



**Remarks by Michael Mozur
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Stability Pact for South East Europe
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I am pleased to address you today on the Stability Pact's activity in South East Europe and its close collaboration with the OSCE. The Stability Pact fits naturally into the OSCE's broad concept of security which involves many dimensions - military and civilian, economic and environmental, democratization and human rights.

South East Europe has made clear progress made on all fronts in the past year. EU and Euro-Atlantic integration has progressed notably in all countries. We are now in a phase where past decisions on regional cooperation demand implementation – a much more workman-like and less glamorous challenge.

But we are happy that the importance of regional cooperation – working together to address joint problems - is much better understood today than a few years ago and is clearly seen as essential to the process of EU and Euro-Atlantic integration and is fully consistent with the precepts of the OSCE.

At the same time, many of the problems faced by South East Europe must be addressed on a regional basis as well as domestically in countries. Fighting organized crime and attracting investment are good examples.

With clear progress, the Stability Pact must change as well. We have put much of our effort in the past year into developing a roadmap to take the Pact from its current – still very internationally driven – framework to a more appropriate and regionally owned cooperation approach, the Regional Cooperation Council (RCC). The region is much more mature today and therefore can – and must – take greater ownership of its own affairs and common future.

The agreed timeline for this roadmap is tight. By early 2008 the Stability Pact should phase out and the new RCC should take over under the political umbrella of the Southeast European Cooperation Process, the SEECP, which is seen as the voice of the region. Croatia, the current SEECP Chairman in Office is taking a leading role; Bulgaria is to follow in mid-2007 as SEECP CiO.

The responsibility for achieving this tight schedule is shared between the countries of the region, the international donor community and the Stability Pact. There has been progress but full engagement from all parties is necessary to make this transition a reality in the coming months.

There has been good progress in defining the key priorities of the RCC, namely Economic and Social Development, Infrastructure, Justice and Home Affairs, Security co-operation, Building Human Capital; as well as Parliamentary Co-operation as an overarching theme. Despite past successes, these areas will still be key in the future and track well with the OSCE program.

Recent steps forward include last month's initialing - and hopefully signing on December 19 - of an enlarged and amended CEFTA agreement. For this to be a real success story for the region, we must ensure that all the countries of the region are part of this new CEFTA. This will require full commitment by all parties to find mutually agreeable solutions to remaining issues.

Looking to 2007, we at the Stability Pact see a year of important challenge and opportunity, and we count on the OSCE as a key partner. The Stability Pact will concentrate its efforts in key areas.

- Addressing the region's economic difficulties: much progress has been achieved, but high unemployment, inadequate investment and infrastructure, and social concerns remain pressing issues. We must work to improve countries' and the region's investment climate and to move ahead on regional trade to implement CEFTA 2006. We need to ensure committed implementation of the regional energy treaty by all participants.
- Fighting organized crime and corruption remain crucial security issues. The Transborder Crime Fighting Center in Bucharest and the Stability Pact's Organized Crime initiative (SPOC) have been working closely together to establish these links not only in South Eastern Europe, but also with such European and international institution as Europol, EuroJust and Interpol. The regional dimension of our common effort is essential, and OSCE support is important.
- There has been progress in addressing issues related to migration and refugee returns, the work remains unfinished. The regionally owned MARRI center in Skopje and cooperation between the governments of Bosnia-Herzegovina, Croatia and Montenegro and Serbia are important elements. The Stability Pact will continue to be supportive, working with the OSCE and others, given this issue's fundamental importance to regional stability and reconciliation.
- The Stability Pact's mandate commits it to ensuring that the network of regional cooperation activities is seamless. I must underscore that UNMIK/Kosovo participates in virtually all of the Stability Pact's initiatives and task forces.

Clearly essential to the region's overall progress and viability, this remains a high priority.

Stability Pact initiatives work closely with OSCE institutions and field missions. Our partnership is truly one based on comparative advantages: we bring a regional approach and issue-specific expertise; OSCE Missions provide country-specific expertise and a focused presence on the ground. This approach has had an impact and produced success. We are also pleased that South East Europe's progress on cooperation offers models of potential interest to the OSCE as it tackles issues in other areas as well.

- The Ohrid Process for Border Management and Security, a joint effort by the countries of the region, the OSCE, the EU, NATO and the Stability Pact, is moving ahead very well. Countries of the region are implementing their commitments, and this month should see the completion of the process of demilitarization of borders.
- The Stability Pact Parliamentary Troika, established in June 2001 and comprised of the Parliamentary Assemblies of the OSCE, the Council of Europe and the European Parliament, is an important regional forum in support of reform in the region. OSCE missions assist through training and capacity building. With the OSCE Parliamentary Assembly taking over the chairmanship of the Troika, we look forward to continued close co-operation.
- Stability Pact Regional Centers can provide valuable support to OSCE missions in specific areas. The small arms center in Belgrade (SEESAC) and the Stability Pact anti-corruption center (SPAI) in Sarajevo are excellent examples.

We think that it is in all of our interests to ensure the sustainability of the regional cooperation processes initiated within the Pact and thus to safeguard this legacy for South East Europe. Two conditions exist for success: enhanced regional ownership and continued international support in the transition phase. Both are encouraging as we enter 2007.

On behalf of Dr. Busek and all working within the framework of the Stability Pact, let me express our appreciation to the Belgian Chairmanship for its steady support and for the hospitality this week. We look forward to continued close cooperation with the OSCE under the Spanish Chairmanship and to further success in contributing to security and stability within South East Europe, a key area of OSCE interest and activity.

Thank you.