STABILITY PACT
FOR SOUTH EASTERN EUROPE

Meeting of the Regional Table
Zagreb, 10th May 2007

Regional Table of the Stability Pact
10 May 2007, Zagreb

Chairman's Conclusions

The Regional Table of the Stability Pact for South Eastern Europe met under the chairmanship of Special Co-ordinator Erhard Busek on 10 May 2007 in Zagreb.

Participants underlined that regional co-operation remains of the highest priority in order to underpin political stability and economic recovery in the region, to facilitate confidence building and as a supporting instrument for European and Euro-Atlantic integration.

The Table praised the significant progress made over the past months in moving ahead with the phased evolution of the Stability Pact into the Regional Co-operation Council (RCC) as a more regionally owned, streamlined and effective regional co-operation framework in South Eastern Europe.

The Regional Table welcomed the work of the Institutional Working Group under the co-chairmanship of the Croatian SEECP Chairmanship and the Stability Pact Secretariat. The constructive fashion in which the Group achieved its success, exemplifies the spirit in which the future Regional Cooperation Council should conduct its work.

Participants welcomed the close co-operation with the Croatian SEECP Chairmanship, which has successfully led the countries of the region in the transition process in the past months.

Regional Table participants endorsed the Statute of the RCC, annexed to these Conclusions. The Statute should be formally signed as part of a Memorandum of Understanding on the occasion of the first meeting of the RCC in February 2008. Participants expressed their expectation that the establishment of the RCC would allow the successful work and the constructive and result-oriented approach of the Stability Pact to be continued.

The Regional Table endorsed the proposal to host the RCC Secretariat in Sarajevo, looking forward to the decision being formalised by the SEECP Foreign Ministers' meeting later in the day. Participants stressed that negotiations on the host country agreement should be finalised as soon as possible.

The Regional Table endorsed the proposal to appoint Hidajet Biscevic as the first RCC Secretary General, and awaited the formal decision by the SEECP Foreign Ministers meeting later in the day and the approval of the appointment by the SEECP Summit on 11 May 2007.

Participants noted that the next twelve months constitute a critical period for the successful phasing out of the Stability Pact and in commencing RCC operations. In this respect, they welcomed the full commitment of the SEE governments, led by the Bulgarian SEECP Chairmanship, to meet the agreed timelines. Furthermore, a successful transition will require sufficient political and financial support from international partners.

Participants requested the new RCC Secretary General to make the necessary preparations to ensure that the RCC Secretariat will be operational and can formally take-over the agreed regional co-operation tasks from the Stability Pact by the end of February 2008. They requested the RCC Secretary General to make every effort to ensure continuity of regional co-operation activities and to facilitate a smooth hand-over in co-ordination with the Special Co-ordinator. The Table highlighted in particular the role of the SEECP participating states and called for their full support to the RCC Secretary General in this challenging task jointly with other RCC participants. Participants thanked the European Commission for its willingness to provide the Secretary General with an initial contract, allowing him to commence his work as soon as possible.

The Regional Table requested the Special Co-ordinator to provide the RCC Secretary General with political and some operational support including public relations, initial RCC budgeting and recruitment in the build-up phase until the end of February 2008. Given the complex nature of the transition tasks to be undertaken by the Stability Pact Secretariat, participants agreed that the Stability Pact Secretariat must have adequate capacities to address these successfully. The Table looked forward to see the Stability Pact's mission successfully completed by mid 2008.

The Table welcomed the commitment of Austria, the Czech Republic, Finland, France, Germany, Ireland, Italy, Norway, Slovenia, Sweden, Switzerland, and the United States of America to contribute financially, together with the European Commission, to the budget of the RCC Secretariat, thus becoming members of the RCC Board in addition to the SEECP participating states, UNMIK/Kosovo and the European Union.

The Table called on all other participants of the Stability Pact that are actively and substantially engaged in assisting the region to inform the Special Co-ordinator and the RCC Secretary General of their interest to participate in the RCC by 15 November 2007.

Participants appraised the progress made in the six core objectives and the overriding security area. In the context of Working Table I, the Table welcomed the establishment of the focal point for Parliamentary Co-operation to be hosted by the National Assembly of Bulgaria as well as the recent signing of the MoU on Education and Research between SEE countries. The Table welcomed the launching of the database on Postgraduate Scholarships and Grant Opportunities for South Eastern Europe in Social Sciences by the Stability Pact Secretariat as part of the Building Human Capital Core Objective. The Table reaffirmed continued support to the reform of history teaching in South Eastern Europe.

With regard to Working Table II, the Table noted substantial progress in strengthening the institutional framework for economic development, particularly on trade and investment in SEE. The new ambitious and inclusive Central European Free Trade Agreement (CEFTA) 2006 is expected to come into force in July. Through the implementation of this agreement, which is fully compatible with their WTO and EU obligations, SEE countries will take full responsibility for regional trade policy. This will complement the activities of the SEE Investment Committee established by SEE countries to implement the Regional Framework for Investment adopted in 2006 under the auspices of the Investment Compact and should expedite improvements in the regional investment climate through better co-ordination, peer reviews and common actions. In this context, the Table welcomed the proposal of the Greek Government to establish a Regional Development Centre in Thessaloniki to promote business, trade and private investment-related activities in SEE. The SEE countries are making progress, albeit to varying degrees, in implementing the Energy Community Treaty and in addressing Information Society development. The Table noted the continued need to promote the integration of social issues into broader economic policy, including, the development of the MoU on Social Issues under the Energy Community Treaty. The EC's proposal to transform the Infrastructure Steering Group into an IFI Advisory Group with a slightly wider remit was also welcomed by the Table, underlining the continued crucial involvement of the international financial institutions in the region.

On the part of Working Table III, the Table noted significant progress in transferring responsibility for initiatives to the region, in particular regarding the Stability Pact Anti-corruption Initiative (SPAI), where Ministers from seven regional partners have recently signed a MoU, thereby significantly increasing their commitment to the initiative, politically, financially and personnel-wise. The Table welcomed progress towards a similar MoU to be signed before the end of June on the Stability Pact Disaster Prevention and Preparedness Initiative. Concerning RACVIAC, the arms control and defence cooperation forum in Zagreb, much progress has been made in its institutional working group, but key decisions need to be taken at an extraordinary meeting at the end of June. The Table welcomed progress at the MARRI Regional Forum in April 2007, where agreement was reached that from 2008 onwards, the MARRI member states will increase their financial contributions to cover the running costs of the Centre, while co-operation and project support by the international community remain vital, if MARRI is to continue to develop much needed tools on the various issues addressed by the centre that can provide a regional service on this critical topic.

The Regional Table reaffirmed the decision to initially focus the work of the RCC on the areas of Economic and Social Development; Infrastructure; Justice and Home Affairs; Security Co-operation; Building Human Capital; as well as Parliamentary Co-operation as an overarching theme, while underlining the importance of gender mainstreaming, social cohesion and the involvement of civil society actors in the context of these priority areas

Participants thanked the Special Co-ordinator for the Progress Report on the implementation of the Ownership and Streamlining Strategy of Stability Pact Task Forces and Initiatives and looked forward to this process being successfully completed by the final meetings of the Working Tables to be held by December 2007, allowing for a successful handover to the RCC.

Considering the talks on the future status of Kosovo, the Table acknowledged the considerable progress in integrating Kosovo into regional activities and requested the Special Co-ordinator to continue to foster this integration in full compliance with UNSC Res. 1244. Participants stressed that it was crucial that the RCC work to ensure the full participation of the United Nations Interim Mission in Kosovo (UNMIK) on behalf of Kosovo in accordance with UNSC Res. 1244 in the RCC and regional co-operation activities under its auspices.

Participants expressed their gratitude to the host of the Zagreb meetings and agreed to hold the next and final Regional Table back to back with the inaugural meeting of the RCC in Sofia in February 2008, symbolising the formal hand-over from the Stability Pact to the RCC. Furthermore, participants agreed that the final meetings of the three Working Tables would be held by December 2007.