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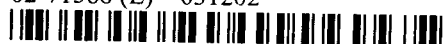
Macroeconomic policy questions

Letter dated 25 November 2002 from the Permanent Representative of the former Yugoslav Republic of Macedonia to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the text of the final document of the meeting of the Heads of Government of the States members of the Central European Initiative, adopted at Skopje, Republic of Macedonia, on 15 November 2002.

I would appreciate it if you would have the present letter and its annex circulated as a document of the General Assembly, under agenda items 22, 60 and 84, and of the Security Council.

(Signed) Srgjan Kerim
Ambassador
Permanent Representative



**Annex to the letter dated 25 November 2002 from the
Permanent Representative of the former Yugoslav Republic
of Macedonia to the United Nations addressed to the
Secretary-General**

**Meeting of the Heads of Government of the
Member States of the Central European Initiative**

Skopje, 15 November 2002

Final Document

1. The Heads of Government of the Member States of the Central European Initiative (CEI) held their annual Summit meeting in Skopje on 15 November 2002. The meeting was chaired by H.E. Mr. Branko Crvenkovski Prime Minister of Macedonia, holding the CEI Presidency for the current year.

2. The meeting was attended by the Heads of Government or their representatives of Albania, Austria, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Italy, Macedonia, Moldova, Poland, Romania, Slovakia, Slovenia, Ukraine and the Federal Republic of Yugoslavia.

Representatives of the European Union, the European Commission, the Organisation for Security and Co-operation in Europe (OSCE), the Council of Europe, the United Nations Economic Commission for Europe (UNECE), the United Nations Food and Agriculture Organisation (FAO), the Organisation for Economic Co-operation and Development (OECD), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Stability Pact for South Eastern Europe, the Adriatic-Ionian Initiative (AII), the Organisation of Black Sea Economic Co-operation (BSEC), the Southeast European Co-operation Process (SEECF) and the Southeast European Co-operative Initiative (SECI) attended the meeting in their capacity of special guests.

The meeting was also attended by the representatives of the CEI Parliamentary Assembly and of the Central European Chambers of Commerce Initiative (CECCI).

The Head of the CEI - Executive Secretariat (CEI-ES) and the Head of the Secretariat for CEI Projects (CEI-PS) also participated in the meeting.

3. The Heads of Government reaffirmed the importance of their annual Summit meeting, which has led over the thirteen years of existence of the Central European Initiative to the strengthening of the links among the governments and the societies of its Member States, proving as well the validity of the CEI strategy of cohesion and solidarity.

4. The Heads of Government affirmed the great significance of holding their meeting and the Summit Economic Forum in Macedonia in view of promoting the international visibility and the economic prospects of the country.

The Situation in the Region

5. The Heads of Government welcomed the progress achieved in the region in establishing stable democratic institutions as demonstrated by the recent elections which were conducted in a number of CEI Member States in an atmosphere of mutual respect and in conformity with the international standards. They have successfully withstood the challenges implied in changes of governments and thus given proof of democratic maturity and willingness to solve their divisive issues within a rules-based system.
6. They noted with satisfaction that several governments of the region have launched reform programmes based on EU standards.
7. The Heads of Government exhorted the Member States to continue on their course of determined response to the still existing challenges, such as the weakness of the rule of law, the danger of a resurgence of ethnic strife and the problems of social exclusion exacerbated by poverty and unemployment. They confirmed the need for all CEI Member States to fully comply with all OSCE standards and commitments.
8. The Heads of Government were convinced that the forthcoming NATO Summit meeting in Prague would adopt decisions to further strengthen security and stability in Europe and maintain NATO's open-door policy. They welcomed initiatives aimed at enhanced co-operation between the North Atlantic Treaty Organisation and those CEI Member States which are not members of the Alliance.
9. The Heads of Government emphasised the importance of co-operation between CEI Member States in combating international terrorism, organised crime, illegal trafficking in arms, narcotic drugs and human beings as well as illegal immigration.
10. The Heads of Government welcomed the relevant Conclusions of the European Council of 25 October, declaring ten candidates of the EU among which the following CEI Member States: Czech Republic, Hungary, Poland, Slovenia and Slovakia, to be able to fulfil all membership criteria and ready for accession at the beginning of 2004.
11. They also took note of the intention of the EU to review the pre-accession strategy and roadmap for Bulgaria and Romania, to bring it into line with the newest developments, providing a clearer perspective for the completion of negotiations and accession by 2007.
12. In this context, the Stabilisation and Association Process (SAP) of the EU was thought to have made valuable contributions to the overall stability of the region. This provides a perspective for bringing these countries closer to EU structures, including full-fledged EU membership. The recent decision of the EU's General Affairs Council to open up negotiations with Albania concerning the signing of a SAP Agreement was considered an important additional step in the same direction.
13. The Heads of Government expressed their firm conviction that the process of enlargement would continue and lead to the creation of a united Europe, providing further impetus also to regional initiatives and co-operation in the continent.

14. The Heads of Government welcomed the EU's policy on a "wider Europe" as a means of promoting democratic and economic reforms aimed at creating stability and prosperity at and beyond the borders of the Union. They supported the view of the EU Commission that "the enlarged EU will need to look beyond its own borders to develop a new neighbourhood policy for the benefit of all". They also considered it important to closely monitor the implications of enlargement on the political, social, economic and human dimensions, in order to avoid the emergence of new dividing lines in Europe. In this context, they stressed the importance for the CEI of providing assistance to Member States not involved in the EU enlargement process at this stage.

15. They expressed their conviction that, in the framework of the priority given to the EU enlargement by the candidate countries, it is important to enhance cohesion among CEI Member States by working towards closer co-operation in the political and economic fields. They believed that regional cohesion needed to be safeguarded and enhanced by removing obstacles to trade and investment among CEI Member States, by improving the inadequate infrastructure, specifically in the transport sector, and by making the optimum use of the existing instruments of regional integration, including the CEI.

16. The Heads of Government were encouraged by the resilience shown by the economies of transition countries in the face of an unfavourable external environment. Growth for the region as a whole remained high and last year's performance was the second best since the transition began. Foreign investment kept its pace as investors felt more confident about the extent of risk, particularly in those countries with improved prospects of accession to the EU.

17. They welcomed the level of economic co-operation achieved in the CEFTA framework and strongly supported interested CEI Member States in joining CEFTA.

18. They took note with appreciation of the announcement by Italy to set up Secretariats for Pan-European Corridors V and VIII, thus improving the conditions for a rapid implementation.

CEI High Level Events

19. The Heads of Government welcomed the results of the Meeting of High Representatives on Information and Media (Belgrade, 23 May), the Conference of CEI Ministers of Culture (Skopje, 27 June) and the Conference of CEI Ministers of Agriculture (Trieste, 20 September). These high-level and ministerial meetings held during the year provide guidance to the work of the Initiative and the mobilisation of resources in those fields.

20. They recalled that economic development is a crucial element of regional co-operation and supported the CEI involvement in this respect. They drew the attention to the Meeting of CEI Ministers of Economy in Skopje on 15 November which was to discuss the issues of trade, investment and financing of SMEs in the CEI region in the light of EU enlargement.

21. They further welcomed the success of the fifth CEI Summit Economic Forum, organised this year in Skopje which adds to the economic dimension of the CEI and its November Summit. They noted with satisfaction the wide participation of all sectors of economic activity, and the private sector in particular, from many countries in the world interested in the development of the CEI region.

22. They took note of the Final Declaration of the annual meeting of the Presidents of the Chambers of Commerce of the Central European Chambers of Commerce Initiative (CECCI) held in Skopje within the SEF on 13 November 2002.

23. The Heads of Government welcomed the organisation of the second CEI Youth Forum which represented an additional dimension of the co-operation in the region. They took note with appreciation of the Final Declaration of the Youth Forum focusing on questions of education, training as well as unemployment and job creation for young people.

24. They welcomed the strengthened co-operation of Parliaments of CEI Member States and took note of the Final Document issued by the CEI Parliamentary Assembly in Skopje on 8 November 2002.

CEI Co-operation

25. The Heads of Government expressed their support for the harmonisation of the agendas and calendars of events of regional actors. They encouraged the continuation of the process started this year in view of maximising the effects of co-operation of regional initiatives active in Central and South-Eastern Europe.

26. They noted with appreciation the continued co-operation with the OECD, which has led to the organisation of the OECD-LEED-CEI Conference on East-West Clusters in Transition Economies, held in Trieste at the end of October.

27. They also took note with satisfaction of the results achieved in the activities carried out in co-operation with UNECE and in particular for the CEI agriculture wholesale markets project and the CEI micro-finance project in Albania.

28. The Heads of Government recognised the leading role of the EBRD for investment in the CEI region and for the work of the Secretariat for CEI Projects operating in conjunction with the EBRD.

CEI Operational Activities

29. The Heads of Government expressed their appreciation for the use of the CEI Trust Fund at the EBRD established by Italy ten years ago with deposits totalling 27 million Euro and used for initiatives in such key sectors as infrastructure, transport, agriculture, SMEs, micro-financing, energy and privatisation (Annex 1).

30. The Heads of Government commended the utilisation of the CEI Co-operation Fund, which has become operative this year. The complete list of projects co-financed through the CEI Co-operation Fund is attached here-to as Annex 2.

31. The Heads of Government reiterated the importance of the CEI Solidarity Fund in allowing experts of member countries in special need to take part in the activities of the organisation.

32. They welcomed the continuous strengthening of the CEI - Executive Secretariat as headquarters of the Initiative and its increased efforts in hosting CEI

meeting and events. In this context they encouraged CEI structures to streamline their meetings and pay full attention to the follow-up of decisions taken.

33. They encouraged the competent CEI structures to develop networks suitable of broadening the reach and scope of the Initiative in the scientific, academic and cultural fields.

34. The Heads of Government noted with satisfaction that the programme of co-operation in geodesy succeeded in fully implementing the first phase of the so-called CERGOP project (Central Europe Regional Geodynamics Project). They took note of the intention to move on to phase two of this project and to simultaneously embark on the unification of gravity systems in Central and Eastern Europe as a realisation of the UNIGRACE project.

35. They also welcomed the launching of a monthly CEI Newsletter and encouraged the CEI-ES to continue in this effort of promoting to the wider extent possible the activities and the visibility of the organisation.

36. They took note of the "CEI Plan of Action 2002-2003 Mid-Term Implementation Report" prepared by the CEI - Executive Secretariat for this CEI Summit, which provides a comprehensive overview of the wide range of activities of the Initiative and its various structures.

Amendments to the CEI Guidelines and Rules of Procedure

37. The Heads of Government adopted a number of amendments to the CEI Guidelines and Rules of Procedure to bring them into line with recent developments and thus better reflect the actual functioning of the organisation. These modifications mainly deal with the Meeting of CEI Ministers of Foreign Affairs, co-operation with the Parliamentary Dimension and the Central European Chambers of Commerce Initiative as well as the meeting of Political Directors of the CEI Ministries of Foreign Affairs. They also introduce the position of the CEI-ES Deputy Directors General who in fact have been seconded to the Secretariat by Member States for a number of years already. The amended version of the Guidelines adopted by this Summit meeting is attached here-to as Annex 3.

38. The Heads of Government expressed their gratitude to the Government of the Republic of Macedonia for the excellent organisation of their Meeting as well as the CEI Summit Economic Forum and the CEI Youth Forum in Skopje.

39. They also extended their best wishes to the incoming Polish Presidency and were looking forward to the continued CEI co-operation under Polish chairmanship.