and Association policy towards the region and to enrich
it with elements from the experience of enlargement. They welcome in par-
cular the launching of the European Partnerships, as well as the decisions
for enhanced co-operation in the areas of political dialogue and the Com-
mon Foreign and Security Policy, parliamentary co-operation, support for
institution building, opening of Community programmes. They take note
of the ongoing discussions for an increase in the budgeted Community
financial support to the region through the CARDS programme.

5. We support the full implementation of Resolution 1244 of the UN Secu-
rity Council on Kosovo and the 'standards before status' policy of UNMIK;
we remain committed to the Dayton/Paris Agreements and we encourage
full implementation of the Ohrid and Belgrade agreements. The EU and
the SAP countries fully support the International Criminal Court, recalling
relevant EU decisions. The Western Balkan countries pledge full and
unequivocal co-operation with the International Criminal Tribunal for the
former Yugoslavia. Its work, on all open issues, including the transfer to
The Hague of all remaining indictees, should be allowed to progress with-
out delays. Providing justice for war crimes is a legal, political and moral
imperative to which we are all committed. Sustainable return of refugees
and internally displaced persons is critical for ethnic reconciliation and an
index of democratic maturity; it remains high on our priority agenda.
We stress the role of education, culture and youth in promoting tolerance, ensuring ethnic and religious coexistence and shaping modern democratic societies.

Fragmentation and divisions along ethnic lines are incompatible with the European perspective, which should act as a catalyst for addressing problems in the region.

The recent launching of the EU police Mission in Bosnia and Herzegovina and of the operation Concordia in the former Yugoslav Republic of Macedonia are tangible proofs of the EUís commitment to the region. While the EU is strengthening its commitment in Southeast Europe, notably in police and security operations, continued engagement of other international actors is necessary. We all highly value the close co-operation between the EU and the US and NATO in the region, within the framework of UN Resolutions, as well as the role of other international organisations and financial institutions operating in the area. We encourage close coordination of their activities.

6. Organised crime and corruption is a real obstacle to democratic stability, the rule of law, economic development and development of civil society in the region and is a source of grave concern to the EU. Combating it constitutes a major priority. The SAP countries commit themselves to define and implement the measures foreseen in the follow up process to the London conference of November 2002 and described in the Thessaloniki Agenda. Particular attention will be given in combating trafficking in human beings. The countries of the region also commit to concrete measures, in accordance with the Thessaloniki Agenda and the documents of the Ohrid May 2003 conference, respectively, in order to cope effectively with illegal immigration and improving border security and management, aiming at achieving European standards.

7. We acknowledge the importance the peoples of the Western Balkans attach to the perspective of liberalisation of the EUís visa regime towards them. We recognise that progress is dependent on implementing major reforms in areas such as the strengthening of the rule of law, combating organised crime, corruption and illegal migration, and strengthening administrative capacity in border control and security of documents. The Western Balkan countries welcome the intention of the Commission to hold discussions, within the framework of the Stabilisation and Association Process, with each of them, regarding the requirements for how to take these issues forward in concrete terms.
8. Economic prosperity is essential to long term stability and democracy in the region. Persistent efforts and structural reforms are required to establish functioning market economies and to achieve sustainable development and to ensure employment.

We recognise the importance of developing modern networks and infrastructures in energy, transport and telecommunications in the region, consistent with the Trans-European Networks. We encourage further mobilisation of international support in these areas, notably through the European Investment Bank and other International Financial Institutions, and private investment.

The SAP countries welcome the decisions by the EU to consider further measures for enhancing its trade with them, to extend the Internal Energy Market to the region as a whole and to establish a regular economic dialogue with each country of the region. Considering that small and medium-sized enterprises are a key source of jobs, innovation and wealth and are essential for the functioning of competitive market economies, the SAP countries hereby commit to the policy principles enshrined in the European Charter for Small Enterprises, as well as to participate in its implementation.

9. We reiterate that rapprochement with the EU will go hand in hand with the development of regional co-operation. The countries of the Western Balkans and, where applicable, other regional participant countries, commit to promote concrete objectives and initiatives, along the lines prescribed by the Thessaloniki Agenda, in the areas of regional free trade, visa-free movement within the region, collection of small arms, creation of regional markets for electricity and gas, development of transport, energy and telecommunication infrastructures, environment and water management, research technology and development, cross-border cooperation and parliamentary co-operation.

We reconfirm our support to the Stability Pact for South-Eastern Europe in its complementary role to the Stabilisation and Association Process and in implementing its agreed core objectives. We invite it to focus in particular on the tasks suggested in the Thessaloniki Agenda. We support regional co-operation initiatives such as the South-East European Cooperation Process (SEECP), the Adriatic-Ionian Initiative, and the Central European Initiative. We encourage further co-operation between the European Commission, the Stability Pact and the SEECP, which is gradually becoming the voice of the region.

10. Since our Zagreb meeting in November 2000, considerable progress was made towards stability, democracy and economic recovery in all countries
of the Western Balkans, as well as in regional co-operation and good neighbourly relations between them, to the benefit of their peoples and of Europe as a whole. All the countries of the region have also made good progress in advancing towards the EU. A comparison with three years ago reveals the road that has been covered. At the same time, the Western Balkan countries, aware that there is much and hard work ahead, commit themselves to intensify the pace of reforms. The European Union pledges full support to their endeavours.

* * *

We have agreed to meet periodically at our level, within the framework of a EU-Western Balkan forum, in order to discuss issues of common concern, to review progress of the countries of the region in their road to Europe, and to exchange views on major developments in the EU. Annual meetings of foreign ministers and ministers responsible for Justice and Home Affairs will be held as appropriate. Accessing and candidate countries will be fully involved. We welcome the intention of the incoming EU Italian Presidency to organize the first meetings of this kind, by the end of the year. Other ministers can also meet when appropriate.

**HIGH-LEVEL MEETING ON THE WESTERN BALKANS**  
(Sarajevo, 2 June 2010)

**STATEMENT BY THE CHAIR**

A high-level meeting on the Western Balkans, chaired by the Spanish rotating Presidency of the Council of the EU, took place in Sarajevo on 2nd June 2010 to mark the 10th anniversary of the Zagreb summit which offered the European perspective to the Western Balkans, as sealed in the Thessaloniki Agenda in 2003.

The meeting noted the entry into force of the Lisbon Treaty which represents a new stage in the process of European construction and provides the instruments and means to strengthen its role as a global actor.

The EU reiterated its unequivocal commitment to the European perspective of the Western Balkan countries, which remains essential for the stability and development of the region.

The future of the Western Balkans lies in the European Union.
The EU reaffirmed the need for fair and rigorous conditionality in the framework of the Stabilisation and Association process and in accordance with the renewed consensus on enlargement approved by the European Council on December 2006. Important progress in economic and political reform has been made by the countries of the region as demonstrated by ongoing accession negotiations, the preparation of Opinions on membership applications and the establishment of a network of Stabilisation and Association Agreements. Being now firmly anchored in the EU’s enlargement process, the Western Balkans must intensify their efforts to fulfil the necessary established criteria and agreed conditions on their path towards EU membership. The progress of each country will depend on its own merits.

In particular, the Western Balkans continue to face major challenges related to the rule of law, such as administrative and judicial reforms, the fight against corruption and organised crime. These issues are key for a functioning democracy and economy and largely condition the EU accession process.

Completing the process of sustainable return of refugees and internally displaced persons remains a priority. Problems affecting the freedom of expression and the media need to be tackled as a matter of urgency. The Western Balkan participants committed themselves to intensify their efforts to address these issues.

The establishment of the Regional Cooperation Council represents a significant step towards inclusiveness and regional ownership. The RCC now needs to improve its efficiency by implementing a result-oriented strategy which will set clear priority lines of action and will provide the basis for streamlining the various initiatives in the region. The endorsement of such a strategy by the Heads of State and Government of the member countries of the SEECP at its Summit in Istanbul on June 23rd will strengthen the political link between both organizations. Consolidating and further developing CEFTA is one of the strategic priorities.

Regional cooperation contributes to fostering reconciliation, good neighbourly relations as well as a climate conducive to addressing open bilateral issues. The participants encouraged parties concerned to invest their best efforts in addressing open bilateral issues in a European spirit.

The participants stressed the outstanding priority of completing the process of reconciliation in the Western Balkans. Participants welcomed recent commendable initiatives to this effect. These efforts must be made at all levels - governments, judiciary, and civil society. The participants commended the role of NGOs to work towards reconciliation through establishing a regional commission for truth-seeking and truth-telling.

The participants welcomed the European Union’s intention to extend visa liberalisation to all the people of the Western Balkans, once conditions are met. In this
context, they welcomed the Commission’s proposal to extend the visa free regime to the citizens of Albania and Bosnia and Herzegovina.

The meeting was held against the background of the global economic recession which has also affected the Western Balkans and of efforts of the region to apply macroeconomic and financial policies designed to prevent future crises and foster balanced and sustainable global economic growth. The EU will continue to help them to alleviate the impact of the crisis and prepare for sound recovery. The implementation of EU-related reforms underpins the efforts of these countries in this regard.

In this respect, a regional recovery and development strategy which should follow the main parameters of the EU 2020 strategy, based on knowledge and innovation, and take into account the specific characteristics of Western Balkan countries, could be defined and actively pursued.

The EU reiterated its full support for the Western Balkans in their endeavours to intensify the pace of reforms. The EU looked forward to the Western Balkans moving to the next stages of the accession process, on the basis of established criteria and agreed conditions. EU membership of all the Western Balkans remains our shared objective.
2. THE SOUTH EAST EUROPEAN COOPERATION PROCESS

CHARTER
ON GOOD-NEIGHBORLY RELATIONS,
STABILITY, SECURITY AND COOPERATION
IN SOUTH-EASTERN EUROPE

(Bucharest, 12 February 2000)

PREAMBLE
We, the Heads of State and Government of the countries participating in the
South-East European Cooperation Process (SEECP);
representing the freely elected Governments of our peoples,
solemnly reaffirming our unreserved commitments to the principles and the
norms enshrined in the UN Charter, as well as in the Helsinki Final Act and the sub-
sequent OSCE documents and in the relevant instruments of the Council of Europe,
aiming at promoting good neighborly relations,
determined to further work together to create in our region conditions for the
prosperity of our nations in an environment of peace, security, good neighborliness
and stability,
strongly determined to overcome divisions and conflicts in our area through a
comprehensive and coherent approach of regional cooperation and in close contacts
with the other Euro-Atlantic countries and structures,
considering the differences in economic development and the diversity of the
specific problems of each country in our region,
stressing the crucial importance of turning the South-Eastern Europe into a re-
gion free from violence and instability and building security, prosperity and demo-
cratic civil societies, thus integrating our countries into the Euro-Atlantic family of
free and democratic nations,
expressing our political will to pursue the South-East European Cooperation
Process on mutually beneficial and equal basis, in a spirit of solidarity and in full
respect for the territorial integrity and sovereignty of all the states in the region,
emphasizing the importance of promoting in our region universal democratic
values, respect for and protection of human rights and fundamental freedoms, in-
cluding the rights of persons belonging to national minorities, and the rule of law,
conscious of the present historic opportunity for the development of good-
neighborliness, cooperation and stability in our region, created by the elimination
of political and ideological divisions in Europe,
emphasizing the European orientation of our countries as an integral part of
their political, economic and social development,
expressing our strong belief that European and Euro-Atlantic integration is
essential in promoting our countries’ common objectives and cannot be complete
without the participation of all of our countries,
determined to further develop the South-East European Cooperation Process,
originating from the countries of the region, as an expression of their solidarity and
as a framework for their concerted efforts to strengthen the ties and cooperation
among themselves and with other Euro-Atlantic states and structures;
considering the previous Declarations adopted by the Heads of State and Gov-
ernment and by the Ministers of Foreign Affairs as milestones in the development
of this framework coming from within the region,
without prejudice to our countries’ obligations under multilateral or bilateral
treaties and agreements, in conformity with international law,

Have agreed on the following:

I. SCOPE AND PRINCIPLES OF THE REGIONAL COOPERATION

1. The primary objective of the South-East European Cooperation Process
– SEECP- is to strengthen the good-neighborly relations among all states
in this region, for transforming this region into an area of peace, securi-
ty, stability and cooperation. We commit ourselves to firmly act to reach
this objective in a spirit of solidarity and cooperation, to the benefit of our
countries and peoples, of Europe as a whole.
2. We aim to create a South-Eastern Europe whose future lies in peace, de-
mocracy, economic prosperity and full integration into European and Eu-
ro-Atlantic structures and, to this end, we commit ourselves to continued
democratic and economic reform in our countries.
3. We recognize the responsibility of our countries to closely work with the
international community to develop and implement a shared strategy for
stability and growth of our region.
4. We welcome the adoption of the Stability Pact for South-Eastern Europe
and we expect all international organizations and institutions involved to
work closely with the countries of the region for the successful and timely implementation of its goals.

5. We consider that responses to new security challenges and elimination of their root-causes require efforts in a wide range of areas, as well as strengthening international solidarity, including our participation in conflict prevention and crisis management activities, peace support operations undertaken by the international community, in particular in the framework of the UN, NATO, the OSCE, WEU and other Euro-Atlantic institutions.

6. We welcome the determination of NATO to actively contribute to the building of a more secure and cooperative relationship with and among the countries of the region.

7. The framework of this process comprises political cooperation which includes questions of security and stability, developing economic and environmental cooperation, promotion of humanitarian, social and cultural cooperation, cooperation in the fields of justice, combat against organized crime, elimination of terrorism, illicit drugs, arms and human trafficking.

8. The cooperation among our countries shall be founded on the UN Charter, on the principle of full observance of the territorial integrity and sovereignty of all the states in our region, on the principles of the OSCE and the relevant documents of the Council of Europe, in particular the Convention for the Protection of Human Rights and Fundamental Freedoms.

9. We reaffirm that our Governments are accountable to their citizens and responsible to one another for the implementation of the commitments undertaken through our countries’ membership in the OSCE and which are matters of direct and legitimate concern to all the states in this region. We recognize that the respect for these commitments constitutes one of the foundations of the international relations to which we intend to make a substantial contribution.

II. OBJECTIVES AND MECHANISMS OF COOPERATION

II.1 Enhancement of political and security cooperation

10. We believe that the security of South-Eastern Europe is essential for achieving lasting stability throughout the Euro-Atlantic area and that all the states and the peoples in the South-Eastern Europe should enjoy peace and stability and establish normal relations with one another. Our political and security cooperation serving this purpose shall be focused on:
1. Creating peaceful and good-neighborly relations in the region through reconciliation, recognition of the inviolability of the existing international borders and the peaceful resolution of disputes, on the basis of international law; we shall cooperate in the framework of UN, NATO, OSCE and other international fora in developing arms control and regional confidence building measures and mechanisms for security cooperation.

2. Preventing and putting an end to tensions and crisis as a prerequisite for lasting stability.

11. The major forms of cooperation in the political and security field shall be mainly the following:
   a. Promotion of an intensive political dialogue, through regular meetings of the Heads of State and Government, Ministers of Foreign Affairs and Political Directors of the participating countries, as well as sectorial inter-governmental meetings on subjects of common interest, as it may be decided.
   b. Encouragement of the inter-parliamentary dialogue, of the direct contacts among the representatives of the civil society, non-governmental organizations and cultural and scientific personalities.
   c. Enhanced regional cooperation in the field of security, including the South-East European Defense Ministerial framework and the Multi-national Peace Force - South-Eastern Europe as instruments for building confidence and security in the region.
   d. Conclusion between the participating countries of multilateral and bilateral cooperation agreements, as well as the promotion of domestic measures to overcome the existing potential for conflict.
   e. Exchanges of views conducting consultations and, as appropriate, taking joint initiatives on matters relevant to the stability, security and good-neighborly relations in the area, including the implementation of the 10 principles of the Helsinki Final Act.
   f. Promotion of confidence building measures in the area and, in particular, the normalization of the relations between all participating countries.
   g. While preserving and building upon the existing arrangements, examination within the SEECP mechanisms or in other relevant fora of proposals and ideas for additional measures in order to respond to specific regional needs for prevention of conflicts and easing of tensions,
including observation missions, peace-keeping operations or crisis management activities.

h. Active participation to the efforts developed by the international community aiming at consolidating stability and security in the South-Eastern Europe, both in the planning and implementation phases.

II.2. Fostering economic cooperation

12. We are convinced that fostering bilateral, multilateral and regional economic cooperation and between the region and the rest of Europe constitutes an essential dimension of the good-neighborly relations, security and stability in our area. To this end, our joint action shall be concentrated on:

i. Creating viable and vibrant market economy based on sound macro policies, greatly expanded foreign trade and private sector investment, effective and transparent customs and commercial/regulatory regimes, developing strong capital markets and diversified ownership, including privatization, leading to a widening circle of prosperity for all our citizens.

ii. Creating the conditions for individual full integration of our countries into Euro-Atlantic political, economic and security structures.

13. The major instruments, mechanisms and programs for joint cooperation in the economic field are as follows:

a. Trade and investment promotion, including removal of existing obstacles, encouraging free flows of goods, capital and commerce, facilitation of business contacts, harmonization of the legislation with EU standards, further liberalization and harmonization of trade and transport policies, conclusion of trade liberalization agreements and support for the establishment and efficient functioning of the free trade instruments.

b. Improved cross-border cooperation in view of promotion of business cooperation, enterprise development, financial cooperation and cooperation among institutions, representing the business sector, technology transfer and marketing for small and medium size enterprises; cooperation in the fields of tourism and health, particularly the sharing of resources and facilities on a cross-border basis; improvement and facilitation of information and communication flows between border regions, including media.

c. Promotion of comprehensive Programs for development of integrat-
ed regional transport infrastructure system, including projects on road, rail, air, maritime, river and lakes, as well as bridges and border-crossing infrastructure construction and development, connecting the transport system of South-Eastern Europe region to Central and Western Europe by the construction of the relevant Pan-European Corridors; rehabilitation and development of Danube as a waterway of an European importance; development of a regional network of oil and gas pipelines, part of the European network; interconnection of high voltage electrical transmission lines within the region and with the Western European system; further modernization of the telecommunication system; cooperation in all aspects of the tourism industry; development of new financial instruments, together with the international community in particular with the international financing institutions required to meet such objectives.

d. Holding of ministerial or other high-level meetings on the development of the infrastructure of the region and of regular inter-governmental meetings, at least once a year, with the participation of the representatives of official agencies, experts and business community, to encourage, monitor and implement current activities and to develop new schemes for the economic cooperation.

e. Establishing, streamlining and activating various joint regional programs, projects, centers and institutions on the basis of cost-effectiveness, mutual interest and a fair distribution among the regional countries.

f. Encouraging consistently and systematically the official agencies, associations and business community to create and implement cooperative schemes in all areas of common interest.

II.3. Enlargement of cooperation in the fields of human dimension, democracy, justice and combating illegal activities.

14. We recognize the utmost importance of intensifying contacts and cooperation in human dimensions, social and cultural fields, developing democratic institutions and civil society, facilitating free circulation of information and ideas, as well as of citizens. We underline that our countries are attaching the highest priority to the protection of human rights and fundamental freedoms as an essential basis for good governance, friendship
and mutual understanding. In this direction, our common endeavor shall be oriented to:

i. Bringing about mature democratic political processes, based on pluralism, free and fair elections, grounded in the rule of law and full respect for human rights and fundamental freedoms, including the rights of persons belonging to national minorities, with legislative branches accountable to their constituents, independent judiciaries and deepening and strengthening of civil society.

ii. Promoting social harmony within our countries and in the region and recognizing the important role which respective national minorities may play as social and cultural bridges between our peoples.

15. The mechanisms and the programs of joint action in these ample areas shall cover:

a. Further development of cooperation in such fields as human dimensions, democratization, justice and rule of law, inter-ethnic tolerance, free circulation of ideas and individuals, youth education, programs to eliminate misperceptions and prejudices, all of them playing a significant role in strengthening stability and security in our region.

b. Support for enhanced cooperation in the fields of education, science and technology, cultural and art, increased exchanges and contacts between journalists and between youth, organized independently or through national associations and educational institutions, sports competitions, festivals and other events in order to bring our nations closer.

c. Respect for cultural heritage and for regional cultures, protection and restoration of monuments, if necessary through mutual assistance, constitutes another dimension in our region, where different cultures have coexisted and flourished. Besides the cooperation in relevant institutions such as UNESCO, Council of Europe and bilaterally, participating countries will seek a more advanced cooperation in these fields through their competent authorities and by encouraging non-governmental organizations in this direction.

d. Well aware of the threats which terrorism, organized crime, illicit drug and arms trafficking constitute for our peoples, as well as for our societies at large, we express our determination to strengthen the cooperation among the participating countries in these fields, by new and effective measures and joint actions and by working together with ex-
isting regional and international bodies competent in this direction.
e. Strengthening border controls to combat the activities described above, as well as illegal migration, directing national authorities to a more developed cooperation, as well as coordination and timely information exchange in these fields, as necessary, by conclusion of agreements and other instruments for cooperation; actions in these fields should respect international standards for the protection of individual rights and the freedom of circulation of the citizens, without harassment and discrimination.
f. Cooperation and joint actions for environmental protection, in particular through systematic exchange of information, bilateral and multilateral agreements and concrete common projects mainly in the border areas.

III. FINAL PROVISIONS

15. The South-East European Cooperation Process is a comprehensive framework for regional cooperation. We reaffirm our willingness to closely participate in, and cooperate with all other international organizations and regional initiatives aiming at promoting security, stability, economic and social prosperity in our area, in particular with UN, NATO, EU, OSCE, the Council of Europe, BSEC, CEI, SECI, the Royaumont Process, and to coordinate our actions in order to avoid unnecessary duplications.

16. Taking into account the specificity of the areas of interest of other regional initiatives and considering that not all participating states of the SEECP may be taking part in such initiatives, we stress the importance of making flexible arrangements for opening relevant schemes and projects to the participation or to the benefit of all regional countries, without prejudice to the charters and regulations of the respective initiatives.

17. The South-East European Cooperation Process is open, by agreement among the participating countries, to the participation in appropriate forms to States which geographically belong to this area and declare their full adhesion to the present Charter.

18. The cooperative arrangements among a limited number of regional partners conforming to the objectives of this Charter, as well as interaction with other regional initiatives considered as complementary efforts to the jointly conducted cooperation between our countries as full participants or observers, as it may be relevant.
19. This Charter may be reviewed for the purpose of its updating, upon the proposal by any participating state and with the agreement of all the other participating countries.

20. The procedural aspects and follow-up mechanisms of the SEECP are included in the Annex to this Charter.

Signed at Bucharest, on 12 February 2000

Mr. Emil Constantinescu    Mr. Bulent Ecevit    Mr. Ljubco Georgievski
Mr. Ivan Kostov            Mr. Ilir Meta         Mr. Costas Simitis
10th Meeting of Heads of State and Government of the South-East European Co-operation Process

PROTOCOL
TO THE CHARTER ON GOOD NEIGHBOURLY RELATIONS, STABILITY, SECURITY AND COOPERATION IN SOUTHEASTERN EUROPE

THE STATES PARTICIPATING in the South-East European Cooperation Process (SEECP), which are signatories of the Charter on Good Neighbourly Relations, Stability, Security and Cooperation in Southeastern Europe signed at Bucharest on February 12, 2000 (hereinafter referred to as “the Participating States” and “the Charter” respectively);

BUILDING UPON the political decision to develop a more regionally owned and led co-operation framework and to enhance the role of the SEECP in the regional cooperation architecture in South Eastern Europe;

HAVING ENDORSED the establishment of the Regional Co-operation Council, based on its agreed Statute;

HAVE AGREED on the following:
1. The Annex to the Charter entitled “The Procedural Aspects and Follow-up Mechanisms of the South-East European Cooperation Process (SEECP)” is hereby amended in order to reflect the new role of the SEECP in the regional cooperation architecture in South Eastern Europe;
2. The new text of the Annex to the Charter, as amended by this Protocol, is attached hereto.
3. This Protocol and the amended Annex constitute an integral part of the Charter.
4. The original of this Protocol shall be deposited in Bucharest together with the Charter.

Signed in Zagreb on this 11th day of May 2007.
Annex

PROCEDURAL ASPECTS AND FOLLOW-UP MECHANISMS
OF THE SOUTH-EAST EUROPEAN COOPERATION PROCESS (SEECP)

1. The Chairmanship–in-Office of the SEECP is rotational on yearly basis. The order of rotation shall be determined by the Heads of State and/or Government.
2. The Heads of State and Government of the states participating in the SEECP will have yearly meetings to review the overall process of regional cooperation and to offer guidance and recommendations for future activities. The SEECP Summit shall be chaired by the Head of State or Government of the host country.
3. Meetings of the Ministers of Foreign Affairs are the main fora for consultations, management of the regional cooperation and the advancement of the objectives of the Process. The Ministers will meet at least once a year for a formal meeting and once a year for an informal meeting to conduct political consultations and to promote cooperation on issues of regional stability, security and political and economic cooperation.
4. These meetings will be chaired by the Minister of Foreign Affairs of the host country. As Chair-in-Office, he/she may propose additional meetings or other consultative arrangements when circumstances justify or if so asked by his/her colleagues. These meetings can be arranged with restricted participation, for short duration, or on the margin of international events as working meetings.
5. The Committee of Political Directors will be formed by the Political Directors in the Ministries of Foreign Affairs of the Participating States, or by representatives designated for that purpose. The Committee of Political Directors will be chaired by the representative of the host country and will meet every three months, for consultations, for the preparation and follow-up of the Summit and ministerial meetings and to carry out other activities in order to facilitate coordination and consultations on matters of common interest. It will report to the Ministers. The Committee may also be convened for sessions with the participation of the representatives of the full Participating States only.
6. The Chairmanship–in-Office will prepare and distribute before the Meeting of the Committee of Political Directors a draft report on the activities and on the agenda items. The Chair and the members may also present non-binding, informative working papers to the Committee.
7. Due to its role to facilitate coordination and consultation, the Committee will monitor the progress and developments on subjects mentioned in this Charter and on the implementation of the decisions taken by the Summits and ministerial meetings. It will also act as a focal point to prepare and facilitate the task of the Ministers to streamline and enhance cooperation and will conduct consultations on other issues brought to its attention.

8. The Committee of Political Directors may establish expert groups and task forces on areas of cooperation indicated in the ministerial decisions in consultation with the Secretary General of the Regional Co-operation Council (RCC).

9. The Regional Co-operation Council provides the SEECP with operational capabilities as well as with a forum for the continued involvement of the members of the international donor community engaged in the region, based on its agreed Statute endorsed by all Participating States.

10. Sectoral ministerial or high officials meetings may be organized upon decisions or recommendation of the Summit or Foreign Ministers meetings. The Sectoral meetings may be organized by the Participating State which launched such initiatives.

11. In order to assure the continuity of the activities, a Troika of the SEECP will be set up at the ministerial, political directors and other senior officials level. The Troika, formed by the representatives of the current, past and future SEECP Chair-in-Office, performs fact-finding and observation missions or any other tasks entrusted to them by the ministerial meetings. The Chair-in-Office may invite the Secretary General of the RCC to participate in the work of the Troika.

12. The Chair-in-Office will nominate a coordinator and the Participating States will nominate representatives, as contact points, in order to facilitate correspondence, to collect national contributions and relevant information. The Chair-in-Office or his/her representative will represent the SEECP in the meetings of other international organizations and regional initiatives, when invited.

13. Secretarial services will be provided by the Chairmanship-in-Office and the RCC Secretariat.

14. All decisions of the SEECP are taken by consensus of the Participating States, which is understood as absence of objection.

15. The SEECP Participating States are Members of the RCC and its Board. Within the RCC format they make sure that the Regional Cooperation Council performs and conducts activities in accordance with the basic
principles of this Charter and decisions of the SEECP meetings. The SEECP Participating States are represented within the RCC by National Coordinators or other designated senior officials.

16. The Annual Meeting of the RCC is held back-to-back with the SEECP Summit. The Annual Meeting is co-chaired by the Secretary General of the RCC and the Foreign Minister of the SEECP Chairmanship in Office (CiO), hosted by the SEECP CiO and prepared by the Secretary General in co-ordination with the SEECP CiO.

17. The RCC Board meetings are convened and prepared by the Secretary General of the RCC in coordination with the SEECP Chairmanship-in-Office.

18. The Secretary General of the RCC is appointed by the Ministers of Foreign Affairs of the SEECP and subject to the approval by the Heads of State and Government of the SEECP in accordance with the provisions of the RCC Statute, which also regulates dismissal procedures.

19. The Secretary General of the RCC presents the strategic aspects of his/her Annual Report to the SEECP Summit and, in principle, participates in the SEECP meetings at all levels.

20. The mandate, composition and other issues related to the functioning of the Regional Cooperation Council and its Secretariat and Secretary General are contained in the relevant statutory documents of the RCC.

21. The SEECP is open to the states of South Eastern Europe. These states could take part in the SEECP meetings as full participants or observers, as they may wish and following the decision of the Heads of State and Government.

22. The plenary sessions of the SEECP meetings may be attended by special invitees representing countries, international and regional organizations or initiatives. The invitations will be sent by the Chair-in-Office upon the agreement among the Participating States.

23. The observers and the special invitees to the SEECP plenary meetings may take the floor, with prior consultation with the Participating States.

24. The SEECP, through the Chair-in-Office, will maintain working contacts with other international and regional organizations or initiatives.

25. The Chair-in-Office may inform interested countries, as well as international and regional organizations or initiatives, on the SEECP common positions and the documents adopted.
3. REGIONAL COOPERATION COUNCIL

Joint Declaration on the Establishment of the Regional Co-operation Council

Representatives of the Participating States of the South East European Co-operation Process (SEECP), the United Nations Interim Administration Mission in Kosovo (UNMIK) on behalf of Kosovo in accordance with United Nations Security Council Resolution 1244, the European Union (EU), represented by the Troika, consisting of the EU Presidency, the European Commission and the Council Secretariat, as well as those donor countries, international organisations and international financial institutions substantially and actively engaged in support of regional co-operation in South Eastern Europe and represented at the meeting in Sofia on 27 February 2008 (ref. Annex I)

reaffirm that regional co-operation is an important tool for promoting stability, security and social and economic development in South Eastern Europe and that regional cooperation processes should continue and grow to the benefit of the region;

acknowledge the importance of regional co-operation as a means to address the common challenges faced by the countries of South Eastern Europe and a facilitator of further European and Euro-Atlantic integration;

recognise the contribution to date of the international community to enhancing regional co-operation in South Eastern Europe and the continued willingness to provide political, technical and financial support;

recognise the positive developments in South Eastern Europe in the past decade and the valuable role and contribution of the Stability Pact for South Eastern Europe in fostering stability, development and co-operation in the region;

underline the need to safeguard the significant achievements of the Stability Pact including the instigation and development of various co-operation processes in the fields of democracy, economic development, justice and home affairs and security;

note the successful co-operation of the countries of the region within the framework of the SEECP and their commitment to enhance its role in regional co-operation processes;

underline the importance of a structure dedicated to regional co-operation in South Eastern Europe to ensure the strategic co-ordination and development of regional processes in support of the SEECP as well as in co-ordination with the EU, NATO, international donors and financial institutions;

recall the decisions taken by the Stability Pact’s Regional Tables in Belgrade (May 2006) and Bucharest (November 2006), the SEECP Summit and the Regional
Table in Zagreb (May 2007) on the transformation of the Stability Pact into more regionally owned and led co-operation framework;

welcome the signing of the agreement on the host country arrangements in Plovdiv on 14 September 2007, providing the legal basis for the Secretariat of the Regional Cooperation Council;

declare their commitment to support the newly established Regional Co-operation Council in its activities and express their common understanding that:

1. the Regional Co-operation Council (RCC) is intended to sustain focused regional cooperation in South Eastern Europe through a regionally owned and led framework that also supports European and Euro-Atlantic integration;

2. the Statute of the RCC (ref. Annex II) is intended to be the foundation of its operations;

3. as specified in the RCC Statute, the RCC Board will provide operational guidance and supervision and the Board will consist of those RCC Members contributing to the budget of the RCC Secretariat as well as the EU represented by the Troika consisting of the EU Presidency, the European Commission and the Council Secretariat.

4. the RCC will function as a focal point for regional co-operation in South Eastern Europe and will provide political guidance to and receive substantive input from relevant regional task forces and initiatives active in specific thematic areas of regional cooperation;

5. the RCC, supported by the Secretary General, its Secretariat based in Sarajevo and its Liaison Office in Brussels, will provide the SEECP with operational capacities as well as act as a forum for the continued involvement of those members of the international donor community engaged in the region; and that

6. the RCC should focus its activities on the priority areas outlined in the statute – namely Economic and Social Development; Infrastructure; Justice and Home Affairs; Security Co-operation; Building Human Capital; as well as Parliamentary Co-operation as an overarching theme – and should maintain close working relations with all actors of relevance in these areas, e.g. governments, international organisations, international financial institutions, regional organisations, civil society and the private sector.

Annex I

Participants of the Regional Co-operation Council

- Albania;
- Austria;
- Bosnia and Herzegovina;
- Bulgaria;
- Canada;
- Council of Europe;
- Council of Europe Development Bank;
- Croatia;
- Czech Republic;
- Denmark;
- European Bank for Reconstruction and Development;
- European Investment Bank;
- European Union (EU), represented by the Troika, consisting of the EU Presidency, the European Commission and the Council Secretariat, as well as the European Parliament;
- Federal Republic of Germany;
- Finland;
- France;
- Greece;
- Ireland;
- Italy;
- Hungary;
- Latvia;
- Moldova;
- Montenegro;
- North Atlantic Treaty Organisation;
- Norway;
- Organisation for Economic Co-operation and Development;
- Organisation for Security and Co-operation in Europe;
- Poland;
- Serbia;
- Slovakia;
- Slovenia;
- South East European Co-operative Initiative;
- Spain;
- Sweden;
- Switzerland;
- Romania;
- The Former Yugoslav Republic of Macedonia;
- Turkey;
- United Kingdom;
- United Nations;
- United Nations Economic Commission for Europe;
- United Nations Development Programme;
- United Nations Interim Administration Mission in Kosovo (UNMIK) on behalf of Kosovo in accordance with United Nations Security Council Resolution 1244;
- United States of America;
- World Bank.
INTRODUCTION
1. The positive developments in South Eastern Europe (SEE) in the past decade and the need to safeguard the significant achievements of the Stability Pact for South Eastern Europe necessitate the development of a more regionally owned and led co-operation framework with continued support of the international community.

2. Based on decisions taken by the Stability Pact Regional Table in Belgrade (May 2006) and Bucharest (November 2006), the Summit of the South East European Co-operation Process (SEECP) and the Regional Table in Zagreb (May 2007) thus jointly decide to transform the Stability Pact for SEE into a Regional Cooperation Council (RCC). The final meeting of the Regional Table of the Stability Pact shall take place back-to-back with the first meeting of the RCC no later than February 2008.

TASKS OF THE RCC
3. The tasks of the RCC are defined as follows: to sustain focused regional cooperation in SEE through a regionally-owned and led framework; to provide political guidance to and receive substantive input from relevant task forces and initiatives active in specific thematic areas of regional co-operation; to promote European and Euro-Atlantic integration; and to provide guidance to the Secretariat of the RCC and its Secretary General.

4. The RCC should provide the SEECP with operational capacities through its Secretariat and task forces as well as act as a forum for the continued involvement of those members of the international donor community engaged in SEE.

PRIORITY AREAS FOR CO-OPERATION IN THE FRAMEWORK OF THE RCC
5. Priority areas for co-operation in the framework of the RCC are as follows:
   a. Economic and Social Development;
   b. Infrastructure;
   c. Justice and Home Affairs;
   d. Security Co-operation;
   e. Building Human Capital;
   f. as well as Parliamentary Co-operation as an overarching theme;
6. In the context of these priority areas, gender mainstreaming, social cohesion and the involvement of civil society actors will be important factors.

7. The RCC on recommendation of the Secretary General as well as in accordance with political guidelines of the SEECP Summit may decide to adapt these priority areas depending on developments in the region.

**MEETING FORMAT OF THE RCC**

8. The membership of the RCC consists of the participating states of the SEECP, the United Nations Interim Administration Mission in Kosovo (UNMIK) on behalf of Kosovo in accordance with United Nations Security Council Resolution 1244, the European Union, represented by the Troika, consisting of the EU Presidency, the European Commission and the Council Secretariat, as well as those donor countries, international organisations and international financial institutions actively and substantially engaged in support of regional co-operation in SEE.403 Requests for membership of the RCC require the consent of the existing members.

9. The Annual Meeting of the RCC is held back to back with the SEECP Summit. The Annual Meeting of the RCC is co-chaired by the Secretary General and the Foreign Minister of the SEECP Chairmanship in Office (CiO), hosted by the SEECP CiO and prepared by the Secretary General in coordination with the SEECP CiO. The Annual Meeting of the RCC meets at the level of Senior Civil Servants or above. It shall ensure the strategic coordination and development of the regional co-operation processes, review and endorse the Secretary General’s Annual Report on regional co-operation in SEE as well as the Strategic Work Programme for the following year. The RCC Annual Meeting is open to other countries, international organisations and partners as guests upon request to and/or the initiative of the Secretary General following the consent of the members of the RCC Board.

10. In between Annual Meetings of the RCC operational guidance and supervision of the RCC is provided by the RCC Board. The Board accepts the Annual Report of the Secretary General and adopts the Strategic Work Programme for the following year, supports the Secretary General in its

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403 Based on these criteria, Stability Pact partners actively and substantially engaged in support of regional cooperation in SEE are requested to indicate their interest to become a member of the RCC to the Special Coordinator of the Stability Pact by 15 November 2007. The Special Co-ordinator, after consultation with the Secretary General, will then make a proposal outlining the membership of the future RCC for endorsement at the final meeting of the Regional Table in February 2008.
implementation and reviews progress in the course of the year. The Board consists of those RCC members contributing to the budget of the RCC Secretariat as well as the European Union, represented by the Troika, consisting of the EU Presidency, the European Commission and the Council Secretariat. The RCC Board meets quarterly and is chaired by the Secretary General. RCC Board meetings are convened and prepared by the Secretary General in co-ordination with the SEECP CiO. The RCC Board meets at the level of RCC National Co-ordinators, which are Senior Civil Servants in each RCC member responsible for co-ordination of RCC relevant issues within their respective national administration.

11. The host of any particular meeting will bear all costs in connection with holding meetings unless otherwise decided or organised at the seat of the RCC Secretariat itself, while other participants will cover their expenses relating to travel and stay of their respective delegations.

12. Decisions of the RCC will be taken by consensus, which is understood as absence of objection.

**STRUCTURES OF THE RCC**

13. The Secretary General shall be a strong political figure from the region, with the ability to interact with donor states and international organisations and to work with governments in the region at the highest appropriate level, and shall have a record of successful engagement in regional co-operation. The mandate of the Secretary General shall be to:

a. Promote and facilitate the achievement of the RCC’s objectives, in particular to foster regional co-operation, to follow and co-ordinate regional co-operation activities and initiatives in SEE and to support European and Euro-Atlantic integration;

b. Chair the RCC Board’s quarterly meetings and co-chair the RCC’s Annual meeting with the SEECP CiO Minister of Foreign Affairs;

c. Head the RCC Secretariat, having executive authority with regard to staff operations, including personnel recruitment and management;

d. Maintain close, co-operative contacts with all members and partners of the RCC, and in particular with the participating states of the SEECP, as well as with relevant regional initiatives and organisations;

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For membership of the RCC Board, a minimum contribution of 50.000 Euro to the budget of the RCC Secretariat is required. Contributions for SEECP participating states and UNMIK/Kosovo are regulated in a separate document.
e. Provide support to the SEECP and its CiO through the RCC Secretariat, including by preparing meetings and conferences;
f. Take part in meetings of the SEECP at all levels;
g. Submit an Annual Report on regional co-operation in SEE and an Annual Strategic Work Plan to the RCC for review and endorsement;
h. Present the strategic aspects of this Annual Report to the SEECP Summit thus contributing to the elaboration of the political guidelines of the SEECP;
i. Co-operate closely with all institutions of the EU and its Member States in order to support the EU integration process of SEE and to contribute to the full complementarity of regional co-operation activities with the EU integration process;
j. Work closely with other international institutions and organisations, including international financial institutions, and the private sector in promoting regional co-operation in SEE, and support the involvement of civil society actors in regional co-operation processes;
k. Ensure that the RCC focuses on priority areas for regional co-operation.
l. Facilitate efforts to secure funding for regional co-operation activities under the auspices of the RCC.

14. The process of nominating a Secretary General is as follows:
   a. SEECP Participating States can propose one suitable candidate each to the SEECP CiO, according to the terms of reference outlined in the mandate of the Secretary General no later than 6 weeks before the SEECP Summit and through the SEECP CiO immediately consult with the RCC Board members and the SEECP Participating States on these candidates.
   b. Consultations are concluded 3 weeks before the SEECP Summit.
   c. The SEECP Committee of Political Directors makes a nomination proposal, taking into account those consultations no later than 2 weeks before the SEECP Summit.
   d. The nomination proposal is forwarded to the RCC Board for consideration and endorsement at the Annual Meeting the day before the SEECP Summit.
   e. Following the endorsement of the RCC Annual Meeting, the Secretary General is appointed by SEECP Foreign Ministers a day before the SEECP Summit.
   f. The SEECP Summit approves the appointment.
15. The Secretary General is appointed for 3 years with the possibility to extend his/her term by 2 years.

16. The mandate of the Secretary General can be discontinued by decision of the RCC Board based on the terms of his/her contract. The procedure for the dismissal of the Secretary General can be launched on request of at least two members of the RCC Board and requires a decision by consensus minus one of the RCC Board. It becomes effective subject to a written procedure among SEECP Participating States.

17. In case of incapacity or dismissal of the Secretary General, the RCC Board can take decisions necessary to ensure the functioning of the RCC Secretariat, including the appointment of an acting Secretary General until a formal decision on the succession is taken in accordance with article 14.

18. The Secretary General is responsible to the RCC Board for the appropriate use of funds made available to the budget of the RCC Secretariat. The administration and financial management procedures governing the budget of the RCC Secretariat, including an independent audit, are outlined in a separate document, based on agreement of the RCC Board.

19. The Secretariat of the RCC is directed by the Secretary General and supports the RCC as well as the SEECP in fulfilling their tasks by working towards the preparation and implementation of decisions of the RCC Annual Meeting and Board as well as decisions of SEECP Summits and/or Ministerial meetings. The Secretariat provides technical, organisational and analytical support to the Secretary General, the RCC Annual Meeting and Board as well as operational support — if required — in preparing SEECP Ministerial meetings and Summits. It provides a co-ordination framework for regional co-operation activities within SEE and acts as an information and focal point for such activities.

20. The Secretariat’s staff, with the exception of the Secretary General, should be recruited on a competitive basis in accordance with the competencies required, while taking into account gender and geographical balance as appropriate. In addition, the Secretary General may accept staff secondments for specific assignments.

21. The Secretary General shall designate, in consultation with the members of the RCC Board, a deputy from among the senior staff of the Secretariat to act on his behalf as necessary.

22. The Secretariat is located in Sarajevo and the host country agrees to provide it with the necessary legal basis.
23. The RCC Secretariat shall establish a Liaison Office in Brussels with European and Euro-Atlantic institutions, providing support to the SEECP consistent with article 4.

24. The working language of RCC meetings as well as of the Secretariat is English.

RELATIONSHIP BETWEEN THE RCC AND INDIVIDUAL TASK FORCES AND INITIATIVES

1. In order to pursue its goals in the specific priority areas, the RCC will monitor and where necessary facilitate the work of relevant regional co-operation taskforces and initiatives in SEE. In particular, the RCC will assist the taskforces/initiatives in gaining access to regional and international political, technical and financial support required to fulfil their objectives. Appropriate relationships will be established between the RCC and current and future individual taskforces/initiatives to ensure that their respective efforts are mutually reinforcing and avoid unnecessary overlap.
4. CEFTA 2006

Joint declaration
(Bucharest, December 2006)

PRIME MINISTERS,

REPRESENTING the Republic of Albania, Bosnia and Herzegovina, the Republic of Bulgaria, the Republic of Croatia, the Republic of Macedonia, the Republic of Moldova, the Republic of Montenegro, Romania, the Republic of Serbia and the Special Representative of the Secretary General, United Nations Interim Administration Mission on behalf of Kosovo acting pursuant to UNSC resolution 1244 (1999), on the occasion of their meeting in Bucharest on 19 December 2006 at the invitation of the Prime Minister of Romania;

WELCOMING that the Parties, following the Prime Ministers’ Declaration at the CEFTA meeting in Zagreb on 29 November 2005 and in response to the request by Prime Ministers on 6 April 2006 in Bucharest, have initiated and successfully concluded formal negotiations under the auspices of the Stability Pact for South Eastern Europe on the Agreement simultaneously providing for accession to CEFTA for the acceding Parties and amendment of CEFTA by all Parties to this Joint Declaration. The consolidated text of this Agreement is henceforth to be known as “CEFTA 2006”;

WELCOMING that the concluded CEFTA 2006 is characterised by modern and comprehensive provisions, a high level of liberalisation, efficient procedural arrangements and is open to all parties in the region under conditions mutually agreed upon;

RECALLING that regional co-operation is an integral component of the European Union’s relations with the region as indicated in the EU’s General Affairs and External Relations Council Conclusions of 20 March 2006 and that the future of the Western Balkan countries lies in the European Union, with membership as the ultimate goal in conformity with the Thessaloniki Declaration of June 2003;

RECALLING that CEFTA has contributed in the past to preparing members for accession to the European Union;

RECOGNISING the benefits that will accrue from the implementation of CEFTA 2006;

NOTING that CEFTA 2006, while marking the successful end of a negotiating process, should also constitute the beginning of a new era characterised by greater political stability, economic development and good neighbourly relations for all its Parties;
CONVINCED that CEFTA 2006 is also an appropriate framework to facilitate the Parties’ efforts to implement the economic reforms necessary for closer ties with the European Union and further integration into the multilateral trading system;

WELCOMING the assistance provided in the past by the international community to this end and looking forward to continued assistance in the future as the Parties increasingly exercise regional ownership.

We Prime Ministers therefore,

CONFIRM our willingness and ability to assume responsibility for developing and implementing trade policy in the region as part of the successive transfer to regional ownership of the activities of the Stability Pact for South Eastern Europe;

EXPRESS our full support for the signing today of CEFTA 2006 simultaneously providing for accession to CEFTA for the acceding Parties and amendment of CEFTA by all Parties to this Joint Declaration;

UNDERTAKE to make every effort necessary, in line with our respective constitutional requirements, to ratify CEFTA 2006 as quickly as possible ideally to allow CEFTA 2006 to enter into force by May 2007;

COMMIT to ensure the efficient and effective implementation of CEFTA 2006;

PLEDGE to continuously identify, review and eliminate non-tariff barriers to trade as part of CEFTA 2006;

UNDERTAKE to apply the common rules of origin provided for in CEFTA 2006, to seize the economic advantages that derive from them and to work towards participation in the Euro-Mediterranean zone of diagonal cumulation, as envisaged in the Communication of the European Commission of 27 January 2006;

AGREE that the signature of CEFTA 2006 opens a new era in our relations with each other, with the European Union and with the international community.

Adopted in Bucharest, on the 19th day of December in the year two thousand and six.

Republic of Albania
H. E. Mr. Sali BERISHA
Prime Minister

Bosnia and Herzegovina
H. E. Mr. Adnan TERZIC
Prime Minister, President of the Council of Ministers

Republic of Bulgaria
H. E. Mr. Roumen OVCHAROV
Minister of Economy and Energy
Republic of Croatia
H. E. Damir POLANCEC
Vice President of the Government
Republic of Macedonia
H. E. Mr. Zoran STAVRESKI
Vice President of the Government
Republic of Moldova
H. E. Mr. Vitalie VRABIE
Vice Prime Minister, Minister of Local Public Administration
Republic of Montenegro
H. E. Mr. Zeljko STURANOVIC
Prime Minister
Romania
H. E. Mr. Calin POPESCU-TARICEANU
Prime Minister
Republic of Serbia
H. E. Mr. Vojislav KOSTUNICA
Prime Minister
United Nations Interim Administration Mission in Kosovo
H. E. Mr. Joachim RUCKER
Special Representative of the UN Secretary General
# BASIC FACTS ABOUT REGIONAL INITIATIVES IN SEE

<table>
<thead>
<tr>
<th>Regional initiative</th>
<th>Date of establishment</th>
<th>Members/Participants</th>
<th>Format of the meetings</th>
<th>Legal status</th>
</tr>
</thead>
<tbody>
<tr>
<td>The South East European Cooperation Process – SEECP</td>
<td>6 July 1996</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Moldova, Montenegro, Romania, Slovenia, Serbia, Turkey.</td>
<td>Summit (annually), meetings of foreign ministers, the Committee of political directors, ministerial meetings by sectors</td>
<td>Political forum</td>
</tr>
<tr>
<td>Stability Pact for South-Eastern Europe – SPSEE (^{403})</td>
<td>10 June 1999 (ceased to be active on 27 February 2008)</td>
<td>A large number of countries and organisations. Beneficiary countries: Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Turkey.</td>
<td>Regional Table for SEE (biannually), 3 working tables, meetings of national coordinators with special coordinator</td>
<td>Negotiation forum</td>
</tr>
<tr>
<td>Regional Cooperation Council - RCC</td>
<td>27 February 2008</td>
<td>A large number of countries and organisations, all the countries of the region (participating in SEECP) along with UNMIK/Kosovo. The RCC Board is attended by contributors.</td>
<td>Annual meeting of the RCC, meetings of the Board, meetings of the national coordinators from the region. The Secretariat is based in Sarajevo with its Liaison office in Brussels.</td>
<td>Forum for dialogue and cooperation. The Secretariat has the status of a legal entity.</td>
</tr>
</tbody>
</table>

\(^{403}\) Initiatives that are no longer active
<table>
<thead>
<tr>
<th>Regional initiative</th>
<th>Date of establishment</th>
<th>Members/Participants</th>
<th>Format of the meetings</th>
<th>Legal status</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Black Sea Economic Cooperation - BSEC</td>
<td>25 June 1992</td>
<td>Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Serbia, Turkey, Ukraine.</td>
<td>The summit (biannually), meetings of foreign ministers (Council of ministers), Committee of senior officials. Permanent international secretariat – PERMIS (Istanbul)</td>
<td>International organisation</td>
</tr>
<tr>
<td>Central European Initiative - CEI</td>
<td>22 November 1989</td>
<td>Albania, Austria, Belarus, Bosnia and Herzegovina, Bulgaria, Czech Republic, Croatia, Hungary, Italy, Macedonia, Moldova, Montenegro, Poland, Romania, Slovakia, Slovenia, Serbia, Ukraine.</td>
<td>The summit (annually), meetings of foreign ministers, Committee of national coordinators. The Secretariat is based in Trieste and has the status of a legal entity.</td>
<td>Forum for consultations and cooperation.</td>
</tr>
<tr>
<td>The Danube Cooperation Process</td>
<td>27 May 2002</td>
<td>Austria, Bosnia and Herzegovina, Bulgaria, Czech Republic, Croatia, Hungary, Moldova, Germany, Romania, Slovakia, Slovenia, Serbia, Ukraine, as well as the European Commission and RCC.</td>
<td>Ministerial conferences biennially, meetings of high official of MFAs</td>
<td>Political forum</td>
</tr>
<tr>
<td>Regional initiative</td>
<td>Date of establishment</td>
<td>Members/Participants</td>
<td>Format of the meetings</td>
<td>Legal status</td>
</tr>
<tr>
<td>---------------------------------------------------------</td>
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<tr>
<td>The Adriatic Ionian Initiative - All</td>
<td>20 May 2000</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, Slovenia, Serbia</td>
<td>Council of foreign ministers (annually), meetings of the Committee of senior officials with full participation of the EC. The Secretariat is based in Ancona.</td>
<td>Forum for dialogue and cooperation.</td>
</tr>
<tr>
<td>Royaumont Process - RP*</td>
<td>13 December 1995</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, FRY, Hungary, Macedonia, Romania, Slovenia, Turkey along with 15 EU members, USA, Russia.</td>
<td>................................................................................................................................................</td>
<td>Political forum</td>
</tr>
<tr>
<td>South-East European Cooperation Initiative - SECI*</td>
<td>6 December 1996</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, FRY, Greece, Hungary, Macedonia, Moldova, Romania, Slovenia, Turkey</td>
<td>................................................................................................................................................</td>
<td>Forum for projects</td>
</tr>
</tbody>
</table>
### OVERVIEW OF THEMATIC REGIONAL INITIATIVES AND WORK GROUPS IN SEE

<table>
<thead>
<tr>
<th>Name</th>
<th>Main objective</th>
<th>Basic document</th>
<th>Participants</th>
<th>Headquarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Compact/SEE Investment Committee-SEEIC</td>
<td>The improvement of the investment climate in the region: implementation of the recommendations of the Investment Reform Index; monitoring and implementation of the Regional Investment Framework</td>
<td>SEE Investment Committee was formally inaugurated on 2 April 2007 on the basis of the ministerial declaration signed on 27 June 2006 in Vienna</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia.</td>
<td>Paris – Sarajevo</td>
</tr>
<tr>
<td>Central European Free Trade Agreement - CEFTA 2006</td>
<td>A modern and liberal free trade agreement that fosters further growth of exchange and competitiveness in the region.</td>
<td>Agreement was signed on 19 December 2006 in Bucharest, entered into force 26 July 2007</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia and UNMIK/Kosovo.</td>
<td>Brussels</td>
</tr>
</tbody>
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405 The Table has been made on the basis of the RCC document: *Strategy and Work Programme of the Regional Cooperation Council for 2011–2013, Annex 2: Overview of Regional Initiatives and Task Forces in SEE*, and data available from Internet.
<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td><strong>ECONOMIC AND SOCIAL DEVELOPMENT</strong></td>
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<tr>
<td>CEFTA Forum of Chambers of Commerce</td>
<td>Forum for promoting dialogue with the governments of the signatories and CEFTA structures</td>
<td>Chambers of commerce of Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia and UNMIK/Kosovo.</td>
<td>Rotating</td>
<td></td>
</tr>
<tr>
<td>Business Advisory Council - BAC</td>
<td>Advisory body for mediation in establishing contacts between foreign investors and governments in SEE countries.</td>
<td>Declaration on establishment adopted in Skopje on 11 December 2002.</td>
<td>International investors and business representatives from over 20 countries, including Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia, Turkey and UNMIK/Kosovo.</td>
<td>Thessaloniki</td>
</tr>
<tr>
<td>SEE Public Private Partnership Network - SEEPPPN</td>
<td>Coordinates regional exchange of knowledge and expertise on PPPs and proposes measures and projects for development of the PPP model in SEE.</td>
<td>Ministerial statement on PPP for infrastructure was signed on 25 September 2009 in Sarajevo.</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Romania, Serbia, Turkey and UNMIK/Kosovo.</td>
<td>Zagreb (temporarily)</td>
</tr>
<tr>
<td>Regional Network of National Investment Promotion Agencies in SEE - RNIPA</td>
<td>Promotes investment potential and encourages economic cooperation among the SEE countries.</td>
<td>Memorandum of understanding on the establishment of the RNIPA was signed on 8 June 2009 in Vienna.</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia.</td>
<td>Rotating</td>
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<tr>
<td>SEE Regional Network of Policy makers - IFC</td>
<td>Supports business environment reform in the region and strengthens the competitiveness of local and national economies.</td>
<td>On initiative of the International financial corporation (IFC) the network was established in 2007 at the Regional conference on business environment reform held in Zagreb.</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia.</td>
<td>Belgrade</td>
</tr>
<tr>
<td>e-SEE Plus Initiative</td>
<td>Integrating the SEE countries into the global knowledge-based economy by regionally supporting the development of Information society.</td>
<td>e-SEE Agenda+ was signed at Ministerial conference in Sarajevo on 29 October 2007. Initiative e-SEE was launched in Instanbul in 2000.</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia, and UNMIK/Kosovo.</td>
<td>Sarajevo</td>
</tr>
<tr>
<td>b-SEE Initiative</td>
<td>The development of a unified market of broadband networks in SEE.</td>
<td>MoU on b-SEE was signed at ministerial conference in Thessaloniki in June 2005.</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia, and UNMIK/Kosovo.</td>
<td>Sarajevo</td>
</tr>
<tr>
<td>Centre for e-Governance Development - Cadge</td>
<td>PPP effort to address training, educational, consulting and research issues related to transparent eGovernance throughout the region.</td>
<td>Center was established in January 2008 when MoU was signed.</td>
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<td>Ljubljana</td>
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<tr>
<td>SEE Trade Union Forum - SEETUF</td>
<td>To promote the social dimension of ongoing economic reforms in the region.</td>
<td>Established in 1999.</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Romania, Serbia, and UNMIK/Kosovo</td>
<td>Sarajevo/ Zagreb</td>
</tr>
<tr>
<td>Adriatic Region Employers’ Centre - AREC</td>
<td>The cooperation of employers with the aim to promote projects, cooperation and exchange of views and knowledge between partners in the region.</td>
<td>Established on 27 March 2008 when the Statute was adopted</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia.</td>
<td>Zagreb</td>
</tr>
<tr>
<td>Centre of Public Employment Services of SEE - CPESSC</td>
<td>To facilitate the exchange of information and experiences in providing services to employers and job-seekers and to improving the capacities of public employment services in SEE.</td>
<td>Established by a partnership protocol signed in 2006 in Sofia. Guidelines for cooperation were approved in 2007 in Belgrade.</td>
<td>Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Romania, Serbia, Slovenia and Turkey.</td>
<td>Rotating</td>
</tr>
<tr>
<td>SEE Employment and Social Policy Network - SEEEESPN</td>
<td>Regional mechanism for exchange of knowledge and good practice in the area of employment and social policy.</td>
<td>Network was established in 2007 based on the conclusions of the ministerial meeting in Budva (continuation of the Bucharest process from 2003).</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia, and UNMIK/Kosovo</td>
<td>Rotating</td>
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<tr>
<td>Association of Balkan Chambers</td>
<td>Established in 1994 with the aim of assisting business activities and contacts in the Balkans.</td>
<td>Albania, Bulgaria, Greece, Macedonia, Montenegro, Romania, Serbia and Turkey.</td>
<td>Rotating</td>
<td></td>
</tr>
<tr>
<td>SEE Women Entrepreneurs Network</td>
<td>To support entrepreneurship in SEE, building an environment conducive to women in business.</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Montenegro, Romania, Serbia and Turkey.</td>
<td>To be established</td>
<td></td>
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<tr>
<td>SEE Health Network - SEEHN</td>
<td>To coordinate, implement and evaluate the commitments of Dubrovnik Pledge and its regional projects for developing health policy and services.</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Romania, Serbia.</td>
<td>Skopje</td>
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</tr>
<tr>
<td>Regional Rural Development Standing Working Group - RRDSWG</td>
<td>Platform for regional cooperation in the field of agriculture, food, rural economic development and trade with agro products.</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Romania, Serbia and UNMIK/Kosovo</td>
<td>Skopje</td>
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## Regional initiatives and multilateral cooperation in the Balkans

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<tr>
<td><strong>ENERGY AND INFRASTRUCTURE</strong></td>
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<tr>
<td>Energy Community</td>
<td>The region’s integration into the internal EU market for electricity and gas</td>
<td>Treaty establishing the Energy Community was signed in Athens 25 October 2005, entered into force 1 July 2006.</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, UNMIK/Kosovo and the EU.</td>
<td>Secretariat in Vienna</td>
</tr>
<tr>
<td>SEE Transport Observatory – SEETO/Transport Community</td>
<td>To promote cooperation in the development of regional transport infrastructure integrated into the European transport corridors.</td>
<td>MoU on development of the SEE core regional transport network signed in June 2004 (REBIS)</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia, UNMIK/Kosovo and European Commission.</td>
<td>SEETO - Belgrade</td>
</tr>
<tr>
<td>European Common Aviation Area Agreement - ECAA</td>
<td>The integration of SEE into the EU Internal aviation market</td>
<td>Agreement on establishment of European Common Aviation Market signed in June 2006.</td>
<td>EU and its member states, Iceland, Norway and SEE partners Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia, UNMIK/Kosovo.</td>
<td></td>
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<tr>
<td>ISIS Programme Secretariat</td>
<td>Initiative of the EC and the Stability Pact for SEE to extend the Trans-European networks to SEE and in support to ECAA agreement implementation.</td>
<td>ISIS Programme was signed 22 April 2008 in Stockholm.</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Romania, Serbia, UNMIK/Kosovo, EC, SPSEE/RCC</td>
<td>Brussels</td>
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<tr>
<td><strong>REGIONAL ENVIRONMENTAL CENTRE - REC</strong></td>
<td>The promotion of project-oriented cooperation among governments, NGOs, business and others in the field of environmental protection.</td>
<td>REC was founded in 1990 by the USA, EC and Hungary. Work of REC is legally based on a charter signed by the governments of 29 countries and EC.</td>
<td>In all 17 beneficiary countries field-offices were established as well as in Kosovo in accordance with UNSCR 1244.</td>
<td>Szentendre</td>
</tr>
<tr>
<td><strong>REGIONAL ENVIRONMENTAL NETWORK FOR ACCESSION - RENA</strong></td>
<td>The Network that prepares countries of the region for the adoption of the ambitious acquis communautaire in the field of environment.</td>
<td>Established in 11 June 2007 by decision of the ministers for environment from the countries of the region.</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia, Turkey, UNMIK/Kosovo</td>
<td></td>
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<tr>
<td><strong>INTERNATIONAL SAVA RIVER BASIN COMMISSION - ISRBC</strong></td>
<td>The implementation of the Framework Agreement on the Sava River Basin (FASRB), elaboration of the action plan and adoption of necessary legal acts and related protocols.</td>
<td>International Commission was established in June 2005.</td>
<td>Signatories of the FASRB: Slovenia, Croatia, Bosnia and Herzegovina and FR Yugoslavia.</td>
<td>Zagreb</td>
</tr>
<tr>
<td><strong>NETWORK OF ASSOCIATIONS OF LOCAL AUTHORITIES OF SEE-NALAS</strong></td>
<td>Promotes the process of decentralisation in cooperation with central governments and international organisations.</td>
<td>Established in 2001 under the auspices of the Stability Pact for SEE and Council of Europe</td>
<td>15 associations from the Western Balkan countries, Bulgaria, Moldova, Romania, Slovenia, Turkey (about 400 local authorities)</td>
<td>Skopje</td>
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<tr>
<td><strong>Disaster Preparedness and Prevention Initiative for SEE - DPPI</strong></td>
<td>Regional framework for SEE countries to develop programmes and projects leading to strengthened capabilities to prevent and respond to natural and man-made disasters.</td>
<td>MoU on establishing institutional framework for DPPI functioning was signed on 24 September 2007 in Zagreb.</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Moldova, Montenegro, Romania, Serbia, Slovenia and Turkey</td>
<td>Sarajevo</td>
</tr>
<tr>
<td><strong>Centre for Security Cooperation - RACVIAC</strong></td>
<td>Legal successor of the Regional Arms Control Verification and Assistance Centre (RACVIAC). Main mission is to foster dialogue and cooperation on security matters in SEE.</td>
<td>The new Agreement on RACVIAC was signed on 14 April 2010.</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Greece, Macedonia, Montenegro, Serbia and Turkey</td>
<td>Rakitje/Zagreb</td>
</tr>
<tr>
<td><strong>South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons - SEESAC</strong></td>
<td>Joint project between the RCC and UNDP assisting SEE governments with implementation of the 2001 Regional plan for combating the proliferation and impact of small arms and light weapons (2001-SALW).</td>
<td>Established in May 2002 in Belgrade.</td>
<td></td>
<td>Belgrade</td>
</tr>
<tr>
<td><strong>South East Defence Ministerial - SEDM</strong></td>
<td>To strengthen the mutual understanding and political-military cooperation in the region in order to enhance stability and security in SEE.</td>
<td>Initiated in 1996</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Italy, Macedonia, Montenegro, Romania, Serbia, Slovenia, Turkey, Ukraine and USA. Georgia and Moldova have observer status.</td>
<td>Skopje</td>
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<tr>
<td><strong>SECURITY</strong></td>
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<tr>
<td>SEE Clearinghouse - SEECC</td>
<td>The aim is to coordinate efforts of donators offering assistance to NATO (PfP) candidates in the region, intended to accelerate the Euro-Atlantic integration process.</td>
<td>Initiated by EUCOM and Slovenia in 2004</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia</td>
<td>Three regional centres: Nuclear, biological, chemical defence centre in Kruševac (Serbia); Media training centre in Skopje and Peace support operations training centre in Sarajevo</td>
</tr>
<tr>
<td>The United States- Adriatic Charter</td>
<td>The Charter is a diplomatic project with the aim to improve cooperation oriented to the Euro-Atlantic integration.</td>
<td>Initially MFAs of Albania, Croatia and Macedonia signed with USA the Charter on partnership in 2003.</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro and USA. Occasionally Serbia and Slovenia.</td>
<td>Rotating Presidency</td>
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<tr>
<td><strong>JUSTICE AND HOME AFFAIRS</strong></td>
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<tr>
<td>Migration, Asylum, and Refugees Regional Initiative - MARRI</td>
<td>Migration management, border management, asylum, visa policies and consular cooperation as well as refugee return in line with European standards and practice.</td>
<td>MARRI Centre was established in 2004.</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro and Serbia have representatives in MARRI Centre</td>
<td>Skopje</td>
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<tr>
<td>Women Police Officer network - WPON</td>
<td>Networking of female police officers from 9 states with the aim of career building, gender equality, raising awareness on the status of women in police.</td>
<td></td>
<td>Albania, Bosnia and Herzegovina (Federation and Republic of Srpska), Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia.</td>
<td>To be established</td>
</tr>
<tr>
<td>Regional Anti-Corruption Initiative - RAI</td>
<td>Intensifying cooperation in combating corruption, especially the drafting and implementation of a comprehensive regional strategy.</td>
<td>Established in 2000 by ministers of justice. New MoU on financial aspects of the Secretariat’s work was signed in April 2007 in Zagreb.</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia and UNMIK as an observer.</td>
<td>Sarajevo</td>
</tr>
<tr>
<td>Convention on Southeast European Law Enforcement Centre - SELEC (SECI Regional Centre for Combating Trans-border Crime)</td>
<td>SECI Centre/SELEC is a law enforcement organisation with the mission to strengthen the capacity to combat trans-border crime.</td>
<td>Agreement on SECI Centre was signed in 1999 in Bucharest and in December 2009 the Convention on SEE law enforcement centre was signed.</td>
<td>SECI/SELEC members: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Montenegro, Romania, Serbia, Slovenia, Turkey. Observer status will have 23 countries and organisations.</td>
<td>Bucharest</td>
</tr>
<tr>
<td>Secretariat of South East Europe Police Cooperation Convention</td>
<td>To improve judiciary and police cooperation in SEE in concrete matters.</td>
<td>Convention was signed during the Austrian EU Presidency in 2006 in Vienna</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia.</td>
<td>Ljubljana</td>
</tr>
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<tr>
<td>SEE Police Chiefs’ Association - SEPCA</td>
<td>To support reforms of police in SEE countries, to build up public security in the region.</td>
<td>Established in Pula in January 2002, the Statute was signed in 2007.</td>
<td>Albania, Bosnia and Herzegovina (Federation and Republic of Srpska), Bulgaria, Croatia, Macedonia, Montenegro, Serbia and Canada.</td>
<td>Sofia</td>
</tr>
<tr>
<td>South East European Prosecutors Advisory Group - SEEPAG</td>
<td>Regional operational network that facilitates prosecutors’ cooperation and mutual legal assistance. Provides operational support and legal assistance to the SECI center in investigation of trans-border organised crime.</td>
<td>Group was founded on 12 December 2003 in Belgrade by signing of Declaration.</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Moldova, Montenegro, Romania, Serbia, Slovenia.</td>
<td>Bucharest</td>
</tr>
<tr>
<td>Western Balkans prosecutors’ Network - PROSECO</td>
<td>Cooperation in repressing, investigating and prosecuting perpetrators of organised crime and all other forms of serious crime, criminal groups and criminal associations.</td>
<td>Established in 2005 by signing MoU by Chief prosecutors of 6 countries.</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia</td>
<td></td>
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<tr>
<td>Police Forum</td>
<td>Support to the police reform through 3 projects: Regional police training, Network for training for the fight against organized crime and Stolen vehicles.</td>
<td>Established in 2000.</td>
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<tr>
<td>Task Force Fostering and Building Human Capital</td>
<td>To promote coherence and coordination between education, research and science by creating a platform for dialogue and cooperation.</td>
<td>Established in June 2008 on the basis of MoU of ministers responsible for education, science and technology in SEE (Istanbul 2007)</td>
<td>Large number of members: members of the RCC Board, signatories of the Istanbul MoU, members of the ERI SEE and others.</td>
<td>Vienna, Zagreb, Bucharest</td>
</tr>
<tr>
<td>RCC Gender Task Force (GTF)</td>
<td>To promote equal and active role of women in political, social and public life in SEE</td>
<td>MoU on Initiative for education reform was signed in December 2003 in Tirana. Establishment of ERI SEE Agency is planned.</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia and UNMIK/Kosovo.</td>
<td>Zagreb</td>
</tr>
<tr>
<td>Education Reform Initiative of SEE - ERI SEE</td>
<td>Improved cooperation in the field of education, research and youth and support to the inclusion in the EU programmes, especially Life Long Learning programme.</td>
<td>MoU on Initiative for education reform was signed in December 2003 in Tirana. Establishment of ERI SEE Agency is planned.</td>
<td>Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia and UNMIK/Kosovo.</td>
<td>Zagreb, to be moved in Belgrade</td>
</tr>
<tr>
<td>South East European Centre for Entrepreneurial Learning - SEECEL</td>
<td>To support countries of the region in the alignment of policies and practice in lifelong entrepreneurial learning with the EU standards.</td>
<td>Established in July 2009 in the framework of SEE countries implementation of the Charter of small and medium enterprises.</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia, Turkey and UNMIK/Kosovo</td>
<td>Zagreb</td>
</tr>
<tr>
<td>Regional School of Public Administration - ReSPA</td>
<td>Strengthening administrative capacity and developing human resources in line with principles of the European Administrative Space.</td>
<td>Protocol on cooperation was signed at the ministerial level on 2 May 2006 in Brussels.</td>
<td>Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and UNMIK/Kosovo</td>
<td>Danilovgrad</td>
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<tr>
<td><strong>BUILDING HUMAN CAPITAL</strong></td>
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<tr>
<td>Novi Sad Initiative</td>
<td>Cooperation in the field of higher education in line with goals and policy of the European higher education area (structural reform in HE).</td>
<td></td>
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<td>Novi Sad</td>
</tr>
<tr>
<td>Ljubljana Process</td>
<td>Protection and renewal of cultural heritage in SEE. Implementation of the project “Integrated renewal of the architectural and archeological heritage in SEE countries” (2003).</td>
<td>Initiated in 2008 by the EC and CoE. Workgroup for culture and society was established in September 2010 with the task to coordinate LJP.</td>
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<td><strong>PARLIAMENTARY COOPERATION</strong></td>
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<tr>
<td>Regional Secretariat for Parliamentary Cooperation in SEE - RSPC SEE</td>
<td>Coordinates all regional parliamentary activities and donor’s assistance, informs on parliamentary cooperation in the region.</td>
<td>Established by MoU on parliamentary cooperation in SEE signed on 14 April 2008.</td>
<td>SEECP participating countries</td>
<td>Sofia (Bulgarian Parliament)</td>
</tr>
<tr>
<td>Cetinje Parliamentary Forum</td>
<td>Original regional initiative focused on promotion of the parliamentary dialogue and cooperation.</td>
<td>Founding meeting was held on 8-9 February 2004.</td>
<td></td>
<td>Cetinje</td>
</tr>
</tbody>
</table>
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