



STRATEGIC OUTLOOK AT THE PRIORITY AREAS OF COOPERATION IN SOUTH EAST EUROPE

**SUPPORTING DOCUMENT TO THE STRATEGIC
WORK PROGRAMME OF THE REGIONAL
COOPERATION COUNCIL**

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1. INTRODUCTION

The positive developments in South East Europe in the past decade and the need to continue with the positive achievements of the Stability Pact for South Eastern Europe led to the development of a more regionally owned framework of cooperation in South East Europe – the Regional Cooperation Council (RCC).

Based on the decisions of the Stability Pact for South Eastern Europe Regional Table (Belgrade May 2006, Bucharest November 2006), the Heads of State and Government of the South-East Europe Cooperation Process (SEECp) and the Regional Table of the Stability Pact jointly decided, at their meetings in Zagreb in May 2007 to transform the Stability Pact into the RCC. First (inaugural) meeting of the RCC took place in Sofia on 27 February 2008 back-to-back with the final meeting of the Regional Table of the Stability Pact for South Eastern Europe.

Joint Declaration on the Establishment of the RCC and the Statute of the RCC (Article 5), as basic documents of the RCC, define the tasks of the RCC and priority areas for cooperation in the framework of the RCC. These priority areas of activities are the following: Economic and Social Development, Infrastructure, Justice and Home Affairs, Security Cooperation, Building Human Capital as well as Parliamentary Cooperation as an overarching theme.

Following the inauguration of the RCC and the official transition from the Stability Pact for South Eastern Europe to the RCC, the Secretariat of the RCC, as the main body supporting the RCC and the SEECp in fulfilling their tasks, commenced with the first activities in the context of the priority areas of regional cooperation. Although the work and the activities of the RCC and its Secretariat are only at the very beginning, the first steps in the framework of the regional cooperation under the RCC umbrella have already indicated main challenges and possible ways of further development and strengthening of such cooperation. In this process, important results and legacy of the Stability Pact for South Eastern Europe were of valuable guidance.

Based on these first insights in challenges and possible ways and modalities of further development of regional cooperation in South East Europe, the RCC Secretary General prepared this document as the supporting document to the Strategic Work Programme of the RCC for the period 2008-2009, submitted to the RCC Board for the adoption, pursuant to Article 10 of the Statute of the RCC. The presentation of the Programme follows, according to priority areas of the regional cooperation within the RCC framework.

2. STRATEGIC OUTLOOK AT THE PRIORITY AREAS OF COOPERATION IN SOUTH EAST EUROPE

2.1. Economic and Social Development

Over the past ten years, the economic landscape of South East Europe has undergone a significant shift from post-conflict recovery and market transition to genuine and increasingly sustainable economic development. Positive economic indicators for the region abound, not least of which is average annual GDP growth of 5-6% for many of its countries, ever increasing amounts of foreign direct investment (FDI), growing regional trade, and success in maintaining single digit inflation figures. Countries of the region have also steadily risen in the annual ratings of Transparency International, demonstrating progress in the fight against corruption.

Recognizing that the development of prosperous market economies underpinned by adequate social systems and policies represents a cornerstone of peace and stability in South East Europe, the RCC intends to devote special attention to Economic and Social Development (ESD), as a coherent strategic area of activity. The RCC will promote, assist, monitor, and evaluate the region's economic and social development initiatives, many of which have recently - and in line with the underlying spirit of the RCC - embarked upon their own process of transition to regional ownership.

The RCC will exercise its economic and social development mandate in the areas of Investment Facilitation, SME Development, Free Trade, and Private Sector Dialogue (in the realm of Economic Development); and Employment Policy, Social Dialogue, Public Health, and Housing and Urban Management in the realm of Social Development.

Many of the RCC's areas of activity are also indicated as high priorities in the European Commission planned strategic documents for the region. Bearing in mind that regional cooperation plays a critical role in the broader process of European and Euro-Atlantic integration, the RCC will work in close cooperation with the European Commission in order to ensure the synergy of regional cooperation initiatives with the broader Stabilization and Association agenda.

2.1.2. Economic Development

Investment Facilitation and SME Development

The Stability Pact's investment facilitation and small and medium size enterprises (SME) development efforts have thus far concentrated on the work of the Investment Compact for South East Europe – an OECD-led program designed to improve the investment climate and encourage private sector development. The Investment Compact has provided assistance in the development, monitoring, and evaluation of relevant policy reforms as well as guidance on actual reform implementation. It also contributes to structuring dialogue between governments and the private sector.

In 2007, and as a part of the transition toward greater regional ownership, the Investment Compact launched the Investment Committee for South East Europe (IC SEE) – a high-level coordination body of senior government officials, which will assume a future leadership role in the implementation of the investment policy reform agenda.

The RCC will replace the Stability Pact in the Investment Compact, the IC SEE, and their working groups. Its immediate task will be to ensure the continued engagement of the Investment Compact in the monitoring and evaluation of the investment climate and SME development in South East Europe, not least through their ongoing participation in the follow-up evaluations of existing policy benchmarking instruments. As two of these instruments – the Investment Reform Index and the SME Policy Index – are scheduled to be upgraded in 2008, the RCC will ensure that their development is kept on track and that the corresponding follow-up evaluations are carried out. It will further promote policy consistency in the realm of investment facilitation and SME development, and play a monitoring and evaluation role with regard to the implementation of a South East Europe investment strategy. Finally, the RCC will promote linkages between the IC SEE and the newly established CEFTA Secretariat.

Free Trade

In 2006, the efforts of the Stability Pact's Trade Working Group culminated in the signing of an enlarged Central European Free Trade Agreement (CEFTA)- a single FTA liberalizing trade relations between

the countries of the region. CEFTA has brought together earlier bilateral FTAs under a single umbrella, also incorporating rules and procedures consistent with those of the World Trade Organization (WTO). The signing and ratification of CEFTA has signaled the transfer of responsibility for regional trade relations from the Stability Pact's Trade Working Group to its South East European parties. A small CEFTA Secretariat is currently in the process of being established in Brussels.

The RCC will have a seat on the CEFTA Steering Committee. Bearing in mind that CEFTA will test both the political will and administrative capacity of its implementing parties, the RCC will play a crucial role in monitoring implementation and undertaking all necessary political troubleshooting - not least of which will have to do with ensuring that the CEFTA Secretariat is staffed and made operational as soon as possible. The RCC will also need to play a facilitating role in the resolution of outstanding trade issues between CEFTA parties. As technical and financial assistance to free trade is available both in the context of IPA's national and multibeneficiary programmes as well as from bilateral donors, the RCC will also play a role in ensuring effective and coordinated donor support to free trade.

Due to the strategic and inter-dependent relationship between trade, investment, and the development of SMEs, the RCC intends to promote CEFTA's cooperation with and involvement in the activities of the Investment Compact and the Investment Committee for South East Europe. Finally, the RCC intends to promote linkages between CEFTA and SECIPRO – a regional initiative aimed at promoting trade via improved procedures, with an emphasis on non-tariff barriers.

Private Sector Dialogue

Ensuring the inclusion of, and ongoing dialogue with, the private sector has constituted an important feature of the Stability Pact's economic development efforts. The Business Advisory Council (BAC) – consisting of senior businessmen from 20 different countries (South East Europe and donors) with associate members from IFIs and IOs - has thus advised the Stability Pact, IFIs as well as Governments of donor and recipient countries on private business matters. Other private sector consultative fora include the Foreign Investors Councils established under the auspices of the Investment Compact, and the BAC's ICT Private Sector Forum.

The Greek Government has recently established a private-sector oriented Regional Development Center (RDC) in Thessaloniki, which, affiliated

with the RCC, will play a significant role in providing an institutional framework for both the BAC and SECIPRO. Moreover, the RDC has the potential to serve as an information clearing house, improving coordination between related initiatives.

The RCC will replace the Stability Pact at meetings of the BAC, which will continue to provide the RCC with essential private sector input. The RCC can, in turn, facilitate BAC's relationship with regional governments with a view to ensuring systematic dialogue. The RCC will also establish a close working relationship with the RDC, including through the signing of an MoU on institutional cooperation providing for the inclusion of the RDC under the umbrella of the RCC and explore ways for the optimal inclusion of relevant economic initiatives in its future scope of activity.

2.1.3. Social Development

Matters of Social Development have thus far been managed under the Stability Pact's Initiative for Social Cohesion (ISC), which has sought to incorporate a social dimension into economic development efforts.

Employment Policy

Recognizing that market reform, industrial restructuring and privatization have had an adverse effect on employment in the region, efforts to upgrade national employment policies in line with EU standards have taken place under the guise of the Bucharest Employment Process, whereby Ministers of Labor and/or Heads of Employment Agencies committed to regional cooperation in the areas of employment, labor markets, and capacity building. Country reviews of employment policy were subsequently conducted and their recommendations endorsed by a Ministerial Conference in Montenegro in 2007.

In addition, a regional Project on Occupational Safety and Health (OSH), which commenced in 2006, has produced national profiles of country policies vis-à-vis the EU. These were incorporated into a Regional Report on Occupational Safety and Health in South East Europe. The project's second phase, i.e. the development of specific actions in OSH policy making and capacity building, as well as the establishment of OSH enforcement mechanisms, should soon be under way.

The RCC will inherit the Stability Pact's place on the so-called Permanent High Level Committee on Employment. Its key task will be to lobby for the implementation of the Montenegro Conclusions, and play an active

role in the monitoring thereof. In addition, the RCC will support the launching of the second phase of the OSH project and ensure monitoring of implementation.

Social Dialogue

The establishment of a professional workforce meeting the requirements of a modern market economy requires structured social dialogue between workers and employers' networks. This communication has thus far taken place under the guidance of the European Trade Union Confederation (ETUC) and the International Organization of Employers (IOE), with the support of the International Labour Organisation (ILO)

A three-year strategy for the handover of formal cooperation between trade union and employers' networks has been finalized and approved by its donor, Switzerland. Its aim is to reduce the roles of the ETUC and the IOE and hand over responsibility for coordination to a Zagreb-based secretariat.

The RCC will play an active role in promoting the concept of social dialogue by providing both political and coordination support to the Zagreb-based Secretariat. It also intends to maintain close contacts with the ILO, the ETUC, and the IOE in order to ensure expert input and review of regional social dialogue. The RCC will promote the capacity building of social partners' institutional structures through ongoing training and twinning programs among regional employers' and employees' organizations.

Public Health

The South East Europe Health Network (SEEHN), made up of 21 leading international experts and more than 100 health policy makers and technical experts from the region, supervises the activities of regional public health projects and serves as a regional cooperation forum for its members. Its political achievements to date include an MoU (under revision) on the future of the SEEHN in the context of the SEECp, as well as ministerial declarations on regional collaboration in the realm of mental health and epidemic preparedness. A number of projects aimed at adopting EU and international standards in the realm of public health are currently being implemented.

The year 2007 marked the beginning of a transition to regional ownership as the Council of Europe (CoE) and the World Health Organization

(WHO) began to hand over their leadership role in this sector to countries of South East Europe. The MoU on the future of the SEEHN thus foresees the establishment of a small SEEHN Secretariat affiliated to the RCC.

Housing and Urban Management

The development of functional housing markets, including the provision of viable housing options for vulnerable segments of the population, has been taking place under the Stability Pact's Housing and Urban Management Initiative (HUMI). Its work has been guided by the Vienna Declaration on Informal Settlement in South East Europe (2004) whereby Western Balkan countries committed themselves to undertake measures aimed at addressing the problem of informal settlements. Implementation has been monitored through a peer review process and the development of a Regional Capacity Strengthening Programme (RCSP) to support better policy development. The Interim RCSP Steering Committee has since endorsed an RCSP program document for 2007-2010. Meanwhile, the Stability Pact-UN HABITAT team has successfully consulted with donors to secure the necessary funding for various phases of the RCSP.

As of 2008, both the peer reviews of the Vienna Declaration and the RCSP will come under the leadership of UN-HABITAT. Given UN HABITAT's leadership role with regard to the work of HUMI, the RCC will strive to provide support in the realm of political trouble-shooting and donor coordination.

2.2. Energy and Infrastructure

Continued support to the regional energy and infrastructure development is of crucial importance because this advance requires substantial financing at appropriate terms and conditions and, perhaps more than in other sectors, a very strong commitment to national reforms and regulatory improvements as well as increase in the implementation capacity of the regional countries.

The RCC will contribute in addressing the most outstanding bottlenecks in the national reforms implementation that are critical for an effective regional energy and infrastructure cooperation as a step towards the wider European integration.

The RCC will also contribute to providing political guidance to and receiving substantial input from relevant task forces and initiatives active in areas of regional energy and infrastructure cooperation.

The RCC will provide energy and infrastructure dimension of the SEECP, as a regional political body, with operational capacities and promote the continued involvement of those members of the international donor community engaged in South East Europe as well as expansion of the regional cooperation supporters.

More specifically, RCC will, together with the the Contracting Parties of the Treaty establishing the Energy Community (ECT) be taking part in the meetings of the ECT institutions, other Energy Community task forces, initiatives and the Donors. RCC's support to this area will primarily relate to promotion at the Contracting Parties of the need for:

- Raising energy prices to cost-reflective levels determined by the fully Independent National Regulatory Bodies in a socially acceptable way not only to make energy utilities economically viable but also to create a competitive level playing field and to support energy investments,
- The most comprehensive support of the public for the energy reform process primarily through sound inclusion of the social partners and civil society actors,
- Opening up the national fragmented markets to transparent and unrestrained cross-border trading through the operational regional Coordinated Auction Office,
- Speeding up the decision making process to construct new electricity generation facilities due to increasing regional electricity deficit,
- Facilitating fair, transparent and diligent public tendering procedures when contracting the project,
- Raising the awareness of benefits of regional to energy transportation, trade and market regulations, as well as investments in energy infrastructure,
- Launching and permanent enhancement of a dialogue between external energy suppliers and the South East European consumers (e.g. electricity supply from Ukraine, gas supply from Russia, Caspian Basin, Middle East and North Africa).

Promoting the achievements in this sector to the international business community will be of particular importance bearing in mind that the region is facing an important investment challenge to ensure secure energy supply.

The RCC will foster the communication between the Donors` Community including major IFIs and the projects` proposers with the main goal to discuss the projects` progress, recognize bottlenecks and identify ways and means to accelerate their development from proposals to implementation. RCC will encourage the South East European countries in their efforts to better use available support for regional cooperation processes especially Multi-beneficiary Programme in the Instrument for Pre-Accession Assistance (IPA).

Participation in the International Financial Institutions Advisory Group (IFIAG) and its technical working groups (Energy, Transport, Environment and Social Issues) will enable RCC to contribute to cooperation between the policy-makers, the IFIs, the business community and the social partners as well as the provision of information for both the countries of the region and the IFIs. RCC could facilitate access to donor countries, contribute to consolidating existing cooperation and fostering cooperation among networks and partners of paramount importance, especially taking into account the continued willingness of the international community to provide political, technical and financial support. It will assist not only in the identification of projects that are economically feasible but also make efforts to identify potential projects in the environmental and in particular social sector important for backing the infrastructure projects development and national reforms.

The Infrastructure Projects Facility (IPF) launched by the European Commission would be available for the pre-feasibility, feasibility, design and social and environmental impact assessment studies of the projects promoted by candidate and mainly potential candidate countries. It will be an important instrument for energy and infrastructure projects development based on TEN criteria, economic and environmental viability and completed as well as ongoing and planned regional studies.

Taking into account that success of the reforms will highly depend on the comprehensive support and general acceptance, fostering the dialogue between social partners and facilitating the adoption of social action plans linked to infrastructure restructuring and its products and services affordability will be an important activity of the RCC. The RCC will politically support the ECS in the implementation of the Memorandum of Understanding (MoU) on Social Issues in the context of the Energy Community that recognized the need to build a social dimension in the Energy Community, as well as to help enterprises and workers to

anticipate, adapt and positively manage socio-economic changes which may arise from the implementation of the ECT.

The RCC's major criteria for supporting the establishment, streamlining and activating various joint regional programs, centers and institutions would be cost-effectiveness, mutual interest and a fair distribution among the regional countries.

The RCC will promote sustainable energy development in the region in full compliance with the EU environmental and energy policy. Small scale renewable energy projects, distributed energy generation based on the local energy sources, sustainable building and primarily improved energy efficiency in the region, could be the most important tools for meeting the increasing regional energy demand. Energy efficiency projects, convenient energy, environmental and economic indicators could trigger so needed private investments in the energy sector. Transfer of knowledge from EU Member States on the above mentioned projects preparation, development, financing schemes and implementation will be crucial for the success of this initiative.

The RCC will pay particular attention to politically support South East Europe Transport Observatory (SEETO) Permanent Secretariat in the foreseen process of negotiation and after that execution of a Treaty establishing the Transport Community based on the existing MoU on the Development of the SEE Core Regional Transport Network. Such a legally binding instrument would strengthen transport investments in the region, lead to greater consistency in transport policies and take into account the need for the social dimension inclusion from the beginning. A Transport Community Treaty is an ambitious undertaking given the conflicting national interests and the disparities in the different transport modes.

The Core Regional Transport Network, as a jointly agreed reference for planning investments of regional relevance, includes railways across the countries of South East Europe, roads, major ports and airports, and, the inland waterways Danube and Sava. Through cooperation primarily with the SEETO and IFIs within the IFIAG Transport Working Group, the RCC will contribute to the preparation and implementation of the multi-annual plan as a rolling work-program meeting the objectives set out in the MoU and to adequate prioritization of investments of regional importance, that are financially affordable and suitable for private sector and IFIs financing.

The RCC will promote a regional approach to railway development, which is essential for modernization and rationalizing of the railway sector and fostering rapid investment. The Energy Community could serve as an appropriate model to improve the current situation caused mainly by poor management of railways, a drastic decrease in users and the poor productivity. To that end, the RCC will contribute to creating a South East European Railway Transport Area based on the recently signed Addendum to the MoU on the Development of the South East European Core Regional Transport Network.

Concerning aviation, in addition to its contribution to the Governing Council for the European Common Aviation Area Agreement, the RCC will play a role in the implementation of the Single European Sky Acquis, including through the support for the participation of the regional countries in the South East European Functional Airspace Blocks Approach Initiative (SEE FABA).

The RCC will inherit the Stability Pact's seat on the Danube Cooperation Process (DCP), a political, diplomatic and economic consultative forum founded on the Joint Declaration and the Principles and working methods for the DCP operation, and will contribute to ensuring support for this process comprising the economy, navigation, environment, tourism, culture and sub-regional cooperation. The RCC will in particular promote reinforced cooperation among the Danube riparian states to elaborate in common integrated solutions for river navigation, socio-economic development, sustainable water and flood management, environmental restoration and biodiversity conservation.

The RCC will support the International Sava River Basin Commission in the implementation of the Framework Agreement on the Sava River Basin and the Navigation Protocol, elaboration of the Sava River Basin Action Plan and adoption of necessary legal acts and protocols thereto.

Taking into account that energy and transport sectors are major pollutants, the RCC will provide relevant inputs and cooperate with the Regional Environmental Centre and the Regional Environment Reconstruction Programme Secretariat. In light of huge social and environmental implications in relation to the energy and other infrastructure development, RCC will pay particular attention to the involvement and cooperation with the civil society actors.

2.3. Justice and Home Affairs

Cooperation and reforms in the field of justice, freedom and security, notably in combating organised crime and corruption, reforming the judiciary and police, as well as strengthening border management, are of particular importance for the South East Europe countries.

In the area of justice, freedom and security, regional cooperation contributes directly to and is indispensable for the European integration process.

The RCC will facilitate coordination and coherence through extensive work at the international level, with the South East European countries themselves and among the regional initiatives in the field of justice and home affairs. Also, due to the inter-related nature of the five RCC priority areas, considerable efforts will be required to ensure that the necessary cross initiative communication channels are put in place and properly functional.

Regional cooperation in the area of justice and home affairs complements the efforts at the national levels. For the RCC it is of particular importance to facilitate networking and sharing of best practices and lessons learned in the region. In addition, the RCC will support the establishment of harmonised guidelines and protocols for the sharing of relevant information across borders, building upon the achievement of the national projects and other regional initiatives.

In order to properly face the new phenomena and developments occurring in the area of justice and home affairs, RCC will continue the flexible approach applied by the Stability Pact in identifying and adapting to the changes of the current priorities and circumstances among the South East European countries and donors. These priorities may change over time and the RCC Secretariat will have to maintain the necessary flexibility to adapt accordingly.

2.3.1. Combating Trans-Border Crime

Strengthening the role of the Bucharest based Regional Centre for combating trans-border crime is one of the RCC's strategic priorities. Through its experts on justice and home affairs, the RCC Secretariat will closely support it, having in mind the following specific objectives:

Completion of the negotiations on the Convention on the South East Europe Law Enforcement Centre (SELEC Convention – replacing SECI), meeting the concerns of all stakeholders, is a key challenge for 2008, as the approval of the SELEC Convention is the condition for future EU financial support to the SECI Centre/SELEC under IPA 2008.

The Regional Centre has to upgrade, strengthen and develop its institutional and operational framework in order to obtain the new status of an international organization. Transformed in an authentic international law enforcement agency for South East Europe, the Centre will be able to establish its relations with EU agencies such EUROPOL and EUROJUST, and further developed its relationship with INTERPOL, World Custom Organization and UNODC.

Adequate financial support must be secured from the Centre member states and donors, to allow the new legal department to operate efficiently from 2008 onwards, and to facilitate staff development by increasing the number and high analytical qualification of personnel in order also to draw up the South East Europe Organized Crime Threat Assessment (SEE-OCTA) with the assistance of EUROPOL.

The Centre's relationship with the various networks in South East Europe such as the South Eastern European Police Chiefs Association (SEPCA), the Regional Anti-Corruption Initiative, (RAI), Migration, Asylum and Refugee Regional Initiative (MARRI), South East European Prosecutors Advisory Group (SEEPAG), need also to be redefined in the new institutional set-up, in order not to duplicate EU mechanisms, such as EUROPOL.

The RCC Secretariat has inherited the role the Stability Pact Secretariat had within the Joint Consultative Committee and will closely support the Centre in achieving the above mentioned specific objectives

2.3.2. Fight against Corruption

The Regional Anti Corruption Initiative (RAI) will continue to be a focal point of cooperation on anti-corruption activities, focusing on a multi-disciplinary approach in combating and preventing corruption. As a result of its activities, in the South East European countries the anti-corruption legal framework has been harmonized with the standards set by international conventions, and specialized anti-corruption bodies have been created or are now in the process to be established, reorganised or strengthen. Also, practical steps are envisaged to be taken in order to

observe the full implementation of the commitments set forth by the Ministerial Declaration on 10 joint measures to fight corruption in South East Europe, endorsed by the Ministers of Justice in 2005 in Brussels.

The monitoring of RAI is part of the portfolio of the RCC justice and home affairs experts. The RCC Secretariat will inherit the role of the Stability Pact on the Steering Group. Supporting RAI sustainability, facilitating the achievement of practical results and fostering the impact following the dissemination of the best practice and lessons learned, are the RCC Secretariat's specific objectives for the next two years.

The anti-corruption agenda cuts across many of the RCC's priority areas; thus, RAI needs to develop or reinforce working relations with other regional initiatives such as the Anti-Corruption Working Group under the SEE Investment Committee and the *e*-Governance Centre; with other agencies, projects and programs acting under the umbrella of international organizations such as EU, Council of Europe, UN, OECD, WB; and with national and international NGOs.

2.3.3. Police Cooperation

The RCC Secretariat's justice and home affairs experts monitor SEPCA developments, and the RCC has a seat at the Southeast Europe Police Chiefs' Association (SEPCA) Annual Meeting.

Since November 2007, SEPCA assumed the responsibility for the activities of the Police Forum. A key objective for RCC related to SEPCA is to support the continuation of the projects on Organized Crime Training Network (OCTN), the Bled Process for Stolen Vehicles, the Interpol I24/7 IT system to connect border control points, and Crime Analysis Cooperation.

Another objective is to assist SEPCA, as a high level professional organization and regional policy maker, in developing close working relations with the SEECP Ministers of Interior, SEE Convention on Police Co-operation Boards, Regional Centre, MARRI, RAI and other relevant regional and international bodies.

Trust building and collaboration with the civil society are other specific goals to be addressed through SEPCA activities based on Regional Community Policing Platform and community policing projects.

2.3.4. Cooperation of Prosecutors

RCC Secretariat will facilitate the efficient pursuit of the South East European Prosecutors' Advisory Group (SEEPAG).

The SEEPAG relationship with the Regional Centre, SEPCA and MARRI will be developed. Regional cooperation and networking among national prosecution offices and among prosecutors and the law enforcement agencies in fighting organized crime and corruption has to be improved. The SEEPAG will provide operational support and assistance to other regional initiatives and to relevant national law enforcement agencies in trans-border criminal investigations and prosecutions.

The RCC will assist the SEEPAG in providing advice, assistance, and guidance on criminal policy and legal issues related to law enforcement matters in the region and in concluding bilateral memoranda on cooperation between public prosecutor's offices from the countries in the region.

2.3.5. Migration, Asylum and Refugees

The topics covered by the Migration, Asylum and Refugee Regional Initiative (MARRI), are crucial elements for the region's European and Euro-Atlantic integration, and the RCC will monitor developments in this area carefully. Justice and home affairs experts at the RCC Secretariat will monitor developments in MARRI and the RCC Secretariat will assume the Stability Pact Secretariat's role at the MARRI Regional Forum.

The RCC strategy in this area, in line with the EU integration process for the region and its purpose to promote people-to-people contacts between the EU and the region countries is to foster: management of the population movement, in particular irregular population movements; unresolved displacement issues; visa facilitation and readmission agreements.

RCC supports the EU's commitment to start a visa dialogue on the basis of roadmaps with all the Western Balkan countries, with a view to visa liberalization. The RCC will work together with MARRI, the European Commission and Western Balkans countries.

RCC experts will support MARRI in defining its strategic links with the individual national strategies and poise of the SEECF members in this

area. The RCC will jointly cooperate with MARRI to increase credibility in relations with both Member States and the international community by implementing important projects such as: building capacity of MARRI Member States for successful implementation of agreements on visa facilitation and readmission, MARRI interactive migration map, assessment of types of identification documents in MARRI Member States.

The RCC will further assist the MARRI Center and Member States to follow the EU standards concerning documents security, as these activities improve capacity-building and regional cooperation as supportive instruments for freedom of population movements in the region.

The problems of labor migration and brain drain will be incorporated in the work of the MARRI Regional Forum, in the most effective way.

2.4. Security Cooperation

The regional cooperation in the field of security mainly focuses on three initiatives developed under the auspices of the Stability Pact for South Eastern Europe : the Disaster Prevention and Preparedness Initiative in South Eastern Europe (DPPI SEE), RACVIAC- Centre for Security Cooperation and the South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC).

The RCC will continue to be focused on these initiatives with the emphasis on possible deepening and strengthening of institutionalised cooperation within their framework.

2.4.1. Disaster Preparedness and Prevention

The Disaster Preparedness and Prevention Initiative (DPPI SEE) was launched in an effort to contribute to the development of a cohesive regional strategy for disaster preparedness and prevention. The overarching goal of the DPPI SEE is to foster regional cooperation and coordination in disaster preparedness and prevention.

All DPPI SEE program activities and projects have a regional or multi-country interest and impact, are cost-shared by the Member countries and are approved by the DPPI SEE Regional Meeting. Ten SEE countries

signed a MoU with clear defined financial engagement to DPPI Secretariat and project development.

The DPPI SEE is currently in the transition period with the aim to transform the DPPI SEE Secretariat into a legal entity affiliated to the RCC and accordance with the “Memorandum of Understanding on the Institutional Framework of the DPPI SEE”. Regional countries have already undertaken steps within their own national governmental institutions to request and secure financial support for the DPPI SEE.

Clearly outlined by the Ministerial Meeting in Sofia, the DPPI's future lies in the hands of the States in the region. Further institutionalizing the Initiative, building its capacity and expanding the supported programs and projects will reflect the expectations and transform it in to an upgraded regionally owned DPP Center. Development working, mutually beneficial relations and complimentary programs with other international institutions especially EU, UNDP and WB shall be a significant part of the forthcoming Strategy of DPPI.

The RCC will fully support the activities of the DPPI and the ongoing initiatives, including the formation of a Regional Joint Fire-fighting Center.

2.4.2. Centre for Security Cooperation - RACVIAC

The RACVIAC, Centre for security cooperation is a diplomatic, international, independent, non-profit, regionally owned academic organization, accountable to its political decision making body, the Multinational Advisory Group (MAG).

The mission of RACVIAC is to foster dialogue and cooperation on security matters in Southeast Europe through a partnership between the countries of the region and their international partners. The strengthening of the region's overall stability and security, the promotion of Security Sector Reform and Defense Conversion, the support to Euro-Atlantic processes as well to the European Security and Defence Policy have a prominent role among its strategic objectives.

The RCC will assist and support the formulation of a new, adequate strategic policy orientation of RACVIAC, as a broader orientation of the Center is advised for the period ahead in line with the new security

cooperation need in South East Europe as more countries of the region approach the Euro-Atlantic structures.

In this context, recently taken decision by the MAG to establish a working group on RACVIAC's legal status via new MoU is an integral part in the current transformation process of the Centre.

From 2009 the core members of RACVIAC will cover 100% of the core budget.

The RCC will monitor RACVIAC's development and offer political support and guidelines in its transformation.

2.4.3. Control of Small Arms and Light Weapons

The South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC) is a joint project between the Stability Pact for South Eastern Europe and the UNDP, launched in 2002 as a mechanism to assist the Governments with the implementation of the 2001 Regional Plan for Combating the Proliferation and Impact of Small Arms and Light Weapons (SALW).

SEESAC has made substantial progress in working with the Governments in South East Europe for establishing national strategies on SALW control and the implementation of specific project activities, which address the supply and demand side of SALW control. The countries in the region have made enormous progress on complying with the international instruments on SALW control and their subsequent implementation. Nevertheless, a next step of engagement is required, which will transform the current achievements into programmes and activities that will focus more on the existing problems and risks related to armed violence at a local level. SEESAC's mandate could be gradually transferred to address these challenges.

Thus, SEESAC's area of engagement should be the launching of a regional programme that concentrates on armed violence prevention initiatives with a focus on community security. The regional programme will provide for the adoption of national policies on armed violence prevention. These national policies shall put an emphasis on concepts that tackle security issues at the community level.

The SEECP Defense Ministerial of March 2008 declared firm support for the work of SEESAC. It also declared that the continuation of its work on coordinating the control and downsizing of SALW in the region will result in substantial reduction of the risks stemming from uncontrolled transfers and use of armaments.

SEESAC will continue to be managed by UNDP from its Belgrade base and future institutional affiliation with the RCC is under preparations.

2.5. Building Human Capital

The Fostering and building of human capital remains to be a top priority, both among the SEECP Participating States and within the EU policies vis-à-vis the region. Achieved democratic progress and stability in the region can seriously be hampered without a coherent approach to social trustfulness and cohesion, education, research and other related areas. Fostering existing and building new human capital should be singled out as a top priority in the reform processes of all South East European countries.

Human capital issues are recognized by the RCC as a key to accelerated resolution of many of residual patterns and stereotypes hampering regional cooperation or burdening societal realtions and relations among the different communities.

The RCC will thus focus in particular to the initiatives of potential common interests for the South Eastern Europe countries in the area of building human capital. The RCC will fully support the existing reconciliation initiatives in the region, enhanced cultural exchange, human contact, events and other initiatives aimed at general relaxation of social relations in the region and positively profiling the South East Europe as a region of tolerance and human capital richness.

Particular attention needs to be focused on younger generation and employment policies as these may be a key to a long-lasting stability in the region.

For the activities of the RCC in the area of building human capital the new Task Force Building Human Capital of the RCC will be of particular importance. The role of the Task Force will be to coordinate the activities in the area of building human capital as well as to promote regular

dialogue and information exchange on relevant topics between its participants. The role of the Task Force will also be to promote possible coordination of the activities within the area of building human capital with the activities in other priority areas of the RCC.

2.5.1. Trust Based Societies

Due to the events in the recent history and residual historical patterns of relations, many societies in the South East Europe are still characterized by an unsettled social environment, in many cases filled with frustrations, polarizations and social mistrust.

As it is evident that the social trust and cohesiveness around the strategic interest of any individual country in the region is an indispensable platform for accelerated development, the RCC will seek to raise general public awareness in the region of the advantages of a Trust Based Societies (TBS) notion.

The RCC will focus on communicating the TBS model throughout the region, in strong belief that it can also provide a driving platform for continued reconciliation and fostering of a culture of dialogue, tolerance and mutual respect.

The RCC will work to ensure strong media and information support for the TBS efforts, as well as the efforts of civil society, trade unions, academia and other relevant actors.

2.5.2. Education

The RCC's foremost task in this area of work will be to advocate within the South Eastern European countries to set education and vocational training as a national priority. It would also seek synergy between individual educational policies of the countries in the region and the EU general educational policy, including in particular the strategies aimed at improvement of the educational level in South East Europe.

The RCC will encourage synergy with the EU and, in particular, relevant programmes of the European Commission in order to assist countries of the region to accelerate the coherent implementation of the Bologna and European research agendas.

The RCC will continue to support, with the help of ERI SEE Secretariat, the preparations of the education institutions for their successful participation in the different actions under the EU's Integrated Community Programme for Lifelong Learning.

The RCC will support the mobility and university exchanges already in place, including exchange of administrators and supervisors in education.

The RCC will seek synergy between the educational reform efforts of the countries in the region and the objectives of the European Qualification Framework of the EU.

The RCC will work on projects related to Lifelong Learning.

The RCC will cooperate with the university networks of the region, especially with the European University Association and the Central CEEPUS Office, Central European Initiative (CEI), and Central Eastern European University Network (CEEUN), World University Service (WUS), Institute for Central Eastern Europe and the Balkans of the Bologna University and the Centre for Interdisciplinary Postgraduate Studies of the University of Sarajevo, as well as with other post-graduate networks in the region, in improving the structures for mobility and exchanges of students. Special attention will be paid to the Novi Sad Initiative, as an instrument of implementation of European Higher Education and Research Areas.

2.5.3. Research

The RCC recognizes the importance of cooperation among the South East Europe countries in the area of research to keep up with the ever-more-demanding role of research and science in economic and business development.

The RCC will support the universities and other research institutions in the region in strengthening their participation with research institutions and researchers of the EU Member States within the 7th Framework Programme.

The RCC will further encourage the opening of the 7th Framework Programme for the countries of the Western Balkans through contacts with the EU Council, the European Parliament and the European

Commission, as well as the inclusion of support to research and development area into assistance programmes and future relevant EU documents.

The RCC will provide support to the Western Balkans Steering Platform, created within the framework of the Competitiveness Council and under the leadership of the Austrian Government in May 2006.

2.5.4. Information Society

The Governments of South East Europe have formally acknowledged the central role of information and communication technologies (ICT) in promoting rapid economic and social development, and catching up with EU standards and practice.

Bearing in mind the broad application potential of ICT in the diverse sectors of governance, business, education, health etc, the promotion of a South East Europe ICT agenda and information society has the potential to achieve far-reaching positive consequences across a wide range of political, economic, and social reform areas.

Regional cooperation in the field of ICT development has taken place in the context of the Electronic South East Europe (eSEE) initiative, which promotes the creation of adequate institutional mechanisms for the development of information society, and facilitates the introduction of ICT technologies in various sectors.

The RCC will invest efforts to ensure that the introduction and development of ICT emerges as a prominent feature on the region's reform agenda – an outcome that has thus far eluded eSEE.

The RCC will also support efforts to realise the fundamental aim of the eSEE, the creation of a single, open, and competitive ICT market, giving priority to innovation and investment in ICT research and education (in cooperation with the private sector) to achieve inclusive e-societies that will promote growth and job creation.

The RCC will seek strong engagement with Centre for eGovernance Development in Ljubljana as a single coordination point for eGovernance activities in the region, one that provides a focal point for the creation and dissemination of knowledge regarding eGovernance, eCommerce, and the

overall development of modern public administration in South East Europe.

Bearing in mind that the Centre's value will largely be determined by its ability to match needs with appropriate projects, the RCC will support its efforts by ensuring adequate donor coordination and support. The RCC will also ensure an active role of the the Business Advisory Council's ICT Private Sector Forum and the e-LEAD program.

The RCC may engage in a formal mechanism for structured future collaboration. The RCC will additionally promote the region's exposure to the EU's ICT community by ensuring its involvement in the eEurope process.

2.5.5. Knowledge Based Economy

Within its mission to contribute to the general advancement of the region in terms of economic and social modernization to compensate for the losses in the recent period, the RCC will pay a particular attention to the model of Knowledge Based Economy (KBE), in strong belief that it offers the most valuable platform for accelerated development.

In this area, the RCC will work to promote the KBE model throughout the region, on a general public level, within the governmental institutions and within the business communities.

The RCC will develop a strategy of raising public awareness for the KBE.

2.6. Parliamentary Cooperation

Based on the decisions taken by the Stability Pact for South Eastern Europe Regional Table in Belgrade (May 2006) and Bucharest (November 2006), the Special Coordinator of the Stability Pact appointed Sofia as the host of the Regional Secretariat for Parliamentary Cooperation in South East Europe. The SEECP Speakers of Parliament expressed full support for the future activities of the Secretariat at their Sixth Conference in Zagreb (April 2007). The establishment of the Regional Secretariat for Parliamentary Cooperation in South East Europe was also welcomed by the SEECP Meeting of the Heads of State and Government in Zagreb (May 2007).

The aim of the Regional Secretariat is to help in intensification of regional parliamentary cooperation at all levels, ensuring coordination and political support for the formulation and implementation of regional activities. The Secretariat will also act as an information network among and for the Parliaments of the region. Such stronger and institutionalised parliamentary cooperation is also aimed at strengthening the democratic efficiency and effectiveness of the Parliaments of South East Europe, as well as at promotion of bilateral and multilateral cooperation.

The signing of the Memorandum of Understanding by the SEECP Speakers of Parliament and the adoption of the Terms of Reference for the Regional Secretariat in Sofia in April 2008 represents an important further step forward in the institutionalization of parliamentary cooperation in South East Europe.

While the Regional Secretariat for Parliamentary Cooperation in South East Europe will act as a main focal point for the activities concerning parliamentary cooperation in South East Europe, the RCC and its Secretariat will remain actively involved in this process. The Regional Secretariat will form integral part of the RCC network of initiatives in South East Europe. The RCC and its Secretariat will participate at all meetings in the framework of parliamentary cooperation in South East Europe and will provide help to the Regional Secretariat in preparation of the Annual Conference, Regular Supervisory Meetings as well as sector-specific and topical meetings. The RCC Secretary General will, in accordance with the Terms of Reference of the Regional Secretariat for Parliamentary Cooperation, co-chair, together with the Chairman-in-Office of the SEECP, the Regional Supervisory Meetings to be held twice a year.

The RCC, intends, through its Secretariat, to establish and maintain close contacts and cooperation with the Regional Secretariat for Parliamentary Cooperation in South East Europe in order to achieve maximum possible synergy in respect of the activities within the framework of parliamentary cooperation in South East Europe.