Mr. Chairman,

Overall, the development of the economies of South-Eastern Europe gives reason for optimism. The region is on the right track and will further increase its economic weight with an annual GDP growth rate of 5% in the mid term.

The EU accession perspective set out at the Thessaloniki EU-summit in 2003 and reaffirmed during the Austrian EU Presidency in 2006 is the most effective incentive toward progress with the respective domestic reform process. Consequently South-Eastern Europe was a special focus of the policy during the Austrian EU Presidency and we are glad that it had been possible to open substantial accession negotiations with Croatia during the Austrian Presidency.

Mr. Chairman,

the Belgrade Ministerial Declaration notes the achievements in South-Eastern European Countries and encourages the efforts which still have to be undertaken with regard to the environmental sector in this region. We agree that efforts towards efficient implementation of environmental legislation, capacity building at national and local levels, cross-sectoral and broad stakeholder cooperation and increase in environmental investments are essential.

Austrian support to the UNECE region is still largely focused on South-Eastern Europe. Technical Cooperation with South Eastern European countries is seen as an integral and important component of Austrian Foreign Policy. We are focussing our
cooperation on supporting the EU perspective and the process of EU integration of the South European countries. One of the crucial challenges the countries of the region are currently facing is the alignment of their national legislation, plans and strategies to the requirements of the EU Acquis communautaire. This is especially true for the area of environment where a large number of EU legislation and Directives has to be transposed into national legislation.

Austrian support is taking these developments into account and is increasingly focussing on supporting the ministries directly through capacity building and technical assistance. In Macedonia for instance the Austrian Government supports the Ministry of Environment in drafting the National Environmental Investment Strategy, one of the central documents when it comes to defining and prioritizing national environmental investment needs.

Under the umbrella of the cooperation with the Regional Partnership and UNEP, the initiative "Bridging the Gap" on identifying South Eastern European capacity building needs with regard to the implementation of Multilateral Environmental Agreements was launched. In the ongoing second phase, the priorities identified jointly at a 2006 workshop in Vienna are currently implemented in Montenegro.

Environmental problems are increasing all over the region due to various reasons. In close cooperation with local partners but also with international organisations like the Regional Environment Centre in Szentendre, or the UNEP office in Vienna, Austria supports regional environmental programmes.

On a local level the focus is laid on municipalities and local environmental service providers as well as civil society organisations. Interventions with regard to the establishment, maintenance and modernisation of infrastructure facilities are usually supported by capacity building programmes. Projects aiming at promoting the efficient, environmentally sound use of natural resources and raising people's awareness of environmental issues are being promoted.

[Investitionen in Südosteuropa]

Moreover it is clear that there is no sustainable development and prosperity in the Western Balkans without foreign investments in the region. So the issue - bringing
investments to the region - is highly relevant to the challenges facing the region today. In this context, the newly enlarged and amended Central European Free Trade Agreement (CEFTA 2006) that has entered into force in July will create even more attractive conditions for foreign trade and investments in the Western Balkans.

As an investor, Austria will continue to play a pivotal role in the region. The prospects for further co-operation, trade and investment are good and in some cases improving. As the South Eastern European region will continue to exhibit dynamic growth with increased political and economic stability, Austria, as a significant economic and political partner, will be well placed to contribute to the emergence of this region.

Although South Eastern Europe has made great progress in economic transformation and democratization, there is still a long way to go. However, the important thing to remember is not to lose sight of the goal. Countries are on the right path. Serious efforts from within the country and the professional commitment give cause for hope regarding swift progress. It is this European perspective which has proved to be the driving force behind the process of democratic reform. Supporting this process of reform and firming up and substantiating the European perspective for the South-Eastern European region will be a priority of Austria's Policy also in the future.