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Prevention and Regional Security: The Royaumont Process and the Stabilization of South-Eastern Europe¹

The situation in South-eastern Europe is extremely unstable. Almost three years after the Dayton Peace Agreement, nationalism and secession still threaten to bring the Balkan powder-keg to the point of explosion. In Bosnia and Herzegovina, what narrow-minded ideologues and ice-cold power politicians both in and outside the country want to hold apart cannot grow together. The "Albanian question" is holding the Federal Republic of Yugoslavia (FRY), Macedonia, Greece and Albania in suspense. Behind it lurks the "Macedonian question", which also involves Bulgaria. Finally, Turkey is also involved in a variety of ways - through the Bosnia conflict, the Greek-Turkish conflict, the Cyprus conflict and the Kurdish conflict. The issues in all of these conflicts are minorities and/or borders. Bosnia and Herzegovina and the FRY are at the centre of events because it is there that we will see demonstrated whether the fundamental principles of European security that have been accepted since the CSCE Final Act of Helsinki - that borders may not be changed by force of arms but only through peaceful agreement, and that human rights must be observed - still prevail.

It is generally not disputed that for a long time the international community of states failed to deal effectively with the Yugoslavia conflict. The European Union (EU), in particular, was accused of having done nothing or too little. Whatever one may think of this criticism, the banal observation that armed conflicts lead to high political, economic and moral costs, even in countries that might appear not to be affected, was once again proven correct. For that reason, the EU countries wanted, after the end of the war, to become all the more deeply involved in building structures of peace in former Yugoslavia and working for the stabilization of South-eastern Europe. One way they did this was through the Royaumont initiative, which has received no public attention at all.

This initiative, whose impetus came from the Pact on Stability in Europe of 1995 which was put under the aegis of the OSCE, is intended as a preventive measure to contribute to the consolidation of peace in the area of conflict and to regional stabilization in South-eastern Europe. Thus this article will deal first with the Stability Pact. It will then go into the Royaumont initiative and

¹ This article is based on a study done for the Conflict Prevention Network (CPN) of the EU's Centre for Analysis and Evaluation.

the other regional stabilization efforts related thereto. It concludes with a comparative evaluation and a number of recommendations.

The Pact on Stability as the Predecessor of Royaumont

The Pact on Stability in Europe originated with a 1993 initiative of the French Prime Minister, Eduard Balladur, which in modified form was implemented by the EU Foreign Ministers as the first "Joint Action" under the Common Foreign and Security Policy (CFSP).² In view of the dramatic events in Yugoslavia, this initiative aimed at making a preventive contribution to the stabilization of Europe by strengthening the democratic process, expanding regional co-operation, settling minority issues, and guaranteeing the inviolability of frontiers. In particular, those countries which had not yet entered into any agreements on co-operation and good-neighbourly relations were to be encouraged to do so. The main addressees were the Central and Eastern European countries associated with the EU.³

The project began in early 1994 with an Inaugural Conference in Paris which, in addition to EU members, was also attended by the other OSCE States as well as representatives of NATO, the WEU, the United Nations and the Council of Europe. Two "round tables" were created at which "interested states" were to discuss regional stability problems with the help of third parties and settle them by mutual agreement. Participants at the round table for the Baltic states were the three Baltic states, the members of the Council of the Baltic Sea States, the United States, Canada, Iceland, and Belarus as well as representatives of the OSCE and the Council of Europe. Those sitting at the Central Eastern European round table were Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, and, in addition, the neighbouring states - Slovenia, Ukraine, Moldova and Turkey - as well as the United States, Canada, Switzerland and representatives of the OSCE and the Council of Europe. The EU held the chair at both tables. One year later this project was to develop into the Pact on Stability in Europe which was put under the aegis of the OSCE.

2 Here we will describe only the basic outline of the Pact on Stability - which should not be confused with the German initiative of the same name relating to the Economic and Monetary Union. For a detailed analysis see Hans-Georg Ehrhart, EU, OSZE und der Stabilitätspakt für Europa: Präventive Politik als gemeinsame Aufgabe [EU, OSCE and the Pact on Stability in Europe: Preventive Policy as a Common Task], in: *Integration 1/1996*, pp. 37-48; Pál Dunay/Wolfgang Zellner, *The Pact on Stability in Europe - A Diplomatic Episode or a Lasting Success?*, in: *Institute for Peace Research and Security Policy at the University of Hamburg/IFSH (Ed.), OSCE Yearbook 1995/1996, Baden-Baden 1997*, pp. 299-312.

3 Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia, Estonia, Latvia and Lithuania. Slovenia was added later.

The Stability Pact was adopted in March 1995. It has three parts. A declaration reaffirms the principles of good neighbourliness and European stability. The OSCE is given the task of serving as a collection point for the agreements and monitoring their implementation on a voluntary basis. The second part consists of a list of more than 120 treaties, agreements and declarations, most of which had been signed before the conference process began. The only new agreement concluded before the Concluding Conference was the treaty between Hungary and Slovakia. The third part is made up of an Annex which contains project proposals from the nine interested countries and financial assurances from the EU. These projects, which include such matters as language courses for the Russian population in the Baltic states, improvements in the transportation infrastructure and border-crossing environmental projects, are intended to promote in practical ways the objectives of the Pact. Four months later the Permanent Council of the OSCE adopted initial guidelines for the follow-up of the Stability Pact. Most of them deal with the regional round tables, which are considered to be useful for addressing regional issues and promoting the objectives of the Stability Pact. The instruments and procedures of the OSCE are available for review and implementation of the agreements. The Chairman-in-Office of the OSCE is to report regularly to the Permanent Council on the two existing ones as well as on possible new regional round tables. Participants in relevant projects are also invited to inform the Permanent Council periodically about their progress. Since that time things have become quiet with regard to the Stability Pact. Neither of the round tables met again and the OSCE limited itself to establishing a working group on the subject at the review conference on 18 November 1996. In addition, the EU Presidency presented a report on implementation of the accompanying measures which are financed by the PHARE programme. According to it, there are altogether thirty-eight measures which have been initiated or are still going through the approval process.⁴ Finally, the OSCE put together a register of the agreements and arrangements which had been deposited as of 25 October 1996.⁵

It would be wrong, all the same, to disparage the political effects of the Pact on Stability. After all, Romania and Hungary succeeded after a year and a half in ratifying a treaty on the fundamentals of their relations. The relationship between the Baltic states and Russia improved. Other initiatives were

4 These measures are divided amongst the following fields of activity: "Regional Trans-border Cooperation" (15), "Questions relating to Minorities" (4), "Cultural Cooperation, including language training" (7), "Economic Cooperation in the Region" (3), "Legal Cooperation and Administrative Training" (4) and "Environmental Problems" (5). Cf. REF. PC/96, 25 June 1996.

5 Cf. OSCE, Register of Agreements/Arrangements Deposited with the OSCE Pursuant to the Pact on Stability in Europe, Status as of 25 October 1996.

proposed to promote good-neighbourly relations.⁶ The network of linkages in Central and Eastern Europe, as well as between various international organizations, made some progress, and new structures for dialogue have been developed. NATO took over the EU rationale, which underlies the Stability Pact, that minority and border conflicts must be eliminated before a country can become a member. As a consequence, the countries mainly concerned in the Pact behaved in a co-operative manner and settled many of their problems on a bilateral basis.

The Royaumont Initiative

Following adoption of the Pact on Stability in Europe and its transmission to the OSCE, EU members sought to turn their attention to the question of medium- and long-term stabilization on the territory of former Yugoslavia. This conflict had been deliberately excluded from the area of applicability of the Stability Pact because at the time this initiative was started it had already escalated into violence. The Stability Pact was, as it were, the first field trial for preventive diplomacy within the framework of the CFSP. The experience gained thereby was to be applied to the stabilization of the precarious peace following the end of fighting in Bosnia and Herzegovina.

Once again it was France that pushed this idea for the Balkans by proposing the opening of a regional round table for South-eastern Europe. Paris wanted to use the momentum provided by the adoption of the Stability Pact in March to move ahead with an initiative which was, after all, of French origin. Germany agreed in principle but, with the Dayton process under way, wanted - out of consideration for the US and for its own overburdened diplomatic resources - to avoid any parallelism that might have been perceived as European competition with the American-led peace process for former Yugoslavia. Ultimately, the Europeans were assigned a difficult responsibility at the London Implementation Conference of 8/9 December 1995 - one which was to tax their resources to the full. The EU was to support the OSCE in the democratization of Bosnia and Herzegovina and, along with the World Bank, bear the main responsibility for reconstruction of the country. Accordingly, Carl Bildt, the EU Representative for Bosnia, was also appointed as High Representative for the implementation of the civilian aspects of the Dayton

6 See, for example, the Final Statement by the President of the Republic of Lithuania and the President of the Republic of Poland at the Vilnius Conference "Coexistence of Nations and Good Neighbourly Relations - the Guarantee of Security and Stability in Europe", PC.DEL/16/97, 10 September 1997, or Contribution of the Delegation of Malta to the Discussion of a Pact for Stability in the Mediterranean, REF.PC/290/96, 7 May 1996.

Agreement and shortly thereafter confirmed in this position by the Security Council of the United Nations.⁷

Following bilateral German-French consultations, the idea of a new stability pact was discussed in the EU and subsequently proposed in a larger international framework. On 13 December 1995, shortly before the formal signing of the peace plan agreed upon in Dayton, a meeting was held in Royaumont near Paris which included the Foreign Ministers of the 15 EU members, representatives of the five successor states that had emerged from the former Yugoslavia as well as of the four neighbouring states that do not belong to the EU, the United States, Russia, the Council of Europe and the OSCE - the latter represented by the Chairman-in-Office, the Secretary General and the High Commissioner on National Minorities. The EU was represented by Italy, which at that time held the Presidency.⁸ There, on the basis of a platform presented by the EU,⁹ the "Declaration on the Process of Stability and Good Neighbourliness", which started the so-called Royaumont Process, was adopted.

This Process belongs within the framework of the Paris peace conference. Its objective is to contribute to long-term stability and good neighbourliness in South-eastern Europe and thereby to the building of a "new Europe, a Europe of democracy, peace, unity, stability and good neighbourliness".¹⁰ This approach is designed to support the peace plan and give it a long-term perspective without, however, distracting from its immediate tasks. The concern already mentioned, that the Dayton process might be damaged by the EU initiative, was dealt with by a clear statement of priorities in the Declaration of Royaumont. Accordingly, the objective is to establish a long-term process, to be jointly executed, to supplement the security and arms control provisions of Dayton by coming up with ideas for "the improvement or progressive restoration of dialogue and confidence, the prevention of tension and crises, reconciliation, regional cooperation, economic reconstruction and good neighbourliness".¹¹ Initially, the area of application is to be limited to the territory covered by the peace agreements. Every state and every organization is called upon "to contribute to the exercise in accordance with its

7 The High Representative is Chairman of the steering board of the Peace Implementation Council. Furthermore, the steering board comprises representatives from the G-8 countries, the Organization of the Islamic Conference, the EU Presidency and the European Commission. Cf. Conclusions of the Peace Implementation Conference held at Lancaster House, London, on 8 and 9 December 1995, United Nations Security Council, S/1995/1029, pp. 5f. and 9-11 (quoted S/1995/1029).

8 The European Commission was not represented.

9 Cf. European Union, Process of stability and good neighbourliness in South-East Europe: Platform for the Development of the Process, hectographed Ms.

10 Declaration on the Process of Stability and Good Neighbourliness, Royaumont, 13 December 1995, hectographed Ms.

11 Ibid.

wishes and capacities".¹² As in the Pact on Stability in Europe, the prospect is held out of arrangements for the financing of transborder projects, which are to be worked out in more detail at "identification meetings". However, it is not the intention of the Royaumont initiative to provide economic reconstruction assistance or to promote infrastructure projects. Rather, it is designed as a political process which, in symbiosis with the regional approach of the EU and in co-operation with other regional initiatives,¹³ aims at normalizing inter-state relations and supporting civil societies.

These ideas, explicitly inspired by the Pact on Stability in Europe, are to be carried forward by the OSCE as soon as it has established a "regional round table for stability and good neighbourliness in South-eastern Europe" in which all countries of the region participate on an equal basis. The idea raised in Paris of institutionalizing this new project as an "open-end-operation" within the OSCE was unable to achieve consensus. The status of the FRY, whose OSCE participation has been suspended since 1992, was in itself enough to argue against such a procedure. Cancelling the suspension was considered inadvisable because it represented the most important incentive the OSCE could offer for a more co-operative policy from Belgrade and also because refusing participation rights prevented a possible policy of obstruction on the part of the FRY. All the same, there was full agreement that the OSCE would be invited to future meetings and the EU began to give thought to how the OSCE presence could be given more emphasis - say, by providing secretariat services for the group of countries involved in the Royaumont Process.¹⁴

While implementation of the civilian portions of the Dayton Agreement proved to be extremely difficult, the Royaumont Process, begun in parallel with it, never really got going. Following adoption of the Declaration of Royaumont in December 1995, four meetings had been held by early 1997. At the first of them, on 24 April 1996 in Vienna, the participants made clear that this undertaking did not involve reconstruction programmes or security co-operation but was aimed, rather, at a comprehensive process of stabilization comprising political, civil, cultural and information-related aspects of establishing good-neighbourly relations and subregional co-operation. There was, in addition, support for regular meetings. Ultimately the EU Presidency took on the task of providing a temporary contact point for the Royaumont initiative.¹⁵

Otherwise, the results of the first four follow-up meetings under the Royaumont Process were rather meagre. Participants stressed the importance of the

12 Cf. Platform, cited above (Note 9), p. 2.

13 See below.

14 Cf. Platform, cited above (Note 9), p. 1.

15 Cf. Process of stability and good-neighbourliness in South-East Europe, Identification Meeting, Vienna, 24 April 1996, Chairman's summary, hectographed Ms., pp. 1-2.

process, reported on other regional initiatives and activities for stabilizing the region, recalled the pioneering function of the Royaumont Process in connection with a new round table for stability in South-eastern Europe under the auspices of the OSCE, and announced the next meeting. Even so, this approach provided a forum for exchanging information on the various bi- and multilateral initiatives in the region, and for joint consideration of projects to promote stability, at which all interested actors, including the FRY, could participate on an equal basis. Initial contacts were made and information exchanged between the various regional and subregional initiatives. The fact that the value and potential of regional co-operation were being given more and more attention was a hopeful sign. At the same time, the information exchanges needed to be improved. It was still not possible to speak of co-ordination and, as a consequence, synergy effects were precluded.¹⁶

The first progress came at the fifth follow-up meeting which took place in Turkey on 27 October 1997. Worthy of first mention is the decision finally to establish the position of co-ordinator and to set up a small secretariat for the Royaumont Process. At first the EU countries were unable to agree on a person for this task. Among those considered were the Austrian Co-ordinator of the Southeast European Cooperative Initiative (SECI), Erhard Busek, who would certainly have been a good choice if only for organizational reasons, i.e. because of the "double hatting", and the Greek diplomat, Roumeliotis. Since France rejected the "double hatting" with the "American initiative", SECI, agreement was reached before the next meeting on the Greek candidate.

The tasks of the Co-ordinator were also set forth. He is to be responsible for representation and further development of the Royaumont Process, for producing an initial agenda and for implementation of decisions and guidelines. In addition he is to serve as a point of contact for all participants in the Royaumont Process, governmental and non-governmental, and as co-ordinator of co-operation with other regional and subregional initiatives. Furthermore, he is responsible for identifying, planning and organizing border-crossing projects and programmes in the fields of culture, religion, sports, information, education, science and technology; finding sources of funding; and bringing together those social forces which can contribute to building a civil society. Finally, he is not only to establish contacts between sponsors and local projects but also with the OSCE's Special Representative for regional confidence-building and disarmament under the terms of Annex I-B, Article V of the Dayton Agreement.¹⁷

16 Cf. also: Presidency of the European Union, Stability Pact, Stability and Good Neighbourliness in South East Europe, regional and subregional cooperation, OSCE Review Meeting, Working Group 2(a), 18 November 1996.

17 Cf. Description of Tasks of Royaumont Process Coordinator, DG E, PESC IV, No. 11629/97, pp. 2f.

The possible support programmes were, for the first time, finally being presented by a representative of the European Commission. It was clear from the beginning that the Royaumont Process was primarily a political undertaking for which no special resources would be provided. Rather, any supporting measures must be taken out of the subordinate programmes under PHARE, to the extent that the conditions for granting them are met. Outside of PHARE there is only one EU budget line for the support of democratization measures in former Yugoslavia. These very limited financial resources mainly benefit Bosnia and, to a limited extent, Croatia and the FRY as well. Because the latter two countries have so far not met the political conditions set forth in the regional concept for PHARE assistance, only these modest resources are available to them.¹⁸

Further progress was made at the sixth follow-up meeting. For the first time, Royaumont's "top-down" approach was linked concretely to a "bottom-up" civil-society element. In advance of the conference there was a meeting of journalists' organizations from eighteen participating states at which a "Media Action Plan for Peace, Understanding and Tolerance in Southeast Europe" was adopted and later welcomed by the participants in the Royaumont Process. Other NGO meetings are to be tied in with the follow-up conferences in the future. For the first time the Co-ordinator of SECI and a representative of the European Parliament took part. 45 projects were presented of which 36 meet the Royaumont evaluation standards - relating in particular to regional network-building, transborder co-operation, continuity, and small and medium size of projects.¹⁹ NGOs from Greece, the FRY and Macedonia have been particularly active. Greece, Luxembourg and the Netherlands have indicated that they might be prepared to finance initial projects. Finally, the situation in Kosovo was also discussed, with representatives of the FRY and Russia presenting their familiar line that it is an internal matter of the FRY, thus highlighting their isolated position. There was, therefore, agreement within the EU that an offer by Belgrade to host the next Royaumont conference is unacceptable. For this reason, it is to take place in Tirana in the second half of 1998.

18 Cf. Intervention by the Representative of the European Commission, EU Assistance in South Eastern Europe, Istanbul, 27 October 1997.

19 Cf. Updated Description of Programs Submitted to the Royaumont Process, April 1998, hectographed Ms. These projects, mostly proposed by NGOs, are aimed at the following fields: media (6), inter-ethnic dialogue (3), dialogue between next-generation politicians (2), academic co-operation and training (7), scholarly and technical co-operation (7), co-operation between women's organizations (3), city partnership (1), co-operation between trade unions (1), youth co-operation (1), cultural co-operation (6) co-operation on issues of business and law (2), inter-parliamentary dialogue (1), co-operation in public administration (2), environmental co-operation (3).

The Regional Concept of the EU

It was thought important to fit the Royaumont Process into a comprehensive political approach to the region of conflict. The London implementation conference for the Dayton peace plan had already mentioned the objective of normalizing relations between Bosnia and its neighbours, as well as the whole region, and of gradually establishing treaty-based relations with the EU as part of a regional approach.²⁰ And so the European Commission presented a report on "prospects for the development of regional co-operation between the countries on the territory of former Yugoslavia and Community resources available to promote this co-operation" which was approved by the Council on 26 February 1996.²¹ The regional concept applies first and foremost to those countries that have no mandate to negotiate association agreements: Bosnia and Herzegovina, Croatia, the FRY, Macedonia and Albania. The objective is "the restoration or creation of a national framework for each of the countries in question".²² From a political point of view the building of governmental structures and the promotion of democracy and the rule of law have priority. Economic objectives are, first, reconstruction of the economy, renovation of the infrastructure and the transition to a market economy as necessary conditions for the revival of economic activity.

The regional concept is seen as a way of reconciling political and economic objectives with one another. What is involved is a concept of comprehensive regional co-operation as an incentive for co-operation a) between the countries in question, b) between them and their neighbours and c) between them and the EU. As was already the case in the Platform of 13 December 1995, express assurances are given that the goal is not to "force these countries into new borders or into a new kind of Balkan Pact".²³ The Council also points out that the central issues in the conflict, minorities and borders, are not part of this process.²⁴

There are two levers that are meant to make the regional approach work: the conditional offer to establish and intensify relations with the EU, and financial and technical support. The core requirement is observance of the obligations entered into in Dayton. In addition, the response to these countries' desire for close bilateral co-operation with the EU will, in every field, depend on their making parallel progress in relations with the neighbouring countries. Thus the extent of co-operation with the EU is to be decided by their willingness to engage in regional co-operation.

20 Cf. S/1995/1029, cited above (Note 7), p. 2.

21 SEK(96) 252 endg., Brussels, 14 February 1996. All quotations from German sources are own translations.

22 Ibid., p. 2.

23 Ibid., p. 3.

24 Cf. Conclusions of the Council of 26 February 1996, 5379/96, Annex 3, p. 12.

In the summer of 1996 the President of the Commission, Jacques Santer, and the Italian Foreign Minister and then acting Council President, Lamberto Dini, visited these countries to explain the Union's concept to them. Thereafter, the Commission presented the Council with a report on "Common Principles for Future Contractual Relations with certain Countries of South-eastern Europe" which was adopted on 28 October 1996.²⁵ It clarifies once again the basic idea underlying the regional concept - that co-operation between the affected countries is an indispensable condition for the establishment of closer relations with the European Union. Long-term development is to depend more on regional co-operation than on external support.

With regard to the applicable geographic area, the Union distinguishes between two groups: Albania and Macedonia, on the one hand, and the three countries directly involved in the conflict - Bosnia and Herzegovina, Croatia, and the FRY - on the other. The first two have not been parties to the war, nor are they Parties to the Peace Agreement of Dayton/Paris. Moreover, they already have quite close relations with the EU. Finally, other institutional mechanisms and a different negotiating schedule are foreseen for the bilateral agreements envisaged with the EU "because they are not burdened by the same interdependencies or the same political conditions that apply to the other three countries".²⁶ The next agreements with Albania, with which a non-preferential trade agreement was already concluded in 1992, are to contain provisions on regional co-operation similar to those in the Treaty of Trade and Co-operation with Macedonia, which was initialled on 20 June 1996 and entered into force in January 1998.²⁷

Because of the circumstances already mentioned it has not yet been possible to negotiate similar agreements with the other three countries; there is a prospect of them, however, with special requirements attached. These include, in particular, respect for human and minority rights, the opportunity for refugees to return, the establishment of democratic institutions, economic reforms, willingness to have co-operative relationships with each other, a high level of autonomy for Kosovo and, last but not least, full observance of the terms of the peace treaty. The future agreements will make economic and financial co-operation dependent on "these countries being prepared to co-operate with their neighbours and to develop border-crossing projects in all of the fields covered by the agreements".²⁸ It is above all the instruments of the PHARE programme that are to be used for this purpose and the plan is to

25 KOM(96)476 endg., Brussels, 2 October 1996.

26 Ibid., p. 3.

27 Article 45 of the Co-operation Agreement states, *inter alia*, that "the willingness of the former Yugoslav Republic of Macedonia to co-operate with other countries of the region and to establish good neighbourly relations with these countries is an important factor in the development of relations and co-operation between the Community and the former Yugoslav Republic of Macedonia". Ibid., p. 11.

28 Ibid., p. 6.

extend the framework of subregional co-operation to the other countries of the region as well. Trade concessions by the EU are tied to the requirement that these countries first grant similar benefits to each other. The same applies to other fields such as services and capital movements.

The other main instrument of the EU is political dialogue. It should take place, as far as possible, at the subregional level and should bring the countries concerned together for direct conversations with each other. The first objective is a joint declaration in which all of them state their willingness to support the Royaumont initiative and acknowledge political dialogue as an instrument in this process. Beyond that, a "developmental clause" is foreseen in which the most important requirements for the further development of relations with the EU are clearly set forth. It would be supplemented by a "suspense clause" which would make it possible to discontinue the agreements and financial co-operation if the requirements were violated. The obligations would be reviewed by regular reporting and an institutionalized monitoring system. In addition to a co-operation committee, which would normally oversee the carrying out of the agreements, the establishment of a Joint Programming and Monitoring Commission (JPMC) has been proposed for regional projects in which Albania and Macedonia and other interested countries of the region would participate.

On 29 April 1997 the Council developed a strategy paper derived from the regional concept. Its centre-piece is the application of conditionality to the development of relations with the five Balkan countries with which there is as yet no association agreement. A fairly detailed scheme has been set up to prescribe what conditions must be fulfilled to attain a given level of relations and co-operation. This graduated concept distinguishes between the granting of autonomous trade preferences, the making available of PHARE resources and the development of contractual relations, as well as between general conditions that apply to all and specific ones that in various forms would be applied to the three former parties to the conflict.²⁹

Croatia, for example, is called upon to open its border to the Republika Srpska and to demonstrate credibly that pressure is being applied to the Bosnian Croats to stop blocking the joint institutions of the Federation. Bosnia and Herzegovina must create functional institutions, establish a policy on foreign trade and customs matters, liberalize traffic in goods and capital, and demonstrate a greater willingness to co-operate in Brcko and Mostar as well as in the administration of the Federation. The FRY, for its part, must put pressure on the Bosnian Serbs to co-operate in the building of

29 Cf. *Schlußfolgerungen des Rates zur Anwendung der Konditionalität bei der Entwicklung der Beziehungen zwischen der Europäischen Union und bestimmten Ländern Südosteuropas* [Conclusions of the Council on the Application of Conditionality to the Development of Relations between the EU and Certain Countries of South-eastern Europe], in: *EU Bulletin* 4/1997, 2.2.1 (quoted as: Strategy Paper).

institutions and in carrying out the terms of the agreement; it must also start a "genuine dialogue" with the Albanians in Kosovo "on a status for Kosovo within the borders of the Federal Republic of Yugoslavia" which guarantees a high level of autonomy.³⁰

The strategy paper provides the most detailed elaboration so far of the EU's regional concept as it applies to the five affected countries of former Yugoslavia. It should be regarded as a complementary element of the political stabilization process, based on EC instruments, which, along with other regional initiatives, is meant to move that process forward. These regional initiatives will now be briefly discussed as they play a role in the Royaumont Process.

The Southeast European Cooperative Initiative (SECI)

The US began the Southeast European Cooperative Initiative in 1996. It is directed at eleven countries: the five successor states to former Yugoslavia, their neighbours (those not members of the EU), Moldova, Turkey and (as the only EU member) Greece. Croatia, however, did not sign the Statement of Purpose as it regards itself as part of Western Europe. Owing to the prevailing political circumstances, the invitation to the FRY has for the time being been withdrawn. The revocation of the FRY's suspension which was announced by the US at the beginning of 1998 has been reconsidered following the deterioration of the situation in Kosovo. SECI does not work with the entities of Bosnia and Herzegovina but only with the Federation.

In contrast to the Royaumont Process, SECI has from the beginning had a clear structure consisting of a Co-ordinator nominated by the Chairman-in-Office of the OSCE, an Agenda Committee, *ad hoc* expert meetings and related project groups, a Business Advisory Council which is responsible for contacts with private industry and technical support from the United Nations Economic Commission for Europe (ECE).³¹ Although a small secretariat is housed in the Vienna Hofburg, where it receives technical support, SECI is not a part of the OSCE structure. It is SECI's express intention not to compete with other initiatives but to supplement them. All the same, the US initiative at first caused some astonishment in Brussels but it has in the meantime given way to a co-operative relationship. As a consequence there have been a number of co-ordination meetings that have led to an initial distribution of responsibilities and the establishment of communication arrangements. SECI seeks co-operation with other regional initiatives. Thus it proposed a meeting of the co-ordinators of SECI, the Central European

30 Cf. Ibid.

31 Cf. Statement of Purpose. The Southeast European Initiative, http://www.unece.org/seci_sop.htm.

Initiative (CEI) and the Black Sea Economic Cooperation (BSEC) in December 1997 and invites representatives of these initiatives to meetings of the Agenda Committee and the project groups.

SECI seeks to promote regional ties with the aim of building co-operative structures in the fields of economics and the environment. It wants to attract European and American private investment to the region and so to contribute to making it possible for the countries, by co-operating, to use their resources more efficiently. Access to international financial institutions such as the World Bank, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) is to be made easier, specific projects³² are to be used to attract private investors and other states are to be recruited as so-called "supporting states" for individual projects.³³ The main objectives are conflict prevention over the long term by establishing linkages through concrete economic and environmental projects and by bringing this region closer to Euro-Atlantic structures.³⁴

Other Regional Initiatives

The oldest of these is the economic co-operation of states bordering on the Black Sea which started in February 1992. Three neighbours of former Yugoslavia - Bulgaria, Greece and Romania - are involved in it, along with two important actors in the implementation of the Dayton Peace Agreement - Russia and Turkey. At the same time, all of these countries are participants in the Royaumont Process. At a summit meeting in October 1996 the ten countries that participate in the Black Sea Economic Cooperation decided to pursue a joint policy of intensifying co-operation with the EU. The EU Commission, for its part, wants to see an intensification of regional co-operation between states bordering on the Black Sea because that will foster stability in a region which "has growing strategic importance for the European Union that will increase even more as expansion proceeds".³⁵ The Presidency of the EU,

32 Seven projects have been proposed so far: infrastructure measures in border areas, increasing energy efficiency, promoting small and medium-sized businesses, identifying bottle-necks in the region's main transport routes, expanding natural gas pipeline systems, water treatment programmes for the Danube, regional linkages between power stations. Cf. Regional Economic Cooperation: A Bosnia and Herzegovina Perspective, Statement by Eberhard Busek, SECI Coordinator, September 1997, in: Helsinki Monitor 1/1998, pp. 54-58.

33 As of March 1997 the United States, Switzerland and Italy had declared their willingness to become supporting states. Cf. Shifter on Southeast European Initiative, in: US Information and Texts, 2 April 1997, pp. 31-33. Austria and Germany later joined this group. Cf. SECI Activity Report 1997, Vienna 1998, p. 3.

34 Cf. http://www.unece.org/seci/seci_1.htm#Goals.

35 Cf. Mitteilung der Kommission an den Rat [Communication of the Commission to the Council], Regionale Zusammenarbeit am Schwarzen Meer: Aktueller Stand und mögliche Schritte der EU zur Förderung des weiteren Ausbaus dieser Zusammenarbeit [Regional Co-operation in the Black Sea Region: Current Status and Steps the EU Might Take to

along with representatives of the EBRD, the CEI and the ECE, attended the meeting of the Black Sea Economic Cooperation.³⁶

The Central European Initiative was founded in July 1992 by five former members of the hexagonal group that collapsed as a result of the Yugoslavia conflict - Poland, Hungary, Czechoslovakia, Austria and Italy - and by the former Yugoslav republics which had just become independent - Slovenia, Croatia and Bosnia and Herzegovina.³⁷ It now comprises sixteen states, viz. (with the exception of the FRY) all of the countries of Central and South-eastern Europe, among them twelve participants in the Royaumont Process. The CEI concerns itself mainly with economic co-operation, regional political dialogue and establishing closer relations with the EU. It has a Presidency, a permanent secretariat in Trieste, and a project secretariat in the European Bank for Reconstruction and Development. In 1996 the EU members and the European Commission, which own a 51 per cent share in the EBRD, officially recognized the CEI's contribution to regional stability and since that time have been seeking closer co-operation.³⁸

The project for a Balkan Conference on Stability, Security and Cooperation in South-Eastern Europe goes back to a Bulgarian initiative. On 6 and 7 July 1996 in Sofia the Foreign Ministers of Albania, Bosnia and Herzegovina, Bulgaria, Greece, Romania, the FRY and Turkey agreed on close co-operation in economic and security policy. In so doing, they declared their readiness to contribute to the rebuilding of Bosnia. Russia, the United States and Macedonia were not present; the EU Presidency was represented with observer status, as were Croatia and Slovenia. Just a year later the Foreign Ministers' conference of the seven states - this time participants included Macedonia instead of Bosnia and Herzegovina and observers from seventeen countries, including the members of the Bosnia Contact Group - issued the "Declaration of Thessaloniki". In it the participants announced their determination to promote good-neighbourly relations, stability and regional co-operation.³⁹

Parallel to but independently of the conference of the Foreign Ministers in Thessaloniki, the Defence Ministers of Albania, Bulgaria, Greece, Macedo-

Promote the Further Expansion of this Co-operation], Brussels, 14 November 1997, KOM(97)597 endg.

36 Cf. MFA-Black Sea Economic Cooperation, <http://www.access.ch/tuerkei/GRUPF/bsec5.htm>.

37 On the development of CEI, cf. <http://www.digit.it/ceinet/ceibroch/history.htm>.

38 Cf. Bericht der Kommission an den Rat über die Zusammenarbeit der Europäischen Union mit der Zentraleuropäischen Initiative [Report of the Commission to the Council on Co-operation between the EU and the Central European Initiative], KOM(96) 601 endg. of 4 December 1996, pp. 292f., and Europäische Kommission [European Commission], Gesamtbericht über die Tätigkeit der Europäischen Union 1996 [General Report on the Activity of the European Union 1996], Brussels, Luxembourg 1997, pp. 292f.

39 Cf. <http://greekembassy.org/press/bulletin/jun9/.html#1>, p. 1.

nia, Romania, Slovenia, Turkey and the United States met at American initiative in Sofia to discuss security co-operation and confidence-building measures. In the final statement NATO was described as the main force in setting up a European security architecture.⁴⁰ Russia was not invited, nor were representatives of Western Europe. In early 1998 the seven South-eastern European states decided to establish a multilateral peace force at brigade strength.⁴¹

Finally, at the beginning of November 1997, a summit conference of Heads of State and Government of eight South-eastern European countries was held at Greek initiative. It included the FRY, Macedonia, Albania and Bosnia and Herzegovina - the latter only with observer status and represented at the level of Deputy Foreign Minister. The participants issued a declaration in which they announced their determination to co-operate and named some of the fields on which future co-operation might focus - travel, energy supply, the fight against organized crime, drug trafficking and weapons dealing, terrorism and illegal immigration. This conference process is to be continued in 1998 with a meeting in Turkey, at which a decision will be made on setting up a secretariat.⁴²

Of the regional initiatives listed above SECI is the most active and also the most attractive in the eyes of actors on the scene owing to the support of the United States and hoped-for investments. The other initiatives have yet to be consolidated. Either they have just got started or they have so far existed mainly on paper. The large number of recent South-eastern Europe initiatives points both to diplomatic competition and to a lack of co-ordination. Nevertheless, all of these efforts have one thing in common: they stabilize the region through the building of co-operative structures at the most various levels. To that extent they support, at least potentially, the Royaumont Process.

On the Road to a Pact on Stability and Development in South-Eastern Europe?

The Royaumont initiative is a good idea, but one which, as of the end of 1997, had not really got going. It could pick up some momentum in 1998, however, if the most recent positive indications continue and the international community shows the necessary interest. There are various reasons for the lack of success to date:

40 Cf. Internationale Politik 11/1997, pp. 143f.

41 This US initiative, which is, so to speak, the military counterpart of SECI, has so far led to 27 follow-up initiatives. The American regionalization efforts are supplemented by bilateral supporting measures and pulled together in an action plan for South-eastern Europe. Cf. Fact Sheet on Southeast Europe Action Plan, 10 February 1998, hectographed Ms.

42 Cf. Frankfurter Allgemeine Zeitung of 3, 4 and 5 November 1997.

- Worth mentioning first is the absolute priority enjoyed by the Dayton Agreement and the extreme difficulty of making progress in the implementation of its civil aspects. Start-up difficulties, bureaucratic cumbersome and lack of co-ordination on the part of the donor countries and international organizations are partially responsible for these delays in implementation.
- However, the fact that the parties immediately affected are not meeting their responsibilities weighs much more heavily. The political leaderships of the "patronage states", Croatia and the FRY, are only reluctantly meeting the obligations with regard to civil aspects that they undertook in Dayton. The traumatized population of Bosnia and Herzegovina is slow to play its part and the political leadership of Bosnia, burdened by the legacy of war, lacks the will to co-operate within the joint institutions. The election of the moderate, Milorad Dodik, as Head of Government in the Serbian Republika Srpska in January 1998 offers an important ray of hope. Moreover, international pressure has grown since the Peace Implementation Conference of 9-10 December 1997 because the Conference strengthened the authority of the High Representative and expanded his competences.⁴³ Nevertheless, it remains to be seen whether the political and administrative conditions needed for the building of a civil society can be created in this way.
- For a long time the Royaumont Process lacked the necessary support from Western capitals where, in view of the difficult situation in Bosnia, other international events and a shortage of personnel in the foreign ministries, other priorities were being set. Moreover, it took two years before a co-ordinator dedicated exclusively to this task was appointed.
- Because the initiative has no financial resources of its own, there were no direct financial incentives. The weak financing of Royaumont projects - so far only three countries have announced that they will provide money for the initial projects - and the EU's complicated allocation system reduce the attractiveness and effectiveness of the Process.
- The conditions set forth in the EU's regional concept for participating in the PHARE programme have so far resulted in the exclusion of Croatia and the FRY. This means that one important source of financing for Royaumont projects is not available to these countries.

43 Cf. Auswärtiges Amt [(Federal German) Foreign Office] (Publ.), Schlußdokument der Konferenz des Friedensimplementierungsrates für Bosnien und Herzegowina [Final Document of the Conference of the Peace Implementation Council for Bosnia and Herzegovina], Communication No. 1172/97 of 10 December 1997.

Preventive diplomacy is a thankless business. If it succeeds, scarcely anybody notices it. If it fails or does not take place, a conflict can escalate. The Pact on Stability in Europe of 1995 was, all in all, a successful contribution to long-term conflict prevention because it made it possible to deal multilaterally with potential sources of conflict, resolutely and at an early point.⁴⁴ It did not aim directly at suppression of acute tensions in Central and Eastern Europe but at improving so-called "civic security" by strengthening democracy and improving minority and human rights as well as the economic and social situation. In addition, it undertook concrete measures to promote cooperation between the affected states and the international organizations involved. The Royaumont initiative is pursuing similar goals but it has to operate in a completely different environment. After a cruel war in former Yugoslavia the first priority was the containment of the conflict and, thereafter, the consolidation of peace in Bosnia and Herzegovina.

There are other differences between the Stability Pact and the Royaumont initiative. The subjects of the Stability Pact were already associated with the EU at the time it was initiated; they have a solid prospect of attaining membership, based on their political and economic capacities, and the determination to use this option. The main countries targeted by the Royaumont initiative, on the other hand, have great difficulty in meeting the minimum political requirements for constructive relations with the EU, or are not yet prepared to do so. The Stability Pact was pursued with great diplomatic commitment; the overlapping interests of the main protagonists, France and Germany, played a role in this as did also the pressure to succeed created by a short time-frame of ten months. By contrast, the Royaumont project has so far lacked determined diplomatic initiatives. Finally, it proved possible to transfer the Pact to the OSCE without any difficulty; but a round table for South-eastern Europe within the OSCE framework will not be possible until the FRY has created the conditions under which its suspension can be cancelled. Given these differences, it is not surprising that the Royaumont initiative is slow getting out of the starting gate. The experience of the Stability Pact has shown that at least five conditions must be met for successful prevention:

1. The initiative must be supported by a core group. The EU has a special responsibility here and Germany, France, Austria, Italy and Greece, owing to their special interests, ought to provide the dynamic motive force. Close collaboration with the United States, Russia and Turkey would also be necessary.

44 For definitions of long-term and short-term prevention and of "early" and "late prevention", see Max van der Stoep, Key-Note Speech to the Seminar on Early Warning and Preventive Diplomacy, in: CSCE/ODIHR, Bulletin 2/1994, pp. 7-13, and Gareth Evans, Cooperating for Peace, St. Leonards 1993, pp. 65-70.

2. Adequate instruments and financial resources must be available. They should, above all, be devoted to the building of civil societies. The "top-down" approach aimed at treaties between neighbours must be better undergirded by a "bottom-up" approach with the objective of softening "from below" the lines of division between ethnic groups and territories/states. Because the old elites do not easily abandon their traditional enemy images, more must be done to promote the development of alternative social forces. For this purpose, allocation and monitoring procedures must be decentralized and simplified. Moreover, the political conditions for granting PHARE resources should be relaxed so that social groups and NGOs from Croatia and the FRY can participate in border-crossing civil society projects. Finally, more should be done to find private sources of project financing.
3. It is indispensable that *all* actors be prepared to co-operate. This is a requirement for regional linkages and also for co-ordination of the various regional initiatives. Such co-ordination requires, in turn, a better flow of information, greater transparency and more understanding for the potential value of division of labour. If effective synergy effects are to be obtained, the participating countries, international organizations, regional initiatives, NGOs and other social actors must work more closely with one another. Owing to the complementarity of their projects, the Royaumont initiative and SECI should co-ordinate their activities particularly closely. The OSCE Secretariat could take on a co-ordinating role but would need more personnel for the purpose.
4. The principle of perseverance must be taken to heart in dealing with the parties to a conflict and also in the building of civil societies. A consistent political line needs to be followed in order to promote the willingness to co-operate on the part of the parties to a conflict. This applies to the question of positive and negative incentives as it does also to the issue of handing indicted war criminals over to the Tribunal in The Hague. If the gap between words and deeds is too great, credibility - and therewith a central element in prevention - will be undermined. The building of civil societies calls for much patience, as well. Now that the first Royaumont projects have been started it is important to push for new projects in the region and also to ensure that adequate resources are set aside for them.
5. Preventive diplomacy must be tied into a comprehensive strategy for solving conflicts and consolidating peace. As various meetings of representatives of South-eastern European countries have recently shown, the political willingness to engage in regional co-operation is increasing. New structures for dialogue are appearing which must be

consolidated and brought together. Stabilization of the surrounding region along these lines would not only put pressure on the former parties to the conflict to finally carry out the civil requirements of the Dayton Agreement, but also particularly on the FRY, which is in serious economic trouble, to be more co-operative in settling the terribly delicate Kosovo issue. Viewed in this light, the focus on the three parties to the conflict (Dayton approach) is by now falling just as short as the limitation to five Balkan countries (the EU's regional concept). Rather, stabilization efforts should more and more be directed at the entire surrounding region. The Royaumont Process provides the right framework for this. It comprises the whole area of South-eastern Europe and includes the EU, Turkey, Russia and the United States. It has hitherto had the propaedeutic function of giving the FRY a forum outside of the OSCE in which it can discuss the possibilities and advantages of regional co-operation. Belgrade has started to participate in the conferences of Foreign Ministers of the Balkan countries as well as in the regional meetings of Heads of State and Government. It has not, so far, become involved in the other initiatives. Both the CEI and SECI are open to the other countries of former Yugoslavia. For geographic and political reasons, the BSEC and the conference processes are not suitable for all. The composition of the initiatives varies and their priorities and objectives also differ. For that reason it would be advisable to tie them together in an overall political framework along the following lines:

- A first step would be to call a summit conference of all states and international organizations participating in the Royaumont Process. The goal of this regional conference would be to establish a permanent and flexible multilateral structure for dialogue in the form of a round table for South-eastern Europe. The Heads of State and Government could first pass a joint declaration on regional stability and development, and draft an agenda for a concrete work programme aimed at co-operation across borders and economic development. This programme would have to be evaluated and further developed at follow-up conferences.
- On the basis of this declaration, the various regional initiatives should be pulled together under the auspices of the OSCE into a political platform. It would be desirable to establish a connection to the talks on regional arms control because, while these will not be held within the OSCE's Forum for Security Co-operation, they will be under its "auspices".

- This process would have to lead to a Pact on Stability and Development in South-eastern Europe, also to be transferred to the OSCE as soon as the FRY meets the necessary conditions.