Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Recommendation 1493 (2001)[1]

Implementation of the economic aspects of the Stability Pact for Southeastern Europe

Parliamentary Assembly

1. The Assembly, assessing the first year of the Stability Pact for Southeastern in conformity with its Order No. 554 (1999), and its Recommendation 1423 (1999), reaffirms that the overall strategic direction of the Stability Pact should be to secure lasting peace and increased prosperity for the peoples of Southeastern Europe, foster effective regional co-operation, and provide the region with a firm European anchorage. The success of the Stability Pact will depend crucially on the "human dimension", that is, the respect of minority rights and the building of the rule of law, "civil society", free media, tolerance and pluralism.

2. The Assembly believes that a deeper and more consistent implementation of domestic reform, stronger governance and institutions, sound environmental management and a more developed and integrated infrastructure are all necessary components for sustainable growth and poverty reduction. Policies to foster social inclusion and cohesion within the sadly fragmented region are vital and provide the only road to lasting peace and stability.

General principles

3. The Assembly asks the Committee of Ministers to ensure that the economic renewal efforts are built on the following principles:

3.1. moving rapidly towards the region's trade integration into – and eventual membership of – the European Union and trade integration within Southeastern Europe itself, taking into account each country's individual progress; and creating a stable, transparent and non-discriminatory environment for private sector development;

3.2. fostering social inclusion and social change within the region to reduce tensions and create the right conditions for peace and stability;

3.3. improving institutional capacity and governance structures, and strengthening anti-corruption efforts;

3.4. investing in regional infrastructure to integrate the region physically, both with the rest of Europe and internally, including initiatives to safeguard the environment.

The countries in Southeastern Europe

4. The Assembly calls on the Southeastern European countries participating in the Stability Pact:

4.1. to liberalise their overall trade regimes, both with other countries and with each other, and to strengthen trade institutions, including customs;

4.2. to undertake special efforts to include more fully all population groups in the economic development of the region, especially minorities;

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1. see Doc. 8905, report of the Committee on Economic Affairs and Development, rapporteur: Mr Kirilov Text adopted by the Assembly on 24 January 2001 (5th Sitting). Assembly debate on 24 January 2001 (5th Sitting)

4.3. to ratify, wherever this has not been done, the Council of Europe's Criminal Law Convention on Corruption (ETS No. 173) and its Civil Law Convention on Corruption (ETS No. 174).

Federal Republic of Yugoslavia

5. The Assembly warmly welcomes the recent breakthrough toward a peaceful transition in the Federal Republic of Yugoslavia and calls for the strongest possible involvement by the Council of Europe in support of this long-awaited development. Council of Europe member states must do their utmost contribute to the country's opening up to Europe and to the world, to its reconciliation with all its neighbours, to the secure establishment of democracy and the rule of law, and to the implementation of the major political, economic and social reforms now necessary.

6. It is vital that the Federal Republic of Yugoslavia should benefit fully from the current international effort on behalf of Southeastern European development, without calling into question commitments to other countries in the region. The Assembly welcomes the Federal Republic of Yugoslavia's recent accession as a full member of the Stability Pact, including its "investment compact" and "anti-corruption initiative". International financial institutions, and especially the International Monetary Fund (IMF) and the World Bank, should identify the speediest way of reintegrating the Federal Republic of Yugoslavia into the international financial community. The Assembly supports the Federal Republic of Yugoslavia's early participation in the activities of the European Bank for Reconstruction and Development (EBRD), especially the programmes on behalf of small and medium-sized companies and for the promotion of private investment. It also supports the Federal Republic of Yugoslavia's early involvement in the Regional Funding Conference for Southeastern Europe, including the "quick start package".

7. The international community must give immediate priority to the restoration of navigation on the Danube and assist in the modernisation of the Federal Republic of Yugoslavia's infrastructure following a decade of economic mismanagement and war.

Implementation and monitoring of the Stability Pact

8. The Assembly deplores the difficulties and delays occasioned by the non-honouring of commitments by certain countries within the framework of the Stability Pact, as well as by cumbersome procedures followed.

9. The Assembly recommends that the Stability Pact partners focus on the following elements of reform: the business and investment environment, the reduction of trade barriers, the fight against organised crime and corruption, the strengthening of institutions – including the parliament – the building of civil society, and education and the protection of human rights and minorities. The Assembly consequently appeals to the twenty-nine countries and the international organisations forming the Stability Pact:

9.1. to improve co-ordination between the various organisations and programmes involved with regard to the use of currently widely dispersed and inefficiently employed resources. This implies a more streamlined decision-making process, clearer responsibility for the various tasks assigned and the subordination of any competing claims, for example, between organisations and programmes, to the Stability Pact's overall objectives. Implementing countries and agencies should prepare regular reports on the state of implementation;

9.2. to implement the "quick start package" in a timely manner, as agreed during the Regional Funding Conference for Southeastern Europe, which held in Brussels in March 2000.

10. The Assembly believes it essential that the high expectations placed by the peoples and the governments in the region in the Stability Pact not be betrayed and urges that particular efforts be devoted to priority areas, such as the development of transport infrastructure, communications, energy supply and waterways (in particular the Danube), the creation of a favourable investment climate and a more open regional trading system.

11. The Assembly recalls that achievements in the economic field are incomplete without similar progress reached in building a society based on democratic values, the rule of law, the respect for human rights (including those of members of national minorities), cultural diversity and tolerance. Education and cultural co-operation constitute powerful means to create a climate of tolerance and understanding. National parliaments should impress on their respective governments the need to intensify efforts towards reform, and the need to build open democracies, viable market economies and social stability within the region.

12. The Assembly welcomes the initiative of the Special Co-ordinator of the Stability Pact to invite our Assembly, together with the European Parliament and the OSCE Parliamentary Assembly, to become sponsors of the Task Force on Parliamentary Co-operation. It hopes that this can soon be agreed upon, as it would allow parliamentarians to contribute to and to oversee the area that concerns them most.

13. Finally, the Assembly reiterates its resolve to use its unique position as a parliamentary forum for international organisations such as the Organisation for Economic Co-operation and Development (OECD), the EBRD, the World Bank, the IMF, the United Nations Economic Commission for Europe and the World Trade Organization (WTO) for the purpose of monitoring their efforts on behalf of Southeastern Europe.