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WINNING THE PEACE?

Some lessons from the EU's aid to South Eastern Europe, June 1999- June 2000

The experience of South Eastern Europe over the past year has provided evidence both of the EU's potential and of its limitations in external relations policy and practice.

Oxfam International welcomes the commitment the EU has shown recently to improving its institutions for crisis management and post-conflict reconstruction. However, one key area of weakness in EU policy and practice has not been addressed in the recent proposals for institutional and policy development. In its work in South Eastern Europe, the EU has failed consistently to develop links with local organisations below government level, and to include local actors in the process of policy making and implementation. This has seriously limited the effectiveness of EU assistance to promote stability, security and equitable economic growth in the region.

This paper examines the EU's work in South Eastern Europe since the end of the Kosovo war and the establishment of the Stability Pact in June 1999. It sets out why the EU's failure to form constructive partnerships with people in the region has limited the effectiveness of its aid. It then proposes specific recommendations for the EU's work in the region. We hope that the paper will provide a useful contribution to the development of EU institutions in future, leading to a more effective and efficient use of EU aid in South Eastern Europe and elsewhere in the world.

Introduction

Western European countries must put as much energy into securing long-term peace in South Eastern Europe as they put into waging the war last year. Their support is urgently needed to alleviate the damage inflicted by years of war, economic mismanagement and isolation, and by the NATO bombing campaign. The aims of Western policy in South Eastern Europe, loudly proclaimed in 1999, will not have been properly achieved until there is long-term stability in the region, and it is well on the way to being integrated into the mainstream of the European Union. For most of the 1990s, the European Union failed in its responsibility to support people suffering in

South Eastern Europe. To bear this responsibility now, it must implement its substantial aid programme more effectively than in the first twelve months since the Kosovo war, and, crucially, listen to and work with the people of the region.

The European Union has spent an estimated Euro 4.5 billion in South Eastern Europe over the past decade: a vast sum in comparison to its external relations assistance elsewhere in the world. Last year, it provided Euro 505 million to the region to cope with the Kosovo crisis. The EU has established a Stability Pact to co-ordinate international initiatives in South Eastern Europe and to promote inter-regional co-operation. It has taken on responsibility for economic policy making in the UN Interim Administration Mission in Kosovo (UNMIK),¹ and established a regional Agency for Reconstruction. The EU is also providing humanitarian assistance and programmes to promote political change in Serbia, and technical and budgetary support to the government of Montenegro.

Oxfam International welcomes the commitment the EU has shown recently to stabilising South Eastern Europe, provided that this does not result in reduced contributions to aid and development elsewhere in the world. However, EU resources currently being devoted to work in South Eastern Europe are not yielding results in many areas. The EU continues to be criticised for not doing enough to stabilise South Eastern Europe.

Recent EU policy statements suggest a growing recognition that this is born of the ineffectiveness of its own policy making and project implementation: internal problems, rather than lack of resources, have limited the effectiveness of its assistance. In a report presented to the Lisbon European Council in March, the High Representative for Foreign and Security Policy, Javier Solana, set out a series of proposals to improve the effectiveness of EU assistance to South Eastern Europe, including the streamlining of budget lines, the better co-ordination of EU institutions, and the creation of “rapid reaction” facilities for quicker disbursement of assistance.

Such measures are essential to maximise the positive impact of EU work on the lives of poor people in South Eastern Europe and elsewhere in the world. However, Oxfam International is concerned about one crucial area of weakness, evident from EU policy and practice in South Eastern Europe, which is not addressed adequately in the Lisbon report. This is the development of links with local organisations below government level, and the transfer of responsibility for policy making and implementation to local actors. The EU’s failure to include local people in policy development for the region has seriously limited the effectiveness of its assistance over the past year:

- In Kosovo, the UN administration, including Pillar IV, has failed to develop a comprehensive strategy for including qualified local people in policy making for the province. It has also been very slow to establish clear procedures for the hand-over of responsibilities to appropriate local actors. This wastes local capacity and expertise, delays the establishment of sustainable service provision, and constitutes an unnecessary drain on UNMIK and international NGO resources.
- During the critical post-war period, the EU failed to see the benefits of establishing partnerships with civil society organisations throughout Serbia. Instead, the EU delivered its most prominent assistance according to narrow political criteria. This compromised the principle of impartial

¹ The EU is responsible for economic reconstruction and development in UNMIK: Pillar IV of the administration. The other three Pillars that comprise UNMIK are humanitarian assistance (Pillar I, led by the UN High Commission for Refugees, which phases down its work in June 2000), civil administration (Pillar II, led by the UN), and democratisation and institution building (Pillar III, led by the Organisation for Security and Co-operation in Europe).

delivery of assistance, and excluded ninety per cent of Serbia's population from the EU's most visible programme of support.

- The Stability Pact has worked almost exclusively with governments. Through excluding most civil society organisations from Stability Pact work during its first year, the Stability Pact office has failed to take advantage of their specific areas of expertise and close links with communities and vulnerable individuals. The government-led nature of Stability Pact work has skewed economic reconstruction work towards large-scale infrastructure projects, at the expense of more immediate priorities of poverty reduction and small-scale economic initiatives to benefit the majority.

Amidst the diversity of post-conflict situations around the world, some lessons are universal. Strong partnerships between local people and international agencies are crucial to enable international policy makers to benefit from local expertise, and to ensure a sustainable transition from emergency assistance to functioning administration. At least in this respect, South Eastern Europe is no different.

In order to ensure that economic assistance reaches those that need it most, consultation and participation by people from the region in economic reconstruction measures must also reach beyond current political and economic elites. Poverty has fed instability and insecurity in the region over the past decade. The Stability Pact represents a major opportunity to give more people a stake in peace, through helping to create better conditions for economic growth with equity. However, to ensure that assistance reaches the right people, projects to alleviate poverty and promote sustainable incomes need careful design with participation by the communities involved.

The inclusion of local people in policy making and project design is not just necessary to improve the effectiveness of EU aid. The EU and other international organisations working in South Eastern Europe need to underpin all their work in the region with measures to entrench and expand the *right* of all people to participate fully in decisions that affect their lives.

Failure in this key area is not just a problem for the EU. United Nations operations throughout the 1990s also found it difficult to establish transparent, functioning relationships with local actors leading to a managed transfer of responsibilities. This is, however, a key moment for the EU to consider this question as it develops new institutions for foreign and security policy.

Oxfam International's main recommendations for EU policy change in South Eastern Europe are as follows:

- In Kosovo, the EU's economic policy making section in UNMIK (Pillar IV) should move rapidly towards establishing effective partnerships with qualified local people, through formalising their status in the administration of the province, using their expertise, and developing consistent policies for hand over to local control where possible.
- In Serbia, the EU should demonstrate its support to the population through providing technical and material assistance to a wide range of civil society organisations, particularly to those without an overtly political focus. The Commission's proposed "needs and means" assessment should co-ordinate its work closely with international NGOs already working in Serbia to identify potential civil society partners. Assistance to Serbian civil society should be extended rapidly throughout the country, not only to opposition-run areas.
- The Stability Pact office should take concrete steps to ensure genuine "regional ownership" of the process, by engaging with NGOs, facilitating links between civil society, local governments

and international donors, and developing mechanisms for civil society input into Stability Pact project design and strategy. It should place particular emphasis on seeking input from poor and marginalised people in project design for economic assistance to the region, to ensure that poverty reduction measures are at the centre of its work.

Oxfam International's main concerns and policy recommendations for the EU's work in South Eastern Europe are described in more detail below.

Kosovo

In Kosovo, the EU's stated aims are to prevent further crises, to initiate the process of economic reconstruction, and to involve Kosovans of all ethnic groups in administration of the province. Oxfam International is concerned that UNMIK has not so far developed a comprehensive strategy for including qualified local people in policy making for the province. UNMIK, including Pillar IV, has made very limited progress in handing over executive responsibilities to local people in key areas such as rubbish collection, urban water and sewage. This frustrates local people and wastes resources that are urgently needed elsewhere. In order effectively to pursue its three key objectives, the EU should work towards improving its relationship with local actors, through formalising their status in the administration, using their expertise, and developing policies for systematic hand over to local control where possible.

The personnel currently staffing Kosovo's municipal authorities have varying backgrounds and qualifications. Due to discrimination in the 1990s, few Kosovo Albanians have experience in senior management of public services. Some may also be post-war KLA appointees. However, many of the people currently staffing Kosovo's *de facto* civil service are skilled professionals: teachers, judges and doctors have returned to offices they held before the war, and have been working since their return to the province for small stipends or very low salaries. Rubbish collection, water and sanitation are being provided by municipal waste companies, staffed mainly by those who ran them before, and who now work with limited resources following looting and damage during the conflict. Experienced health professionals have returned to promote environmental health and limit the spread of communicable diseases, which is essential given the current strain on the medical system in Kosovo.²

At present these local service providers continue to be assisted by international NGOs, but international funding for such emergency aid is drying up. It is essential that these services are maintained at an adequate level.

For public service provision to continue over the coming year, UNMIK needs to ensure that staff remain in place, and that they are equipped with adequate resources. Many Kosovan staff may need additional training in management and technical skills, to enable them fully to take on responsibility for administration. However, UNMIK has not established a consistent approach to working with this *de facto* civil service, by formally appointing competent people, replacing inappropriate staff where necessary, and providing adequate budgets and training to local officials.

² According to recent WHO reports, overcrowding and the lack of basic components such as constant running water and a working sterilisation system have contributed to a soaring rate of infection in Kosovo's main hospital in Pristina. For example, the mortality rate in the paediatric neonatal ward has risen recently to 43% due to an epidemic of staphylococcus (Kosovo Health Talks 25, May 2000).

For this reason, many local people working in the public sector still have an ambiguous status: in practice they are granted responsibilities, but most are also excluded from policy making and have limited contact with UNMIK officials.

Failure to develop policies for official, province-wide hand-over to local people limits the effectiveness of the international community's assistance to Kosovo for the following reasons:

- **It wastes the expertise of local people**, many of whom have been working in government or in Kosovo's parallel structures of administration for many years. The very poor salaries and limited responsibilities granted to those that remain in local administrative positions means that many experienced people have already found jobs elsewhere.
- **It creates problems in ensuring continuity in policy making and implementation**, because responsibility for policy making at the municipal level remains with international UNMIK staff who generally stay for short periods of time. Problems created by the lack of continuity of international staffing at municipal level are compounded by the lack of overall policy guidance from the centre. Handing more responsibilities to local professionals and administrators would alleviate this problem.
- **It wastes the funds and personnel of international organisations and NGOs**. Managing the transfer of responsibility to local people for provision of services such as urban water and waste disposal would free up resources for areas in which international expertise is still needed. Conditions are still extremely difficult for people living in isolated rural areas, and many Serbs and other minority groups still have no access to basic services or any employment opportunities. Although funding for relief and development work for Kosovo is drying up, international expertise is still needed in many areas, in particular to ensure security and progress towards the reintegration of minority communities into Kosovo society.

UNMIK has already missed key opportunities to use local expertise. Professional epidemiologists from the Institute of Public Health have played a very limited role in the development of public and environmental health policy in Mitrovica. Instead, international staff, who have much less experience of local environmental health issues, have been granted responsibility for allocating resources in this area. Local expertise has also been overlooked in the field of education. To develop criteria for school reconstruction, UNMIK contracted a team of UNESCO consultants. However, neither the University of Architecture's department for community buildings nor the local teachers' union SBASHK was involved in the process. UNMIK officials subsequently had to revise the criteria completely, as inappropriate for Kosovo and unworkable given the resources available. Local experts have been frustrated by this process, which has been expensive and has delayed the reconstruction of the schools.

Recommendations

- **Immediate identification of key local actors:** In Kosovo, UNMIK should move rapidly towards the development and implementation of a strategy for identifying key local actors in the public sector and formalising relationships with them at the municipal level. UNMIK should ensure that adequate training, funding and regulation is provided, to ensure that qualified local people can take over responsibility for public service provision. UNMIK should identify existing local experts, and work to develop the skills of people with the potential to take over management of local structures, but who need further training. For example, the current managers of the water board in Skenderaj have engineering skills but limited

management experience. The establishment of a management training centre would facilitate the hand over of executive authority to local staff. In the long run, working with qualified local people is more sustainable, cheaper and will address province-wide needs more effectively than continued *ad hoc* policy making and implementation by international NGOs.

- **After immediate emergency assistance, the development of public policies should precede implementation of programmes.** EU member states should prioritise the resourcing of the EU's policy making instrument in Kosovo, Pillar IV. EU member states' desire for visibility in Kosovo over the past months has meant that often they have prioritised concrete infrastructure projects over less visible policy development work. The European Agency for Reconstruction, established to *implement* EU assistance, was operational before the *policy-making* department for reconstruction in Pillar IV was established. To ensure consistency, effectiveness and optimal distribution of resources, a public policy framework must now be established in all areas of Pillar IV work. The current lack of a clear, Kosovo-wide policy framework in key areas of public administration means that individual NGOs remain responsible for decisions which should be made by the centre: for example, how many hours water supply per day is acceptable for a small municipality. This has led to a less than optimal distribution of international resources in the province, with some areas well supplied while people in other areas still lack basic services such as running water and electricity for much of the time.
- **Appropriate international staff are needed to manage the transfer of authority to local actors.** Unless Pillar IV is staffed consistently by people experienced in running utilities and developing assistance packages, public policy development and hand-over to local staff risks further drift. Very slow EU staffing procedures meant that Pillar IV was understaffed during the key months following the end of the war. During this period, policy for reconstruction and public sector development should have been developed, for implementation as humanitarian assistance phases down this summer. 40% of foreseen posts in UNMIK are still currently unoccupied. Oxfam International welcomes the establishment of a database of staff for such operations in the Commission's new crisis management cell, and the CARDS regulation to speed up EU funding. In the immediate term, however, EU member states should take urgent steps to second qualified staff to Pillar IV, to manage the transfer to local actors.
- **EU member states should be prepared to ensure that funding is available for adequate public sector salaries while revenues from taxation remain low,** for teachers, health professionals and other service providers. Public salaries are very low and some local experts are still not being paid. Given current delays in economic reconstruction - which are partly due to staffing shortages in Pillar IV - Kosovo's revenues from taxation and utilities are likely to be limited this year. Health professionals are being asked to prepare for budget shortfalls, which may affect salaries. Public sector service provision is a major source of employment in all modern economies, and both service provision and employment are essential in ensuring stability for Kosovo. Salaries should not be viewed as less important than expenditure on repairing physical infrastructure.
- **The EU should also ensure funding to guarantee provision of essential services to vulnerable groups, particularly to minorities.** Half the active population of Kosovo is unemployed.³ It is very difficult for many people to obtain small amounts of credit to restart businesses, and a major EU-World Bank microfinance programme will not be functioning until

³ Kosovo Office of Statistics, IOM and UNFPA demographic and reproductive health survey, UN, New York, 26 April 2000

at least late summer 2000. Kosovo's economic recovery may not be strong enough to ensure that the majority of people can sustain themselves over the coming winter. In minority areas, most people have no access to jobs – many cannot leave their houses, and remain completely dependent on international assistance.

Serbia

The EU has two stated objectives in its policies towards Serbia: pressure against the regime, and support to the population. The Lisbon report conceded that the EU's policies have not yielded results so far.

Oxfam International welcomes the High Representative's interest in "repackaging" EU assistance to Serbia to focus on civil society, and supports the approach proposed by some member states to develop a multi-faceted approach to supporting the population. Support to some civil society organisations in Serbia, particularly to those without overtly political objectives, has much potential to provide visible support to a large proportion of the population without benefiting the regime. In developing its policies to work with civil society, the EU should consider working with Serbian humanitarian organisations, support groups for those most affected by economic decline, and a range of professional organisations in rural and urban areas. Projects to promote independent, small scale private sector development could also play an important role in supporting vulnerable groups in Serbia.

Oxfam International had serious concerns about the centre piece of EU policy in Serbia last winter, Energy for Democracy. Our concerns are as follows:

- 1. The Energy for Democracy programme compromised the principles of impartiality which Western-based humanitarian organisations – including ECHO – have tried to establish.** EU assistance throughout South Eastern Europe should be provided according to humanitarian and not political criteria. However, Energy for Democracy delivered what *looked like* humanitarian assistance on a basis of political alignment rather than need.
- 2. Distributing aid according to narrow political criteria limited the programme's potential to demonstrate the EU's support to the Serbian population.** By concentrating its most high profile assistance on a small number of opposition-run cities in Serbia, the EU has excluded around ninety per cent of the population from its most visible programme of support.^{4 5} The programme excludes many people who happen to live in non-opposition towns, but who do not necessarily associate themselves with the regime. Many of these people are suffering enormous economic difficulties as a consequence of war and sanctions. They are not aware of the EU's message of "support to the population", but clearly experience the negative impacts of Western involvement in their country.

⁴ Through the Energy for Democracy programme, fuel oil was delivered successfully to two cities last winter – Nis and Pirot – which have a combined population of 250,000. The programme was less successful in the other five target cities (with a combined population of 565,000): fuel needs were only partially met, and only from February 2000, due to difficulties in delivery and the fact that gas and wood are used by many people. The maximum number of possible beneficiaries of the programme is therefore around 765,000 – only ten per cent of the population of Serbia (excluding Kosovo).

⁵ The EU also delivers humanitarian assistance to vulnerable people, largely through the Yugoslav Red Cross.

The Commission is considering extension of the scheme over the summer (through “education for democracy”) to areas selected according to political criteria. This will also compromise the principle of impartiality of assistance, and risks alienating non-recipients in the same way.

A broader approach to work with civil society has the potential to send a more consistent positive message from the EU to many communities around the country: Oxfam International welcomes the EU’s decision to consider this in the coming months. For the EU, strengthening civil society in Serbia should involve making informed choices about the organisations it wishes to work with, clarifying the purposes of engagement, and ensuring that appropriate support is delivered. Technical assistance rather than financial support may have more positive impact in some areas. Our recommendations for EU work with civil society are given below.

Recommendations

- **The EU should extend assistance to non-political groups in Serbia.** This has much potential to promote two of the EU’s key objectives in Serbia: humanitarian assistance and visible support to the population. Local humanitarian organisations currently provide material assistance to Serbia’s massive caseload of long term refugees and those most affected by Serbia’s economic decline, including disabled people and the elderly. These groups have regular contact with individuals and communities most in need of assistance, and are better able than some larger organisations to ensure that aid reaches families hosting long term refugees or displaced people from Kosovo. Support to such groups can be extended throughout Serbia, and thus provide positive evidence of EU support to the population without benefiting the regime.
- **The EU should seek ways to promote principles of human rights and democratic participation without putting recipients of assistance at risk.** Training to help marginalised groups in Bosnia lobby local and national governments has helped to demonstrate how people can work with governments to address issues that concern them. This is important in a region in which there is little tradition of popular organisation and engagement with government. Encouraging people to engage with local government is of particular concern in Serbia, where many people remain disillusioned and disengaged from political debate. Groups formed to represent the interests of the most vulnerable also play an important role in promoting the concept of human rights, without tying such concepts immediately to political debate, which in Serbia risks provoking reprisal from the regime.
- **The EU should consider providing assistance to help vulnerable groups to generate incomes, in particular by fostering small scale private sector development.** Private sector development, independent of the current political and economic elite, should constitute an important force for change in Serbia. Providing small scale loans and grants helps the economically disadvantaged to generate their own incomes, freeing them from dependence on very low and frequently delayed social security payments from the state. Oxfam International in Serbia has been running an income generating project since 1996, which is expected to lead to a micro-finance project once appropriate conditions are created. Oxfam International also runs a Women’s Economic Empowerment Programme in Serbia, which improves the economic capacities of women from refugee, Roma and rural groups by providing training in business planning, marketing, financial management. The project has enhanced their economic potential and also strengthened their role within the community, giving them more independence.

- **The EU should investigate the potential of assisting a range of professional organisations in Serbia**, beyond the media, trades unions and student groups already suggested by the High Representative. Assistance to associations of farmers, for example, would send a positive message about the EU's objectives to a high proportion of people in Serbia's rural communities. In addition to creating links with municipal leaders through the town twinning scheme, the EU could also establish links between institutes for economic and agricultural planning.
- **The EU should be very careful not to associate political programmes in Serbia with non-political civil society partners.** Supporting civil society assistance programmes alongside political programmes risks associating civil society partners with certain political views, thus compromising and endangering their work. Broadening the focus of EU assistance to Serbia, to encompass a wide range of organisations throughout the country, would reduce the risk of civil society partners being clearly associated with political groupings.

Stability Pact

The Stability Pact was established a year ago to help co-ordinate international and regional initiatives to promote security and prosperity in South Eastern Europe. The Pact states that “lasting peace and stability in South Eastern Europe will become possible only when democratic principles and values... have taken root throughout.” Towards this end, signatories of the Pact pledged to co-operate towards bringing about mature democratic political processes, including the deepening and strengthening of civil society in the region. So far, however, few people beyond senior government level have been included in the Stability Pact process. This is limiting the effectiveness of Stability Pact projects in all three areas of its work: democratisation and human rights, economic reconstruction, and security.

Regional ownership of the Stability Pact process is crucial to its success. To ensure implementation and direction of Pact projects, the Stability Pact office should include more people from the region, through work with civil society organisations, local government and professional groups. This is crucial for the following reasons:

1. **People in the region have a right to participate in decisions that affect their lives.** The Stability Pact should encourage regional governments to strengthen structures of participation and decision making from the local to the regional level, to increase people's say in their future. By failing to establish effective measures to inform people in Stability Pact countries about the Pact's work, and by excluding most regional civil society organisations from participating in Stability Pact mechanisms, the EU has already sent a damaging message to regional governments about the importance of consultation with their constituents. The Stability Pact office should take rapid and concrete steps to include more people from the region in Pact projects and policy making.
2. **Strong links and channels of communication between citizens, local and national governments and international donors are essential to ensure government accountability and responsiveness.** Civil society organisations already play an important role in monitoring government policy and practice, and set an example to other groups and people about the capacity to influence government policy. For example, Oxfam International works with associations of disabled people in Bosnia, to help them lobby for the right of access to schools, polling stations and other public buildings. This work produces practical outcomes for disabled

people, but also helps to promote the concept of the rights of all individuals – not only disabled people but also minorities and other marginalised people – to education and a political voice. The OSCE Mission in Bosnia has also established “community facilitators” to improve links between citizens and government at the local level. Such initiatives have much potential to encourage more general engagement with government that is so essential for functioning democracy.

3. **Civil society organisations working in the region have distinctive areas of expertise that are not shared by governmental organisations.** Many NGOs, both national and international, have accumulated considerable knowledge and experience which places them in a good position to identify and reflect the needs of a wide range of people in the region, particularly the most vulnerable.

- NGOs are experienced in working with individuals to address the root causes of trafficking, violence against minorities, small arms ownership and crime. One example of this is Oxfam International’s support to a network of local NGOs, which work to promote awareness of the dangers of small arms ownership throughout Albania. Community based work to alleviate social and economic causes of insecurity and violence should complement and be closely linked to provisions such as better policing and border controls.
- NGOs provide a forum for discussion and a way to promote links between communities across national boundaries and beyond the narrow focus of party politics. Oxfam International’s programme in support of the networking of women’s organisations currently provides a forum for regional action to promote the rights of especially marginalised women, including disabled, Roma and rural women and combat the violence against women.

1. **Engagement with local people is essential to ensure that Stability Pact economic assistance benefits the most vulnerable, and results in economic growth with equity in the region.** Poverty has fed instability and insecurity in this region over the past decade. The Stability Pact represents a major opportunity to give more people a stake in peace, through providing opportunities for employment and through creating conditions for small scale business growth. However, to ensure that assistance is effective and reaches the right people, projects to alleviate poverty and promote sustainable incomes need careful design with participation by the communities involved.

There are many examples of community-based work to alleviate poverty in the region. Oxfam International works in northern Albania, assisting people in remote villages to make more money from selling herbs and other agricultural products. The project has been successful in raising incomes, and has helped villagers to install electricity. In another project, Oxfam International works in Gorazde, Bosnia to assist particularly vulnerable groups to start small workshops or other business activities. Assistance is provided through a local NGO partner, which lends on favourable terms to returnees, long term refugees, single women and disabled people. Such projects need careful tailoring to fit local needs, if they are to succeed in raising incomes among the most vulnerable and reducing the very high levels of unemployment and poverty that currently destabilise South Eastern Europe.

Recommendations⁶

The Thessaloniki Stability Pact meeting for NGOs, to be held on 6 June, is a welcome first step towards including civil society organisations in the Stability Pact process. Oxfam International hopes that future Stability Pact work will permit a wider representation of civil society organisations in all Stability Pact projects.

- As a follow up to the Thessaloniki meeting, the **Stability Pact office should work with existing civil society networks to organise meetings in each of the Stability Pact countries.** A senior representative from the Stability Pact office should visit each country to brief local and international NGOs working in a range of fields, professional organisations and, where appropriate, local government representatives about how the Stability Pact works. They should explain what the process has achieved so far, and what people in the region can expect to gain from the Pact over the next twelve months. The meetings should also address how civil society organisations can best contribute to the process from now on, in ensuring government implementation of commitments made under the Pact and in guiding future work. Formal links with civil society partners could be improved with the appointment of a co-ordination officer at the Stability Pact Office in Brussels, and the establishment of official contact points in each Stability Pact country, possibly through existing NGO networks.
- **The Stability Pact should place particular emphasis on seeking input from poor and marginalised people in project design for economic assistance to the region, to ensure that poverty reduction measures are central to its work.** Building links between those who most need assistance and international donors, through work with INGOs, community groups and local governments, is crucial to ensure stability and equitable economic growth in the region. Many international NGOs have experience in providing microfinance, community insurance schemes and training to particularly vulnerable individuals in the region. Under the Stability Pact, the European Bank for Reconstruction and Development has been tasked with establishing microcredit schemes, but so far it has been reluctant to work with NGOs in this area. The Stability Pact can add value to international initiatives in the region by helping to develop links between international donors and those in most need of economic assistance.

CONCLUSION

Without participation in decision making and policy development, people in South Eastern Europe will not have a sense of owning or even of belonging to the process of reconstruction in the region. Ensuring better measures for participation is intrinsically important: people have a right to a say over the decisions that affect their lives. Participation by more people in the reconstruction of the region is also essential to improve policy making, and to promote democratic accountability and poverty reduction.

As part of the development of common foreign and security instruments, the EU should learn from its recent experiences in South Eastern Europe to draw up a clear policy framework and processes to inform and consult local people throughout its external relations work. Through its institutions for external relations and development, the EU has enormous potential to provide protection, relief

⁶ Oxfam International is grateful to collaborative work with ICVA, World Vision, CEE Bankwatch and others for contributing joint work on these recommendations to the Stability Pact.

and development assistance, in South Eastern Europe and elsewhere in the world. Oxfam International hopes that the recommendations made in this paper help to contribute to stronger, more effective EU institutions, and to a safer future for the people of South Eastern Europe.

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