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**RACVIAC REPORT
FOR WORKING TABLE III MEETING
PRAGUE, 15 NOVEMBER 2005**

1. INTRODUCTION

This report covers the period from May to October 2005. The aim of this report is to inform participants at the 12th Working Table III (WT III) meeting in Prague, 15 November 2005 on the activities of RACVIAC since the last meeting.

RACVIAC continues its co-operation with countries in the region by visiting or hosting regional and other interested countries. The Director of RACVIAC met high-ranking officials from several regional countries and visited a number of Embassies in Zagreb. Additionally, several Ambassadors accredited to Croatia as well as officials from international organizations and institutions visited RACVIAC.

RACVIAC is regularly invited to meetings organized by the Stability Pact and the OSCE and to some NATO Arms Control and Defence Conversion meetings. RACVIAC continues the established co-operation with partner organizations such as DCAF, SIPRI, SEESAC, OPCW and, on the regional level, CROMAC (Croatian Mine-action Center). The members of RACVIAC participate in activities in the region on security-sector reform and arms control related issues.

Ukraine joined the RACVIAC family as an observer country.

2. RACVIAC ACTIVITIES/PROGRAMME 2005 and 2006

2.1. RACVIAC PROGRAMME 2005 AND 2006

Since the last WT III meeting, RACVIAC has carried out seminars, courses and meetings in accordance with the Programme. Only one course was postponed from August to October 2005.

In the last 2 years RACVIAC is facing the problem of a decreasing number of participants. The Director asked the countries of the region to contribute stronger to the RACVIAC Programme by defining topics, which would be more interesting and attractive and would respond to the needs and demands of the region and in that way would increase the number of participants.

RACVIAC Draft Programme 2006 is approved in general. It includes 29 activities – seminars, courses, workshops and meetings.

2.2. TRAINING & VERIFICATION DIVISION

During the last six months, five activities have been organized and carried out by the Division. In total, 89 participants and 32 lecturers from 18 countries took part in these events.

The Division carried out the following courses in the reporting period:

- Disaster Management
- Open Skies
- Chemical Weapon Convention
- Orientation Course on CFE/ Adapted CFE
- English Course on Arms Control Terminology

2.3. DIALOGUE & COOPERATION DIVISION

During the reporting period, the Dialogue and Co-operation Division carried out 3 Seminars with 54 participants from 13 Nations, 18 lectures from 15 countries and 10 different organizations/institutions/Universities as follows:

- Border management (Ohrid Border Process)
- Democratic control of Armed Forces.
- Essential elements, progress, implementation and evaluation system of security sector reforms in SEE

2.4. DEFENCE CONVERSION CELL

Having in mind the MAG Decision on Defence Conversion (DC) adopted at the 12th MAG Meeting on 05-06 July 2005 in RACVIAC, the Director of RACVIAC has established the Defence Conversion Cell, using RACVIAC's existing capacities. The DC Cell is the basis for the future three Working Groups on key aspects of defence conversion: resettlement of military personnel, conversion of former military bases and restructuring of defence industries.

RACVIAC has also prepared the following documents regarding the new role of RACVIAC in the field of defence conversion:

- Concept Paper on Defence Conversion
- Practical Modalities for RACVIAC's increased involvement in the field of defence conversion
- A consolidated report and matrix on the answers received to the Questionnaire on Defence Conversion
- An agenda for the first WGs meeting which will take place from 6th -7th December 2005.

RACVIAC has organized an open-ended, informal workshop on Defence Conversion which took place from 22-23 September in Zagreb / Croatia. The main topics of the workshop on Defence Conversion were to receive and discuss the first consolidated report on the answers, the revised version of the Concept Paper, the second paper indicating the practical modalities of the new role of RACVIAC in DC, the budget, the programme on defence conversion in 2006 and the agenda for the first WGs meeting which will take place from 6th -7th December 2005. In that workshop, 24 participants from the region and international organizations took an active role during the discussions on the above-mentioned papers. The participants supported the idea regarding regional co-chairing of the WGs and the necessity of additional experts on defence conversion in RACVIAC.

The Director of RACVIAC visited all capitals of the countries concerned with the following objectives:

- Awareness raising on the newly created RACVIAC Defence Conversion Cell and the three Working Groups (activities, goals, need for staff seconded by the countries)
- Promote regional ownership of the process and a global approach
- Discuss the composition of the WGs, their chairmanship and the appointment of National Focal Points for DC issues
- Raise awareness on role of RACVIAC and SEESAC (and cooperation with other international partners) on destruction of surplus ammunition and heavy armament systems.

In accordance with the decisions of the 13th MAG meeting, taking place 18-19 October 2005, the DC Cell will organize three Working Groups, which tasks will include the development regional support networks, concentrate know-how on defence conversion and promote an integrated donors approach as follows:

- **Working Group 1** (WG1) on retraining and resettlement of military personnel,
- **Working Group 2** (WG2) on the conversion of former military bases and facilities,
- **Working Group 3** (WG3) on restructuring redundant military industries by downsizing or restructuring into civilian use,

The *aims* of the three WGs will be as follow:

- to share experience on national defence conversion processes with regional and international partners in order to facilitate the identification of areas for cooperation among ourselves and with international partners;
- to avoid duplication of efforts and contribute to achieving a more integrated approach between international partners;
- to strengthen networks among regional and international partners interested in practical cooperation on specific conversion aspects and to stimulate further interest from bilateral and multilateral donors.

3. PERSONNEL/MANPOWER

A new Manpower Structure of RACVIAC is approved. It includes the three new posts for experts in the Defence Conversion Cell, one for each Working Group. Croatia and Hungary express the readiness to second experts for the first and second WG respectfully. Still we expecting one more for the third WG.

Taking into consideration proposals and recommendations from countries and the External Audit Report, a new Standard Operating Procedures document is approved at the 13th MAG Meeting.

Based on the conclusions from the 12th MAG Meeting, RACVIAC prepares possible amendments in its main documents regarding RACVIAC's extended role on Defence Conversion. RACVIAC also prepares a draft proposal for the new RACVIAC Strategy Paper.

4. FINANCIAL ISSUES

4.1 AUDIT REPORT

After the successfully executed external Audit and presentation of the Audit report at the 12th MAG Meeting, RACVIAC examined the given advices and recommendations. The regulation structure has been modified, internal processes have been improved and a job classification concept including new job descriptions and working contracts for local employees of RACVIAC have been established.

4.2 BUDGET

Although we had and we will have several activities regarding defense conversion issues, we are able to cover the costs with our already planned budget for 2005, because of the cancellation of some other activities and by using existing budgetary possibilities without additional expenses.

The main problem for RACVIAC is again the inflow of money. The financial procedures regarding the contribution policy have to be changed and defined by the MAG due to the fact that RACVIAC is facing the same problem at the end of each year. The contributions should be sent earlier in the year or at least in a foreseeable time frame during the budget year. Then, the execution of the planned budget would be possible without serious financial problems.

According to contributions, pledged by MAG countries during last MAG meeting, RACVIAC faces financial problems because only 2/3 of the planned Budget 2006 is secured so far. The situation will be reviewed at the 14th MAG Meeting in April 2006. RACVIAC Programme 2006 will be adjusted to the money available.

5. RACVIAC'S CO-OPERATION

RACVIAC has continued the co-operation with international, governmental and non-governmental organizations and institutions, working to enhance stability and security in SEE. This co-operation will be further improved in order to avoid overlapping and duplication.

The Director of RACVIAC is planning to visit the George Marshall Center, NATO School in Obberammergau, USECOM and OPCW, to discuss RACVIAC issues and in particular issues regarding defence conversion as well as countries of Central Europe and Baltic.

RACVIAC continues its close relationship with DCAF and co-operates in the field of Integrated Border Management, Downsizing and Retraining of Surplus Military Personnel, Parliamentary Oversight of the Security Sector Reform and future co-operation on Defence Conversion.

RACVIAC maintains its good relation with the OSCE. It has been very good presented at the OSCE Forum for Security Cooperation in Vienna, in April 2005. A joint Brokering seminar by the OSCE and RACVIAC is planned in 2006. High-ranking officials from the OSCE are more involved in RACVIAC activities.

RACVIAC is continuously invited to Southeast European Clearing House (SEEC) Meetings, which were organized several times this year.

RACVIAC closely co-operates with the Stability Pact WT III, especially in the field of Disaster Management in SEE (DPPI).

RACVIAC continues its co-operation with OPCW and SIPRI, and plans one course and one seminar in 2006. The strong co-operation with SEESAC continues. RACVIAC and SEESAC organized activities in the field of SALW issues together with other NGOs dealing with similar

issues (Wassenaar Arrangements). As a result of the visit of the NATO Expert Team on Defence Conversion to RACVIAC in March, RACVIAC continues close cooperation with NATO on Defence Conversion issues in RACVIAC.

6. LEGAL ISSUES FOR RACVIAC

Progress is still behind expectations.

RACVIAC still faces the problem regarding legal issues. The legal basis of RACVIAC lies still on the bilateral agreement between Germany and the Republic of Croatia, with accession of Italy and Turkey.

7. PLANNING & LIAISON

Aside from maintaining existing contacts and deepening relations with countries, international organizations and institutions, P&L Cell will continue to establish new partnerships with the key players in the region and beyond. The main future task for the P&L Cell will continue to be aiming for a possible enlargement of MAG member countries, concentrating on countries, which already expressed their interest in RACVIAC (the Czech Republic, Slovakia, Sweden, Belgium, Latvia).

8. PUBLIC RELATIONS

The PR Cell has received and is still receiving excellent feedback regarding RACVIAC's new website. Our website has also been updated with RACVIAC's new mission (Defence Conversion) and is day-to-day refreshed with news, reports, links and information.

The eighth edition of the RACVIAC Newsletter was produced in July and the ninth edition in October 2005. These Newsletters were sent to a wide and varied audience, which includes organizations and institutions, throughout Europe and the US. The feedback from recipients at all levels is very positive.

As one more method to increase its visibility, RACVIAC's intention is to publish a RACVIAC book which will cover the major topics, we are dealing with, together with lectures and outcomes on specific subjects. RACVIAC is planning to publish the book at the beginning of next year, after collecting all required content related material.

On the occasion of the RACVIAC's 5th Anniversary (27th October 2005), a press conference will be held and members of the press and media will be invited to cover the event. This will be a great opportunity to "show the flag" of RACVIAC and introduce the new mission of RACVIAC to the public.

9. CONCLUSIONS

RACVIAC continues to be an appreciated and well-accepted organization in the SEE region. RACVIAC is successfully refocusing its scope of activities from mainly Arms Control issues to broader politico-military issues of Security Sector Reform in accordance with the new proposed Strategy Paper. RACVIAC succeeds to attract high-ranking officials such as parliamentarians, parliamentary staff, journalists, attaches and ambassadors to its seminars, courses and meetings.

RACVIAC succeeds in establishing and maintaining good contacts with officials from SEE countries in order to meet their real needs and demands. Additionally, we contacted countries, which expressed their interest in RACVIAC.

The good co-operation with afore-mentioned organizations and institutions continues. In addition to that, RACVIAC deepened its co-operation with NATO, OSCE and the Stability Pact on Defence Conversion issues, as well as with DCAF and BICC. We could say that the new role of RACVIAC in Defence Conversion assured motivation and interest of all countries in the region. These efforts and enthusiasm of countries were particularly visible during the latest RACVIAC activities: at the Workshop on Defence Conversion and at the 13th MAG Meeting.

The involvement of RACVIAC in Defence Conversion motivated some countries to closer cooperation in the future, as it is the case with Ukraine. The United States, during the last visit of Ms Jamie Young from the US Department of State in September, also expressed their intention to be more present and involved in RACVIAC activities. During the visit to RACVIAC, Mr Christian Fischer, the Assistant Minister of Defence of the Kingdom of Denmark, also expressed the wish for a more visible presence in RACVIAC.

The results of the External Audit are already visible in the daily life of RACVIAC. Recommended cost saving measures have been incorporated in the Finance and Logistic regulations. Some countries expressed the intention and have already provided financial support to particular RACVIAC activities. This way of financial support is also helpful to RACVIAC.

The Southeast European Clearing House (SEEC) Conference in June 2006 will be organized in RACVIAC, which is one more sign of RACVIAC's visibility.

RACVIAC considers the publishing of the RACVIAC Book/Almanac as another helpful factor to raise the RACVIAC flag and be a useful tool for the future. The RACVIAC 5th Anniversary will be held on 27th October 2005. This will be a great opportunity for RACVIAC to share our gratitude and friendship together with Germany and Croatia, who established RACVIAC in 2000. RACVIAC would like to share 5 years of experience with friends of RACVIAC, representatives of MAG and observer countries, representatives of International organizations, diplomatic corps and old RACVIAC Staff Members.

Brig. Gen. Stergios PAPOTIS
Director of RACVIAC