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Speech by Ambassador Dimitrios Kypreos, Head of the OSCE Mission to Serbia at the

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Prime Minister Cvetkovic, Deputy Prime Ministers, Ministers, Excellencies,

It is a double pleasure for me to speak at this Conference on the topic of regional stability. First, I represent an organization which, as its name suggests, is devoted to European security, which includes regional stability. Second, I speak as someone coming from this region, someone convinced that the Balkans, and specifically Western Balkans, is able to enhance its stability and become an integral part of a united and safe Europe.

Despite past conflicts and remaining unresolved issues, the region has definitely changed for the better. All Western Balkan states are actively considering membership in the European Union, though they are at different stages along the way. The quest for EU membership, however, provides a common incentive for seeking regional approaches to security and economic integration.

Owing to continuous engagement of the international community and democratic advances in the region, the return to the use of force between neighbours seems today very remote, although internal stability concerns persist. Nonetheless, states in the region are committed to address regional issues through diplomatic and peaceful means. This is the way it should be.

While stability in the region has definitely reached a higher level, the goal of countries in the region should be more ambitious – to attain genuine trust and interdependence. Greater regional confidence would gradually transform South Eastern Europe into a viable “security community”, a concept known not only in theory of international relations, but practised in most European regions.

Of course a history of political union in the period 1918 to the 1990s provides a strong basis of shared history, familiarity, and similarity of institutions among most of the West Balkan states. Nonetheless, in addition to the ill-feeling created from the regional wars,

fragile national institutions and weak economies remain barriers to effective regional dialogue.

There is an inseparable link between the internal reforms and international stability. Few could disagree that the best guarantee for peace and stability in this region would come from well-functioning and forward-looking political and economic systems in each of its countries. This should be the prime task of governments and political elites in the region and the mission of international community while assisting these countries.

To paraphrase a popular slogan, states should seek to “reform nationally, stabilize regionally” and in this sense, “regionally” also means “globally”.

As we all know, there exists a negative cycle where political instability hampers economic growth, while weak economic growth in turn undermines political stability. Moreover, the global economic crisis has brought an additional strain on the economies of the region. The latest reports predict a decrease in the Serbian GDP by 4% in 2009. This is a heavy burden for this economy, indeed for any economy, which will demand a significant additional effort on the part of Serbia’s economic, but also political system to overcome the negative effects of the crisis.

The countries of the region thus face a double task – maintaining political stability to attract private sector-led investment, while at the same time undertaking painful economic reforms, which can lead to popular discontent. This is the main challenge, intensified by the international crisis, for international community while assisting the region, so that the pace of reform is maintained.

In my capacity of the new Head of the OSCE Mission to Serbia, but also as a person with some experience in the regional issues, I am determined to continue shaping the Mission’s work and priorities in such a way that they assist Serbia further on its reform path, reinforce its democratic institutions and procedures and thus enhance its stability and its prospects for a successful integration into the European and international economic and political environment. All our programs are formulated in consultation with our counterparts of the Serbian government and civic institutions, and are meant to contribute to Serbia’s stability and in this way also to regional stability.

Let me indicate just a few of them which I find relevant for today’s conference.

- We assist Serbian authorities in improving economic transparency and predictability. In that context, the OSCE Mission is helping both Serbia’s new Anti-Corruption Agency and the State Audit Institution by training their staff and assisting in developing the relevant procedures. Both of these bodies deserve full national support in terms of financial and human resources.
- An independent and effective judiciary is also an element of economic predictability. To this end, the Mission will continue assisting Serbia in reforming its legal system and strengthening accountability of public administration.

- Organized crime is one of the plagues of modern societies. This region especially faces formidable challenges. We assist Minister Dacic and Minister Malovic in their struggle against this vice in a coordinated and sustained fashion at national and regional levels.

While establishing stronger judiciary, effectively combating organized crime and ensuring transparency will directly assist Serbia in dealing with economic crisis, there are two other areas I want to mention that are on OSCE's priority list. These are effective prosecution of war crimes and solving of the problem of refugees. These matters are important especially in regional context as the most effective confidence-building measure to overcome remaining mistrust.

- Effective prosecution of war crimes is crucial as a demonstration by all countries of the region that they clearly reject nationalistic policies of the past that led to destruction. This will allow for the moral recovery of post-conflict societies and create breathing space for regional reconciliation. I'm pleased to say that Serbia has shown considerable capacity in prosecuting war crimes. OSCE will continue its close support to the ICTY and to the domestic prosecution of war crimes in Serbia.
- Hundreds of thousands of refugees and internally displaced persons in this region still demand fair and just response to their plight. This is a regional humanitarian concern that should not be overshadowed by the economic crisis. Also, it contributes to the deepening of crisis, since refugees and displaced persons are not the appropriate environment to tackle effectively the crisis. Furthermore, this problem leaves its mark on bilateral relations and regional stability. The governments of the region must demonstrate their renewed commitment to addressing the predicament of refugees and IDPs by taking tangible steps to restore all their rights, including the property rights.

The countries of this region will meet soon at the OSCE Ministerial in Athens and will join other OSCE states in discussions on improving European security, within the so-called "Corfu process". Security of Europe is indivisible, and – as history has repeatedly shown - stability in this part of the continent is an indispensable element of the overall European and what's more world stability.

To conclude, I want to reiterate that Western Balkans, in spite of lingering issues which should not be underestimated, has a unique chance to turn a new page in its history, marked by stability and increased regional cooperation, within a wider European framework. Serbia, due to its geostrategic position and potential, has a key role to play in this process.

It is reassuring, that Serbia has declared regional co-operation as one of its top foreign policy priorities and is making active steps to improve and deepen relations with its neighbours. Speaking for the OSCE, I am convinced that international community will

continue to complement such national and regional efforts as long as it is deemed necessary and useful. After all, we are the partners in the same endeavour of building a common, peaceful and stable future for all Europeans.