



**Final Meeting of the Regional Table of the Stability Pact for South Eastern Europe
Sofia 27 February 2008**

Remarks on behalf of Fabrizio Saccomanni, Chairman, Working Table II

Check against delivery

As Chairman of Working Table II (WTII) since the first WT II meeting in Bari in October 1999, I am very disappointed that I cannot be with you today in Sofia for the final meeting of the Regional Table, but unfortunately my obligations with Banca d'Italia simply do not permit me to attend.

Much has been achieved under the auspices of WT II. The building blocks of a comprehensive regional socio-economic strategy have been put in place – one that can bring benefits to all the citizens of the region. These achievements are the results of the considerable efforts of all the parties around this table – the governments of South Eastern Europe (SEE) and the wider international community. The unique forum and different flexible structures provided by the Stability Pact allowed us all to channel our individual efforts towards the overall goal of improving the socio-economic environment in the region.

At the outset of the Pact, the broad composition of WT II's portfolio – energy, infrastructure, private sector development and social cohesion – meant that a degree of trial and error was required to find the best strategy and approach for the different areas and to ensure that these complemented each other. The overblown expectations regarding the Stability Pact's overall role particularly in the field of infrastructure, had a severe impact on WT II's initial credibility and there was a lot of scepticism about our ability to stimulate regional co-operation in the various areas. It took time and effort to overcome this and to find an appropriate modus operandi.

However, looking at the scale and scope of the different strategies now in place in the different subject areas of WT II, one can see the ever increasing level of ambition and commitment from the SEE governments and the level of political, technical and financial support from the international community that have evolved over the nine years of the Stability Pact's operation.

Who would have imagined back in 2000 that the SEE countries would, thanks to the Energy Community Treaty, be part of the EU's internal energy market; that they would be parties to the European Common Aviation Area Agreement; that trade relations among the parties would be governed by one single regional free trade agreement; that the SEE countries would be actively co-operating to improve the overall environment for investment in the region and that the social aspects of economic reform – employment and social policy, social partnership and social dialogue would be high on the agenda of all actors involved.

In all of these strategies, it is the countries of the region themselves who are, more and more, assuming the responsibility for implementation. And this is the challenge that faces all members of the RCC. Do not underestimate the critical importance of adequate

implementation. Often it is nitty gritty and unglamorous work but it is vital work. It requires dedicated technical, financial and human resources. Unless such dedicated resources are provided by both the governments of SEE and the international community, the ambitious political commitments will not be met and the economic and social benefits that should accrue to the citizens of the region will not materialise.

As we handover to the RCC, we would like to emphasise the value of its role as an interlocutor for both the SEE parties and the international community. An interlocutor that provides a unique overview of regional developments in infrastructure, trade, investment and social issues – along with other key areas such as building human capital and the security environment. Ensuring constant flows of communications and facilitating co-ordination among the various taskforces and initiatives - the network of networks that is a key legacy of the Pact - will be vital if the total is to exceed the sum of the individual parts

We would like to thank all our partners – SEE and international - too numerous to mention here - that have worked so hard on the various taskforces and initiatives created under WT II. The set of sustainable initiatives that we handover to the RCC are the result of our joint efforts and we are confident that the level of co-operation, dedication and dynamism that has characterised our work to date will continue.

In closing, a very personal message, when the Pact started, SEE was ravaged by destruction of infrastructure, loss of economic output and severe unemployment, as a result of a decade of internal strife. It took another decade to restore output to pre-war levels and as the Stability Pact hands over it's tasks to the RCC we should all reflect on the immense human and economic costs of non co-operation.

Thank you