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Regional Cooperation Challenges 2007/2008

**From the Stability Pact for South Eastern Europe
to the Regional Cooperation Council:**

Enhancing the Voice of the Region

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South Eastern Europe, Belgrade, Member of the Senior review Group
Delivered on the International Conference Regional Cooperation
Challenges 2007/2008 in Zagreb, on September 9, 2007**

You're Excellencies, ladies and gentleman,

Speaking about Regional Cooperation Challenges in 2007/2008 in the final session, titled The European Dimension of the Region, after hearing in-depth analysis of the situation in the region, give me (or leave me) with an opportunity to highlight some external circumstances that will for sure influence potentials for creation of SEE European dimension. I see a good usage of these circumstances as a must for the countries of the Region. They have to utilize them together, adding to regional cooperation's challenges a **joint regional effort to build European dimension of SEE.**

As a Chair of WT I of the SP, I am particularly interested in events within the SP founders that can contribute to continuing promotion of democracy and human rights in the region and further chances for Region's overall trans-Atlantic integration, too.

Enhancing two folded process of building functional and accountable states throughout the region and building of human capital in them, while focusing on overall aim of

improving human security, intertwined with this good trends give a Region a historic opportunity to create its European dimension.

In last several years the EU has been increasingly active on the diplomatic front and in peacekeeping operations. Despite Constitutional Treaty constipation, it is gradually streamlined to what Mr. Solana call “effective multilateralism”. This is shorthand for trying to create a world in which countries bind themselves into a network of laws, obligations and institutions-a world rather like the EU itself.

Multilateralism has already gained certain credibility. When Europeans give advice on, say, peacemaking or institution building, they know what they are talking about, bitter former enemies now work together in the EU through common institutions. The precise model is applied successfully in FYR Macedonia and since recently in Bosnia and Herzegovina. Evidence there suggests that effective multilateralism is something EU can actually deliver. I foresee similar successful engagement in Kosovo, after status negotiations.

The EU foreign policy credibility will face some serious challenges in the near future, developments in the SEE being just one of them. Europeans often tell pollsters that they want common foreign and security policy. They like many aspects of effective multilateralism, foreign aid, Kyoto; but many remain uncomfortable about deployment of hard power. Let's not forget that European Parliament adopted Mr. Elmar's Brok's Report on the EU enlargement in March 2006, with clear majority. According to the Report, the Commission should provide an “operational definition” of the EU absorption criteria as a key element for future enlargement by the end of the year. Although Mr. Brok made it clear that his proposals shall in no way question the future accession of certain countries such as the ones in the WB which had already been given a general accession perspective, a concern has settled in some WB countries.

Current Finish and forthcoming German Presidency over EU will have crucial role for formation of the SEE European dimension. Germany and Italy have decided to push for further progress on the Constitutional Treaty. In his speech on 14 June in front of the European Parliament, Commission President Barroso said that there was no alternative to a “political Europe” to counteract “the ghost that is hunting Europe – euro pessimism”. The Council general debate on enlargement will be organized in the autumn. This will include a discussion on the union's absorption capacity on which the Commission has been invited to prepare a report. SEE should pay special attention to words of Mr. Erkki Tuomioja, Finish Minister of Foreign Affairs:” It is important that the discussion will not lead to new criteria enlargement, not to a withdrawal from commitments previously given by the EU.”

This is why, it is important that SEE leaders, keep European dimension of the Region high on the agenda, presenting it as significant partner in overcoming global challenges too.

The US foreign policy is already on a very different trajectory than it was in President Bush's first term. We are witnessing a swing back towards progressive pragmatism from Bush revolution. It is a good thing for the SEE and the WB. SEE leaders should coordinate efforts to stress significance of non-violent promotion of democracy and support for respect for human rights that bred good results in the region. This creates much better frame for prevention of clericalism, de-secularization and nationalism throughout the Region. Despite significant progress, we witness dangerous attempts to introduce this back warded features in the region policies, either as a tool against euro-

Atlantic integration, or a perverted and incorrectly seen way to ally, mainly with the US.

Soil is still fertile, as the region is fragile in promoting tolerance and non-discrimination, enforcing rule of law, and right to equal opportunities. Unemployment is high; poverty is present and coupled with de-secularization, human rights infringement and public's apathy. The IC focus on developing institutions, at the expense of developing human capital, has constrained the effectiveness of the institutions themselves. The international efforts in the region have been overwhelmingly concerned with top-down institutional building, based on a dialogue with the political elites. This has only served to reinforce the ethnic divide; given the Balkan elites are a direct beneficiary of these exclusivist forms of politics and constitutionalism. Possibilities must be open for fresh re-imagining of political leadership in the region. I find building and fostering of human capital that is the SP main core objective as an excellent tool to prevent further mentioned negative side effects.

Combined with the EU effective multilateralism that is compatible to progressive pragmatism, euro-Atlantic cooperation is entering a phase of increased matching of goals and means. Countries of SEE and their leaders must display maturity to utilize newly emerging circumstances to their best, with RCC and SP legacy as formidable ground. Not only to enhance its European dimension but to build multidimensional grid of regional cooperation.

After the July 2006 failure of Doha round, trade negotiators and governments are rapidly turning toward more regional trade.

Regional and bilateral trade deals have mushroomed. Trade diplomats are looking to regional agreements as a better way to do business. Such deals are easier to pull off. A decade ago they were a rarity but now just about every WTO member is part of at least one.

Although, there was a general agreement among prime Ministers of the Region this summer that quality should not be sacrificed by speed in creation of Single Free Trade Area in SEE, these global trends should be kept in mind. Particularly now, as the Region made groundbreaking decisions this summer – to adopt a Regional Framework for Investment (RFI) and to create a SEE Regional Investment Committee. SEE is the first region to adopt such a Framework, which provides a reference for the elaboration, implementation and evaluation of national policies related to investment in the region

In order to enhance its European dimension, the Region must, riding on the wave of positive new trends in global affairs:

- Continue to develop civil society as a credible social actor. Given the time consuming process of institution building and the lack of legitimacy they confront in the WB and SEE, strengthening civil society can play an important role in mitigating difficulties posed by weak institutions.
- Use EU tax payer's devotion to application of soft power by making additional effort to promote EU SEE policy as a success story too, emphasizing already made EU political and financial commitments in the SEE.

- Do its best, by improving integrated border management and control over illegal migration, to crack a tendency to view further enlargement as a threat to the quality of life enjoyed by peoples of the Union. This reflects a myopic view of security in global age which no longer can be identified with guarding the borders of the Union. Give evidence and act in according manner to prove that preservation of the EU zone of prosperity and democracy depends on its extension.
- Put Free Trade Area and Regional Investments Framework into full effect, as they are testimony to the commitment of the region to increase its competitiveness, maximize new investment and further enhance access to European markets.
- Start translate EU values more vigorously and with less opportunism, as well mechanisms and patterns of reaching decisions, bearing in mind this fall EU dynamics.

They say think globally, act locally. I have had a pleasure to tour 10 countries of the region and meet with various actors in charge for process of decentralization and reform of local self government, as a part of CoE assessment mission prior to Minister conference in Skopje. Despite some average transition burdens, I am glad to report that countries of the region are on a steady path toward creation of **functional and accountable states. Functional and accountable state with trade mechanisms and security cooperation adjusted to 21 century are safety play for a wining a grand slam-building European dimension of SEE. With such a good hand of progressive pragmatism, effective multilateralism, RCC at place, and increased regionalism being dealt to the SEE, it is mostly up to the SEE to play smartly and use all the tramps.**

Thank you for your kind attention.