



STABILITY PACT
FOR SOUTH EASTERN EUROPE



Annual Report 2005



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I. INTRODUCTION

2005 was a significant turning point in the history of the Stability Pact, as the Stability Pact Office launched a “regional ownership” process in an effort to strengthen the participation of South and Eastern European governments in initiatives launched under the Stability Pact umbrella. Given that the Stability Pact had been created as a temporary instrument, the stakeholder governments and organisations welcomed this step, and considered it crucial in consolidating the successes that have been built up to date.

Since the Regional Table in Skopje in November 2004, the Stability Pact continued to work on activities within all three of its Working Tables under the leadership of Special Co-ordinator Erhard Busek (hereinafter SC Busek). Work focused on the six core objectives, aiming to promote political and economic development in South Eastern Europe, and to support the region’s Euro-Atlantic aspirations as set out in the Sarajevo and Cologne founding documents. The Office’s activities were also shaped by the 2003 “Thessaloniki Agenda”, in which the Stability Pact was called on to contribute to the regional cooperation component of the European Union’s Stabilisation and Association Process (SAP).

South Eastern Europe’s evolving relationship with the European Union has had a key impact for the work and priority setting of the Stability Pact, and developments within the SAP influenced the Stability Pact’s complementary role to the SAP process. Following the failed constitutional referenda in France and the Netherlands, the Stability Pact sought to keep the spotlight on the importance of EU engagement in South Eastern Europe, and worked closely with the European Commission’s DG Enlargement in this regard. At the same time, the Stability Pact also used its advocacy influence to continue pushing for the needed reforms in South Eastern Europe.

2005 was a year of important breakthroughs for initiatives conceived within the Stability Pact framework. In June, ministers endorsed a proposal to upgrade the current network of free trade agreements into a single free trade zone, and in October the region’s governments signed the Energy Treaty, opening the way for an integrated common energy market with the European Union. Important headway was made on the SAP and Partnership for Peace track by several countries, and most notably the EU decided to begin accession negotiations with Croatia. Equally important was the opening of accession talks with Turkey, a key investor in South Eastern Europe (SEE).

The Stability Pact continued to press for a rigorous implementation of commitments, and emphasised that SEE governments needed to strengthen their ownership of regional cooperation. SC Busek also stressed the importance of improving the investment climate in the region; this being a precondition for long-term stabilisation and economic development. Among others, he also emphasised the importance of cooperation in the areas of education and research to establish the foundations of knowledge-based societies in SEE, and to increase the range of possible competitive advantages. All of these would be crucial to achieve sustainable success in several of the Stability Pact core objectives.

II. OVERVIEW OF ACTIVITIES

Throughout the year, the Stability Pact's secretariat in Brussels (hereinafter Stability Pact Office) continued its fruitful collaboration with key international partners, among them the OSCE, NATO, the Council of Europe, the OECD, the UN and its various specialised offices, the International Financial Institutions (IFIs), as well as the national governments of the US, Switzerland, Norway and Japan. Fruitful collaboration continued with EU institutions and Member States, in particular with the Luxembourg and British Presidencies, the Council Secretariat and the European Commission. On several occasions, the European Council's Working Group on the Western Balkans (COWEB) invited experts from the Stability Pact Office to inform EU member states about various activities and regional developments.

The Stability Pact worked in close cooperation with the European Commission, and particularly Enlargement Commissioner Olli Rehn, and contributed to the annual country assessment reports with its analysis on the state of regional cooperation. Throughout the year, SC Busek regularly consulted with Energy Commissioner Andris Piebalgs on the Athens process, and held meetings with Commissioner for Justice, Freedom and Security, Franco Frattini, on the justice and home affairs agenda. The Stability Pact also used its high political influence in the SEE region to urge governments to resolve existing deadlocks in key policy areas. In the summer, SC Busek visited Kyiv for consultations on how the new Ukrainian leadership could assist Moldova in advancing with reforms.

The Stability Pact Office continued its close cooperation with the South Eastern European Cooperation Process (SEEC), and in particular with the governments of Romania and Greece, which chaired the process in succession. SC Busek attended several ministerial meetings hosted by the SEEC, among them the Defence Ministers meeting on defence conversion in March and the Summit of SEEC Presidents and Heads of Government in May. In preparation for the Greek chairmanship, SC Busek visited Athens in March to promote key issues such as the continuation of the Justice and Home Affairs cooperation agenda which was launched by the previous Romanian chair. In the context of the regional ownership process, SC Busek urged the SEEC to participate actively in the Stability Pact's regional ownership building exercise, and to take on more operational responsibility as a political organisation. During a meeting of SEEC Political Directors in Brussels in September, he reiterated the long-standing offer to host an SEEC liaison officer in Brussels.

As part of its efforts to integrate Kosovo into regional processes, in line with UN Resolution 1244, the Stability Pact Office worked closely with UNMIK and the PISG. A senior Stability Pact delegation visited Kosovo in early May to meet SRSG Soren Jessen-Petersen and the PISG government, and to discuss how the benefits of UNMIK/ Kosovo's participation in Stability Pact initiatives could be further increased. UNMIK/ Kosovo already benefits from activities in the areas of parliamentary cooperation, trade, energy, infrastructure, organised crime, anti-corruption, migration and police training. The Stability Pact was also engaged in promoting the extension of the European Civil Aviation Area Agreement to SEE, which – while an important issue for all SAP countries – is especially important in the context of Kosovo as it could bring about a resolution to the problem of the closed airspace over Kosovo.

The spring Working Table-Regional meeting was held in Sofia on 17-18 May, following an invitation by the Bulgarian government. In addition, there were two important Regional National Co-ordinators meetings during 2005, one in Budapest in April, hosted by the Hungarian MFA, and one in Belgrade in October, hosted by the MFA of Serbia and Montenegro. In September, the Stability Pact Office in Brussels hosted a Co-ordination Meeting of Regional Organisations and Initiatives, in which representatives of the SEECF, the Central European Initiative, BSEC, the Adriatic Ionian Initiative and the Danube Co-operation Process discussed ways of future co-operation.

III. THE REGIONAL OWNERSHIP PROCESS

In order to begin a focused debate about the priorities and modalities of regional ownership development, the Stability Pact Office put the issue of “regional ownership” as the main agenda item of all its meetings and conferences. The Regional Table in Sofia saw a lively debate in which all key donor governments, beneficiary countries and international organisations participated. The debate concluded that while the region needs to increase its political and financial commitment, it is also crucial that donors do not pull out of the region prematurely. SC Busek stressed the importance of concrete resource commitments by the region, and advocated that in the long run, the governments assume “regional leadership” as regards the formulation of priorities and the management of existing initiatives.

In the discussion, several representatives called for a clear communication of the region’s preferences, a comprehensive assessment of the existing initiatives and a roadmap on how to prioritise among these in the future. Following the Regional Table in Sofia, SC Busek initiated a “regional ownership process” on three different levels. Firstly, the Stability Pact Office requested all SEE countries to assess their involvement in regional co-operation, and to clarify their priorities and resource capacities with regard to regional activities. A meeting of regional National Co-ordinators in early October provided an opportunity for country assessments to be presented in preparation for the next Regional Table in Prague.

Regarding the Stability Pact’s priority setting for the mid-term, the reports of the National Co-ordinators showed a clear focus on economic development. In particular, trade facilitation was highlighted as an area where much has been achieved but the Stability Pact’s support was considered crucial to move ahead. The importance of improving the investment climate and securing foreign direct investment was also stressed, and the development of a more conducive climate for Small and Medium Enterprises was mentioned in particular. The continued need to improve the regional infrastructure was also underlined by most participants. Beyond these, parliamentary cooperation, visa facilitation, education and youth activities, and defence conversion were mentioned as key areas of desired cooperation and donor support for the future. Finally, Stability Pact National Coordinators underlined that a comprehensive and coordinated strategy was needed in the fight against organised crime and corruption.

Following the Sofia Regional Table, the Stability Pact and the associated Task Forces began a comprehensive review on the operation of different Stability Pact task forces and initiatives, focusing on the actual input of SEE countries themselves. In addition, as an integral part of the regional ownership process, SC Busek initiated the creation of an external Senior Review Group, in agreement with Commissioner Olli Rehn. Ambassador Alpo Rusi of Finland (Deputy Special Co-ordinator in 1999-2000) was asked to chair the Group composed of Goran Svilanovic (former Foreign Minister of Serbia and Montenegro), Vladimir Drobnyak (Chief EU-Negotiator for Croatia), and Franz-Lothar Altmann (German Institute for International and Security Affairs).

The Senior Review Group began its work in September and prepared its initial assessment and recommendations for the Regional Table in Prague. Based on their report, the discussion in Prague is expected to provide a set of new priorities for the Stability Pact's work plan for the years to come, and it is expected to set the tone for the future of regional co-operation and its modalities. Prague will provide the first occasion to have an informed debate between all stakeholder governments and organisations about how and when international involvement in these cooperation efforts should be gradually reduced, and what the best time-frame is for the region's governments to develop ownership and leadership in the area of regional co-operation.

IV. WORKING TABLES AND CORE OBJECTIVES

Since the end of 2002, the Stability Pact has been working with six “core objectives”, which have represented priority areas where the Stability Pact could bring an added value to efficient regional cooperation. The Stability Pact’s three Working Tables focused on the following activities during 2005.

1. Working Table on Democracy and Human Rights – WT I

Working Table I (WT I) focused its work on its core objectives – local democracy/ cross border cooperation, and parliamentary cooperation. Work on its additional areas – education, media, and gender – also continued with the same speed and dynamism as before. At the Sofia Working Table meeting in May, Stability Pact participating countries and organisations examined recent developments and future challenges with regard to handing over initiatives into regional ownership. Following the discussion, WT I conducted a consolidated assessment of task force activities and the state of regional ownership, in order to identify future needs and priorities. In September, Jean-Daniel Bieler left the Stability Pact, and former Austrian MP Marijana Grandits took over the position of Director.

i. Parliamentary Cooperation (Core objective)

The **Parliamentary Cooperation Task Force** made significant headway throughout this year. WT I continued its awareness-raising work about the importance of intra-regional cooperation efforts. Through establishing and reinforcing direct contacts with MPs and encouraging meetings between parliamentary committees dealing with the same issues, WT I contributed to strengthening the cooperation and networking between SEE Parliaments. The Stability Pact supported the creation of a *Western Balkans COSAC* (Conference of Community and European Affairs Committees of Parliaments), which is now applying for a special guest status with the EU COSAC. WT I also supported the activities of other initiatives such as the *Cetinje Parliamentary Forum*. The Parliamentary Cooperation Task Force decided that immediate priorities should include European integration related issues, democratic control of the security sector, budgetary control and judiciary reform, visa regulations, education and social cohesion.

In light of the need expressed by our SEE interlocutors, the Task Force continued to promote the development of cross-table and cross task-force activities, contributing for example to the organization of seminars on defence (with the Office of the US State Secretary for Defence), and macroeconomic issues (with the IMF/Joint Vienna Institute), as well as the Regional Women MPs Workshop (with the Gender Task Force). The Task Force also prepared a matrix on donor assistance in Parliamentary Cooperation, as well as a regional needs assessment analysis, which will be updated regularly. In response to the increasing interest by SEE parliamentarians in EU-related matters, WT I co-organised an EU seminar for SEE parliamentarians with the Friedrich Ebert Stiftung on the EU accession process.

ii. Local Democracy and Cross-Border Cooperation (Core objective)

The **Local Democracy and Cross-border Cooperation** Task Force (LODE/ CBC) continued to coordinate the work of both international and local actors to underpin regional cooperation in SEE, with a view to strengthening local democracy through local governance reform. Together with its key partners, the Council of Europe, the Network of Associations of Local Authorities of South Eastern Europe (NALAS), the Association of Local Democracy Agencies (ALDA), and international NGOs, such as the EastWest Institute and the Open Society Institute, the task force also sought to enhance cross-border cooperation, economic convergence, capacity building, as well as social cohesion and citizens participation.

During the year, the LOCE/ CBC Task Force assessed the respective governments' record in implementing the commitments made at the Zagreb Ministerial Conference on Better Local Governance in 2004. The Stability Pact Office worked closely with the Council of Europe – both with the Directorate of Cooperation for Local and Regional Democracy and with the Congress of Local and Regional Authorities – which also echoed the importance of implementation during its plenary session in Strasbourg in June. The monitoring of the implementation of the adopted Work Plans is particularly important in view of the Evaluation Conference scheduled for 2006.

In July, WT I co-organised a conference on the development of trans-border cooperation in the Gnjane/Gilan, Presevo, Kumanovo, Trgoviste microregion with the East West Institute and the Council of Europe. The WT began preparing for the follow-up, which involves continuing promotion and coordination work for the development of this micro-region. The Stability Pact also continued to provide political support to the Network of Associations of Local and Regional Authorities (NALAS), which elected its executive organs during its first General Assembly in September in Skopje.

iii. Additional activity areas

Following a specific request by SEE governments, WT I began to develop a mid-term strategy for Stability Pact activities on **education and research**. Under the broad heading of “Building human capital”, the discussion began on the added value that the Stability Pact could bring. WT I supported the Vienna-based ERI Secretariat in the co-organisation, with the Bulgarian Ministry of Education and Sport, of a workshop on participation in the EU’s education programmes, focusing on project cycle management. In addition, WT I prepared a comprehensive overview of the EU’s programmes in the area of education and research, with a particular focus on their availability for SEE countries. During 2005, the ERI statute was finalized and preparations were carried out for the November opening of the Zagreb secretariat.

The Media Task Force (MTF) continued its work on its three priorities – the development of media legislation, support for television production and the strengthening of media associations. Fruitful cooperation with the Council of Europe and the European Commission continued, and among others the three offices co-organised a high-level seminar on public service broadcasting in June. MTF also worked closely with the European Commission’s relevant offices prior to the launching of a recent Call for Proposals to support regional co-production of documentaries and television programs of social relevance. Overall, the amount of support available for the production of quality television programmes significantly increased due to the involvement of the Media Task Force.

The programmes address corruption, reconciliation, youth culture, social issues, and the impact of separation in the aftermath of the war. In 2005, six episodes on Women in Trafficking were aired and the 12-episode series called *Videoleters* was broadcasted simultaneously on seven public broadcasters all over the SEE region. In addition, the MTF supported the cross-border exchange of television programmes. The Task Force meeting in Amsterdam in June reviewed both positive and negative developments in the region, and discussed future donor strategies. MTF also launched a major assessment study on the last ten years of international media development assistance. In May, Radomir Diklic joined the Media Task Force as its new Chairman.

In the framework of the Stability Pact's **gender equality activities**, the Gender Task Force (GTF) organised a conference on "Work and Pregnancy" in Sarajevo on 26 January, marking the completion of the Gender Task Force project on Social Dialogue and Women's Empowerment in Trade Unions in Montenegro and Bosnia Herzegovina. The Task Force also continued its efforts in promoting equal opportunities for women, and in particular, contributed to the organization of the 6th International Trade Union Women's School on International and European Social and Gender Standards, which was held in Ohrid in September. GTF was also involved in the UNIFEM/EEPA Regional Consultation Meeting, focusing on the theme of "Financing for Gender Equality in an Enlarged Europe" which was held in Brussels on 13-15 June. The meeting aimed to promote the inclusion of gender equality as a value and an objective in the EU's planned Instrument for Pre-Accession Assistance.

2. Working Table on Economic Reconstruction and Development – WT II

The key goal of Working Table II is to facilitate sustainable economic development through modernising infrastructure, particularly energy and transport, as well as through trade liberalisation, and investment promotion. A particular aim is to ensure that both the countries of SEE and the international community take a regional strategic approach to economic development in order to make full and effective use of the available public and private sector financial resources. WT II also seeks to ensure that the importance of social cohesion is addressed by all.

During 2005, an intensive schedule of activities was undertaken across its various initiatives, including ministerial meetings on Trade and Investment, Information Society, and Employment. Given its importance for economic development in the region, the key theme for the May Working Table II meeting was *infrastructure development* in South Eastern Europe. This examined progress to date and highlighted issues impeding project implementation as well as possible steps to overcome these. Bernard Snoy completed his assignment at the Stability Pact in June and joined the OSCE in Vienna. Former EBRD Executive Director Laurent Guye of Switzerland joined WT II as the new Director in September.

i. Energy and other Regional Infrastructure (Core objective)

The Stability Pact maintained its active involvement in the Athens Process for a **regional energy market**, which has been led by the European Commission. The Stability Pact Office's role has been a complementary one, seeking to ensure regional political support and ownership, to promote a common strategy among the donors, and to encourage private sector involvement to foster restructuring and investment in this sector. In 2005, the Athens process reached a major peak with the transformation of its MoUs to a legally-binding treaty. The Energy Treaty was initialled in May, and was subsequently signed in Athens in October. To mark the Stability Pact's achievements in gathering political consensus for the process, SC Busek was also invited to address the signing ceremony.

As part of its role to provide political support to this initiative, WT II organised a meeting of Senior Advisers to Prime Ministers in SEE in Vienna on 12 July. This meeting, chaired by SC Busek, focused on key issues surrounding the forthcoming ministerial meeting to sign the treaty on the Energy Community. WT II experts participated in the various meetings of the Permanent High Level Group overseeing the implementation of the Athens Process throughout the reporting period.

During 2005, the Stability Pact used the occasion of several conferences and workshops to raise investor interest in the SEE as a future regional energy market, and to inform SEE parliamentarians, governments, trade unions and civil society organisations about the implications of the Energy treaty.

With the signing of the Energy Treaty, the role of the Stability Pact will evolve. It will continue to provide political support as necessary, particularly to ensure genuine regional ownership and progressive transfer of responsibility for regional energy co-operation to the region. The establishment of the institutions of the Energy Community, including the Regional Regulatory Board and the Secretariat will be important steps in that direction. WT II will seek to work more closely with parliamentarians on this issue and to highlight opportunities to the private sector. But it will also seek to focus attention on the potential socio-economic impact of this Treaty. The Stability Pact hopes to encourage both the countries of the region and the international community to develop and implement suitable policies and programmes that can help limit the possible negative impact in areas such as restructuring of companies and tariff reform.

Among others, 2005 also saw the inauguration in October of the Sloboda Bridge in Novi Sad, which was destroyed in the 1999 NATO raid. Funds for the reconstruction of the bridge were secured in 2000, when the first list of regional infrastructure projects (Quick Start Projects) was prepared. Ever since 2000, the Stability Pact had been campaigning for a more efficient use of the Danube as a transport waterway, and had been promoting the consideration of projects that would make use of the Danube's potential as an environmentally-friendly transport mode. The 40 million euro reconstruction was financed by various international donors, including the European Agency for Reconstruction.



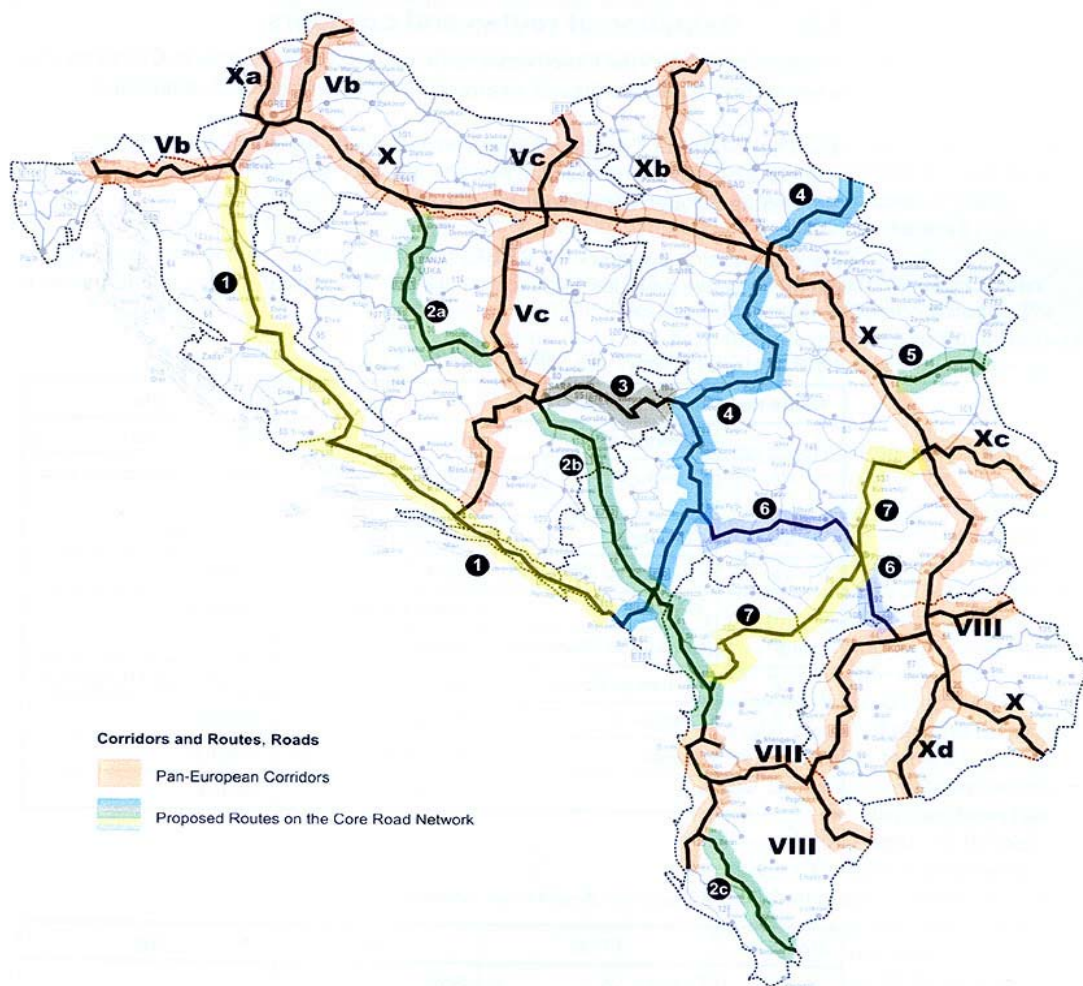
Special Co-ordinator Erhard Busek with Minister of Foreign Affairs of Serbia and Montenegro Vuk Draskovic and European Enlargement Commissioner Olli Rehn walking across Sloboda Bridge (Photo: Beta)

WT II was involved in a number of infrastructure-related activities including participation in the various **Infrastructure Steering Group** meetings held throughout the reporting period. Under the chairmanship of Mr. Michel Peretti (Head of Division at DG Enlargement), the Council of Europe Development Bank, the EBRD, the EIB, the Stability Pact and the World Bank (which together form the ISG), reviewed progress in the different infrastructure sectors and sought to intensify co-ordination in the area of water-related environmental infrastructure. In May 2005, the ongoing regional infrastructure projects totalled almost 5.2 billion euro, of which 3 billion was destined for transport projects, 1.7 billion for energy and the rest for environment, or cross-border facilitation projects.

WT II continued to encourage the SEE countries to promote vital projects on the Trans-European Corridors (TENs) in the region through the EC-financed South East Europe Transport Observatory (SEETO). SEETO's role has been to facilitate the implementation of the 2004 MoU on the Core Transport Network in the Western Balkans. WTII also continued to work closely with the European Commission and Eurocontrol on the initiative to determine the feasibility of expanding the European Civil Aviation Area Agreement to SEE, and collaborated with these offices in preparing for, and following up to, the various working group meetings.

WTII also participated in the annual meeting of the SEE Regional Environmental Programme (ReReP) organised by the EC and the Regional Environmental Center, and the preceding meeting on priority environmental projects. The Stability Pact also maintained contact with the International Finance Corporation (IFC) regarding the launch of the IFC-led programme to promote Public Private Partnerships in the infrastructure sector in SEE. In this regard, a regional centre to promote PPPs started operations in Sofia in October.

The Core Road Network



ii. Trade, Investment and Employment (Core objective)

The **Trade Working Group** (TWG) has made substantial progress in advancing the trade liberalisation agenda in SEE. The key event during this period was the joint Trade and Investment Ministerial meeting held in Sofia on 9-10 June. This meeting was organised by the Stability Pact's Trade Working Group and the Investment Compact. Regarding trade liberalisation, SEE ministers committed their governments to the development of a *single free trade agreement* for the region, and charged the Stability Pact Trade Working Group to conduct detailed exploratory talks with a view to launching negotiations in early 2006. They also agreed to the implementation of a programme to reduce and eliminate non-tariff barriers and to harmonise regulations dealing with trade in services.

During the year, the TWG reviewed progress on the ratification and implementation of the 28 Free Trade Agreements (FTA), and discussed some of the trade disputes that have arisen among the SEE countries. The Stability Pact Office monitored these issues and SC Busek was in contact with all countries concerned. The TWG also discussed a proposal for a programme to identify and eliminate non-tariff barriers to trade, based on the studies financed by the EC and the Swiss Government. It also reviewed progress on a variety of technical assistance programmes designed to facilitate FTA implementation, including the EC-financed trade in services programme and a range of US-financed workshops. The TWG also discussed the difficulties in the final negotiations concerning the revision of the former Yugoslav Republic of Macedonia's agreement and interim FTA with Serbia and Montenegro and UNMIK/Kosovo. Both of these agreements were later finalised.

In 2005, the OECD-led **Investment Compact's** activities developed along its four original dimensions, namely: 1) monitoring and evaluation, 2) support in implementation of investment reform, 3) support for private sector representation, 4) political support, while also preparing for future developments. 2005 was marked by a management change with the retirement of Declan Murphy, and the appointment of Anthony O'Sullivan as new Head of the Investment Compact.

In addition to country missions to Croatia, Serbia and Romania, the Investment Compact organised a Business Forum for representatives of the international and domestic business community active in SEE to exchange views on a range of topics. The Business Forum, held back to back with the Joint Investment and Trade Ministerial, concluded with the presentation of the "*Investor of the Year*" awards to a number of companies which have made substantial investment in SEE. The Investment Compact also made progress on the opening of support offices in Sofia and Zagreb. The publication and promotion of the individual country reports on Enterprise Policy Performance and Assessment (EPPA) took place in conjunction with the EC (DG Enterprise) and the EBRD.

The Investment Compact's SME Forum, chaired by Albania and its Investor Forum, chaired by Bosnia and Herzegovina also met to review progress in policy reform. In light of the ministerial declaration on investment, the Investment Compact engaged in a substantial review of its strategy and work programme for 2006 to provide SEE countries with a regional framework incorporating time-bound policy reforms with peer reviews and technical assistance. It also explored ways to intensify regional capacity for policy development and to improve knowledge and expertise on investment issues among SEE parliamentarians.

The **Business Advisory Council** organised five country missions this year. Following the first mission, which was organised back to back with an EBRD private sector development seminar in Skopje in March, BAC members visited Herzeg Novi (Montenegro), Bucharest (Romania), Chisinau (Moldova) and Pristina (Kosovo). These missions provided an opportunity for BAC members to meet senior government officials and to make recommendations about where improvements are necessary in the investment climate.

iii. Additional activity areas

Within the framework of the **Initiative for Social Cohesion** (ISC), the most important event was the Second Ministerial Conference on Employment on 21 October in Sofia, in which responsible ministers committed themselves to increased regional cooperation in improving employment policies. Newly-set priorities include the implementation of measures to deal with long-term unemployment, the creation of opportunities for women and young people, the integration of labour inspection and health and safety as principles to observe in all work environments, as well as the strengthening of institutionalised communication among governments, workers and employers on issues of employment policy.

Under the **Bucharest Cooperation Process on Employment**, the Initiative for Social Cohesion supported the review of employment policies in line with the Bucharest Declaration of 2003. The Permanent High Level Committee on Employment met in April and September to discuss the findings of a new round of Country Reviews in Employment Policies (for Moldova and Serbia) and another round of peer-reviews.

Health sector activities continued with the introduction of two new regional projects on tobacco control and blood safety. A meeting on occupational health and safety was held in May at the WHO Headquarters with a view to taking stock of existing activities and to establishing co-ordination mechanisms amongst the key players. WT II worked intensively with its colleagues in the WHO and the Council of Europe Development Bank on the preparation for the Second Ministerial meeting on Health, scheduled to take place in late November in Skopje. This meeting will highlight the financial benefits of appropriate health policies based on the SEE Health Network's report on "Health and Economic Development in SEE". It will also see the SEE countries assuming more leadership and management of regional health issues.

In line with its **social dialogue advocacy**, the ISC held several meetings with EU institutions including DG Employment, Social Affairs and Equal Opportunities, as well as with the European Investment Bank and European Economic and Social Committee. The SEE network of trade unions met in Skopje on 14-15 September to discuss the social implications of the Energy Treaty for SEE. They also adopted a common statement concerning their role in the follow-up to the Treaty.

As part of its umbrella theme of Enterprise Development and Employment Generation, WTII's Investment Compact and Initiative for Social Cohesion co-organised a workshop with the European Training Foundation. Held in Thessaloniki in April, the workshop provided an opportunity for officials from SEE ministries of economy, labour and education, as well as private sector representatives, social partners and donors to exchange views about labour market efficiency and development. An issue paper summarising the key issues discussed was later prepared.

The Stability Pact's **Housing and Urban Management** initiative (HUMI) continued its work to facilitate the implementation of the Vienna Declaration on Informal Settlements, and in particular to develop a regional capacity building programme to support better policy development. During regional workshops, organised by SP/HUMI in May and October, signatories presented draft Action Plans to implement commitments made under the Vienna Declaration and assessed progress. In addition, stakeholders agreed on the substance and the operational modalities of the envisaged regional capacity building programme. WT II generated donor support for the final programme preparation phase (November 2005-April 2006) from the Swiss Development Co-operation Agency, UN-HABITAT, and the Council of Europe Development Bank. WT II and UN-HABITAT prepared a detailed work plan for the final phase of this "regional capacity building initiative", which includes a number of stakeholder workshops to identify national capacity building priorities. HUMI also collaborated with the Initiative for Social Cohesion, the Council of Europe and the EIB on assessments of different aspects of housing policy in SEE.

In the framework of developing the Information Society in SEE, the e-SEE Working Group held meetings in Brussels and Belgrade in March and May, respectively, to prepare for the Ministerial Conference on Information Society that took place in Thessaloniki in late June. The conference was hosted by the Hellenic Ministry of Transport and Communications and organised by the Stability Pact, UNECE, UNDP and INA of Greece. Participating ministers reaffirmed their commitment to, and refined the priorities of, the e-SEE Agenda, which is designed to facilitate the region's integration into European ICT programmes, and signed an MoU on concrete steps to be taken to introduce broadband widely in the region. The event also provided an opportunity to prepare the region for the second World Summit on the Information Society, scheduled to take place in Tunis in November.

3. Working Table on Security issues and Fighting Organised Crime – WT III

In 2005, Working Table III continued to work on its core objectives, namely the fight against organized crime and the management and stabilisation of population movements. It also further strengthened its efforts in security- and defence-related issues in particular in defence conversion, small arms and light weapons and disaster prevention and preparedness. During the thematic Sofia Working Table meeting, participating organisations and governments focused on the issue of *defence conversion* (a core activity area) and WT III updated on developments regarding the MARRI Regional Forum and the transfer of the Disaster Preparedness and Prevention Initiative to regional ownership.

i. Fighting Organised Crime (Core objective)

During the year the Stability Pact continued to provide expert and political support to the **Bucharest-based Regional Center for Combating Trans-border Crime (SECI Center)**, especially with regard to the Center's envisaged new international legal status, and the promotion of increased operational cooperation between the SECI Center and Europol. In the framework of the **Stability Pact Initiative against Organized Crime (SPOC)**, Working Table III continued to focus on capacity-building, awareness-raising, advocacy role and legislative reforms. WT III, in cooperation with the Austrian SPOC Chair, sought to ensure that the SEE region and EU member states recognise the SECI Centre as the main focal point in relation to regional policing activities.

WT III monitored the enhancement of capacities to combat organised criminal activities, and sought to link regional actors with Brussels-based decision-makers and politicians. The Stability Pact supported the SECI Center's quest for financial assistance through the CARDS programme, which was granted to the Center at the meeting of the CARDS Committee in September. The over 2 million euro support will be spent on upgrading the Center's institutional and operational capacities on both a regional and national level, in compliance with the EU *acquis* as well as the standards and best practices in the area of international police cooperation.

In cooperation with the SPOC Regional Secretariat in Bucharest, the Stability Pact Office continued the assessment and monitoring of the legislative and institutional implementation of the Convention against Transnational Organised Crime (Palermo TOC) in SEE. The harmonisation of criminal law definitions regarding participation in organised criminal groups, money laundering and trafficking in human beings, in accordance with the UN Palermo Convention, is still not completed in some SEE states. WT III updated a matrix to assess the status of the regional implementation of the Palermo TOC, reflecting the advancement of each SEE country towards the implementation of this legislation, and serving as a mirror for each SEE country to identify where the efforts remains to be focused on.

WT III and the SPOC Secretariat also worked on specific criminal legislation that the above countries would need to enact to ensure implementation of the Palermo convention. With the assistance of international organizations and the US Resident Legal Advisors, the SPOC Secretariat researched and compiled relevant international instruments and existing SEE legislation on witness protection. Through a series of visits to the region, the SPOC Chairman urged SEE governments to implement the UN Convention against Transnational Organized Crime, and to design adequate policy instruments to ensure implementation. The visits also provided an opportunity to reinforce the SPOC network, to promote the enhancement of parliamentary cooperation in the fight against organised crime, and to facilitate dialogue between the SECI Center and other law enforcement agencies, particularly Europol.

In the context of the **Stability Pact Anti- Corruption Initiative** (SPAI), SC Busek attended the ministerial conference on Joint Measures to Curb Corruption in SEE, which took place in the European Parliament in Brussels in May. Organised by the Stability Pact, this meeting brought together the SEE governments, the international community (incl. IFIs), and business and trade union representatives, who all have a stake in this area of policy reform. The meeting adopted a joint Action Plan on fighting corruption, focusing mainly on the improvement of the business environment, integrity standards in public administration and judiciary, as well as promoting transparency and a more pre-eminent role of the civil society in the fight against corruption.

WT III supported the Sarajevo-based SPAI Regional Office in assuming more regional ownership, and in line with the fruitful cooperation that exists between the headquarters of the international partners and the Stability Pact Office in Brussels, the SPAI Secretariat strengthened its cooperation with international field missions. A joint workshop was co-organized with the Council of Europe in Albania to debate practical aspects of the implementation of the EU *acquis communautaire* on corruption. WT III assisted the EU's TAIEX programme in organizing seminars in the former Yugoslav Republic of Macedonia and Albania on the JHA *acquis*. In addition, several thematic training events and conferences were organised within the SPAI framework, and WT III provided expert support for the implementation of a twinning-type project by the Regional SPAI Office for the specialised prosecutors' offices from Montenegro and Croatia.

The **Police Forum** managed a series of diverse initiatives, including Regional Police Training (RPT) modules for senior police officers, the Organized Crime Training Network project (OCTN) for operational managers, the Stolen Vehicle Network project (SVN), the Anti-Drug Networking project (AND) and I-24/7 Border check-points project (I-24/7). The implementation of the RPT-module "Forging Documents" represented an ample opportunity for coordination between international and regional experts and institutions, led by the Association of European Police Colleges. WT III assisted the Slovenian OCTN Project Manager in a series of visits to SEE capitals, which aimed to prepare the planning of the future training program, and worked with the donors (Norway, Slovenia, Switzerland and United Kingdom) to secure financial sustainability for this project.

WT III strongly promoted the "I 24/7" project within the donor community, which had been designed to equip the main border check-points in SEE with an Interpol tracking system for stolen vehicles, false documents and wanted persons. In the framework of the "Regional Police project", the WT prepared an assessment and finalised the remaining programme in cooperation with the Association of European Police Colleges. Regarding OCTN, SC Busek, in agreement with the donor countries, signed a Memorandum of Understanding with IOM Ljubljana to regulate the finance and accounting process for the project. Donor and partner countries signed a letter of intent to build a close partnership in support of the project.

ii. Managing and Stabilising Population Movements (Core objective)

Concerning the work of the **MARRI Regional Forum on Migration, Asylum and Refugee** issues, the Stability Pact continued to provide political support and expert advice to the MARRI Regional Centre. As the most recent initiative to be transferred to full regional ownership, the efficiency of the Skopje-based MARRI Centre, which now works under the SEECF umbrella, will be critical for the long-term success of the Stability Pact's regional ownership exercise. WT III assisted the centre in preparation of the Tirana Declaration (4 April) regarding the MARRI Regional Forum, in which participating states decided – among others – to build up the Regional Centre into a migration information clearinghouse.

WT III also continued to provide support to the MARRI "Access to Rights" Programme, to promote the development of policy solutions allowing non-discriminatory access to rights for all Western Balkans citizens, in conformity with the EU's *acquis communautaire*. WT III also participated in the discussions on the free movement of persons within the Western Balkans, in particular on visa facilitation within the region and consular cooperation. Special attention was paid to streamlining visa procedures for intra-regional travel, and to starting discussions on legal labour migration within the region.

In the last year, one of the most significant achievements of the **Ohrid Process on Border Security and Management** (which is led by the European Commission, OSCE, NATO and the Stability Pact Office) – is that almost all borders in the five Ohrid countries have been transferred from military to civilian control. The issues covered by the Ohrid Process continue to be of particular importance as border management-related issues are key components of the JHA Ministerial dialogue between the Western Balkans and the EU. In this regard, WT III held several consultations with its partners and with the countries concerned on the implementation of the existing commitments as well as on the future steps to be taken, until the end of 2006 and beyond.

The Intermediate Review Meeting and the Brainstorming Meeting in May suggested an increase in expert assistance for Western Balkan countries, especially in drafting legal frameworks for Integrated Border Management, and in adjusting national strategies to European Union guidelines. In September, WT III organised with its partners an expert level meeting in Brussels to discuss how NATO, OSCE and the Stability Pact could join the assessment mission of the CARDS Regional Programme next year, and use that opportunity to assess the implementation of the Ohrid commitments from a political and technical point of view. Participants also discussed practical points for the organisation of the upcoming Third Review meeting, which will take place on 10-11 November, in Sarajevo.

iii. Core activity area

WT III continued working on the **defence conversion initiative**, and closely cooperated with NATO, the principal lead on this initiative. Working Table III initiated the SEECP Defence Ministerial Meeting on Defence Conversion, which took place in Bucharest on 30-31 March. SEE Ministers of Defence decided to increase regional exchange of information and experience in particular in the programmes on retraining of redundant military personnel, and conversion of former bases and defence industries to civilian purposes. The Zagreb-based Regional Arms Control Verification and Implementation Assistance Centre (RACVIAC) was given a special role in the integrated regional approach in defence conversion. Furthermore WT III provided expert support to several conferences, including the Visegrad Group countries' workshop on Defence Industry Conversion in Serbia and Montenegro, and organised a meeting of the "Friends of the Defence Conversion Initiative" in Brussels to discuss the implementation of the above-mentioned SEECP ministerial declaration.

iv. Additional activity areas

WT III also worked with the joint UNDP-Stability Pact initiative of the South Eastern Europe Clearinghouse for the Control of **Small Arms and Light Weapons** (SEESAC). In particular, WT III assisted with the preparation of a joint SEE statement at the Biennial Meeting of the UN Member States to review the UN Programme of Action on combating illegal trade of SALW, which took place in July.

Finally, the Stability Pact's **Disaster Preparedness and Prevention Initiative** (DPPI) was transferred to region in July when an office in Sarajevo was established. WT III oversaw the recruitment of an Executive Director, a Programme Manager and further permanent staff. The DPPI Secretariat was active during the Romanian flood emergency, and the DPPI Executive Director subsequently visited countries in the region to promote DPPI with relevant governmental and international offices. DPPI continued to organize training activities, aiming to improve coordination work in the region.

V. APPENDIX: LIST OF TASK FORCES AND INITIATIVES - 2005

	Role of the Stability Pact Secretariat	Main goal of Task Force/ Initiative	Highest political declaration	Key partners	Funding	State of regionalisation
WORKING TABLE I						
Parliamentary Cooperation Task Force	Initiator, political support, overall coordination (through Senior Consultant Petra Blass)	Promote cooperation between SEE parliaments to strengthen legislative capacity, networking between SEE and EU parliaments	Joint Statement of the Presidents and Speakers of the SEE Parliaments at the Cetinje Parliamentary Forum (Cetinje, May 2005)	SEE parliaments, German government, EC, IMF, World Bank, USAID, DCAF, NDI, OSCE, NATO PA, Parliamentary troika (EP, Council of Europe PACE, OSCE PA)	German government, European Parliament, Council of Europe PACE, DCAF, NATO Parliamentary Assembly, EC, IMF, World Bank, USAID	Regionalisation will be achieved when sustainable networking arrangements are developed. Creation of a more institutionalised and formal cooperation platform is also being considered.
Local Democracy and Cross Border Cooperation Task Force	Initiator, political support to Network of Local Authorities of SEE (NALAS) and other initiatives (such as Euroregions and microregions)	Promote cooperation between local and regional authorities; capacity building	MoU on Effective Democratic Governance at the Local and Regional level, Signed at Ministerial conference, Zagreb, October 2004	SEE governments, Council of Europe, EC and Committee of the Regions, OECD, East-West Institute	Council of Europe, OECD, OSI, EC (CARDs)	Council of Europe will most likely continue working on its own, after gradual phasing out of Stability Pact
Gender Task Force	Political and expert support, overall coordination (through Executive Secretary Sonja Lokar)	Promote dialogue and cooperation between parliaments, governments and civil society groups on gender issues		Promote dialogue and cooperation between parliaments, governments and civil society groups on gender issues	Governments of Norway, Austria, Switzerland, Italy, Germany, Denmark	The GTF is an initiative of the region, and no further "transfer" to the region is necessary. Instead aim is to become a sub-regional European organisation (to act as bridge between SEE region and planned European Institute for Gender Equality)
Media Task Force	Initiator, political support, overall coordination (through Executive Secretary Yasha Lange)	Promote passage of EU-conform broadcast legislation, support production of broadcast material, consolidate media associations and centres	Charter for Media Freedom, Thessaloniki, June 2000	SEE civil society working groups, governments of US, Sweden, Germany, Norway, Switzerland, Council of Europe, EC, OSCE, international NGOs	Governments of US, Sweden, Germany, Norway, Switzerland, Netherlands, UK, Italy	Network of national Working Groups in existence, plans to set up permanent structures – but overall MTF aim is to phase out fully
Education and Youth Initiative	Initiator, political support	Promote cooperation in education, youth and research issues, provide assistance in preparing for access to EU programmes	MoU on the "Education Reform Initiative", signed in Tirana, December 2003; (Action Plan of ERI is based on EU Work Programme "Education and Training" 2010	Switzerland, Bureau CROSS, KulturKontakt Austria, Austrian development Agency, Norway, ETF, UNESCO, Swisscontact, SEE governments	Switzerland, Bureau CROSS, KulturKontakt Austria	ERI Secretariat set up in November 2004 (Zagreb), currently working on the "Enhanced Graz Process

	Role of the Stability Pact Secretariat	Main goal of Task Force/ Initiative	Highest political declaration	Key partners	Funding	State of regionalisation
WORKING TABLE II						
Intra-regional Trade (Trade Working Group)	Initiator, management of Trade Working Group, political intervention when necessary	Promote increased intra-regional trade and reduced non-tariff barriers (through bilateral FTAs, and most recently through development of single FTA)	MoU on Trade Liberalisation and Facilitation, June 2001, annual ministerial statements (latest June 2005)	SEE governments, EC (DG Trade), UK, World Bank, WTO, Switzerland, US, Norway	UK DfID, US Dept of Commerce, Switzerland, SECO, Sweden, Germany, EC (CARDs)	Regional structures envisaged under single FTA, which follows example of CEFTA agreement.
Investment Compact	Initiator, political and expert support to OECD who is main lead on this initiative.	Improve investment environment through regional co-operation in policy development and promotion. Creation of monitoring system of reform measures, establishment of regional co-operation networks including public/private sector dialogue.	Annual ministerial statement on investment, latest Sofia, June 2005	Co-Chairs: OECD, Austrian Ministry of Economy, Bulgarian government, IC Project Team (composed of representatives of Ministries of Economy, government agencies, private sector associations, int. organisations and national governments)	OECD, Austrian Ministry of Economy, Switzerland, Ireland, US, Norway, France	Strengthening regional element by involving SEE governments in lead roles. (Bulgaria has been co-chair, BiH chair of Investment Promotion Network, and Albania chair of SME network.)
Energy (area of work)	Provision of political and promotional support to EC DG Energy (leader)	Fostering political consensus on establishing a common market for trading of energy to ensure stable supply, reduce investment costs and introduce EC acquis	"Athens process" MoUs in 2002 and 2003, Energy Treaty (initialled May 2005, signed 25 October 2005)	SEE Ministries of Energy, EC, select EU governments (especially participants and observers to Athens process), IFIs, US	EC CARDs, World Bank, Joint Office/ ISG, EBRD, EIB all funding energy related projects, USAID, CID, SIDA	Beyond existing EC and Vienna Secretariat capacity, further structures need to be established or strengthened (e.g. Gas Forum)
Regional Infrastructure	Initiator of Infrastructure Steering Group (IFIs, Stability Pact, and EC (chair)), provision of political support to ISG and SEE governments; initiator of Danube Cooperation Process	Advocate regional approach by all IFIs and participating institutions, promote removal of bottlenecks on project implementation, and advance process through institutional and practical solutions	MoU on Core Transport Network for Western Balkans (June 2004)	SEE governments, EC, World Bank, EBRD, EIB, COEDB	SEE Transport Observatory (SEETO) funded by EC, resources for ISG are provided in kind by members; Funding for infrastructure projects from IFIs, EC and bilateral donors	SEETO has been established in Belgrade (Steering Committee is chaired by BiH) IFC-led bid facility opened in Sofia in October 2005
Initiative for Social cohesion	Initiator, political and expert support	Promote development of regional strategies and policy reform in support of health, social protection, employment and social dialogue	MoU on employment policy signed 21 October 2005, MoU on Health currently prepared for November 2005	SEE governments, CoE, COEDB, WHO, ILO, ETUC, IOE, EC, Governments of Switzerland, Belgium, Greece, France, Italy, Norway, Slovenia, Hungary	CoE, COEDB, WHO, ILO, EC, Governments of Switzerland, Belgium, Greece, France, Italy, Norway, Slovenia, Hungary	Regionalisation strategy is currently being discussed

	Role of the Stability Pact Secretariat	Main goal of Task Force/ Initiative	Highest political declaration	Key partners	Funding	State of regionalisation
Electronic SEE Initiative	Initiator, political and expert support	Promote development of electronic and broadband strategies in both public sector and nation-wide	E-SEE Agenda for the Development of Information Society, signed in Belgrade, October 2002; MoU on Broadband-SEE, signed in Thessaloniki, June 2005	SEE governments, E-SEE Working Group (Serbia-Montenegro is Chair, UNDP provides secretariat), UNECE, EC DG Information Society, Hungary, Slovenia, Sweden, UK, US, Turkey	UNDP, South East European Research Telecommunications and Informatics Institute (INA/Greece)	UNDP-supported secretariat in Sarajevo in existence since 2002
Housing and Urban Management Initiative	Initiator, political and expert support	Promote cooperation in housing and urban development, monitoring responsibilities in Vienna Declaration	Vienna Declaration on Informal Settlements in SEE, Vienna September 2004	SEE governments, Key implementation agency: UN HABITAT, also active: governments of Switzerland, Luxemburg, Austria, COEDB, IFC	Governments of Switzerland, Luxemburg; Co-funding arrangements with Austria, COEDB	UN-Habitat is envisaged to continue lead on regional capacity building programme, in close co-operation with SEE Ministries. There are plans for a programme secretariat to be established in the region.
Danube Cooperation Process	Initiator, political and expert support	Working with Austria, Hungary, Slovakia, Serbia and Montenegro, Romania, Moldova and Ukraine on a more efficient use of the Danube as a transport route		Governments of Austria, Hungary, Serbia and Montenegro and Romania, SECI office (Vienna)	Austria, SECI office (Vienna), Romania (Chair, EC	
Business Advisory Council	Providing political support upon request	Bringing together foreign investors and SEE governments		Foreign investors, SEE governments, IFIs, OECD, SECI office Vienna		BAC Secretariat located in Thessaloniki

	Role of the Stability Pact Secretariat	Main goal of Task Force/ Initiative	Highest political declaration	Key partners	Funding	State of regionalisation
WORKING TABLE III						
SECI Regional Center for Combating Trans-border Crime (Bucharest)	Under regional ownership, with political support from the Stability Pact	Regional cooperation on the operational level between police and customs officers of the region. (12 participating countries)	Agreement on cooperation to prevent and combat trans-border crime	12 participating countries, US specialised agencies, Romania as host, German BKA, Interpol, World Customs Organisation, Europol	US government, Romania, Germany, all participating countries second staff	Necessary for SECI MS to increase their budgetary contribution to this sole regional law enforcement cooperation platform. Implementation of EC recommendations on operational standards is crucial for closer cooperation with Europol and Eurojust.
Organised Crime Initiative (SPOC)	Initiator, political and expert support, facilitator of project implementation coordination, and of dialogue	Promote governmental action and cooperation on OC, passage and implementation of EU-conform legislation, provide political support to Bucharest-based SECI Center	London Statement on Defeating Organised Crime in SEE, 2002; SEECP JHA Ministers' Joint Declaration to fight organised crime and corruption (Bucharest, May 2004)	See authorities, US government, EC, EP, Council of the EU, Germany, Austria, SECI Center, OSCE, UNODC, Europol, Eurojust, SEEPAG, Greece, Romania, East-West Institute, Interpol, CEI, CEUUN	Governments of US, Germany, Austria, Romania, Greece	SPOC Secretariat in Bucharest was set up in 2003, but SPOC Board needs further strengthening, with permanent, senior SEE representatives; in the long-run, region needs to take over funding as well
SEE Public Prosecutors Advisory Group (SEEPAG)	Political and expert support	Combat trans-border crime through strengthening of cooperation between prosecutors. Strengthen abilities of police, customs officers and prosecutors to handle international cases.		11 SEE countries (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Moldova, Romania, Serbia and Montenegro, Slovenia and Turkey). Works closely with SECI Center, OSCE Belgrade	US government, OSCE	Initiative was originally formed on a Serbian initiative in 2003. SEEPAG Secretariat was established in Belgrade in 2005.
Migration, Asylum and Refugee Regional Initiative	Initiator, and provider of political support throughout establishment of regional office under the SEECF framework	Promote regional cooperation on these issues, forge political consensus between SEE governments on main priorities and strategies	Ministerial Declaration, (Tirana, April 2005); MoU on establishing a Regional Forum for the MARRI initiative (Herzeg Novi, April, 2004)	SAP governments, EC, SEECF, UNHCR, OSCE, CoE, IOM, ICMPD	Germany, US, Sweden, Switzerland, Norways, UK, SAP countries	Regional Forum is in charge; Skopje regional centre was inaugurated in 2004
Defence Conversion and Security Sector Reform Initiative	Initiator, coordination, political and expert support to local governments	Enhance regional cooperation; advance defence reform, adoption of NATO-compatible solutions, monitoring government action plans and programmes	Declaration of SEECF Ministers of Defence, Belgrade, March 2005	SEE governments, NATO, RACVIAC, OSCE, DCAF, BICC, IOM, UNDP, World Bank, CoEDB, bilateral donors,	UK, Norway, Netherlands, IFIs	RACVIAC in Zagreb is in the process of strengthening its role as a regional centre for defence conversion

	Role of the Stability Pact Secretariat	Main goal of Task Force/ Initiative	Highest political declaration	Key partners	Funding	State of regionalisation
Police Forum	Initiator, political and expert support	Create and maintain OC training network (OCTN), Stolen Vehicle Project, Anti-Drug Network; I-24/7 Interpol project; Regional Police Training project (RPT); Activities promote adoption of EU standards, the enhancement of networking in the SEE region	Memorandum of Understanding on OCTN, signed August, 2005, (also a Letter of Intent regarding RPT has been signed	Association of European Police Colleges; SEPCA- Association of Police Chiefs in SEE; SECI Center Bucharest; Interpol; OSCE; EC	Governments of Norway, UK, Switzerland, Finland, Netherlands, Germany, Austria, Sweden, Ireland, Slovenia	Efforts currently underway to increase policy leadership and financial ownership by SEE governments
Anti-corruption Initiative (SPAI)	Initiator, political and expert support, facilitator of project implementation coordination, and of dialogue	Promote government action in fighting corruption, adoption and implementation of EU-compatible legislation	SEECJ JHA Ministers' Joint Declaration to fight organised crime and corruption (Bucharest, May 2004), Justice Ministers Declaration (Brussels, May 2005)	SEE governments, US State Dept, USAID, American Bar Association, EC, Council of Europe, UNODC, OSCE, OECD, World Bank, OSI, Transparency Int., Norway, Switzerland, Finland, Sweden, Austria, Italy	US State Dept/ USAID/ ABA CEELI (office and activities); BiH Government (office); SEE governments (in-kind contributions); OSCE (activities); UNODC (activities); OECD (activities); Council of Europe (activities); Open Society Institute (activities)	SPAI Secretariat was created in Sarajevo in 2004, but long-term funding remains a problem; efforts are underway to strengthen efficiency of Regional Steering Group
Border Security and Management Initiative	Initiator, Party to the group of stakeholders in the Ohrid Border Process (additional members: EC, NATO, OSCE)	Drive reform in strengthening border management capacities, push for establishment of full civilian control of borders	Common platform and a "Way forward" document, adopted in May 2003	Sap governments, EC, OSCE, NATO, DCAF, UNMIK	Predominantly EU CARDS programme. Additional funding from OSCE, DCAF	
Disaster Preparedness and Prevention Initiative	Initiator, political and expert support	Create regional capacity to respond to natural and human-made disasters. Bring together donors and IGOs and NGOs to coordinate activities	Declaration on Cooperation in Disaster Preparedness and Prevention in SEE, Bucharest, June 2002	SEE governments, UN, IFRC, NATO, SRSA	US, Norway, Switzerland, and matching contribution from participating SEE states	DPPI Secretariat was moved from Brussels to Sarajevo in 2005. A further increase in regional ownership currently under discussion
Small Arms and Light Weapons Collection Initiative	Initiator together with UNDP, political and expert support mainly through the Regional Steering Group	Assisting capacity building to control and reduce the proliferation and misuse of small arms and light weapons; SALW collection and destruction; stockpile management	Stability Pact Regional Implementation Plan on Combating the Proliferation of SALW (adopted in November 2001)	SEE governments, UNDP, EC, NATO, OSCE	UNDP, EC, Norway, UK, Netherlands. SaM hosts SEESAC in Belgrade	Regional Clearinghouse for Small Arms and Light Weapons (SEESAC) was set up in 2002. Full transfer of SEESAC into regional ownership currently underway
Regional Arms Control Verification Initiative	Initiator, Member of Multinational Advisory Group (MAG), political support, expert	Enhance regional dialogue and cooperation in arms control and confidence building	Conclusions of the RACVIAC Coordination Conference Berlin (July 2000)	SEE MAG participating countries, Norway, Germany, UK, France, Netherlands,	Contributions to RACVIAC budget by the MAG countries (Norway, Germany, France, Netherlands, Turkey, UK in particular).	Regional Arms Control Verification and Implementation Assistance Centre was created in Zagreb in 2000.

	Role of the Stability Pact Secretariat	Main goal of Task Force/ Initiative	Highest political declaration	Key partners	Funding	State of regionalisation
	participation in workshops/ seminars	measures; provide assistance in their implementation; support and complement the activities of the OSCE and other organizations		the Nordic Initiative, Turkey, Austria	Croatia is providing facilities.	Its staff is partly seconded by SEE governments
Security Sector Reform Inventory	Political and expert support	Encourage transparency and information-sharing in security sector reform; provide an inventory of ongoing or recently-completed initiatives;		The Centre for International and Security Studies and York University (Canada), and the Norwegian government	Norway	

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Stability Pact for South Eastern Europe

Launched in 1999, the Stability Pact for South Eastern Europe is the first comprehensive conflict-prevention strategy of the international community, aimed at strengthening the efforts of the countries of South East Europe in fostering peace, democracy, respect for human rights and economic prosperity. The **Stability Pact** provides a framework to stimulate regional co-operation and expedite integration into European and trans-Atlantic structures. The Pact's secretariat, located in Brussels, is organised into three units - Working Table I deals with issues of **democratisation and human rights**, Working Table II with **economic reconstruction, cooperation and development** matters and Working Table III with **security issues**.



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