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Food for thought
The Stability Pact for Southeast Europe-Dawn of an Era of Regional Co-operation?

These past three years have been a useful learning process for the Stability Pact. Some achievements are visible, but there also has been much criticism with regards to its real outcome and performance. However, an *independent assessment* of the process is needed to analyse what is functioning well, and what could be improved, as judged by participants from the region. So far either no through assessment is done, or assessment have been at project level, (technical, in terms of project completion, disbursement, timing, task performed), not in terms of the political goal that projects were designed to achieve. One of the main lessons appears to be the *need to refine the approach and priorities*. Some topics have already found an answer, while for some other a clearer vision in needed.

What is the real value-added of the Stability Pact? What should it do or not be doing? To what extent does the development of the SEE countries depend on cooperation and a regional framework? What could be the best division of labor among the numerous international and local organisations active in the region? What could be the best balance between national initiatives and regional ones? Are the Stability Pact initiatives duplicating or competing with initiatives of other organisations or means of external support?

The value added of the Stability Pact

The Quick Start phase, political and economic developments in Southeast Europe have created a fundamentally new environment for the Stability Pact. “A momentum has been created, which must be taken

further.”

The Stability Pact structured regional partnership and cooperation.

The Pact enhanced the self-incentive to reforms in the countries of the region.

The Stability Pact helped shaping orientation and policies of the countries of the region toward the prospect of EU and NATO membership as a tangible reality.

"Beneficiary or Co-owners" of the Pact? A Proper Balance between Local Ownership and External Initiatives

The countries of the region are "stakeholders" of Pact. However, "do the countries of the region feel that their ownership of the process has been put into place”? This is a question that needs to be addressed carefully.

It cannot be denied that the countries of the region are direct beneficiaries and integral part of the process, however the reality shows that in the region the Pact is seen more as an instrument to channel the external assistance than a process of promoting the regional integration. The concept of "money" coming from the donors is still the main part of perception on the Stability Pact. This perception, and the lack of expected immediate fungible results, the fact that most of initiatives are "created" or "launched" from outside the region and there is little local initiatives among the countries themselves, makes the countries of the region feel more of "beneficiaries" rather than "co-owners" of the Stability Pact. Both the countries of the region and the outside community should give (or be given) more space to local initiatives, especially to those that do not depend substantially on major "donors' funding". The Trade Memorandum, as one of the most significant products of the Pact so far, could be taken as a good example on this.

The lack of ownership has often led to declining interest, credibility, and enthusiasm in capitals of southeast Europe, and in some cases, open opposition to the Pact. Ways should and can be found to institutionalize and operationalise the ownership of the countries of the region to Stability Pact.

Operationalising and Institutionalising Local Ownership

The Stability Pact has so far worked in two levels: at the *operational level* it is the project funding by the donors, and at the *institutional level* there are regional forums, such as working tables, steering groups, task forces and national coordinating bodies. The *balance* between these levels needs to be considered. While countries of the region are making continuous efforts to enhance their participation at the institutional levels, their influence over *operational level* (especially project selection) is inconsiderable. Lacking *transparency* has become a crucial element of the operational level of the activities of the Pact. This is more evident especially in the working table I, where the intervention of the state structures is less intensive while it is mainly the civil society in charge of managing the process. Task Forces (especially in the working tables I and III) appear to have become bureaucratic apparatus, while often the procedures, methods and manners of applying for the funds have become bureaucratised, non-transparent and inaccessible to domestic organisations, at least in Albania. This is evident especially in the case of the working table one, where most of the projects (unofficial figures say as far as 80%) are designed and implemented by NGOs outside the region. Albanian overall involvement in the activities of working table I, can reinforce this argument. One proposal would be – to change the task forces into joint board of experts, with representatives also from the countries of the region, who should make the first selection of proposals. A rotation of chairmanship could be also an option. This will help the countries in the region speak with "their voice" and make them stakeholders in what is happening in each others' countries and in what external actors do.

On the institutional side there is an evident need for more focused and specialised *mechanisms of consultation* and regularised forums in the region, for example, meetings of sectorial ministers, prime ministers and presidents level – to identify and promote their interests in actions taken by their governments as well as external actors.

Reshaping the Approach and Refocusing the priorities for Stability Pact

The regional Integration will not proceed and expected if the *communication* and *transactions* among people in the region remain at the present low level. There are tremendous obstacles – in visa regimes particularly and also in transportation networks – to simplify travel, contact, and communication among citizens of countries of the region. The Stability Pact should make it a top priority to remove these obstacles and report publicly on measures of progress by an agreed date. This will increase the confidence of the people in the region toward Stability Pact.

As mentioned above the Stability Pact helped shaping orientation and policies of the countries of the region toward the prospect of Euro-Atlantic integration. It is the moment the Stability Pact should seek to demonstrate with *concrete examples* where the regional cooperation can influence and support the prospect of European integration, where this process depends on multi-country cooperation and would not emerge by other means. Above all, it should not substitute for, duplicate or interfere with local initiative, policy or development agendas

The recent developments indicate that security issues remain of vital importance for the region. However, it will be wrong to make pure analogies between the conflicts in the region and the very reasons for existence of the Pact. The reasons for the Pact's existence are broader than conflict resolution. External insecurity, does not seem to be a threatening issue to the countries of the region. The latest history has shown that the internal factors, such as inter-ethnic issues are still a potential political and social risk. That would seem to argue for a *more focused approach* to the region in this respect. That makes long term

measures with regard to sub-regional dialogue, strengthening of national institutions and effective democratic consolidation and governance, a precondition to development and economic growth.

Some initiatives of the Pact have progressed well, while a number of them are lagging behind. Under these circumstances a more systematic analysis and independent assessments of overlaps, duplication, and gaps would be worth serious consideration. Are the initiatives bringing a regional dimension to development in the areas they cover or we are having "initiatives for the sake of having initiatives". For a number of initiatives the assumptions made about synergy does not occur. Most of the initiatives (especially in the working table III) are very national, which does not foster essential cooperation among countries of the region. It is not clear what role the Stability Pact can play in this regard, except the important role of advocacy – keeping attention on the vital importance of effective states and law enforcement to both internal security and internal causes of insecurity that spreads over borders.

There is an argument for economies of scale, however though, cost-sharing schemes and synergies are rarely evident even in projects that extend to more than one country.

The importance of individual development priorities of the countries in Region, which may not fully match with regional development priorities, should be underlined. Harmonising regional development in accordance with individual national development priorities should be at the focus of the Pact. These priorities should provide supplementary possibilities for less developed countries or ethnical groups, in order to narrow the disparity among the countries and peoples.

While the focus of the SP Initiative thus far has been on "widening" of cooperation both in geographical and sectoral terms, the future trends should be towards "concentration" of priorities. The Pact can not and should not try to intervene in everything, but only there where it brings added value, and be complementary to other organisations or assistance packages. A clear *division of labor* of what the donors do in the

framework of the Pact and what they do in other frameworks is necessary.

The need for a comprehensive Communication and Public Relations Strategy across the region.

The expectation raised by the Stability Pact were great. The speed and time-span of the launch of the Stability Pact are at the record level compared to its broad scope, objectives and the complexity of measures needed to accomplish them. It was a new venture facing many potential risks including a lack of public acceptance and possible mistrust. The successes of the Quick Start Phase has gone a long way to removing these risks and developing a higher support from all parties involved in the process. However, it is evident that, on the other hand, delays and failures have generated skepticism and confusion. The approach for the future should be build upon the success and increase the awareness regarding the difficulties and challenges this process is associated with. It will be necessary to launch a better-structured regional communication strategy on the benefits and challenges of the Stability Pact. A specific project should be considered in this regard. This strategy should be incorporated to the Stability Pact mechanism. Albania could provide concrete proposals in pushing this issue further.

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