



Dear friends,
These are busy days. The Secretariat is in full swing preparing for our biannual meeting in Prague this November and Working Tables are working hard in achieving results on the ground before we will meet there.

The regional ownership process that was launched at the Sofia meeting last May is a huge task. Regional ownership is first and foremost a strategy challenging our partners in South Eastern Europe. Now that we have reached a very constructive working atmosphere within the Pact, we need to move on to see where international involvement in these co-operation efforts can be step by step reduced.

In a meeting in Belgrade earlier this month, our partner countries started spelling out quite clearly what they expect from the international community, and the European union in particular, and where they think they can handle themselves. A *Senior Review Group* headed by Ambassador Alpo Rusi of Finland is in the meantime looking at the longer-term future of regional co-operation and its modalities: this will set the tone for the next years to come.

In the area of disaster preparedness and prevention, for example, the devastating floods in Romania this summer have shown that neighbours inside South Eastern Europe need to be ready to help each other, regardless of additional help from the outside. Now that the DPPI network has done a great job in providing some of the links needed for such co-operative action, more should follow.

While I do not expect that the discussion on a future concept of regional co-operation in SEE will end in Prague, one thing seems clear from my personal point of view: we need good, concrete results of this process, to the benefit of the region, no complacency but also no rushed decisions. Prague will therefore give the region a timeframe for managing the transition to more ownership, and the Pact will work hard to support this endeavour.

Gregor W. Koessler
Head of Cabinet of the Special Co-ordinator

THE CABINET: Finnish diplomat **Soili Kangaskorpi** has taken over the role of Deputy Head of Cabinet from Charlotta Ozaki-Macias. Ms Kangaskorpi was previously posted to Finland's Permanent Mission to the United Nations in New York and was subsequently Deputy Head of the Finnish Embassy in Poland.

ISC Seeks to improve Social Policy in SEE

Launched at the end of 2001, the Stability Pact's Initiative for Social Cohesion (ISC) aims to address social issues that affect the daily lives of citizens across South East European countries. It is an effort focused on ways to handle the consequences of the tremendous economic and political reforms that the region has been faced with over the past decade.



Opening of the Mental Health Care Centre Blagoevgrad, Bulgaria

Social policy development needs to be addressed both at national and regional level to be truly sustainable. This is why Ministers of Health, Employment, Labour and Social Affairs, as well as social partners from all eight Stability Pact beneficiary countries are deeply engaged in the work of the ISC. The ISC operates under the auspices of the Stability Pact's Working Table II thereby facilitating the co-operation required among our different initiatives to underpin much-needed economic reforms with adequate social policies.

The political commitment of the SEE countries to this work provides the framework on which to build reforms in the social sphere. To date, the ISC has focused on five sectors: improvement of **health systems and policies**, modernisation of **employment policies and labour market institutions**, development of **social dialogue**, strengthening of **social protection systems**, stimulating **new housing policies**

The main results over the past three years have been achieved at two principal levels.

1. Policy design and upgrade. In the area of health, for example, all our beneficiary countries have brand new legislation and action plans on several public health issues: mental health, blood safety, control of communicable diseases and food safety, in line with EU and international standards. In parallel to the work on legislation, the provision of services in the area of mental health has been improved with new infrastructure (community mental health centres) and trained staff in all 8 countries. In the upcoming second SEE Health Ministers' Forum, on 25-26 November in Skopje, the Ministers will renew their political commitment to and assume greater ownership of the regional cooperation in the field of health. In the area of employment, our counterparts in the Ministries of Labour and in the Employment Agencies have been working on the approximation of employment legislation to the European Employment Strategy and the ILO standards. At the second Ministerial Conference on Employment, in Sofia on 21 October, the Ministers in charge of employment and the social partners agreed on the further directions for modernising and harmonising their countries' employment policies, in order to improve the business climate and stimulate further job creation.

2. Capacity building. A lot of attention has been given to the development of free and independent trade unions and employers' organizations. Efficient bi-partite and tri-partite social dialogue is an important mechanism for further strengthening of the overall democracy, as well as for reaching a wide consensus on the necessary, and sometimes difficult, economic and social reforms. Therefore, the SEE trade unions and employers' organisations have been closely associated in the design of labour legislation, trained in the intricacies of collective bargaining and labour dispute resolution. As a result, there are plans to establish labour courts in Bulgaria and Bosnia and Herzegovina in the coming year. Through the ISC, they have been able to take part in the negotiations on the Energy Community of SEE, in the discussions on setting up a core transport network in the region and in the networks combating corruption.

The key challenge for the future lies in the **sustainability of these efforts**. Sustainability can only be achieved with increased participation of the countries in the region in the regional co-operation processes. In order to facilitate this process, the ISC will streamline its work in 2006 to focus on embedding its regional networks in the areas of health and employment and labour firmly into the local context, ensuring that actors from the region and the international community continue to give due attention to social development, in parallel to economic development.

The work of the ISC, as well as its achievements, would not be possible without the support of the Council of Europe, Council of Europe Development Bank, World Health Organisation, International Labour Organisation, European Trade Union Confederation, International Organizations of Employers, the European Commission and bilateral donors Austria, Belgium, France, Germany, Greece, Hungary, Italy, Luxembourg, Norway, Sweden and Switzerland.

WORKING TABLE I: Marijana Grandits replaced Jean-Daniel Bieler as Director of Working Table I in September. Given her extensive work in the area of reconciliation and democratisation in the former Yugoslavia and her previous experience as a member of the Austrian Parliament, Ms Grandits is well placed to ensure focused efforts in this important Working Table. **Srdjan Cvijic** joined the SP in October to work on LODE/CBC and media issues. Previously, he has worked in the area of democratisation, public and international law and political analysis, notably the NATO Parliamentary Assembly in Brussels.

WORKING TABLE II: Swiss diplomat **Laurent Guye** replaced Bernard Snoy as WT II Director at the beginning of September. He brings considerable operational experience of international financing institutions to his new position – he worked as the Executive Director at the EBRD where he represented, i.a., Serbia and Montenegro in the Board of Directors. **Dragan Stojovic** joined WT II in October as expert on Private Sector Development and Investment. Previously, Mr Stojovic was Director of the Department for Multilateral Economic Cooperation and Regional Initiatives at the Ministry of International Economic Relations of Serbia and Montenegro.

Upcoming Events



15-16 NOVEMBER 2005: Working Tables & Regional Table Meetings in Prague:

OUTLINE OF THE PROGRAMME
Venue: HOTEL DIPLOMAT

14 NOVEMBER 2005
18.00: Welcome Cocktail

15 NOVEMBER 2005
9.00-11.30: Meeting of Working Table II
13.00-15.30: Meeting of Working Table I
16.00-18.30: Meeting of Working Table III
19.30: Reception hosted by FM Svoboda

16 NOVEMBER 2005
9.00-15.00: Meeting of the Regional Table

Editor: Dragan Barbutovski, Spokesperson
Tel.: +32 (2) 401 8725
Fax: +32 (2) 401 8712
E-mail: press@stabilitypact.org
Website: www.stabilitypact.org

SEE Signs Energy Treaty with the European Union



Countries of South Eastern Europe took a historic step forward towards full integration into the EU single energy market, a first example of a sectoral enlargement to date. Speaking at the Signing Ceremony of the Treaty Establishing Energy Community between the European Union and South Eastern Europe in Athens at the end of October, **Special Co-ordinator Erhard Busek** said that the "implementation of this treaty will have far-reaching

political, economic and social consequences for all of us, among them the development of a stable and efficient energy supply in South Eastern Europe, the introduction of market based regulatory systems and the geo-political importance of securing different supply routes for energy in Europe." Keynote speakers at the ceremony included **Greek Prime Minister Karamanlis, British Secretary for Trade and Industry Johnson, European Energy Commissioner Piebalgs** and **Bulgarian Energy Minister Ovcharov**.

Ohrid Border Process Makes a Milestone

With the August handing-over of the border management from the military to the police authorities along the border between Albania and the Former Yugoslav Republic of Macedonia, the Ohrid Process on Border Security and Management, a joint effort by the five Western Balkan countries, the European Commission, OSCE, NATO and the Stability Pact, received a confidence boost. Being in its third year since creation and in a crucial implementation phase, the Ohrid Border Process aims at creating safe, secure and open borders. Almost all borders in the region are now under police control, and countries are working on other specific achievements, such as upgrading information systems, implementing new legislations, modernising infrastructures and equipment or implementing cooperation agreements with neighbouring countries. The **Third Review Meeting**, scheduled to take place in early November, will specifically look at how the assessment of the whole process can be carried out in 2006 from the political and technical points of view.

Busek Welcomes Co-operation in Disaster Preparedness

Following this summer's devastating floods in Romania and Bulgaria, the Regional Meeting of the Stability Pact's Disaster Preparedness and Prevention Initiative (DPPI) in mid October discussed ways how to strengthen regional co-operation in South Eastern Europe, especially ways how the region could be better prepared for mutual assistance in cases of disasters by using national response teams and by agreeing on border crossing procedures for such teams in case of emergencies. **Special Co-ordinator Busek** described such measures as urgently needed. Moreover, he called upon the region to make optimal use of existing international disaster response mechanisms, namely those existing with the UN, EU, NATO and the International Federation of Red Cross.

Sloboda Bridge Inaugurated



*At the opening of the Sloboda Bridge - SC Busek, Foreign Minister Drašković and Commissioner Rehn
Photo: Beta*

One of the most visible projects from the original list of regional infrastructure projects developed under the auspices of the Stability Pact was inaugurated in mid October. At the opening ceremony of the *Sloboda* (or Freedom) Bridge in Novi Sad, which was destroyed in the 1999 NATO raid and was reconstructed to the cost of more than €40 million, **Special Co-ordinator Erhard Busek** stressed the importance of the bridge being on the crossroad between Trans European Corridors VII (the Danube) and X (link-

-ing Central Europe with Greece). "I hope the opening of the Sloboda bridge will inspire SEE countries to look more closely at this environmentally-friendly transport mode."