

Theme 5 – The Cost of War

Presentation: The Danube River and the European Union in the Post-Kosovo Era

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I am mindful of the landmark speech of His All Holiness the Ecumenical Patriarch Bartholomew to the European Parliament at Strasbourg in April 1994, when he said that the European Union is not only an economic union but that, through the reunification of Europe and through environmental protection, it will have a significant bearing upon civilisation. I believe that this message is the underlying theme of this Symposium. The reunification of Europe is also the vision guiding the European Union's (EU) strategy for Enlargement to Central and Eastern Europe and for the Balkan region as a whole.

Navigation and environment are issues which transcend state borders, reach millions of people and call for collective and coordinated action on a regional and global scale. The Danube River and the problems afflicting it in the aftermath of the Kosovo crisis illustrate forcefully the unique historic, cultural, economic and geopolitical continuity and interdependence between European states.

My observations will bear on the EU's strategy for the Balkan region, and its policies and action for the protection of the River Danube, in particular in the period following the bombing of the Federal Republic of Yugoslavia by NATO.

International interest in the Balkans

The international community has failed to prevent at least three wars in the Balkans during the 1990s, despite its efforts. The Balkans is a region that has historically been the epicentre of crisis, bloodshed and wars; a region where international interest has taken the form of bilateral interventionism and diplomacy, characterised by "muddling-through" rather than coordinated international action focused at a regional scale.

A proliferation of regional initiatives on its own is not sufficient to provide concrete results. However, I believe that the recent crisis in Kosovo has signalled a significant change of minds and attitudes. The launch of a new Marshall Plan for South-Eastern Europe has even been muted. Though it is difficult to draw direct parallels, it is possible to learn some lessons from the Marshall Plan, which was the most successful model of post-war reconstruction in recent European history. Its three fundamental elements were: General Marshall; a concrete plan; and public administration by European countries who, despite the problems caused by war, still had the skills and capacity to deliver and implement the plan.

The setting-up of the Stability Pact for South-Eastern Europe has sent the message that non-committal bilateral approaches have so far failed to guarantee peace and stability and that a new approach is required. The Pact is a bold political initiative that reflects the need for reinforced action on a regional level. It has an important role to play in helping countries to achieve stabilisation and economic recovery and to focus their efforts on finding regional solutions to their problems, thus smoothing the way for future accession to the EU. Given its political mandate and mission, the Pact has no structures, administrative capacities or specific financial resources to constitute an implementing mechanism. This is mainly the task of the EU, which has laid down a contractual framework, a decision-making enforcement mechanism and funding in order to achieve the strategic objectives of accession to the EU.

At the present time, we need to be aware of the inefficiency that could be caused by a multiplicity of uncoordinated initiatives, by overlapping and duplication of actions and financing and by weak administration in the countries of the region. These hurdles may hinder the Stability Pact.

EU strategy and action for the Balkans

From the early stages of the Kosovo crisis, President Prodi and Commissioner Patten have clearly spelled out the EU's vision for the Balkan Region and President Prodi has stated three fundamental conditions that these countries must observe if there is to be any movement towards accession to the EU: full recognition and respect for borders; respect for the rights of minorities; regional economic and political co-operation.

The EU's strategy is based on the rationale that a peaceful and prosperous Balkan region is of vital importance. History and geographic proximity teach us that the EU cannot afford to have in its backyard a source of poverty and underdevelopment exporting conflict, insecurity, instability and criminality.

During and since the crisis in Kosovo, the EU has been active politically, diplomatically and financially. It has speedily delivered humanitarian aid, undertaken reconstruction works and alleviated the plight of refugees and others. It has also taken the bold initiative of establishing the European Reconstruction Agency, thus providing assistance and reform in the affected region in a decentralised and efficient manner.

The EU's policy towards the countries of the Western Balkan region (Albania, Bosnia and Herzegovina, Croatia, Former Republic of Macedonia and Federal Republic of Yugoslavia) is articulated in the Stabilisation and Association Process, the contractual framework which governs the relations between the five countries and the EU. This process is proof that the EU has the political objectives, the roadmap and the means to assist the countries of South-Eastern Europe to accession to the EU. The model of integration has been inspired by the Enlargement process, which involves Central and Eastern European countries and includes Bulgaria and Romania, part of the Balkan region.

Reform will encompass institutions, economic structures and environmental protection and will have the full support of the EU. In order for the reformation process to be successful, the full and active participation of all parts of society is required: governments, parliaments, civil society with its NGOs, spiritual and religious leaders and, most importantly, a great popular adherence to the cause of peace. Peace is a fundamental precondition that will allow aid and trade, together with reforms, to yield results. The Balkan countries themselves must undertake to overcome the legacies of the past and to engage in a new, ambitious undertaking. The learning curve will be painful but the rewards will be worth the effort.

Regional strategy

One of the challenges facing the EU is to get all the countries involved working together towards union. The EU understands that the political problems and the crisis in the Balkans are interlinked and interrelated. The region's history shows how easily tensions can spill over and have a devastating effect on stability. But regional problems require regional responses. A regional strategy for the Balkans, such as the one promoted by the EU and the Stability Pact, makes not only political but also economic sense. The small and segmented markets of the Balkans do not provide the necessary "critical mass" for developing significant economic and trade activity. These countries have a dramatic lack of institutional and physical infrastructure; some have the lowest standard of living on the continent. Their markets cannot alone attract investments that require, in principle, economies of scale, and market segmentation means that the delivery of aid and the interventions of international financial institutions are difficult.

It is important to dispel some misplaced fears about taking a regional approach. A regional approach is not a return to the legacy and structures of the old Yugoslavia, nor is it an excuse for delaying the road towards the EU. The EU strongly believes that this strategy is an indispensable stepping-stone on the way to peace, security and economic progress. It is, in any case, a condition stipulated in the Stabilisation and Association Agreements (SAA) which all countries of the region have or shall conclude, and contains an explicit commitment to this effect.

Despite initial difficulties, the regional strategy has been facilitated by recent democratic changes in Croatia and the Federal Republic of Yugoslavia. In 2000, the Zagreb Summit placed great political emphasis on regional co-operation and strategy as a key condition for future accession to EU. Some of its objectives include the establishment of bilateral free trade agreements and the removal of barriers to intra-regional

trade. It is also very important that the Western Balkans should gradually be reintegrated into the wider European infrastructure, including transport, energy and telecommunications networks.

One of the weakest points of the Western Balkan countries is their lack of efficient and accountable institutions, an indispensable pre-condition for the functioning of the rule of law and for achieving economic development. For this reason, EU efforts have focused mainly on assisting with the building of institutions and carrying out reforms to public administration, budgets and financial management. Great efforts are being made and considerable resources invested in reforms to the fields of justice and home affairs, in order to combat criminality and money laundering across the region. The transposition of EU legislation, known as the *acquis communautaire*, into the national legal order is helping these countries to upgrade their legal, institutional and administrative infrastructures. The EU has been instrumental in assisting the creation of national police forces, customs services, border management and strong judicial authorities. Twinning arrangements will be extended to the region in the near future, thus enabling Member States to transfer administrative know-how by sending civil servants to work on the spot with their local counterparts.

The way that financial assistance is delivered has been substantially improved by the widespread streamlining of the procedures and mechanisms governing the delivery of foreign aid, by the EU and through the operation of the European Agency for Reconstruction in Kosovo and in Serbia. Between 1991 and 2001, the EU contributed more than €6.1 billion to the Western Balkans through its programmes. Approximately €4.65 billion will be backing the Stabilisation and Association Agreements until 2006. The regional CARDS programme is focusing increasingly on cross-border issues by delivering its assistance through a single regional programme. Further to the east, Bulgaria and Romania receive approximately €900 million per year as pre-accession aid.

The Danube River in the post-Kosovo era

This Symposium on the River Danube is the best illustration of the inter-relationship of the issues and problems that face several European integration zones: Member States like Germany and Austria; candidates for Enlargement like Slovakia, Hungary, Bulgaria and Romania; and SAA countries like the Federal Republic of Yugoslavia. As Enlargement progresses, the EU believes that the Danube-Black Sea region is an axis of increasing geo-economic and geopolitical importance. The environmental degradation of the Danube and the Black Sea requires urgent and efficient action on a regional level in order to promote sustainable development of the region. The problems afflicting the Danube at this juncture confirm the approach adopted by the EU for a comprehensive, regional approach for the Balkan region.

By the end of 2001, two years after the NATO bombing of the three bridges at Novi Sad, regular navigation of the Danube had been restarted. The EU's position in supporting the resumption of navigation of the Danube River has been clear since the beginning of the crisis. All EU institutions supported the Danube Commission and the states of the region in their endeavour to ensure freedom of navigation on the Danube, as prescribed in the conventions of 1921 and 1948.

Following proposals of the Danube Commission, since autumn 1999 the European Commission, the Council of Ministers and the European Parliament have been instrumental in making funds available to the International Fund for clearance of the fairway of the Danube. The EU has contributed €22 million, thus making navigation of the river possible, and has assisted decisively in finding solutions to thorny political, technical and economic problems. These EC funds amount to 85% of the estimated total cost of €26 million.¹ The efforts of EU institutions have also been facilitated by the change of the Belgrade regime. As tenders for removing unexploded ordnance and the remaining debris of the bridges come in, so the clearance operation will continue, but without interfering with navigation. The European Commission also intends to propose EC funding for the reconstruction of the Sloboda Bridge in Novi Sad and the European Reconstruction Agency will have a major role to play in this initiative.

The EU's efforts to improve the environmental situation of the Danube are now focused on the long-term stability and sustainability of the Danube-Black Sea region. A Communication adopted by the Commission

on October 31, 2001 gives new impetus to environmental co-operation in this region, highlights priority areas and calls for increased involvement of the EU and its Member States and co-ordinated action using the relevant sources of Community financial assistance.

On November 26, 2001, the cause of regional co-operation for the protection of the Danube River and the Black Sea received a unique boost when the environment ministers of the region met with the European Commissioner for Environment to adopt a declaration on water protection in the wider Black Sea region and a commitment to restore the ecosystems and water quality of one of the most important water basins in Europe. In parallel, two major regional organisations for water protection, the International Commission for the Protection of the Black Sea and the International Commission for the Protection of the Danube River, signed a joint agreement to safeguard the Danube and the Black Sea from further deterioration.

The issues and concerns of this Symposium are at the heart of the EU's vision and action for the environment and for Enlargement, which will bring all the riparian countries to the mainstream of European Integration. We look forward to the moment when the Danube River becomes the River of Life aspired to by the Symposium.

Note

1 Other contributions to the Danube Commission's International Fund have been made by Bulgaria (€0.1m) , Canada (€0.0725m), Croatia (€0.025m), Germany (€1m), Hungary (€0.1m), The Netherlands (€0.453m), Austria (€0.726m), Romania (€0.2m), Russia (€0.1125m), Slovak Republic (€0.36m), Switzerland (€0.1645m), Ukraine (€0.228m).

The above paper is a revised and updated version of the speech presented to the Symposium in 1999. The views expressed here are strictly personal to the author.