

Stability Pact for South Eastern Europe

Cologne, 10 June 1999

I PARTICIPANTS, DESCRIPTION OF SITUATION

1. We, the Foreign Ministers of the Member States of the European Union, the European Commission, the Foreign Ministers of Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Romania, the Russian Federation, Slovenia, the former Yugoslav Republic of Macedonia, Turkey, the United States of America, the OSCE Chairman in Office and the Representative of the Council of Europe representing the participants in today's Conference on South Eastern Europe; and the Foreign Ministers of Canada and Japan, Representatives of the European Investment Bank and the OECD, WEU, International Monetary Fund, the World Bank, the United Nations, UNHCR, NATO, European Bank for Reconstruction and Development, acting within their competences, representing the facilitating States, Organisations and Institutions of today's Conference, as well as the Representatives of the Royaumont process, BSEC, CEI, SECI and SEECP, have met in Cologne on 10 June 1999, in response to the European Union's call to adopt a Stability Pact for South Eastern Europe.

2. The countries of South Eastern Europe recognize their responsibility to work within the international community to develop a shared strategy for stability and growth of the region and to cooperate with each other and major donors to implement that strategy. Seizing the opportunity to address structural shortfalls and unresolved issues will accelerate democratic and economic development in the region.

3. We will strive to achieve the objective of lasting peace, prosperity and stability for South Eastern Europe. We will reach this objective through a comprehensive and coherent approach to the region involving the EU, the OSCE, the Council of Europe, the UN, NATO, the OECD, the WEU, the IFIs and the regional initiatives. We welcome the fact that the European Union and the United States have made support for the Stability Pact a priority in their New Transatlantic Agenda, as well as the fact that the European Union and the Russian Federation have made the Stability Pact a priority in their political dialogue.

4. A settlement of the Kosovo conflict is critical to our ability to reach fully the objectives of the Stability Pact and to work towards permanent, long term measures for a future of peace and inter-ethnic harmony without fear of the resurgence of war.

II PRINCIPLES AND NORMS

5. We solemnly reaffirm our commitment to all the principles and norms enshrined in the UN Charter, the Helsinki Final Act, the Charter of Paris, the 1990 Copenhagen Document and other OSCE documents, and, as applicable, to the full implementation of relevant UN Security Council Resolutions, the relevant conventions of the Council of Europe and the General Framework Agreement for Peace in Bosnia and Herzegovina, with a view to promoting good neighbourly relations.

6. In our endeavours, we will build upon bilateral and multilateral agreements on good neighbourly relations concluded by States in the region participating in the Pact, and will seek the conclusion of such agreements where they do not exist. They will form an essential element of the Stability Pact.

7. We reaffirm that we are accountable to our citizens and responsible to one another for respect for OSCE norms and principles and for the implementation of our commitments. We also reaffirm that commitments with respect to the human dimension undertaken through our membership in the OSCE are matters of direct and legitimate concern to all States participating in the Stability Pact, and do not belong exclusively to the internal affairs of the State concerned. Respect for these commitments constitutes one of the foundations of international order, to which we intend to make a substantial contribution.

8. We take note that countries in the region participating in the Stability Pact commit themselves to continued democratic and economic reforms, as elaborated in paragraph 10, as well as bilateral and regional cooperation amongst themselves to advance their integration, on an individual basis, into Euro-Atlantic structures. The EU Member States and other participating countries and international organisations and institutions commit themselves to making every effort to assist them to make speedy and measurable progress along this road. We reaffirm the inherent right of each and every participating State to be free to choose or change its security arrangements, including treaties of alliance as they evolve. Each participating State will respect the rights of all others in this regard. They will not strengthen their security at the expense of the security of other States.

III OBJECTIVES

9. The Stability Pact aims at strengthening countries in South Eastern Europe in their efforts to foster peace, democracy, respect for human rights and economic prosperity, in order to achieve stability in the whole region. Those countries in the region who seek integration into Euro-Atlantic structures, alongside a number of other participants in the Pact, strongly believe that the implementation of this process will facilitate their objective.

10. To that end we pledge to cooperate towards:

- preventing and putting an end to tensions and crises as a prerequisite for lasting stability. This includes concluding and implementing among ourselves multilateral and bilateral agreements and taking domestic measures to overcome the existing potential for conflict;
- bringing about mature democratic political processes, based on free and fair elections, grounded in the rule of law and full respect for human rights and fundamental freedoms, including the rights of persons belonging to national minorities, the right to free and independent media, legislative branches accountable to their constituents, independent judiciaries, combating corruption, deepening and strengthening of civil society;
- creating peaceful and good-neighbourly relations in the region through strict observance of the principles of the Helsinki Final Act, confidence building and reconciliation, encouraging work in the OSCE and other fora on regional confidence building measures and mechanisms for security cooperation;
- preserving the multinational and multiethnic diversity of countries in the region, and protecting

minorities;

- creating vibrant market economies based on sound macro policies, markets open to greatly expanded foreign trade and private sector investment, effective and transparent customs and commercial/regulatory regimes, developing strong capital markets and diversified ownership, including privatisation, leading to a widening circle of prosperity for all our citizens;
- fostering economic cooperation in the region and between the region and the rest of Europe and the world, including free trade areas;
- promoting unimpeded contacts among citizens;
- combatting organised crime, corruption and terrorism and all criminal and illegal activities;
- preventing forced population displacement caused by war, persecution and civil strife as well as migration generated by poverty;
- ensuring the safe and free return of all refugees and displaced persons to their homes, while assisting the countries in the region by sharing the burden imposed upon them;
- creating the conditions, for countries of South Eastern Europe, for full integration into political, economic and security structures of their choice.

11. Lasting peace and stability in South Eastern Europe will only become possible when democratic principles and values, which are already actively promoted by many countries in the region, have taken root throughout, including in the Federal Republic of Yugoslavia. International efforts must focus on consolidating and linking areas of stability in the region to lay a firm foundation for the transition of the region as a whole to a peaceful and democratic future.

We declare that the Federal Republic of Yugoslavia will be welcome as a full and equal participant in the Stability Pact, following the political settlement of the Kosovo crisis on the basis of the principles agreed by G8 Foreign Ministers and taking into account the need for respect by all participants for the principles and objectives of this Pact.

In order to draw the Federal Republic of Yugoslavia closer to this goal, respecting its sovereignty and territorial integrity, we will consider ways of making the Republic of Montenegro an early beneficiary of the Pact. In this context, we welcome involvement in our meetings of representatives of Montenegro, as a constituent Republic of the Federal Republic of Yugoslavia. We also note the intention of the European Union and other interested participants to continue to work closely with its democratically elected government.

IV MECHANISMS OF THE STABILITY PACT

12. To reach the objectives we have set for ourselves, we have agreed to set up a South Eastern Europe Regional Table. The South Eastern Europe Regional Table will review progress under the Stability Pact, carry it forward and provide guidance for advancing its objectives.

13. The Stability Pact will have a Special Coordinator, who will be appointed by the European Union, after consultation with the OSCE Chairman in Office and other participants, and endorsed by the OSCE Chairman in Office. The Special Coordinator will chair the South Eastern Europe Regional Table and will be responsible for promoting achievement of the Pact's objectives within and between the individual countries, supported by appropriate structures tailored to need, in close cooperation with the governments and relevant institutions of the countries, in particular other interested associated countries of the European Union, as well as relevant international organisations and institutions concerned. The Special Coordinator will provide periodic progress reports to the OSCE, according to its procedures, on behalf of the South Eastern Europe Regional Table.

14. The South Eastern Europe Regional Table will ensure coordination of activities of and among the following Working Tables, which will build upon existing expertise, institutions and initiatives and could be divided into sub-tables:

- Working Table on democratisation and human rights;
- Working Table on economic reconstruction, development and cooperation;
- Working Table on security issues.

15. Responsibilities for these Working Tables are referred to in the Annex to this document. The Working Tables will address and facilitate the resolution of the issues entrusted to them by arrangements to be agreed at each table.

16. The South Eastern Europe Regional Table and the Working Tables will consist of the participants of the Stability Pact. The facilitator States, Organisations and Institutions as well as the regional initiatives referred to in paragraph 1 of this document are entitled to participate in the Working Tables and in the South Eastern Europe Regional Table if they so wish. Neighbouring and other countries, in particular other interested associated countries of the EU, as well as relevant international organisations and institutions may be invited as participants or observers, as appropriate, and without any ensuing commitment to the future, to the South Eastern Europe Regional Table and/or the Working Tables, in order to contribute to the objectives of the Stability Pact.

V ROLES OF AND COOPERATION BETWEEN PARTICIPANTS

17. Work in the Stability Pact should take into account the diversity of the situation of participants. To achieve the objectives of this Pact, we will provide for effective coordination between the participating and facilitating States, international and regional Organisations and Institutions, which have unique knowledge and expertise to contribute to the common endeavour. We look to the active and creative participation by all concerned to bring about the conditions which will enable the countries in the region to seize the opportunity represented by this Pact. Each of the participants will endeavour to ensure that the objectives of the Stability Pact are furthered in their own participation in all relevant international Organisations and Institutions.

Role of the EU

18. We welcome the European Union's initiative in launching the Stability Pact and the leading role the EU

is playing, in cooperation with other participating and facilitating States, international Organisations and Institutions. The launching of the Pact will give a firm European anchorage to the region. The ultimate success of the Pact will depend largely on the efforts of the States concerned to fulfil the objectives of the Pact and to develop regional cooperation through multilateral and bilateral agreements.

19. We warmly welcome the European Union's readiness to actively support the countries in the region and to enable them to achieve the objectives of the Stability Pact. We welcome the EU's activity to strengthen democratic and economic institutions in the region through a number of relevant programmes. We note progress towards the establishment and development of contractual relations, on an individual basis and within the framework of its Regional Approach, between the EU and countries of the region. We take note that, on the basis of the Vienna European Council Conclusions, the EU will prepare a "Common Strategy towards the Western Balkans", as a fundamental initiative.

20. The EU will draw the region closer to the perspective of full integration of these countries into its structures. In case of countries which have not yet concluded association agreements with the EU, this will be done through a new kind of contractual relationship taking fully into account the individual situations of each country with the perspective of EU membership, on the basis of the Amsterdam Treaty and once the Copenhagen criteria have been met. We note the European Union's willingness that, while deciding autonomously, it will consider the achievement of the objectives of the Stability Pact, in particular progress in developing regional cooperation, among the important elements in evaluating the merits of such a perspective.

Role of countries in the region

21. We highly appreciate the contribution and the solidarity of the countries in the region with the efforts of the international community for reaching a peaceful solution on Kosovo. We welcome the efforts so far deployed and results achieved by countries in South Eastern Europe towards democratisation, economic reform and regional cooperation and stability. These countries will be the main beneficiaries of the Pact and recognise that its successful implementation, and the advance towards Euro-Atlantic structures for those seeking it depend decisively on their commitment to implement the objectives of the Pact, in particular on their willingness to cooperate on a bilateral and multilateral level and to promote the objectives of the Pact within their own respective national structures.

Role of the OSCE

22. We welcome the OSCE's intention, as the only pan-European security organisation and as a regional arrangement under Chapter VIII of the UN Charter and a primary instrument for early warning, conflict prevention, crisis management and post-conflict rehabilitation, to make a significant contribution to the efforts undertaken through the Stability Pact. We reaffirm that the OSCE has a key role to play in fostering all dimensions of security and stability. Accordingly, we request that the Stability Pact be placed under the auspices of the OSCE, and will rely fully on the OSCE to work for compliance with the provisions of the Stability Pact by the participating States, in accordance with its procedures and established principles.

23. We will rely on the OSCE institutions and instruments and their expertise to contribute to the proceedings of the South Eastern Europe Regional Table and of the Working Tables, in particular the Working Table on Democratisation and Human Rights. Their unique competences will be much needed in furthering the aims and objectives of the Stability Pact. We express our intention, in cases requiring OSCE involvement with regard to the observance of OSCE principles in the implementation of the Stability Pact, to

resort, where appropriate, to the instruments and procedures of the OSCE, including those concerning conflict prevention, the peaceful settlement of disputes and the human dimension. States parties to the Convention establishing the Court of Conciliation and Arbitration may also refer to the Court possible disputes and ask for the non-binding opinion of the Court.

Role of the Council of Europe

24. We welcome the Council of Europe's readiness to integrate all countries in the region into full membership on the basis of the principles of pluralist democracy, human rights and the rule of law. The Council of Europe can make an important contribution to the objectives of the Pact through its parliamentary and intergovernmental organs and institutions, its European norms embodied in relevant legally-binding Conventions, primarily the European Convention of Human Rights (and the Court), its instruments and assistance programmes in the fields of democratic institutions, human rights, law, justice and education, as well as its strong links with civil society. In this context, we take note with great interest of the Council of Europe's Stability Programme for South East Europe to be implemented, together and in close coordination with the countries concerned and other international and regional organisations active in the field.

Role of the UN , including UNHCR

25. We underline the UN's central role in the region for peace and security and for lasting political normalisation, as well as for humanitarian efforts and economic rehabilitation. We strongly support UNHCR's lead agency function in all refugee-related questions, in particular the protection and return of refugees and displaced persons and the crucial role undertaken by WFP, UNICEF, WHO, UNDP, UNHCHR and other members of the UN system. We look forward to the active involvement of relevant UN agencies in the South Eastern Europe Regional Table. We note that the UN Economic Commission for Europe has expertise which can usefully contribute to the proceedings of the Working Tables of the Stability Pact.

Role of NATO

26. We note NATO's decision to increase cooperation with the countries of South Eastern Europe and its commitment to openness, as well as the intention of NATO, the Euro-Atlantic Partnership Council and the Partnership for Peace to work in cooperation with other Euro-Atlantic structures, to contribute to stability and security and to maintain and increase consultations with the countries of the region. We call for their engagement, in conformity with the objectives of the Pact, in regional security cooperation and conflict prevention and management. We welcome these stabilization activities aimed at promoting the objectives of this Pact. The enhanced use of NATO's consultative fora and mechanisms, the development of an EAPC cooperative mechanism and the increased use of Partnership for Peace programmes will serve the objectives of overall stability, cooperation and good-neighbourliness envisaged in the Pact.

27. The members of NATO and a substantial number of other participants underscore that the Alliance has an important role to play in achieving the objectives of the Pact, noting in particular NATO's recent decisions to reach out to countries of the region.

Role of the United States of America

28. Having worked closely with the European Union to launch this Pact, the United States of America will continue to play a leading role in the development and implementation of the Pact, in cooperation with other

participants and facilitators. We believe that the active role of the United States underscores the vital importance attached by countries of the region to their integration into Euro-Atlantic structures.

We note the United States' readiness to support this objective, as these countries work to become as strong candidates as possible for eventual membership in Euro-Atlantic institutions. We welcome the ongoing contribution of the United States, including through economic and technical assistance programmes, and through its shared leadership in International financial Institutions, to the States of South Eastern Europe. The United States will coordinate and cooperate with the other donors to ensure the maximum effectiveness of assistance to the region.

Role of the Russian Federation

29. Russia has played and continues to play a key role in the region. Russian efforts and contribution to achieving a peaceful solution of conflicts there, in particular of the Kosovo crisis, are appreciated. Having been involved at an early stage in the launching of this Pact, the Russian Federation will continue to play a leading and constructive role in development and implementation of the Pact, in cooperation with the EU, the UN, the OSCE, the Council of Europe, international economic and financial organisations and institutions, as well as regional initiatives and individual states. The Russian Federation can make a valuable contribution to activities aimed at promoting peace, security and post-conflict cooperation.

Role of the IFIs

30. The IMF , the World Bank , the EBRD and the EIB , as the European Union financing institution, have a most important role to play, in accordance with their specific mandates, in supporting the countries in the region in achieving economic stabilisation, reform, and development of the region. We rely on them to develop a coherent international assistance strategy for the region and to promote sound macro-economic and structural policies by the countries concerned. We call on these International Financial Institutions to take an active part in the South Eastern Europe Regional Table and the relevant Working Tables.

Role of the OECD

31. We note the OECD's unique strength as a forum for dialogue on medium-term structural policy and best practices. We rely on the OECD in consideration of its well-known competence in dealing with economies in transition and its open dialogue with the countries of South Eastern Europe, to take an active part in the South Eastern Europe Regional Table and to assist in the process of economic reconstruction, the strengthening of good governance and administrative capacities and the further integration of affected States into the European and global economy.

Role of the WEU

32. We welcome the role which the WEU plays in promoting stability in the region. We note in this respect the contribution to security the WEU makes, at the request of the European Union, through its missions in countries in the region.

VI REGIONAL INITIATIVES AND ORGANISATIONS

33. We stress our interest in viable regional initiatives and organisations which foster friendly cooperation

between neighbouring States. We welcome sub-regional cooperation schemes between participating countries. We will endeavour to ensure cooperation and coordination between these initiatives and the Stability Pact, which will be mutually reinforcing. We will build on their relevant achievements.

34. We note that the Royaumont process has already established a dynamic framework for cooperation in the area of democracy and civil society. Therefore, Royaumont has a key role to play in this area, particularly within the framework of the first Working Table of the Stability Pact.

35. We note the role of the Organization of the Black Sea Economic Cooperation in promoting mutual understanding, improving the overall political climate and fostering economic development in the Black Sea region. Welcoming its engagement to peace, security and stability through economic cooperation, we invite the BSEC to contribute to the implementation of the Stability Pact for South Eastern Europe.

36. We note that the Central European Initiative has established, with countries in the region, a stable and integrated framework of dialogue, coordination and cooperation in the political, economic, cultural and parliamentary fields. On the basis of its experience, it has an important role to play in the framework of the South Eastern Europe Regional Table.

37. We note that the South East Europe Cooperation Initiative (SECI) has developed an innovative approach to economic and infrastructure related cooperation in the region by facilitating joint decision-making by the South Eastern European countries in its areas of activity. As such, it has a key role to play concerning regional economic issues, in particular the removal of disincentives to private investment in the region, in the framework of the Stability Pact.

38. We commend the South Eastern Europe Cooperation Process as a further successful regional cooperation scheme. We encourage its further development and institutionalisation, including the finalisation of its charter on good-neighbourly relations and cooperation.

39. We note the contribution in the security dimension of the South Eastern European Defence Ministers (SEDM) group, which has variety of cooperative activities which enhance transparency and mutual confidence, such as the new Multinational Peace-Keeping Force for South East Europe.

40. We expect the proposed Conference on the Adriatic and Ionian Sea region to provide a positive contribution to the region.

VII INTERNATIONAL DONOR MOBILISATION AND COORDINATION PROCESS

41. We reaffirm our strong commitment to support reconstruction, stabilisation and integration for the region, and call upon the international donor community to participate generously. We welcome the progress made by the World Bank and the European Union, through the European Commission, towards establishing a donor coordination process. This process will closely interact with the relevant Working Table, and will identify appropriate modalities to administer and channel international assistance. The World Bank and the European Commission will also be responsible for coordinating a comprehensive approach for regional development and the necessary donors' conferences.

VIII IMPLEMENTATION AND REVIEW MECHANISMS

42. Effective implementation of this Pact will depend on the development and the strengthening of administrative and institutional capacity as well as civil society in the countries concerned - both at national and local level - in order to reinforce the consolidation of democratic structures and have longer-term benefits for effective administration and absorption of international assistance for the region.

43. The South Eastern Europe Regional Table and the Working Tables will be convened for their inaugural meetings at the earliest possible opportunity at the invitation of the Presidency of the European Union. They will work to achieve concrete results according to agreed timelines, in conformity with the objectives of the Stability Pact. The South Eastern Europe Regional Table will meet periodically, at a level to be determined, to review progress made by the Working Tables. The South Eastern Europe Regional Table will provide guidance to the Working Tables.

ANNEX

Organisation of the South Eastern Europe Regional Table and the Working Tables of the Stability Pact for South Eastern Europe

A. The South Eastern Europe Regional Table will carry forward the Stability Pact by acting as a clearing house for all questions of principle relating to the substance and implementation of the Stability Pact as well as a steering body in the Stability Pact process. The South Eastern Europe Regional Table will provide guidance to the Working Tables.

B. The Working Tables are instruments for maintaining and improving good-neighbourly relations in the region by constructively addressing and facilitating the resolution of the issues entrusted to them. The objectives of the Working Tables will be in particular:

- the discussion of issues in a multilateral framework conducive to the definition of ways to address shortfalls and to the settlement of differences by arrangements and agreements, drawing on the expertise and support of participants as well as facilitator States, Organisations, Institutions and regional initiatives, in particular from the OSCE and the Council of Europe;
- the identification of projects aimed at facilitating the achievement of arrangements, agreements and measures in conformity with the objectives of the Pact. Special attention is to be given to projects which involve two and more countries in the region.
- where necessary, the injection of momentum in areas where further progress should be achieved.

C. Each Working Table will address the following range of issues and will decide, as appropriate, whether the establishment of sub-tables, comprising the participants and facilitators, will be necessary;

- Working Table on democratisation and human rights, which will address:
 - i. democratisation and human rights, including the rights of persons belonging to national minorities; free and independent media; civil society building; rule of law and law enforcement; institution building; efficient administration and good governance; development of common rules of conduct on border related questions; other related questions of interest to the participants;

ii. refugee issues, including protection and return of refugees and displaced persons;

- Working Table on economic reconstruction, development and cooperation, including economic cooperation in the region and between the region and the rest of Europe and the world; promotion of free trade areas; border-crossing transport; energy supply and savings; deregulation and transparency; infrastructure; promotion of private sector business; environmental issues; sustainable reintegration of refugees; other related questions of interest to the participants, while maintaining the integrity of the donor coordination process;

Working Table on security issues, which will :

(i) address justice and home affairs, as well as migratory issues; focus on measures to combat organized crime, corruption, terrorism and all criminal and illegal activities, transboundary environmental hazards; other related questions of interest to the participants;

(ii) receive regular information from the competent bodies addressing transparency and confidence- building measures in the region. This Table will also encourage continued implementation of the Dayton/Paris Article IV Arms Control Agreement and progress of the negotiations of Article V, and should consider whether, at an appropriate time, further arms control, security and confidence building measures might be addressed, by the competent bodies, taking into account existing obligations and commitments under the CFE Treaty.

(iii) receive regular information from the competent bodies addressing cooperation on defence/military issues aimed at enhancing stability in the region and among countries in the region, and facilitate the sustained engagement of all concerned to ensure regional security, conflict prevention and management. The work of this Table will complement and be coherent with efforts for the security of this region undertaken by various European and Euro-Atlantic initiatives and structures.

D. The Working Tables will establish work plans in conformity with the objectives of the Stability Pact. Within the range of their competence, they can establish side tables or call meetings and conferences on matters of a specific or sub-regional nature. In this context, special attention is to be given to fostering the exchange between private citizens (in particular youth), societal groups, entrepreneurs and companies as well as non-governmental organisations and their respective counterparts in the various countries of the region. They will, in particular, pay attention to the coherence and consistency of their work with existing activities and seek to promote complementarity and synergy, as well as avoid duplication, with existing activities.

E. The Chairmanship of the Working Tables will be established by the South Eastern Europe Regional Table. The Working Tables will report to the South Eastern Europe Regional Table. The respective chairs of the South Eastern Europe Regional Table and the Working Tables will meet periodically and as necessary to discuss and coordinate the activities of the Working Tables and to monitor progress.

F. The location and timing of the individual Working Tables should be arranged to facilitate, to the extent possible, the attendance of participants who may take part in more than one Working Table, without excluding different Tables developing their own calendars according to their respective dynamics. Tables could take place either in rotation in the countries of the region or at the invitation of individual countries or

of the European Union or in Vienna, at the venue of the Permanent Council of the OSCE.

G. The host country, or host organisation, should provide at its expense meeting facilities, such as conference rooms, secretarial assistance and interpretation. The European Union has expressed its readiness to bear such expenses when meetings are held at the seat of its institutions.