



Recommendation 1423 (1999)¹

South-eastern Europe following the Kosovo conflict: economic reconstruction and renewal

Parliamentary Assembly

1. In the aftermath of the Kosovo conflict it is urgent for all of Europe, together with the rest of the world, to engage in the economic reconstruction and renewal of Southeastern Europe, a region vital to the continent's overall peace and stability.
2. With this in mind, the Assembly welcomes the speedy international response to the need for post-conflict reconstruction, as manifested both in the sizeable assistance pledged to Kosovo by numerous countries at the Brussels donor conference on 28 July 1999, and at the conference on the Stability Pact for Southeastern Europe held in Sarajevo on 30 July 1999.
3. The Assembly, referring in particular to its [Recommendation 1414 \(1999\)](#) on the crisis in Kosovo and the situation in the Federal Republic of Yugoslavia and its [Resolution 1184 \(1999\)](#) on the need for intensified economic co-operation in Southeastern Europe, calls on the Committee of Ministers to ensure that the reconstruction effort is built on the following principles:
 - 3.1. Comprehensiveness, in that it must encompass the entire region, from conflict-torn Kosovo to a Federal Republic of Yugoslavia under a new democratic regime to all the countries in Southeastern Europe directly or indirectly affected by the Kosovo conflict as well as those conflicts preceding it;
 - 3.2. Renewal, in that all the countries of Southeastern Europe must seize the opportunity presented by the conflict to open a new chapter in their relations, and in that the reconstruction must bring about thoroughgoing structural reform leading to a market-oriented economy and a modernisation of infrastructure and industry;
 - 3.3. Correct phasing of assistance, covering successively humanitarian aid, water and energy, infrastructure repair including educational facilities, environmental clean-up, macro-economic stabilisation and regional integration;
 - 3.4. The closest possible co-ordination between international institutions and programmes involved;
 - 3.5. Long-term commitment by the international community and by the countries concerned;
 - 3.6. Democracy, human rights and the rule of law, all of which must pervade the entire project. Kosovo
4. The Assembly welcomes the rapid establishment of the United Nations Interim Administration Mission in Kosovo (Unmik), the appointment of a United Nations Special Representative and the creation of a High Level Steering Group for enlisting and channelling emergency assistance. It calls on the Committee of Ministers to ensure full support by all parties concerned for these institutions in their difficult mission.

1. Assembly debate on 22 and 23 September 1999 (29th and 30th Sittings) (see [Doc. 8503](#), report of the Committee on Economic Affairs and Development, rapporteurs: MM. Kirilov and Obuljen; [Doc. 8538](#), opinion of the Committee on the Environment, Regional Planning and Local Authorities, rapporteur: Mr Ivanov; and [Doc. 8529](#), opinion of the Committee on Agriculture and Rural Development, rapporteur: Mr Goulet). Text adopted by the Assembly on 23 September 1999 (30th Sitting).



5. In order to fulfil the economic aims of United Nations Security Council [Resolution 1244](#) on the situation relating to Kosovo, assistance to the province must focus on:
 - 5.1. emergency assistance to support the return of refugees and displaced persons, including housing reconstruction, and in particular the construction of some 30 000 prefabricated houses before the onset of winter;
 - 5.2. the establishment of a civil administration capable of ensuring the advent of democracy, the rule of law and the protection of all citizens;
 - 5.3. an assessment of the damage incurred from the conflict and the practical organisation of the reconstruction effort, including the necessary institutional basis;
 - 5.4. priorities for public spending and the creation of a stable environment for investment, private sector development, banking, external trade, currency and macro-economic measures;
 - 5.5. technical and financial assistance to local authorities in order to overcome urgent needs following the conflict, such as disposal of rubble and treatment of municipal waste, water purification for drinking water supplies and waste water treatment;
 - 5.6. the establishment of a land ownership system and a regional land register, as a precondition for land use planning and economic development in Kosovo
 - 5.7. the renewal of infrastructure, in particular the road network, telecommunications network and postal service, and the production and distribution of electricity;
 - 5.8. the urgent detection and elimination of anti-personnel mines scattered throughout the territory of Kosovo.
6. Most affected neighbouring countries and the overall region
7. The Assembly notes the major economic disruptions caused by the conflict to countries neighbouring the Federal Republic of Yugoslavia and to Southeastern Europe as a whole. Of particular concern is the collapse of transport on and across the Danube due to destroyed bridges – a disruption which has particularly affected Danube basin countries and those linked up with them, such as Ukraine and Moldova. It is essential that these countries not only be assisted in their efforts to repair the damage still being done to their economies, but that they are also given the firm prospect of timely economic integration with other parts of Europe, notably the European Union. For humanitarian reasons, it is also imperative to remove the debris of destroyed bridges before the onset of the winter, for they can have a serious damming effect on the flow of the river, which could result in flooding in the Vojvodina region (Federal Republic of Yugoslavia), Croatia and southern Hungary.
8. The Assembly reiterates its support for the Stability Pact for Southeastern Europe, which it welcomes as a broad political framework which, if rightly used and supported by the countries in the region, will facilitate regional integration and development. The Assembly calls on the Committee of Ministers:
 - 8.1. to envisage urgent measures to re-establish international navigation on the Danube River, given its importance as the major waterway and transport link used for economic development and trade in central and Southeastern Europe;
 - 8.2. to assess, within the framework of the Stability Pact, the long-term external financing needs of the countries concerned, fully involving in particular the European Union and the World Bank as well as other international financial institutions concerned;
 - 8.3. to lay particular emphasis on a plan for intensified Southeast European economic co-operation, which alone can ensure that assistance leads to sustainable growth. Such a plan should include structural reform; measures to facilitate trade and border crossings; repair and renewal of trans-European transport links and other infrastructure, preferably through projects involving several countries simultaneously and using, wherever possible, companies from the region, and applying procedures of environmental impact assessment;
 - 8.4. to ensure privileged access to the more economically advanced European countries for exports from the region, such as through preferential unilateral trade agreements, in particular with the European Union and EFTA;
 - 8.5. to work in favour of the conclusion of a multilateral free trade agreement involving as many countries in the region as possible, as well as the members of the Central European Free Trade Agreement (CEFTA);

8.6. to make a comprehensive damage assessment on the state of the environment and to provide financial and technical assistance to the countries in the region in order to establish a strict and transparent environmental monitoring system, notably for compiling data on water quality in the Danube basin.

9. The Assembly urges the European Union to take steps without delay to ensure that produce donated in the framework of humanitarian operations be exempt from quota regulations.

10. The Assembly resolves fully to use its special position as a parliamentary forum for international organisations such as the OECD, the EBRD, the World Bank, the IMF, the United Nations Economic Commission for Europe and the WTO in order to monitor their efforts on behalf of Southeastern Europe.

11. Finally, the Assembly recalls the important position of the Federal Republic of Yugoslavia in Southeastern Europe and states its belief that complete economic recovery is not possible in the region without reconstruction also in that country under a new democratic regime. It calls on all Council of Europe member states to work together in favour of such an outcome and, as soon as it is reached, to provide that country with assistance going beyond the humanitarian assistance immediately required, by involving it fully in the Southeast European reconstruction project, in particular as concerns economic reform and infrastructure repair and environmental clean-up following the Kosovo conflict.