Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 1184 (1999)[1]

Need for intensified economic co-operation among the countries of south-eastern Europe

Parliamentary Assembly

1. The current economic difficulties in many countries in south-eastern Europe stem largely from three unfortunate circumstances: a still incomplete transition from central planning to a market economy; the devastation caused by the wars in the former Yugoslavia; and the impact of sanctions imposed on the Federal Republic of Yugoslavia – sanctions which have seriously disrupted economic activity far beyond the federation itself.

2. The conflict in Kosovo and surrounding areas has caused extremely serious additional damage to the economies of south-eastern Europe. The eviction of thousands of Kosovars, the destruction of bridges and other transport links in the Federal Republic of Yugoslavia and the general state of war have brought foreign trade to a virtual standstill, stifled foreign investment and strained already overburdened budgets in countries throughout south-eastern Europe. Also for this reason it is essential that a speedy end to the hostilities be found.

3. The Assembly believes that south-eastern Europe, once hostilities have ceased, can contribute more fully to the overall European and world economy. For this, the countries in the region need to overcome their longstanding differences and start working together through new, bold undertakings, with substantial assistance from the international community. The devastation wrought by war calls, in particular, for swift, co-ordinated international action, which means that work on priorities and projects concerning the most urgent needs must begin without delay.

4. The Assembly warmly welcomes the various initiatives taken by both the international community and the countries in the region themselves in order to foster peace and co-operation in south-eastern Europe, such as the Process of Stability and Good Neighbourly Relations (Royaumont Peace Process), the Balkan Conference on Stability and Co-operation in south-eastern Europe and the South-East European Co-operative Initiative (SECI) under the aegis of the United Nations Economic Commission for Europe (UNECE), and the Central European Initiative (CEI), which promotes economic, social and cultural links between the central European countries and those of the south-east. The Assembly asks all Council of Europe member states, and in particular those in south-eastern Europe, to endow these initiatives with the necessary resources and, above all, to show good will in working with each other in seeing them through.

5. However, other concrete manifestations of international support – to follow on from sincere co-operation efforts on the part of the countries themselves – will also be needed. These include:

5.1. improved access for exports from the region to other parts of Europe, including the European Union;

5.2. increased assistance for infrastructure reconstruction and general infrastructure projects in the region, for instance, along the lines of the recent proposal for a "Marshall Plan" for south-eastern Europe;

1. Assembly debate on 28 April 1999 (13th Sitting) (see Doc. 8358, report of the Committee on Economic Affairs and Development, rapporteurs: MM. Kirilov and Liapis). Text adopted by the Assembly on 28 April 1999 (13th Sitting).

5.3. support from the International Monetary Fund, the World Bank, the European Bank for Reconstruction and Development, the European Investment Bank and others to accompany earnest reform efforts by the countries concerned.

6. The main responsibility for development will, however, remain with the countries of the region. It is, therefore, essential that they take practical measures for co-operation among themselves, such as:

6.1. faithful implementation of trade agreements concluded with the European Union or the European Free Trade Association (EFTA) aiming at progressively freer trade;

6.2. the conclusion of a multilateral free trade agreement involving as many countries in the region as possible, on the understanding that it respects bilateral economic agreements concluded between individual countries and the European Union;

6.3. the fight against activities of criminal organisations and illegal trafficking.

7. Many of the countries will, in addition, need to create an institutional, legal and fiscal framework which is stable, just and transparent, and to undertake profound reforms of their banking systems.

8. The Assembly also believes that economic prosperity in south-eastern Europe could be greatly helped by intensified co-operation with countries in the Black Sea region, for instance through greater co-ordination between the CEI – Central European Initiative – the Black Sea Economic Co-operation (BSEC) and the South-Eastern European Co-operation Initiative. Co-operation could take the following forms:

8.1. the conclusion of free trade agreements between individual SECI and BSEC countries. The long-term aim of such agreements should go beyond the free movement of goods so as also to include that of services, capital and possibly labour;

8.2. the building of an infrastructure connecting the two regions as regards transport, telecommunications and energy "highways" for the transport of gas and oil – the latter being eventually linked up with the Transcaucasian region, Asia and the Middle East;

8.3. the realisation of trans-regional environmental projects such as that for the restoration of the Danube River under preparation within the SECI framework.