



*FUNDATIA PENTRU SCHIMBARI
DEMOCRATICE*

FOUNDATION FOR DEMOCRATIC
CHANGE

„Peace and Development: the new challenges for SEE NGOs“

Training Manual

July, 2003

Chapter 1

1.1. Political environment and regional tools for stability and development

About the Stability Pact

On 10 June 1999, at the EU's initiative, the Stability Pact for South Eastern Europe was adopted in Cologne. In the founding document, more than 40 partner countries and organisations undertook to strengthen the countries of south eastern Europe "in their efforts to foster peace, democracy, respect for human rights and economic prosperity in order to achieve stability in the whole region". Euro-Atlantic integration is promised to all the countries in the region. At a summit meeting in Sarajevo on 30 July 1999, the Pact was once again solemnly sealed.

The Stability Pact is the first serious attempt by the international community to replace the previous, reactive crisis intervention policy in South Eastern Europe with a comprehensive, long-term conflict prevention strategy. The idea for the Stability Pact arose in late 1998 and thus predates the Kosovo war. But the NATO intervention undoubtedly acted as a catalyst in strengthening international political will for co-ordinated and preventative action in the region.

The Stability Pact is based on key experiences and lessons from worldwide international crisis management. Conflict prevention and peace building can be successful only if they start in parallel in three key sectors: the creation of a secure environment, the promotion of sustainable democratic systems, and the promotion of economic and social well-being. Only if there is progress in all three sectors can a self-sustaining process of peace get underway.

Special Co-ordinator, Regional Tables and Working Tables

The Stability Pact is a political declaration of commitment and a framework agreement on international co-operation to develop a shared strategy among all partners for stability and growth in South Eastern Europe. The Stability Pact is not, therefore, a new international organisation nor does it have any independent financial resources and implementing structures.

Organisationally, the Stability Pact relies on the Special Co-ordinator, Bodo Hombach, and his some 30-member team. His most important task is to bring the participants' political strategies in line with one another, to co-ordinate existing and new initiatives in the region and, thereby, to help avoid unnecessary duplication of work. The headquarters of the Special Co-ordinator and his office are in Brussels.

The Special Co-ordinator chairs the most important political instrument of the Stability Pact, the Regional Table.

There are three Working Tables which operate under the Regional Table:

Working Table I: Democratisation and Human Rights;

Working Table II: Economic Reconstruction, Co-operation and Development;

Working Table III: Security Issues (with two Sub-Tables:

Security and Defence and
Justice and Home Affairs).

The structure and working methods of the Stability Pact are modelled on the CSCE process. A special feature is that at Regional and Working Tables, representatives of the south eastern European countries are, for the first time, on an equal footing with those of international organisations and financial institutions in advising on the future of their region and in jointly setting priorities concerning the content of all three working areas.

The European Commission and World Bank were appointed to co-ordinate the economic assistance measures for the region. They jointly chair a High-Level Steering Group in which the finance ministers of the G8 countries and of the EU, together with the representatives of international financial institutions and organisations and the Special Co-ordinator work together.

What does European Perspective mean?

In the founding document, the EU, which has assumed a leading role in the Stability Pact, undertakes to draw south eastern Europe "closer to the perspective of full integration...into its structures", including eventual full membership. The European Union and its Member States are also the most important donors in the region. Since 1991, the EU has raised over 9 billion Euros through its various aid programs.

Moving toward European structures includes, in principle, the possibility of full membership in the EU. Countries wishing to be admitted must, however, first meet the minimum conditions defined by the Council on 29 April 1997 concerning democratic, economic and institutional reforms.

As a contribution to the Stability Pact and an interim step towards membership, the European Union set up a new generation of Stabilisation and Association Agreements. They are aimed at the five south eastern European countries which still have no contractual relationship with the EU, i.e. Albania, Bosnia-Herzegovina, Croatia, the Federal Republic of Yugoslavia and Macedonia. The EU signed the first SAA agreement with Macedonia in April 2001. A similar agreement with Croatia was initialled in May 2001.

The intention is to increase economic, political and social co-operation between the EU and the countries through a new instrument, the aid regulation CARDS (Community Assistance for Reconstruction, Democratisation and Stabilisation). A financial amount of 4.65 billion Euros will be allocated over the period 2000-2006 to accompany and support the reforms of the countries concerned.

At the EU summit meeting in Helsinki in December 1999, Bulgaria and *Romania*, which already have association agreements (Europe Agreements) with the EU, were admitted to full negotiations on membership with the EU.

Democratisation and Human Rights

The Stability Pact's stabilisation policy is not only about economic development. Without democratic institutions that work effectively and the democratic development of a state under the rule of law there can be no long-term economic development and prosperity. Equally, democratisation and non-discrimination are also fundamental preconditions to guaranteeing internal and external security. In this context, *Working Table I* has focused on the following:

The Human Rights and Minorities Task Force has drawn up a comprehensive program for the promotion of multiethnic co-existence and for the protection of minorities.

The Good Governance Task Force, chaired by the Council of Europe, has focused on the development of local governments, the appointment of ombudsmen and women and the reform of the public administration.

The Education and Youth Task Force deals with university education and vocational training, the teaching of history (school books), youth issues and democratic civics.

The Gender Task Force is devoted chiefly to achieving equality and the appropriate representation of women in public life as well as enabling women to take part in the political process (empowerment). The percentage of women elected in national parliaments increased, as well as the percentage of women appointed to the highest executive positions. For the first time gender equality mechanisms were established in Bosnia-Herzegovina, Bulgaria and Serbia/Vojvodina (FRY).

Parliamentary co-operation is sponsored by the European Parliament and the Parliamentary Assemblies of the CoE and the OSCE. It supports Stability Pact activities in all three Working Tables.

In October 2000, Working Table I adopted a charter on NGO-government partnership in the region. Partners will promote the development of NGOs and civic initiatives, adopt respective legislation, and promote state-NGO partnerships on a sustained and systematic basis.

In June 2000, the Regional Table adopted the Media Charter followed by an Action Plan with the aim of protecting the independence of the media and supporting the training of journalists.

Economic Reconstruction, Development and Co-operation

In its strategy paper "*The Road to Stability and Prosperity in South Eastern Europe*" in March 2000, the World Bank formulated the medium and long-term economic development goals of the Stability Pact. The goals are defined as follows:

Private sector development, especially through the liberalisation of trade between the countries of south eastern Europe and the European Union, through the improvement of the business regulatory environment and the improvement of the financial sector;

Poverty reduction and social development, especially through policies to foster social cohesion and inclusion; policies to encourage democratic and participatory processes, and; policies to strengthen social protection as well access to, and the performance of, the social services.

Institutional development and governance, especially through the improvement of institutional and administrative efficiency and by addressing the problem of corruption;

Increased investment in infrastructure

Improvements in environmental protection.

Against this backdrop, Working Table II saw the *following initiatives* undertaken:

The European Commission, the European Investment Bank (EIB) and the EBRD presented a comprehensive plan for the development of regional infrastructure (transport, energy, telecommunications and water supply).

Preparations have started for a second round of infrastructure projects.

With the adoption of the Investment Compact in February 2000, south eastern European countries undertook to introduce free market economy reforms and to improve the climate of investment. With the help of the OECD, every country drew up a specific list of reforms. In accordance with the deadlines specified in the plan of action, implementation has started in summer 2000.

The EBRD is developing a strategy to promote the private sector, particularly small and medium-sized enterprises and those focusing on foreign trade.

In January 2000, 20 high-level representatives from the European Union, the USA, Canada, Japan and south eastern European countries founded the *Business Advisory Council*, which works, in particular, for the improvement of the investment climate in the countries of the region, and helps ensure the implementation of the Investment Compact.

A Task Force lead by the EC is working on the development and the implementation of environmental program.

An E-South East Europe Initiative, focusing on e-government, e-commerce and e-education, has been developed to help countries in SEE to seize opportunities offered by new technologies.

Under the chairmanship of France, the Social Dimension Initiative attempts to foster increased access to social rights and infrastructures (social protection, health, housing); *social dialogue between governments, employers and workers, as well as employment policy and vocational training.*

Strengthening of Internal and External Security

Through its two Sub-Tables, Working Table III deals with questions of both internal and external security. The aim is to establish transparency and predictability and to promote regional co-operation in those two areas with the focus increasingly directed to the area of Security Sector Reform.

The *Sub-Table on Security and Defence* mainly deals with the following areas:

In the context of arms control and non-proliferation, Stability Pact partners co-operate work on issues such as exchange of military information, notification and observation of military activities, restrictions on the location of heavy weapons, notification of the dissolution of special operations forces, and verification and inspection regimes, inter -alia through the Stability Pact initiated RACVIAC centre in Zagreb with eighteen participating countries.

The Regional Mine Action Support Group is a forum for co-ordination and information sharing in the area of mine action between the mine-affected countries of the region and other participants of the Stability Pact.

Working Table III also pursues the objective of developing a unified regional approach to fight the excessive and uncontrolled circulation of small arms and light weapons in the region.

The *Sub-Table of Justice and Home Affairs* deals primarily with the following:

Intensified efforts by the countries of the region are to be undertaken within the framework of the Anti Corruption Initiative (SPAI) and the Stability Pact Fight against Organised Crime Initiative (SPOC). Particular attention is given to the issue of trafficking in human beings through the three-year action plan of the Task Force against Trafficking in Human Beings.

In the wider context of internal security sector reform, the importance of police training and regional co-operation of police and border police forces has received wide acknowledgement by Stability Pact partners. Two initial Stability Pact regional police training courses will be held in the second half of 2001.

Drawing Lessons from the Marshall Plan

In the implementation of the Stability Pact, important lessons are being drawn from the Marshall Plan and other post World War Two reconstruction programs. Donor processes throughout the world have shown that they can be less than positive. Up to a third of internationally promised funds are never paid. Often, too much time goes by before promised financial aid and credits can be released and implemented in concrete projects.

Both donors and aid recipients are usually to blame:

On the donor side, bureaucratic procedures and co-ordination problems can lead to duplication and mismanagement. And the priorities set (occasionally by internal policy) by the donors are not always congruent with the needs of the recipients. As a result, financial loopholes often arise in important areas.

On the recipient side, on the other hand, there is often a lack of the institutional and legislative preconditions needed to ensure that foreign money is invested in a targeted and controllable way. It is also often forgotten that every country has only limited potential for absorption in order to avoid distortions (such as, for instance, corruption or the dependency syndrome).

The Stability Pact therefore works as a *two-way street*. In order to receive support from the international community, the *recipient countries must first implement appropriate reforms*. The south eastern European governments, for example, have undertaken to carry out economic reforms (dismantling of trade and investment barriers) and to fight corruption and organised crime within the context of the Stability Pact. In exchange, the donors have undertaken to support the construction process in a co-ordinated way through assistance and credits.

It is not the amount of the money that is, in the end, decisive for the success of aid. Rather, it depends on the activities to which the funds are directed. In other words, as far as support is concerned, it is not so much a matter of "how much" but "what for".

The Stability Pact partners therefore came to the understanding to first set priorities regarding content before raising funds. At the first meeting of the Regional Table in September 1999, a *preliminary work plan* was adopted.

The second Regional Table meeting (June 2000) saw the wide-ranging "*Agenda for Stability*" adopted. A further streamlining of ac-trinities is underway. Financial pledges have been linked to concise projects - several hundred projects were examined within all three Working Tables in the run-up to the Funding Conference. The projects selected were com-piled into the Quick Start Package and were recommended for funding at the Funding Conference.

Quick Start Package and Funding Conference

The first Regional Funding Conference took place on 29 and 30 March 2000 in Brussels. The Special Co-ordinator presented a "Quick Start Package" to the donor community. The Package consisted of 244 projects, from all three working Tables, with a value of 1.8 billion Euro. Most of the projects in the Package were proposed by the south eastern European countries and in most cases involved more than one country. The implementation of the projects was to start within 12 months.

At the finance conference, the donor community undertook to provide approximately 2.4 billion Euros to finance the Quick Start projects. The sum pledged exceeded all expectations.

One year later, the implementation of the Quick Start Package (QSP) is showing encouraging results. Out of 244 projects of all three Working Tables, 201 (82 %) have effectively started.

All in all, the QSP has proved to be a very important instrument to generate momentum for the Stability Pact and to mobilise additional funds for the region. The second Regional Conference will be held on 25-26 October 2001 in Bucharest.

(As of: June 2001)

The Stability Pact Partners

- The European Union Member States and the European Commission
- The countries of the region and their neighbours: Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Macedonia, Hungary, Romania, Slovenia, Yugoslavia and Turkey, Moldova
- Members of the G8: USA, Canada, Japan and Russia
- Other countries: Norway and Switzerland
- International organisations: UN, OSCE, Council of Europe, UNHCR, NATO, OECD, WEU
- International financial institutions: World Bank, International Monetary Fund (IMF), European Bank for Reconstruction and Development (EBRD) and European Investment Bank (EIB), CoE Development Bank
- Regional initiatives: Black Sea Economic Co-operation (BSEC), Central European Initiative (CEI), South East European Co-operative Initiative (SECI) and South East Europe Co-operation Process (SEECP)

Organisation of Working Tables

Successful Mediation in the Dispute about the Danube Bridge

On 7 February 2000, mediation by the Special Co-ordinator succeeded in settling a dispute that had lasted for over a decade between Romania and Bulgaria over the location of a second bridge between the two countries over the Danube at Vidin - Calafat. On 27 March 2000, the Prime Ministers of both countries signed a joint declaration; on 5 June 2000 a technical agreement was concluded. The first loan contract with the EIB was signed on 8 December 2000. A bilateral Bulgarian-Romanian Joint Committee has started to work.

The Szeged Process to support the democratic forces in Serbia

The Federal Republic of Yugoslavia was excluded from the activities of the Stability Pact as long as the political leadership in Belgrade flouted the principles of the Stability Pact. In October 1999, an initiative to support the democratic forces of Serbia was brought into being in the southern Hungarian town of Szeged. Since then, within the framework of the "Szeged Process", more than 40 partnerships have been concluded with cities and local authorities governed by opposition parties in Serbia. Further, Serbian municipalities and independent media received financial and technical support. Following the democratic changes the FRY became a full and equal participant of the Stability Pact on 26 October 2000. The FRY has been included in all existing activities of the Stability Pact. In March 2001, the partnership program has been extended beyond the original beneficiary FR of Yugoslavia to FYR of Macedonia, Bosnia & Herzegovina, and Albania.

Resolving Refugee Matters: The Agenda for Regional Action (AREA)

Under the auspices of the Stability Pact, Croatia, Bosnia and Herzegovina and Yugoslavia agreed to jointly resolve the fate of the more than 1.2 million refugees and displaced persons.

On 27 June 2001, a Stability Pact brokered agreement on regional return, "Agenda for Regional Action" (AREA), was launched. The document, a roadmap for international assistance and activities provides for a comprehensive framework and timetable for resolving, among other issues, housing and property, citizenship, and economic reconstruction in the coming 2-3 years.

Towards a Free Trade Area in SEE

On 27 June, Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Macedonia, Romania and Yugoslavia signed a memorandum of understanding for liberalising trade and lowering tariff barriers. It provides for the establishment of a network of Free Trade Agreements for Southeast Europe by the end of 2002. It will enlarge regional market size considerably to 55 million consumers, creating better conditions for private investment and economic growth. This is substantial progress with regard to broader, longer term integration of the countries in South Eastern Europe into EU structures.

Disaster Preparedness and Prevention Initiative (DPPI)

DPPI offers a framework for regional co-operation in the field of determining disaster risks and improving preparedness and prevention capabilities. The DPPI assessments have been completed and implementation strategies are being finalised. One of the first "on site" activities will be held in Croatia in the summer of 2002. Known operationally as "Taming

the Dragon-Dalmatia 2002" this regional fire-fighting exercise involves the Partnership for Peace and NATO's Euro-Atlantic Disaster Response Co-ordination Centre (EADRCC).

Migration and Asylum Initiative (MAI)

In April 2001, Stability Pact partners agreed to establish a Partnership Program between EU-countries, EU-accession countries, other Stability Pact partner-countries, and SAP countries to build up capacities and improve the legislative environment with a view to facilitating legislative reform and capacity building as a primary mechanism for European integration. They will be assisted by the Council of Europe, ICMPD, IOM, UNHCR and the Stability Pact Support Unit.

Regional Co-operation is Taking Shape

Since the Stability Pact was founded, the Heads of State and Government of the south eastern European countries have met regularly for consultation in the framework of the South East Europe Co-operation Process (SEECF). At the Bucharest Summit in February 2000, they adopted a "Charter on Good Neighbourliness, Stability, Security and Co-operation in South East Europe". In February 2001, the SEECF adopted the Regional Economic Action Plan.

Stability Pact at Work

Regional Table

Regional Table Meetings

Working Table I

- Human Rights and National Minorities
- Good Governance
- Gender Issues
- Media Task Force
- Education and Youth
- Parliamentary Cooperation
- Refugee Matters
- The Szeged Process to support democratic forces in the FRY

Working Table II

- Regional Infrastructure
- Private Sector Development
- Intraregional Trade
- Investment Compact
- Business Advisory Council
- *Environmental Issues*
- e-SEEurope
- Initiative for Social Cohesion

Working Table III

Sub-Table on Defence and Security Issues

- Non-Proliferation, Arms Control and Disarmament
- Defence Economics
- Mine Action
- Small Arms and Light Weapons
- Disaster Preparedness and Prevention

Sub-Table on Justice and Home Affairs

- Anti-Corruption
- Organized Crime
- Migration and Asylum
- Judicial Reform
- Police and Border Control
- Trafficking in Human Beings

THE REPORT OF THE TASK FORCE ON HUMAN RIGHTS AND MINORITIES

The TF HR&M, coordinated by Slovenia and cosponsored by the Council of Europe, focuses on achieving and promoting the highest human rights standards, democratization, improving ethnic relations and promoting multiethnic societies, especially by creating a climate of mutual respect, greater tolerance and better protection of minorities. Focusing on these issues the TF HR&M hopes to help the SEE countries to meet the Copenhagen criteria in their desire to join Euro-Atlantic integration processes. It pays special attention to the improvement of legal standards, strengthening of the civil society and cooperation between the state and civil society, promotion of democratic citizenship and rule-of-law. To this end it stimulates the strengthening of regional and local expertise, capacities and relevant institutions. It encourages the dialogue between local and national authorities and civil society that can improve interethnic relations and provide better legal protection of human rights based on European standards. This not only stimulates democratization in individual countries, but also cross-border cooperation, peace, security and economic prosperity in SEE. Additionally, the TF welcomes the signing of bilateral agreements on the protection of minorities and especially development of a comprehensive regional strategy for the promotion of the status of the Roma population.

Most ongoing activities of the TF HR&M are carried out by the implementing agencies of individual projects (see the second section). Important recent developments are the inclusion of the Centre for Democracy and Reconciliation in SEE from Thessaloniki with its “Reconciling for the Future” process, and the development of a collaborative project for the promotion of knowledge about the EU and European integration in the SEE countries within the 6th Framework Programme, coordinated by the Ljubljana Liaison Office of the Austrian Institute for Eastern and SE Europe.

More attention should be paid to the improvement of cooperation and information-flows between the TFs and WTs within the SPSEE, which have not always been very successful. The involvement of the SEE countries in the TF HR&M work has been satisfactory. Participation of the governments and NGOs from the region, but also the organization of the TF HR&M meetings in the SEE countries contributed to its regional ownership. Overall, it could be said that its work and activities successfully follow the parameters determined by the Meeting of Working Table I Task Forces in Vienna on 20 March 2003.

Major problems in the work of the TF HR&M were linked with funding. In addition to frequent delays in disbursement of funding, which created many problems to the implementing agencies, some donors (e.g., Italy) did not realize their pledges. Current activities, projects and programs within the TF HR&M are financed by different donors and funding agencies, while some projects are co-financed also by national governments. Coming to the end of their first phase, most projects are searching for the funding for next phases. Realizing the importance of their activities for the region, the implementing agencies often invest their own resources (allocated originally for other projects) in the successful completion and/or continuation of their projects in SEE. The continuation and further development of activities and projects of the TF HR&M will require additional and – especially in cases of long-term activities and programs – permanent funding. For this reason contacts have been established with a few possible donors that would be willing to support individual projects or the work of the TF.

All activities of the TF HR&M geared at the promotion of human rights and democratization are, by their nature, **long-term processes** and contribute to achieving of the SPSEE goals. Their success depends on a focused, but flexible and complex strategy for continuous coordinated activities, based on the long-term commitment and coalition of civil society, local government, national governments, international organizations and donors. This is reflected also in the structure and work of the TF1 HR&M. The evaluation process so far showed that the TF HR&M projects and initiatives have been successful in realizing their goals and programs.

PROGRESS REPORT ON THE PROJECTS (following the determined numerical order):

1. **Link Diversity Campaign (Council of Europe)**: Since launching of the ‘Link diversity’ Euro/regional project, the regional offices and the National Organising Committees created the regional network able to promote the main goals of the Project, such as the rehabilitation of multi/ethnic society and multi/cultural societies, the development of democratic citizenship and regional ownership of the Campaign. The first phase of the project concluded in July 2002 accomplishing its objectives (i.e. establishing of National Organising Committees in each participating country, promotion of the Campaign, call for projects, etc.). Individual projects, supported also by governments of participating countries, represent the second phase of the Campaign; their realization depends on funding. Donors: European Commission, Germany.
2. **International Centre for Interethnic Relations and Minorities in SEE - ICIERM (Institute for Ethnic Studies, Slovenia)**: offers its expertise and advice to national governments, local authorities, NGOs, public and other interested institutions. Its successful work requires also the design, development and implementation of data bases, adequate educational, teaching and training programs and other relevant measures. Donors: Slovenia, Greece.
3. **Establishing and Network of Human Rights Centres in Former Yugoslav Republic (WUS Austria and ETC-Gratz, Austria)**: The Human Rights Centres (HRC) in SEE (Banja Luka, Mostar, Podgorica, Phristina and Focal/Contact points in Belgrade, Skopje, Zagreb) developed as main contact and meeting points and resource centres (virtual library) for versatile human-rights related issues, both for the academic communities and the communities at large. A series of seminars and other activities also took place in the HRCs that search funding for the continuation of the project. Donors: European Commission, HESP.
4. **Seminar-Study on the rights of National Minorities (Office for National Minorities of the Croatian Government, Croatia)**: The seminar was held in Zagreb on 4-5 December 2000. The Office for National Minorities of the Government of the Republic of Croatia produced a book (follow up of the seminar). Donors: Denmark.
5. **Roma Projects and Initiatives (Council of Europe, OSCE/ODIHR)**: The joint project aimed at addressing the most acute crisis situation affecting Roma, policy making on Roma affairs and participation of Roma in civil society. A lot of activities have been lunched in the year 2000-2003. Donors: European Commission, USA, Germany, Austria, Norway, Council of Europe, OSCE/ODIHR.
The second part of the Stability Pact project on Roma started officially mid-February. It will assist (state and local) public administrations in SEE in the development of national strategies for Roma and promote the entitlement of Roma to international Human Rights standards while empowering their participation, with a particular attention on Roma women and youth.

6. **Roma in the Process of European Integration (Institute for Ethnic Studies, Slovenia):** The three-year project is composed of three phases: demonstration of Roma condition in Austria, Croatia and Slovenia; comparison of the existing models of education; evaluation of educational models. The first phase has been completed. Donors: Slovenia, Austria.
7. **Human Rights in the Balkans, Strengthening the Balkans Human Rights Networks (International Helsinki Federation for Human Rights, Austria):** The IHF conducted several field missions in SEE countries, produced publications and reports on the various missions, organized seminars and training sessions, strengthened the Balkan Human Rights Network, etc. Donors: European Commission.
8. **Maribor Initiative (ISCOMET, Slovenia):** focuses on the promotion of interethnic and inter-religious dialogue in individual countries and in the region. So far two important round tables were convened: in Belgrade (14-15 December 2001) and in Timisoara (31 May- 1 June 2002). Other activities are: round table in Maribor (7-8 March 2003); round tables planned to be held in FRY Macedonia, Bulgaria, Albania and Croatia. The project will end with the Concluding Conference. Donors: European Commission, CCFD Paris, Westminster Foundation for Democracy, Folmer Wisti Foundation for International Understanding, Slovenia.
9. **Non-discrimination Review (Council of Europe):** During the first months of 2003, the recently established Country groups should submit Preliminary Assessment reports; whilst the other Country groups will submit more substantial reports. Based on more substantial reports the Country will continue to develop and begin to implement projects that directly follow-up on the proposals submitted in reports. A Final Review Conference is to be held in Strasbourg in 2003. Donors: Switzerland.
10. **Acceptance and Implementation of Existing Standards (Council of Europe):** The project consists in drawing-up and implementing a program of activities targeting the adherence to/implementation of the European standards in the field of protection of national minorities. Further activities are planned in Albania, Bosnia and Herzegovina, Serbia and Montenegro (Serbia, Kosovo), Croatia, Moldova, Romania. On multilateral level translation and printing of opinions of the Advisory Committee on the Framework Convention for the Protection of National Minorities as well as the Resolution of the Committee of Ministers will be carried out. Donors: Switzerland.
11. **Bilateral Cooperation Agreements (Council of Europe):** The project aims at reinforcing/encouraging bilateral co-operation in the field of minorities. Activities planned (bilateral): consultation meetings in the North and South of Moldova in areas where the Bulgarian and Ukrainian minorities live compactly. Activities planned (multilateral): a workshop focusing on possibilities for strengthening the participation of Roma at the local level in Ungheni, Moldova, on 14-15 December 2003; a publication on the work of Joint Commissions responsible for implementing bilateral agreements in the field of minorities (follow up of the meeting held in November 2002 in Poiana Brasov). Donors: Switzerland.
12. **MIRIS- Minority Rights Information System (European Academy of Bozen/Bolzano):** An electronic database on the legal aspects of minority protection is currently under development. The database itself contains not only all documents that are gathered from all States, but also any extra information and data that are compiled at the European Academy. Donors: Propter Homines Foundation, Liechtenstein.

Prepared by: Alja Klopčič, TF HR&M and r. Mitja Žagar, Chair TF HR&

Positive Signs of Co-operation

By Daniel Daianu for Southeast European Times in Bucharest

- 16/06/03 -

A leading international daily, the International Herald Tribune, recently published a letter signed by four top politicians from the Western Balkans. The event was highly relevant for several reasons. To begin with, the letter was published after Serbian Prime Minister Zoran Djindjic's assassination, and was meant to show a strong common determination in the struggle against criminal forces. The fact that key decision makers in the region joined together to assert publicly that their countries are ready to co-operate and work hard in order to join the EU is significant. It provided a clear signal that politicians realise their countries' common destiny and the need to mend fences for the sake of a better future, which is inextricably linked with a place in the Union.

Such a letter, signed collectively, in a leading European publication has not been seen in a long time. This fact in itself epitomises an awakening of political elites in the region, which understand that they have to speak up in a forceful and convincing way in order to be heard by their counterparts in the west. The letter indicated a common awareness of the region's essential political and economic needs. These include proceeding resolutely with economic reforms and reconstruction; fighting crime and corruption; dealing with massive unemployment, poverty and social exclusion; promoting regional trade and co-operation; and protecting human rights.

Although it was published at a time when international attention is focused on the aftermath of the war in Iraq and the ongoing fight against terrorism, the letter did not go unnoticed. Renowned financier and philanthropist George Soros subsequently signed a letter to the Financial Times, calling for the EU and International Financial Institutions to grant soft credits to the countries of the Western Balkans in order to aid their quest for economic reconstruction and security building. He also asked for a firmer commitment to the region by the EU. There are signs that the 21 June EU summit in Thessaloniki will focus on the region, and that a stronger commitment will be made with regard to its eventual integration into the Union.

Signs, both inside and outside the Western Balkans, are pointing in the right direction and providing hope. They indicate processes of healing, of increasing co-operation, and of economic reconstruction and assistance. It may be that a sense of urgency has engulfed leading politicians in the Western Balkans, which remains Europe's most volatile area, but is no longer its most pressing problem in terms of transatlantic dialogue.

A large part of the EU is mired in economic stagnation. This has a serious impact on the candidate countries, including those in the Western Balkans, which export primarily to the Union. Economic stagnation in the EU fuels protectionist tendencies, impeding a successful outcome to the Doha trade round. This is an unwelcome development for Western Balkan countries, whose exports are largely agricultural products. Capital flows have been reversing their tendency in recent years, following the bursting of the bubble in the United States and financial scandals on both sides of the Atlantic. As a result, the Western Balkans cannot expect to benefit from private capital flows as needed. The low savings and investment ratios in the region require substantial amounts of capital inflows in order to enhance sustainable growth.

These circumstances compound very difficult domestic situations. Inflation is quite low in most of the countries, but the foundations for steady growth are precarious, and there is heavy reliance on foreign assistance. Huge unemployment rates and large quasi-fiscal deficits, inadequate infrastructure and fragile institutions complete the picture, which is one of badly-needed reform and reconstruction. Since the international environment is so complex, Western Balkan countries should pull themselves together in order to offset -- to the extent it is possible -- adverse shocks from outside.

As for the EU, the region provides a clear test for judging the Union's skills in fostering peace, good neighbourly relations and economic reconstruction in its backyard. This is especially true now, since the EU has taken over peacekeeping in Macedonia, and could eventually do so in other parts of the region.

What happens in the region has implications for peace and development in the world as a whole. Failed and rogue states, economic and social decay, and military and interethnic conflicts proliferate in many parts of the world, and action is needed to address such phenomena. The way Europeans, and specifically the EU, deal with the Western Balkans can be seen as a test case. It indicates what lies ahead for all of us.

GENERAL AFFAIRS AND EXTERNAL RELATIONS *

2518th Council meeting

EXTERNAL RELATIONS

Luxembourg, 16 June 2003

President: **Mr Giorgos PAPANDEOU**, Minister for Foreign Affairs of the Hellenic Republic

Annex A

The Thessaloniki agenda for the Western Balkans: Moving towards European integration

The Copenhagen European Council in December 2002 confirmed the European perspective of the countries of the Western Balkans, as potential candidates, and underlined its determination to support their efforts to move closer to the European Union. The European Council in March 2003 reiterated that the future of the Western Balkans is within the European Union and pledged the Union's full support to the endeavours of the countries of the region to consolidate democracy, stability and to promote economic development.

The Western Balkans and support to their preparation for future integration into European structures and ultimate membership into the Union is a high priority for the EU. The Balkans will be an integral part of a unified Europe. The ongoing enlargement and the signature of the Treaty of Athens in April 2003 should inspire and encourage the countries of the Western Balkans to follow the same successful road of reforms and to increase their efforts in that direction.

During the last four years, the European Union's policy of Stabilisation and Association has contributed critically to progress achieved throughout the region in promoting stability and in bringing the countries closer to the Union. It now needs to be strengthened and enriched with elements from the enlargement process, so that it can better meet the new challenges, as the countries move from stabilisation and reconstruction to sustainable development, association and integration into European structures. The Union's thus enriched policy of Stabilisation and Association, including the Stabilisation and Association Agreements, will constitute the overall framework for the European course of the Western Balkan countries, all the way to their future accession.

The EU recalls the Commission's second annual SAP report, which reflects accurately both progress achieved and remaining problems, as well as challenges ahead for each of the Western Balkan countries. Its recommendations, fully endorsed by the Council, should guide the efforts of the countries for further reforms.

The EU stresses that the pace of further movement of the Western Balkan countries towards the EU lies in their own hands and will depend on each country's performance in implementing reforms, thus respecting the criteria set by the Copenhagen European Council of 1993¹ and the SAP conditionality. In this context, the EU also recalls the content of the Zagreb Summit Final Declaration of November 2000. The principles of "own merits" and "catch up" will be applied, in parallel with the regional approach, which remains an essential element of EU policy towards the region.

¹ Stability of institutions guaranteeing democracy, the rule of law, human rights and the respect for and protection of minorities; the existence of a functioning market economy; the capacity to cope with competitive pressure and market forces within the Union, and the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

1. Further consolidating peace and promoting stability and democratic development

Having in mind the considerable progress achieved in the last two years, but also its fragility and unevenness, the EU will continue to work closely with the Western Balkan countries to further consolidate peace and to promote stability, democracy, the rule of law, and respect for human and minority rights. Inviolability of international borders, peaceful resolution of conflicts and regional co-operation are principles of the highest importance. Terrorism, violence and extremism, be it ethnically, politically or criminally motivated, should be unequivocally condemned.

The EU reiterates its support for the full implementation of Resolution 1244 of the UN Security Council on Kosovo and of the 'standards before status' policy. On this basis, the people of a multiethnic and a democratic Kosovo will have their place in Europe. The Dayton / Paris agreements and subsequent Peace Implementation Council decisions, and the Ohrid and Belgrade agreements, are key elements of EU policy. Full compliance by all countries and parties concerned is essential.

Recalling that all Western Balkan countries are parties to the International Criminal Court, the EU urges them to support, fully and in deed, its work and the integrity of its statute, in line with the relevant EU decisions.

The EU urges all concerned countries and parties to co-operate fully with the International Criminal Tribunal for the former Yugoslavia. Recalling that respect for international law is an essential element of the SAP, the EU reiterates that full co-operation with ICTY, in particular with regard to the transfer to The Hague of all inductees and full access to documents and witnesses, is vital for further movement towards the EU.

The EU supports activities and initiatives in the Western Balkan countries promoting social cohesion, ethnic and religious tolerance, multiculturalism, return of refugees and internally displaced persons and combating regressive nationalism. Ensuring civilian control over the military is a critical element of democratic reform. Legislative and administrative reforms on arms sales compatible with the «European code of conduct» should be promoted.

Support to activities aiming at defending women's rights and improving their situation should be better reflected in EU policies towards the region. Involvement of non-governmental organisations, civil society and local authorities in EU supported policies and activities are of paramount importance.

The launching of the EU Police Mission in Bosnia and Herzegovina in January 2003, and of Operation Concordia in the former Yugoslav Republic of Macedonia, as well as the EU's willingness to lead a military operation in Bosnia and Herzegovina following SFOR, are tangible proof of the Union's commitment to the Western Balkans.

While the EU is deepening its engagement in Southeast Europe, continued US involvement is necessary. Close co-ordination with the US on Balkan issues is a high priority for the EU. The Balkans will continue to be on the agenda of the EU dialogue with Russia, as well as with other relevant countries, in recognition of the importance of stability in the region. Continued co-operation with the UN, NATO, OSCE, Council of Europe and other international organisations operating in the area, is essential.

2. Progress of Western Balkan countries towards the EU within an enriched Stabilisation and Association Process

Recent progress achieved by the countries of the Western Balkans allowed for further movement towards the Union through the SAP. The continuation of the ratification procedure of the SAAs with the former Yugoslav Republic of Macedonia and Croatia, the opening and progress of negotiations for a SAA with Albania, the launching by the Commission of a feasibility study for a SAA with Bosnia and Herzegovina and the adoption in Serbia and Montenegro of the Constitutional Charter and the presentation of the Internal Market and Trade Action Plan, on which the Commission will work energetically with the authorities to solve some still outstanding problems with a view to a rapid launching of a Feasibility Study for that country as well, illustrate this positive trend. The Croatian application for membership is currently under examination by the Commission.

The EU's commitment and assistance must be matched by a genuine commitment of the governments of the Western Balkan countries and concrete steps to make the necessary reforms, to establish adequate administrative capacity and to co-operate amongst themselves. Building fully functioning states capable of providing for the needs of their citizens remains a major challenge for the whole region. The fight against organised crime and corruption is essential for ensuring the rule of law. The EU expects the Western Balkan countries to pursue these

objectives at an accelerated pace, thus allowing the prompt passage of each of them to the next stage of relations with the EU within the Stabilisation and Association Process.

The Council welcomes the Commission's communication ,The Western Balkans and European Integration™ and will take forward its conclusions and recommendations.

Promoting political dialogue and co-operation in the area of Common Foreign and Security Policy

The Thessaloniki summit will launch a high-level multilateral political forum, the EU-Western Balkans Forum, between the EU and the SAP countries, in line with the GAC conclusions of 13 May 2002. As an integral part of the SAP, this will bring together periodically the heads of state or government of the region and their EU counterparts. Annual meetings of foreign ministers and ministers responsible for Justice and Home Affairs will be held as appropriate. Other ministers can also meet when appropriate. Accessing and candidate countries will be fully involved. The Council welcomed the intention of the incoming EU Italian Presidency to organise the first ministerial meetings before the end of the year.

The aim of the forum will be to give a clear signal of the privileged and inclusive relationship between the EU and the SAP countries; to enhance the political visibility of the SAP; to provide a supporting political framework for achieving the objectives of the SAP, including regional co-operation, and to deepen the understanding of the association process in the perspective of rapprochement and accession; to discuss key issues of common concern in areas such as foreign policy, and Justice and Home Affairs, to provide a genuine European framework for addressing issues with regional and international implications; and to inform and associate the SAP countries on major developments in the EU.

Annual troika EU-Western Balkans meetings at the Political Director level could be held at the margins of the UN General Assembly to discuss international issues, in particular those on the UNGA agenda.

The EU will invite, as appropriate, the SAP countries to align themselves *with EU demarches, declarations and common positions on CFSP issues*. Participation of SAP countries in co-ordination and briefing meetings organised by the EU for candidate and associated countries in capitals and headquarters of international organisations could also be considered, as appropriate.

Bilateral political dialogue at ministerial level between the EU on the one part, and Albania, Croatia and the former Yugoslav Republic of Macedonia on the other is already held on the basis of existing arrangements. It will be extended to Serbia and Montenegro and Bosnia and Herzegovina in advance of the conclusion of the respective SAAs. To that end, joint declarations will be adopted between the EU and the two states.

The SAP countries may be invited by the Political and Security Committee troika, jointly or individually, to participate to informal meetings, the objectives of which would be to exchange views on security and crises management issues in the Western Balkans, as appropriate.

Parliamentary co-operation

Joint ,Stabilisation and Association Parliamentary Committees™ could be established with all SAP countries, even before conclusion or entry into force of the respective SA agreements. To this end, appropriate arrangements could be agreed with the SAP countries. The European Affairs Committees of the Parliaments of the SAP countries will be encouraged to establish contacts with the Parliaments of Member States.

European Partnerships

European Partnerships will be drawn up for each SAP country, inspired by the Accession Partnerships for candidate countries, and adapted to the specificities of the SAP. These partnerships, updated as necessary, will identify priorities for action in supporting efforts to move closer to the European Union. They will serve as a checklist against which to measure progress, and to provide guidance for Community and Member State financial assistance. They will reflect the particular stage of development of each country; they will be tailored to its specific needs and will be drawn up following contacts with the countries concerned.

The countries of the region will be expected to draw up national plans for the implementation of the partnerships. Progress in implementation will be followed through the SAP structures and will be monitored in the Commission's Annual Reports.

The Commission is invited to submit the first set of Partnerships to Council for approval with the next SAP Annual Reports, following the procedure established for the Accession Partnerships.

Enhanced support for Institution Building

The instrument of *twinning* will be extended to all SAP countries, taking into account their specific situations. Twinning will be financed under the CARDS programme.

SAP countries will become eligible for technical assistance by *TAIEX*², including for monitoring the compatibility of national legislations of SAP countries with the community acquis. This technical assistance will be delivered through activities adapted to their specific needs and level of rapprochement to the EU.

Existing *monitoring* mechanisms for the implementation of commitments by SAP countries will be strengthened and streamlined.

In the framework of efforts to support the implementation of necessary reforms in the field of public administration, the Commission is invited to examine ways that would offer students from the SAP countries the opportunity to develop legal thinking and understanding of the principles that form the basis of Western democratic systems and the EU. The establishment of a regional *School for Higher Education on Public Administration Reform* and the establishment of a scholarship scheme could be considered.

Particular attention should be given to the provision of expertise from the new member states, in the light of their own successful transition process and preparations for EU membership.

Opening of Community Programmes

Community programmes will be opened to SAP countries along the lines established for the participation of candidate countries. On the basis of framework agreements to be signed between the Community and each of the SAP countries and providing for the opening in principle of such programmes, the Commission will gradually implement them, by deciding on the specific programmes that would be opened in each case and agreeing with the respective countries on the modalities (through the conclusion of Memoranda of Understanding).

Priority areas for the opening of Community programmes could include education and training, culture, research, energy, environment, civil society, SME support, and anti-fraud co-ordination.

SAP countries could be allowed to participate in Community agencies, in ways similar to those established for candidate countries.

The Commission is invited to submit specific proposals to these ends, including draft framework agreements for the opening of Community programmes, taking into account the needs and possibilities of each country, including financial constraints (CARDS contribution and national financing), and the necessary administrative capacity.

Enhanced Community Financial Support

Efforts by Western Balkan countries to meet requirements for rapprochement to the EU will continue to be matched by substantial EU financial support. Without prejudice to the budgetary procedures, the Council welcomes the Commission's proposal for an increase in the CARDS budget by more than Euro 200 million over the period 2004-2006, as a clear expression of this intent and a good basis for the discussions in the oncoming budget procedures; it invites the Budgetary Authority to reflect this in its deliberations. Taking into account the overall balance of the Union's priorities, the possibility of further support, in particular by mobilising the European Investment Bank, should also be explored.

² Technical Assistance Information Exchange Office.

As the Western Balkan countries move closer to the EU, Community assistance will have to be adjusted accordingly. Within the framework of the discussions on the future financial perspective and without prejudice to their outcome, the Council invites the Commission to consider possible support to the region, drawing from the experience of the present enlargement process and aiming at sustainable development.

In case of special need, the EU is ready to examine, in co-ordination with international financial institutions, the possibility of granting, on an exceptional basis, further *macro-financial assistance*, in accordance with established practice.

3. Fighting organised crime. Co-operation in other Justice and Home Affairs matters

Organised crime

Organised crime and corruption are real obstacles to democratic stability, sound and accountable institutions, and the rule of law, and economic development in the Western Balkans and a source of grave concern to the EU. Combating them must constitute a key priority for the governments of the region. Particular focus should be placed upon fighting all forms of trafficking, particularly of human beings, drugs and arms, as well as smuggling of goods.

Although the SAP countries have made some progress, continued efforts at all levels will be crucial to advance further in fighting organised crime. Their commitment must be sustained through effective implementation of all instruments necessary in this combat, including improved administrative and judicial capacity. Continuous political support in each country is equally essential.

In the context of the follow up of the London Conference on organised crime, the EU welcomes the submission of Records of Achievements by each of the Western Balkan countries. These records are a strong signal of the region's commitment to take ownership in the fight against organised crime and demonstrate progress in the areas for priority action. In order to maintain the momentum achieved, the EU urges the countries of the region to define and implement further specific action-oriented measures to be pursued in the immediate future. The EU through its competent bodies stands ready to assist the region in identifying these measures.

The Council welcomes the intention of the incoming Italian Presidency to hold a meeting of Ministers dealing with JHA matters by the end of the year.

The EU expects countries of the region to commit themselves in Thessaloniki to adopt, within a specified timeframe, all necessary legislation in order to negotiate agreements with Europol. On the basis of such agreements, Europol can assist with the implementation of the Action Plans adopted at the London Conference.

Regarding *trafficking in human beings*, the EU urges the countries of the region to act both domestically and regionally, in line with the principles of the W U and proposals contained in the Brussels Declaration of September 2002. The EU places high priority on the areas of victim assistance, training programs of competent bodies, intelligence and exchange of information, public awareness and strategy development. Co-ordination of all international actors is essential.

Co-operation in other Justice and Home Affairs issues

In order to cope effectively with *illegal migration* flows originating in or transiting through Western Balkans, the EU encourages co-operation between the appropriate authorities of the Western Balkan countries and the *Immigration Liaison Officers* (ILOs) of the EU member states, in the framework of the establishment of the ILOs Network aiming at enhancing the efficiency of the fight against illegal migration and organised crime. It also supports the conclusion and implementation of *readmission agreements* among the SAP countries themselves and between the SAP countries and third countries; the Commission could provide useful guidance to the SAP countries in this field. The EU will also carry forward its policy of concluding readmission agreements with all the countries of the region. The Western Balkan countries are invited to take all necessary measures to facilitate the conclusion and ensure the implementation of such agreements.

The EU is aware of the importance the peoples and governments in the Western Balkans attach to the perspective of liberalisation of the *visa regime*. Meanwhile, progress is dependent on these countries implementing major reforms in areas such as the strengthening of the rule of law, combating organised crime, corruption and illegal

migration, and strengthening their administrative capacity in border control and security of documents. The Council welcomes the intention of the Commission to hold discussions, within the framework of the Stabilisation and Association Process, with each of the Western Balkan countries, regarding the requirements for how to take these issues forward in concrete terms.

The EU welcomes the Common Platform and the Way forward document adopted at the Ohrid May 2003 conference on border security and management. It calls on the countries concerned to take all the concrete and specific measures necessary for the achievement of the objectives defined in these documents.

Policies and instruments applicable to the Western Balkan countries should fully incorporate the broader JHA objectives that the EU is pursuing. The EU should also encourage the transfer of the experience of the acceding and candidate countries to their SAP neighbours.

Further use of the instrument of twinning in the area of the Justice and Home Affairs will be encouraged. Assistance programmes related to the Justice and Home Affairs should be strengthened.

4. Promoting Economic Development

Economic prosperity is essential for long-term stability in the region. Although significant progress has been made in all Western Balkan countries toward macroeconomic stabilisation, the development of a modern market economy is a slow process, requiring persistent efforts over a wide front of structural reforms. The transition from centrally planned to functioning market economies requires further reform efforts in many areas, also taking into account the objectives of sustainable development.

The EU urges the countries in the region, acting in close co-operation with relevant international financial institutions, to maintain and expand the hard-won gains in macroeconomic stability, which is a pre-condition for lasting economic growth, through prudent fiscal and monetary policies; to accelerate the momentum of structural reforms, especially in the areas of tax policy and administration, mainly by promoting the principles of transparency and accountability and supporting sound management in the public sector; the financial sector should be closely supervised and the privatisation process taken forward; to promote good governance and create a business environment that promotes private economic activity and foreign investment. The EU will continue to provide assistance in this area, in co-ordination with international financial institutions.

The EU takes note of the important work accomplished by the infrastructure steering group for South-East Europe, chaired by the Commission and associating IFI's and the Stability Pact in identifying major priority *infrastructure projects in transport, energy and telecommunications* in South-Eastern Europe. The Thessaloniki summit should express its support for the ongoing work within the framework of the Regional Balkans Infrastructure Study (REBIS). The drawing of an integrated regional transport strategy, consistent with the Trans-European Networks and taking into account the Pan-European Corridors (in particular Corridors V, VII, VIII and X), is a high priority. The Council invites the Commission, to liaise with the IFIs and the EIB, in order to present a report by December 2003, referring to a planning of public investment needed for the financing of the priority network for the better connection of the Western Balkans to the EU. It calls upon the Commission to take into account the Western Balkan countries in its forthcoming proposal, for the revision of the Transeuropean Transport Network Guidelines of the enlarged EU. The EU also takes note that, under the revision of the TEN Energy Guidelines, the establishment of efficient electricity connection between South-East Europe and the European Union has been agreed, as part of the priority axes.

Environmental protection is an important element of sustainable development. The EU encourages the Western Balkan countries to introduce *environmental policies* and strategies geared towards compliance with EU environmental law. In particular, environmental issues should be addressed across the energy sector, especially in the scope of the Kyoto protocol.

The EU supports the Commission's proposal to hold *regular economic dialogue* with each SAP country.

Having in mind the importance of *trade* for economic development and integration, the EU will consider further measures of liberalising its trade with the Western Balkans. The Council invites the Commission

- To provide to the SAP countries *technical assistance* and undertake other possible measures to improve their ability to take full advantage of the Autonomous Trade Measures.

- To prepare the extension of the pan-European *diagonal cumulation* of origin to the countries of the region in a manner consistent with all relevant community policies and dependent on their administrative capacity.
- To consider taking appropriate measures to allow SAP countries to *participate in tenders* organised under the pre-accession (Phare, ISPA, SAPARD), Tacis, and MEDA community assistance programmes.
- To explore the possibility of *further trade liberalisation measures* in areas, which have hitherto been exempted?

Considering that an agreement governing energy trade would substantially contribute in attracting investment into this strategic sector, the Council welcomes the Commission's initiative to propose the extension of the Internal Energy Market to the region as a whole, on a legally binding basis.

Small and medium-sized enterprises are a key source of jobs, innovation and wealth and are essential for the functioning of competitive market economies. Consequently, it is important to improve the environment in which small and medium-sized enterprises operate. At the Thessaloniki summit, Western Balkans countries should be invited to commit themselves to the principles enshrined in the *European Charter for Small Enterprises*, thus allowing them to share good practice with other European countries.

Economic development in the region will also be promoted by increased regional co-operation in areas such as liberalisation in trade and movement of persons, energy, and development of infrastructures, water management and cross-border co-operation.

5. Reconciling for the Future and Enhancing Regional Co-operation

Return of refugees and internally displaced persons

The EU encourages further return of refugees and internally displaced persons, and fully supports relevant regional activities, notably MARRI (Migration, Asylum and Refugee Regional Initiative). *The Council* urges the countries of the region to enact and enforce anti-discrimination legislation to ensure fair and proportionate representation of minorities in employment, especially in public institutions; to provide adequate security conditions, non-discriminatory education and all other basic social services; to address remaining obstacles to return, most of which are related to repossession of property, reconstruction of destroyed property and resolution of the issue of lost tenancy/occupancy rights. In this context, the authorities of the countries of the region are invited to establish, enact and implement a satisfactory national legal framework on property issues, preferably by the end of 2003. Emphasis should be placed on monitoring the initiatives undertaken by the countries of the region in the area of return and reintegration.

Promoting reconciliation through education, social development and culture

The EU places high priority in initiatives and activities aiming at reconciling for the future, through overcoming legacies of the past, which are obstacles to normalisation and democratic development. In this respect, the role of education, social development and culture is essential in changing mentalities, promoting tolerance, ensuring ethnic and religious coexistence and shaping modern democratic societies.

In this framework and in parallel with other relevant activities in these fields, the EU invites the countries of the Western Balkans to take concrete steps to tackle the issue of restoration of cultural and religious monuments. The relevant commitments of the countries could be part of broader bilateral agreements on cultural issues. The EU also invites the countries of the region to take concrete initiatives with the objective of revising history textbooks. The possibility of convening an experts meeting to discuss the issue, tentatively by the end of 2003, could be considered.

With respect to the aforementioned issues, close and efficient co-operation and interaction should be ensured with relevant regional and international bodies, such as UNESCO, the Council of Europe, the Stability Pact and the SEECP, as well as non-governmental organisations, so as to avoid overlapping and to make the most of resources available.

Enhancing Regional Co-operation

The EU invites the Western Balkan countries to continue to develop regional co-operation, which constitutes an essential element of the Stabilisation and Association Process. The Thessaloniki summit should reiterate support for regional co-operation and, within this context, Western Balkan countries are invited to commit themselves to promote a number of specific objectives or initiatives:

- *Further development of regional free trade:* Western Balkan countries, together with Bulgaria and Romania, commit themselves to complete the network of bilateral Free Trade Agreements, on the basis of the 2001 Memorandum of Understanding by the end of the year, through necessary ratifications. They could also commit themselves to harmonise the dispositions of their FTAs, with a view of establishing a free-trade zone in full respect of WTO rules, within a specified timeframe. The Stability Pact should continue to be the framework for promoting and monitoring this activity, in close co-ordination with the Commission.
- *Visa-free movement in the Western Balkans:* The countries of the Western Balkans could commit themselves to explore the possibility of abolishing visa requirements for travel between their countries, through bilateral agreements, also ensuring compatibility of such measures with EU requirements. This exercise could be conducted under the auspices of the Stability Pact.
- *Small arms collection:* The EU will continue to encourage a regional approach to activities on small arms collection, including the work of the „South Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons™ (SEESAC), operating under the auspices of the Stability Pact in co-operation with the UNDP.
- *Regional markets for electricity and gas:* The Thessaloniki summit should express its support for the process initiated in November 2002 with the signing in Athens of the Memorandum of Understanding on the Regional Electricity Market in South-East Europe and its integration into the EU Internal Electricity Market (the ‘Athens process’). It should also express its support for the establishment of a similar process with respect to gas, on the basis of proposals by the European Commission due within 2003. The Stability Pact could continue to play a key role in this area. The EU encourages the countries of the region to adopt a legally binding South-East Europe Energy Market Agreement, by the end of this year, building on the basis of the Memorandum of Understanding. This Agreement should also deal with the promotion of investment by creating a co-ordination mechanism for the energy sector financing, associating the countries of the region, the Commission, the IFI's and the Stability Pact.
- *Water management:* Recalling the importance of trans-boundary water management issues in the region, the positive experience from the Danube co-operation process and the Sava River Basin co-operation, and in line with the conclusions of the May 2003 informal meeting of environment ministers of the EU and South-East Europe, and the declaration adopted by the conference „Sustainable Development and Lasting Peace, Shared Water, Shared Future, Shared Knowledge™ in May 2003, the Thessaloniki summit should recommend the drawing up of Integrated Water Resources Management Plans for trans-boundary water bodies in the region and subsequent national plans within the framework of the EU Water Initiative (E Mediterranean component).
- *Cross-border-co-operation:* The EU supports the development of cross-border-co-operation between the SAP countries, as well as between these countries and EU members, acceding and candidate states. Ways to ensure adequate financial support to these activities should be explored. It stresses the relevance for the region of ongoing efforts to co-ordinate the various EU cross-border initiatives.
- The EU also supports projects of regional significance and regional initiatives in the areas of *science and technology, information and communication technology, and statistics*. The EU calls for the adoption, at the forthcoming research ministers' conference in Thessaloniki, of the EU-Balkan countries Action Plan in Science and Technology and for its implementation, which will highly contribute to the reinforcement of the Research, Technology and Development capacities of each country and of the region as a whole.
- The European Affairs Committees of *Parliaments* of the countries of the region should be encouraged to develop their contacts at regional level, including, for example, by creating a Balkan Conference of European Affairs Committees. The Conference could apply for a special status in the COSAC³.

The EU reconfirms its support to the *Stability Pact* for South-eastern Europe in its complementary role to the SAP and in its implementation of the agreed core objectives. It takes note of the Special Co-ordinator's complementarity report and of the conclusions of the Regional Table of May 2003 in Cavtat. Within this

³ Conférence des Organes Spécialisés en Affaires Européennes.

framework, the Thessaloniki summit should invite the Stability Pact to particularly focus on the following specific tasks: further development of the regional free trade network, implementation of the MoU on REM and possible extension to gas, freedom of movement and cross-border-co-operation also on a local level and organised crime/corruption, keeping in mind the importance of all these aspects for improving conditions for investment and economic growth in the region.

The Summit should also reiterate its support to the South-East European Co-operation Process (SEECP), which is gradually becoming the voice of the region, and of other regional co-operation initiatives, such as the Adriatic-Ionian Initiative and the Central European Initiative. It shall encourage further co-operation between the Stability Pact and the SEECP, as well as with the Commission, within the framework of the Informal Consultative Committee (ICC). Enhanced co-operation with the SEECP could be facilitated by the establishment of a small SEECP liaison office in the Stability Pact premises in Thessaloniki.

The Stability Pact, as well as other regional co-operation initiatives are encouraged to present concrete proposals, in close co-ordination with the Commission, on how they could further promote the aforementioned ends with a view to develop fully the regional co-operation element of the SAP.



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

Check against delivery

Special Co-ordinator Erhard Busek

***South Eastern Europe beyond Thessaloniki
The Stability Pact and Regional Cooperation***

*EU-Western Balkans Summit
Thessaloniki, 21 June 2003*

With the current round of enlargement coming to a successful conclusion, the view opens up to the wider horizon of European Integration. This is clearly where South Eastern Europe belongs – it cannot remain an enclave within an enlarged European Union. And while much still remains to be done, we have to acknowledge that the governments of the region have taken significant steps to move ahead.

Today's Summit is so important because it is a proof of our - the EU's - commitment to the European perspective of the countries of the region. The hard reforms South Eastern Europe needs do not happen by themselves. They must be driven by a shared vision of the governments and peoples in the region to emerge from a difficult past in order to join the European family.

While European integration is clearly the endgame, conditions have to be met on the way, and we – both the countries of the region and those supporting them – need to do everything we can to make sure that these conditions are spelled out clearly and fulfilled step by step.

Under the tireless leadership of the Greek EU Presidency, this summit ends an impressive process of consultations between the European Union, the countries of the region and all the players involved in supporting the region in its efforts – among them the Stability Pact. I think we all can be satisfied with the result. The SAP – enriched as we see it emerging from today's summit – has been further boosted in its credibility as the path towards European integration for South Eastern Europe.

A crucial component of this path is regional cooperation, which has been strongly reaffirmed as a precondition for further European integration. The Stability Pact will continue to support the region in meeting this condition in the areas outlined in the SAP and the declaration before us today.

In this respect I am pleased to convey to you a joint message of the Adriatic Ionian Initiative, the Black Sea Economic Cooperation, the Central European Initiative, the Danube Cooperation Process, the Southeast European Cooperative Initiative, the South East European Cooperation Process as well as the Stability Pact. By enhanced cooperation efforts, we have reached a stage where we try to avoid overlap and apply division of labour and joint activities as our guiding principle, allowing each initiative to concentrate on areas where respective added value is ensured. We are convinced that increased regional cooperation is an important element in securing progress towards European integration. We trust that this Summit will fully appreciate the past and future contributions by the above-mentioned institutions and look forward to an even closer cooperation with the European Union in the implementation of our mandates.

But while regional cooperation has been firmly established as a central feature of dealing with open questions in the region, not least in our partnership with the SEECP, we should not overlook potential new obstacles to closer cooperation. With two candidate countries, five SAP countries and the EU external border moving ever closer to the region with the accession of Slovenia and Hungary, the Pact

is one of the few fora to bridge gaps resulting from these categorisations and where potential conflicts of priority can be sorted out.

I fully support the expansion of some accession instruments to the SAP countries. The experience gained from the current round of enlargement should be made best use of to support the potential candidates in South Eastern Europe. In this respect the Stability Pact has been engaging with the future EU member states of Central Europe to make use of their 'Transformation Experience' for the countries of SEE. I am pleased to note that the response has been outstanding and the Central European engagement is already well under way.

As reaffirmed at yesterday's European Council, the Stability Pact has a key role in further developing the regional cooperation element of the SAP, both in general as well as in specific areas along the lines of our six core objectives, which, by the way, are the result of a streamlining process we finished here in Thessaloniki last December:

Creating a common market attractive for **foreign investment** is essential for the development of the region. Further developing the network of free trade agreements including the development of a **free trade** area are necessary steps in this process. Work in this direction is crucial for attracting foreign investment and preparing the region for future integration into the European market.

Moreover, additional cooperation in the energy sector will make it more attractive to investment while advancing integration into European structures. Further developing the MoU on the **Regional Electricity Market** into a binding international treaty by the end of the year would be an important step in this direction.

European experience has shown the necessity to complement **free movement of goods** with that of **people**, requiring close cooperation in the broad area of visa liberalisation, border control and migration in general. I would like to commend those countries in the region that have already taken important steps in this direction. Others need to follow suit in order to allow full freedom of movement within the region.

Waiving visa requirements does not mean dismantling borders. To the contrary, it would have to be accompanied by efforts to enhance **effective border management**. The Ohrid Conference on Border Management last month developed an agenda to support the countries of the region to take effective control of their borders. Efforts in this direction would be a clear sign of European maturity and would support interaction within the region.

Effective border management of course also requires close **cooperation among local authorities in border regions**. Strengthening the capacity of municipal authorities in border regions can foster economic growth and social development as well as cooperation between border regions. In an area where borders still have a greater importance than within the EU, much work is still necessary at grass-roots level to enhance contacts across borders.

The crucial area of **fighting organised crime and corruption** is the last point I would like to mention. The London Conference of November 2002 highlighted the need for concerted action in this field. Because organised crime is an international phenomenon, national remedies are obsolete. Regional cooperation is a pre-requisite for success. The Meeting of the SEECP Ministers of Interior earlier this week, organised together with the Stability Pact Organised Crime initiative, has been an important first step in moving ahead concerning data and witness protection – crucial for any fight against organised crime.

To conclude, let me reiterate that the Stability Pact's raison d'être is to stabilise South Eastern Europe – we have had considerable success in this respect – and to support the region on its path towards integration into European institutions. In this respect, I am happy to note that today's Summit has reinforced the credibility of the SAP as the path for South Eastern Europe towards European integration and firmly set the Western Balkans on this path. The Stability Pact will make every effort to complement this enriched SAP wherever possible and support the region in moving towards its goal as fast as possible.

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 Co-ordinator 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 an 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 region 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 prospects 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 Commission's reports, and commit themselves to implement its recommendations.

The Western Balkan countries welcome the decisions by the EU to strengthen its Stabilisation and Association policy towards the region and to enrich it with elements from the experience of enlargement. They welcome in particular the launching of the European Partnerships, as well as the decisions for enhanced co-operation in the areas of political dialogue and the Common 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 Security 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 without 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 EU's 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 co-ordination 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 EU's 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 co-operation 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 Co-operation 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 an 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. Acceding and candidate countries will be fully involved. We welcome the intention of the incoming EU Italian Presidency to organise the first meetings of this kind, by the end of the year. Other ministers can also meet when appropriate.

1.2. External support for regional development

European Commission: EuropeAid/116567/C/G/MULTI, Budget line B7-541

Programme: „DEMOCRATIC STABILISATION AND CIVIL SOCIETY SUPPORT IN THE WESTERN BALKANS - Support to civil society to help reduce cross border crime, including regional actions to help fight trafficking in human beings and anti-corruption initiatives”

HISTORICAL BACKGROUND

On 5th December 2000, the Council of the European Union adopted Regulation (EC) No 2666/2000 on assistance for Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and the Former Yugoslav Republic of Macedonia or CARDS (Community Assistance for Reconstruction, Development and Stabilisation) Regulation⁴, which focus on:

- (1) Reconstruction, democratic stabilisation, reconciliation and the return of refugees.
- (2) Institutional and legislative development, including harmonisation with EU norms and approaches, to underpin democracy and the rule of law, human rights, civil society and the media, and the operation of a free market economy.
- (3) Sustainable economic and social development, including structural reform.
- (4) Promotion of closer relations and regional co-operation among Stabilisation and Association process (SAp) countries and between them, the EU and the candidate countries of central Europe.

Under CARDS Regional Action Programme 2002, the EC will promote anti-trafficking and anti-corruption projects in the Western Balkans as part of the Regional Democratic Stabilisation Programme. This will be complementary to other support programmes such as the European Initiative for Democracy and Human Rights (EIDHR) and the CARDS national programmes.

OBJECTIVES OF THE PROGRAMME

The current growth of trans-national criminal organisations, as well as freer flows of people, money and goods creates conditions which facilitate the illicit movement of drugs, weapons, people and money. Trafficking in human beings is a key criminal phenomenon, sometimes supported by endemic and even institutionalised corruption and fraud as well as by well-established money laundering practices.

The CARDS regional programme will finance projects for democratic stabilisation, which involve more than one country in the SAp region. It will focus on the support to civil society to help reduce cross border crime, including regional actions to help fight trafficking in human beings and anti-corruption initiatives.

Trafficking in human beings is currently one of the most urgent and complex human rights issues, which has broad implications for stability, democratisation and the rule of law in the Balkan region. Trafficking and the corruption, which it inevitable includes, have been expanding dramatically in recent years. Trans-national organised criminal groups thrive on the proceeds of trafficking; illicit profits are used to corrupt government officials. In view of the

⁴ Council Regulation (EC) No 2666/2000, December 5 2000 - Assistance for Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and the Former Yugoslav Republic of Macedonia, repealing Regulation (EC) No 1628/96 and amending Regulations EC.3906/89 and EC.1360/90.

clear link between trafficking and organised crime, priority will be given to comprehensive regional anti-trafficking projects.

Tackling the growing problem of trafficking requires an international and multidisciplinary approach involving all relevant actors (e.g. NGOs and social authorities, law enforcement and migration authorities, etc.).

National and regional strategies need to be put in place which covers prevention and public awareness campaigns; which provide the right instruments for detecting and prosecuting traffickers and which offer victims protection and the chance to rejoin society.

Understanding the nature and extent of the problem is a prerequisite for effective action and requires that an assessment be made of the effectiveness of the current laws, policies and operational structures available to counter trafficking and the associated corruption. Trafficking is a global issue, but a lack of systematic research means that reliable data on the trafficking of human beings that would allow comparative analyses and the design of counter-measures is scarce.

Priority issues are: prevention, victims protection and assistance, police and judicial co-operation, ensuring regional co-ordination and exchange of information, putting particular emphasis on direct contacts between competent authorities (taking precedence over the use of complex procedures and structures).

AMOUNT AVAILABLE FOR FINANCIAL SUPPORT BY THE CONTRACTING AUTHORITY

The global indicative amount available under the present Call for Proposals is 1.500.000 euro.

Size of grants

The following minimum and maximum amounts apply to the grants for the individual projects, which may be financed under the programme:

- minimum amount : 250.000 euro
- maximum amount : 500.000 euro

Moreover, a grant may not exceed 90% of the total eligible project costs (see also 2.1.4. below). The balance must be financed from the applicant's or partners' own resources or from sources other than the European Community budget.

April 3, 2003

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

\$25 MILLION RAISED FOR BALKANS THROUGH
PUBLIC-PRIVATE PARTNERSHIP
Donors Leverage Funds to Solidify Democracy

WASHINGTON, DC – The U.S. Agency for International Development (USAID), the German Marshall Fund of the United States (GMF), and the Charles Stewart Mott Foundation are pleased to announce a new \$25 million initiative to support good governance in South-eastern Europe. The grant-making effort, called the Balkan Trust for Democracy, is a project of GMF made possible through a public-private partnership between GMF, USAID, and the Mott Foundation.

The Balkan Trust, to be headquartered in Belgrade, will begin operations in the summer of 2003 and will work in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Serbia and Montenegro, and Romania.

Nearly \$2 million in grants will be awarded annually to civic groups, indigenous non-governmental organizations (NGOs), local and regional governments, educational institutions, and the media to support local initiatives that improve the connections between citizens and their governments. It will also go to grants for cross-border cooperation to promote the region-wide political and civil society development necessary for long-term stability in South-eastern Europe.

USAID and the GMF are each contributing \$10 million to the venture, and the Mott Foundation is granting \$5 million.

GMF is also underwriting the Trust's administrative expenses, so the full \$25 million will be dispersed as grants. By design, USAID's funds will last for ten years, after which the Trust will continue operating with funds from GMF and other sources. Additional donors are being sought as the initiative becomes operational.

"While South-eastern European countries have made great strides in establishing democracies, there is still work to be done to finish the complex transition from communism. The Balkan Trust for Democracy represents a long-term commitment by GMF and our partners to help these countries meet their goals of democratic consolidation and membership in NATO and the European Union," said Craig Kennedy, President of GMF.

The Balkan Trust for Democracy has been established at a time when the countries of South-eastern Europe have begun the long process of gaining membership in the European Union, and Romania and Bulgaria have been invited to join NATO. While having stable democracy is a prerequisite to membership in these organizations, democracy remains fragile throughout the region and work is still needed to improve governmental accountability, transparency, and responsiveness to citizens.

The Balkan Trust for Democracy will serve as a model of how public and private institutions can join together to help support good governance and civil society engagement throughout the world,” said USAID Administrator Andrew S. Natsios. “This is an excellent example of how USAID can deepen the impact we have throughout the world through public-private partnerships.”

“The strength of ***the Balkan Trust for Democracy*** lies in the excellent cooperation and shared vision among the three founding institutions. The Mott Foundation believes that this initiative will be a cornerstone for achieving the vision that we have for the region – stable and productive democracies and engaged citizenry throughout the Balkan peninsula,” said Mott Foundation President William S. White.

USAID is the principal foreign assistance agency of the U.S. government. The German Marshall Fund of the United States (GMF) is an American grant making and public policy institution founded in 1972 through a gift from Germany. Its mission is to promote transatlantic cooperation and understanding. The Mott Foundation, founded in 1926, is a private philanthropy committed to supporting projects that promote a just, equitable, and sustainable society.

Chapter 2

Civil society: prospective role and challenges

Definition of Civil Society

Civil society is the term used to describe the concept or activity of a country which is not part of the official government, nor is it part of the private business sector. In recent years it has been called the "Third Sector of Society", where the state and private enterprises are the first two.

When most people use the term civil society, they are generally referring to a category of organisations called "non-profit organisations", or more simply "the non-profit or charity sector". The non-profit sector exists at many levels of development, from being highly developed in the USA and Western Europe, to fledgling development in Eastern Europe, including Romania.

At the very basic level, each of us, the individual person, make up civil society. But for most purposes, we refer to the *organisations*, which make up civil society. And because there are so many different types of organisations: foundations, associations, labour unions, student groups, unions, charities, non-lucrative groups; the commonly used catch-all term for all these different types is "non-governmental organisation", or NGO for short.

Essentially, any organisation that is set up and run independently of the government and is not run for profit is a non-governmental organisation. CSDF is of course, an NGO, as are better known organisations such as the Red Cross, Greenpeace, or Oxfam.

Why civil society matters

Without a strong civil society, sustainable reform and democratisation is not possible.

Since 1989 and the end of communism, Romania has been slowly transitioning from a country where the state supplied and controlled most of the social and economic resources. Now, more independent, non-state groups have more of a say in the distribution of these resources. The media and press, educational groups, non-governmental organisations (NGOs), and private citizens have all contributed to the progress that Romania has seen over the last 11 years.

The existence of formal and informal groups of people provides a safeguard against a potentially abusive or un-democratic government. These groups give a voice to marginalised individuals who might be ignored, neglected, or abused by society. The different NGOs speak for and represent individual or minority views, and by disseminating these views to a greater audience debate and discussion can take place. Subsequently, informed decisions can be taken for the benefit of these minorities and in the long run, for the majority as well.

Economic growth, available jobs, good living standards, and the opportunity for success are the benefits of a developed civil society and a free democracy.

A developed civil society can solidify and internalise the values of democracy and responsibility and improve the quality of life for all citizens of the country.

Oxfam proposal

for wording of an NGO Charter under the Stability Pact for South Eastern Europe

22 June 2000

Voluntary and community activity is fundamental to the development of a democratic, socially inclusive society. By supporting and representing individuals and groups, and by strengthening communities, many independent, non-profit making organisations in South Eastern Europe bring enormous value to society and fulfil a role that is distinct from the state and the market.

Democratic governments can play a positive role in supporting the work of civil society organisations. Civil society organisations can also make an enormous contribution to strengthening government policy making, and in promoting the inclusion of more people in the economic, social and political development of South Eastern Europe.

This Charter is intended to promote the mutually reinforcing relationship between civil society organisations and governments in South Eastern Europe. The Charter sets out shared principles by which governments and civil society organisations should engage with each other, at the local and national level and at the regional level under the Stability Pact. The Charter should not be seen as exhaustive, but as a general framework and as an enabling mechanism to enhance the relationship between governments and the voluntary sector.

Governments and civil society organisations should base their relationship on commitment to shared principles. Explicit commitment to these principles should help to ensure an organisational culture among governments in the region which recognises the value of consulting and engaging with civil society. This is essential to ensure better co-operation between governments and civil society.

The shared principles which underpin the Charter are set out below.

Voluntary action is an essential component of democratic society.

An independent and diverse voluntary and community sector is fundamental to the development of democratic principles, and the promotion of social inclusion and equitable economic growth.

There is added value in working in partnership towards common aims and objectives. Meaningful consultation builds relationships, improves policy development and enhances the design and delivery of services and programmes.

Governments and civil society organisations have different forms of accountability and are answerable to a different range of stakeholders. Common to both is a need for integrity and transparency.

Civil society organisations are entitled to campaign peacefully in order to advance their aims.

In their engagement with civil society organizations, governments will conform to international conventions governing freedom of expression and association. Governments will uphold the rights of all people to freedom of thought, conscience and religion, to freedom of expression

and to freedom of peaceful assembly and association, as laid out in the European Convention of Human Rights and Fundamental Freedoms.

Governments will develop mechanisms for engagement for civil society on a sustained and systematic basis. Meaningful engagement needs to base on a process of dialogue, rather than one-off meetings – consultation is a process, not an event. In order to benefit from the expertise of civil society organisations in policy development and implementation, governments will use existing networks to establish contact with community organisations, professional groups, trades unions and other NGOs. Governments will draw up mechanisms to consult with civil society organisations in areas in which they have experience and which affect such organisations' work and constituencies. Such mechanisms will respect the diversity of opinions on both sides, ensure openness of communication, and be based on agreed ground rules for engagement.

Governments will provide civil society organisations with information. In order to ensure that they can contribute to public and private debate with government regarding the issues that concern them, civil society organisations need timely, accurate information about government plans and policies. Engagement presupposes that each side knows who it should be talking to, about what, and why. Governments will ensure that they explain to civil society organisations who does what within government, communicate new government commitments, and to explain proposed changes in policy and practice.

Governments will establish basic ground rules for meetings and consultations with civil society. This will help to make engagement more meaningful and manageable.

Governments will communicate the purpose and agenda of meetings.

They will ensure adequate administrative back-up for meetings and consultations, with minutes and papers circulated in a timely manner.

Governments will ensure clarity on what is agreed, on follow-up action and feedback.

Governments will lay out clear criteria for which civil society organisations they choose to work with, and why. These criteria should be based on principles concerning the mission, mandate, standards and practices of such organizations. In laying out these criteria, governments will recognize and accept the role of civil society as a critic as well as a partner of government. Civil society organisations are neither inherently good nor inherently bad. Strengthening the relationship between civil society and government means that governments must make informed choices about which organisations to work with, and why. Governments should define characteristics which they expect civil society organisations to display in order to form constructive partnerships in policy making and implementation, and ensure that they continue a dialogue with a range of civil society organisations about who should be included in consultative work. Mutual endorsement of the principles of this charter, outlined above, will form a basis for co-operation with civil society organisations.

Governments will ensure that local as well as central government engages effectively with civil society organisations and community groups. The small organisations, particularly those at local level, are often most effective in giving vulnerable, marginalised people a voice. Governments at local and national level will ensure that they work with a range of civil society organisations, not only the most prominent.

Governments will ensure a legal, administrative and fiscal environment which will enable civil society organizations to fulfil their mandate and serve the aspirations and interests of their constituencies.

STABILITY PACT DECLARATION ON NGO-GOVERNMENT PARTNERSHIP IN SOUTH-EASTERN EUROPE

The Participating States in the Stability Pact and the interested parties and organisations associated with the Pact:

Acknowledging that regional NGOs and civic initiatives play a key role in the process of democratisation, peace-building, promotion and protection of human rights, as well as the development of cross-border co-operation in South Eastern Europe and in carrying forward the spirit and values of the Stability Pact,

Taking into consideration that, by supporting and representing diverse individuals and groups and by strengthening communities, many independent, not-for profit organisations in South East Europe bring enormous value to society and fulfil a role complementing the state and the market, and that voluntary and community activity is fundamental to the development of a democratic, socially inclusive society,

Recognising that it is practically impossible to have a thriving and efficient NGO sector without respect for the rule of law and a stable social and political environment,

Reaffirm their adherence to the principle of freedom of association as laid down in Article 11 of the European Convention on Human Rights (ECHR), Article 22 of the International Covenant on Civil and Political Rights (ICCPR), Article 20 of the Universal Declaration on Human Rights and the principles of the UN Declaration on the right and responsibility of individuals, groups and organs of society to promote and protect universally recognised human rights and fundamental freedoms, as well as all relevant OSCE commitments.

Are determined to direct efforts to help NGOs and civic initiatives in the region strengthen their capacities and promote exchange programmes, cross-border contacts and experience-sharing among NGOs, as well as facilitate greater involvement of the NGOs in each Task Force,

Are committed to facilitating the identification of best practices implemented throughout the region and to produce an on-line inventory of regional cross-border projects already existing or in progress.

The Governments in the region, in order to promote greater NGO involvement in Stability Pact activities, will:

1. Facilitate and promote the free development of NGOs and other civic initiatives and ensure that civic involvement in society remains unrestricted and is encouraged.
2. Support the adoption, amendment or implementation of legislation with a view to establish a receptive environment for NGOs, allowing them to be created without obstacles and to operate freely,
3. Encourage the involvement of NGOs in activities aimed at promoting transparency and dialogue, inter-religious and interethnic harmony and the values of tolerance and multiculturalism.
4. Promote an increased participation of citizens and residents in political and social affairs by incorporating education for democracy and social responsibility in the education system and by supporting NGOs' public awareness-raising activities.
5. Facilitate NGO's direct and indirect (inter alia through tax benefits) access to funds, whether from private or state sources.
6. Ensure that access to funding for NGOs remains unimpeded and legitimate restrictions by governments on access to foreign funds are crafted in line with internationally recognised standards.

7. Support the creation of NGO networks in South-Eastern Europe and promote a regional approach to civic action, thus fostering communication, co-operation and the exchange of best practices between the countries of the region.
8. Improve communication between public administration and NGOs to ensure transparency of the administration and the legislative process, as a means to increase citizens' confidence in the activities of public institutions and to eliminate bureaucratic sources of corruption.
9. Promote state-NGO partnerships and develop mechanisms for the engagement and consultation of NGOs on a sustained and systematic basis, in areas where NGOs have experience and which directly affect their work and constituencies. Such mechanisms will respect the diversity of opinions on both sides, ensure openness of communication, and be based on agreed ground rules of engagement.

Bucharest, 27 October 2000