

Non-Paper

Proposals from the European Commission and the Stability Pact regarding the Regional Ownership Process

Explanatory note

Based on the comprehensive Final Report of the Senior Review Group chaired by Ambassador Alpo Rusi of Finland, and with a view to the upcoming Regional Table in Belgrade, 29-30 May, the European Commission and the Stability Pact Secretariat have jointly developed proposals which should prepare clear decisions on the future of regional cooperation in general and the ownership process of the Stability Pact in particular.

The aim is the phased evolution of the current Stability Pact into a more streamlined and effective regional co-operation framework in which the South East European Cooperation Process, if successfully strengthened, could play a central part.

While the SEECP Summits and ministerial meetings could play an important role to promote regional cooperation at the political level, it is suggested to establish a Regional Cooperation Council (RCC) as a supporting body of the new regional framework. The RCC would comprise the countries of the region, the EU and the international community. It would be chaired by a Secretary General from the region who would also support the SEECP Chairmanship. The RCC would help safeguard the legacy of the Stability Pact and uphold a close relationship to the European integration process. It shall offer an operational platform for the steering of regional cooperation in the identified priority areas.

The EU should stand ready to provide support to the new regional framework. This arrangement could be reviewed periodically.

Regional ownership being the most important objective of this exercise, the ultimate decision on the outcome of this process remains with the countries of the region and in-depth consultations will have to continue in order to ensure support for the necessary decisions. Much is expected from the SEE countries in this process, in particular regarding their preparedness to step up their efforts to "own" this new framework and to take decisions within the SEECP, which would have to undergo a significant change in order to grow into the key role foreseen as part of this new framework. Considering that this process requires the SEE countries to make not only political, but also financial commitments, sufficient time should be given to the SEE countries to make the necessary arrangements for implementation. The ambition is to attain at the Belgrade Regional Table an initial commitment to regional co-financing of this new framework.

**FROM STABILISATION TO INTEGRATION
TOWARDS A REGIONALLY OWNED CO-OPERATION FRAMEWORK IN SOUTH
EASTERN EUROPE**

The goal: sustaining focused regional cooperation in South East Europe through a regionally-owned and led framework that also promotes the region's EU and NATO integration.

The approach: an increasing degree of political, financial and staffing ownership by the countries of the region with participation by the EU and interested donor countries and organisations to preserve the SP legacy as a forum for regional co-operation and Euro-Atlantic integration.

The means: the Stability Pact and the European Commission, in line with the important work of the Senior Review Group, propose the establishment of a Regional Co-operation Council (RCC) to take over the responsibilities of the Regional Table and Working Tables. The RCC would be chaired by a Secretary General designated by SEECP. The Secretary General should be a strong political figure from the region whose task would also be to support the rotating SEECP Chairmanship and to head a small, operational secretariat staffed largely from the region.

The tasks of the RCC: to co-ordinate regional co-operation processes to provide guidance to the Secretariat and the Secretary General and to support and prepare – as appropriate – SEECP Ministerial meetings and Summits. The RCC, open to all partners active in South Eastern Europe, would meet annually at the Senior Civil Servant level or above in an inclusive format and quarterly in a limited format with the SEE beneficiary countries, the EU Troika and those donor countries contributing to the RCC budget. Meetings on the Ministerial level should in principle be organised in the SEECP framework.

Priorities for regional co-operation:

- Economic Development: Regional Trade and domestic and foreign investment, in particular the proposed single free trade agreement; this work should also be supported by the private sector, for example via the Business Advisory Council (BAC) and the Foreign Investors Councils, comprised of key business leaders active in the region.
- Infrastructure: Transport Infrastructure with a focus on the main Corridors in SEE, Energy (including Gas), Airspace, electronic SEE; the Infrastructure Steering Group (ISG) has a crucial role to play to facilitate these processes.
- Justice and Home Affairs: notably the fight against Organised Crime and Corruption, including support for an enhanced link between the SECI Regional Centre for Combating Trans-border Crime and Europol;
- Security co-operation: Defence conversion and security sector reform (in particular as part of the RACVIAC structure); co-operation schemes outside the framework of the Stability Pact such as SEDM, SEEC and SEEBRIG need to be included in these frameworks;

- Building Human Capital: Education, technical and vocational training, research and science in general as well as capacity building in public administration in particular.
- Parliamentary Co-operation as an overarching theme to support activities in the above areas

Implementation:

- Beginning with the Regional Table in Belgrade in May 2006, elaboration and implementation of individual and clear strategies for each SP Task Force and Initiative to be completed by the end of 2007;
- Initial funding commitment by SP donors and all regional countries for the 2007 transition strategy as well as for the new, slimmed-down secretariat at the Belgrade Regional Table; co-financing by the region for the RCC secretariat to be decided by the Regional Table in November 2006.
- An SEECP decision on its relation to the RCC and its secretariat, including the designation of a Secretary General from the region, at the latest by the SEECP Summit in May 2007;
- The new RCC set-up in place with the inaugural meeting by February 2008, when the hand-over from the Special Coordinator of the Stability Pact to the Secretary General takes place.

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