



Organization for Security and Co-operation in Europe

MAASTRICHT

2003

Eleventh Meeting of the Ministerial Council 1 and 2 December 2003

**OSCE Strategy to Address Threats to Security and Stability
in the Twenty-First Century**

**OSCE Strategy Document
for the Economic and Environmental Dimension**

Statement on South-Eastern Europe as a Region of Co-operation

Decisions of the Ministerial Council

Chairperson's Perception Statement

Reports to the Maastricht Ministerial Council Meeting

Maastricht 2003

MC.DOC/1/03
2 December 2003

ENGLISH

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**I. OSCE STRATEGY TO ADDRESS
THREATS TO SECURITY AND STABILITY
IN THE TWENTY-FIRST CENTURY**

OSCE STRATEGY TO ADDRESS THREATS TO SECURITY AND STABILITY IN THE TWENTY-FIRST CENTURY

1. The evolving security environment in the early twenty-first century creates new challenges for all, including for the OSCE. The OSCE will meet such challenges on the basis of important strengths, namely its broad membership, from North America to Europe and parts of Asia, and its multidimensional concept of common, comprehensive, co-operative and indivisible security. The Organization remains committed to a free, democratic and more integrated OSCE area without dividing lines.

2. Respect for and compliance with international law and the principles of the Charter of the United Nations remain central to efforts to prevent and combat threats to stability and security. The United Nations Security Council bears primary responsibility for the maintenance of international peace and security and continues to play a crucial role in contributing to security and stability in the OSCE region. Compliance with OSCE norms, principles and commitments, from the Helsinki Final Act onwards, is an integral part of this framework. This Strategy aims to contribute to a more cohesive and effective international system for responding to global threats and challenges.

Threats to security and stability in the twenty-first century

3. The OSCE was instrumental in paving the way for security and stability across the OSCE region towards the end of the twentieth century, and has contributed to important democratic transformation in the OSCE area. Co-operation has now replaced previous confrontation. Threats to security and stability in the OSCE region are today more likely to arise as negative, destabilizing consequences of developments that cut across the politico-military, economic and environmental and human dimensions, than from any major armed conflict. At the same time, unresolved conflicts still exist in the OSCE area that continue to be of deep concern. The search for negotiated solutions to these must remain an urgent matter.

4. Respect for human rights and fundamental freedoms, democracy and the rule of law is at the core of the OSCE's comprehensive concept of security. Strong democratic institutions and the rule of law play an important role in preventing threats from arising. Weak governance, and a failure by States to secure adequate and functioning democratic institutions that can promote stability, may in themselves constitute a breeding ground for a range of threats. Equally, systematic violations of human rights and fundamental freedoms, including the rights of persons belonging to national minorities, can give rise to a wide range of potential threats.

5. Socio-economic and environmental factors may affect security and stability as well. Globalization, liberalization and technological change offer new opportunities for trade, growth and development, but have not benefited all participating States equally, thus contributing in some cases to deepening economic disparities between as well as within States. The outcome of globalization depends on policy choices adopted by governments and international institutions and on the responses of the private sector and civil society. Environmental degradation is also of growing concern. Demographic factors and widespread degradation of health are other potential challenges to security.

6. Lack of openness and transparency in politico-military matters can have serious negative consequences. Failure to comply in a full and timely manner with existing arms control, disarmament, non-proliferation and confidence- and security-building agreements and instruments may further affect common security significantly.

7. Threats may also arise from the actions of terrorists and other criminal groups. Terrorist acts in recent years have fully borne out the growing challenge of such threats and the priority that must be given to preventing and combating them. Furthermore, threats often do not arise from within a single State, but are transnational in character. They affect the security of all States in the OSCE area and the stability of our societies. At the same time, the OSCE region is increasingly exposed to threats originating outside it, and developments within our own region may similarly have consequences for adjacent areas.

8. Against this background, it is clear that the OSCE's comprehensive approach to security, covering the politico-military, economic and environmental and human dimensions retains its full validity and should be maintained and further strengthened. Our analysis of the pattern of threats has highlighted a range of issues within this framework on which we need to focus particular attention as part of our efforts to reinforce our response.

9. Threats emerging from **inter-State and intra-State conflicts** remain the broadest category of threat to participating States and to individuals. Such conflicts, wherever they take place, may also pose a risk to neighbouring areas and may give rise to instability and other types of threats, such as terrorism, proliferation of weapons of mass destruction, excessive and destabilizing accumulation and uncontrolled spread of small arms and light weapons (SALW), human rights violations, mass expulsion, deterioration of the socio-economic situation, and illegal migration. Non-compliance with international law and with OSCE norms and principles, as well as a range of factors within the politico-military, economic and environmental and human dimensions lie behind the immediate causes of violent conflict.

10. **Terrorism** is one of the most important causes of instability in the current security environment. It seeks to undermine the very values that unite the participating States in the OSCE area. Terrorism will remain a key challenge to peace and stability and to State power, particularly through its ability to use asymmetric methods to bypass traditional security and defence systems. There is no justification for terrorism whatsoever. At the same time, terrorism requires a global approach, addressing its manifestations as well as the social, economic and political context in which it occurs.

11. Globalization and technological advances have increased the scope and extent of the threat that **organized crime** constitutes. Moreover, organized crime often runs parallel with terrorism, regarding both actors and methods. Smuggling of migrants and trafficking in human beings, illicit traffic in narcotic drugs, in small arms and light weapons as well as in sensitive materials and technologies, are other criminal activities that may pose a threat to stability and security, both inside and outside the OSCE area. Open borders and free movement of persons and goods are beneficial to international co-operation, but also present growing challenges, including illegal migration.

12. Practices related to **discrimination and intolerance** both threaten the security of individuals and may give rise to wider-scale conflict and violence. They can have their root in issues such as ethnic and religious tensions, aggressive nationalism, chauvinism and

xenophobia, and may also stem from racism, anti-Semitism and violent extremism, as well as lack of respect for the rights of persons belonging to national minorities.

13. The mobility of migrant populations and the emergence of societies with many coexisting cultures in all parts of the OSCE region present growing opportunities as well as challenges. Failure to integrate societies and failure also by everyone who resides in them to respect the rights of all can undermine stability.

14. Deepening economic and social disparities, lack of rule of law, weak governance in public and corporate spheres, corruption, widespread poverty and high unemployment are among the **economic** factors, which threaten stability and security. They can provide a breeding ground for other major threats. **Environmental** degradation, unsustainable use of natural resources, mismanagement of wastes and pollution affect ecological systems and have a substantial negative impact on the health, welfare, stability and security of States. Ecological disasters may also have such effects. Problems of governance connected to these factors have a direct undermining effect and at the same time reduce the capacity to ensure sustainable economic and social development as well as to effectively address economic and environmental challenges and threats to security and stability.

15. Many of the **threats of a politico-military nature**, including those addressed by existing OSCE documents, such as destabilizing accumulations of conventional weaponry, illicit transfers of arms, and the proliferation of weapons of mass destruction, remain of great concern to the OSCE participating States. Among the threats that have either changed in nature or impact or are new altogether, armed threats posed by terrorists and other criminal groups require particular attention. Equally, attention should be given to potential challenges stemming from the changing character of armed conflicts.

16. In a changing security environment, threats are evolving, and not all threats will be foreseeable. The OSCE framework for permanent political dialogue, and in particular the Annual Security Review Conference (ASRC), will help to identify, analyse and react to new threats as they emerge.

The OSCE response

17. The OSCE response will be multidimensional and will not occur in a vacuum. The Organization will build on its unique strengths, expertise and capabilities and provide an effective framework for co-operation with other international actors in order to address threats in a co-ordinated and complementary way, which avoids duplication and maintains focus. The Charter for European Security and its Platform for Co-operative Security was adopted in Istanbul in 1999 in order to strengthen security and stability in the region and improve operational capabilities in a transformation of the OSCE to meet unprecedented challenges. It remains fully valid.

18. The prime responsibility for providing security for their citizens lies with individual participating States. The participating States are accountable to their citizens and responsible to each other for implementation of their OSCE commitments. The OSCE stands ready to offer assistance and advice as well as to foster co-operation between participating States towards this end. Co-operation between participating States in the spirit of solidarity, partnership and transparency is basic to security in the OSCE area and should reflect mutual interest and respect. Each participating State has an equal right to security.

19. The OSCE is a forum for political and security dialogue, for setting consensually based, politically binding norms and principles and for promoting their implementation. The Permanent Council and the Forum for Security Co-operation, within its competencies and mandate, are central to this role. It will be further strengthened and the process of political consultation and transparency within the Organization enhanced. The dialogue and the norms and standards that underpin it are directed towards preventing threats from arising. They also encourage the development of democratic institutions and of inclusive societies, able to deal more effectively and co-operatively with emerging threats.

20. The OSCE will continue to be an active player across its region, using its institutions — the Office for Democratic Institutions and Human Rights (ODIHR), the High Commissioner on National Minorities (HCNM), and the Representative on Freedom of the Media (RFM) — its field operations and its Secretariat to the full. They are important instruments in assisting all participating States to implement their commitments, including respect for human rights, democracy and the rule of law. In all relevant activities, possibilities for strengthening co-operation with the Parliamentary Assembly, and through it, national parliaments will be actively pursued.

21. Recognizing the significant contributions of the institutions and field operations in putting into practice the goals and principles of the Organization, the OSCE is considering ways of further improving the functioning and effectiveness of field operations and developing new tools if necessary.

22. The overall capacity of OSCE to identify, analyse and take co-ordinated action in response to threats needs to be further consolidated. More attention should be paid to the early warning functions in the Secretariat, institutions and field operations, and follow-up to early warning should be strengthened. Special mechanisms for early warning and peaceful settlement of conflicts as well as the tool of rapid expert assistance and co-operation teams, REACT, continue to be at the disposal of the OSCE. The early warning and conflict prevention activities of the OSCE Parliamentary Assembly represent a valuable contribution to these efforts.

23. As threats originating or evolving in adjacent regions are of increasing importance, the OSCE will intensify its co-operation with its Mediterranean and Asian Partners for Co-operation, by early identification of areas of common interest and concern and possibilities for further co-ordinated action. We will encourage them to voluntarily implement the principles and commitments of the OSCE and will co-operate with them in this as appropriate. As a first step towards increased dialogue, we will invite all our Partners for Co-operation to participate on a more frequent basis as observers in Permanent Council and Forum for Security Co-operation meetings. The OSCE will also consider ways in which OSCE norms, principles, commitments and values could be shared with other regions, in particular neighbouring areas. Contacts with organizations in those areas will be further developed.

Addressing inter-State and intra-State conflicts

24. As a regional arrangement under Chapter VIII of the Charter of the United Nations, the OSCE is a key instrument for early warning, conflict prevention, crisis management and post-conflict rehabilitation in its region. Security and peace must be enhanced through an

approach which combines two elements: building confidence among people within States and strengthening co-operation between States.

25. The OSCE has proven its ability to react quickly to emerging conflicts through its extensive set of instruments, set out in the Charter for European Security and other OSCE documents and decisions. They range from all forms of political consultations to special representatives, expert and fact-finding missions and field operations. At the same time, increasing confidence and security through the OSCE's politico-military instruments remains a permanent aim of the Organization. The OSCE Court of Conciliation and Arbitration is one of the instruments for resolving disagreements peacefully. We will seek to raise awareness of the services that the Court can provide.

26. The OSCE promotes negotiated solutions to conflicts and will redouble its efforts to further such solutions based on norms and principles of international law and agreed OSCE documents. On a case-by-case basis and to help maintain peace and stability, the OSCE can decide to play, on the basis of existing documents, a role in peacekeeping, which constitutes an important operational element of the overall capability of the Organization.

27. Conflict prevention and post-conflict rehabilitation involve substantial efforts by the Organization in close co-operation with participating States in order to promote and assist in building democratic institutions and the rule of law, *inter alia*, by supporting capacity building and helping to strengthen authorities at all levels and parliamentary structures, independent judiciaries and free civil societies and media.

Addressing terrorism and threats arising from other criminal activities

Terrorism

28. UN conventions and protocols as well as UN Security Council resolutions constitute the global legal framework for combating terrorism. In support of this, the OSCE has through decisions in 2001 and 2002 established a structure for comprehensive action by participating States and the Organization to address, as a main priority, the threat of terrorism, its manifestations and conditions that may foster and sustain it. An operational part of this framework is the Action against Terrorism Unit in the OSCE Secretariat.

29. OSCE counter-terrorism activities focus, *inter alia*, on border security and management, policing, the combating of trafficking and suppression of terrorist financing. Special attention will be given to capacity building and other assistance in the sphere of counter-terrorism. The important challenge of implementing effective measures against terrorism in full accordance with the rule of law and international law, including human rights law, is also addressed. Such measures include denying safe havens to terrorists and eliminating conditions in which terrorists may recruit and gain support. They also aim at preventing terrorists from increasing their capabilities, including by preventing terrorists from gaining access to SALW and other conventional weapons as well as WMD and associated technologies. Close interaction with other relevant international organizations and bodies, in particular the UN Security Council Counter-Terrorism Committee (UN CTC) and the UN Office on Drugs and Crimes (UNODC), is sought through joint meetings, contacts at all levels and specific programmes and projects.

30. The OSCE has also decided to establish a Counter-Terrorism Network to promote the strengthening of co-ordination of counter-terrorism measures and information sharing between OSCE participating States and to support and supplement the work of the UN CTC in implementing Security Council resolution 1373.

Threats arising from other criminal activities

31. The OSCE will step up its work to combat organized crime. Regular meetings of police experts from OSCE participating States and representatives of other relevant specialized international and regional organizations would constitute an important contribution in this respect. In particular, the OSCE will further increase its attention to the growing threat of trafficking. An OSCE Action Plan on Trafficking in Human Beings has been adopted. The OSCE Document on SALW remains a key instrument for combating trafficking in and proliferation of SALW in all its aspects. Its implementation will be further strengthened. The OSCE will continue the collaborative efforts already underway with the UNODC to address the issue of illicit traffic in narcotic drugs. An effective and comprehensive international approach to dealing with this issue needs to be developed.

32. The Strategic Police Matters Unit was set up to improve the capacity of participating States to address threats posed by criminal activity and to assist them in upholding the rule of law. The aim is to enhance key policing skills, including respect for human rights and fundamental freedoms. The OSCE will, at the request of participating States, increase its focus on assistance to authorities, including at the local level, on fighting crime and criminal networks and will define and develop core competencies for police activities such as training and capacity-building activities.

33. The OSCE will intensify its efforts to address such issues as smuggling of migrants and illegal migration.

34. A comprehensive and multidisciplinary approach is required to effectively prevent and combat corruption in all its forms. The OSCE, in close co-ordination with the UNODC and other relevant international organizations and financial institutions, will contribute to reducing corruption across the OSCE region.

35. Threats of terrorism and organized crime are often interlinked, and synergetic approaches to deal with them will be further explored. Cross-border movement of persons, resources and weapons as well as trafficking for the purpose of financing and providing logistic support play an increasing role for terrorist activities. The OSCE is committed to addressing these problems and to strengthening its capacities to promote open and secure borders, *inter alia*, through the elaboration of an OSCE Border Security and Management Concept in order to enhance capacity building and mutually beneficial inter-State co-operation.

Addressing threats related to discrimination and intolerance

36. Discrimination and intolerance are among the factors that can provoke conflicts, which undermine security and stability. Based on its human dimension commitments, the OSCE strives to promote conditions throughout its region in which all can fully enjoy their human rights and fundamental freedoms under the protection of effective democratic institutions, due judicial process and the rule of law. This includes secure environments and

institutions for peaceful debate and expression of interests by all individuals and groups of society. Civil society has an important role to play in this regard, and the OSCE will continue to support and help strengthen civil society organizations.

37. The participating States, the OSCE bodies and institutions, the Secretariat and many OSCE field operations are engaged in activities directed against threats related to discrimination and intolerance, including those deriving from religious and ethnic tensions combined with violent extremism. They also perform a significant early warning function. The annual Human Dimension Implementation Meeting and other events within the human dimension provide opportunities to discuss threats related to discrimination and intolerance and to make recommendations on possible actions to address these threats. While fully respecting freedom of expression, the OSCE will strive to combat hate crime which can be fuelled by racist, xenophobic and anti-Semitic propaganda on the Internet.

38. The participating States and OSCE bodies and institutions are committed to stepping up their efforts to counter threats arising from discrimination and intolerance. Harmonious relations between ethnic, religious, linguistic and other groups and the rights of persons belonging to national minorities will be actively promoted, as will equal opportunities for women and men. Violence, intolerance, extremism and discrimination against these groups, including migrant workers, asylum seekers and other immigrants, must be counteracted and persons responsible for such actions held accountable. At the same time, the respect of persons belonging to such groups for the rule of law, democratic values and individual freedoms is essential.

39. In this context, the OSCE recognizes the particular difficulties faced by Roma and Sinti and the need to undertake effective measures in order to eradicate discrimination against them and to achieve equality of opportunity, consistent with OSCE commitments. Therefore, the OSCE has adopted an Action Plan on Improving the Situation of Roma and Sinti within the OSCE Area.

40. The OSCE's efforts will in particular be targeted at the younger generation in order to build up their understanding of the need for tolerance and the importance of reconciliation and peaceful coexistence. Their outlook and perspective on the future are key. Where appropriate, the OSCE will therefore take on a stronger role in the field of education. An area such as human rights education would deserve particular attention.

41. Full use will be made of ODIHR's monitoring capacity, and operational co-operation with other monitoring bodies in such areas as data collection, information sharing and joint analysis will be promoted in order to have the fullest picture of developments. This will enable the OSCE to efficiently target work towards areas of highest priority.

Addressing threats related to the economy and the environment

42. The OSCE's response to economic and environmental challenges and threats to security is laid down in a new Strategy Document for the Economic and Environmental Dimension. It encourages further development of co-operation among participating States in various areas, action and policies aimed at strengthening good governance at all levels, ensuring sustainable development in all its aspects, and protecting the environment. In its response, the OSCE will take fully into account the activities of other international organizations and institutions, in

accordance with the Platform for Co-operative Security, with a view to adding value and seeking synergies.

43. To help carry out these tasks, the role of the OSCE will be strengthened by enhancing the dialogue among participating States on economic and environmental issues. The OSCE will also improve the process of review of implementation of commitments and strengthen its capacity both to provide advice and assistance and to mobilize and facilitate deployment of expertise and resources of other international organizations.

Addressing specific threats of a politico-military nature

44. The OSCE has played an important facilitating role in ensuring that threats arising from continued concentration of significant military forces and military capabilities in Europe have been reduced to low levels. Existing OSCE documents and instruments adopted within the politico-military dimension reflect a strategic security environment, which has evolved considerably. Their relevance and validity for addressing and managing longer-standing and traditional inter-State threats, including military factors and fighting power that remain significant for the strategic security environment of today and tomorrow, are not diminished. The importance of these instruments for conflict prevention and confidence building is clear. Their implementation by the participating States continues to be essential.

45. The OSCE area, however, also faces a number of threats in the politico-military dimension that are either new or have changed in nature or impact. This requires a double-track response in line with paragraph 28 of the Charter for European Security, notably that full implementation, timely adaptation and, when required, further development of arms control agreements and CSBMs are key contributions to our political and military stability. The effectiveness of existing documents will be improved and enhanced where needed, and additional or new tools will be developed where this proves necessary.

46. The OSCE has played an active role in issues of non-proliferation, export and transfer control. There is room for enhancement as far as illicit conventional arms transfers and transfers of small arms and light weapons are concerned, building on, *inter alia*, the OSCE Document on SALW. The Forum for Security Co-operation (FSC) has begun to develop a structured dialogue on non-proliferation. Together with a voluntary exchange of information on national initiatives to prevent proliferation of weapons of mass destruction, this could constitute a valuable contribution to general transparency and security.

47. The OSCE is using all the tools at its disposal to address proliferation of man-portable air defence systems (MANPADS), including those provided for in the OSCE Document on SALW. As a first step, the FSC is promoting the application of effective and comprehensive export controls in respect of MANPADS, as well as encouraging States to seek assistance in destroying excess MANPADS and ensuring the security and integrity of national stockpiles to guard against theft or illicit transfer.

48. Eliminating security risks from arms and material stockpiles within the OSCE area is another challenge at hand. The OSCE is engaged in addressing the risks arising from surplus stockpiles of conventional ammunition and explosives. This goes hand in hand with projects to eliminate or better manage small arms inventories. OSCE field operations, if tasked, may play a co-ordinating role in such projects to ensure the most effective use of resources.

49. The Conventional Armed Forces in Europe Treaty (CFE) regime continues to make a significant contribution to security and stability as a cornerstone of the European security architecture. The Treaty on Open Skies is another important legal instrument that greatly contributes to openness and transparency.

50. There may, however, be areas that are not yet dealt with properly by the wider security regime of arms control and CSBMs and where there is room for additional multilateral measures and steps to adequately address threats.

51. One way of dealing with threats from outside the OSCE region is to seek possibilities for expanding the relevant principles, norms and measures contained in a number of OSCE politico-military documents to adjacent regions. The OSCE is particularly interested in encouraging its Partners for Co-operation and its Mediterranean Partners for Co-operation to take part in a number of existing information exchanges and other endeavours in the framework of the OSCE confidence- and security-building measures. Mutual early warning exchanges will be encouraged.

Co-operation with other international organizations and institutions

52. No single State or organization can, on its own, meet the challenges facing us today. Co-ordination of the efforts of all relevant organizations is therefore essential. The OSCE's interaction with other organizations and institutions is based on the Platform for Co-operative Security. In it, participating States have pledged themselves to seek to develop political and operational coherence among all the bodies dealing with security, both in responding to specific threats and in formulating responses to new threats and challenges. In an evolving security situation, more needs to be done to attain that basic goal, drawing upon the strengths and advantages of each organization.

53. Our co-operation with other organizations and institutions currently encompasses political dialogue, co-ordination, and structured co-operation on thematic or regional issues across the OSCE region, based on common values and objectives. It is important to intensify interaction at both the political and the working levels. Co-operation and co-ordination on practical matters and projects should be strengthened, both at headquarters and in the field. Contacts between envoys and special representatives should be encouraged, as should the development of shared strategies and joint fact-finding.

54. The OSCE seeks to expand its relations with all organizations and institutions that are concerned with the promotion of comprehensive security within the OSCE area, and has established regular patterns of consultation at both the technical and the political levels with a number of them, *inter alia*, the UN, EU, NATO and the Council of Europe. The OSCE needs to remain flexible in order to be able to co-operate with different organizations as their capabilities and focus may change over time, with developments in perceptions of threat and organizational capacities.

55. As a regional arrangement under Chapter VIII of the United Nations Charter, the OSCE is a forum for co-operation with sub-regional organizations in its area. It will continue to organize information-sharing and co-ordination meetings on specific topics with these organizations and institutions. Practical measures aimed at sharing relevant OSCE experience with other regional organizations should also continue. The OSCE will be ready to consider supporting initiatives and plans elaborated in other forums to improve co-operation in

combating threats, as it has done in giving support to the implementation of UN conventions against terrorism.

56. The OSCE has developed strong substantive interaction with non-governmental organizations whose contributions to the overall efforts of the Organization remain significant. This interaction should be further strengthened.

57. Such co-operation on issues across the whole spectrum of threats covered by the Strategy should be enhanced. More effort should be devoted to enhancing the functioning of the Platform for Co-operative Security in order to meet common threats more effectively and efficiently. To accomplish this, it will be proposed to establish a new ad-hoc consultative mechanism, in consultation with other international organizations and institutions, as part of the overall effort to jointly analyse and cope with threats. The OSCE offers this tool as a flexible framework for consultation by initiating contacts with relevant organizations and institutions as a specific threat arises or intensifies. More regular information-sharing meetings with interested organizations and institutions and the establishment of contact points would be other ways of further intensifying co-operation.

Conclusion

58. In this Strategy, we have identified a number of threats to our common security and stability. We have given strategic directions to our activities aimed at preventing and combating these threats. The Permanent Council and the Forum for Security Co-operation together with the institutions, field operations and Secretariat are tasked to contribute to the implementation of and follow-up to the Strategy within their competencies and mandates. An efficient and effective response will require a cohesive and co-ordinated approach by all OSCE bodies and institutions. The Chairmanship-in-Office will be responsible on behalf of the Ministerial Council and the Permanent Council for the co-ordination of, and consultations on, the implementation of the Strategy. The ASRC will provide a regular opportunity to review the Strategy and its implementation and to identify and analyse threats and challenges as they emerge. Equally, it will be an occasion to initiate development of additional OSCE response measures and of the Strategy itself as necessary. Our response also needs to be integrated with those of other organizations and institutions. We will focus on areas and issues where the OSCE can make a real difference. We seek the contribution of a strengthened OSCE to meet the threats and challenges facing the whole OSCE area, and to improve human security, thereby making a difference in the life of the individual — the aim of all our efforts.

II. OSCE STRATEGY DOCUMENT FOR THE ECONOMIC AND ENVIRONMENTAL DIMENSION

OSCE STRATEGY DOCUMENT FOR THE ECONOMIC AND ENVIRONMENTAL DIMENSION

The OSCE Ministerial Council,

Reaffirming the substantive importance of the economic and environmental dimension (EED) in the OSCE concept of comprehensive security and co-operation and its role in early warning, conflict prevention, crisis management and post-conflict rehabilitation,

Recalling the principles of the 1975 Helsinki Final Act related to co-operation in the field of economics, science and technology and the environment,

Recognizing the significance of the Concluding Document of the CSCE Conference on Economic Co-operation in Europe (Bonn 1990) in establishing a set of key commitments in the economic and environmental areas, and reaffirming these commitments, together with commitments in other OSCE documents and decisions concerning co-operation and action in these fields, in particular, the Charter for European Security adopted at the 1999 OSCE Istanbul Summit,

Taking as a basis Decision No. 5 of the Tenth Meeting of the OSCE Ministerial Council in Porto calling for the development of a new OSCE Strategy document in the economic and environmental dimension,

Taking account of the major changes and developments in the economic and environmental situation in the OSCE area during the last decade, which have led not only to progress and achievements, but also to the emergence of new threats and challenges of an economic and environmental nature,

Underlining the resolve of the participating States to respond to these economic and environmental threats and challenges by developing a strategy with clear priorities which makes full use of the OSCE's capabilities and comparative advantages,

Convinced that more effective co-operation by all the OSCE participating States on an equitable, mutually beneficial and non-discriminatory basis to counteract threats and challenges caused by economic and environmental factors, can make a crucial contribution to security, stability, democracy and prosperity in the OSCE region,

Reiterating the determination of all the participating States to further strengthen our co-operation for this purpose with other international and regional institutions and organizations, *inter alia*, the United Nations Economic Commission for Europe (UNECE), in accordance with the Platform for Co-operative Security,

Has come to the following conclusions:

1. Challenges and threats in the economic and environmental dimension

1.1 During the last decade, many of our countries made considerable progress towards achieving our common objectives set out in the 1990 Bonn Document, such as sustainable economic growth and development, rising standards of living, an improved quality of life, efficient use of economic resources and protection of the environment. These aims remain pertinent for the years ahead.

1.2 Our common commitment to market economy principles contributed to enhanced performance and improved efficiency in our economies. The process of transition and reform in a number of countries, sometimes painful and difficult, led to more stable conditions for development. It also fostered economic co-operation and integration among our countries.

1.3 But these important achievements were sometimes uneven and were accompanied by the emergence of disturbing new trends and economic and environmental threats to security and stability.

1.4 Globalization, liberalization and technological change offer new opportunities for trade, growth and development, but have not benefited all the participating States equally, thus contributing, in some cases, to deepening economic disparities between and also within our countries. In the context of the growing openness of national economies and their greater exposure to external economic shocks and financial turbulence, this raises the challenge of managing globalization so that the benefits are available to all and contribute to our common security.

1.5 Notwithstanding the progress achieved in advancing the market economy in the OSCE area, some participating States still need assistance for transition, reforms and integration into the world economy in a fair and effective manner.

1.6 Deepening economic and social disparities, lack of the rule of law, weak governance, corruption, widespread poverty and high unemployment are among the factors that contribute to global threats such as terrorism, violent extremism, transnational organized crime, and also to illegal economic activities, including money-laundering, trafficking of all kinds, and illegal migration. Inter-State and intra-State conflicts, in their turn, impede regional economic co-operation and development and undermine the security, *inter alia*, of communications and energy transport routes.

1.7 Our concerns over the environment have increased during recent years. Environmental degradation, unsustainable use of natural resources and mismanagement in the processing and disposal of wastes have a substantial impact on the health, welfare, stability and security of our countries and can upset ecological systems. These factors, together with problems of access to resources and negative external effects of pollution, can cause tensions between countries. Ecological disasters resulting from natural causes, economic activities or terrorist acts may also pose a serious threat to stability and security.

1.8 Problems of governance, such as ineffective institutions and a weak civil society, lack of transparency and accountability in the public and private sectors, deficient economic and environmental legislation and inadequate implementation of economic and environmental laws, rules and regulations, absence of national and individual security and inadequate

treatment of vulnerable groups, poor public management and unsustainable use of natural resources, corruption and lack of respect for business ethics and corporate governance, deprive participating States of the capacity to ensure sustainable economic, social and environmental development and to address economic and environmental challenges and threats to security and stability effectively, and need to be addressed in all their aspects. Good governance on the international as well as the national level is crucial for well-being, security and stability in the OSCE region.

1.9 The outcome of globalization depends on the policy choices adopted by our governments and international institutions and on the responses of the private sector and civil society. Good governance, including policies enabling the private sector to grow, efficient markets and a coherent international framework are essential to ensure that the benefits of economic growth and globalization are maximized and fairly distributed, as well as to the achievement of successful transition.

2. Our response and action

Our common response to economic and environmental challenges and threats to security will include further development of co-operation among the participating States in various areas, action and policies aiming at strengthening good governance at all levels, ensuring sustainable development in all its aspects and protecting the environment. In its response, the OSCE will take fully into account the activities of other international organizations and institutions, in accordance with the Platform for Co-operative Security, with a view to adding value and seeking synergies.

2.1 Through co-operation to enhanced development, security and stability

- 2.1.1 Economic co-operation remains an essential element of the OSCE. We believe that increased co-operation among the participating States can make a substantial contribution to tackling emerging economic and environmental challenges and threats to security. Co-operation among the participating States and the international and regional institutions and organizations to which they belong is an essential way to enhance security and stability and to prevent possible conflicts in the OSCE region. Promoting economic and environmental co-operation within the OSCE area is necessary to avoid new divisions and to narrow disparities between and within our countries and to achieve sustainable results.
- 2.1.2 Our co-operation should be based on solidarity, transparency, equal and non-discriminatory partnership, mutual accountability and full respect for the interests of all the OSCE participating States. If action in the economic field has a negative impact on other participating States, we will seek to minimize this, in line with our international obligations.
- 2.1.3 We will continue to co-operate closely with each other and with the relevant regional and international institutions and organizations through the exchange of information, statistical data, expertise, know-how and best practices, the promotion of information and business networks, the conclusion of agreements and arrangements, the implementation of agreed policies of standardization and harmonization, technical

assistance and advice and the promotion of public and private joint projects and programmes in appropriate areas.

- 2.1.4 In particular, we will endeavour to enhance public and private co-operation in fields such as trade, transport, energy, environmental protection, communication, finance, investment, education, science and technology, and to promote the development of business co-operation across the OSCE region.

Integration into the global economy

- 2.1.5 Successful integration of our countries into the global economy is a precondition for benefiting fully from globalization and trade liberalization. We will assist each other to increase the integration of our economies into the international economic and financial system, above all through early accession to the World Trade Organization (WTO). We will strive to develop co-operation among our governments and with financial institutions and other organizations having the necessary expertise and resources to provide participating States with the technical assistance they need to achieve these objectives.

Regional integration

- 2.1.6 Regional and subregional integration processes and agreements can give an important impulse to trade and economic development in the OSCE region and the OSCE participating States.
- 2.1.7 We will pursue opportunities for regional and subregional economic integration and co-operation, which will be mutually beneficial. We agree to strengthen our co-operation with a view to assisting the participating States to identify and follow up such opportunities.
- 2.1.8 In order to ensure that integration processes are harmonized and complementary, we will seek to ensure that they take due account of the economic interests of other participating States and do not contribute to the creation of new divisions. For this purpose, we will encourage direct dialogue among interested participating States. The establishment of common economic spaces could contribute to these processes. Regional and subregional trade arrangements should be compatible with WTO rules and obligations.

Trade and access to markets

- 2.1.9 International trade and investment are vital factors for accelerating economic growth and promoting economic development. The establishment in the OSCE region of open and integrated markets functioning on the basis of compatible or harmonized rules and further liberalization could bring significant economic and other benefits to all the OSCE participating States. Such markets could further enhance economic co-operation and integration within the OSCE region.
- 2.1.10 We are also convinced of the benefits for the participating States of measures to facilitate market access including reduction of customs tariffs and barriers to entry, gradual elimination of existing non-tariff barriers, harmonization of laws in the sphere

of customs regulations and foreign trade, harmonization or equivalence of standards and simplification of access to financial resources, including loans and investments. We will look for ways to make progress on these issues in the appropriate fora.

Finance

2.1.11 We are committed to a strong international framework for the prevention and resolution of financial crisis, and support the activities of the International Monetary Fund (IMF) to enhance its surveillance. Underlining the need for financial stability, we commit ourselves to promote and apply high quality accounting standards. We will continue to develop, implement and enforce financial legislation and regulations on combating money laundering and corruption and criminalizing the financing of terrorism.

Energy

2.1.12 We recognize that a high level of energy security requires a predictable, reliable, economically acceptable, commercially sound and environmentally friendly energy supply, which can be achieved by means of long-term contracts in appropriate cases. We will encourage energy dialogue and efforts to diversify energy supply, ensure the safety of energy routes, and make more efficient use of energy resources. We will also support further development and use of new and renewable sources of energy.

Investment in industry and infrastructure

2.1.13 We recognize that foreign and domestic investment, including investment in industry, as well as in energy, transport and communications infrastructure, is a necessary condition for sustainable and environmentally sound economic growth, increased employment, higher living standards and reduced levels of poverty, and hence for stability and security throughout the OSCE region. We will step up exchange of information and experience on the best means of attracting investment, in particular foreign direct investment (FDI), and removing the obstacles to it.

Transport

2.1.14 We encourage the development of transport networks in the OSCE region which are efficient and integrated, free of avoidable safety and security risks and sensitive to the environment. In this regard, we will give a high priority to the uninterrupted operation of the existing transport corridors and to construction of new ones, where this can be economically justified.

2.2 Strengthening good governance

2.2.1 Good public and corporate governance and strong institutions are essential foundations for a sound economy, which can attract investments, and thereby enable States to reduce poverty and inequality, to increase social integration and opportunities for all and to protect the environment. Good governance at all levels contributes to prosperity, stability and security. Peace, good international relations, the security and stability of the State and the security and safety of the individual within the State, based on the rule of law and respect for human rights, are crucial for

the creation of the climate of confidence which is essential to ensure positive economic and social development.

- 2.2.2 Good governance is of critical importance for all the participating States, and we are agreed to work on a national basis, with the support of relevant international institutions, to strengthen good governance in all its aspects and to develop methods of co-operation to assist each other in achieving it.
- 2.2.3 Achieving good governance requires a comprehensive and long-term strategic approach, so that successes in one area are not undermined by weaknesses in others. We will co-operate in the development of our strategies for good governance and will share experience regarding best practices.

Promoting transparency and combating corruption

- 2.2.4 Transparency in public affairs is an essential condition for the accountability of States and for the active participation of civil society in economic processes. Transparency increases the predictability of, and confidence in an economy that is functioning on the basis of adequate legislation and with full respect for the rule of law. Free and pluralistic media which enjoy maximum editorial independence from political and financial pressure have an important role to play in ensuring such transparency.
- 2.2.5 We will make our governments more transparent by further developing processes and institutions for providing timely information, including reliable statistics, about issues of public interest in the economic and environmental fields to the media, the business community, civil society and citizens, with a view to promoting a well-informed and responsive dialogue. This is essential for decision-making which is responsive to changing conditions and to the needs and wishes of the population.
- 2.2.6. Transparency is also important for the exposure and prosecution of all forms of corruption, which undermines our economies and our societies. In addition to transparency, the fight against corruption requires the adoption by the participating States of a comprehensive and long-term anti-corruption strategy.
- 2.2.7 We agree to make the elimination of all forms of corruption a priority. We will consider accession to, encourage ratification of, and support full implementation of, international conventions and other instruments in the field of combating corruption, in particular those developed by the Council of Europe and the Organisation for Economic Co-operation and Development (OECD). We welcome the adoption of the UN Convention against corruption and look forward to its early signature, ratification and entry into force.

Improving the management of public resources

- 2.2.8 Another component of good governance is the effective management of public resources by strong and well-functioning institutions, a professional and effective civil service and sound budgetary processes. Good management of public resources, including revenue collection, budget formation and execution and public procurement, is particularly important in order to provide the best possible public and social

services. We will seek to provide a solid financial basis for our public administration systems and to further strengthen their effectiveness and efficiency at all levels.

Developing a business-friendly environment and promoting small and medium-sized enterprise(s) (SME)

2.2.9 Good governance implies the creation of a framework of economic policies, institutions and legislation, in which business can thrive and the confidence of investors can grow. This involves the adoption and enforcement of business-friendly legislation, which promotes and protects private ownership, lays down clear rules and regulations for economic activities and streamlines procedures and formalities. We are determined to establish clear legal and institutional frameworks conducive to the development of business, including SMEs, and to the promotion of investment.

Improving the practice of corporate governance

2.2.10 Good corporate governance, based on efficient management; proper auditing and accountability; and adherence to and respect for laws, rules and regulations, business ethics and codes of conduct established in close consultation with business, is essential for the functioning of a healthy economy. As has frequently been demonstrated, serious problems can arise from a breakdown of corporate governance, which can lead to crises in the interrelated economies of participating States.

2.2.11 We will endeavour to maintain good corporate governance on the basis of a close dialogue with corporate business and civil society, *inter alia*, through chambers of commerce, business associations and other fora. We encourage participating States to adopt, on a voluntary basis, appropriate principles such as the OECD Principles of Corporate Governance and the OECD Guidelines for Multinational Enterprises, and to promote the UN Global Compact Initiative. We will also encourage the business community to take into account in its activities the social, environmental, humanitarian and security needs of participating States.

Human capital development

2.2.12 Human resources are an essential factor for economic growth and development, which require knowledge and skills, *inter alia*, in economic, business, administrative, legal and scientific matters. We will take appropriate measures to promote education and training and will increase co-operation, including with specialized international institutions and organizations, in areas such as facilitating and widening access to educational, research and training institutions through increased fellowships and internship programmes.

Social conditions

2.2.13 Good governance and sustainable development imply policies and systems that promote social partnership and cohesion. We will work for improved access for all to basic social benefits, such as affordable health services, pensions and education, and for adequate levels of protection of socially vulnerable groups, and the prevention of social exclusion.

2.2.14 We are determined to take measures to improve social conditions, including by identifying and targeting vulnerable groups in society, providing adequate and effective safety nets, strengthening health services, increasing employment opportunities and implementing rehabilitation programmes.

2.3 Ensuring sustainable development

2.3.1 The OSCE is committed to the achievement of sustainable development, which aims at economic growth and poverty reduction and takes fully into account the impact of human activities on the environment. We support the global action foreseen in the Rio Declaration on Environment and Development, Agenda 21, the Monterrey Consensus, and the internationally agreed development goals, including those in the UN Millennium Declaration, and the Plan of Implementation adopted at the 2002 Johannesburg World Summit on Sustainable Development.

2.3.2 For this purpose, and in order to ensure economic and social development and environmental protection, we will pursue our action and co-operation, as appropriate, through:

- (a) Promotion of co-ordinated approaches to institutional frameworks for sustainable development, including, as appropriate, through the strengthening of authorities and mechanisms necessary for policy-making and the enforcement of laws;
- (b) Formulating and elaborating national strategies/programmes of sustainable development which involve business and civil society, and beginning to implement them by 2005;
- (c) Promoting public participation in sustainable development policy formulation and implementation;
- (d) Enhancing the role of local authorities and stakeholders in implementing Agenda 21 and the outcomes of the Johannesburg World Summit;
- (e) Increasing efficiency in the use of natural resources and preventing the deterioration of the environmental habitat; and
- (f) Providing conditions and mechanisms for mobilizing internal and external resources for development, and ensuring adequate social conditions.

2.3.3 We support the efforts of the participating States to implement policies of poverty reduction and sustainable development, including the national poverty reduction programmes in countries with economies in transition. We will encourage the provision of the necessary advice and assistance by international organizations and institutions having the relevant expertise and resources.

2.4 Protecting the environment

2.4.1 We are agreed that the protection of the environment is a high priority for all our States. In the light of the growing impact of environmental factors on the prosperity,

stability and security of our States and the health of our populations, we encourage dialogue and the exchange of information, *inter alia*, on best practices, on a voluntary basis, on environmental issues of importance for participating States, including on environmentally sound technology.

- 2.4.2 We will strengthen our co-operation to address jointly key environmental issues such as pollution, particularly when it has external effects, and the unsustainable use of natural resources, with a view to preventing ecological risks and their irreversible effects on environment and health. Strong national environmental legislation and institutions are essential for the promotion of sound and sustainable management of the environment and natural resources.
- 2.4.3 We will regularly assess the state of our environment, building on the work already done by international organizations in the UN system such as UNECE, UNEP, UNDP, WMO and FAO. In this regard, we support further development of the UNEP-UNDP-OSCE Environment and Security Initiative. We also support closer co-operation with the Environment for Europe process, building on the outcome of the Fifth Ministerial Conference, held in Kiev in 2003.
- 2.4.4 We will share and disseminate this information on the state of our environment, on a voluntary basis, among all the participating States so that all parties which are or might be affected by environmental degradation are fully informed about the current situation and potential dangers. Environmental threats, including risks of natural and manmade disasters, should be identified in a timely fashion and tackled by the common efforts of the participating States.
- 2.4.5 We will encourage States to consider the ratification of existing international environmental legal instruments, including the relevant UN conventions, and will support the full implementation of these instruments by States that are parties to them. Participating States that have ratified the Kyoto Protocol strongly urge participating States that have not already done so to ratify it in a timely manner.
- 2.4.6 We will promote training on the environment and security for national, regional and local administrations, as well as for the business community, and will promote capacity-building and research programmes for a sound environment and the management of natural resources, when appropriate.

3. Enhancing the role of the OSCE

The role of the OSCE in promoting the fulfilment of our objectives in the economic and environmental dimension can be further enhanced by:

- Enhancing the dialogue among participating States on economic and environmental issues through the better use of the OSCE Economic Forum, the OSCE Permanent Council and its Economic and Environmental Subcommittee;
- Improving the process of review of the implementation of commitments;

- Strengthening the OSCE's capacity to provide advice and assistance to all the participating States on the implementation of commitments, *inter alia*, by implementing appropriate programmes and projects in areas where it can add value, and has or can obtain cost effectively the expertise and resources required;
- Strengthening the OSCE's capacity to effectively mobilize and facilitate deployment of the expertise and resources of other international organizations.

3.1 Enhancing the dialogue

- 3.1.1 The Economic Forum remains the major annual event of, and provides the annual focus for activities in, the OSCE economic and environmental dimension. It should be made more effective by ensuring a better targeting of its theme(s) on issues of major concern, an improved preparatory process and an effective procedure for ensuring follow-up of its deliberations.
- 3.1.2 The Economic and Environmental Subcommittee of the Permanent Council provides an important instrument for ongoing dialogue on EED issues and for the preparation and follow-up of the Economic Forum. We will make additional efforts to bring economic and environmental issues more regularly to the agenda of the OSCE, *inter alia*, to Permanent Council meetings on the basis of the recommendations made by the Economic and Environmental Subcommittee in accordance with its mandate. The Office of the Co-ordinator of OSCE Economic and Environmental Activities will provide working support for these discussions.
- 3.1.3 For the purpose of enhancing the dialogue among the participating States on key EED issues, the Office of the Co-ordinator of OSCE Economic and Environmental Activities will identify fields where the OSCE can add value to the promotion of economic and environmental co-operation. As a contribution to OSCE early-warning and conflict-prevention activities, it will also, as appropriate, catalogue and monitor economic and environmental challenges and threats to security and stability in the OSCE region, in collaboration with relevant international organizations. The Office will prepare reports on economic and environmental issues and submit these reports and proposals through the Economic and Environmental Subcommittee to the Permanent Council for further discussion, decisions and actions. In carrying out these activities, it will co-ordinate with relevant organizations and institutions in order to develop synergies and avoid duplication.

3.2 Improving the review of implementation of commitments

- 3.2.1 We recognize the importance of reviewing in a consistent manner the implementation of OSCE commitments and assessing specific threats to security in the economic and environmental dimension. To this end, we will strengthen the annual review of implementation of the OSCE commitments in the economic and environmental dimension.
- 3.2.2 We expect that UN Economic Commission for Europe will continue to play a supportive role in the review of OSCE commitments in the economic and environmental dimension. We request the Secretary General to conclude an arrangement with the UNECE to provide a basis for future monitoring and review of

the economic and environmental situation in the OSCE area, after submitting his proposal to the Economic and Environmental Subcommittee for prior consideration. Input may also be solicited from other international organizations.

- 3.2.3 In addition to providing annual assessments for the Economic Forum, the UNECE may report, when appropriate, on the results of its monitoring in accordance with the arrangement to be agreed. It will be invited to take part in the discussions in the Economic and Environmental Subcommittee, which will follow up the review of implementation of commitments at the Economic Forum, as well as in discussion of other UNECE reports.
- 3.2.4 We task the OCEEA to continue co-operation with the UNECE and other partner organizations on developing early-warning mechanisms and indicators for the assessment of implementation of commitments, and to present a report on the progress achieved to the Economic and Environmental Subcommittee by the end of 2004.
- 3.2.5 The annual review at the Economic Forum will include both a general review of implementation of commitments *vis-à-vis* key EED documents and a focused review with regard to a relevant selected topic. Monitoring and reviewing should take place through discussions among participating States, taking into account the views of all the relevant players, including business, academia and civil society. The review process should cover the follow-up to previous fora.
- 3.2.6 The contribution to the review process, on the above basis, of academia, the business community and civil society should be enhanced, with the assistance of business organizations, including business advisory councils, business chambers and networks of NGOs, with the objective of:
- Monitoring and evaluating the implementation of legislation and policies in relation to OSCE commitments;
 - Raising awareness of obstacles to economic growth, including barriers to market entry and to trade and investment, and of the need for greater transparency to foster sustainable economic development;
 - Identifying opportunities and monitoring the effectiveness of OSCE programmes and projects designed to meet local and national needs and to support the implementation of OSCE commitments.

3.3 Strengthening the capacity for advice and assistance

- 3.3.1 Programmes and projects are important means for the OSCE to assist the participating States to implement their commitments and to prevent and address economic and environmental threats to security. They should be undertaken directly by the OSCE only in areas where it can add value and has the necessary expertise or can acquire it cost effectively.
- 3.3.2 In order to provide advice and assistance to participating States on the implementation of their commitments, including those contained in this Strategy document, the OSCE, drawing on the expertise and resources of its Secretariat, in particular the

OCEEA, its institutions and field presences, within their respective mandates, and in co-operation with relevant international institutions and organizations, should develop and implement relevant programmes and projects that can include:

- Promoting regional and cross-border co-operation among interested participating States on economic and environmental issues, including but not limited to, the organization of regional seminars and conferences;
- Assisting participating States, at their request, in developing appropriate legislation and institutions, including pilot/model capacity-building programmes;
- Supporting timely ratification and implementation of existing international legal instruments;
- Elaborating and organizing, at the request of participating States, pilot/model seminars/training for national, regional and local administrations, academics, business communities and NGOs;
- Developing and supporting research programmes that help to increase knowledge and awareness of economic and environmental challenges and threats to security and stability and of ways to respond to them.

3.3.3 OSCE projects and programmes in the economic and environmental dimension should be carried out transparently, in a rational and cost-effective way, and in strict conformity with the relevant documents and procedures, which may be further developed. They should be part of a programmatic approach, with defined objectives and timeframes, so that their effectiveness can be evaluated.

3.4 Strengthening the capacity to mobilize advice and assistance from other organizations

3.4.1 Where a need is identified for programmes and projects requiring a large input of resources, or expertise not readily available in the OSCE, the OSCE should seek to mobilize and facilitate the involvement of other organizations and institutions, such as UNDP and European Bank for Reconstruction and Development (EBRD). In view of its broad political role and its experience in areas such as conflict prevention and crisis management, the OSCE should also be ready to assist participating States at their request with the co-ordination of activities involving a number of organizations where there is a need for an overall approach.

3.4.2 For this purpose, the OSCE needs to develop its operational links with international institutions and organizations involved in economic and environmental activities in the OSCE area and to co-operate closely and co-ordinate its activities with them, including, when appropriate, through partnerships, memorandums of understanding and specific joint programmes, with a view to avoiding duplication, exploiting complementarities and developing synergies. The development of such links will enhance the OSCE's ability to provide the advice and assistance required and sought by participating States from institutions and organizations having the necessary

expertise and resources, thus enhancing the OSCE's role as a catalyst in the economic and environmental dimension.

- 3.4.3 In order to develop such co-operation with other organizations and thus to enhance the OSCE's capacity to provide the assistance required by participating States to implement this Strategy, the OSCE will need to reinforce its relevant tools, including through the availability of the necessary expertise. The Permanent Council should take the necessary decisions in this regard.

4. Conclusion

4.1 In adopting this Strategy document for the economic and environmental dimension, which complements our previous commitments, we are taking an important step forward in developing our efforts to intensify economic and environmental co-operation among the participating States and thus to ensure comprehensive security and stability in the OSCE region. We are determined to achieve the objectives and priorities on which we have agreed. We will regularly review the progress achieved in implementing this Strategy and the commitments it contains.

**III. STATEMENT ON SOUTH-EASTERN EUROPE
AS A REGION OF CO-OPERATION**

STATEMENT ON SOUTH-EASTERN EUROPE AS A REGION OF CO-OPERATION

Since we last met in Porto, the countries of South-Eastern Europe have further consolidated their security, stability and democracy. We welcome the progress they have achieved in establishing stable and democratic institutions, and in particular the improvement of relations among them in transforming South-Eastern Europe into a region of co-operation. The OSCE has played and will continue to play an important role in this direction, including through its field presences. We recognize the importance of the European Union's (EU) Stabilization and Association Process and the declared intention of the countries of the region to integrate into Euro-Atlantic structures.

The continued co-operation and consultation among the international actors active in the region — *inter alia*, the UN, the OSCE, the Council of Europe, the EU, NATO, the Stability Pact for South Eastern Europe and the South East European Co-operation Process — and between them and the governments of the region remains essential, including in the framework of the Platform for Co-operative Security of the OSCE. Alongside the OSCE presences in the region, SFOR, KFOR, the continuing EU Police Mission in Bosnia and Herzegovina and the imminent launch of the EU Police Mission Proxima are further proof of the commitment to the stability of the region.

We reiterate the importance of functional multi-ethnic societies based on respect for the rule of law, human rights and fundamental freedoms. The sustainable return of refugees and internally displaced persons, without obstacles, remains essential for reconciliation and democratic development.

We call on all the countries concerned to intensify their co-operation with and to render all necessary assistance to the International Criminal Tribunal for the Former Yugoslavia (ICTY), as international law demands, including in particular bringing all indictees to the Tribunal, as well as to continue to improve the capacity of national jurisdictions to prosecute cases.

We commend the progress in the implementation of the Dayton/Paris Peace Accords and fully support United Nations Security Council resolution 1244. We welcome the recent start in Vienna of a direct dialogue between Belgrade and Pristina, support its continuation on practical issues, and we reiterate our support for the "standards before status" policy. We welcome further progress towards completion of the Ohrid Framework Agreement.

Organized crime, corruption and trafficking are real obstacles to democratic stability, rule of law, market economy and the development of civil societies, and require national and trans-national responses by all OSCE participating States. We welcome the commitment and achievements in the region of South-Eastern Europe in combating such phenomena, in close co-operation and co-ordination with relevant international organizations and actors. Continued efforts at all levels will be crucial. We welcome the OSCE's involvement in police training activities, as well as the efforts under way in the countries of the region to improve their border management capacities.

We welcome the achievements in security sector reform. Civilian control over the military is a critical element of democratic reform. Accumulation of small arms and light

weapons, effective arms export regimes and surplus ammunition stockpiles are issues that also need to be addressed where necessary with international assistance, including from the OSCE. We welcome and commend the continued work and progress of the OSCE Chairman-in-Office's Personal Representative in assisting with the implementation of voluntary activities under Article II and arms control measures under Article IV of the Dayton/Paris Peace Accords, as well as the establishment of the Commission to review the implementation of measures under the concluding document of Article V and stand ready to support its future work.

We welcome the activities of the OSCE's field presences in the region, and their evolution and adjustment in accordance with the situation on the ground and the progress achieved, in close co-operation with the host countries.

IV. DECISIONS OF THE MINISTERIAL COUNCIL

DECISION No. 1/03
ANNUAL REPORT
(MC.DEC/1/03 of 24 October 2003)

The Ministerial Council,

Recalling the reporting requirements as set out in the summary conclusions of the Stockholm Ministerial Council Meeting of 1992, Annex 1, Paragraph 5 (v); Charter for European Security adopted at the Istanbul Summit, the Platform for Co-operative Security, Chapter II, paragraph 8; 2001 Bucharest Ministerial Council Meeting Decision MC (9).DEC/9; and PC.DEC/495 of 5 September 2002,

Bearing in mind the need for a comprehensive overview of the activities of the OSCE in the previous calendar year, serving as a central reference document for participating States as well as a key information source for the general public and interested organizations,

Recognizing the need for increased visibility, transparency and accountability of the OSCE and its activities,

Decides as follows:

1. The Secretary General will co-ordinate the preparation and submission of an Annual Report on OSCE activities and achievements during the previous calendar year in close consultation with the Chairmanship-in-Office of the reporting period, as early as possible and not later than on 31 March of each year. It should present an assessment of progress towards achieving the goals and tasks set forth by participating States through the decision-making bodies.
2. The Annual Report should encompass all the activities of the OSCE, including that of the Chairmanship-in-Office, the Permanent Council, the Forum for Security Co-operation, and the Secretariat, institutions and field presences.
3. The Annual Report should be a concise, unbiased, factual and thematic account of OSCE activities. It is not an official record of the activities of the OSCE and therefore it will not be considered a consensus document. Not requiring a formal approval by a decision, an advance copy of the Annual Report will be presented to the Preparatory Committee four weeks prior to its publication.
4. The Annual Report will draw on, *inter alia*, the internal reports and documents prepared and submitted by the Secretary General, including the annual report on Programme and Unified Budget Performance, as well as the Financial Statements for the OSCE. A repetition of regular activity reports should be avoided.
5. The Annual Report will contain the sections set out below, each prepared under the authority of the relevant contributor. The Secretary General will advise contributors on the format of their contributions and set editorial guidelines. Contributions will be subject to editing, on which the contributors will be consulted. The order of sections may change to reflect the development of OSCE activities. Sections (b), (c) and (d) should, *inter alia*, contain information on financial, administrative and personnel matters.

(a) Report of the Chairmanship-in-Office

This will contain a summary of the Chairmanship's priorities and activities together with an assessment of the results, in accordance with the relevant provisions of PC Decision No. 485, including specific issues dealt with during the Chairmanship. It will also contain an account of the work of the Permanent Council and references to the activities of the CiO's Personal Representatives. Chairpersons of the Contact Group with the Asian and Mediterranean Partners for Cooperation will also prepare short reports of the activities of these fora. These reports will be annexed to the Chairmanship report.

(b) Report of the Secretary General

This will contain information on the activities of the Secretary General and the various units of the Secretariat. It will include, as a separate chapter, a report on the results of interaction between organizations and institutions in the OSCE area, as requested in the Charter for European Security adopted at the Istanbul Summit, the Platform for Co-operative Security, and a report on interaction with Mediterranean and Asian Partners for Co-operation.

(c) Reports of OSCE institutions

These will comprise reports from heads of OSCE institutions on activities carried out under their respective mandates. The Ministerial Council would also welcome the inclusion of a report by the OSCE Parliamentary Assembly.

(d) Reports by OSCE missions

These will comprise reports from heads of OSCE missions and field presences on activities carried out under their respective mandates.

(e) Report of the Forum for Security Co-operation

This should include, *inter alia*, information on the interaction with the Permanent Council, prepared in consultation with the Chairmanship-in-Office.

(f) Thematic overview

This will contain a problem-oriented, cross-dimensional and cross-institutional account of OSCE activities.

(g) Additional sections on an ad hoc basis on specific events, if needed.

DECISION No. 2/03
COMBATING TRAFFICKING IN HUMAN BEINGS
(MC.DEC/2/03)

The Ministerial Council,

Reaffirming the commitments that participating States have adhered to in the field of combating trafficking in human beings, especially the 2000 Vienna Ministerial Council Decision No. 1, the 2001 Bucharest Ministerial Council Decision No. 6, and the 2002 Porto Ministerial Declaration,

Recalling furthermore Permanent Council Decision No. 557 of 24 July 2003 on the adoption of the OSCE Action Plan to Combat Trafficking in Human Beings, which provides participating States with a comprehensive toolkit to combat trafficking in human beings through a multidimensional approach, covering protection of victims, prevention of trafficking in human beings, and prosecution of those who facilitate or commit the crime,

With the goal of enhancing the OSCE's efforts in fighting trafficking in human beings,

1. Decides to endorse the OSCE Action Plan to Combat Trafficking in Human Beings as annexed to this Decision; and
2. Establishes, under the aegis of the Permanent Council, an OSCE mechanism to provide assistance to participating States to combat trafficking in human beings. The mechanism will consist of two parts, complementing the activities of each other: a Special Representative appointed by the Chairmanship-in-Office, and a special unit in the OSCE Secretariat,

The mechanism is set up to:

- (a) Assist OSCE participating States in the implementation of commitments and full usage of recommendations proposed by the OSCE Action Plan to Combat Trafficking in Human Beings;
- (b) Ensure co-ordination of OSCE efforts in combating trafficking in human beings across all three dimensions of the OSCE;
- (c) Strengthen co-ordination among the relevant authorities of the participating States and between the OSCE and other relevant organizations;
- (d) Raise the public and political profile of the combat against trafficking in human beings;
- (e) Operate in the whole OSCE area and as appropriate, assist the participating States, in a spirit of co-operation and following consultations with the respective authorities of the relevant participating States in aiming at the implementation of their commitments in combating human trafficking;

- (f) Provide and facilitate advice and technical assistance in the field of legislation as well as policy development, together, as necessary, with other OSCE structures engaged in this field;
 - (g) Be ready to offer advice to senior level authorities representing the legislative, judicial, and executive branches in participating States and discuss with them the implementation of the OSCE Action Plan to Combat Trafficking in Human Beings and commitments in the field of combating trafficking in human beings. In specific cases calling for special attention, seek direct contacts, in an appropriate manner with the participating State concerned and discuss the provisions of advice and concrete assistance, if needed;
 - (h) Co-operate with National Rapporteurs or other national mechanisms established by participating States for co-ordinating and monitoring the anti-trafficking activities of State institutions. It will also co-operate with relevant Non-Governmental Organizations of the participating States. Furthermore, it will assume responsibility within the OSCE for hosting and facilitating meetings for the exchange of information and experience between national co-ordinators, representatives designated by participating States, or experts on combating trafficking in human beings;
 - (i) Closely co-operate and co-ordinate with the Office for Democratic Institutions and Human Rights (ODIHR) and other OSCE Institutions, the Secretary General, relevant structures of the Secretariat including the Office of the Co-ordinator for OSCE Economic and Environmental Activities (OCEEA), the Strategic Police Matters Unit (SPMU), the Senior Gender Adviser, as well as, where appropriate, the OSCE field operations. The mechanism will draw on the expertise within these OSCE structures, and will see that duplication is avoided. Participate when appropriate in the work of the Informal Working Group on Gender Equality and Anti-Trafficking in Human Beings;
 - (j) Co-operate and co-ordinate with relevant international actors such as the United Nations Office on Drugs and Crime, the United Nations High Commissioner for Refugees, the United Nations High Commissioner for Human Rights, the United Nations Children's Fund, the International Labour Organization, as well as the International Organization for Migration, the International Centre for Migration Policy Development, the European Union, the Council of Europe, the Stability Pact Task Force on Trafficking in Human Beings, the Council of Baltic Sea States, the Southeast European Co-operative Initiative, Interpol and Europol;
3. Affirms that the Special Representative will be politically accountable to, and will report regularly and when appropriate to the Permanent Council. It will function in accordance with Decision No. 8 of the Tenth Meeting of the Ministerial Council in Porto;
4. Calls on the Chairmanship-in-Office to appoint as Special Representative a prominent personality with relevant expertise, according to OSCE procedures, following consultations with participating States through the Preparatory Committee on his or her mandate. In order to ensure continuity for the Special Representative to carry out his or her responsibilities initially for at least the duration of two successive Chairmanships, the Chairmanship-in-Office will consult with the next incoming Chairmanship-in-Office on this appointment, and the next incoming Chairmanship-in-Office will, within its prerogative,

undertake to prolong the Special Representative's duties for the duration of that Chairmanship-in-Office, in accordance with Decision No. 8 of the Tenth Ministerial Council Meeting in Porto;

5. Tasks the Permanent Council to establish the above-mentioned special unit, as a part of the OSCE Secretariat, with contracted or seconded staff. The Special Representative will have the capacity of the special unit at his or her full disposal in order to effectively implement the above-mentioned tasks;

6. Agrees that both parts of the mechanism will be funded by the participating States through the OSCE Unified Budget in accordance with existing procedures. The ACMF will elaborate, in consultation with the Chairmanship-in-Office and the Secretary General, administrative and funding modalities for the mechanism and submit its recommendations to the Permanent Council for approval in time for their inclusion into the OSCE 2004 Unified Budget.

Annex to Decision No. 2/03

OSCE ACTION PLAN TO COMBAT TRAFFICKING IN HUMAN BEINGS

I. Objectives and purposes of the Action Plan

1. The Action Plan intends to provide participating States with a comprehensive toolkit to help them implement their commitments to combating THB. It aims to provide participating States with a follow-up mechanism, which will also promote co-ordination between individual participating States, both within the OSCE structures and with other international organizations. The Action Plan adopts a multidimensional approach to combating trafficking in human beings. It addresses the problem comprehensively, covering protection of victims, the prevention of THB and the prosecution of those who facilitate or commit the crime. It provides recommendations as to how participating States and relevant OSCE institutions, bodies and field operations may best deal with political, economic, legal, law enforcement, educational and other aspects of the problem.

2. The Action Plan is further intended to assist participating States in employing these tools by drawing upon existing regional experience gained through the implementation of such concrete initiatives and measures as those undertaken by the Stability Pact Task Force on Trafficking in Human Beings in South Eastern Europe.

3. A comprehensive approach to trafficking in human beings requires a focus on bringing to justice those responsible for this crime, and on carrying out effective measures to prevent it, while maintaining a humanitarian and compassionate approach in rendering assistance to its victims.

II. Definition of trafficking in human beings

The Action Plan is based on the following definition contained in Article 3 of the United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime:

“Trafficking in persons shall mean the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs”.

The OSCE Ministerial Council in its Decision No. 6 (2001) called on participating States to sign and ratify the United Nations Convention against Transnational Organized Crime, and its Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children.

III. Investigation, law enforcement and prosecution

Commitments of participating States related to investigation, law enforcement and prosecution have been undertaken in the Ministerial Declaration on Trafficking in Human Beings adopted in Porto in 2002, the Bucharest Plan of Action for Combating Terrorism of 2001, the Ministerial Decision No. 6 adopted in Bucharest in 2001, and the Ministerial Decision on Enhancing the OSCE’s Efforts to Combat Trafficking in Human Beings adopted in Vienna in 2000. In these documents the participating States also agreed on the role of the OSCE in this field.

Recommended action at the national level

1. Criminalization
 - 1.1 Adopting such legislative and other measures as may be necessary to establish as criminal offences the conduct set forth in Article 3 of the United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime.
 - 1.2 Adopting such legislative and other measures as may be necessary to establish as criminal offences:
 - Attempting to commit this criminal offence;
 - Participating as an accomplice in this criminal offence;
 - Organizing or directing other persons to commit this criminal offence.

- 1.3 Adopting such measures as may be necessary to establish the liability of legal persons for trafficking offences in addition to the liability of natural persons. Subject to the legal principles of the participating State, the liability of legal persons may be criminal, civil and/or administrative.
 - 1.4 Making legislative provisions for effective and proportionate criminal penalties, including imprisonment, that take into account the serious nature of this crime. Where appropriate, legislation should provide for additional penalties to be applied to persons found guilty of trafficking in aggravating circumstances, such as in the case of offences involving trafficking in children or offences committed by or involving the complicity of State officials.
 - 1.5 Considering legislative provisions for confiscation of the instruments and proceeds of trafficking and related offences, specifying, where not inconsistent with national legislation, that the confiscated proceeds of trafficking will be used for the benefit of victims of trafficking. Giving consideration to the establishment of a compensation fund for victims of trafficking and the use of the confiscated assets to help finance such a fund.
 - 1.6 Ensuring that trafficking, its constitutive acts and related offences constitute extraditable offences under national law and extradition treaties.
 - 1.7 Adopting such legislative and other measures to establish as criminal offences acts of active or passive corruption of public officials, as referred to in Articles 8 and 9 of the United Nations Convention against Transnational Organized Crime.
 - 1.8 Ensuring that victims of trafficking are not subject to criminal proceedings solely as a direct result of them having been trafficked.
2. Law enforcement response
 - 2.1 Fully implementing anti-trafficking and related measures set out in legislation.
 - 2.2 Establishing special anti-trafficking units — comprising both women and men — with advanced training in investigating offences involving sexual assault or involving children, in order to promote competence, professionalism and integrity.
 - 2.3 Building capacity in the anti-corruption field.
 - 2.4 Developing community-policing programmes: raising levels of trust between the police and the public in order, *inter alia*, to contribute to the acquisition of information relating to trafficking and to increase the willingness of victims to report offences.
 - 2.5 Enhancing co-operation between law enforcement investigating bodies in order to establish the possibly criminal, trafficking-related origins of suspicious assets.

- 2.6 Providing not only the resources and training for developing intelligence-led policing for the management and analysis of crime and criminal information, but also the other advanced skills and equipment necessary for law enforcement bodies to carry out their anti-trafficking tasks.
 - 2.7 Encouraging investigators and prosecutors to carry out investigations and prosecutions without relying solely and exclusively on witness testimony. Exploring alternative investigative strategies to preclude the need for victims to be required to testify in court.
 - 2.8 Taking practicable measures to ensure that OSCE mission members who are behaving in breach of the OSCE Code of Conduct for Mission Members and other regulations face prescribed sanctions, including, as appropriate, disciplinary and criminal proceedings.
 - 2.9 Targeting corruption of local law enforcement as a matter of priority, and ensuring that appropriate disciplinary and criminal proceedings are undertaken against law enforcement authorities found to be engaged in corrupt practices related to trafficking in human beings.
3. Law enforcement co-operation and information exchange between participating States
- 3.1 Co-operating closely with one another and consistent with their respective domestic legal and administrative systems, to enhance the effectiveness of law enforcement action in combating the offences covered by this Action Plan. Promoting similar co-operation and co-ordination between law enforcement agencies within States.
 - 3.2 Adopting, in particular, effective measures
 - To enhance and where necessary to establish channels of communication between participating States;
 - To co-operate on inquiries regarding offences covered by this Action Plan;
 - To provide, when appropriate, items or evidence necessary for analytical or investigative purposes;
 - To facilitate effective co-ordination between their competent authorities, agencies and services and to promote the exchange of personnel and other experts, including, subject to bilateral agreements or arrangements between the participating States concerned, the posting of liaison officers;
 - To exchange information on specific means and methods used by organized criminal groups, including, where applicable, routes and conveyances and the use of false identities, altered or forged documents or other means of concealing their activities;

- To co-ordinate administrative and other measures considered appropriate for the early identification of the offences covered by this Action Plan.
- 3.3 Concluding agreements on bilateral and multilateral law enforcement co-operation to facilitate exchange of information.
- 3.4 Undertaking efforts to develop common standards for the collection of statistical data.
- 4. Assistance and protection of witnesses and victims in the criminal justice system
 - 4.1 Taking appropriate measures within participating States' means, including legislative ones, to provide effective protection from potential retaliation or intimidation for witnesses in criminal proceedings who give testimony concerning offences covered by this Action Plan and, as appropriate, for their relatives and other persons close to them.
 - 4.2 Sensitizing law enforcement authorities and officials to their responsibility for ensuring the safety and immediate well-being of victims of THB.
 - 4.3 Ensuring data protection and the victim's right to privacy, also in the course of data collection and analysis.
 - 4.4 Facilitating the victim's participation as a witness in the investigation and court hearings or other criminal proceedings by providing him/her with the possibility of relocation as a form of witness protection.
 - 4.5 Providing legal counselling for victims when they are in the process of deciding whether or not to testify in court.
 - 4.6 Permitting NGOs to support victims in court hearings, if it is not inconsistent with national legislation.
- 5. Training
 - 5.1 Providing or improving training for border officials, law enforcement officials, judges, prosecutors, immigration and other relevant officials in all aspects of trafficking in persons.
 - 5.2 Giving, in such training programs, consideration to human rights and child- and gender-sensitive issues, and encouraging co-operation with non-governmental organizations, other relevant organizations and other elements of civil society.
- 6. Border measures
 - 6.1 Considering taking measures that permit, in accordance with its domestic law, the denial of entry, the revocation of visas or possibly the temporary detention

of persons implicated in committing offences as defined by the legislation in force.

- 6.2 Considering strengthening co-operation among border control agencies by, inter alia, establishing and maintaining direct channels of communication.
7. Security and control of documents
 - 7.1 Taking such measures as may be necessary, within available means, to ensure that travel or identity documents issued by or on behalf of participating States are of such quality that they cannot easily be misused, readily falsified or unlawfully altered, replicated or issued.
8. Legitimacy and validity of documents
 - 8.1 At the request of another participating State and in accordance with its domestic law, verifying within a reasonable time the legitimacy and validity of travel or identity documents issued or purporting to have been issued in its name, where there are reasonable grounds to suspect their usage for trafficking in persons.

Action for OSCE Institutions and Bodies

9. Legislative review and reform
 - 9.1 The ODIHR, and where appropriate the field operations, will continue to promote and support legislative review and reform efforts in compliance with international standards.
 - 9.2 The OSCE will further develop co-operation with other relevant partners and organizations.
10. Law enforcement response
 - 10.1 The OSCE Strategic Police Matters Unit will further promote the concept of community policing.
 - 10.2 The Strategic Police Matters Unit and the Office of the OSCE Co-ordinator of Economic and Environmental Activities (OCEEA) will facilitate the exchange of information between participating States on best practices to be used by relevant investigating units to check the possibly criminal and trafficking-related origin of suspicious assets.
 - 10.3 The OCEEA will further work together with the United Nations Office on Drugs and Crime Global Programme against Money Laundering and use its good offices to promote the organization of workshops on tackling money-laundering in interested participating States.

- 10.4 As part of its assistance in the development of National Referral Mechanisms the ODIHR will continue to promote and encourage co-operation between law enforcement and civil society.
11. Disciplinary response
- 11.1 The Office of Internal Oversight is requested to maintain data on investigations into offences related to trafficking in human beings by mission members and all subsequent related actions taken thereon. The Secretary General is requested to report regularly to the Permanent Council on measures taken to implement regulations in cases of breaches of the Code of Conduct while respecting the privacy of alleged perpetrators.
12. Training
- 12.1 The ODIHR and the OSCE Strategic Police Matters Unit will continue to develop training materials targeted at law enforcement authorities on trafficking and sex crimes investigation, consult with the International Law Enforcement Academy (ILEA) in Budapest regarding possibilities for incorporating this training into ILEA programs, identify law enforcement trainers to conduct training, and facilitate funding training sessions for law enforcement authorities in OSCE participating States.
- 12.2 While international partners such as the International Centre for Migration Policy Development and the International Organization for Migration provide basic police training on how to respond to allegations of trafficking, and others such as the United Nations Development Programme provide advanced training, additional training needs to be provided on dealing with particular aspects of sexual crime, e.g. sexual abuse of children. The OSCE Strategic Police Matters Unit will provide such training in co-operation with the United Nations Children's Fund and other relevant organizations.
13. Security and control of documents
- 13.1 The relevant OSCE bodies, in particular the Anti-Terrorism Unit, will continue to facilitate workshops focusing on detecting documents used for illegal purposes in relation to trafficking in human beings, detecting false travel documents being used for entry of trafficked persons, and improving non-technical means of detection, such as interview techniques. In addition, workshops will focus on means of protecting freedom of movement of persons across the border, within the restrictions that are consistent with relevant OSCE commitments.

IV. Prevention of trafficking in human beings

Commitments of participating States related to prevention have been undertaken in the Ministerial Declaration on Trafficking in Human Beings adopted in Porto in 2002, the OSCE Permanent Council Decision No. 426 of 2001, the Ministerial Decision on Enhancing the OSCE's Efforts to Combat Trafficking in Human Beings adopted in Vienna in 2000, the

OSCE Action Plan for Gender Issues approved by the Permanent Council in 2000, the Charter for European Security adopted in Istanbul in 1999, the Document of the Moscow Meeting of the Conference on the Human Dimension of the CSCE adopted in Moscow in 1991, the Final Act of the Conference on Security and Co-operation in Europe adopted in Helsinki in 1975. In the above-mentioned documents the participating States also agreed on the role of the OSCE in this field.

Recommended action at the national level

1. Data collection and research
 - 1.1 Collecting separate data related to women, men and children victims of trafficking, and improving research into and analysis of subjects such as the character and scale of THB and the trafficking and exploitation mechanisms deployed by the organized criminal groups, in order to develop effective and well-targeted prevention measures on trafficking in human beings. Promoting more research and exchange of information on trafficking in children.
 - 1.2 Identifying the most vulnerable segments of the population and developing specially designed awareness-raising campaigns for them.
 - 1.3 Conducting more far-reaching analysis of the root causes of THB, its demand and supply factors, its networks and its economic consequences, and its link with illegal migration.
2. Border measures
 - 2.1 Without prejudice to international commitments in relation to the free movement of people, strengthening, to the extent possible, border controls as may be necessary to prevent and detect THB.
 - 2.2 Adopting legislative or other appropriate measures to prevent, as far as possible, means of transport operated by commercial carriers from being used in committing offences, as defined by the provisions against trafficking.
 - 2.3 Where appropriate, and without prejudice to applicable international conventions, obliging commercial carriers, including any transportation company or the owner or operator of any means of transport, to ascertain that all passengers are in possession of valid travel documents. In accordance with domestic law, taking the necessary measures to provide for sanctions in case of violation.
3. Economic and social policies aimed at addressing root causes of THB
 - 3.1 In countries of origin:
 - Considering as priority goals: the fostering of social-economic and political stability, and the reduction both of migration caused by deep poverty and of supply factors of trafficking. Policies followed in

pursuit of these goals should also promote both economic development and social inclusion;

- Improving children's access to educational and vocational opportunities and increasing the level of school attendance, in particular by girls and minority groups;
- Enhancing job opportunities for women by facilitating business opportunities for small and medium-sized enterprises (SMEs). Organizing SMEs training courses, and targeting them particularly at high-risk groups.

3.2 In countries of destination:

- Implementing measures to reduce “the invisibility of exploitation”. A multi-agency programme of monitoring, administrative controls and intelligence gathering on the labour markets, and, where applicable, on the sex industry, will contribute greatly to this objective;
- Considering the liberalization by governments of their labour markets with a view to increasing employment opportunities for workers with a wide range of skills levels;
- Addressing the problem of unprotected, informal and often illegal labour, with a view to seeking a balance between the demand for inexpensive labour and the possibilities of regular migration;
- Tackling underground economic activities which undermine economies and enhance trafficking.

3.3 Whether in countries of origin or countries of destination:

- Taking measures to raise levels of social protection and to create employment opportunities for all;
- Taking appropriate measures to eliminate discrimination against women in the field of employment in order to ensure, on a basis of gender equality, the right to equal pay for equal work and the right to equality in employment opportunities;
- Addressing all forms of discrimination against minorities;
- Developing programmes that offer livelihood options and include basic education, literacy, communication and other skills, and reduce barriers to entrepreneurship;
- Encouraging gender sensitization and education on equal and respectful relationships between the sexes, thus preventing violence against women;

- Ensuring that policies are in place which allow women equal access to and control over economic and financial resources;
- Promoting flexible financing and access to credit, including micro-credit with low interest;
- Promoting good governance and transparency in economic transactions;
- Adopting or strengthening legislative, educational, social, cultural or other measures, and, where applicable, penal legislation, including through bilateral and multilateral co-operation, to discourage the demand that fosters all forms of exploitation of persons, especially women and children, and that leads to trafficking.

4. Awareness-raising

- 4.1 Undertaking, in co-operation with civil society and NGOs, information campaigns to generate public awareness about trafficking in its various forms, including the methods employed by traffickers and the risks to victims.
- 4.2 Increasing awareness about trafficking among immigration authorities and consular and diplomatic personnel so that they use this knowledge in their daily contacts with potential victims.
- 4.3 Encouraging national embassies to disseminate information on relevant national legislation such as family law, labour law and immigration law as is of interest to potential migrants, including through NGOs.
- 4.4 Increasing awareness of other relevant target groups, including policy makers, law enforcement officers, and other relevant professionals such as medical, social services and employment officials, and in the private sector, to THB, to enhance their readiness to address it adequately and to strengthen their institutional capacity to counter it.
- 4.5 Encouraging the consular and visa sections of the diplomatic missions to use printed and other materials in their work with at-risk individuals.
- 4.6 Raising awareness of the media. The perception of the problem of trafficking in human beings brought forward by the media should include a clear explanation of the phenomenon and a realistic portrayal of the victims. To maximize public knowledge and awareness, anti-trafficking campaigns should be conducted with media professionals.
- 4.7 Targeting awareness-raising campaigns also at the most vulnerable groups, including persons belonging to national minorities, children, migrants and internally displaced persons (IDPs).
- 4.8 Extending awareness-raising campaigns to smaller towns and villages whose populations may be at particular risk.

- 4.9 Working in schools and universities as well as directly with families to reach young people and to raise their awareness about trafficking.
 - 4.10 Addressing, also through the media, the need to reduce the demand for the activities of persons trafficked for sexual exploitation, forced labour, slavery or other practices similar to slavery and, in this connection, promoting zero tolerance towards all forms of trafficking.
 - 4.11 Establishing well-publicized telephone “hotlines” in the countries of origin, transit and destination, which should serve three purposes: to act as an independent source of advice and guidance to potential victims who may be considering job opportunities or other offers to go abroad, to act as a first point of contact providing access to a referral mechanism for victims of THB, and, furthermore, to facilitate the anonymous reporting of cases or suspected cases of THB.
5. Legislative measures
 - 5.1 Adopting or reviewing laws, administrative controls and procedures relating to the licensing and operation of sectors of business that, according to intelligence, may be involved in trafficking, such as employment, tourist, au pair, adoption or mail-order bride agencies, as well as hotels and escort services.
 - 5.2 Ensuring that measures adopted for the purpose of preventing and combating trafficking in persons do not have an adverse impact on the rights and dignity of persons, including their freedom of movement.

Action for OSCE Institutions and Bodies

6. Data collection and research
 - 6.1 Enhancing data collection and research on trafficking in persons, particularly on trafficking in children, by building on past research and engaging in exchanges with the United Nations Children’s Fund and other relevant actors.
 - 6.2 Tasking ODIHR’s Contact Point on Roma and Sinti with continuing to gather data regarding trafficking in human beings, especially children, and its effects on Roma and Sinti communities.
7. Addressing root causes of THB
 - 7.1 The OCEEA will support the promotion and the development of national public information resource centres to allow individuals to check the legitimacy of businesses, particularly those advocating employment abroad, while avoiding overlap with existing Chambers of Commerce facilities or other business registration offices. The OCEEA can function as an intermediary, collecting examples of best practices on easily accessible

legitimacy checks and distributing them to interested participating States and/or OSCE field operations.

- 7.2 The OCEEA will continue to promote SMEs training and to target it in particular at high-risk groups, including by assisting in the development of legislation to reduce barriers to the establishment of SMEs.
- 7.3 The OCEEA should develop programmes to tackle economic factors that increase the vulnerability of women and minorities to trafficking, including discrimination in the workplace and lack of access to credit.

8. Awareness-raising

- 8.1 The ODIHR and, where appropriate, field operations will continue to contribute to research efforts as well as promoting and carrying out awareness-raising initiatives in co-operation with relevant partners throughout the OSCE region.
- 8.2 The Press and Public Information Section will help to raise media awareness of OSCE activities in the field of trafficking. The ODIHR will enhance training activities with regard to the responsibility of the media for dealing with the topic of trafficking in a sensitive manner and without reinforcing negative stereotypes. Training will stress the complexity of the trafficking phenomenon and the need for a comprehensive response.
- 8.3 In order to ensure that staff of OSCE field operations do not engage in or in any way knowingly facilitate trafficking in human beings, and to fulfil the norms contained in part 4 of the OSCE Code of Conduct which is an integral part of the Staff Regulations, the Secretary General will draft comprehensive staff instructions for review by the Permanent Council no later than 15 November 2003.
- 8.4 The OSCE Training Co-ordinator, the Senior Adviser on Gender Issues and the Senior Security Co-ordinator will continue to use the induction course to develop and implement staff training on gender issues, trafficking in human beings and on relevant regulations and guidelines, in co-operation with the ODIHR, and to organize special workshops in the field. Heads of field operations will ensure that attendance at such training courses will be compulsory for all staff.
- 8.5 The OCEEA will help to mobilize and strengthen the private sector's efforts to combat trafficking in human beings by raising awareness, and by identifying and disseminating best practices, such as self-regulation, policy guidelines and codes of conduct.

V. Protection and assistance

The OSCE commitments related to protection and assistance to the victims of trafficking in human beings have been undertaken in the Ministerial Declaration on Trafficking in Human Beings adopted in Porto in 2002, the Ministerial Decision No. 6 adopted in Bucharest in 2001, the Ministerial Decision No. 1 adopted in Vienna in 2000, the Charter for European Security adopted in Istanbul in 1999.

Recommended action at the national level

1. Data collection and research
 - 1.1 Collecting data through the exchange and analysis of best practices and other information regarding effective protection of and assistance to victims of trafficking in the OSCE participating States.
2. Legislative measures
 - 2.1 Considering the need for adopting legislation which will provide the legal basis for rendering assistance and protection to victims of THB, especially during pre-trial investigations and in court proceedings.
 - 2.2 Ratifying, or acceding to, and fully implementing the United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime.
3. National Referral Mechanisms (NRM)*
 - 3.1 Establishing National Referral Mechanisms by creating a co-operative framework within which participating States fulfil their obligations to protect and promote the human rights of the victims of THB in co-ordination and strategic partnership with civil society and other actors working in this field. (*The ODIHR's Handbook on Guidelines and Principles to Design and Implement National Referral Mechanisms may serve as a useful source of advice and information regarding the role of NRMs in rendering assistance and protection to victims of THB).
 - 3.2 Providing guidance to facilitate the accurate identification and appropriate treatment of the victims of THB, in ways which respect the views and dignity of the persons concerned.
 - 3.3 Combining the efforts of law-enforcement bodies, including specially established anti-trafficking units and police at local level, officials of migration and border services, social protection units, medical institutions, as well as NGOs and other civil society institutions as the most relevant actors to be involved in NRM activities.
 - 3.4 Establishing appropriate mechanisms to harmonize victim assistance with investigative and prosecutorial efforts.

- 3.5 Drawing special attention to the need for enhanced co-operation between the police and NGOs in identifying, informing and protecting victims of THB.
 - 3.6 Linking the activities of NRMs with those of inter-ministerial bodies, national co-ordinators, NGOs and other relevant national institutions to form a cross-sectoral and multidisciplinary team capable of developing and monitoring the implementation of anti-trafficking policies.
4. Shelters
 - 4.1 Establishing shelters, run by governmental bodies, NGOs, or other institutions of civil society to meet the needs of trafficked persons; these shelters are to provide safety, access to independent advice and counselling in a language known by the victim, first-hand medical assistance, and an opportunity for reflection delay after the experienced trauma. Shelters may be established on the basis of already existing facilities such as crisis centres for women.
 - 4.2 Providing access to shelters for all victims of trafficking, regardless of their readiness to co-operate with authorities in investigations.
 - 4.3 Giving special attention to ensuring security for personnel of such shelters, confidentiality of information obtained, and safety and privacy for victims of THB.
 - 4.4 Using shelters to provide the kind of training opportunities for victims of THB which will facilitate their future reintegration, employment and independence, as well as improving their competitive capabilities after the experienced trauma.
5. Provision of documents
 - 5.1 Ensuring provision of documents, if necessary, as a first step to clarifying the victim's identity and status in countries of destination, thus making it possible to proceed with options of assistance in appropriate cases, such as repatriation, preferably voluntary, provision of a temporary or permanent residence permit, and/or legalization of employment.
 - 5.2 Enhancing co-operation amongst law enforcement bodies in the countries of origin, transit and destination, and responsible officials of all institutions involved in the restoration of rights of victims of THB, including the personnel of embassies and consulates of participating States in order to facilitate the speedy verification of personal data and the avoidance of undue or unreasonable delay.
 - 5.3 Informing identified victims of THB of their right to access to diplomatic and consular representatives of their country of nationality.

6. Provision of social assistance
 - 6.1 Developing social assistance and integration programmes, including legal counselling in a language known by the victim, medical and psychological assistance and access to health care, to be made available either in shelters or other relevant institutions.
 - 6.2 Considering, where not inconsistent with national legislation, legal measures to allow confiscated assets to be used to supplement government funding for programmes that address the needs of victims of THB and to compensate the victims in accordance with the gravity of the crime committed against them.
7. Repatriation, rehabilitation and reintegration
 - 7.1 Assisting the victims of THB in — preferably — voluntary repatriation to the country of origin with due regard for their safety and that of their families, and without undue or unreasonable delay.
 - 7.2 Ensuring due process in all return and removal proceedings, taking into account a humanitarian and compassionate approach.
 - 7.3 Considering contributing to the rehabilitation and social reintegration of victims of THB by providing them with social and economic benefits.
 - 7.4 Raising media awareness of the need to safeguard privacy by avoiding public disclosure of the identity of victims of THB, or publication of confidential information inimical to victims' security or to the cause of justice in criminal proceedings.
8. Provision of a reflection delay and temporary or permanent residence permits
 - 8.1 Considering the introduction of a reflection delay to give the victim due time to decide whether or not to act as a witness.
 - 8.2 Considering on a case-by-case basis, if appropriate, the provision of temporary or permanent residence permits, taking into account such factors as potential dangers to victims' safety.
 - 8.3 Considering, if appropriate, the provision of work permits to victims during their stay in the receiving country.
9. Ensuring the right to apply for asylum
 - 9.1 Ensuring that anti-trafficking laws, policies, programmes and interventions do not affect the right of all persons, including victims of THB, to seek and enjoy asylum from persecution in accordance with international refugee law, in particular through effective application of the principle of *non-refoulement*.

10. Protection of children
 - 10.1 Ensuring that the special needs of children and the best interests of the child are fully taken into account when deciding upon appropriate housing, education and care. In appropriate cases, if there is no direct threat to the safety of the child, providing the children with access to the State educational system.
 - 10.2 Deciding on the repatriation of a child victim of THB only after having taken account of all the circumstances of the specific case and if there is a family or special institution in the country of origin to ensure the child's safety, protection, rehabilitation and reintegration.
 - 10.3 Considering the provisions outlined in the United Nations High Commissioner for Refugees Guidelines for the Protection of Unaccompanied Minors when elaborating policies targeted at this risk group, and in particular for those who are not in possession of identification documents.
 - 10.4 Using bilateral and/or regional agreements on fundamental principles of good reception of unaccompanied children in order to combine efforts targeted at the protection of children.
 - 10.5 Ratifying or acceding to, and fully implementing, the Optional Protocol to the Convention on the Rights of the Child, on the Sale of Children, Child Prostitution and Child Pornography.

Action for OSCE Institutions and Bodies

11. National Referral Mechanism
 - 11.1 Enhancing the activities of the OSCE, especially the ODIHR, in assisting participating States, upon their request, in establishing the NRM.
 - 11.2 Tasking the OSCE Strategic Police Matters Unit, together with the ODIHR, with the further development of guidelines or a manual on the identification of suspected victims and of evidence of THB, in order to assist participating States, as appropriate.
12. Reintegration
 - 12.1 The OCEEA will facilitate contacts between public and private actors with a view to encouraging the business community to offer job opportunities to victims of trafficking.
13. Protection of children
 - 13.1 The OSCE as a whole shall give special attention to the issue of trafficking in children and to recognizing the vulnerability of unaccompanied children. Efforts should be made to develop co-operation with specialized international agencies, especially the United Nations Children's Fund and relevant

international NGOs, on expert meetings, research and the development of guidelines promoting the best interest of the child.

14. Training

14.1 Tasking the OSCE Training Co-ordinator, the Senior Adviser on Gender Issues and the Senior Security Co-ordinator in co-operation with the ODIHR with developing information material on how to assist victims of trafficking, especially children, in response to requests either from individuals or governmental and non-governmental bodies, and with providing relevant training for OSCE mission members. The material might also be disseminated to military personnel, peacekeepers and other international staff in the field.

14.2 Tasking the ODIHR with the collection and dissemination of information on measures, training programmes and materials already in place in OSCE participating States.

15. Legislative measures

15.1 In co-ordination with the United Nations Office on Drugs and Crime, the Council of Europe and other relevant actors, the ODIHR will continue to assist participating States, upon their request, in bringing their national legislation into compliance with international norms and standards, particularly by promoting a humanitarian and compassionate approach to the victims of THB.

VI. Follow-up and co-ordinating mechanisms

Besides monitoring the implementation of the OSCE commitments by participating States through existing OSCE mechanisms, including the annual Human Dimension Implementation Meeting, Review Conferences and relevant human dimension events,

The Permanent Council recommends the following actions at the national level:

1. To consider appointing National Rapporteurs or other mechanisms for monitoring the anti-trafficking activities of State institutions and the implementation of national legislation requirements;
2. To consider establishing Anti-Trafficking Commissions (task forces) or similar bodies responsible for co-ordinating activities within a country among State agencies and NGOs, and for elaborating measures to prevent THB, to punish perpetrators of THB and to protect its victims;
3. To improve co-operation between State institutions and national NGOs active in rendering protection and assistance to the victims of THB, combating violence against women and children, promoting gender equality and raising awareness in human rights issues;

Furthermore, the Permanent Council:

4. Tasks the Chairmanship with conducting discussions on follow-up to this Action Plan, including augmenting current structures and examining the need for a new mechanism, with a view to enhancing the OSCE's efforts in fighting trafficking in human beings by raising its political profile and giving it a prominent role on the issue, as well as better co-ordinating work among the three dimensions of the OSCE;
5. Tasks the OSCE relevant structures with hosting and facilitating annual meetings in Vienna of national co-ordinators, representatives or experts on combating trafficking, to monitor the process of the implementation of the OSCE Action Plan. This will provide them with a chance to build networks, exchange information, and outline priorities for co-operation;
6. Urges the pursuit of close interaction between the OSCE Secretariat, its institutions and its field operations, to assist participating States, where appropriate, in implementing the current Action Plan;
7. Tasks the ODIHR with rendering necessary technical assistance to participating States, when appropriate, in developing National Anti-Trafficking Plans of Action, including legislative and other assistance measures aimed at effective prevention and combating trafficking and protection of victims;
8. Tasks OSCE institutions and bodies with engaging in more extensive regular exchange of information, data collection and research with relevant international organizations;
9. Tasks the ODIHR with the further development of its clearing-house function for the exchange of information, contacts, materials and good practices and with the enhancement of its project activities.

Attachment to Annex to Decision No. 2/03

THE OSCE COMMITMENTS RELATED TO:

Investigation, law enforcement and prosecution

(Declaration on Trafficking in Human Beings adopted in Porto, 2002)

“We recognize that trafficking in human beings represents a serious and rapidly expanding area of transnational organized crime, generating huge profits for criminal networks that may also be associated with criminal acts such as trafficking in drugs and arms, as well as smuggling of migrants.

...

We will strive for adequate measures to prevent trafficking in human beings in our countries ... and will seek ... to organize training for relevant officials and government employees in the areas of law enforcement, border control, criminal justice and social services, and to recommend full co-operation with NGOs in this field.

...

We call on participating States to enhance international co-operation in combating transnational organized crime, including criminal acts such as trafficking in drugs and arms, as well as smuggling of migrants. Such co-operation should include international law enforcement bodies, such as Europol and Interpol, as well as the Southeast European Co-operative Initiative (SECI), with a view to investigating and prosecuting those responsible for trafficking in human beings in accordance with domestic law and, where applicable, international obligations. In this regard, we ask that the Senior Police Adviser should devote increased attention to the fight against trafficking in human beings.”

(Bucharest Plan of Action for Combating Terrorism, 2001)

“Secretariat: Will assist participating States, on their request, through measures to combat trafficking in human beings, drugs and small arms and light weapons, in accordance with relevant Permanent Council decisions, and will undertake efforts to assist in facilitating increased border monitoring, where appropriate. Will further assist participating States, on the request and with their agreement, through provision of advice and assistance on restructuring and/or reconstruction of police services; monitoring and training of existing police services, including human rights training; and capacity building, including support for integrated or multi-ethnic police services. Will, to this end, reinforce its existing police-related activities in conflict prevention, crisis management and post-conflict rehabilitation.”

(Bucharest Ministerial Council Decision No. 6, 2001)

“Calls on participating States to sign and ratify the United Nations Convention against Transnational Organized Crime, and its Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children;

...

Encourages information exchange with a view to strengthening investigation, law enforcement and crime prevention”.

(Vienna Ministerial Council Decision No. 1, 2000)

“Reaffirms that trafficking in human beings is an abhorrent human rights abuse and a serious crime that demands a more comprehensive and co-ordinated response from participating States and the international community, as well as a more coherent and co-operative approach among countries, in particular those of origin, transit and destination;

Welcomes the adoption, by the United Nations General Assembly, of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime as well as the definition of trafficking in persons contained therein and calls upon all

participating States to sign and ratify the United Nations Protocol as well as the Optional Protocol to the Convention on the Rights of the Child, on the Sale of Children, Child Prostitution and Child Pornography;

...

Stresses the role of national parliaments in the enactment, among others, of laws necessary to combat trafficking in human beings and welcomes articles 106 and 107 of the Parliamentary Assembly's Bucharest Declaration on trafficking in persons;

...

Commits to take necessary measures, including by adopting and implementing legislation, to criminalize trafficking in human beings, including appropriate penalties, with a view to ensuring effective law enforcement response and prosecution. Such legislation should take into account a human rights approach to the problem of trafficking, and include provision for the protection of the human rights of victims, ensuring that victims of trafficking do not face prosecution solely because they have been trafficked."

Prevention of THB

(Declaration on Trafficking in Human Beings adopted in Porto, 2002)

To prevent trafficking in human beings, the members of the Ministerial Council of the OSCE have recognized "the need to address root causes of trafficking and to reduce the economic and social inequalities and disadvantages, which also provoke illegal migration, and which may be exploited by organized criminal networks for their profit". They also have recognized "the need to fight corruption, which facilitates the operation of such networks". They have recommended "that the Office of the Co-ordinator of OSCE Economic and Environmental Activities play an increased role in addressing all economic aspects of trafficking in human beings".

They have recognized "that, in countries of destination, demand for the activities of persons trafficked for the purpose of sexual exploitation, forced labour, slavery or other practices similar to slavery is an integral factor in trafficking in human beings". They have urged "countries of destination to take measures to effectively address such a demand as a key element in their strategy for effectively preventing and combating trafficking in human beings, and to exercise zero tolerance towards sexual exploitation, slavery and all forms of exploitation of forced labour, irrespective of its nature".

They decided to "strive for adequate measures to prevent trafficking in human beings in our countries, taking the form, *inter alia*, of target-oriented awareness raising campaigns and education in countries of origin and transit, directed in particular towards youth and other vulnerable groups" and to "seek to develop appropriate campaign in the countries of destination ...".

(Vienna Ministerial Council Decision No. 1, 2000)

The Ministerial Council “undertakes to raise awareness, including with assistance from the ODIHR, non-governmental organizations and other relevant institutions, through, where necessary, establishing training programmes among public officials, including law enforcement, judiciary, consular and immigration officials, about all aspects of trafficking”.

(Charter for European Security adopted in Istanbul, November 1999)

The Heads of State or Government have applauded “the unprecedented process of economic transformation taking place in many participating States”. They have encouraged them “to continue this reform process, which will contribute to security and prosperity in the entire OSCE area”. They have decided to step up their “efforts across all dimensions of the OSCE to combat corruption and to promote the rule of law”.

(CSCE Helsinki Document 1992 — the challenges of change)

“The participating States emphasize the need for continuing co-operation and investment in human resources development in order to cope with problems of transition to market economies, rapid technological changes and the evolution of society. Recognizing the importance of education and training, including management and vocational training at all levels, they will intensify their dialogue on education and training systems and promote further co-operation in this area.

The participating States will enhance opportunities for industrial co-operation by providing an appropriate legal and economic environment for business, particularly with the aim of strengthening the private sector and developing small and medium-sized enterprises.”

(Document of the Moscow Meeting of the Conference on the Human Dimension of the CSCE — Moscow, 3 October 1991)

The participating States will “encourage measures effectively to ensure full economic opportunity for women, including non-discriminatory employment policies and practices, equal access to education and training, and measures to facilitate combining employment with family responsibilities for female and male workers; and will seek to ensure that any structural adjustment policies or programmes do not have an adversely discriminatory effect on women;

...

seek to eliminate all forms of violence against women, and all forms of traffic in women and exploitation of prostitution of women including by ensuring adequate legal prohibition against such acts and other appropriate measures;

...

develop educational policies, consistent with their constitutional systems, to support the participation of women in all areas of study and work, including non-traditional areas, and encourage and promote a greater understanding of issues relating to equality between men and women”.

(Final Act of the Conference on Security and Co-operation in Europe — Helsinki, 1 August 1975)

The participating States “will equally endeavour, in developing their co-operation, to improve the well-being of peoples and contribute to the fulfilment of their aspirations through, *inter alia*, the benefits resulting from increased mutual knowledge and from progress and achievement in the economic, scientific, technological, social, cultural and humanitarian fields. They will take steps to promote conditions favourable to making these benefits available to all; they will take into account the interest of all in the narrowing of differences in the levels of economic development, and in particular the interest of developing countries throughout the world”.

The participating States “are of the opinion that the problems arising bilaterally from the migration of workers in Europe as well as between the participating States should be dealt with by the parties directly concerned, in order to resolve these problems in their mutual interest, in the light of the concern of each State involved to take due account of the requirements resulting from its socio-economic situation, having regard to the obligation of each State to comply with the bilateral and multilateral agreements to which it is party, and with the following aims in view:

to encourage the efforts of the countries of origin directed towards increasing the possibilities of employment for their nationals in their own territories, in particular by developing economic co-operation appropriate for this purpose and suitable for the host countries and the countries of origin concerned;

to ensure, through collaboration between the host country and the country of origin, the conditions under which the orderly movement of workers might take place, while at the same time protecting their personal and social welfare and, if appropriate, to organize the recruitment of migrant workers and the provision of elementary language and vocational training;

to ensure equality of rights between migrant workers and nationals of the host countries with regard to conditions of employment and work and to social security, and to endeavour to ensure that migrant workers may enjoy satisfactory living conditions, especially housing conditions;

to endeavour to ensure, as far as possible, that migrant workers may enjoy the same opportunities as nationals of the host countries of finding other suitable employment in the event of unemployment;

to regard with favour the provision of vocational training to migrant workers and, as far as possible, free instruction in the language of the host country, in the framework of their employment;

to confirm the right of migrant workers to receive, as far as possible, regular information in their own language, covering both their country of origin and the host country;

to ensure that the children of migrant workers established in the host country have access to the education usually given there, under the same conditions as the children of that

country and, furthermore, to permit them to receive supplementary education in their own language, national culture, history and geography;

to bear in mind that migrant workers, particularly those who have acquired qualifications, can by returning to their countries after a certain period of time help to remedy any deficiency of skilled labour in their country of origin;

to facilitate, as far as possible, the reuniting of migrant workers with their families;

to regard with favour the efforts of the countries of origin to attract the savings of migrant workers, with a view to increasing, within the framework of their economic development, appropriate opportunities for employment, thereby facilitating the reintegration of these workers on their return home”.

Protection of victims of THB and rendering assistance to them

(Declaration on Trafficking in Human Beings adopted in Porto, 2002)

Participating States undertook “to render assistance and protection to the victims of trafficking, especially women and children, and to this end, when appropriate, to establish effective and inclusive national referral mechanisms, ensuring that victims of trafficking do not face prosecution solely because they have been trafficked. The dignity and human rights of victims must be respected at all times. We will consider adopting appropriate measures, such as shelters, and establishing appropriate repatriation processes for the victims of trafficking, with due regard to their safety, including the provision of documents; and developing policies concerning the provision of economic and social benefits to victims, as well as their rehabilitation and reintegration in society”.

Participating States expressed their “concern about the increase in trafficking in minors and, recognizing the special needs of children”, supported “more research and exchange of information on trafficking in children and, with due regard to the best interest of the child as the primary consideration in all actions concerning children,” called “for the elaboration of special measures to protect trafficked minors from further exploitation, mindful of their psychological and physical well-being”.

Participating States recognized that “intensified co-operation among relevant actors in countries of origin, transit and destination plays a critical role in the return programmes for victims of trafficking and facilitates their reintegration”. Therefore participating States “encourage all organizations providing assistance to victims, including NGOs, to further develop such co-operation”.

Participating States reiterated “the need for national strategies in order to unite efforts directed towards combating trafficking in human beings and to enhance co-ordination among national, international and regional organizations in this field. This need could be met through measures such as appointing inter-ministerial bodies and national co-ordinators or, as appropriate, other relevant bodies or mechanisms”.

Participating States asked “that the Senior Police Adviser should devote increased attention to the fight against trafficking in human beings”.

(Ministerial Council Decision No. 6 adopted in Bucharest, 2001)

The Ministerial Council called on participating States “to sign and ratify the United Nations Convention against Transnational Organized Crime, and its Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children”.

(Ministerial Council Decision No. 1 adopted in Vienna, 2000)

The Ministerial Council called upon participating States “to sign and ratify the United Nations Protocol as well as the Optional Protocol to the Convention on the Rights of the Child, on the Sale of Children, Child Prostitution and Child Pornography”.

Ministerial Council called “on OSCE institutions, in particular the ODIHR, and field operations, to develop and implement anti-trafficking programmes and to promote co-ordinated efforts in the areas of prevention, prosecution and protection, in co-operation with non-governmental organizations as well as international organizations and other relevant institutions”.

Ministerial Council decided that relevant “legislation”, criminalizing trafficking in human beings, ... “should take into account a human rights approach to the problem of trafficking, and include provision for the protection of the human rights of victims, ensuring that victims of trafficking do not face prosecution solely because they have been trafficked”.

Ministerial Council confirmed the need to “consider adopting legislative or other appropriate measures, such as shelters, which permit victims of trafficking in persons to remain in their territories, temporarily or permanently, in appropriate cases; and establishing appropriate repatriation processes for the victims of trafficking, with due regard to their safety, including the provision of documents; and developing policies concerning the provision of economic and social benefits to victims as well as their rehabilitation and reintegration in society”.

(Charter for European Security adopted in Istanbul, November 1999)

Participating States decided to “undertake measures to eliminate all forms of discrimination against women, and to end violence against women and children as well as sexual exploitation and all forms of trafficking in human beings. In order to prevent such crimes”, participating States decided to, “among other means, promote the adoption or strengthening of legislation to hold accountable persons responsible for these acts and strengthen the protection of victims”.

DECISION No. 3/03
ACTION PLAN ON IMPROVING THE SITUATION
OF ROMA AND SINTI WITHIN THE OSCE AREA
(MC.DEC/3/03)

The Ministerial Council,

Committed to respect of human rights and fundamental freedoms for all, without adverse distinction of any kind, such as race, colour, sex, language, religion or belief, political or other opinion, national or social origin, property, birth or other status,

Supporting the adoption and implementation of comprehensive anti-discrimination legislation to promote full equality of opportunities for all,

Recognizing the particular difficulties faced by Roma and Sinti people and the need to undertake effective measures in order to eradicate discrimination against them and to bring about equality of opportunities, consistent with OSCE commitments,

Recognizing that progress has been achieved in national legislation and in programmes for action and that substantial efforts have been undertaken by the participating States to this end,

Aware at the same time that resolute action is still required to improve the situation of the Roma and Sinti population across the OSCE region,

Noting the rich cultural, linguistic and historical diversity among Roma and Sinti people within the OSCE area, as well as the diversity of national structures and traditions in the OSCE area,

Noting the outcome of important recent governmental and non-governmental conferences and initiatives on Roma and Sinti in Europe, including, *inter alia*, the launching of a Decade of Roma Inclusion and the possible creation of a European Forum for Roma and Travellers,

Convinced that Roma and Sinti populations should have an ever-increasing degree of ownership of the policies focusing on them,

Decides to endorse the Action Plan on Improving the Situation of Roma and Sinti within the OSCE Area, adopted by the Permanent Council in its Decision No. 566 on 27 November 2003, and annexed to this Decision.

ACTION PLAN ON IMPROVING THE SITUATION OF ROMA AND SINTI WITHIN THE OSCE AREA

I. Scope and objectives

1. The Action Plan is intended to reinforce the efforts of the participating States and relevant OSCE institutions and structures aimed at ensuring that Roma and Sinti people are able to play a full and equal part in our societies, and at eradicating discrimination against them.
2. The Action Plan relies on the framework of international and regional human rights law, existing OSCE commitments and examples of best practices from countries throughout Europe, where these are in place, and aims at fostering such practices elsewhere. The special measures foreseen by the Action Plan with a view to improving the situation of Roma and Sinti people are based on the International Convention on the Elimination of All Forms of Racial Discrimination¹.
3. Both the participating States and OSCE institutions are called upon to implement the Action Plan. Roma and Sinti communities in the participating States are invited to draw upon and contribute actively to the implementation of the Action Plan's provisions.

II. General context: for Roma, with Roma

4. Each national policy or implementation strategy should: (1) respond to the real problems, needs and priorities of Roma and Sinti communities; (2) be comprehensive; (3) introduce a balanced and sustainable approach to combining human rights goals with social policies; and (4) maximize Roma ownership of the policies that affect them. At the same time, national policies or implementation strategies should be adapted and implemented according to the specific needs of Roma and Sinti populations in particular situations in participating States. Implementation strategies should also include mechanisms to ensure that national policies are implemented at the local level.
5. The guiding principle in the efforts of participating States and relevant OSCE institutions should be that each policy and implementation strategy should be elaborated and implemented with the active participation of Roma and Sinti communities. It is essential to ensure real participation by Roma and Sinti people in all the decisions that affect their lives. Roma and Sinti people should work alongside local, national and international authorities in

1 Article I, paragraph 4 reads: "Special measures taken for the sole purpose of securing adequate advancement of certain racial or ethnic groups or individuals requiring such protection as may be necessary in order to ensure such groups or individuals equal enjoyment or exercise of human rights and fundamental freedoms shall not be deemed racial discrimination, provided, however, that such measures do not, as a consequence, lead to the maintenance of separate rights for different racial groups and that they shall not be continued after the objectives for which they were taken have been achieved."

the development of these strategies. Equally, Roma communities should be equal partners and should share the responsibility for the betterment of their welfare.

6. The particular situation of Roma and Sinti women should be taken into account in the design and implementation of all policies and programmes. Where consultative and other mechanisms exist to facilitate Roma and Sinti people's participation in such policy-making processes, women should be able to participate on an equal basis with men. Roma women's issues should be systematically mainstreamed in all relevant policies designed for the population as a whole.

III. Combating racism and discrimination

In order to counter prejudice against Roma and Sinti and to effectively elaborate and implement policies to combat discrimination and racial violence, the following actions are recommended:

Legislation and law enforcement

Recommended action by participating States:

7. Consider ratifying the relevant international treaties as soon as possible, if they have not already done so, *inter alia*, the International Convention on the Elimination of All Forms of Racial Discrimination.

8. Adopt and implement effective anti-discrimination legislation to combat racial and ethnic discrimination in all fields, including, *inter alia*, access to housing, citizenship and residence, education, employment, health and social services. Involve Roma and Sinti representatives in the design, implementation and evaluation processes.

9. The anti-discrimination legislation should ensure:

- Prohibition of both direct and indirect racial discrimination;
- Imposition of effective, proportionate and dissuasive sanctions for discriminatory acts or practices;
- Imposition of heavier sentences for racially motivated crimes by both private individuals and public officials;
- Equal access to effective remedies (judicial, administrative, conciliation or mediation procedures).

10. It should be ensured that national legislation prohibits all kinds of discriminatory acts and that all cases of suspected discrimination are thoroughly and objectively investigated.

11. Create, where appropriate, specialized institutions to ensure the implementation of such legislation, as well as domestic mechanisms to monitor and report regularly and with transparency on the progress achieved in its implementation. Encourage participation of Roma and Sinti representatives in such bodies, whose work should be accessible to the public.

12. Develop, where necessary, comprehensive national strategies or action plans to improve the situation of Roma and Sinti people, which include specific measures to tackle discrimination in all fields of life.
13. Assess on a regular basis, especially at the local level, the results of these strategies and involve Roma and Sinti communities in the evaluation process.
14. Endeavour, by encouraging a genuine dialogue or consultations or through other appropriate means, to improve the relations between Roma and Sinti people and other inhabitants, with a view to promoting tolerance and overcoming prejudices and negative stereotypes on both sides.
15. Document, consistent with national and international standards on the protection of data, all types and relevant cases of discrimination in order to better assess the situation and respond to the needs of Roma and Sinti people.
16. Ensure the vigorous and effective investigation of acts of violence against Roma and Sinti people, especially where there are reasonable grounds to suspect that they were racially motivated, and prosecute those responsible in accordance with domestic law and consistent with relevant standards of human rights.
17. Ensure no impunity for perpetrators of discriminatory or violent acts, *inter alia*, by taking prompt and effective investigative and punitive action on the part of the police.
18. Facilitate access to justice for Roma and Sinti people through measures such as legal aid and the provision of information in the Romani language.
19. Take into account in all measures and programmes, the situation of Roma and Sinti women, who are often victims of discrimination on the basis of both ethnicity and sex.

Recommended action by OSCE institutions and structures:

20. The ODIHR and, where appropriate, other OSCE institutions and structures, including OSCE field operations, will assist participating States, at their request, in developing anti-discrimination legislation, as well as in establishing anti-discrimination bodies.
21. The HCNM, within its mandate, will continue to follow the development of anti-discrimination legislation and provide advice and assistance to the participating States in this respect, as appropriate.
22. Upon request, the ODIHR will provide advice on how a participating State's existing mechanisms, such as ombudsman offices, commissions for combating discrimination, police disciplinary commissions, and other relevant bodies can alleviate tensions between Roma and Sinti and non-Roma communities.
23. The ODIHR/Contact Point for Roma and Sinti Issues (CPRSI) will promote better relations between Roma and Sinti non-governmental organizations (NGOs) and the participating States.

24. The ODIHR-CPRSI will serve as a clearing house on initiatives undertaken by participating States and facilitate exchanges of information on best practices.

25. The ODIHR-CPRSI will, in close co-operation with participating States, Roma and Sinti communities, and where possible with other international organizations, and in full respect of the laws on the protection of personal data, collect documentation for the purpose of developing more precisely targeted policies.

Police

Recommended action by participating States:

26. Develop policies that promote awareness among law-enforcement institutions regarding the situation of Roma and Sinti people and that counter prejudice and negative stereotypes.

27. Develop training programmes to prevent excessive use of force and to promote awareness of and respect for human rights.

28. Develop policies: (1) to improve relations between Roma and Sinti communities and the police, so as to prevent police abuse and violence against Roma and Sinti people; and (2) to improve trust and confidence in the police among Roma and Sinti people.

29. Develop policies and procedures to ensure an effective police response to racially motivated violence against Roma and Sinti people.

30. Assess the gap between international standards on police and currently existing national practices in consultation with national police forces, NGOs and representatives of Roma and Sinti communities.

31. Elaborate, where appropriate, and in close partnership with international organizations and Roma NGOs, policy statements, codes of conduct, practical guidance manuals and training programmes.

32. Encourage Roma and Sinti people to work in law-enforcement institutions as a sustainable means of promoting tolerance and diversity.

Recommended action by OSCE institutions and structures:

33. The Strategic Police Matters Unit in the Secretariat and the ODIHR will assist participating States in developing programmes and confidence-building measures — such as community policing — to improve the relations between Roma and Sinti people and the police, particularly at the local level.

34. The ODIHR-CPRSI and the Strategic Police Matters Unit will, within their respective mandates, produce a compilation of police “best practices” in the OSCE region with respect to policing and Roma and Sinti communities.

35. The HCNM, the ODIHR-CPRSI and the Strategic Police Matters Unit will assist the participating States in developing codes of conduct to prevent racial profiling and improve interethnic relations.

Mass Media

Recommended action by participating States:

36. Launch information and awareness-raising campaigns with a view to countering prejudices and negative stereotypes of Roma and Sinti people.
37. In order to foster freedom of expression, encourage training of Roma and Sinti journalists and their employment in media outlets with a view to facilitating wider access to the media for Roma and Sinti people.
38. Encourage the media to show positive aspects and present a balanced portrayal of Roma life, refrain from stereotyping Roma and Sinti people and avoid inciting tension between various ethnic groups. Organize round tables between media representatives and Roma and Sinti representatives to promote this objective.

Recommended action by OSCE institutions and structures:

39. In co-operation with the ODIHR as well as relevant international organizations, the Representative on Freedom of the Media (RFOM) should consider how the OSCE could contribute to the establishment of a European Roma Radio which would broadcast throughout Europe. The ODIHR and the RFOM should organize public debates, anti-discrimination campaigns and joint training programmes with and for the media.
40. The RFOM should consider facilitating training seminars for Roma journalists.
41. The ODIHR-CPRSI and the RFOM will organize round tables with journalists on the image that Roma and Sinti communities have in society.
42. The HCNM will continue to elaborate and disseminate guidelines for policy-makers on the use of the State broadcast media in multicultural communities, aimed, *inter alia*, at encouraging support for minority broadcasters, including Roma and Sinti broadcasters, and improving their access to the media.

IV. Addressing socio-economic issues

Action is required to ensure that Roma and Sinti people enjoy social and economic rights on a par with others. Measures at the grass-roots level, particularly those originating from Roma groups themselves, are particularly needed in order to promote the integration of Roma and Sinti people into social and economic life and to combat their isolation and poverty. The OSCE and its participating States should continue to facilitate such integration.

Housing and living conditions

Recommended action by participating States:

43. Put in place mechanisms and institutional procedures to clarify property rights, resolve questions of ownership and regularize the legal status of Roma and Sinti people living in circumstances of unsettled legality (e.g., Roma neighbourhoods lacking land rights or

which are not included in the urban plans of the main locality; families and houses without legal residence status in settlements where the people have been living *de facto* for decades).

44. Involve Roma and Sinti people in the design of housing policies, as well as in the construction, rehabilitation and/or maintenance of public housing projects meant to benefit them. Ensure that housing projects do not foster ethnic and/or racial segregation.

45. Consider the possibility of guaranteeing loans to participating States that may be available from international organizations and financial institutions for low-income housing projects.

46. Promote the option of co-operative housing schemes for Roma communities and provide appropriate training for the maintenance of such facilities.

Recommended action by OSCE institutions and structures:

47. The ODIHR-CPRSI and the Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA) are encouraged to play a larger role in facilitating the provision of information about and access to resources made available by foreign donors for specific projects, particularly those generated by Roma and Sinti groups, addressing the social and economic development of Roma and Sinti communities.

Unemployment and economic problems

Recommended action by participating States:

48. Promote increased representation of qualified Roma and Sinti people in public employment.

49. Develop training programmes to prepare under-represented groups such as Roma and Sinti for employment in local public administration and other areas, and develop policies to encourage employment of the graduates of these programmes as civil servants.

50. Reassess the impact of subsidized employment programmes, paying particular attention to their educational components, to ensure that these will aim to increase the competitiveness of Roma and Sinti people on the labour market.

51. Develop policies and programmes, including vocational training, to improve the marketable skills and employability of Roma and Sinti people, particularly young people and women.

52. Adopt social policies that strengthen incentives to seek employment, as a sustainable way to avoid dependency on social benefits.

Recommended action by OSCE institutions and structures:

53. At the request of participating States, the OCEEA, together with relevant international organizations, will contribute to developing approaches designed to overcome obstacles and discrimination that prevent Roma and Sinti people from fulfilling their potential in the economic sphere.

54. At the request of participating States, the ODIHR-CPRSI and the OCEEA will support development of the employability and entrepreneurial skills of Roma and Sinti people through the establishment of training and retraining programmes in participating States. Successful practices, particularly relating to the development of entrepreneurial skills and small and medium-sized enterprises (SMEs) (e.g., the Youth Entrepreneurship Seminars programme) could be adapted to the needs of Roma and Sinti people. The OCEEA could also facilitate economic and social insertion by acting as a catalyst for support by partner organizations and financial institutions of micro-credit programmes, in the form of small loans for the establishment of small-scale businesses.

55. The OCEEA, working in close contact and in co-operation with other international organizations, so as to avoid overlapping, can assist governments in assessing the impact of economic policies and processes on Roma and Sinti communities (by developing policy performance/assessment indicators).

56. The ODIHR-CPRSI and the OCEEA will draw upon the research developed by UNDP and other agencies to assess the needs of Roma and Sinti people with a view to fostering policies that take into account the extent and nature of their specific needs in each participating State.

57. In co-ordination with relevant international organizations (in particular UNDP and the World Bank), the ODIHR-CPRSI and the OCEEA will examine ways to stimulate better access by Roma and Sinti people to regular training programmes. Workshops or round-table discussions tailored to the needs of Roma and Sinti people can be organized, with a view to informing and educating community members regarding the economic and social rights of individuals and entrepreneurs.

Health care

Recommended action by participating States:

58. Ensure that Roma and Sinti people have access to health care services on a non-discriminatory basis.

59. Promote awareness about the specific needs of the Roma and Sinti population amongst health care personnel.

60. Address the high incidence of disease and malnutrition among Roma communities.

61. Encourage access by Roma and Sinti populations to general public health services at an early stage by:

- (a) Informing Roma and Sinti people about the availability of such services and telling them how to take advantage of them;
- (b) Strengthening the confidence of Roma and Sinti people towards public health care providers, including through: punishing incidents of direct or indirect discrimination experienced by Roma and Sinti; training health care workers to understand relevant aspects of Roma culture; and supporting mediators who can play an important role in bridging the gap between Roma communities and public health care service providers.

62. Pay special attention to the health of women and girls, *inter alia*, by:
- (a) Promoting and/or developing programmes aimed at providing information on health care (including nutrition, neonatal care and domestic violence, etc.);
 - (b) Improving access to gynaecological health care, including prenatal, delivery and postnatal health care services, *inter alia*, through the provision of information and training.
63. Pay special attention to the health of Roma and Sinti children through the provision of appropriate paediatric care, including preventive measures such as offering vaccinations in Roma settlements.

Recommended action by OSCE institutions and structures:

64. In co-operation with other international organizations and NGOs, the ODIHR will draw upon existing research data to identify socio-economic, political and cultural factors that have an impact on the health status of particular Roma and Sinti populations, and will advise participating States regarding public health programmes which would respond to needs identified.
65. The ODIHR-CPRSI and, where appropriate, other OSCE institutions and structures, including OSCE field operations, will assist participating States in launching educational initiatives to help Roma and Sinti people make full use of regular health services. They will, *inter alia*, collect, produce and disseminate relevant information on good practices.
66. The ODIHR-CPRSI will pay special attention to ensuring that Roma and Sinti people have access to programmes aimed at prevention and/or treatment of drug abuse and addiction and AIDS and related diseases.

V. Improving access to education

Education is a prerequisite to the participation of Roma and Sinti people in the political, social and economic life of their respective countries on a footing of equality with others. Strong immediate measures in this field, particularly those that foster school attendance and combat illiteracy, should be assigned the highest priority both by decision-makers and by Roma and Sinti communities. Educational policies should aim to integrate Roma and Sinti people into mainstream education by providing full and equal access at all levels, while remaining sensitive to cultural differences.

Recommended action by participating States:

67. Ensure that national legislation includes adequate provisions banning racial segregation and discrimination in education and provides effective remedies for violations of such legislation.
68. Consult Roma and Sinti representatives when designing educational policies affecting them.

69. Actively promote equal opportunities in the field of education for Roma and Sinti children, particularly by providing them with language-related or other assistance.
70. Take special measures to enhance the quality and effectiveness of education for Roma and Sinti children. Encourage increased representation of Roma and Sinti people among school teachers.
71. Include Roma history and culture in educational texts, with particular consideration given to the experience of Roma and Sinti people during the Holocaust.
72. Consider measures to ensure the respect, protection and promotion of the Romani language and its teaching, and of Roma culture as an integral part of the Roma and Sinti cultural heritage.
73. Develop and implement comprehensive school desegregation programmes aiming at: (1) discontinuing the practice of systematically routing Roma children to special schools or classes (e.g., schools for mentally disabled persons, schools and classes exclusively designed for Roma and Sinti children); and (2) transferring Roma children from special schools to mainstream schools.
74. Allocate financial resources for the transfer of the Roma children to mainstream education and for the development of school support programmes to ease the transition to mainstream education.
75. Facilitate Roma children's access to mainstream education by taking measures such as:
 - (a) Taking measures to eradicate manifestations of prejudice against Roma and Sinti people in schools;
 - (b) Training of educators regarding multicultural education and ways of dealing with ethnically mixed classes;
 - (c) Developing strategies to gain wider community support for the desegregation of schools;
 - (d) Providing support to bridge the gap between Roma and Sinti children and other pupils, including through pre-school programmes designed to prepare Roma and Sinti children for primary school;
 - (e) Providing support to increase the number of mediators/trainers and teachers from within the Roma communities.
76. Develop and implement anti-racist curricula for schools, and anti-racism campaigns for the media.
77. Develop policies that address the full range of factors which contribute to low-school attendance by Roma and Sinti children. This includes, *inter alia*, ensuring that Roma and Sinti families have the necessary documentation for registration as any other inhabitants.

78. Consider elaborating social support programmes for low-income Roma families with school-aged children.
79. Promote regular school attendance by Roma and Sinti children, *inter alia*, through the involvement of family and social mediators, the promotion of awareness by Roma and Sinti parents and elders of their responsibility to facilitate children's school attendance and, in particular, equal access to education for girls.
80. Pay special attention to providing Roma and Sinti girls with equal opportunities for educational and social inclusion and develop programmes to counter their particularly high drop-out rate.
81. Consider developing appropriate programmes for those who have not completed primary school or are illiterate.
82. Develop, where necessary, scholarship programmes for Roma students and encourage their increased participation in existing scholarship programmes.
83. Encourage computer literacy among Roma and Sinti people through the setting up of information web-sites.
84. Evaluate periodically the effectiveness of educational policies.

Recommended action by OSCE institutions and structures:

85. The HCNM will encourage participating States to comply with their commitments to provide free and equal access to public education to all members of society, and will encourage them to take steps to improve the situation of Roma and Sinti people in this respect.
86. The HCNM will continue to provide guidance on educational models, curriculum content and the teaching of, or in, the mother tongue, including the Romani language.

VI. Enhancing participation in public and political life

Roma and Sinti people face special challenges in their efforts to participate in the public — and particularly the political — life of their respective countries. Low levels of education and, in certain cases, discrimination against them contribute substantially to the under-representation of Roma and Sinti people at all levels of government. Roma and Sinti people have an equal right to participate in public affairs. This includes the rights to vote, stand for election, participate in public affairs and form political parties without discrimination. Efforts made in recent years to foster Roma political participation should be encouraged, particularly those originating from the Roma groups themselves.

Recommended action by participating States:

87. Participating States must be proactive in ensuring that Roma and Sinti people, like any other inhabitants, have all the necessary documents, including birth certificates, identity documents and health insurance certificates. In resolving problems related to the lack of basic

documents, participating States are strongly advised to work in partnership with Roma and Sinti civil organizations.

88. Participating States are encouraged to take into account the following basic conditions for ensuring effective participation by Roma and Sinti people in public and political life:

— *Early involvement:*

Any initiative relating to Roma and Sinti people should involve them at the earliest stages in the development, implementation and evaluation phases;

— *Inclusiveness:*

Roma and Sinti people should be included in formal consultative processes, and the effectiveness of mechanisms established for their participation in shaping major policy initiatives should be ensured by involving them in a broadly representative process;

— *Transparency:*

Programmes and proposals should be circulated sufficiently in advance of decision-making deadlines to allow for meaningful analysis and input from representatives of Roma and Sinti communities;

— *Meaningful participation by Roma and Sinti people at all levels of government:*

Participation by Roma and Sinti people in local government is essential for the effective implementation of policies affecting them;

— *Ownership:*

Roma and Sinti people play an essential and irreplaceable role in ensuring that the right to participate in the political process is observed in practice.

89. Elected officials should establish close working relations with Roma and Sinti communities.

90. Establish mechanisms to ensure equal, direct and open communication between Roma and Sinti representatives and government authorities, including advisory and consultative bodies.

91. Facilitate interaction between political leaders at the local and national levels and diverse Roma groups.

92. Organize election-awareness campaigns so as to increase participation of the Roma electorate in elections.

93. Ensure that Roma voters can make free and informed choices in elections.

94. Take measures to guarantee the equal voting rights of women, including by enforcing prohibitions on so-called “family voting”.

95. Encourage Roma and Sinti people to engage more actively in public service, including, where necessary, through the introduction of special measures to promote their participation in the civil service.

96. Encourage the representation of Roma and Sinti people in elected and appointed office at all levels of government.

97. Empower and integrate Roma and Sinti individuals into decision-making processes of States and localities as elected representatives of their communities and as citizens of their respective countries.

98. Promote Roma women's participation in public and political life; Roma women should be able to participate on an equal basis with men in consultative and other mechanisms designed to increase access to all areas of public and political life.

Recommended action by OSCE institutions and structures:

99. The ODIHR and, where appropriate, other OSCE institutions and structures, including OSCE field operations, will develop programmes aimed at fostering the registration necessary for full political participation.

100. The ODIHR-CPRSI should help to organize training for and by Roma NGOs, including media organizations, for wider Roma communities on the issues of democratic processes and participation.

101. The ODIHR and, where appropriate, other OSCE institutions and structures, including OSCE field operations, will develop and implement voter education and voter registration programmes.

102. The ODIHR will act as a catalyst for exchanges of information and best practices among participating States and other international organizations.

103. The ODIHR will continue and strengthen the practice of examining the involvement of Roma people in voting and election processes, and will continue the practice of including Roma and Sinti experts in its election observation missions in the OSCE area.

104. The HCNM, within its mandate, will continue to advise States on appropriate ways and means of facilitating the participation of Roma and Sinti people in all areas of public life.

105. The ODIHR-CPRSI and, where appropriate, other OSCE institutions and structures, including OSCE field operations, will design programmes that encourage Roma and Sinti representatives to stand as candidates for elected bodies or will identify creative solutions that would ensure the participation of Roma and Sinti representatives in national and local decision-making processes.

106. The ODIHR will devote particular attention to activities aimed at increasing access by Roma women to all areas of public and political life.

VII. Roma and Sinti in crisis and post-crisis situations

The participating States have an obligation to ensure that, even in crisis and post-crisis situations, all the fundamental rights, including the rights of refugees deriving from relevant international instruments, in particular the 1951 Convention relating to the Status of Refugees and its 1967 Protocol, are secured without discrimination. They take into account the UN Guiding Principles on Internal Displacement as a useful framework for the work of the OSCE and their endeavours in dealing with internal displacement.

Recommended action by participating States:

107. Consult Roma and Sinti populations when defining crisis situations in order to facilitate adequate procedures and to identify specific geographical areas from which refugees and internally displaced persons flee, as well as to ensure that the specific situation of Roma and Sinti people are addressed.

108. Ensure that Roma and Sinti populations in a forced displacement situation (refugees and IDPs) are duly registered and provided with the relevant documents.

109. The participating States should ensure that programmes are in place to promote informed choice regarding the decision of Roma and Sinti refugees and IDPs concerning durable solutions to their situations, including the exercise of their right to safe, decent and sustainable return. Such programmes should provide concrete information regarding each subject of concern to refugees and IDPs and should be made available in the relevant languages.

110. Ensure that Roma and Sinti refugees are treated in accordance with the relevant international norms and standards of protection, and in a non-discriminatory manner.

111. Make use of the ODIHR's role in conflict prevention and identification of areas of early intervention, and draw on the expertise of the OSCE HCNM in this regard.

112. Pay special attention to the needs of Roma and Sinti women and children in crisis and post-crisis situations, particularly by providing them with access to health care, housing and schooling.

Recommended action by OSCE institutions and structures:

113. The ODIHR will make use of its specific role in addressing conflict prevention and identifying areas of potential crisis requiring early intervention.

114. In accordance with its mandate, the ODIHR-CPRSI is called upon to respond effectively to crisis situations by, *inter alia*, co-operating with relevant governments, inter-governmental bodies and international organizations, in particular the UNHCR, to ensure protection of Roma communities at risk.

115. The ODIHR-CPRSI will raise awareness among public officials, journalists and others of the situation of Roma and Sinti people in crisis or conflict areas.

116. The ODIHR will assume a proactive role in analysing measures undertaken by participating States relating to Roma and Sinti people and offer its advice with a view to

better tackling those elements of tension in particular local contexts which may evolve, if not prevented, into open conflict situations.

117. The HCNM will continue to exercise his mandate of conflict prevention at the earliest possible stage.

VIII. Enhancing co-operation and co-ordination with other international organizations and NGOs

Given the increased attention being paid to issues concerning Roma and Sinti people by various international organizations, co-ordination and co-operation is required to avoid duplication of effort. With a view to ensuring effective implementation of the Action Plan, the OSCE, and in particular the ODIHR, will closely co-operate with international organizations and non-governmental organizations.

118. The ODIHR-CPRSI will continue to participate actively in the *Informal Contact Group on Roma of the Intergovernmental Organisations*².

119. The strengthening and up-grading of this informal body will be agreed upon and implemented in co-operation with all the relevant partners, particularly by ensuring the inclusion of representatives of OSCE participating States. Regular meetings of the Informal Contact Group at the expert level, or a higher level when deemed necessary, will be considered with a view to furthering this aim.

120. The Informal Contact Group should establish common orientations and priorities, as well as better co-ordination and co-operation in order to avoid duplication of effort.

121. The ODIHR-CPRSI will seek to consolidate the “International Roma Contact Group”³ and will further contribute to the Council of Europe’s initiative for a possible European Forum for Roma and Travellers.

122. The ODIHR-CPRSI will provide information and co-ordination services to relevant national and international institutions, and will facilitate dialogue among them and with Roma NGOs.

123. The ODIHR-CPRSI will seek to develop relations with Roma and Sinti organizations and help them to co-ordinate their efforts and resources, both within individual States and across borders, and to avail themselves fully of opportunities provided by existing national and international policies affecting Roma and Sinti people.

124. The ODIHR-CPRSI will draw upon the experience and input of existing monitoring projects developed by other international organizations.

2 The *Informal Contact Group on Roma of the Intergovernmental Organisations* is composed of representatives from OSCE/ODIHR, the Council of Europe, the European Commission and the European Union.

3 The International Roma Contact Group was established in October 2000 at the initiative of the ODIHR Contact Point for Roma and Sinti Issues. The Contact Group includes representatives of the International Romani Union, the Roma National Congress, elected Romani representatives, Romani experts and the ODIHR-CPRSI.

IX. The ODIHR Contact Point for Roma and Sinti Issues

125. Where necessary, the ODIHR-CPRSI will facilitate information-sharing among OSCE participating States that have developed or are seeking to improve national policies on Roma and Sinti people.

126. Upon request, ODIHR-CPRSI will advise participating States on future policies related to Roma and Sinti people and will stimulate debates between governments and Roma NGOs.

127. The ODIHR-CPRSI will support capacity-building for Roma and Sinti NGOs.

128. The ODIHR-CPRSI will establish a database of best practices in OSCE participating States.

129. The ODIHR-CPRSI should assume a proactive role in analysing measures undertaken by participating States, as well as in particular situations and incidents relating to Roma and Sinti people. Towards this end CPRSI will establish and develop direct contacts with participating States and will offer advice and opinions to them.

130. Governments concerned will co-operate with the ODIHR-CPRSI in identifying effective solutions to crisis situations.

131. The ODIHR-CPRSI will provide Roma and Sinti communities with more information on OSCE resources and activities.

132. In co-operation with relevant OSCE institutions and structures, the ODIHR will develop appropriate action aimed at tackling the root causes of trafficking in human beings, especially in children, and raise awareness of its consequences among Roma and Sinti communities.

X. Implementation: review and assessment

133. The implementation of the Action Plan's provisions will be reviewed at the Human Dimension Implementation Meetings, Review Conferences and other relevant human dimension events.

134. Drawing on the outcome of the above-mentioned meetings, as well as on input from the consolidated Informal Contact Group on Roma of the Intergovernmental Organisations and the International Roma Contact Group, the Director of the ODIHR will report to the Permanent Council, which may recommend to participating States and OSCE institutions priorities for co-operation and co-ordination.

135. The Permanent Council will periodically organize informal briefings by the Contact Point for Roma and Sinti Issues on the areas covered by the present Action Plan in order to assess the impact at the national and local levels of the measures foreseen by it.

136. With a view to facilitating the implementation review process, OSCE participating States are encouraged to provide information on recent developments in the situation of

Roma and Sinti people and/or measures inspired by this Action Plan at the Human Dimension Implementation Meetings, prior to Review Conferences and to the Permanent Council, where appropriate.

137. All relevant OSCE institutions and structures, including OSCE field operations, will continue to interact closely with participating States in order to assist them in implementing the Action Plan.

138. The ODIHR-CPRSI will disseminate information on this Plan to Roma and Sinti communities and organizations as well as to other international organizations.

139. In order to enable ODIHR-CPRSI to carry out the tasks entrusted to it in the present Action Plan, the OSCE Permanent Council will address providing adequate human and financial resources. The details will be worked out by the Advisory Committee on Management and Finance and will be submitted to the Permanent Council.

DECISION No. 4/03
TOLERANCE AND NON-DISCRIMINATION
(MC.DEC/4/03)

The Ministerial Council,

Recognizing that respect for human rights and fundamental freedoms, democracy and the rule of law are at the core of the OSCE's comprehensive concept of security,

Recalling its commitments in the field of the human dimension, enshrined in the Helsinki Final Act, the Charter of Paris for a New Europe, the Charter for European Security (Istanbul Summit, 1999) and all other relevant OSCE documents and decisions,

Recalling Decision No. 6 on Tolerance and Non-discrimination, adopted at the Tenth Meeting of the Ministerial Council in Porto on 7 December 2002,

Reaffirming its commitment to promote tolerance and combat discrimination, and its concern about all manifestations of aggressive nationalism, racism, chauvinism, xenophobia, anti-Semitism and violent extremism in all participating States, as well as discrimination based, *inter alia*, on race, color, sex, language, religion or belief, political or other opinion, national or social origin, property, birth or other status,

Urging the relevant authorities in all participating States to continue to condemn publicly, at the appropriate level and in the appropriate manner, violent acts motivated by discrimination and intolerance,

Affirming its commitment to increase its efforts for the promotion of tolerance and non-discrimination in all fields,

Welcoming the work done by the OSCE during 2003,

1. Commits itself to promote the implementation of the Action Plan on Improving the Situation of Roma and Sinti within the OSCE Area;
2. Decides to enhance the efforts being made to increase women's participation and the role of women in furthering democratization and economic development, and to consider integrating the provisions of the OSCE Action Plan on Gender Issues where applicable into national policies. Further decides to enhance its efforts to achieve gender balance at all levels within the OSCE, taking full account also in this respect of the principle of recruiting staff from all participating States on a fair basis. Reiterates that the OSCE encourages female candidates to apply for OSCE positions;
3. Decides to follow up the work started at the OSCE Conference on Anti-Semitism, held in Vienna on 19 and 20 June 2003 and welcomes the offer by Germany to host a second OSCE conference on this subject in Berlin on 28 and 29 April 2004;
4. Decides to follow up the work started at the OSCE Conference on Racism, Xenophobia and Discrimination, held in Vienna on 4 and 5 September 2003 and welcomes

the offer by Belgium to host a second OSCE conference on this subject in Brussels in autumn 2004;

5. Tasks the Permanent Council to further discuss, in addition to the two above-mentioned conferences, ways and means of increasing the efforts of the OSCE and the participating States for the promotion of tolerance and non-discrimination in all fields;

6. Encourages all participating States to collect and keep records on reliable information and statistics on hate crimes, including on forms of violent manifestations of racism, xenophobia, discrimination, and anti-Semitism, as discussed and recommended in the above-mentioned conferences. Recognizing the importance of legislation to combat hate crimes, participating States will inform the ODIHR about existing legislation regarding crimes fuelled by intolerance and discrimination, and, where appropriate, seek the ODIHR's assistance in the drafting and review of such legislation;

7. Tasks the ODIHR, in full co-operation, *inter alia*, with the United Nations Committee on the Elimination of Racial Discrimination (UNCERD), the European Commission against Racism and Intolerance (ECRI) and the European Monitoring Center on Racism and Xenophobia (EUMC), as well as relevant NGOs, with serving as a collection point for information and statistics collected by participating States, and with reporting regularly on these issues, including in the format of the Human Dimension Implementation Meeting, as a basis for deciding on priorities for future work. The ODIHR will, *inter alia*, promote best practices and disseminate lessons learned in the fight against intolerance and discrimination;

8. Recognizes the need to combat hate crimes, which can be fuelled by racist, xenophobic, and anti-Semitic propaganda on the internet. We welcome the offer by France to host in Paris in 2004 a forward-looking event, fully respecting the rights to freedom of information and expression, on the relationship between propaganda on the internet and hate crimes;

9. Affirms the importance of freedom of thought, conscience, religion or belief, and condemns all discrimination and violence, including against any religious group or individual believer. Commits to ensure and facilitate the freedom of the individual to profess and practice a religion or belief, alone or in community with others, where necessary through transparent and non-discriminatory laws, regulations, practices and policies. Encourages the participating States to seek the assistance of the ODIHR and its Panel of Experts on Freedom of Religion or Belief. Emphasizes the importance of a continued and strengthened interfaith and intercultural dialogue to promote greater tolerance, respect and mutual understanding;

10. Ensures the advancement of the implementation of the OSCE commitments on national minorities, and recognizes the importance of the recommendations of the High Commissioner on National Minorities on education, public participation, and language, including on its use in broadcast media, and the relevant recommendations of the Representative on Freedom of the Media in this regard;

11. Undertakes to combat discrimination against migrant workers. Further undertakes to facilitate the integration of migrant workers into the societies in which they are legally residing. Calls on the ODIHR to reinforce its activities in this respect;

12. Undertakes, in this context, to combat, subject to national legislation and international commitments, discrimination, where existing, against asylum seekers and refugees, and calls on the ODIHR to reinforce its activities in this respect;
13. Takes into account the UN Guiding Principles on Internal Displacement as a useful framework for the work of the OSCE and the endeavors of participating States in dealing with internal displacement;
14. Decides that the OSCE in addressing the issues contained in this document will increase its efforts towards the younger generation in order to build up their understanding of the need for tolerance. Human rights education merits particular attention;
15. Decides to intensify the co-operation of the OSCE with relevant international organizations such as the United Nations, the Council of Europe and the European Union, as well as with civil society and relevant non-governmental organizations to promote tolerance and non-discrimination;
16. Tasks the Permanent Council, the ODIHR, the HCNM and the RFoM, in close co-operation with the Chairmanship-in-Office, with ensuring an effective follow-up to the relevant provisions of the present decision, and requests the Permanent Council to address the operational and funding modalities for the implementation of this decision.

DECISION No. 5/03
ELECTIONS
(MC.DEC/5/03)

The Ministerial Council,

Reaffirming the provisions of the Document of the Copenhagen Meeting of the Conference on the Human Dimension of the CSCE (1990),

Noting that relevant provisions of the Lisbon Summit Declaration (1996) and the Istanbul Summit Declaration (1999) have supplemented those commitments,

Reaffirming its determination to implement these commitments,

Recalling Decision No. 7 adopted at the Tenth Meeting of the OSCE Ministerial Council in Porto in 2002,

Acknowledging that democratic elections can be conducted under a variety of different electoral systems and laws,

Recognizing the ODIHR's expertise in assisting participating States in the implementation of election-related commitments and standards,

Welcoming the continuing efficient co-operation between the ODIHR and the OSCE Parliamentary Assembly in election monitoring,

Welcoming the document "Existing Commitments for Democratic Elections in OSCE Participating States: A Progress Report" (ODIHR.GAL/39/03), which was prepared by the ODIHR and submitted to the participating States in June of this year,

Recognizing in particular the need for confidence by the electorate in the entire process, for transparency of election procedures, and for accountability on the part of authorities conducting elections, calls upon participating States to further enhance their co-operation with the ODIHR in this field,

Tasks the ODIHR to consider ways to improve the effectiveness of its assistance to participating States in following up recommendations made in ODIHR election-observation reports and inform the Permanent Council on progress made in fulfilling this task;

Tasks the Permanent Council, drawing on expertise from the ODIHR, to consider the need for additional commitments on elections, supplementing existing ones, and report to the next Ministerial Council.

DECISION No. 6/03
TERMS OF REFERENCE FOR THE
OSCE COUNTER-TERRORISM NETWORK
(MC.DEC/6/03)

The Ministerial Council,

Acknowledging the need to strengthen the co-ordination of counter-terrorism measures and information sharing between OSCE participating States and within their capitals,

Recalling Decision No. 1 (MC(10).DEC/1 of 7 December 2002) of the Tenth Meeting of the Ministerial Council, on implementing the OSCE commitments and activities on combating terrorism,

Decides to establish the OSCE Counter-Terrorism Network (CTN) in accordance with the terms of reference for the Network contained in the annex to this decision.

Annex to Decision No. 6/03

OSCE COUNTER-TERRORISM NETWORK
TERMS OF REFERENCE

The primary purpose of the OSCE Counter-Terrorism Network (CTN) is to promote the strengthening of co-ordination of counter-terrorism measures and information-sharing between OSCE participating States. In particular, it aims to strengthen the liaison between the delegations of participating States, counter-terrorism officials in capitals and the OSCE Action against Terrorism Unit (ATU).^{*} The Network facilitates timely exchanges of information on counter-terrorism programmes, training and legal developments initiated by the OSCE and participating States, as well as on open-source analyses concerning trends in terrorist phenomena. The primary emphasis will be placed on supporting and supplementing the work of the United Nations Security Council Counter-Terrorism Committee in implementing Security Council resolution 1373. The CTN is not intended to be a conduit for intelligence or other sensitive information, nor does it seek to duplicate functions of other international and regional law-enforcement networks.

Each government will designate a principal liaison to serve, through its OSCE delegation, as the principal contact point with the ATU on counter-terrorism matters. The principal liaison will ensure that communications from the ATU are forwarded to the

^{*} The United Nations Counter-Terrorism Committee (CTC) has supported the development of such regional networks to strengthen co-operation and co-ordination. The Secretariat of the Inter-American Committee against Terrorism (CICTE), within the Organization of American States, has already developed a regional hemispheric network of national points of contact. The ATU is grateful for and acknowledges CICTE's advice and assistance in developing the OSCE Counter-Terrorism Network.

appropriate government authorities in the capital concerned, and that the ATU and delegations are similarly informed in a timely manner of relevant developments in the participating State. In order to foster co-ordination, communications through the Counter-Terrorism Network passing between the ATU and a principal liaison will in principle be transmitted through the OSCE delegation of the State concerned.

Responsibilities of the ATU

1. Inform participating States of bilateral as well as multilateral training opportunities related to counter-terrorism matters, and work with principal liaisons to take full advantage of such programmes.
2. Co-ordinate and facilitate OSCE counter-terrorism activities, including capacity-building assistance programmes, training and contingency-preparedness workshops, with a view to effectively utilizing resources and averting duplication.
3. Respond to information and requests for action from principal liaisons in a timely manner.
4. Ensure that, through the delegations, the principal liaisons are kept fully informed of developments regarding significant counter-terrorism matters that affect the OSCE region, by means of regular distribution by email of an ATU newsletter and of regular updates of the OSCE ATU home page.
5. Co-ordinate with the principal liaison, through the delegation concerned, when an OSCE ATU official travels to a participating State in connection with terrorism-related matters.

Responsibilities of principal liaisons

1. Ensure that communications from the ATU reach the appropriate government offices, and that responses to the ATU are forwarded in a timely manner.
2. Provide information to the ATU about significant national developments regarding action to combat terrorism, including new counter-terrorism legislation⁴, counter-terrorism training or assistance programmes and examples of national “best practices”.
3. Communicate information on seminars, workshops and conferences related to counter-terrorism concerns that participating States may host, and that are open to outside participation.
4. Serve as the principal co-ordinator for OSCE anti-terrorism seminars, workshops and conferences involving the principal liaison’s participating State.
5. Co-ordinate, prioritize and communicate, on behalf of the participating State concerned, training and assistance needs and requests related to counter-terrorism matters that the OSCE might support or facilitate.

4 The OSCE ATU relies on official notifications of ratification through the web sites of the relevant depositories of anti-terrorism instruments for the most accurate information on ratification.

Means of communication and support

The ATU will, where possible and appropriate, use Internet-based technologies to communicate with principal liaisons and others on the CTN, with email being the most common tool. Principal liaisons are, however, encouraged to consult the OSCE and CTC web sites regularly. As needed, the ATU will recommend meetings of principal liaisons to participating States, subject to authorization by the Permanent Council and availability of funding, either on the margins of other annual OSCE meetings such as the Annual Security Review Conference, or as a separate event.

One P-1 contracted position will be added to the ATU staff in 2004 to support the development and maintenance of the CTN.

DECISION No. 7/03
TRAVEL DOCUMENT SECURITY
(MC.DEC/7/03)

The Ministerial Council,

Recognizing United Nations Security Council resolution 1373 (2001) as a major element of the international legal framework for the fight against terrorism,

Determined to further intensify efforts in the implementation of existing OSCE commitments on combating terrorism, as reflected in the OSCE Charter on Preventing and Combating Terrorism, the Porto Ministerial Council Decision No. 1 on implementing the OSCE commitments and activities on combating terrorism, and the Bucharest Plan of Action for Combating Terrorism,

Reaffirming its commitment to implement effective and resolute measures against terrorism and to prevent the movement of terrorist individuals or groups through effective border controls and controls relating to the issuance of identity papers and travel documents,

Acknowledging the important work on this issue done by other international organizations, in particular the International Civil Aviation Organization (ICAO) and the Group of Eight (G8),

Decides:

- That all OSCE participating States should aim to comply fully with the recommended ICAO minimum security standards for the handling and issuance of passports as well as other travel documents by December 2004, pending the availability of the necessary technical and financial resources;
- That all OSCE participating States should begin to issue machine-readable travel documents, if possible with digitized photographs, by December 2005, pending the availability of the necessary technical and financial resources;
- That all OSCE participating States should consider the possibility of providing travel documents with one or more biometric identifiers as soon as technically feasible and after the ICAO biometric standards are adopted;

Encourages participating States with the capability to do so to provide financial and technical assistance in implementing these measures to other participating States that request it;

Tasks the Secretary General with convening in the first quarter of 2004 an expert workshop on implementation of this decision and needs for related assistance.

DECISION No. 8/03
MAN-PORTABLE AIR DEFENCE SYSTEMS
(MC.DEC/8/03)

The Ministerial Council,

Taking into account the concern expressed by participating States with regard to potential access of terrorist groups to Man-Portable Air Defence Systems (MANPADS),

Recognizing that MANPADS should be given special attention and consideration, in view of the devastating loss of life and potential effect on the civil aviation industry that a single MANPADS attack could cause,

Recognizing that the FSC has decided to promote the application of effective and comprehensive export controls for MANPADS, and will continue its discussion of the issue through examination of current practices, based on the provisions of the OSCE Document on Small Arms and Light Weapons,

Endorses and underlines the importance of FSC Decision No. 7/03, on Man-Portable Air Defence Systems.

DECISION No. 9/03
OSCE DOCUMENT ON STOCKPILES OF
CONVENTIONAL AMMUNITION
(MC.DEC/9/03)

The Ministerial Council,

Recalling FSC Decision No. 18/02, of 27 November 2002, and the Porto Ministerial Declaration, paragraph 13, regarding security risks arising from stockpiles of ammunition and explosives for use in conventional armaments in surplus and/or awaiting destruction in the OSCE area,

Welcoming the work done by the Forum for Security Co-operation to establish a framework designed to address these risks and to develop appropriate solutions,

Endorses the OSCE Document on Stockpiles of Conventional Ammunition contained in FSC Document No. 1/03.

DECISION No. 10/03
OSCE CHAIRMANSHIP IN THE YEAR 2006
(MC.DEC/10/03)

The Ministerial Council,

Decides that Belgium will exercise the function of the OSCE Chairmanship in the year 2006.

DECISION No. 11/03
TIME AND PLACE OF THE NEXT MEETING OF THE OSCE
MINISTERIAL COUNCIL
(MC.DEC/11/03)

The Twelfth Meeting of the OSCE Ministerial Council will be convened in Bulgaria on 6 and 7 December 2004.

**V. CHAIRPERSON'S PERCEPTION STATEMENT
AND STATEMENTS BY DELEGATIONS**

CHAIRPERSON'S PERCEPTION STATEMENT

Responding to a large number of taskings by the Tenth Meeting of the Ministerial Council in Porto, and after a yearlong process of very intensive work, the current Ministerial was able to adopt a number of very substantial documents which will guide the work of the Organization in the years to come. The Chairmanship pays tribute to the work done by a large number of informal groups of friends and their very able Chairpersons, who really did the work for us. The Chairmanship also acknowledges that the very intensive work programme and the large number of meetings this entailed, placed a very heavy burden particularly on the smaller delegations in Vienna.

Without enumerating each and every document, the Chairmanship highlights the following:

- The OSCE Strategy to Address Threats to Security and Stability in the Twenty-First Century;
- The OSCE Strategy Document for the Economic and Environmental Dimension;
- The Decision on Combating Trafficking in Human Beings and the related Action Plan;
- The Decision on Tolerance and Non-Discrimination;
- The Decision and the Action Plan on Roma and Sinti within the OSCE Area;
- And a number of decisions relating to anti-terrorism and politico-military affairs.

All Ministers made it clear that they welcomed the new OSCE Strategy to Address Threats to Stability and Security in the Twenty-First Century, which draws on the well-known strengths of the OSCE and will require that new capacities be created. The main content of this Strategy can be summarized as follows:

- Early warning, conflict prevention, crisis management and post-conflict rehabilitation remain core functions of the OSCE in a changing security environment. The participating States remain concerned over the persistence of conflicts in various regions of the OSCE area that threaten the observance of the principles of the Helsinki Final Act in several participating States and may at the same time threaten peace and stability in the OSCE region. The participating States commit themselves to intensify their efforts to resolve these conflicts;
- The participating States will take practical measures to combat terrorism and organized crime, will continue to strengthen OSCE's police-related activities and will develop activities in the field of border security and management, aimed at promoting open and secure borders;
- Arms control, disarmament, and confidence- and security-building remain indispensable to OSCE's comprehensive approach to security. The Ministers encourage the Forum for Security Co-operation to continue to develop its work in

accordance with its mandate in these areas as well as in areas of growing security concern, including terrorism;

- The human dimension remains at the heart of the activities of the Organization. The OSCE will intensify efforts in all countries to combat intolerance, to strengthen pluralist democracy, civil society and the rule of law and to ensure full respect for and protection of human rights and fundamental freedoms, which are essential to stability, development and prosperity;
- The OSCE will strengthen its co-operation in the economic and environmental dimension in order to enhance capabilities of all participating States to adequately respond to challenges and threats in these fields;
- In order to meet the challenges, the OSCE will strengthen its co-operation and interaction with other international, regional and subregional organizations and institutions on the basis of the Platform for Co-operative Security, making the most of the strengths and advantages of each organization. To accomplish this, it will propose establishing a new ad hoc consultative mechanism as part of the effort to analyse and cope with threats jointly.

The new Strategy will guide the work of the OSCE bodies, institutions and field operations, within their respective competencies and mandates. All these make significant contributions to putting into practice the goals and principles of the Organization.

It is the perception of the Chairmanship that Ministers welcome the results of the first Annual Security Review Conference this year. These conferences will deepen the OSCE's security dialogue and provide an opportunity to review the implementation of the new Strategy and develop it further in the light of emerging threats.

It is also the perception of the Chairmanship that Ministers attach importance to the ongoing efforts to improve the functioning and effectiveness of the work of the Organization. Here I can refer to the Chairmanship's Report on Reform Issues and welcome the progress achieved this year regarding organizational and management reform, progress which has found a favourable reception in the Preparatory Committee. It seems desirable for the Permanent Council, through its competent subsidiary bodies, to continue its consideration of the relevant issues and, where appropriate, to take the necessary decisions in a timely fashion. The Ministers also seem to welcome the start of the discussions this year on ways of further improving the functioning and effectiveness of OSCE field operations; this might lead us to the conclusion that this discussion could be continued in 2004.

The Ministers decided to step up efforts to combat the growing threat of trafficking in human beings and smuggling of migrants, endorse the OSCE Action Plan to Combat Trafficking in Human Beings and to establish an OSCE mechanism to assist in its implementation. The mechanism will consist of two parts: a Special Representative appointed by the Chairmanship-in-Office, and a special unit in the OSCE Secretariat. Efforts to address smuggling of migrants will also be identified.

The Ministers are appalled by recent acts of terrorism, which have cost many innocent lives. They are determined to combat this scourge and therefore endorse further counter-terrorist measures. These include enhancing the security of travel documents and

creating a counter-terrorism network. Terrorists seek to undermine security, stability, democracy, fundamental freedoms and human rights, the values that unite us. The participating States are determined to defeat them by drawing on the strengths of the OSCE while at the same time safeguarding democratic and legal standards and human rights. The Ministers expressed their intent to combine the individual national efforts with those of the OSCE, all within the global framework set by the United Nations. The Ministers welcomed the steps taken this year to counter the financing of terrorism.

The Ministers endorsed the decisions taken this year by the Forum for Security Co-operation on Man-Portable Air Defence Systems, the OSCE Document on Stockpiles of Conventional Ammunition and the publication of the OSCE Handbook of Best Practice Guides on Small Arms and Light Weapons, which complements the relevant OSCE Document.

The Ministers welcomed the continued successful implementation of the Treaty on Open Skies and its contribution to promoting greater openness, transparency and stability in the OSCE area. They have noted that the applications of a number of OSCE participating States have already been approved by the States Parties or are on the agenda of the Open Skies Consultative Commission.

The Ministers welcomed the new OSCE Strategy Document for the Economic and Environmental Dimension that complements the 1990 Bonn Document. Since then, many of our countries have made considerable progress in achieving more stable conditions for development, in some instances through the process of transition and reform. At the same time, new economic and environmental threats to security have emerged. The OSCE's response is aimed at developing co-operation among participating States, action and policies to strengthen good governance, at ensuring sustainable development and at protecting the environment. To this end, the Ministers agreed to enhance the role of the OSCE by deepening our dialogue, by improving the process of review of implementation of our commitments and by strengthening OSCE's capacity to provide advice and assistance and to help mobilize the expertise and resources of other organizations.

The Ministers expressed their resolve to continue to address the intolerance and discrimination which exist in all of our societies through, *inter alia*, legislation and law-enforcement as well as educational measures with special attention to the younger generation. They welcomed the offer by Germany to host a conference on anti-Semitism in Berlin as well as the offer by Belgium to host a conference in Brussels on racism, xenophobia and discrimination, both to be organized in 2004. The Ministers also welcomed the offer by France to host in Paris in 2004 a forward-looking event, fully respecting the rights to freedom of information and expression, on the relationship between racist, xenophobic and anti-Semitic propaganda on the Internet on one hand, and hate crimes on the other. They expressed their wish to promote close interaction between cultures and beliefs. They endorsed the Action Plan on Improving the Situation of Roma and Sinti within the OSCE Area. The Ministers tasked the Permanent Council to consider the need for additional commitments in the field of elections and tasked ODIHR to consider ways to improve the effectiveness of its assistance to participating States in following up recommendations made in ODIHR election observation reports.

The Ministers decided to strengthen and intensify the co-operation and dialogue with their Asian and Mediterranean Partners for Co-operation, by early identification of areas of

common interest and concern and possibilities for further concrete initiatives. They, therefore, decided to invite all Partners to participate on a more regular basis as observers in the meetings of the Permanent Council and the Forum for Security Co-operation.

The Ministers recognized that risks and threats originating from outside the OSCE area are of increasing concern. The Ministers saw a need to consider ways in which OSCE norms, principles, commitments and values could be shared with adjacent areas. In this context, the Ministers welcomed the Permanent Council Decision on Further Dialogue and Co-operation with the Partners for Co-operation and Exploring the Scope for Wider Sharing of OSCE Norms, Principles and Commitments with Others.

In short, the Ministers considered that what is needed is an integrated response and close co-operation between participating States, increased co-ordination between and within the bodies and institutions of the OSCE, further involvement of the OSCE Parliamentary Assembly, and the development of closer links with other organizations and institutions in the framework of the Platform for Co-operative Security. They are convinced that the joint responsibility for security and stability in the OSCE area is built upon the sense of community — within States and between States — that underpins OSCE's comprehensive approach to security.

The Ministers welcomed the statement on South-Eastern Europe, which, *inter alia*, refers to the progress made in establishing stable and democratic institutions and improved relations among the countries concerned. It recognizes that organized crime, corruption and trafficking are real obstacles to democratic stability and the rule of law. The Ministers reiterated the importance of functional multi-ethnic societies, based on respect for the rule of law, human rights and fundamental freedoms, and called on the countries concerned to intensify their co-operation with and render all necessary assistance to the International Criminal Tribunal for the Former Yugoslavia (ICTY).

Ministers remained deeply concerned at the failure to achieve a settlement of the Nagorno-Karabakh conflict. They reaffirmed their conviction that the prompt resolution of this protracted conflict will contribute to lasting peace, security, stability and co-operation in the South Caucasus region.

Ministers reiterated the importance of re-energizing the peace dialogue and called upon the sides to redouble their efforts to achieve an early resolution of the conflict based on norms and principles of international law. They also encouraged the parties to explore further measures that would enhance mutual confidence and trust.

Ministers welcomed the commitment of the parties to the ceasefire and to achieving a peaceful and comprehensive settlement. With presidential elections completed in Armenia and Azerbaijan, there is now a new opportunity to make progress in the talks. They urged the parties to resume their efforts as soon as possible, with the active support of the Minsk Group Co-Chairmen, aimed at reaching a just and enduring settlement.

The Ministers reiterated their support for the sovereignty and territorial integrity of the Republic of Moldova. Most Ministers welcomed the significant advance in the spring of 2003 in the negotiations for a comprehensive political settlement of the Transdniestrian problem in the Republic of Moldova with the establishment of a Joint Constitutional Commission, on the initiative of the President of Moldova, to draft a new constitution on

federal principles for a reintegrated Moldovan state. They urged the parties to redouble their efforts to overcome their differences, and to complete a draft constitution, which would provide the basis for a viable state, for public discussion and submission to a national referendum throughout the territory of the Republic of Moldova during 2004.

Most Ministers welcomed the joint effort of the mediators from the Russian Federation, Ukraine, and the OSCE to develop compromise solutions on disputed issues in the five-sided political settlement negotiations and the Joint Constitutional Commission. Close co-operation and co-ordination among the mediators in the five-sided format will continue to play an indispensable role in achieving progress towards a comprehensive political settlement. Most Ministers noted that continued collaboration and unity among the mediators can also help to reduce tensions over economic issues. In this context they urged both sides to work constructively to find practical solutions towards the economic reintegration of the country. They welcomed the Moldovan/Ukrainian customs protocol as a step towards enhanced borders and customs controls, and called for further steps in this direction.

Most Ministers noted the importance of security issues, in particular questions of military security, to the achievement of a lasting political settlement of the Transdnistrian problem. They applauded steps taken to reduce the level of military confrontation, such as the withdrawal from the Security Zone of all armoured vehicles of the Moldovan and Transdnistrian peacekeeping contingents. They called upon the sides to agree and to implement further measures to enhance military transparency and build confidence. They reaffirmed their willingness to support a political settlement acceptable to the people of Moldova, by providing an OSCE mandate for a multinational peace consolidation mission, and by providing unarmed observers, to monitor compliance for a transitional period to be agreed.

Most Ministers noted the efforts made by the Russian Federation to fulfil the commitments undertaken at the OSCE Istanbul Summit in 1999 to complete the withdrawal of Russian forces from the territory of Moldova. They noted that concrete progress was achieved in 2003 on the withdrawal/disposal of some ammunition and other military equipment belonging to the Russian Federation. They appreciated the efforts of all participating States of the OSCE that have contributed to the Voluntary Fund established to support this effort. They were, however, deeply concerned that the withdrawal of the Russian forces will not be completed by 31 December 2003. They stressed the need for the fulfilment of this commitment without further delay.

The Ministers reiterated their commitment to support the independence, sovereignty and territorial integrity of Georgia and reaffirmed previous OSCE Summit and Ministerial Council documents concerning Georgia. Most Ministers noted with satisfaction that the recent crisis had been solved by peaceful means and called upon all parties to continue to show restraint and settle all problems within the framework of the constitution. Positive developments in Georgia would also contribute to peace and stability in the whole of the South Caucasus. Most Ministers confirmed their commitment to assist Georgia in the further progress of stabilization and of consolidation of democracy. They stand ready to remain involved in the preparation of elections which should be fair and free so as to reflect the will of the people of Georgia.

As political change in Georgia is proceeding, resolution of the conflicts in the country remains as urgent an issue as ever before. Regrettably, the peace process in the Tskhinvali region/South Ossetia, has remained without tangible progress over the last period of time. Most Ministers called upon all parties to intensify their work towards a peace settlement, in particular on the basis of the draft Intermediary Document. Furthermore, most Ministers encouraged the sides to continue efforts directed at confidence-building and to support speedy implementation of programmes to facilitate the return of refugees and internally displaced persons.

Most Ministers supported the efforts of the United Nations and its lead role in Abkhazia in negotiations aimed at a peaceful settlement of the conflict. In this context they called upon the parties to resume constructive dialogue on the basis of the document on the distribution of constitutional competencies between Sukhumi and Tbilisi that has been elaborated under United Nations auspices. Most Ministers regretted that the general security and human rights situation in Abkhazia, Georgia, remains fragile, particularly in the Gali district. They remain prepared to actively support efforts to promote respect for human rights and fundamental freedoms and to help promote an agreement on the return of refugees and IDPs which have been forced to move from places of their permanent residence as a result of mass destruction and forcible expulsion.

Unfortunately, after intensive consultations no agreement could be reached on inclusion into the Ministerial Declaration of agreed language concerning the complete fulfilment of the Istanbul Commitments.

In accordance with the 1999 Istanbul Commitments most Ministers reaffirmed the need of reaching an early agreement between the parties on the duration and modalities of the Russian military bases at Batumi and Akhalkalaki and the Russian military facilities within the territory of Georgia. They encouraged a speedy conclusion of negotiations concerning open issues on the Gudauta base in Abkhazia/Georgia.

The Treaty on Conventional Armed Forces in Europe (CFE), it was agreed, continued to make a significant contribution to security and stability and remained a cornerstone of European security. Most Ministers recalled that some of the commitments made at the 1999 Istanbul Summit on Georgia and Moldova had not yet been fulfilled. Their fulfilment without further delay, would, in their view, create the conditions for States Parties to move forward on ratification of the adapted CFE Treaty.

STATEMENT BY THE EUROPEAN UNION

The European Union (EU) fully supports the perception statement just made by the CiO on the various issues addressed in this Ministerial session, including those on which no consensus was reached.

Despite lengthy negotiations and determined efforts on the part of the EU, we much regret that it was not possible to reach an agreement on the Ministerial Declaration and that no regional statement on Moldova and Georgia could be agreed upon.

The EU has actively contributed to the entire consultation process intended to reach a consensus.

The EU's commitment to the OSCE has been reiterated as recently as 18 November, when the Ministerial Council adopted a document about EU-OSCE co-operation in the fields of conflict prevention, crisis management and post-conflict rehabilitation.

On the specific outstanding issues, the EU positions are the following.

On Moldova, we confirm our support for the five-sided negotiation framework, which provides the appropriate and transparent forum for putting forward any proposal on the political resolution of the conflict in Transdnistria, intended to lead to the establishment of a viable state.

The EU recalls its readiness in principle to continue to be engaged in the conflict resolution process in the Transdnistrian issue. Only a truly multinational involvement will receive international legitimacy. Regarding peacekeeping options, the EU reiterates its readiness to assist in finding a multinational solution to this issue under the aegis of the OSCE.

The EU Wider Europe Initiative opens new avenues for developing meaningful relationships with its neighbours, including Moldova.

Regarding the issue of Russian troops and ammunition withdrawal, we remind Russia of its Istanbul commitments and we reaffirm the expectation that the withdrawal process shall be completed without further delay.

We note with satisfaction that the recent crisis in Georgia was dealt with by peaceful means. The EU will actively support the preparation of elections which should be free and fair so as to reflect the will of the people of Georgia. The EU stands ready to co-operate with the OSCE in assisting Georgia in the preparation and conduct of its forthcoming elections.

We reiterate our commitment to support the independence, sovereignty and territorial integrity of Georgia. As political changes are under way in Georgia, resolution of the conflicts in the country is more urgent than ever before.

In accordance with the 1999 Istanbul commitments, we reaffirm the need to reach an early agreement between the parties on the duration and modalities of the functioning of the Russian military bases within the territory of Georgia.

Mr. Chairman, I ask that this statement be attached to the journal of the day.

The acceding countries Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia and the associated countries Bulgaria, Romania and Turkey align themselves with this statement.

STATEMENT BY THE DELEGATION OF PORTUGAL

With reference to the Chairman's statement on the question of the 1999 Istanbul commitments, I would like to make a statement on behalf of the following countries: Belgium, Bulgaria, Canada, the Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, the United Kingdom and the United States of America.

The text of the statement reads as follows:

“We remain committed to the CFE Treaty and reaffirm our attachment to the early entry into force of the adapted Treaty. The CFE regime provides a fundamental contribution to a more secure and integrated Europe. We welcome the approach of those non-CFE countries which have stated their intention to request accession to the adapted CFE Treaty upon its entry into force. Their accession would provide an important additional contribution to European stability and security. We urge swift fulfilment of the outstanding Istanbul commitments on Georgia and Moldova, which will create the conditions for NATO allies and other States Parties to move forward on ratification of the adapted CFE Treaty”.

The countries subscribing to this statement ask for its inclusion as an official document of this meeting.

STATEMENT BY THE DELEGATION OF THE UNITED STATES OF AMERICA

Thank you, Mr. Chairman,

Mr. Chairman,

As Secretary Powell noted in his statement earlier this morning to the Ministerial Council, the United States regrets that it has not been possible to reach agreement on a Ministerial Political Declaration, or on regional statements on Moldova and Georgia.

The United States shares the view of the Chair, of the EU and many other delegations that it would have been highly appropriate in the Ministerial Declaration and regional statements to:

- Welcome progress made in 2003 towards fulfillment of Russia's Istanbul commitment to complete withdrawal of military forces from Moldova;
- Express concern that the withdrawal of Russian forces will not be completed by the extended deadline of 31 December 2003; and
- Stress the need for fulfillment of Russia's Istanbul commitments relating to Georgia and Moldova without further delay.

The failure to reach agreement on regional statements on Georgia and Moldova is particularly disappointing in view of the very important developments relating to these two countries in recent weeks.

Concerning Georgia:

Pledges by OSCE participating States at this Ministerial to support the conduct of free and fair elections in Georgia are a concrete expression of our support for the independence, sovereignty and territorial integrity of Georgia.

It would have been highly appropriate for the Ministerial Council to have:

- Noted with satisfaction that the recent crisis was solved without violence, and called on all parties to show restraint and to settle all problems within the framework of the Constitution;
- Noted the importance of efforts by the OSCE and the United Nations with regard to the peace processes in Abkhazia and South Ossetia, and our efforts to promote respect for human rights and fundamental freedoms including by monitoring a further agreement on the return of refugees and IDPs who have been forced to move from places of their permanent residence as a result of mass destruction and forcible expulsion.

Concerning Moldova:

In light of developments this year in regard to efforts to resolve the Transdniestrian problem in Moldova, it would have been appropriate for the Ministerial Council to have:

- Reiterated our support for the sovereignty and territorial integrity of the Republic of Moldova;
- Stressed the indispensable role of close co-operation and co-ordination among the mediators in the five-sided format in achieving progress towards a comprehensive political settlement; and
- Reiterated OSCE willingness to support a political settlement acceptable to all the people of Moldova, including by providing the mandate for a multinational force and unarmed observers to oversee the implementation of such a settlement.

STATEMENT BY THE DELEGATION OF AZERBAIJAN

Mr. Chairman,

The Republic of Azerbaijan regrets that there was no consensus on the statement of the Ministerial Council Meeting on the conflict between Armenia and Azerbaijan.

The position of my Government on this issue has been presented in the OSCE on numerous occasions. Today I deem it necessary to repeat its major elements.

In the process of settlement of the conflict between Armenia and Azerbaijan we proceed from the following principles of the OSCE, according to which: "The participating States will respect the territorial integrity of each of the participating States. Accordingly, they will refrain from any action inconsistent with the purposes and principles of the Charter of the United Nations against the territorial integrity, political independence or the unity of any participating State, and in particular from any such action constituting a threat or use of force. The participating States will likewise refrain from making each other's territory the object of military occupation or other direct or indirect measures of force in contravention of international law, or the object of acquisition by means of such measures or the threat of them. No such occupation or acquisition will be recognized as legal."

The Republic of Azerbaijan would also like to stress that the principle of the right of peoples to self-determination shall be exercised in conformity with the following principle of the Helsinki Final Act: "The participating States will respect the equal rights of peoples and their right to self-determination, acting at all times in conformity with the purposes and principles of the Charter of the United Nations and with the relevant norms of international law, including those relating to territorial integrity of states."

Further on, the Republic of Azerbaijan states that the conflict between Armenia and Azerbaijan may be solved only on the basis of full respect for the territorial integrity of Azerbaijan, which implies: unequivocal recognition by Armenia of the territorial integrity of Azerbaijan, an inalienable part of which is the Nagorno-Karabakh region; immediate and unconditional withdrawal of occupying Armenian forces from all territories of Azerbaijan including the Nagorno-Karabakh region; creation of all favourable conditions for the safe return of forcibly expelled Azerbaijani population to their lands.

Furthermore, the Republic of Azerbaijan states that whatever status of self-rule for the Armenian community living in the Nagorno-Karabakh region of Azerbaijan will be elaborated, it is only possible on the basis of full respect for territorial integrity.

It is with a sense of deep sorrow that we commemorate the tenth anniversary of the adoption of the UN Security Council's resolutions 822, 853, 874, 884 which demand the immediate, complete and unconditional withdrawal of occupying forces from all occupied areas of Azerbaijan and the return of displaced people to the places of their permanent residence. Regrettably, none of the Security Council resolutions have been implemented by Armenia yet.

We expect the OSCE to take decisive action to put an end to consequences of the Armenian aggression against the Republic of Azerbaijan and — in implementation of its own decisions — to take immediate steps for the conclusion of a political agreement on the cessation of the armed conflict, the implementation of which will eliminate major consequences of the conflict for all parties and permit the convening of the OSCE Minsk Conference.

I request you to attach this statement to the journal of the day.

STATEMENT BY THE DELEGATION OF GEORGIA

Mr. Chairman,

The Georgian delegation is deeply disappointed at the absence of any regional statement on Georgia and feels obliged to once again make a clarification of its position on this unfortunate development.

Having in mind the experience of the Porto Ministerial, we did all in our power to avoid misunderstandings and last-minute decisions in Maastricht. With the assistance of the Chairmanship, and also with the mediation and good offices of Ambassador Dieter Boden of Germany, we started negotiations with the Russian side on the text of the statement long before the Ministerial meeting.

Our aim was to elaborate a credible document which would reflect and highlight all important developments in Georgia during the last year, ranging from the peace process in Abkhazia, Georgia and the Tskhinvali region to the expansion of the Border Monitoring Operation and to the status of the implementation of the Istanbul Commitments.

Unfortunately, all our efforts came to nothing when yesterday, absolutely unexpectedly, the Russian side refused to include in the statement the evaluation of the dynamics of the peace process in the conflict zones, chose not to mention the viability of the Border Monitoring Operation and objected to the linkage of the Istanbul Commitments with the bringing into force of the adapted CFE Treaty.

Mr. Chairman,

Russia's declared readiness to work with the new authorities of Georgia to improve the relations between our two countries is totally contradicted by the policy of denial and intransigence that the Russian delegation has chosen to follow in Maastricht. By circumventing the adoption of the regional statement on Georgia, Russia has seriously undermined its credibility as facilitator and has put the OSCE in an awkward position, denying it the responsibility of addressing important security issues in the region.

Despite all this, Georgia will continue to work closely with its friends to find lasting solutions to its problems. We once again urge the European Union, the United States and the international community as a whole to show their firm stand at this crucial period of history for my country. We are strongly confident that our joint efforts will give Georgia its deserved place among the family of nations. Let's continue on this path.

Finally, I would be grateful if you would have the present text attached to the journal of the day.

Thank you.

STATEMENT BY THE DELEGATION OF MOLDOVA

The Delegation of the Republic of Moldova supports the statement by the Chairman-in-Office and would like to state that it regrets that the Eleventh Meeting of the OSCE Ministerial Council failed to adopt a statement on the Republic of Moldova.

A pertinent decision of the Council was important to adequately reflect the progress achieved throughout the year in both the political settlement of the Transdniestrian conflict and the situation with regard to the implementation of the Istanbul decisions on the withdrawal of the Russian forces from the territory of Moldova. Such a decision would have been instrumental for the Organization in streamlining our work next year in order to speed up the solution of these problems.

We are convinced that the conflict settlement should be based on the respect of sovereignty and territorial integrity of the country and should lead to the affirmation of the Republic of Moldova as a viable and democratic State. This goal can be achieved only by a close and constructive co-operation of the mediators — the OSCE, the Russian Federation and Ukraine, as well as the European Union, the United States of America and the Venice Commission.

The establishment of a multinational peace-consolidation mission under the OSCE mandate is indispensable for the support of such political settlement.

The complete and unconditional withdrawal of the Russian forces from the Moldovan territory as enshrined in the Istanbul OSCE Summit decisions will ensure a favourable climate for the conflict settlement and must be accomplished without any further delay.

We are encouraged by a strong commitment to all the mentioned objectives expressed by the overwhelming majority of the participants to this Ministerial Meeting, a clear demonstration of the Organization's determination to pursue them even more actively in 2004.

Mr. Chairman,

I request that this statement be attached to the Journal of today's meeting.

Thank you.

STATEMENT BY THE DELEGATION OF THE RUSSIAN FEDERATION

In connection with the statement made by the Chairman-in-Office, the delegation of the Russian Federation states as follows:

1. The Russian Federation supports many of the positions contained in the statement in question, including those concerning key areas of the Organization's work and the important conceptual documents adopted by the Ministers today. The Russian Federation cannot, however, agree with a number of positions and conclusions, first and foremost those referring to Russia's so-called Istanbul commitments. These assessments by the Chairmanship do not correspond to the understandings agreed upon by the participating States and, consequently, are not based on consensus.

For that reason, the Russian Federation does not consider itself bound by the evaluations, conclusions and recommendations contained in these assessments and considers that these conclusions and recommendations may not be taken into account in the work of the Organization and its structures.

2. The Russian Federation regrets the fact that owing to the position of certain States it was not possible to arrive at an agreed text of the Ministerial political declaration and regional statements on Georgia and Moldova. We are convinced that this happened because of reasons that have nothing to do with the interests of settling the problems existing in these two States on the basis of respect for their independence, sovereignty and territorial integrity.

3. In the light of the position taken by certain States with regard to linking the so-called Istanbul commitments with the ratification of the adapted Treaty on Conventional Armed Forces in Europe (CFE Treaty), the Russian Federation reaffirms its intention, provided necessary conditions are in place, to complete the implementation of these commitments. However, we reject any attempts to regard such implementation as a prerequisite for the commencement of the ratification of the adapted CFE Treaty.

The refusal, under groundless pretexts, of the countries referred to above to put into force the Agreement on the Adaptation of the Treaty on Conventional Armed Forces in Europe has led to the dangerous erosion over the last four years of the arms control regime in Europe. In a dynamically developing politico-military situation, first and foremost in the context of NATO enlargement, the CFE Treaty in its current form is rapidly losing its role as an instrument for maintaining stability and a balance between the interests of the States Parties and is forcing Russia to seek alternative ways of maintaining a sufficient level of national security and of developing its defence potential.

I request that this statement be attached to the Journal of the day.

STATEMENT BY THE DELEGATION OF ARMENIA

I do not want to respond to the Azerbaijani Foreign Minister's entire statement item by item but I want to qualify it, generally and overall, as deception, manipulation and revisionism.

Let me comment only on the first sentence: "I regret that there was no consensus on the text of Nagorno-Karabakh conflict." Mr. Chairman, on 30 November, at the restaurant Au Coin des Bon Enfants, here in Maastricht, in the presence of the three co-chairs of the Minsk Group, Mr. Perina, Mr. Merzlyakov and Mr. Jacolin, and with your personal representative, Mr. Kasprzyk, I and the Azerbaijani Foreign Minister discussed the Nagorno-Karabakh text which was to go in the statement. There was a consensus. Both sides agreed to the content of the text. The only thing that was unknown was whether the statement would be used or not. The agreement was the following: if there were to be statements on the other conflicts — Moldova and Georgia — then the Nagorno-Karabakh statement would also be included. But if there weren't, then Nagorno-Karabakh would not be included in the final text either.

That was our agreement and I truly regret the fact that the Azerbaijani Foreign Minister lies about it. I would like to ask you to excuse me for my undiplomatic language, but I have to say that it was an outright lie in broad daylight. I regret it, I think that it creates mistrust between the two parties that have to continue to negotiate this conflict. I would like this short statement to be included in the journal.

**VI. REPORTS TO THE
MAASTRICHT MINISTERIAL COUNCIL MEETING**

CHAIRMAN-IN-OFFICE'S ACTIVITY REPORT FOR 2003

1. Introductory remarks

The OSCE in 2003 has adapted itself to new security risks and challenges and refined its instruments to be able to meet new challenges ahead. During the year the OSCE has had to demonstrate its ability to respond effectively to the demands of an ever-changing security environment. The institutions and missions of the OSCE have demonstrated their ability to make a difference on the ground through the numerous activities they have developed. In many cases the OSCE has co-operated in the year 2003 with other international organizations that deal with European security, human rights and/or economic issues. In view of the broad spectrum and complex nature of security and/or other issues and in line with its **Platform for Co-operative Security**, co-operation with other organizations and institutions has been promoted as it makes the performance of the OSCE more effective and more efficient.

The Netherlands Chairmanship of the OSCE has worked in 2003 on the basis of the outcome of the Porto Ministerial and other achievements of the Portuguese and previous Chairs. Building upon the commitments of OSCE participating States the Netherlands Chairmanship has formulated its **objectives and priorities** for the year 2003. The **CiO** presented, among others things, the following priorities and objectives to the Permanent Council on 13 January 2003:

- A re-balancing of the dimensions of the OSCE;
- A geographical re-balancing;
- The combat against trafficking;
- Propagation of OSCE activities and standards in Central Asia and other regions;
- An intensive diplomatic and political endeavour to bring frozen conflicts closer to solution;
- Consultations to bring the discussion on new threats and challenges to a satisfactory conclusion;
- Reinforced co-operation with other international organizations, as well as a strong effort to ameliorate co-ordination within the Organization, were among the priorities of the Netherlands Chairmanship of the OSCE for the year 2003.

An interim report on the activities of the Netherlands chair was presented to the PC in June. Directed by the various Porto tasks, the Netherlands Chairmanship instituted groups of friends in Vienna to work on issues that at the time were to be decided upon at the **Maastricht Ministerial Council Meeting** in the Netherlands, 1 and 2 December 2003.

The Chairmanship communicated its activities to all participating States in a weekly brief. In the same spirit of transparency and openness, this Chairman-in-Office's Activity Report intends to inform **the participating States** about the activities of the CiO and the Netherlands Chairmanship. The CiO has travelled extensively through the OSCE area to

propagate OSCE commitments and standards. Target-oriented high-level meetings were held with representatives of participating States and other international organizations.

The Netherlands, in chairing the OSCE, has done its utmost to uphold the dignity and responsibility of the OSCE, to be supportive to its participating States, to foster the conditions for consolidating the international position of the OSCE and to adapt its agenda to today's security risks and political challenges. Our hope is that this report bears witness to these efforts.

2. From a discussion on threats to a new strategy

An important endeavour of the OSCE community this year has been the development of a comprehensive strategy to address threats to security and stability in the twenty-first century. Consultations on the new strategy were based on a Russian-American non-paper of the autumn of 2002, which identified the main threats and challenges for the OSCE. A group of friends was formed to tackle this issue. After intense consultations on a wide range of subjects, the Maastricht Ministerial Council Meeting has agreed on the OSCE Strategy to Address Threats to Stability and Security in the Twenty-first century. This strategy recognizes that the evolving security environment creates new challenges for all, including for the OSCE. The strong points of the OSCE — its broad membership, its multidimensional concept of comprehensive security, its co-operative stance and tradition — will help the Organization to meet these challenges. The new OSCE strategy contains the OSCE's response to inter-State and intra-State conflicts, terrorism, cross-national criminal activities, discrimination and intolerance, to threats arising from economy and the environment and to specific threats of a politico-military nature. The new strategy aims to contribute to a more cohesive and effective international system for responding to global threats and challenges.

3. Combating trafficking in human beings

The Netherlands Chairmanship suggested to the participating States that the combat against trafficking in human beings should be made one of the OSCE's priorities in 2003. Trafficking in human beings is a scourge of our times, a threat to security and stability and a violation of human dignity. The OSCE encompasses a wide range of countries of either origin, or transit, or destination of victims of trafficking. Furthermore, the OSCE, with its three-dimensional structure, is in a good position to tackle subject matters related to either prevention, or protection of victims or prosecution of perpetrators. The efforts of the Netherlands Chairmanship have focused on supporting the work already done in the OSCE through institutions like the ODIHR and the field operations, and have involved other parts of the Organization, such as the OCEEA and the SPMU. Their specific input and background expertise was intended to ensure a comprehensive approach in tackling and re-enforcing the combat against trafficking in human beings.

The Eleventh Meeting of the OSCE Economic Forum was devoted to Trafficking in Human Beings, Drugs, Small Arms and Light Weapons: National and International Economic Impact. The Second Preparatory Seminar to the Economic Forum was exclusively devoted to the theme of Trafficking in Human Beings, particularly focusing on its economic aspects. The theme of trafficking in human beings was further elaborated in many events and projects through ODIHR and OSCE field operations. Themes of the **Annual Police Experts Meeting** in Vienna on 18 and 19 September organized by the SPMU included the protection of victims, the prosecution of criminals and the need for further police co-operation,

particularly at a regional level, in combating trafficking. The OSCE further intensified its co-operation with other relevant international organizations (the **United Nations (UN)**, the **Council of Europe (CoE)**, the **European Union** and the **International Labour Organization (ILO)**) in 2003 in the field of combating trafficking.

OSCE Action Plan on Combating Trafficking in Human Beings

On 24 July 2003, pursuant to the Bucharest Ministerial Decision No. 6 of 2001 and the Porto Ministerial Declaration of 2002, the participating States, through the Informal Working Group on Gender Equality and Anti-Trafficking, adopted the **OSCE Action Plan to Combat Trafficking in Human Beings** (PC/DEC No. 557). The Action Plan was the result of intensive consultation on the part of the Informal Working Group. The result was a comprehensive document encompassing commitments of participating States in the field of (1) investigation, law enforcement and prosecution, (2) prevention of trafficking in human beings, and (3) protection and assistance. The document furthermore gives guidance, offering a perspective on the ways in which various parts of the organization, its institutions, and the field offices can better contribute to the combat against trafficking. The Maastricht Ministerial Council Meeting has endorsed the OSCE Action Plan on Combating Trafficking in Human Beings.

Mechanism for combating trafficking in human beings

At the Opening Session of the Eleventh Meeting of the OSCE Economic Forum in Prague in May, the CiO presented the proposal to establish a mechanism for combating trafficking in human beings. The objectives of this mechanism are (1) to assist participating States in the implementation of commitments related to combating trafficking in human beings, (2) to ensure co-ordination of OSCE efforts in combating trafficking in human beings across all three dimensions of the OSCE, (3) to strengthen co-ordination among the relevant authorities of the participating States and between the OSCE and other relevant organizations, and (4) to raise the public and political profile of the combat against trafficking in human beings. The Ministerial Council in Maastricht has established an OSCE mechanism to provide assistance to participating States to combat trafficking in human beings. The OSCE mechanism consists of a Special Representative and a special unit.

4. The fight against terrorism

Another important task of the Netherlands Chairmanship was to ensure that the OSCE continues to reinforce the **fight against terrorism** in 2003. This was why a Group of Friends was established, under the chairmanship of Iceland, to deal with implementation issues. The Chairmanship notes with satisfaction that the Maastricht Ministerial Council Meeting took important decisions in this field, among others on Travel Document Security, on the establishment of an Anti-Terrorism Network and the decision which endorsed and underlined the importance of the FSC Decision on MANPADS. To reinforce the OSCE's stance in the combat against terrorism, the OSCE convened a number of seminars on terrorism in the OSCE area. This was done with the support of the anti-terrorism unit in the OSCE Secretariat. The CiO attended a major anti-terrorism meeting organized by the UN on 7 March 2003, the aim being to improve co-ordination between regional organizations. Portugal, as a member of the OSCE Troika, in consultation with the Netherlands as Chair of the OSCE, organized a follow-up conference to the first Lisbon anti-terrorism conference in

September of 2003. The aim was to take stock of the implementation of anti-terrorism measures of the OSCE.

In its fight against terrorism, the OSCE should remain on guard for the risk of any concomitant **erosion of human rights**. The Netherlands Helsinki Committee (NHC) organized a conference, with support of the Dutch Chairmanship, on Human Rights and Combating Terrorism, on 18 September 2003 in The Hague. The seminar's speeches and a concise summary of its debates have been collected in a booklet that has been made available to OSCE capitals and to delegations in Vienna.

The Chairmanship also noted with satisfaction the work of the **Action against Terrorism Unit (ATU)** at the Secretariat. Now fully staffed, it turns out to be an essential focal point for anti-terrorism activities and new initiatives, notably the proposal for an anti-terrorism network of the OSCE.

5. OSCE peacekeeping operations

The Ministerial Council in Porto tasked the Permanent Council and the Forum for Security Co-operation with reviewing the OSCE's role in peacekeeping operations. In addition, possible options for deployment should be considered, based on the decisions of the OSCE Helsinki Summit in 1992. It was decided then that the OSCE must be able to conduct peacekeeping operations, possibly with the support of organizations such as NATO, the EU, and the CIS. This decision is generally thought to have paved the way for the OSCE to conduct small-scale peacekeeping operations. Discussions held in the Group of Friends that the Netherlands set up to review this matter at the beginning of this year, chaired by Finland, confirmed that most participating States do not favour large-scale military peacekeeping operations under the auspices of the OSCE. A workshop on this subject that the Netherlands Chairmanship and Finland organized in Vienna reaffirmed that a majority of participating States do see merit in small-scale OSCE peacekeeping operations. The overall conclusion was that Helsinki '92 still proves a sufficient base for OSCE activities in this field. The letter from the Chairperson of the Permanent Council to the Chairman-in-Office, Appendix 13 of the journal of the Eleventh MC in Maastricht, reports on Peacekeeping.

6. Political and Military Dimension

Forum for Security Co-operation (FSC)

The Netherlands Chairmanship has built on the work of previous chairmanships in its efforts to enhance interaction and co-ordination between the Permanent Council and the Forum for Security Co-operation. In this regard, the Chairmanship welcomes the results of the first **Annual Security Review Conference (ASRC)**. The purpose of the ASRC is to review and discuss, on an annual basis, the fulfilment of OSCE commitments in security policy and arms control. The first ASRC took place in Vienna on 25 and 26 June 2003. The conference consisted of a general plenary session, followed by parallel working groups on combating terrorism, comprehensive security, potential security risks, and conflict prevention, all of which opened with keynote speeches. This structure was adopted to encourage debate between representatives of participating States, the staff of delegations in Vienna, and outside experts. The ASRC can make an important contribution to review and update the newly adopted OSCE strategy.

The Netherlands Chairmanship closely followed the activities of the Personal Representative for the Article II/Annex 1B, Dayton Peace Accords on confidence- and security-building measures in Bosnia and Herzegovina, and the Article IV/Annex 1B, Dayton Peace Accords on sub-regional arms control. The Chairmanship supported and recognized the work of the States Parties for the full implementation of these agreements.

Ammunition and explosives stockpiles

The Chairmanship welcomes the OSCE document regarding the security risks arising from **stockpiles of ammunition and explosives** for use in conventional armaments in surplus or awaiting destruction in the OSCE area. In 2002, the FSC agreed to include dangers arising from surplus stockpiles of ammunition on its agenda for 2003. After the successful conclusion of a workshop on this issue in Vienna on 27 and 28 May 2003, a draft document was introduced into the FSC by France and the Netherlands. Consultations and negotiations led to the successful adoption of the current document in the FSC. The Chairmanship believes that an OSCE mechanism dealing with surplus stockpiles of ammunition will enhance security in the OSCE area. The Ministerial Council in Maastricht endorsed the OSCE Document on Stockpiles of Conventional Ammunition.

7. Economic and Environmental Dimension

The Netherlands Chairmanship, in its efforts to re-balance the three OSCE dimensions, focused on strengthening the **economic and environmental dimension** and on linking its work to other dimensions. The Chairmanship put subjects and themes on the OSCE agenda which are equally important to all OSCE participating States

Eleventh OSCE Economic Forum

Pursuant to PC Decision No. 490, dated 25 July 2002, the theme for the Eleventh OSCE Economic Forum was **Trafficking in Human Beings, Drugs, Small Arms and Light Weapons: National and International Economic Impact**. This theme provided an opportunity to expand the area of attention of the Economic Forum to other dimensions, in particular with regard to trafficking in general and to the economic aspects of trafficking. Furthermore, discussions in the preparatory seminars and the Economic Forum consistently underlined that trafficking was a matter of concern to all participating States. It was generally accepted that reinforced co-operation — both within the OSCE and between the OSCE and other organizations and institutions — would be necessary in order to make the combat against trafficking more effective.

The First Preparatory Seminar on **Trafficking in Small Arms and Light Weapons: National and International Economic Impact** took place in Sofia, Bulgaria, on 11 and 12 November 2002. The content of the seminar was complementary to the work of the FSC. During the seminar the need to implement and enforce existing agreements was emphasized. Furthermore, information-sharing took place on issues such as brokering, production and destruction of surpluses of small arms and light weapons (SALW). Follow-up of the conclusions of the seminar took place in the Economic Forum, the FSC and in a follow-up seminar reviewing the role of brokers in the illegal arms trade, organized jointly by Norway and the Netherlands in Oslo (22 to 24 April 2003). These two countries launched an initiative on the development of regional instruments to improve the control of brokering in SALW, which was one of the recommendations of the seminar. At a side meeting of the Maastricht

Ministerial Council Meeting the Best Practices Handbook on SALW was presented to delegations and NGOs.

Trafficking in Human Beings: National and International Economic Impact was the theme of the Second Preparatory Seminar, which took place in Ioannina, Greece, on 17 and 18 February 2003. This seminar concentrated on the economic aspects and impact of trafficking in women and minors for sexual exploitation, and on trafficking in human beings for exploitation in industry. The focus on economic aspects, the push and pull factors behind the trade, the financial aspects (such as the money trail and the value-added chain of trafficking profits), as well as the discussion on the root causes of trafficking were useful additional elements in a discussion which is, internationally in particular, dominated by rightful attention to the protection of victims and the prosecution of perpetrators. The conclusions of the seminar provided valuable input for the Economic Forum and for the work of the Informal Working Group on Gender Equality and Anti-Trafficking in establishing the OSCE Action Plan to Combat Trafficking in Human Beings. This Action Plan was endorsed by the Maastricht Ministerial Council Meeting.

The Third Preparatory Seminar **Trafficking in Drugs: National and International Economic Impact** took place in Tashkent, Uzbekistan, on 17 and 18 March 2003. It focused on issues such as the effect of trade in heroin, synthetic drugs and precursors. It was established that the more vulnerable OSCE economies tend to be hardest hit by the disruptive effects of the financial and economic consequences for their economies. Weak institutional structures facilitate drug-trafficking. Following this third seminar, the OSCE strengthened its relations with the UNODC in an effort to establish its role in their joint fight against trafficking in drugs.

Conclusions and suggestions from the three seminars indicating the possibilities for synergies in the fight against the various types of trafficking provided the input for the **Eleventh OSCE Economic Forum**, which took place in Prague, from 20 to 23 May 2003. The Economic Forum focused on anti-trafficking in relation to the role of the business community, to the role of governments and finally to the role of the OSCE in combating the various forms of trafficking from the perspective of the economic aspects and impact. The Economic Forum provided useful input for OSCE participating States to establish public-private partnerships in combating trafficking and to continue work on the economic aspects of trafficking. Furthermore, the proposal to establish a special mechanism for combating trafficking in human beings was officially put forward by the **CiO** in Prague.

Apart from the main theme, the Eleventh Meeting of the OSCE Economic Forum also provided an opportunity for the review of the implementation of commitments made by the OSCE participating States in the economic and environmental dimension. For this, **UN ECE** provided an outstanding background document and shared ideas on further development of indicators for the future review of commitments. A side event was organized on the co-operation between the **OSCE** with **UNEP** and **UNDP** in the framework of the initiative on Environment and Security in Southeast Europe and Central Asia, when a link was established with the Ministerial Conference on "Environment for Europe", which took place in Kiev simultaneously with the Eleventh Economic Forum. During this side event the results of environmental security assessments were presented and ideas on follow-up co-operation were shared.

Pursuant to PC/DEC 539 of 10 April 2003, the **OSCE Conference on Globalization** took place in Vienna on 3 and 4 July 2003. The main purpose of the conference was to discuss the role of the OSCE in maximizing the benefits and addressing the risks and challenges of Globalization. Furthermore, on 26 September 2003, the Chairmanship organized a **Special Meeting of the Permanent Council on the Integration Processes** in the OSCE region.

Economic and Environmental Sub-Committee of the Permanent Council

The Netherlands Chairmanship further increased the number of meetings of the Economic and Environmental Sub-Committee, which proved to be an important tool for information-sharing and preparing PC decisions.

OSCE Strategy Document for the Economic and Environmental Dimension

Following the **Porto Decision No. 5** calling for the development of a new OSCE strategy document in the economic and environmental dimension, two informal groups of friends were established. The first group, chaired by Belarus, focused on the substance of the new document, while the second group, chaired by the Netherlands, discussed procedures. Furthermore, input was provided to the elaboration of the strategy document at a conference, organized by the UN ECE in Villars, Switzerland, 7 and 8 July 2003. The Strategy Document identifies the challenges and threats in the economic and environmental dimension as well as responses and actions to address them (including further developing co-operation, strengthening good governance, and ensuring sustainable development and the protection of the environment). The document was adopted by Ministers at the Eleventh Meeting of the Ministerial Council in Maastricht.

8. Human Dimension

The activities of the CiO in the human dimension are manifold. A number of activities follow the regular pattern of the events organized according to the regular schedule of the OSCE activities in the human dimension: the **Human Dimension Implementation Meeting (HDIM)**, the **yearly ODIHR seminar and the three Supplementary Human Dimension Meetings (SHDM)**. Other activities are the result of decisions taken at Ministerial Council meetings, such as the organization of the **Conferences on Anti-Semitism and on Racism, Xenophobia and Discrimination**, as well as the work on the **Roma and Sinti Action Plan**. Furthermore, the human dimension plays an important role in the activities of the CiO in regional issues. While these are to be found in the respective regional parts of this report, special mention should be made here of the invocation of the Moscow Mechanism by ten participating States in the case of Turkmenistan, including the trip of the CiO to that country in this regard.

In the context of the regular OSCE activities, three SHDMs were organized, in co-operation with the ODIHR, devoted respectively to Roma and Sinti, to Freedom of Religion or Belief and to Prevention of Torture.

The first of these meetings was organized in Vienna on 10 and 11 April. The theme "Roma and Sinti" was chosen to give the opportunity to all interested parties, including international organizations and NGOs, to give input for the work on the **Roma and Sinti Action Plan**, the elaboration of which had been entrusted to the ODIHR by the 2001

Ministerial Council Meeting in Bucharest (Decision No. 7). The discussions at the SHDM proved to be a useful input for the further work on the Action Plan. A working group was subsequently set up to continue the work in drawing up the required Action Plan, with the result that this plan was endorsed by the Maastricht Ministerial Council Meeting.

The second SHDM took place in Vienna on 17 and 18 July and was devoted to **Freedom of Religion or Belief**. It showed that, although progress has been made in this field, there are still areas and situations where freedom of religion or belief is not taken for granted. Problems that were stressed included registration, and the role of the media in promoting tolerance.

The third SHDM was devoted to the **Prevention of Torture** and took place in Vienna on 6 and 7 November. Though all States condemn torture, it still occurs in many places and it remains necessary to be pro-active and to stay vigilant in the fight to prevent this.

The annual Human Dimension Seminar in 2003 was devoted to **Women's Participation in Public and Economic Life** and took place in Warsaw from 13 to 16 May. The meeting offered a good opportunity to highlight the work done in the field of gender issues by the OSCE and the ODIHR. It also was used to review the OSCE Gender Action Plan.

As urged by the **Ministerial Council in Porto**, the Chairmanship organized two special Conferences on issues addressed in its **Decision on Tolerance and Non-Discrimination (Decision No. 6)**. The first of these two conferences was on anti-Semitism and took place on 19 and 20 June in Vienna. This conference underlined the importance of the continuing struggle against this phenomenon, which unfortunately is recurring in the OSCE area in present times on a larger scale than before.

The Conference on Racism, Xenophobia and Discrimination, which took place on 4 and 5 September, likewise in Vienna, drew attention to the various aspects of this issue, which, in particular in recent years, has unfortunately become more topical.

Both conferences stressed the need for continuous attention on the part of the OSCE and the participating States and the need for the collection of data on occurrences, bearing in mind both the specific background of these phenomena as well as their similarities.

The **Human Dimension Implementation Meeting (HDIM)**, which took place from 6 to 17 October in Warsaw, was the second one organized according to the new modalities. After a first week in which a comprehensive review of all OSCE commitments in the field of the **Human Dimension** took place, the second week was devoted to three specially selected subjects — Racism, Xenophobia, Discrimination and Anti-Semitism, National Minorities and Migrant Workers. Another day was devoted to the project work of the ODIHR. At the HDIM broad support was noted for, *inter alia*, the Roma and Sinti Action Plan, the idea of a special mechanism in the field of trafficking in human beings, as well as for the Action Plan to Combat Trafficking in Human Beings.

Following interest expressed by some participating States, the Chairmanship and UNHCR organized a one-day informal briefing for Delegations on 21 October on **Internally Displaced Persons**. The briefing discussed existing protection arrangements and the role of the UN and OSCE in this field.

At the request of ten participating States, the Human Dimension Mechanism was invoked according to § 12 of the Moscow Document of 1991 and the rapporteur, Professor Decaux, submitted his report on 25 February 2003. On 3 March the CiO visited Turkmenistan and urged President Niyazov and the Turkmen authorities to engage fully in this Mechanism. The report was discussed in the Permanent Council of 13 March.

9. Internal Co-ordination and Operational Capacity of the OSCE

OSCE Troika

The OSCE Troika format is an important tool for co-ordinated action and mid-term planning. In 2003 the **OSCE Troika** met at foreign minister level twice (January and July). OSCE Ministerial Troika meetings involve, in addition to the three Troika Ministers, the heads of institutions, the Secretary General and the President of the Parliamentary Assembly. The latter presented, at both occasions, a brief outline of their respective work programmes, together with an indication of their planned events and travels for the following six months. The Troika meetings were also used for an evaluation of information-sharing, co-ordination and co-operation between the CiO, Secretariat, institutions, PA and field missions. Finally, the Chairmanship initiated discussions on specific situations (country or regional) and thematic priorities.

Co-ordinating with the Institutions

The Netherlands Chairmanship has been working in close collaboration with the **ODIHR** (Office for Democratic Institutions and Human Rights), the **HCNM** (High Commissioner on National Minorities), and the **RFoM** (Representative on Freedom of the Media). In the course of 2003 there were numerous contacts, on working level and on the level of high officials. When appropriate the CiO met with or contacted the heads of institutions. The heads of institution participated in the Ministerial Troika meetings.

In addition, in May 2003 the Netherlands Chairmanship organized a co-ordination meeting in The Hague to which the OSCE heads of institutions, the Secretary General and the President of the Parliamentary Assembly were invited. The aim of the meeting was to further improve co-ordination and co-operation between CiO, secretariat and institutions.

Co-operation with the Parliamentary Assembly of the OSCE

The Netherlands Chairmanship has continued the development of a closer and more intense relationship with the **OSCE Parliamentary Assembly** (OSCE PA) . The **CiO** regarded a closer relationship with the OSCE PA a priority.

The CiO had several meetings with the President of the Parliamentary Assembly, Mr. Bruce George. Apart from the Ministerial Troika meetings with the heads of institutions, and during two appearances of the CiO at the PA's winter and summer assemblies, the CiO and Mr. George met in one-to-one meetings to discuss ways to improve the co-operation between the OSCE and the OSCE PA. Discussions focused on the common objective of enhancing co-operation between the Parliamentary Assembly and the other OSCE institutions and organs.

The CiO welcomed, in this context, the decision of the PA to open a **liaison office** in Vienna. The PA's liaison office and its representative, Ambassador Nothelle, has proven to be an excellent means of bringing about more effective co-operation and exchanges of information.

The CiO addressed the first winter session of the PA which was held in Vienna on 20 February 2003. The CiO also addressed the twelfth Annual Session of the PA, which took place in Rotterdam on 5 July on the theme "The Role of the OSCE in the New Architecture of Europe". The CiO commended the PA for choosing such a timely topic, both in view of an enlarging EU and NATO, and because of the new emerging threats confronting Europe.

Contacts with non-governmental organizations

In the view of the Netherlands Chairmanship of the OSCE vibrant civil societies — societies that provide opportunities for people to make their views and concerns heard — are crucial for the development of democracies throughout the OSCE region. Civil society and political participation are conducive to democratic development. Non-governmental organizations, both at the national and the international level, play an important role here.

During 2003 the Netherlands Chairmanship held regular consultations with the International Helsinki Federation (IHF) and its Dutch affiliate the Netherlands Helsinki Committee. At the joint initiative of the IHF and the Chairmanship a meeting with international NGOs was held in Vienna on 12 May. It was strongly recommended that future Chairs should hold similar meetings in their tenure. Parallel to the Ministerial Council Meeting in Maastricht, a NGO meeting was organized under the title "OSCE Priorities and Perspectives from Civil Society". More than 100 representatives from NGOs from all over the OSCE region participated in the NGO meeting.

Border management/Ohrid Conference

In accord with the Porto Declaration, the Chairmanship put the improvement of border management high on the agenda in 2003. Particularly, the Chairmanship focused on the **Ohrid Conference on Border Security and Management** (22 and 23 May 2003) and its follow-up. At this conference, initiated by NATO, the EU, the OSCE and the Stability Pact for South Eastern Europe, the countries of South-Eastern Europe agreed upon the Common Platform on Border Security and Management proposed by the four partner organizations and on the "Way Forward Document". Subsequently, an OSCE expert team conducted an in-depth needs assessment in the region. The expert team also consulted the EU Commission and NATO. The Assessment Team's report proposes to focus the OSCE's contribution to the implementation of the Way Forward Document on a number of cross-boundary issues, including harmonization of legislation, effectiveness of cross-border agreements and standardization of equipment.

OSCE police-related activities

The Netherlands Chairmanship supported the efforts of the **Senior Police Adviser** and the **Strategic Police Matters Unit** to enhance the Organization's police-related activities. The OSCE was involved in police training and reform, most notably throughout Serbia and Montenegro, including in Kosovo, and in the former Yugoslav Republic of Macedonia. In addition, a large-scale police reform programme was launched in Kyrgyzstan.

This programme, for which a donors' conference was initiated at the end of May, may be seen as a precursor to police capacity- and institution-building initiatives, begun in Kazakhstan, Azerbaijan and Armenia. It may be of interest to other countries. Together with the UN Mission in Georgia (UNOMIG), a joint training programme for 10 Georgian and 10 Abkhaz police officers started in 2003. These 20 police officers are being trained at the OSCE Kosovo Police Service School.

The Chairman of the Permanent Council addressed the annual meeting of the OSCE Police and Law Enforcement Experts, held in Vienna on 18 and 19 September, which focused on the theme, "How may co-operation between national law enforcement, non-governmental and international institutions be made more effective in preventing and combating trafficking in persons, especially women and children?".

10. Regional issues

Southern Caucasus

2003 was a year of important developments for the **Southern Caucasus** region. Elections were held throughout the region. Presidential elections were held in Armenia on 19 February and 5 March, parliamentary elections were held in Armenia on 25 May, presidential elections in Azerbaijan were held on 15 October, and on 2 November parliamentary elections took place in Georgia. The OSCE, through the ODIHR and through the activities of the field missions, played a prominent role in monitoring these elections. The ODIHR and the missions also played an important role in assisting the authorities in ensuring that their election legislation was reformed. Regrettably, the elections held in 2003 in Armenia, Georgia and Azerbaijan fell short of international standards. In this region, improvements will be needed to ensure consolidation of democratic institutions and progress in election practices. The CiO visited Armenia, Georgia and Azerbaijan on 21 and 22 October.

In January 2003 the CiO re-appointed his Personal Representative for the Conflict dealt with by the OSCE Minsk Group and appointed Ambassador Roy Reeve as Head of Mission of the OSCE Mission in Georgia, and, later in the year, appointed Ambassador Vladimir Pryakhin as Head of Mission of the OSCE Office in Yerevan.

The OSCE's activities in **Georgia** were particularly challenging. The Chairmanship's OSCE Task Force visited Georgia in September and prepared for the visit of the CiO on 21 and 22 October.

In regard to the South Ossetian negotiating process, the Chairmanship hosted the **Tenth Meeting of the Experts Group on Political Issues** in Kijkduin, The Hague in the week of 13 to 17 October. For the first time the EU Special Representative for the Caucasus Heikki Talvitie participated in the meeting as an observer. At this meeting there were still strong differences between the sides on the key issues of the political settlement, and prospects for resumption of discussions on the status of South Ossetia seem bleak in the short and medium term. It is, however, positive that, although unable to agree upon the text of a protocol of the meeting in The Hague (for the first time), the sides reiterated their commitment to continue the political dialogue, despite profoundly divergent views on the key issues. In addition, the sides repeated their firm intention to continue to seek a peaceful resolution to the conflict. More positive have been the discussions on the implementation of

projects under the EUR 2.5 million European Commission (EC) grant, earmarked for the implementation of projects in the areas of rehabilitation and refugee/IDP resettlement. Following the signature of an agreement between the Mission and the EC on 26 August, the OSCE Mission has entered into detailed discussions with UNDP and UNHCR as to who will be responsible for the design and implementation of the actual projects. A list of projects for EUR 1.3 million has already been agreed with the parties and work is now in hand to identify the projects for the remaining EUR 1.2 million and to develop a mechanism for monitoring progress involving all parties.

The OSCE Mission has also tried to enhance the work of the **Special Co-ordination Centre** (SCC) by presenting proposals to the Georgian and South Ossetian sides regarding the establishment of joint police patrols. Both sides responded positively to the idea, which was also strongly supported by the Joint Peacekeeping Force. Two visits were made by a member of the Senior Police Matters Unit to the region in the latter part of 2003.

As regards elections in Georgia, the OSCE Mission chaired a Technical Working Group tasked with assisting the Georgian authorities in the elaboration of the election code. Many of the measures identified by the international community as important for the success of the elections were included in the Election Code, which was adopted by the Georgian Parliament between 5 and 14 August. Major involvement of the OSCE Mission and the OSCE Chairmanship in 2003 was the assistance in the selection process of the Chairman of the CEC. This led to the creation of an Ad Hoc Advisory Commission from the OSCE and the Council of Europe. The Mission provided logistical and secretarial support to the Commission throughout most of the month of August. On 31 August, President Shevardnadze appointed one of the three potential candidates identified by the Commission.

On the conflict in Abkhazia, the Chairmanship followed with the closest attention the development of events and supported the efforts of the United Nations in the peace process, namely in terms of conflict resolution and human rights. Progress has been made on the proposals by UNOMIG to enhance the law enforcement bodies of the Abkhaz and Georgian sides in the Gali and Zugdidi districts respectively. Twelve UN civil policemen have been deployed in the conflict zone, and some twenty Georgian and Abkhaz police officers underwent training at the **OSCE Kosovo Police Service School**.

The work of the **Border Monitoring Operation** of the OSCE Mission to Georgia (BMO) continued to make a significant contribution to stability and confidence in the region. This year saw the enhancement and enlargement of the BMO to the Dagestan segment of the border with the Russian Federation. Throughout 2003 the BMO has proved to be a very useful and necessary tool for building confidence and security between Georgia and the Russian Federation.

With regard to the resignation of Georgian president Shevardnadze, on 23 November, the CiO praised the people of Georgia for ensuring that the change in their country's leadership was accomplished without violence. The CiO noted that both demonstrators and security forces acted with admirable restraint. He voiced his respect for President Shevardnadze's brave decision to step down in order to avoid a further escalation of tension. The CiO also offered assistance to the new leadership in the preparation of new elections in Georgia.

At the OSCE Ministerial Council Meeting in Maastricht on 1 and 2 December 2003 pledges of financial support were made by the participating States to support Georgia in conducting democratic presidential and parliamentary elections in the year 2004. In response to these pledges, a mechanism for the immediate provision of funds needed for the implementation of the programme has been set up by the OSCE Secretariat. International technical and financial support to the country's electoral process will be channelled through this fund, the so-called "Georgia Election Assistance Programme". The international assistance to the election programme consists of various projects, first of all for the presidential elections scheduled for 4 January 2004, addressing, among other things, administrative, as well as professional needs of election administrative bodies. The principal aim is to contribute to the promotion of much-needed confidence in the electoral process between voters and the political elite in Georgia.

In Armenia the OSCE's activities in 2003 were influenced and affected by two major factors. The first has been the expansion and reorientation of the OSCE Office to make effective use of the additional core funding from the 2003 Budget Decision. The second factor has been the succession of elections — local, presidential and parliamentary — which took place in Armenia.

The first round of presidential elections on 19 February as reported by the **OSCE/ODIHR EOM and the CoE observation mission** was marked by a number of irregularities, both during the pre-electoral campaign and on the voting day, but especially during the vote counting process. The second round of elections on 5 March was also marked by violations. The general assessment of the presidential elections by the ODIHR Election Observation Mission and by the CoE observers was that: "Presidential elections in Armenia fell short of meeting international standards".

The quality of the voter lists has been widely recognized as one of the shortcomings in electoral matters in the country. The OSCE facilitated and supported the project on improvement of voter lists in Armenia, which took as its means standardization and systematization of the population registers in local communities. The Office also assisted the Central Electoral Commission by arranging procurement and delivery of transparent ballot boxes, which were used in all polling stations of Armenia for the first time. The use of these ballot boxes contributed to the general transparency of the electoral process and was assessed by the OSCE and CoE observation missions as a progressive step. The parliamentary elections held on 25 May again "fell short of meeting international standards". Much needs to be done for the next electoral cycle.

In the field of Media Affairs the OSCE continued to follow the case of the broadcasting agencies A1+ and Noyan Tapan, which were closed down by the authorities. The CiO was among those who appealed to the authorities to review this decision.

During the visit of the OSCE CiO on 21 October the Nagorno-Karabakh issue was raised, as were as the previous elections and the media situation.

In Azerbaijan the OSCE continued to promote the implementation of OSCE principles and commitments in all OSCE dimensions with a special focus on the rule of law and good governance as overall priorities. The OSCE closely followed developments related to compliance with OSCE principles and commitments, commenting on them and maintaining dialogue with relevant authorities. The OSCE also continued to develop and

carry out projects with the aim of supporting the implementation of OSCE principles and commitments.

The presidential elections on 15 October as reported upon by the **OSCE/ODIHR EOM and the CoE observation mission** were marked with a number of significant irregularities, both during the pre-electoral campaign and on the voting day, but especially during the vote-counting process. The general assessment of the presidential elections of the ODIHR EOM and the CoE observers was that “Presidential elections in Azerbaijan fell short of meeting international standards in several respects”.

During the visit of the OSCE CiO on 22 October the Nagorno-Karabakh issue was raised as well as the aftermath of the presidential elections.

The lack of significant progress towards reaching a settlement in the **Nagorno-Karabakh** negotiating process 2003 is a matter for concern. The elections in Armenia and Azerbaijan in 2003 prevented any progress being made. During his visit to Armenia and Azerbaijan the CiO emphasized to both Presidents the utmost importance of renewing talks on this issue. The Presidential elections held in Armenia and Azerbaijan in 2003 now offer a window of opportunity for a renewal of the talks between both countries. The CiO also had meetings with the Co-Chairmen of the Minsk Group and gave full support to their efforts to achieve a consolidated and peaceful settlement of the Nagorno-Karabakh conflict. The activities of the Personal Representative of the CiO on the Conflict Dealt with by the Minsk Conference were instrumental in building trust and understanding through the implementation of a series of confidence-building measures in the area of conflict.

Northern Caucasus

With regard to Chechnya, the Chairmanship oversaw an orderly closure of the Assistance Group. The Chairmanship has been engaged in a dialogue with the Russian Federation aimed at agreement on a long-term OSCE programme of technical co-operation in Chechnya. This co-operation would, on the one hand, be based on real needs in the Chechen Republic and, on the other hand, on OSCE expertise and experience, reflecting all three dimensions of the OSCE. It would make optimal use of the OSCE institutions and take into account activities by domestic and international organizations. A number of meetings have taken place, some of which were on a technical level, with participation from the OSCE Secretariat and institutions. Nonetheless, it had to be concluded (taking into account, *inter alia*, the situation on the ground) that an agreement along the lines that had been agreed upon, was no longer feasible before the end of 2003.

South-Eastern Europe

South-Eastern Europe continued to represent a priority for the Chairmanship. The OSCE, in particular through its field missions and the ODIHR, continued its efforts to ensure compliance of elections with the highest international standards. In 2003, ODIHR observed elections in Montenegro (presidential elections on 9 February and on 11 May), Albania (local elections on 12 October), Serbia (presidential elections on 16 November) and Croatia (parliamentary elections on 23 November). In general, these elections were a step forward towards the consolidation of democratic institutions and practices in South-Eastern Europe.

In January 2003, the CiO re-appointed the Personal Representative for Articles II and IV of the Dayton Agreement, as well as the Personal Representative of the CiO for the former Yugoslav Republic of Macedonia. The CiO also appointed a new Head of the OSCE Spillover Monitor Mission to Skopje.

The CiO visited Serbia and Montenegro on 22 April, the day on which the State of Emergency was lifted in that country. On 23 April the CiO visited Kosovo/Serbia and Montenegro.

In **Serbia and Montenegro**, the OSCE mission continued to provide assistance to the ongoing reform and democratization process, developing programmes and activities in a variety of areas: judicial and penal reform, human rights, return and re-integration of displaced persons and refugees, institution-building and media development. The OSCE mission played a much-valued role in assisting the authorities in the reform and restructuring of the internal security forces, both through the mission's police-training programme and through the support given in defining priorities and co-ordinating international aid. The fight against corruption was a key priority in 2003 with reform of legislation being a central element in this area. In this regard, the OSCE provided practical assistance towards full implementation of applicable laws.

In 2003, the OSCE Head of Office in Podgorica was upgraded to the level of Deputy HoM giving the Office a higher status in Montenegro in line with its increasing role.

In **Kosovo/Serbia and Montenegro**, the Chairmanship further supported the activities of the OSCE Mission in Kosovo and its assistance to **UNMIK** with regard to the policy of promoting standards and their implementation in Kosovo society, in the context of greater acceptance of responsibilities by the Provisional Institutions of Self-Government.

The OSCE CiO participated as international "guarantor" in the official opening of dialogue, between delegations from Belgrade and Pristina. This inaugural meeting took place in Vienna on 14 October.

In **Bosnia and Herzegovina**, the OSCE mission continued its key role in the field of human rights and rule of law, most notably with regard to property law implementation. Substantial completion of the property law implementation process is expected by the end of the year, and will represent a milestone in the post-conflict history of the country. Major results were achieved in promoting a thorough reform of the education system of the country. The mission also played a leading role in the field of security co-operation and defence reform. Its contribution to the proposed reform of the armed forces, which is currently under parliamentary discussion, to their peaceful reduction, and to increasing transparency in military budgets, is essential to the creation of effective democratic control over affordable armed forces in Bosnia and Herzegovina.

In **Croatia**, the OSCE continued to implement its key mandate in the fields of return of displaced persons and refugees, human rights and rights of national minorities, judicial reform, media development and police-related reforms. In July the mission presented a Status Report to the Permanent Council, assessing progress in mandate-related issues. This report emphasized that the Stabilization and Association Agreement (SAA) with the EU and the government's EU membership application, presented in February 2003, had contributed to reinforcing co-operation between the mission and the government. Three key issues in the

mission's mandate — refugee return, human and minority rights and the application of the rule of law — are part of the political criteria for accession to the EU. The Chairmanship followed developments regarding the co-operation with the ICTY, which is a key condition for Croatia's integration into Euro-Atlantic structures.

Although some localized incidents continued to occur in the **former Yugoslav Republic of Macedonia**, the overall trend of gradual improvement in the situation was further consolidated. The OSCE mission continued, in close co-operation with the government and international partners, to play an active and valuable role in the efforts to preserve peace and stability and to support the implementation of the Ohrid Framework Agreement.

2003 saw the successful completion of a number of mission activities, including the training of 1,000 non-majority police cadets. The Field Training Programme was handed over to the Ministry of the Interior (MoI). The mission continued its assistance to the MoI through specialized courses related to the Framework Agreement and the implementation of community-policing activities, in particular through Citizens Advisory Groups (CAGs). Other main activities of the mission include support to the Ombudsman Institution, reform of Macedonian Radio and Television and the creation of a domestic trial observation network. General confidence-building initiatives retained their great importance. In 2004, the mission will continue to support the implementation of the Ohrid Agreement. With active involvement of the Chairmanship and the Secretariat, the mission has fully supported the planning for the EU Police Mission "Proxima" in a spirit of joint purpose and excellent co-operation between the EU and OSCE.

In 2003, the OSCE Presence in Albania continued its activities in the fields of democratization, human rights and rule of law and security co-operation. In particular, the Presence played a major role in 2003 in assisting the work of the Bi-Partisan Committee on Electoral Reform as well as assisting Albanian authorities on the issue of property restitution. On both sides, the Presence played the role of a facilitator, while contributing legal and other expertise. The Presence delivered the draft on property restitution to the Speaker of the Albanian Assembly on 27 October prepared by a technical experts group working under the Presence's guidance. During 2003, the Presence also prepared its long-term project analysing the functioning of the judicial system in Albania. This will soon be completed and will serve as the basis for further work in this area. The Presence has continued to support the implementation of the Albanian government's National Strategy on Trafficking in Human Beings.

Dr. Erhard Busek, the Special Co-ordinator of the **Stability Pact for South Eastern Europe**, visited Ambassador Everts, Personal Representative of the CiO, to exchange views on issues of mutual interest and concern and on modalities for practical co-operation. The Chairmanship welcomed the priorities and the clear working agenda set out by the Special Co-ordinator, as well as the specific activities carried out in 2003. The OSCE continued to co-operate closely with the Stability Pact for South Eastern Europe on a wide range of issues, including the follow-up to the Ohrid Regional Conference on Border Security and Management and the Stability Pact's Migration Asylum Return Refugee Initiative (MARRI).

Ukraine

In March the Chairmanship appointed Ambassador David Nicholas as OSCE Project Co-ordinator in Ukraine. The Project Co-ordinator has taken up several project activities. For this purpose the Project Co-ordinator reorganized the office and created a project database. The Project Co-ordinator has presented an ambitious plan to assist and co-operate with Ukraine in a number of areas including rule of law, media freedom, combating trafficking, development of SMEs, and electoral reform. The **OSCE Project Co-ordinator in Ukraine** enjoys a good relationship with the authorities in Ukraine and receives support at all levels. The Chairmanship considers it important that the Office of the Project Co-ordinator will be able to continue this co-operation and expand its work.

Belarus

Following the Permanent Council decision of 30 December 2002 the OSCE Office in Minsk opened on 1 January 2003. The Chairmanship appointed Ambassador Eberhard Heyken as Head of the **OSCE Office**. Ambassador Heyken took up his duties in Minsk on 10 February. Subsequently, four international staff members were deployed. At the request of the Chairmanship Ambassador Heyken reported in March on the developments related to the functioning of the Office and addressed the PC on 2 April and 13 November. In consultation with the Belarus authorities the Office has identified and implemented project activities in the field of the economy and environment, institution-building, and the rule of law and civil society. At the same time the Office has actively monitored the commitment of the Belarusian authorities to their obligations in the framework of the OSCE. Reports on restrictive measures against civil society, NGOs and independent media are of deep concern to the Chairmanship. Civil society, NGOs and media should be allowed to be part of and make their contribution to Belarusian society. In this regard Belarus should be encouraged to bring its legislation as well as its application into conformity with OSCE commitments and standards. The OSCE Office in Minsk stands ready to assist the Belarusian authorities in this field. The Chairmanship attaches great importance to the continued OSCE presence in Belarus.

Moldova

The Chairmanship has intensified the efforts to bring the Moldovan/Transdniestrian conflict closer to a solution. In January 2003 the CiO strengthened OSCE involvement by appointing **Ambassador Adriaan Jacobovits de Szeged as Personal Representative for Moldova**. The Personal Representative attended the monthly rounds of the political negotiation process in Moldova. Furthermore, Ambassador Jacobovits de Szeged, together with OSCE Head of Mission to Moldova Ambassador William Hill, conducted consultations in several OSCE participating States and participated in a variety of seminars on federalism.

The first half of the year showed promising progress, both in the negotiating process and in the field of ammunition withdrawal as a part of the Istanbul Commitments 1999. President Voronin's initiative in establishing the Joint Constitutional Commission to draft a new constitution for a reunified Moldova on a federal model was broadly welcomed and supported. In the March to June period a considerable amount of ammunition was withdrawn from Transdniestria. The **CiO** visited Moldova on 2 April and, in addition, had other meetings with President Vladimir Voronin on three separate occasions to discuss the prospects for a settlement. In the fall the mediators finalized a document with

recommendations on State structure, division of competencies and guarantees to serve as a basis for the further work of the Joint Constitutional Commission. Furthermore, an extra Russian effort to come to an agreement on the Transdnestrian problem was noted. The CiO consulted with several participating States on the Memorandum on the Basic Principles of the State Structure of a United State proposed by the Russian Federation. The consultations showed that there was no consensus on supporting the document and that the OSCE were to take a neutral stance if the parties would come to an agreement. Moldova considered it premature to sign the memorandum. In the event of a settlement it should be consolidated by an international presence under OSCE supervision. The Chairmanship has explored possible options, all focused around a broadly based multinational operation under the aegis of the OSCE to support peace and stability.

Furthermore, the Chairmanship has committed itself to making a significant contribution to the fight against trafficking in human beings. The OSCE Mission to Moldova launched a two-year project in Moldova to help with victim assistance and reintegration. Although this year has shown much progress in negotiations towards an agreement, a lot of work remains to be done.

Central Asia

During its chairmanship, the Netherlands has emphatically drawn attention to the participating States of Central Asia, and to the challenging process of **political and economic transition** that they are undergoing. Although Central Asia is not a conflict region as such, the region needs attention from the OSCE because of the necessity, as expressed by the Central Asian participating States, of pursuing a path of political and economic reform. In addition, stability and security in the Central Asian region is directly influenced by developments in Afghanistan.

During its Chairmanship, the Netherlands has aimed to strengthen the relationship between the OSCE and Central Asia at the political level by keeping in regular contact, both in the participating States and with delegations in Vienna, and by discussing all issues of concern in an open and transparent manner. While recognizing the different characteristics of each of the five Central Asian States, an overall important aim of the Netherlands Chairmanship was to involve the Central Asian countries with the OSCE and to create awareness of what the OSCE can offer them. The Chairmanship aimed at improving the balance between the three dimensions of the OSCE with regard to activities in the countries of Central Asia, with the understanding that this should not mean less attention to the human dimension, but more inter-linking between the three dimensions.

The Netherlands Chairmanship has also pleaded for a strengthening of the activities of the various OSCE institutions and structures in the OSCE Secretariat through such means as increased co-ordination and coherence, with a view to strengthening governmental and non-governmental institutions in the participating States of Central Asia. A shift of resources in the OSCE budget 2003 was carried out in order to strengthen efforts of the OSCE in Central Asia and got the underpinning of OSCE activities in the region off to a good start.

The Netherlands Chairmanship has worked towards increasing co-operation between the OSCE and the **EU**, and international organizations such as the **UN** and the **EBRD** amongst others.

The **CiO** visited Central Asia two times: Turkmenistan at the beginning of March 2003 and Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan in July 2003. The CiO was received by the five Heads of States. In all these countries the priorities of the participating States and the OSCE Chairmanship were discussed, such as the fight against terrorism and various forms of trafficking (including on small arms and light weapons, drugs, and human beings), strengthening the rule of law, democratization, respect for human rights, and economic transition.

The CiO's appointment of Mr. Martti Ahtisaari, the former President of Finland, as **Personal Envoy for Central Asia** reflects the importance given by the Netherlands Chairmanship to continuing engagement with the participating States in Central Asia. Mr. Ahtisaari maintained contacts at the highest political levels in all five countries.

In **Turkmenistan** the purpose of the CiO's visit and of the subsequent follow-up visit of President Ahtisaari was to strengthen the dialogue between the OSCE participating States and the Turkmen authorities. This was particularly timely during the visit of the CiO as the implementation of the Moscow Mechanism, invoked by ten participating States, required the collaboration of the Turkmen authorities. The report and the reply of Turkmenistan were discussed in the Permanent Council. The CiO and his Personal Envoy furthermore discussed the need to strengthen civil society, access to detention centres for family members or independent international organizations, as well as political reform and the importance of education.

In **Kazakhstan** the CiO and the Personal Envoy in his subsequent visit discussed several legislative amendments, including that to the law on elections, which is still being reformed. The laws on the media and NGOs were the subject of discussion as well. At the invitation of President Nursultan Nazarbayev of Kazakhstan and its Foreign Minister Kassymzhomart Tokayev, who had made an official visit to the Netherlands in November 2002, the Chairmanship sent two experts to their country in March 2003 to report on the legal proceedings against the well-known journalist Sergei Duvanov, which had attracted a great deal of international attention. The report was issued in April 2003 and was subsequently discussed in the Permanent Council in May. In June, the CiO was represented at the **OSCE PA Trans-Asia Parliamentary Forum** which took place in Almaty.

In **Kyrgyzstan** the CiO and the Personal Envoy made a plea for the further strengthening of conditions for democracy, rule of law, free media and participation of national minorities in public life. The Personal Envoy stressed the importance of the upcoming parliamentary and presidential elections and the need for ongoing democratic reforms and the strengthening of the rule of law. In this context, the Chairmanship supported the development of the **OSCE Police Assistance Programme**. The Chairmanship pointed out that inclusion of representatives of civil society in police reform would facilitate the acceptance of the programme by the Kyrgyz population. On 19 May, a pledging conference was organized in Vienna to raise funds for a substantial police assistance programme (€3.8 million). In August an MoU between the OSCE Head of Centre and the Kyrgyz authorities on the implementation of the programme was signed in Bishkek.

In **Tajikistan** the CiO and the Personal Envoy pleaded for a moratorium on the death penalty with the ultimate goal of full abolishment. Among the issues discussed were de-mining, both inside the countries as well as in border areas, the fight against drug trafficking, the need for political reform, particularly the need to strengthen dialogue and

co-operation between political parties, and the preparations of the next parliamentary elections in 2005. The importance of regional co-operation was discussed as well.

In **Uzbekistan** the CiO and the Personal Envoy discussed, among other things, regional co-operation, registration of parties ahead of next year's election, and dialogue between the government and the opposition. On the issue of trafficking, the **third preparatory seminar for the Eleventh Meeting of the OSCE Economic Forum: "Trafficking in drugs: national and international impact"** was successfully organized and held in March in Tashkent.

In line with the extra attention that the Dutch chairmanship has decided to devote to Central Asia, a Dutch diplomat was posted to the Italian embassy in Tashkent, Uzbekistan, at the end of 2002. One of his tasks was to identify areas for OSCE-related projects. Various projects are currently being implemented.

11. Co-operation with other international organizations

The Dutch chairmanship attaches great importance to improving co-operation and co-ordination between the OSCE and other international organizations. New plans have been developed at the political and official level, for instance to improve co-ordination with the EU. Both the Greek and Italian Presidencies agreed to hold meetings between the **OSCE Troika** and the **EU Troika**, primarily to discuss topical issues. These meetings took place at the margins of the EU General Affairs and External Relations Council (GAERC) in February and September of 2003. At the GAERC the Netherlands provided information on and drew attention to OSCE matters relevant to the EU. At the policy level, the Chairmanship of the OSCE maintained close ties with the EU Presidency, the Council secretariat and the European Commission. The other EU member States were kept informed about relevant developments within the OSCE and the Organization's policy plans. The aim was to encourage the forming of EU positions that support the OSCE's policy. In Vienna too, a great effort has been made to achieve co-ordination with the EU. **EU High Representative** Javier Solana addressed the Permanent Council in Vienna in July, at the invitation of the Dutch chairmanship.

The Dutch representatives at **NATO** regularly drew attention to events within the OSCE. In June a co-ordination meeting of the CiO with **Secretary-General Robertson** was arranged on the fringe of the NATO ministerial. Operational level consultations are held regularly to co-ordinate policy and are attended by representatives of the entire OSCE Troika. In Vienna, the weekly NATO Caucus meetings were held. NATO Secretary-General Lord Robertson addressed the Permanent Council in October.

Harmonization with the **Council of Europe** takes place on a daily basis. Certain dossiers, particularly those in the Human Dimension and the work of the ODIHR, overlap with the Council of Europe's concerns and make close co-ordination essential. Ministerial-level meetings between the OSCE and the Council of Europe take place twice a year. They are attended not just by the chairmanship of the OSCE and that of the Committee of Ministers of the Council of Europe, but also by the Secretaries-General and the presidents of the parliamentary assemblies of the two bodies. The first meeting, convened by the Netherlands as CiO of the OSCE, took place in February 2003. The second meeting, convened by Moldova as Chairman of the Committee of Ministers of the Council of Europe, took place in November 2003.

A further event in February was the tripartite meeting, in Geneva, between representatives of the **OSCE** (including the chairmanship), the **Council of Europe** and the **UN**. It was also attended by representatives of the European Commission, the EU Council secretariat, the ICRC, and the IOM. In 2003 consultations with the UN centred on ways to combat terrorism and the various forms of trafficking.

Besides maintaining existing ties within the OSCE area, the Organization also needs to conduct a dialogue with other organizations. **The Organization of the Islamic Conference** (OIC) is willing to engage in a political dialogue with the OSCE. Following tentative preliminary contacts, the OSCE (including the chairmanship) was represented at the Islamic Conference Summit in Teheran at the end of May. The purpose of this dialogue is not just to propagate the OSCE's ideas, but also to learn about the views and attitudes expressed within the OIC, thus encouraging dialogue with the Islamic world. The countries of Central Asia, in particular, firmly supported these initiatives on the part of the Chairmanship.

12. Mediterranean and Asian Partners for Co-operation

In 2003 **Mediterranean and Asian Partners** (MPCs, APCs) were invited to OSCE meetings in which the States concerned had special interests. In addition, the Partners for Co-operation were invited to a number of OSCE events (Annual Security Review Conference, ODIHR seminars, workshops, the Economic Forum) and were given briefings on OSCE activities by heads of institutions or missions. Parliamentarians from Partner States were invited to attend the Parliamentary Assembly's annual and winter sessions. Partners were also involved in operational activities, such as short-term visits to OSCE Missions, election observation and secondment to missions. A meeting between the **OSCE Troika** and **Foreign Ministers or their representatives from Partner States** was held on 30 November, on the eve of the Ministerial Council.

Representatives of the Chair took part in two separate informal, open-ended contact groups (one on Mediterranean-related issues, the other on Asia) at the level of experts that have been established in the framework of the Permanent Council and met periodically to conduct a dialogue with the States concerned in order to facilitate the exchange of information on subjects of mutual interest. The **Mediterranean Contact Group** was chaired by Bulgaria. The **Contact Group for the Asian Partners** was chaired by Portugal.

Meetings were held to focus on the regional considerations of the respective partners. Korea held a workshop on the applicability of OSCE-instruments (CSBMs) in East Asia in September and Jordan hosted the annual Mediterranean Seminar in October. Representatives of the Chair took part on both occasions.

In the course of 2003, the Bulgarian Chairmanship of the Contact Group with Mediterranean Partners for Co-operation, in close consultation with the Netherlands Chairmanship and with the support of the External Co-operation Section of the OSCE Secretariat, concentrated its activities on the following issues:

Contact Group meetings with the Mediterranean Partners for Co-operation

The regular meetings of the Mediterranean Contact Group provided the opportunity for participating States and the six MPCs both to advance the dialogue and to discuss and

exchange ideas on a number of issues pertinent to both sides of the Mediterranean. A total of six meetings of the Contact Group were held in 2003. They were preceded by meetings of the Contact Points that discussed the agenda of the Contact group meetings and explored other forms of co-operation.

The Contact Group meetings continued to serve for ongoing dialogue and the development of joint activities between participating States and the Mediterranean Partners for Co-operation, as well as among the MPCs themselves. An exchange of views on the current activities of the OSCE figured prominently on the agenda, as well as other issues such as: the work of the Parliamentary Assembly of the OSCE (presented to the MPCs by the President of the Assembly, the Rt. Hon. Bruce George, M.P.), the first ever Annual Security Review Conference, the Strategy to Address Threats to Security and Stability in the Twenty-First Century, the tasks undertaken in the Economic and Environmental Dimension, the field activities of the Organization and the role of the Conflict Prevention Centre.

Attendance of meetings of the Permanent Council, other OSCE institutions and different events

The Mediterranean Partners were regularly invited to the meetings of the Permanent Council, especially when special guests addressed the plenary, or when there were particular topics of interest. Particularly noteworthy was the address by H.E. Mr. Habib Ben Yahia, Minister of Foreign Affairs of Tunisia in March, in which he stressed the necessity to further strengthen and develop co-operation in the wake of the new threats and challenges to security and stability. A useful exchange of ideas took place at the meeting of the Ambassadors of the OSCE Troika and the Secretary General with H.E. Mr. Bouteflika, President of Algeria, during his visit to Vienna, as well as during the discussions with the Algerian Minister for Maghreb and African Affairs, Mr. Abdelkader Messahel, who was interested in exchanging information and possible co-operation with the OSCE on the “African Centre on the Research and Study of Terrorism” to be based in Algiers.

The Mediterranean Partners were given the opportunity to provide input into the work of the Organization. Their representatives participated in topical conferences on anti-Semitism, as well as on racism, xenophobia and discrimination. Partners for Co-operation took part in the first OSCE Annual Security Review Conference and in the conference on globalization. In addition, Partners were invited to contribute to the elaboration of the OSCE Strategy to Address Threats to Security and Stability in the Twenty-First Century. The strategy, while addressing the cross-dimensional nature of new threats and challenges, also reflects close ties between participating States and Partners for Co-operation.

The Parliamentary Forum on the Mediterranean, established by the OSCE Parliamentary Assembly, convened for the first time in Rome in October 2003 and brought together Parliamentarians from the participating States and the MPCs. As usual, representatives of the MPCs were invited to attend the Economic Forum in Prague, the HDIM in Warsaw, the Supplementary Human Dimension Meetings and the Human Dimension Seminar. Representatives of MPCs were also invited to participate in election observation, to visit missions and to submit candidates for mission members in OSCE field activities.

Ministers of the MPCs were invited to attend the Ministerial Council Meeting in December 2003 in Maastricht, with a meeting of the OSCE Troika ministers with their colleagues from the MPCs being held on the eve of the Council.

Annual OSCE Mediterranean Seminar

The 2003 Mediterranean Seminar on the topic: “The comprehensive approach to security: The OSCE experience and its relevance for the Mediterranean region” was held in Aqaba, Jordan on 20 and 21 October. The Seminar was inaugurated by Mr. Shaher Bak, Jordan’s Minister of State for Foreign Affairs, and Dr. Solomon Passy, Bulgaria’s Foreign Minister. Around 120 participants from participating States and MPCs, academic institutions, international organizations and NGOs attended the seminar. The Seminar provided the opportunity to exchange views on confidence-building, poverty reduction, as well as on democratic institution-building and civil society development as important prerequisites for prevention of conflicts. The fact that this seminar took place in Jordan, one of the MPCs, conveyed a strong and positive political message, especially in view of the current situation in the Middle East.

The Consolidated Summary of the proceedings of the seminar reflected many interesting proposals that deserve further study and consultation, including: outreach activities to the capitals of the Partner States, the establishment of a Conflict Prevention Centre in the Mediterranean, access of the MPCs to the Permanent Council and the Forum for Security Co-operation, and the development of co-operation between the Council of Europe’s Venice Commission and interested MPCs. It was emphasized that the OSCE’s common values could serve as basis for further dialogue between the OSCE participating States and the Mediterranean Partners.

Contact Group with the Partners for Co-operation in Asia

OSCE activities with the Partners for Co-operation in Asia were enhanced during 2003. The Contact Group meetings with the Partners for Co-operation in Asia were launched bringing together the Asian Partners and OSCE participating States to discuss issues of common concern. The agendas of these meetings covered all the major issues related to security in the OSCE area, opening the door for a two-way approach in discussions and future exchanges of information and practices, in particular in areas where OSCE experience might become more relevant to the regions of the Partner States. The Partners’ own experience and concerns in different areas were carefully studied during the meetings.

The Asian Partners actively participated in Contact Group meetings and other joint activities by, *inter alia*, submitting proposals for discussion and follow-up. The presence of experts from the Asian Partners, from the capitals and external Permanent Missions, contributed to deepening the debates and focusing in more detail on issues related to their main interests.

During the Contact Group meetings, Partners were regularly informed by a representative of the OSCE Chairmanship, on the progress of discussions leading up to the Ministerial Council meeting. They were also provided with reports of the working group meetings, and were invited to attend and contribute in writing to discussions on the OSCE Strategy to Address Threats to Security and Stability in the Twenty-First Century.

Afghanistan, which became a Partner for Co-operation in April 2003, was welcomed to a meeting of the Asian Contact Group on 5 May 2003. The Minister of Foreign Affairs of Afghanistan, Mr. Abdullah Abdullah, addressed the OSCE Permanent Council on 5 December 2003.

Four meetings of the Asian Contact Group took place in 2003. Topics for discussion included: trafficking in human beings, drugs and small arms and light weapons; follow-up to the 2001 OSCE-Korea Conference on Applicability of OSCE Confidence- and Security-Building Measures (CSBMs); the OSCE Asia Academic Network; the OSCE-Japan Conference on conflict prevention; an overview of CSBMs, including a briefing by the Chairman of the Forum for Security Co-operation (at that time, Germany); and the Conference on Interaction and Confidence-Building Measures in Asia (CICA). Furthermore, discussions focused on gender equality, OSCE field activities in Central Asia, preventing and combating terrorism and the work of the OSCE Secretariat's Anti-Terrorism Unit, as well as Korea's Policy for Peace and Prosperity and a Multilateral Security Mechanism in North-East Asia.

The Partners were regularly invited to meetings of the OSCE Permanent Council. The Republic of Korea was also invited to address the PC and FSC on the outcome of the Workshop on CSBMs held in Seoul. Thailand was invited to address a joint PC/FSC meeting on anti-personnel landmines.

The Republic of Korea and the OSCE organized a workshop entitled "Applicability of OSCE CSBMs in North-East Asia Revisited" on 22-23 September 2003 in Seoul. More than 30 OSCE participating States and Partners for Co-operation participated in the event, including the five parties involved in the dialogue process with North Korea, whose diplomatic representative in Vienna was later informed about the outcome of the meeting.

On the eve of the Ministerial Council meeting in Maastricht, a meeting of the OSCE Ministerial Troika with counterparts from the Asian Partners for Co-operation took place during which discussions focused on new threats to security and stability in the twenty-first century, and on relations between Partners for Co-operation and the OSCE, including OSCE-Partner State activities in 2004. The OSCE Ministerial Troika and Partner States welcomed:

- the launching of the meetings of the Asian Contact Group in 2003, which provided a platform for dialogue and co-operation, and also expressed interest in the Group's further development into a forum for follow-up of recommendations made at the Contact Group and for other joint activities of the OSCE and Partner States;
- the envisaged adoption of the OSCE Strategy to Address Threats to Security and Stability in the Twenty-First Century, and the Permanent Council decision on expanding further areas of co-operation;
- the more frequent participation of Partner States in the meetings of the PC and FSC;
- the forthcoming 2004 OSCE-Japan Conference on conflict prevention and the "back-to-back" ASEAN Regional Forum (ARF); Workshop on preventive diplomacy;
- the deepening of relations between the OSCE and the ARF;
- the enhancement of the OSCE Asia Academic Network;

- further co-operation on subjects of common concern, including new threats and challenges to security.

Outreach Programme

The Bulgarian Chairmanship is looking forward to working together with MPCs on this new evolving mechanism of co-operation, which brings OSCE expertise to the Partner countries, to their officials, experts, the public and to academia. The outreach programme is one way of disseminating and exchanging information, with the largest possible number of participants in the Partner Countries on the OSCE acquis. It is envisaged that the first activity of this kind will take place in the coming months in Algeria for the Maghreb countries (Algeria, Morocco and Tunisia) on the topic of "Freedom and Responsibility: the Media." Similar activities covering other topics and other groups of countries will follow.

Despite all positive and encouraging developments, there is a need to continue to consider ways of enhancing the OSCE Mediterranean dialogue. The potential for increasing dialogue and co-operation was discussed at the Aqaba Seminar. Subsequent discussions in the Preparatory Committee, both in Vienna and in Maastricht, on the basis of a draft decision tabled by the delegation of Turkey, have ultimately resulted in the adoption of Permanent Council Decision No. 571 on Furthering Dialogue and Co-operation with the Partners for Co-operation and Exploring the Scope for Wider Sharing of OSCE Norms, Principles and Commitments with Others. This decision foresees work in 2004 on, among others, the identification of additional fields of co-operation and interaction with Partners, the sharing of OSCE norms, principles and commitments with others, including adjacent areas, and procedures for future application for partnership.

**LETTER FROM THE
CHAIRPERSON OF THE PERMANENT COUNCIL TO THE
MINISTER FOR FOREIGN AFFAIRS OF THE NETHERLANDS,
CHAIRPERSON OF THE ELEVENTH MEETING OF THE
MINISTERIAL COUNCIL OF THE OSCE**

Your Excellency,

In my capacity as Chairperson of the Permanent Council (PC), I have the honour to inform you of the PC's activities to fulfil Decision No. 4 of the Tenth Meeting of the Ministerial Council (Porto, 2002), reviewing the OSCE's role in the field of peacekeeping operations.

The Tenth Meeting of the OSCE Ministerial Council, held on 6 and 7 December 2002 in Porto, tasked the Permanent Council with conducting a review of peacekeeping, with a view to assessing the OSCE's capacity to conduct peacekeeping operations and identifying options for potential OSCE involvement in peacekeeping in the OSCE region, to be completed by the end of 2003. The Forum for Security Co-operation (FSC) was tasked with making its own contribution to this work within its competencies and mandate and in accordance with Bucharest Ministerial Decision No. 3 on fostering the role of the OSCE as a forum for political dialogue.

The basis for the review was Decision III of the Document of the Helsinki Summit, 1992, taking into account later decisions relevant to OSCE peacekeeping by the Budapest Summit in 1994 and the Istanbul Summit in 1999, and by the Ninth Meeting of the Ministerial Council, Bucharest, 2001.

During the review, an analysis was made of current peacekeeping operations/missions within the OSCE region, as well as an analysis of changes in peacekeeping doctrine and practices during the past ten years.

Based on these discussions, four potential options for OSCE peacekeeping were identified. They are:

- Type A. Traditional armed peacekeeping operations of the "blue-helmet" type;
- Type B. Unarmed observer/monitoring peacekeeping operations;
- Type C. Combinations of Type A and B; and
- Type D. Peacekeeping operations with other international organizations, including turnkey operations.

Current OSCE capabilities for deploying and running peacekeeping operations were discussed by the Group of Friends, and the FSC debated the operational implications of the four options. It was the general view that, *inter alia*, the OSCE has considerable experience in deploying unarmed operations, that it has no experience in deploying armed peacekeeping

operations and that its Secretariat does have the ability to co-operate with other international organizations.

Intensive consultations showed that no common understanding could be reached on the issues of command and control, the role of the Forum for Security Co-operation and capacity issues.

My perception is that the review was very useful and has been concluded. In effect, we have reaffirmed that the provisions contained in the Document of the Helsinki Summit, 1992, remain valid.

Your Excellency may see fit to reflect the outcome of the review in the appropriate documents of the Ministerial Council.

**LETTER FROM THE CHAIRPERSON OF THE
FORUM FOR SECURITY CO-OPERATION TO THE
MINISTER FOR FOREIGN AFFAIRS OF THE NETHERLANDS,
CHAIRPERSON OF THE ELEVENTH MEETING OF THE
MINISTERIAL COUNCIL OF THE OSCE**

Your Excellency,

As Chairperson of the Forum for Security Co-operation, it is my pleasure to provide information on the Forum's activities since the Tenth Meeting of the Ministerial Council. During 2003, the FSC dedicated a significant amount of attention to identifying and addressing the threats to security and stability in the twenty-first century and other tasks from the Tenth Ministerial Council, while continuing to productively engage with issues from its traditional portfolio. In accordance with its mandate, an underlying motif to the FSC's work this year has been a focus on enhancing security through development of concrete measures, programmes and projects, such as the OSCE Document on Stockpiles of Conventional Ammunition.

A key effort by the FSC Chairmanship during 2003 has been to increase the visibility of the FSC within the Organization and beyond and to strengthen its effectiveness, whether in its own work or as an integral body of the OSCE. As part of this effort, each Chairperson (first Albania, followed by Germany, then the United States of America) has taken steps to inform not only other OSCE institutions or bodies, but also other international fora, about FSC activities. In particular, I would like to highlight presentations made by the Chairperson to the first OSCE Annual Security Review Conference, the Winter Session of the Parliamentary Assembly of the OSCE, the UN Conference on Illicit Trade in Small Arms and Light Weapons in South East Europe, and the OSCE Heads of Mission meeting. The latter had the additional advantage of increasing the awareness of OSCE field presences of the politico-military dimension.

A noteworthy aspect of our work has been enhanced co-operation with the Permanent Council (PC) on politico-military matters on multiple levels. The FSC continued the practice of joint meetings with the PC on issues of common interest. Co-ordination has been increased not only at the level of the Chair, evidenced by routine meetings of the FSC and PC Troikas, but also at working level, through the activities of several informal working Groups of Friends under the PC Chairmanship. In order to co-ordinate this process and prevent duplication of work, the FSC Chairperson at the beginning of 2003 appointed one *chef de file* for each of three key issue areas in response to taskings from the Tenth Ministerial Council: the Annual Security Review Conference, development of the OSCE Strategy to Address Threats to Security and Stability in the Twenty-First Century, and the review of the OSCE role in peacekeeping. This arrangement has made a clear and positive impact. The *chefs de file* were chosen from among FSC delegations. Their assistance to the Chair and the Troika in ensuring a smooth flow of information on deliberations and discussions in the respective bodies of the FSC and PC has been invaluable for the continued efficiency of the FSC.

The three main tasks from the Tenth Ministerial Council directly involved the politico-military dimension of the OSCE. In addition to contributions during the preparation of the first Annual Security Review Conference (ASRC), the FSC played an active role

during the ASRC itself. The FSC Chairperson made introductory remarks, while a member of the FSC Troika chaired one of the working sessions. This significant FSC contribution to the first ASRC was welcomed by the participating States and sets a valuable precedent for continued involvement in the ASRC in the future. The FSC contribution to the other two tasks, development of an OSCE Strategy to Address Threats to Security and Stability in the Twenty-First Century and the review of the OSCE role in peacekeeping, was equally significant. Most of the FSC work on peacekeeping was conducted in an informal working group. This work, complementary to the more general review being conducted by the PC, considerably raised the FSC's level of awareness of the complexity of peacekeeping operations, as well as highlighting the requirements, including resources, that might be needed for such operations. The FSC contributions to the Strategy and the review of peacekeeping reinforce the importance of more effectively co-ordinating and incorporating FSC efforts into overall OSCE work on security issues.

The FSC continues to facilitate implementation of the SALW document. The Expert Advice on implementation of Section V of the SALW document, prepared by the FSC at the end of 2002, was endorsed by the PC in Decision No. 535 in March 2003. As a logical next step, a joint letter from the Chairperson of the FSC and the Chairperson of the PC was sent to inform all OSCE heads of mission of this development. Shortly thereafter, in July, Belarus was the first participating State to request OSCE assistance in destroying and controlling excess SALW. Following the steps outlined in the Expert Advice, consultations by the FSC Chairperson in co-ordination with the representative of the CiO are currently underway. Belarus is seeking to define an initial project that will merit OSCE assistance. As the process continues, proceeding in a slow and deliberate manner as we establish a viable precedent for similar requests in the future, the next step will bring in technical experts to elaborate a specific plan for appropriate OSCE approval. Encouraged by the steps taken so far, we look forward to a successful execution of this assistance in accordance with Section V of the SALW document.

But the FSC has done much more with regard to the SALW document in 2003. The FSC, building on the efforts of experts from participating States co-ordinated by the Conflict Prevention Centre, developed a set of eight "best practice guides" to elaborate on specific aspects of the SALW document. For ease of use, the FSC decided to publish these guides as one single reference document. The OSCE Handbook of Best Practice Guides on SALW has now been completed and will be presented to you. It will be made available to all OSCE participating States, as well as the global community, in all six OSCE languages by the end of 2003. The FSC's work on SALW has even drawn the attention of the UN. General information about the Handbook of Best Practice Guides was presented at the UN Biennial Meeting on SALW in July. In addition, a UN First Committee consensus resolution (from its 2003 session) recognizing the work of the FSC in combating illicit trade of SALW in all its aspects is to be adopted by the General Assembly.

Following efforts to address issues related to SALW, at the end of 2002, the FSC has identified a related concern, the security risk arising from stockpiles of conventional ammunition, explosive material and detonating devices in surplus and/or awaiting destruction in the OSCE area. A major portion of the FSC's agenda in 2003 has been devoted to addressing this concern. At the end of May, the FSC held a workshop to study the extent of the problem and examine in depth a possible contribution by the OSCE. Following months of deliberation, the FSC has completed work on the OSCE Document on Stockpiles of Conventional Ammunition in November for presentation to the Ministerial Council for

endorsement. The stockpiles document establishes a mechanism that will allow participating States to request international assistance to either destroy or better manage these stockpiles. This document is an important contribution to wider OSCE efforts in the politico-military field, demonstrating the will of participating States to promote co-operative and concrete responses to threats in the OSCE region.

The FSC has kept the issue of combating terrorism on its agenda. You may recall that a major effort in 2002 was related to the FSC Road Map for implementing the Bucharest Plan of Action for Combating Terrorism. I want to emphasize that the FSC in no way considered the work in 2002 to be the end of its efforts to combat terrorism. Nor does it consider that Roadmap as cast in iron, but as a tool that should respond to dynamic developments. In this light, the FSC may consider updating that Roadmap. The Forum continues to pay serious attention to combating terrorism and has received updates on pertinent OSCE activities as part of the Security Dialogue. It has become clear, however, that this work can be accomplished even when it is not specifically described in that way. An example is the effort by the FSC to respond to the threat posed by the potential access of terrorist groups to Man-Portable Air Defence Systems (MANPADS). In addition to learning about initiatives underway in other international fora, the FSC recognized that the OSCE Document on Small Arms and Light Weapons (SALW) could make a significant contribution. FSC Decision No. 7/03 highlights the importance of effective and comprehensive export controls on MANPADS, and calls upon participating States to use existing mechanisms under the SALW document to destroy excess MANPADS.

A key element of the FSC's traditional portfolio, the Code of Conduct on Politico-Military Aspects of Security has proven to be one of the OSCE's main tools in the fight against terrorism through, *inter alia*, its commitments on preventing and combating terrorism, including the ratification and implementation of international agreements in this sphere. The mechanism used by participating States to describe how they are implementing the Code of Conduct is an annual questionnaire. The FSC completed a technical update of the questionnaire early in 2003, seeking to make it a more useful tool for participating States. In April, the participating States provided additional information on national efforts taken to combat terrorism, responding to a 2002 expansion of the questionnaire, which allows for the presentation of information in a common format that is easy to understand. The FSC continues to review and seek to improve implementation of the Code of Conduct and its annual questionnaire.

The FSC continues to devote significant attention to its traditional activities. While no new traditional arms control or CSBMs have been established during 2003, the participating States retained their interest in improving implementation of existing agreements. The participating States reviewed existing instruments in conjunction with work on the Strategy; differing views have been expressed by delegations on the question of further review of some of these instruments, in particular the Vienna Document 1999 and the Principles Governing Non-Proliferation. The Thirteenth Annual Implementation Assessment Meeting (AIAM) took place in March, including, as usual, the participation of experts from capitals in addition to those already present in Vienna delegations. While the main focus of the AIAM is a detailed review of implementation of the Vienna Document 1999, all the other FSC politico-military commitments were also addressed. A focused agenda for the two-day AIAM allowed for a constructive debate on issues directly related to implementation, while discouraging broad general statements. As has happened in the past, many of the suggestions made during the Meeting were subjected to additional review in the FSC. In fact, further investigation into the

difficulties faced by Vienna Document 1999 verification teams while in transit resulted in an FSC Chairperson's Statement recommending alternative arrangements. In addition, a focused debate took place on improving the implementation of the 2002 information exchange updating the data relating to major weapon and equipment systems.

The interest of the participating States in full and timely implementation of commitments has increased the importance of the Chair's use of the Reminding Mechanism in FSC Decision No. 10/02, especially to identify when technical assistance may be necessary. Another implementation tool, in addition to being a CSBM in its own right, is the OSCE Communication Network. As a result of focused attention, the successful upgrade of the Network to an Internet-based system has been achieved. This upgrade has made it easier for participating States to join the Network. The success of this approach has already been realized: four States have joined the Network in the past six months, bringing the total number of participating States on the Communications Network to 44.

When considering current security issues in the politico-military dimension, the FSC has most often used its regular Security Dialogue function. The Security Dialogue acts as a confidence-building tool for the FSC, allowing the participating States to strengthen security and stability through transparency in the politico-military sphere. Dialogue has been one of the FSC successes in 2003. A key element of this revitalization has been the opportunity provided by focused presentations and information by a number of participating States on their national defence planning or related subjects. Scheduled at the request of the participating State, these presentations provided a high level of transparency about national planning and defence budgetary processes. Discussions on related defence topics, such as a presentation on European Security and Defence Policy, have been a welcome complement to the national presentations.

The FSC has also used its Security Dialogue as an opportunity to learn about issues not routinely considered by the OSCE. During the fall, the FSC heard from a number of speakers about ongoing international efforts to combat the proliferation of weapons of mass destruction. Contributions by the International Atomic Energy Agency, the International Institute for Strategic Studies and the OSCE Action against Terrorism Unit triggered an energetic discussion in the FSC. The Director of the OSCE Conflict Prevention Centre also contributed to this dialogue, drawing from his experience in previous postings. Together with a planned future presentation on multinational non-proliferation instruments, this may encourage the FSC to consider whether the OSCE can make some contribution to global non-proliferation efforts. Plans are underway for a similar Security Dialogue focus on civil-military emergency preparedness — an issue that has not been on the OSCE agenda, but which clearly has universal implications.

The FSC's focus on practical and concrete programmes, within its mandate and without ignoring its very full portfolio, reaffirms the role of the FSC in the overall OSCE efforts. It demonstrates the significant contribution the FSC has made and can continue to make to enhance security across the OSCE region. The FSC stands ready to continue its efforts in the politico-military dimension and contribute to the success of the OSCE in the twenty-first century.

Your Excellency, you might deem it useful to reflect these developments in appropriate documents of the Ministerial Council.

**LETTER FROM THE CHAIRPERSON OF THE
OPEN SKIES CONSULTATIVE COMMISSION TO THE
MINISTER FOR FOREIGN AFFAIRS OF THE NETHERLANDS,
CHAIRPERSON OF THE ELEVENTH MEETING OF THE
MINISTERIAL COUNCIL OF THE OSCE**

Your Excellency,

In my capacity as Chairperson of the Open Skies Consultative Commission (OSCC), I have the honour to inform you of the activities of the OSCC since the Tenth Meeting of the Ministerial Council, which took place in Porto in December 2002.

During the reporting period the OSCC and its informal working groups continued to focus on the resolution of matters essential to the effective implementation of the Treaty, including the allocation of passive quotas to acceding members. The OSCC also took the necessary steps to prepare and execute the first annual review of the distribution of active quotas. While the distribution was successful, the States Parties agreed to examine the experience acquired in the process.

The OSCC adopted a number of decisions concerning, among other things, the transits necessary during Open Skies observation flights and the distribution of costs arising in connection with implementation of the Treaty in order to improve the conduct of observation missions. States Parties addressed the questions related to the implementation of the provisions on maximum flight distances, and worked in a co-operative spirit and with goodwill to address mutual concerns in this field.

Since the last reporting period, States Parties have conducted a total of 34 observation flights. States Parties have also continued to carry out training observation flights on a bilateral basis. Italy has successfully certified its observation aircraft and sensor configurations in accordance with the provisions of the Treaty. Several States Parties have indicated their intention to certify their observation aircrafts in the future.

The OSCC took steps to facilitate the accession of States. The importance of the Treaty was also recognized by the fact that Finland, Latvia and Bosnia and Herzegovina have become States Parties to the Treaty. In addition, the applications of Slovenia and Estonia have already been approved by the OSCC. The application of Cyprus remains on the agenda of the OSCC.

As the Treaty keeps proving its significant contribution to the security and stability of States Parties, and continues to promote further transparency and to strengthen the spirit of confidence and co-operation in the OSCE area, the Chairmanship encourages States able and willing to contribute to the fulfilment of the Treaty's goals, to consider the possibility of contributing to the Treaty's praiseworthy objectives.

Your Excellency, you might deem it useful to reflect these developments in the appropriate documents of the Ministerial Council Meeting.

**REPORT OF PRESIDENT MARTTI AHTISAARI,
PERSONAL ENVOY OF THE CHAIRMAN-IN-OFFICE
FOR THE PARTICIPATING STATES IN CENTRAL ASIA**

The Chairman-in-Office, the Foreign Minister of the Netherlands, early this year appointed me as his Personal Envoy for the Central Asia region. My task has been to maintain contacts at the highest political levels with the participating States of Central Asia. I have been consulting on current OSCE issues with a view to strengthening long-term relationships between the Central Asian participating States and the OSCE.

There is an increasing awareness of the importance of the OSCE as a platform on which participating States interact. This benefits the countries in Central Asia, as well as those outside of it. The OSCE is the only forum which provides for regular contact between the governments of the countries of the former Soviet Union, Europe and North America. It is the only Euro-Atlantic security structure where the Central Asian countries are represented as full members.

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During my visits to the region, I met with political leaders: in Kazakhstan, with the Foreign Minister (for logistical reasons, a meeting with the President was not feasible); in Kyrgyzstan, with the President, the Foreign Minister, the First Deputy Prime Minister and others; in Tajikistan, with the President, the Vice Prime Minister, the Foreign Minister and the Speaker of the Parliament; in Uzbekistan, with the President, the Vice Prime Minister, the Foreign Minister and the Speaker of the Parliament; and in Turkmenistan, with the President, the Foreign Minister and the Speaker of the Parliament. I also met with representatives of civil society, journalists, representatives of political parties, and international organizations, and ambassadors of the participating States. In Kyrgyzstan, Uzbekistan and Tajikistan, I also met with governors of different regions in order to familiarize myself with the situation outside of the capital cities.

Many issues were discussed during my visits. These included the co-operation with the OSCE in different spheres, the role of non-governmental organizations, pluralism in political life, human rights issues, legislative reform and regional co-operation. I also raised issues related to detained or imprisoned persons whose fate has been of special concern to the international community.

In Kyrgyzstan, the main topics included good governance, the importance of independent media and the institution of ombudsman. I also visited the OSCE Academy in Bishkek and the Police Assistance Programme, and I was very happy to observe the authorities' strong commitment to the police project. We also discussed issues such as drug trafficking and regional co-operation, especially in the Ferghana valley. I realized that the next two years will be very important in the reform process in Kyrgyzstan. Local elections in 2004 and parliamentary and presidential elections in 2005 will provide an opportunity for Kyrgyzstan to vouch for its willingness to move towards further democratization, and the elections will also afford an opportunity for the OSCE and the international community at large to help in this process.

In Uzbekistan, the main issues discussed were the importance of registration of parties ahead of next year's elections, the registration and working conditions of NGOs, dialogue between the government and the opposition and regional co-operation. We also discussed concerns relating to human rights. I congratulated the Government for inviting the United Nations Special Rapporteur on Torture, Mr. Van Boven, and for aiming at implementing the recommendations contained in his report.

In Tajikistan, I urged the Government to issue a moratorium on the death penalty, as an instrument for creating conditions under which it could be abolished. Demining, the fight against drug trafficking and regional co-operation were also on the agenda. I was glad to note that, between my visits in March and in May, there had been progress on certain issues. These included progress on the mine action programme and an increase in pluralism in political life as a result of the fact that it had been made possible for the opposition party to work in all the regions of the country.

In Turkmenistan, the need for representatives of the International Committee of the Red Cross and family members to be able to visit detainees was among the issues I especially emphasized. We discussed, among other things, co-operation between the Government and the OSCE, entry and exit visas, the importance of education and the possibilities for NGOs to operate. I also appealed to the Government to co-operate with the High Commissioner for National Minorities, who visited Turkmenistan shortly after my last visit.

In Kazakhstan, one of the key issues discussed was the election law, which is in the process of being reformed. I met with the Chairperson of the Central Election Commission. The election process was also discussed in my meeting with representatives of several political parties. Other issues on the agenda included corruption, the death penalty, environmental issues and regional co-operation. Kazakhstan has expressed its willingness to assume the Chairmanship-in-Office in 2009. A country that seeks to lead others must set even higher standards for itself, and I pleaded with the Government to demonstrate a strong commitment to further reform.

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One of the most important things for the countries of Central Asia to do would be to establish a good educational system. It is widely understood that this is of vital importance for their future development. Unfortunately, at the moment, the level of education, in both qualitative as well as quantitative terms, is declining. Political support at the highest levels is needed to bring about this change.

Even though education has not traditionally been at the heart of the OSCE's mandate, it is one of a set of issues that do touch upon the core of the OSCE's mandate. Democratic values and respect for human rights, equality and tolerance are promoted primarily through education, both in the primary and secondary schools for youth, and through life-long learning. The reform processes will not be complete if they encompass only technical issues, such as legislation and elections, and do not affect people's minds through education. I think that it would be beneficial if the participating States placed greater emphasis on the education sector. I am glad to note that the incoming Chairmanship is emphasizing this issue.

The importance of good relations between neighbouring countries is obvious all around the world. The OSCE has a long tradition of promoting good neighbourly relations.

Trade and investment opportunities, and everyday people-to-people contacts are seriously hampered by a decreased number of border crossings and difficulty in obtaining visas.

The need to support civil society in Central Asia through the creation of non-governmental organizations is obvious. We need to help the NGOs to get meaningfully involved and recognized as partners by the governments. NGOs provide a means for organized participation by citizens in the changing legal and economic systems, and they promote pluralism by channeling the interests of varying cultural and ethnic identities. The continued formation, growth and survival of these organizations is essential if the citizens of countries in transition are to continue to accept the changing role of the State, their own new roles as participants in democratic societies and the fluctuations of the market.

All of these issues — education, regional co-operation and civil society — are highlighted in the situation of the new generation. If there is a lack of people who are properly prepared to manage the society — in government structures, NGOs and business — the reform processes will be thwarted even more than they are now. If the organizations of civil society do not have opportunities to function, more young people will become disillusioned and disengaged. When the young people cannot socialize with their peers in neighbouring countries or engage in cross-border activities in NGOs or businesses because of closed borders, their chances for making the most of their lives are seriously limited.

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Serving as the Personal Envoy of the CiO has been an interesting assignment. Having been involved in peace and reform processes in many parts of the world, mainly in Africa and the Balkans, I felt that Central Asia was a region I wanted to concern myself with. In my meetings with government and non-governmental representatives, I encountered a positive attitude, and I want to express my appreciation for that. I also want to thank the staff of the Netherlands Ministry of Foreign Affairs and the OSCE Secretariat, its institutions, and its centres in Central Asia for all their valuable assistance.

As I said in my address to the Permanent Council in September, I believe in dialogue. Co-operation, not confrontation or isolation, is the only possible way forward. The OSCE has its centres on the ground and its institutions, and they are willing and able to assist the countries in the reform processes that the countries themselves have pledged to undertake. The reform agenda is inherent in the membership itself. If there is to be a constructive dialogue between the Organization and the participating States, mutual respect and understanding are needed. In order for a dialogue to be constructive, visible steps must be taken towards fulfilling the commitments that all of us assumed when we joined this Organization.

CHAIRMANSHIP'S REPORT ON REFORM ISSUES

Pursuant to the various taskings assigned by the Tenth Meeting of the Ministerial Council, the Netherlands Chairmanship established corresponding groups to work on these different issues under the overall guidance of the Preparatory Committee. This Report serves to inform the Ministerial Council about the work of the informal Financial Committee (as of 3 July 2003, replaced by the Advisory Committee on Management and Finance) and its specialized Working Groups, and the Informal Group of Friends on OSCE Reform.

1. Background to the management reform agenda

The management reform agenda serves not only to address shortcomings in the regulatory frameworks and management practices of the Organization, but also to provide it with the necessary capabilities to continue to be able to adequately respond to new developments. Therefore, the Netherlands has made organizational and management reform an integral part of its 2003 Chairmanship agenda. In doing so, it has striven to build on the accomplishments achieved under the preceding Romanian and Portuguese Chairmanships. This must be seen against the background of the very considerable expansion the OSCE has experienced over the past decade in terms of its operational activities and the successive increases in the resources at its disposal. This has gradually placed a correspondingly increased demand on the Organization's management capacities, while it has also exposed weaknesses and gaps in its regulatory frameworks. In fact, while the OSCE's support functions and operational activities are based on its annual Unified Budget, management of its human, financial and material resources has not been embedded in a similarly unified or common regulatory framework. Instead, a patchwork of management practices has evolved across the Organization, putting an increasing strain on accepted auditing requirements and undermining the budgetary prerogative of the Permanent Council.

Moreover, after successive years of substantial growth of the Unified Budget, the OSCE appears to have entered, since 2001, a period of budgetary stabilization. While a climate of relative stability and predictability can be conducive to the current organizational and management review process, it should be noted that the political demands placed upon the Organization continue to increase. In other words, the OSCE finds itself in a situation where more needs to be done with the same resources. This puts a high political premium on efforts that seek to maximize the use of limited resources. Organizational and management reform must therefore also be considered as an important enabling tool for the political decision-making processes. The twin objectives of establishing a Common Regulatory Management Framework and an integrated resource management system (IRMA) are key to this endeavour.

These efforts have been underway for several years now, and the Secretary General and his staff must be commended for launching and diligently implementing the Management Agenda, the results of which so far have been welcomed by the external auditors.

2. Working methods

Given the broad scope of the work, setting priorities was unavoidable, and much remains to be done. Following consultations in the informal Financial Committee conducted already late in 2002, the Netherlands Chairmanship decided to concentrate on resolving those

elements in the OSCE's Financial Regulations that pertained most directly to the budgetary prerogative of the Permanent Council and on concluding the review of the OSCE's Staff Regulations, in respect of which substantial progress had been made under the Portuguese Chairmanship in 2002.

Under the auspices of the informal Financial Committee, the specialized Working Group on OSCE Staff Regulations continued under the chairmanship of the Belgian delegate. The Working Group on the OSCE Scales of Contribution also continued under the new chairmanship of the Austrian delegate. Following the drafting of a comprehensive proposal on new Financial Regulations, this Working Group resumed its work in October, chaired by the German delegate. The Working Group on IRMA was established under the co-chairmanship of the Russian and American delegates. In addition, as was the practice in 2002, the incoming chairman of the informal Financial Committee was formally assigned the task of co-ordinating the Programme Outline for the 2004 Unified Budget, thus ensuring continuity in the handover of the Committee.

This system of specialized working groups demonstrates the scope and diversity of the tasks, and has equally facilitated a more focused and energetic approach. Overall co-ordination and political responsibility remained with the Netherlands Chairmanship, as laid down in Decision No. 8 of the Tenth Meeting of the Ministerial Council in Porto.

3. Strengthening the budgetary prerogative of the Permanent Council

The Permanent Council annually approves the OSCE's Unified Budget, as well as its revisions and supplements. However, its potential as a key instrument for participating States to set operational policy for the Organization cannot be said to have always been optimally utilized. Overall coherence and the ability to address new priorities rationally and in a transparent and consultative manner were generally felt to have been less than optimum.

In this respect, Permanent Council Decision No. 486, of 28 June 2002, proved to be a breakthrough, as it established the OSCE's Unified Budget as a key management tool for planning, implementing and evaluating the activities of the Organization's Secretariat, institutions and field operations. It also clarified the general principles that define the respective domains of authority and responsibility and the lines of accountability of the Chairmanship and the Permanent Council, on the one hand, and those of the Secretary General and the Organization's fund managers on the other. This important Decision has established the guiding principles for all subsequent efforts to rationalize and improve the budgetary process and the resources management in the OSCE.

A particular shortcoming in the budgetary process was the absence of clear procedures guiding the political preparation of the following year's Unified Budget by the participating States, as a result of which, the guidance provided to the Secretary General and the Organization's fund managers was often insufficient and incoherent. The introduction of a Programme Outline in preparation of the 2003 Unified Budget sought to remedy this. Its elaboration involved an intensive schedule of programmatic discussions in the Preparatory Committee and a range of informal consultations, which were summarized in a Chairmanship's synopsis. This innovation was widely welcomed as bringing about a marked improvement in the budgetary process, since it contributed to improved planning, enhanced transparency, and strengthened the consultative nature of the OSCE's decision-making processes. Building on this positive experience, a proposal was elaborated which described in

detail the various stages of the Unified Budget process and which assigned the appropriate responsibilities to all levels within the structures of the Permanent Council and the executive bodies of the Organization. This proposal was approved by Permanent Council Decision No. 553, of 27 June 2003, and should be seen as the operational translation of the general principles established the previous year in Decision No. 486.

Furthermore, in this context, the Permanent Council believed it necessary for the informal Financial Committee to clarify its own functioning and responsibilities, as its role since 1992 had been based on only a very general mandate. By Permanent Council Decision No. 552, of 27 June 2003, an Advisory Committee on Management and Finance (ACMF) was established, replacing the informal Financial Committee. The ACMF's terms of reference clearly set out its responsibilities and procedures as well as its functional relationship with the Preparatory Committee and the Permanent Council.

While these two Decisions should provide a firm basis for a more streamlined and transparent budgetary process, it should equally be observed that the format and structure of the traditional Unified Budget document posed limitations on its use as a key management tool. The improvements in the format and structure of the Unified Budget proposal for 2004 have been generally welcomed in this regard and provide a good basis for further developing this document as the principal means by which annual objectives are defined, the programmes in support of achieving these objectives are elaborated and the necessary resources are allocated.

4. Staff Regulations and human resources management

A serious deficiency in the OSCE's management framework derived from the extremely limited applicability of its Staff Regulations to only the contracted categories of personnel in its Secretariat and institutions. The almost 3,500 men and women working in the field operations, both internationally and locally recruited, were not covered by the Regulations, thus circumscribing their contractual relationship with the OSCE.

This deficiency had been repeatedly criticized by the external auditors. The absence of a comprehensive set of Staff Regulations had also given rise to a patchwork of contractual relations between employer and employee and was thus a cause for inequity and insecurity. As its staff represents the Organization's principal capital, concluding the negotiations on the Staff Regulations was assigned the highest priority, building on the significant progress already achieved under the preceding Chairmanship. The negotiations proved arduous, but ultimately resulted in the adoption by the Permanent Council, on 27 June 2003, of Decision No. 550, approving the OSCE's Staff Regulations, and Decision No. 551, on the establishment of a comprehensive Post Table for all categories of OSCE staff.

The Chairmanship considers Decision No. 550 a landmark decision, as it fosters the OSCE's corporate identity and defines its relationship with its employees in all categories. Tribute is paid to all those who made this Decision possible, especially the Belgian chairman of the Working Group, Mr. Peter Maddens.

Decisions Nos. 550 and 551 paved the way for rationalizing the widely diverging practices in the OSCE regarding remuneration of international and locally recruited staff personnel. The practice of roughly aligning with United Nations rates is inconsistently applied and increasingly at odds with the characteristics of the OSCE, and the ACMF has

therefore recommended that we develop our own tailor-made policies. These discussions are currently being conducted with the substantive assistance of both the Secretariat and an expert consultancy, which has been retained for this express purpose. These are sensitive and technically complex issues, but it is expected that progress will be achieved in the context of the deliberations on the Unified Budget for 2004.

5. Modernizing the OSCE's Financial Regulations

Currently, some 16 areas of financial management in the OSCE are not covered, or inadequately so, by the existing Financial Regulations, another consequence of the substantial growth and diversification of the Organization over the past decade. These include, *inter alia*, such matters as the proper assignment of expenditure authority and responsibility within the different Funds constituting the OSCE's Unified Budget, and the procedures pertaining to the management of extra-budgetary funding, although this sensitive issue has been provisionally addressed by a Financial Instruction promulgated by the Secretary General in January of this year.

The review process that took place in previous years led the Chairmanship to draw two conclusions: firstly, a number of political issues pertaining to the Financial Regulations needed to be resolved through separate negotiations in order to make it possible to proceed with the more technical aspects. Decisions Nos. 486, 551, 552, 553 and 554 have substantially addressed most of those political aspects. Secondly, the existing Financial Regulations had to a large degree been overtaken by these Decisions and the reform measures of the Secretary General in the context of the Management Agenda and the IRMA project. Consequently, the Permanent Council, on 27 June 2003, by Decision No. 554, requested the Secretary General to draft a new proposal for updated Financial Regulations which would fully take into account the developments regarding reform.

This proposal was submitted at the end of October and is now being reviewed in the relevant Working Group of the ACMF. Current priorities for discussion are: creating a liquidity reserve, defining the parameters for a Common Regulatory Management Framework and establishing fund administration units in the Organization's institutions and field operations. Participating States have undertaken to resolve those issues by the end of 2003, and expect to be in a position to approve the whole of the new Financial Regulations early in 2004.

6. Financing the OSCE's Unified Budget

The two most recent decisions approving the two current scales of contribution through which the OSCE's Unified Budget is financed stipulate that they shall be reviewed prior to 1 January 2005. Mindful of the complexity of the subject matter, the Chairmanship deemed it necessary to continue the preparatory work for this review process throughout 2003. To this end, the Austrian chairman of the relevant Working Group was tasked with co-ordinating a comparative analysis of the methodologies used by other international organizations, notably the United Nations and its specialized agencies, and providing initial recommendations on their usefulness for the OSCE.

His comprehensive draft report is expected to be submitted to the Working Group early in December 2003. Future discussions will show whether this report can provide a sound basis for a constructive review process during 2004.

7. Organizational reform and conclusion

Further to Porto Ministerial Decision No. 8, on the role of the Chairmanship-in-Office, and the related issue of the support provided by the Secretariat, discussions have taken place on issues that are largely of an institutional-organizational nature in the context of the Informal Group of Friends on OSCE Reform. The Polish chairman of this Group has focused the debate on modalities for enhancing the analytical capabilities of the Secretariat, on the operational strengthening of the OSCE's co-operation with other international organizations and institutions through the establishment of liaison offices, and on improving its public image and reporting through the elaboration of Decision No. 562 on the OSCE's Annual Report, which the Eleventh Ministerial Council has approved by means of a silence procedure.

The discussions on the role the Secretariat might and could play in providing analytical support for the participating States were particularly intense, as this issue has implications for both its institutional position within the OSCE and its organizational structures. These and related discussions revealed quite clearly that different participating States mean different things by the term "reform". Some understand it to mean an exercise in improving existing procedures and structures, while others perceive the need for a much more fundamental debate about the orientation of the OSCE, the instruments at its disposal, including the field operations, its rules of procedure and its reporting methods. The various Porto taskings, which have guided the work of this Chairmanship, reflect these different perceptions, as do the results that are brought to the Maastricht Meeting of the Ministerial Council. Whereas the two strategy documents provide the basis for reorienting the OSCE by enhancing policy coherence and bringing about a sharper focus in all three of its dimensions, the organizational and management reform agenda seeks to strengthen both the consultative nature of our decision-making and the internal functioning of the Organization and the effectiveness of its activities.

However, this Chairmanship believes this work is not over. While the review of the functioning and effectiveness of the OSCE's field operations will need to continue in 2004, it should also be noted that, in recent years, the Secretariat, in addition to the administrative support it provides, has been increasingly entrusted with core programmatic and multidimensional tasks. This has been a tangible response to the multidimensional nature of the threats facing OSCE participating States and corresponds to the Organization's comprehensive concept of security. Nevertheless, the Chairmanship advises caution about assigning additional programmatic tasks to the Secretariat without due regard for its present functional capacities and the kind of responsibilities participating States are prepared to entrust to the Secretary General. This debate requires follow-up. The Chairmanship strongly suggests that this discussion be taken up in 2004, either in the Preparatory Committee or in the Reform Group. Furthermore, such a review process would benefit from concrete proposals by the Secretary General on rationalizing the structures of the Secretariat with a view to improving internal co-ordination and support for the Chairmanship, participating States, institutions and field operations and to achieving cost efficiencies.

Finally, the Chairmanship regrets that no progress has been made regarding the OSCE's legal capacity. While most of the drafting of a convention on privileges and immunities had been completed in previous years, the issue of the OSCE's legal capacity itself remains deadlocked on grounds of political principle.

REPORT OF THE CHAIR OF THE INFORMAL OPEN-ENDED GROUP OF FRIENDS OF THE CHAIR ON IMPROVING THE FUNCTIONING AND EFFECTIVENESS OF OSCE FIELD OPERATIONS

The Tenth Meeting of the OSCE Ministerial Council in Porto, 6 and 7 December 2002, noted that, “We [Ministers] recognize the significant contribution of our institutions and field operations, through their dedicated staff, in putting into practice the goals and principles of our Organization, in co-operation with host States.” Ministers in Porto also “tasked the Permanent Council to consider, as appropriate, ways of further improving the functioning and effectiveness of field operations.”

To follow-up this tasking, the 2003 Netherlands Chairmanship established the “open-ended, informal Group of Friends of the Chair on Improving the Functioning and Effectiveness of OSCE Field Operations”. This Group was to “take up its activities soon after ongoing negotiations on administrative reform with a direct bearing on missions will have been concluded.”

Subsequent to the opening plenary of the Group at the end of May, among the pertinent administrative reforms in train, staff regulations were agreed in June. Discussions on updated financial regulations are ongoing.

The Group of Friends held three plenary meetings. The Chair of the Group has also pursued extensive bilateral consultations with representatives of OSCE participating States as well as additional consultations with informal groups, including with representatives of delegations hosting OSCE field operations. The Chair has been greatly assisted in this process by two Co-Chairs, the Ambassador of Albania and the Ambassador of Tajikistan.

In addition to these informal discussions, a number of delegations have circulated food-for-thought papers or other written inputs, including the Delegation of Kazakhstan, also on behalf of the Russian Federation, Kyrgyzstan and Belarus; Norway; and Turkey. A considerable number of delegations have also expressed their views in the plenary meetings of the Group of Friends.

A number of specific measures to improve functioning and effectiveness of field operations have been proposed, but it would appear that at present few delegations expect or are prepared to work toward a comprehensive, over-arching OSCE consensus document that would address all or even the majority of issues canvassed.

Many delegations have noted the highly diverse nature of OSCE field operations and the difficulties occasioned thereby in developing standardized, agreed guidelines for their effectiveness and functioning.

The diversity of views among delegations, both among those who host field operations and those who contribute personnel and financial resources essential to their functioning, reflects the diversity of OSCE participating States.

The Chair of the Group has distributed a discussion paper summarizing these disparate views and proposing some suggestions to carry the work forward (issued as Document PC.DEL/1419/03).

The OSCE has developed impressive capabilities to reconcile conflicting interests and views through the consultative process and in keeping with freely accepted norms, standards and commitments. These capabilities have been strengthened in the wake of new threats such as international terrorism.

The work of the Group of Friends might be construed as one element of a broader and multi-year OSCE agenda to improve these capabilities, in response to common challenges and on the basis of common commitments.

The Chair of the Group would like to thank all those who have provided written inputs, and more broadly, those who have taken the time to discuss these issues with the Chair, in a variety of milieus. The Chair would also like to express continuing thanks to the Tajik and Albanian Ambassadors for their invaluable suggestions and guidance.

MINSK GROUP CO-CHAIRS REPORT TO THE CHAIRMAN-IN-OFFICE (2003)

In the year since the December 2002 OSCE Ministerial meeting, the Minsk Group Co-Chairs have continued their efforts to facilitate a peaceful settlement of the conflict over Nagorno-Karabakh. Their activity has largely been overshadowed, however, by the political processes in Armenia and Azerbaijan. During most of this period, the Co-Chairs focused on efforts to encourage the parties to avoid actions that could be seen as provocative by the other side and to keep open channels of communications. It is only with the completion of the election cycles in both Armenia and Azerbaijan, that the parties are willing again to focus on the peace process. The Co-Chairs intend to seize this opportunity by visiting the region immediately upon the conclusion of the Ministerial meeting.

Although Presidents Robert Kocharian and Heydar Aliyev met three times last autumn, they did not hold a bilateral meeting at the CIS summit in Kiev early this year. In January and February, the Co-Chairs met separately with Presidents Kocharian and Heydar Aliyev, while they were outside the region. It was clear from these meetings that no progress in the negotiations would be possible prior to the Armenian presidential elections.

The Co-Chairs then sought to re-energize the negotiations during the period between the Armenian and Azerbaijani elections. In March, they held a consultation in Washington during which they developed some new ideas that they believe might move the negotiations forward from the impasse into which they had fallen since the Key West talks. They then proposed to visit the region on three occasions during the spring to present these ideas to the two sides. Each time, however, one side or the other found the timing inconvenient, and the Co-Chairs were forced to postpone their planned trips. After that, the onset of the Azerbaijani election campaign created a situation in which, once again, it was not possible to engage the parties in serious negotiations. Twice, in January and again in July, the Co-Chairs proposed convening meetings of the Special Representatives of the two Presidents to keep the dialogue going during the pre-election periods in Armenia and Azerbaijan respectively. On both occasions, however, one of the sides was unwilling to participate.

Nevertheless, during the summer and autumn the Co-Chairs met twice, separately, with the Foreign Ministers of Armenia and Azerbaijan. On the margins of the Madrid NATO Ministerial in June they reminded both sides of the importance of maintaining calm and avoiding any actions along the line of contact that might be interpreted as provocative during this delicate period. This was all the more necessary in that ceasefire violations along the international border and line of contact increased dramatically in late spring, but declined again after the July meeting of the two Defence Ministers. The Co-Chairs have worked closely with the Personal Representative of the Chairman-in-Office towards this end. In Paris, this autumn, the Co-Chairs told the two Foreign Ministers that their countries needed to re-engage seriously as soon as possible after the completion of the Azerbaijani elections and indicated their desire at the earliest date convenient to the parties to visit the region.

During their imminent trip to the region, the Co-Chairs will meet with Presidents Ilham Aliyev and Robert Kocharian and hold discussions with Nagorno-Karabakh authorities. They plan to use this visit to sound out the sides' positions, to urge them to re-engage seriously and quickly, to offer their services to set up a meeting between the two

Presidents, and to try to find a formula acceptable to the parties to create a useful negotiating mechanism below the level of the Presidents.

Co-operation among the Co-Chairs remains excellent and they remain committed to assisting the Parties achieve a just, fair, and lasting settlement that is acceptable to all sides.

**ANNUAL REPORT ON THE IMPLEMENTATION OF THE
AGREEMENT ON CONFIDENCE- AND SECURITY-BUILDING
MEASURES IN BOSNIA AND HERZEGOVINA
(ARTICLE II, ANNEX 1-B, AND THE AGREEMENT ON
SUB-REGIONAL ARMS CONTROL (ARTICLE IV, ANNEX 1-B,
DAYTON PEACE ACCORDS))**

Introductory Remarks

This year has seen substantive changes, positive changes, in South Eastern Europe. The defence reform initiatives in Bosnia and Herzegovina are an important contribution with regard to that country's efforts on European integration and the Partnership for Peace programme. The Parties to the Article IV Agreement successfully concluded negotiations on modalities for inspections by the State of Bosnia and Herzegovina. These first-ever inspections by Bosnia and Herzegovina occurred in October of this year. In short, both agreements were implemented fully this year and in an environment of trust, openness and transparency.

Section I. Implementation

Agreement on Confidence- and Security-Building Measures in Bosnia and Herzegovina (Article II).

1. Inspections/Visits to Weapons Manufacturing Facilities. Ten inspections were conducted this year; five were led by the OSCE. Seventeen countries contributed by either leading inspection teams or providing experts. Four visits to weapons manufacturing facilities took place, supported by experts from six OSCE countries. The inspection regime is implemented in accordance with agreement provisions.
2. Annual Exchange of Information. Despite the extensive defence reform initiatives, annual information exchanges are accurate and continue to improve.
3. Voluntary Measures. Once again, the Parties were actively engaged in voluntary programmes. Listed below are a few of the more significant activities this year:
 - (a) *Code of Conduct.* Finland and Sweden, once again, provided experts for Code of Conduct seminars. The target audience was junior and mid-level officers. As in the previous such seminars, the participants were actively engaged in the post lecture discussions.
 - (b) *Disaster relief exercise.* In February of this year the first Command Post Exercise took place involving military and civilian representatives from the State of Bosnia and Herzegovina, the two Entities and the respective local municipalities. The exercise simulated a natural disaster occurring along the Inter-Entity Boundary Line requiring close co-operation between the two Entity military and civilian authorities. As an initial exercise, this event was a great success. The working group which designed the exercise made

tremendous progress in harmonizing the respective Entity and the State procedures. Subsequent “lessons learned” provided areas which require improvement. A follow-on combined Command Post and Field Training exercise is planned for April 2004.

- (c) *Seminar on Economic Aspects of Security.* This is a follow-on to the seminar held last year in Portoroz, Slovenia. A variety of international experts came together with members of the government of Bosnia and Herzegovina, as well as Entity representatives, to discuss how best to utilize scarce defence resources to improve economic stability and growth. Proceedings will be published by the end of this year. A number of OSCE Ambassadors participated either as moderators or speakers, such as the Ambassadors from Bosnia and Herzegovina, Croatia and Serbia and Montenegro. Additionally, the Co-ordinator of OSCE Economic and Environmental Activities attended and gave a presentation. A third seminar is planned for 2004.
- (d) *Naval Post Graduate School, Monterey, California.* Members of the Joint Consultative Commission travelled to the Naval Post Graduate School to give a presentation at the Defense Language Institute’s Senior Leadership Development Program for senior military officers assigned to Bosnia and Herzegovina.

4. Summary. The Parties held a fourth review conference in February of this year. Notable decisions taken include maintaining the OSCE Personal Representative as chairman of the Joint Consultative Commission; a decision to explore exchanging information on air defence systems, and a decision to further define the terms: “Unusual Military Activities” and “Hazardous Incidents of a Military Nature”. This past year can best be described as twelve months of complete co-operation, transparency and goodwill. Finally, during the 41st meeting of the Joint Consultative Commission, the Parties agreed to hold the fifth review conference in June 2004 to assess the impact, if any, of defence reform initiatives on the implementation of the Article II Agreement.

Agreement on Sub-Regional Arms Control (Article IV, Annex 1B, General Framework Agreement for Peace in Bosnia and Herzegovina): Article IV Agreement

- 1. Inspections. Fifteen inspections were conducted this year and twenty-five countries provided Assistants.
- 2. Annual Information Exchange. As noted with Article II, the Parties are undergoing extensive reform and restructuring but the information exchanges are accurate and continue to show improvement.
- 3. Summary. This year has seen remarkable achievements by the Parties to this agreement. Namely, Exemptions. One of the two remaining two categories was resolved: armaments limited by the Agreement (ALA) in the category of research and development and progress was made on the final category (ALA held by organizations designed and structured to perform in peacetime internal security functions.) This final category requires revision of laws and/or regulations, however, the Parties have committed themselves to resolving this issue.

Reduction of equipment. All Parties to this agreement are undergoing a process of restructuring of the armed forces, as well as demobilization of personnel. The end result is excess equipment. Agreement was reached that for any further reduction of equipment, the Party conducting the reduction will notify the other Parties who may send observers to verify the process. This is a purely voluntary notification but it is a sign of the goodwill and transparency existing among the Article IV Parties.

Updating the Agreement. The Parties agreed to update the Agreement on Sub-Regional Arms Control by incorporating, as footnotes, those decisions taken by the Commission, and at the three review conferences which have substantially affected the inspection process or the overall implementation of the agreement. The core document remains unchanged; the updated version is for those persons who routinely conduct inspections or who are involved in the overall implementation of the agreement.

Point of Entry. This issue was resolved this year when the Parties agreed to accept the principle adopted by the Parties to the Treaty on Conventional Armed Forces in Europe, namely, that points of entry can only be declared on the territory of the inspected Party.

Last but not least, inspections by the State of Bosnia and Herzegovina. This issue has been well documented since 1996 when the Article IV Agreement was signed. The Parties reached agreement this year on the modalities of the inspection and the first one occurred on 14 October in Croatia. The team chief was led by a Colonel from Republika Srpska and the team was composed of two representatives from the three constituent peoples of Bosnia and Herzegovina. This initial inspection was a remarkable success for two reasons: team composition (an equal representation) and it was the first ever international inspection by the State of Bosnia and Herzegovina.

Section II: Future Activities

Agreement on Confidence- and Security-Building Measures in Bosnia and Herzegovina (Article II)

The Personal Representative recently discussed with the members of the Joint Consultative Commission to the impact of the defence reform initiatives on the implementation of the Article II Agreement. The Parties, in consultation with the Personal Representative, are carefully considering the possibility discontinuing certain provisions of the agreement that are either no longer relevant or that are inconsistent with the planned defence reform initiatives. That being said, Measure XI, the programme of voluntary activities — which is the basis for a number of ongoing initiatives, such as disaster relief exercises, seminars on code of conduct and economic security, and defence reform — will be maintained. In fact, code of conduct seminars and a third seminar on economic security are planned for 2004 and more extensive field training/command post exercise is planned as a follow-on to the command post exercise held in February of this year. Discussions are underway to determine if some definitions can be improved, such as “Unusual Military Activities” and “Hazardous Incidents of a Military Nature”. Finally, during the last meeting of the Joint Consultative Commission, agreement was reached that the Parties would maintain the Personal Representative as Chairman of the Commission. Additionally, more responsibility for oversight of the Article II Agreement will be transferred from the Office of

the Personal Representative to the OSCE Mission to Bosnia and Herzegovina, specifically, to the Department for Security Co-operation.

Agreement on Sub-Regional Arms Control (Article IV)

A fourth review conference will be held next year to discuss the implementation of the Agreement. With the resolution of the last remaining exemption category and the resolution of inspections by the State of Bosnia and Herzegovina, the Parties have resolved all open items and focus will move to ways, if any, the Agreement can be improved.

ANNUAL REPORT OF THE SPECIAL CO-ORDINATOR ON THE ACTIVITIES OF THE STABILITY PACT

Executive Summary

The Thessaloniki EU-Western Balkans Summit in June 2003 was a watershed in the relations between the European Union and the countries of the Western Balkans. It has clearly dominated all the activities relating to South-Eastern Europe since the beginning of the year and — through the Thessaloniki Agenda, which was endorsed by the Summit — will continue to guide activities of the EU in general, but also the Stability Pact in its work in the coming months and beyond.

The Thessaloniki Agenda has also highlighted yet again the complementary roles of the Stabilization and Association Process (SAP) and the Stability Pact. The Thessaloniki Agenda specifically calls on the Stability Pact to explore ways to fully develop the regional co-operation element of the SAP and requests the Stability Pact to support and facilitate regional co-operation in a number of specific areas, such as regional free trade, further development of the Regional Energy Market, freedom of movement, and cross-border co-operation on the local level as well as in the fight against organized crime and corruption. By having Bulgaria, Romania and Moldova as additional Stability Pact partners beyond the five SAP countries, the Stability Pact acts as a horizontal platform between the SAP, the Accession Process and Moldova for these regional co-operation processes, bridging existing gaps.

In the region itself, the apologies exchanged between the Presidents of Croatia and Serbia and Montenegro for past wrongs committed by any citizen of one country against any citizen of the other were an important sign of the improving situation in South-Eastern Europe (SEE). Together with the subsequent apology by the President of Serbia and Montenegro to Bosnia and Herzegovina they indicate a growing acceptance that good-neighbourly relations and regional co-operation are a necessity for the further development of the region. The exchange also serves as an example for other parts of the region where past injustices still hamper political and economic progress. Overcoming these differences through regional co-operation and reconciling the peoples of the region for a joint future is one of the overarching aims of the Stability Pact.

In accordance with his mandate, Special Co-ordinator Erhard Busek has closely co-ordinated the activities of the Stability Pact with EU institutions, EU Member States and other Stability Pact partners. The Informal Consultative Committee (ICC), which includes the South-East European Cooperation Process (SEEC) chair as a regional representative, has continued to be of particular relevance in this context. In its efforts to further integrate Kosovo into regional processes, the Stability Pact includes the United Nations Interim Administration in Kosovo (UNMIK) in Stability Pact activities wherever possible. Options have been further developed to increase the involvement of the incoming EU members of Central and Eastern Europe in the activities of the Stability Pact, making use of their Transformation Experience gained in the course of recent political, economic and social transition processes.

Significant progress has furthermore been made in the six core objectives of the Stability Pact (Local Democracy/Cross-Border Co-operation (LODE/CBC), Media, Energy and other Regional Infrastructure, Trade and Investment, Fighting Organized Crime and Managing and Stabilizing Population Movements) as well in the overarching activity area of defence and security.

In the Working Table on Democracy and Human Rights, the Stability Pact has been promoting LODE/CBC as a cornerstone for broader regional co-operation and has thus attracted increased and targeted donor interest. Strong support has been received from various political levels in SEE and from implementing agencies and organizations working in the field. Regarding media development, the Media Task Force has supported the drafting of media legislation and monitored its implementation. It also successfully facilitated additional support for the production of quality television programming through the co-ordination of donors and implementing partners, and ensured support for local journalism education.

In the Working Table on Economic Reconstruction and Development, the main focus has been on improving the overall economic climate. The Trade Working Group has ensured finalization and progress on implementation of the network of 21 free trade agreements (FTAs) throughout the region (as of 25 November, 20 FTAs have been signed, 14 are in force and one final FTA will be signed before the end of the year). Together with the efforts to improve the investment climate, this will significantly improve the prospects for sustainable development in SEE. Just as important for the development of the region is the energy and infrastructure sector. Funding was secured for additional five major regional infrastructure projects and a regional strategy for transport is about to be finalized. Furthermore, agreement was reached on the expansion of the Regional Electricity Market (REM) to the gas sector and initial steps taken towards a legally binding treaty on the REM.

In the activity area of the Working Table on Security Issues, fighting organized crime has been recognized as essential for the development of the region and requires sound judicial systems and efficient law enforcement institutions. To this end, a set of interlinked instruments has been established, including the Stability Pact Initiative against Organized Crime (SPOC), the Stability Pact Task Force on Trafficking in Human Beings (SPTF), and the Stability Pact Anti-Corruption Initiative (SPAI). The activities of the Stability Pact in this field have focused on capacity-building, improving the legal framework and cross-border co-operation with the focus on prevention, protection and prosecution. The overall aim of the Migration Asylum Refugee Return Initiative (MARRI) — relating to the second core objectives in this working table — is to adapt the national strategies for handling population movements in the region in a more comprehensive manner so as to make ethnic inclusion sustainable, with a view to rendering national action more effective in the areas of asylum, legal and illegal migration, and border management. The initiative has focused its activities in the initial part of the year on the consolidation of a Programme of Action to further these aims.

The Regional Table and the three Working Tables met in Dubrovnik (Cavtat), on 26 and 27 May to take stock of achievements since the beginning of the year. Following the decision of the Thessaloniki Regional Table of December 2002, the three Working Table and Regional Table meetings were held back to back for the first time. The new format proved useful in ensuring a more focused debate, as well as allowing for cross-table discussions. The next meetings of the Regional Table and the three Working Tables will be held in the same format in Tirana, on 4 and 5 December 2003.

I. Introductory Note

The Regional Table in Thessaloniki in December 2002 agreed to focus the work of the Stability Pact on six core objectives and a number of other activity areas, which have been continued on a lower level of intensity. Within each of the core objectives a set of achievables for 2003 were agreed, which have guided the work in the three Working Tables. After an account of the activities of the Special Co-ordinator in pursuit of his mandate, the report will give an outline of the activities in the three Working Tables, focusing on the six core objectives.

II. Activities of the Special Co-ordinator

The EU-Western Balkans Summit in Thessaloniki of June 2003 was a watershed in the relations between the European Union and the countries of the Western Balkans, dominating all activities relating to South-Eastern Europe in 2003. It has also highlighted yet again the complementary roles of the Stabilization and Association Process and the Stability Pact. The Thessaloniki Agenda, which was endorsed by the Summit, specifically calls on the Stability Pact to explore ways to fully develop the regional co-operation element of the SAP and requests the Stability Pact to support and facilitate regional co-operation in a number of specific areas, such as regional free trade, further development of the Regional Energy Market, freedom of movement, cross-border co-operation at the local level as well as in the fight against organized crime and corruption.

To this end and in accordance with his mandate as the EU Special Representative for the Stability Pact, Special Co-ordinator Busek has closely co-ordinated activities of the Stability Pact with EU institutions and Member States, in particular with the past Greek, the current Italian and the incoming Irish Presidencies, the Council Secretariat and the European Commission (EC). This was of particular importance in connection with the preparation of the Thessaloniki EU-Western Balkans Summit. Close co-ordination with the Greek EU Presidency in the run-up to the Summit was essential in ensuring an enhanced regional co-operation element in the Thessaloniki Agenda, which was also reflected in a reinforced role for the Stability Pact. The Report on SP-SAP Complementarity, requested by the EU in November 2002, was prepared well in advance of the Summit and highlighted the complementary role of the Stability Pact vis-à-vis the SAP. Close co-operation has continued with the Italian EU Presidency regarding the implementation of the Thessaloniki Agenda approved by the Summit. In this respect, the Informal Consultative Committee (ICC) has proved to be an important forum for co-ordination with the European Council, Commission (DG Relex), and Presidency as well as the Chair of the South-East European Cooperation Process (SEECPP). Excellent co-operation also exists with other Commission services in thematic areas such as trade and energy.

Close co-operation has also been ensured with other Stability Pact partners to avoid duplication of efforts; among them the OSCE, Council of Europe, OECD, the international financial institutions, as well as the United Nations and its various specialized sub-organizations. Regular co-ordination meetings with the other regional initiatives have also been continued, to prevent duplication and to maximize activity impact.

A special focus of SC Busek's engagement has been on improving the investment climate in the region as a precondition for long-term stabilization of South-Eastern Europe. This theme runs through several of the core objectives of the Stability Pact, namely trade liberalization, infrastructure and energy, fighting organized crime and corruption, and managing population movements, and furthermore, through other Stability Pact activities such as the Business Advisory Council for South-Eastern Europe (BAC). All of these are necessary components of an overall and interlinked strategy to improve the investment climate in SEE.

The apologies exchanged between the Presidents of Croatia and Serbia and Montenegro for past wrongs committed by any citizen of one country against any citizen of the other were an important sign of the improving situation in South-Eastern Europe. Together with the subsequent apology by the President of Serbia and Montenegro to Bosnia and Herzegovina, they indicate a growing acceptance that good-neighbourly relations and regional co-operation are a necessity for the further development of the region. The exchange also serves as an example for other parts of the region where past injustices still hamper political and economic progress. Overcoming these differences through regional co-operation and reconciling the peoples of the region for a joint future is one of the overarching aims of the Stability Pact.

Supporting the efforts of the SEECP to enhance regional co-operation is one of the prime goals of the Stability Pact. Close co-operation has continued with the SEECP under the Chairmanship of Bosnia and Herzegovina and initial talks have been launched with the incoming Romanian SEECP-Chair. In the context of fighting organized crime, two Ministerials in June and October were jointly organized by the SEECP and SPOC. This is another important sign of enhanced regional ownership of the process. A further sign of regional ownership is the establishment of the SPAI regional office in Sarajevo. With the Regional Arms Control Verification and Implementation Assistance Centre (RACVIAC) in Zagreb, the SEE Clearinghouse for Small Arms and Light Weapons in Belgrade and the SPOC Secretariat in Bucharest, responsibility is increasingly being transferred to the region itself.

As part of his mandate and in support of various Stability Pact activities, SC Busek has maintained high-level political contacts in the region and internationally with Stability Pact partners. In view of political progress in Bosnia and Herzegovina, the Special Co-ordinator visited Sarajevo several times to obtain greater political commitment to the principal goals of the Stability Pact and urged greater involvement in regional co-operation efforts. Following the new constitutional set-up of Serbia and Montenegro, continuous close high-level discussions were held with Belgrade and Podgorica to clarify political responsibilities and resolve deadlocks in key policy areas, in particular concerning the outstanding free trade agreements. Close co-ordination with the EU Presidency, the European Commission and other players ensured that a unified message was sent to the region. Close co-operation has also been ensured with the Office of the High Representative in Bosnia and Herzegovina. Special Co-ordinator Busek furthermore travelled to the United States twice for consultations regarding the US involvement in South-Eastern Europe and received full support for the activities of the Stability Pact.

The fourth Parliamentary Conference under the auspices of the Stability Pact Parliamentary Troika was held in Brussels in May, focusing on "A new EU Policy for SEE" in view of the Thessaloniki EU-Western Balkans Summit. The Special Co-ordinator has

furthermore focused his efforts on bringing parliamentarians from the region together on thematic issues of common interest, thus establishing informal networks. These efforts will be further pursued in 2004.

In its efforts to further integrate UNMIK/Kosovo into the regional processes, the Stability Pact includes UNMIK where possible in Stability Pact activities in accordance with UNSC Resolution 1244. Since 2002 UNMIK/Kosovo has been successfully included in most Stability Pact activities, among them the Regional Energy Market, the Trade Working Group, the Regional Balkans Infrastructure Study (REBIS), the Investment Compact, the electronic SEE initiative, the Police Forum, the activities of the SEE Small Arms Clearinghouse, the MARRI initiative, the Task Force against Human Trafficking and, most recently, the Social Cohesion Initiative during the Bucharest Ministerial Conference on Employment. There were furthermore, successful efforts to ensure co-operation with the Bucharest-based Transborder Crime-Fighting Centre. While special arrangements had to be found for some of the initiatives, UNMIK/Kosovo has become an accepted partner in Stability Pact activities, ensuring overall integration of UNMIK/Kosovo into regional activities. Nevertheless, in some areas status-related obstacles regarding the inclusion of UNMIK/Kosovo remain.

Moreover, Special Co-ordinator Busek is closely co-ordinating his activities with the other international actors in the region, such as the Special Representative of the Secretary General Holkeri and European Union Special Representatives Ashdown and Brouhns, further developing the Sub-regional Co-operation in and around Kosovo. Apart from the general involvement of UNMIK/Kosovo in Stability Pact activities, several initiatives have been undertaken to open more specific discussions between Kosovo and its neighbours.

In May the Ohrid Conference on Border Management and Security — organized under the auspices of the Stability Pact together with countries of the region and the EU, NATO and the OSCE — was an important effort to develop a coherent and concerted approach to these issues in the region. The objective is the establishment of open but controlled and secure borders across the entire region by improving the efficiency of border management and increasing co-ordination at various levels — internal, bilateral and multilateral. A first review meeting was held in Belgrade in November. Given the highly sensitive topic of borders, the fact of beginning co-operation in this field is in itself remarkable.

In consultations with the Central and Eastern European candidate countries Special Co-ordinator Busek stressed the value of their Transformation Experience and explored possibilities of making use of this knowledge for the countries of South-Eastern Europe. Exploring the possibilities of the emerging foreign assistance programmes of the future Central European EU member states in South-Eastern Europe, two high-level workshops were held in May (Vienna) and October (Bratislava). The amount of already ongoing support activities from Central Europe (CE) to SEE is impressive. It was agreed that this exercise should be developed further with a focus on thematic issues of common interest, both horizontally (e.g., investment promotion, cross-border co-operation,) and vertically (e.g., foreign aid management).

The Regional Table and the three Working Tables met in Dubrovnik (Cavtat), on 26 and 27 May to take stock of achievements since the beginning of the year. Following the decision of the Thessaloniki Regional Table of December 2002, the three Working Table and

the Regional Table meetings were held back to back on two consecutive days for the first time. The new format proved useful in ensuring a more focused debate on the core objectives, as well as allowing for cross-table discussions. The next meeting of the Regional Table and the three Working Tables will be held in the same format in Tirana, on 4 and 5 December. The Working Tables sessions will take stock of overall achievements in the respective Tables and highlight particular challenges, while the Regional Table will review progress of its strategic objectives and provide guidance for future Stability Pact activities. Special reference should be made to the valuable support given to the Special Co-ordinator by the Chairs of the three Working Tables.

The decision of the Regional Table in Thessaloniki 2002 to streamline and focus the work of the Stability Pact, together with the clear mandate of the Thessaloniki Summit for the Stability Pact to complement the regional co-operation element of the SAP has clarified and strengthened the role of the Stability Pact significantly.

III. Working Table on Democracy and Human Rights

The activities of the Working Table on Democracy and Human Rights are focused on the areas of Local Democracy/Cross-Border Co-operation and Media. Furthermore, parliamentary co-operation, gender issues, human rights and issues regarding national minorities, as well as reconciling for the future are subjects covered by this Working Table.

1. Local Democracy and Cross-Border Co-operation

This Stability Pact initiative was established in November 2002, with the aim of facilitating the systematic co-operation of local actors (governmental, civic, and business) across national borders to provide the practical underpinning to regional co-operation in SEE. The Stability Pact's role is focused on donor co-ordination, the support and development of Euroregions in SEE, encouraging the decentralization process and local capacity-building through the support of twinning and training activities.

Activities in 2003

The Stability Pact Secretariat in Brussels assumed the responsibility for the LODE/CBC Executive Secretariat in February 2003. Based on a review of ongoing activities, the LODE/CBC Core Group of implementing agencies subsequently agreed that the Stability Pact could bring significant added value to the area of Local Democracy and Cross-Border Co-operation by providing the political support for cross-border co-operation on the local level and facilitating capacity-building for local authorities. The LODE/CBC Steering Committee met for the first time on 16 April in Brussels and chose the Vice Mayor of Szeged, Jozsef Kozma, as its Chair, thus creating a link to the Szeged Process.

The Stability Pact and some of the associated partners — namely the CoE — and implementing agencies supported the finalization of the Nis-Skopje-Sofia Euroregion, which was officially launched in September. Under the auspices of the Working Table and with financial support from the Swiss government, a network of National Associations of Local Authorities in South-Eastern Europe (NALAS) was established. Capacity-building at the local level (public finances, urban planning, local administration) is the key priority and area of activity for NALAS.

The mapping exercise of existing activities in LODE/CBC, conducted in co-operation with the Local Government Initiative of the Open Society Institute, now provides an overview of donor activity and ongoing projects in SEE. It is a tool to help both donors and beneficiaries set priorities, giving a clear picture where synergies can be created and where gaps exist. A systematic analysis of this information will help guide the process.

LODE/CBC is promoting the creation of donor partnerships and through the Core Group, which has brought together “friendly donors” (representing both governments and foundations) to set priorities. Through this mechanism, the United States have pledged 1.2 million USD over a three-year period to support cross-border activities in priority border regions (e.g., Euroregions).

Strong support was received from various political levels in SEE and from implementing agencies and organizations working on the ground. The Stability Pact has been most successful in promoting LODE/CBC as a priority. Cross-border co-operation has been recognized as a cornerstone for broader regional co-operation and thus attracted increased and targeted donor interest. However, obstacles still need to be removed for the signing of the Ohrid/Prespa Euroregion legal statute.

Future Challenges

The process of establishing local democracy and cross border co-operation as a functioning Stability Pact initiative has been successful. The future role of the Stability Pact in this core objective will be two-fold: to ensure support for local capacity-building and cross-border co-operation on a political level, and to facilitate support for existing Euroregions in specific thematic areas (e.g., reconciliation, economic issues, capacity-building and easing border crossings in immediate border areas). The challenge will be to keep up the momentum of support in this issue and to ensure that cross border co-operation structures (e.g., Euroregions) become self-sustaining, viable entities.

In 2004 the Stability Pact will focus on supporting the process of decentralization and local governance reform, including fiscal decentralization and transparency. Furthermore, the Stability Pact will aim to provide political support for the development and implementation of concrete local and regional cross-border activities relating to trade, economic development, cultural and social programmes, and for addressing key political obstacles to cross-border co-operation. It will continue to provide a forum for creating partnerships among interested donors and for information exchange with implementing partners. Together with the SEECP and Council of Europe a ministerial meeting will be organized aiming at the adoption of a political agreement to further the development of cross-border and inter-territorial co-operation between local communities in SEE. The agreement could for example take the form of a Memorandum of Understand (MoU) and endorse the goals of the Council of Europe Outline Convention on Trans-frontier Co-operation between Territorial Communities or Authorities and its Protocols. Capacity-building for local actors, such as associations of local authorities will be another focus, e.g., through education and training programmes, partnerships, and transfer of experience from the incoming Central European EU member States, at both local and national levels of government.

2. Media

By forging co-operation between donors, international organizations and recipients, the Stability Pact Media Task Force (MTF) assists the development of independent and professional media within SEE, the aim being to enhance the position of independent media and standards of journalism in South-Eastern Europe, through legislative reform, production of quality programmes and increased strength of local institutions for journalism training. Broadly composed media working groups in all SEE countries ensure full involvement of local actors and coverage of regionally felt needs.

Activities in 2003

Together with the Working Groups in each SEE-country, the Stability Pact MTF selected 20 project proposals for submission to bilateral donors. Of these, 19 were approved and received funding. Implementation of all of them is under way.

Work has started on implementation of broadcasting legislation in Montenegro. In five countries the implementation of procedures on "Access to Information" is being improved by the training of officials and by awareness-raising activities. In three countries, defamation legislation is being reformed to curtail abuse. The draft broadcasting law in the former Yugoslav Republic of Macedonia is finished and has been submitted to the Government. Monitoring of the implementation of broadcast legislation in Bulgaria has commenced. The Stability Pact has supported these legislative processes by arranging and ensuring the necessary political and technical support.

The amount of support provided for the production of quality television programmes has significantly increased due to the involvement of the Stability Pact MTF through the co-ordination of donors and implementing partners. Shooting of nine television series should result in well over the 30 hours of programming originally planned for. The programmes address corruption, reconciliation, youth culture, social issues and the consequences for people being separated by the war. In addition, the Stability Pact MTF promoted the cross-border exchange of television programmes to boost information and mutual understanding, as well as ensuring close co-operation with the European Commission in the development of support to TV production under the CARDS regional programme.

In support of local journalism education, the Stability Pact MTF mobilized funds for schools of journalism in Podgorica, Bucharest and Sarajevo. As a result, summer courses were introduced and new courses started this September. A recent overview of support to media in Southeast Europe, prepared by the Stability Pact MTF, showed that an increasing amount of funding for training now goes directly to local institutions. This overview was provided to all donors and helps guide their future financial support within SEE.

The objectives in the fields of television production and local journalism training have been completely achieved. No obstacles were encountered in these fields in the current period. In the field of legislation, progress was made in several countries, yet delays in other countries need to be remedied. The remaining obstacles are mainly in the implementation of broadcasting regulation and the slow processing by governments and parliaments of required changes in media legislation.

An overview of media legislation in SEE prepared by the Stability Pact MTF shows that remaining shortcomings are limited to three particular countries. While implementation remains an issue, most aspects of media-related legislation have been addressed in SEE countries.

Future Challenges

The goal of the Stability Pact MTF is to keep media reform on the agenda and to ensure that legal changes are implemented. This requires continued SAP tracking, EU support, co-ordination of donors/delegations as well as increasingly self-sustainable media outlets and local institutions. More specifically in 2004 the aim will be to support local capacity-building by facilitating the production of television programs on issues of social relevance to be broadcast throughout SEE; to adopt and support implementation of reformed broadcast legislation in one remaining country; as well as to amend defamation laws in two remaining countries. Beyond that, the focus of the MTF will move to monitoring and supporting implementation of relevant media legislation promoted by the Stability Pact to date.

IV. Working Table on Economic Reconstruction and Development

The key initiatives within the Working Table on Economic Reconstruction and Development are modernizing the infrastructure, particularly energy and transport, and facilitating sustainable economic development through the creation of a liberal environment for trade and the stimulation of foreign and domestic investment. The Working Table also encourages the region to take advantage of the opportunities created by the rapidly evolving information society and to ensure that the vitally important dimension of social cohesion is addressed.

1. Energy and other regional infrastructure

The aim within this activity area is to ensure that both the countries of SEE and the international community take a regional strategic approach to infrastructure development. This should be based on co-financing and institutionalized partnership, including transport (roads, rail, air), energy and telecommunications, with a view to prioritizing capital investment in order to benefit from economies of scale.

Activities in 2003

In the field of Energy the implementation of the MoU on a Regional Electricity Market of 2002 – the so-called Athens Process – is driven jointly with the European Commission. The Stability Pact's role is to ensure regional political support and ownership; to promote a common strategy among the donors; and to encourage private sector involvement to foster restructuring and investment in this crucial sector for the overall economic development of the region.

Building on the experience of the first Industry Round Table (organized by the Stability Pact in February and hosted by the Czech Government in Prague), a second Industry Round Table with chief executive officers (CEOs) or high-level representatives of major

utility companies of the region and from western companies was organized in Sofia in October, along with a donor meeting.

Furthermore, the Stability Pact together with the European Commission organized two SEE energy weeks hosted by the Italian Government in Rome in March and the Bulgarian Government in Sofia in October. Both events included a series of meetings of the different governing and co-ordination bodies established under the MoU.

To ensure political commitment to the process at the highest level, the Stability Pact organized a high-level meeting of energy advisers to SEE Prime Ministers in Vienna in June. This meeting also provided the opportunity to discuss the options available for transforming the MoU into a legally binding international agreement, leading to the agreement by the European Commission to explore the options for assuming a more important role in the proposed agreement. The Commission, with the support of the Italian Presidency, is now seeking a mandate to negotiate from the European Council. The Special Co-ordinator played an important role in this process of consensus-building with a view to a more ambitious foundation for the Regional Energy Market.

The Stability Pact participated in the meeting of the Permanent High-Level Group in Athens on 9 September, where the modifications to the MoU were discussed to include the gas sector. These subjects were discussed further at a second high-level meeting of energy advisors of the Prime Ministers organized in Sofia on 23 October. At the same time, an industry forum and a donors meeting was held to support these efforts. The Ministerial meeting on energy of 8 December in Athens is expected to approve the expansion of the initiative to the gas sector and to open the way for negotiations on a legally binding treaty.

Since the signing of the initial MoU in Athens in November 2002, the work of the Stability Pact in this area has been focused on raising awareness for the Athens Process, identifying key issues for its success and defining a road map with specific steps to be undertaken by all stakeholders, including donors. SEE countries are making concrete progress in implementing the MoU and the various donors are supporting their efforts.

In the field of Infrastructure, the Infrastructure Steering Group (ISG), created under the auspices of the Stability Pact and chaired by the European Commission, is the main co-ordinating body for regional infrastructure, including energy. The ISG meets two to three times per year.

In the area of Transport Infrastructure, the main focus of the ISG in 2003 has been to secure agreement on a core transport network in South-Eastern Europe, particularly among the five SAP countries. Following an initial meeting in February, two further high-level meetings between ISG members and the SEE countries in June and October reviewed the results of the EC-led REBIS study, finalized the composition of the core transport network and agreed mechanisms to facilitate its implementation. An MoU on the Regional Transport Network was prepared and should be signed in early 2004. Along with the electricity MoU (see above) this means that there will be an agreed regional strategy for key infrastructure sectors in SEE. Five new projects have been added to the list of Regional Infrastructure Projects, bringing the total to 51 with financing secured and approximately 35 projects under construction.

A technical meeting between representatives of all IFIs and key bilateral donors involved in infrastructure projects in Albania and representatives of the various Albanian institutions was organized by the Stability Pact in July to facilitate the identification of common obstacles to implementation and agree on actions to be taken to resolve these. The first phase of the EC-funded study on regional air traffic management was completed in October. The study is intended to be the basis for the development of an EC-led assistance project to improve air safety and air traffic management in SEE and move towards a seamless system in line with the European Commission's Single Sky initiative.

The Stability Pact is also in discussion with the Chair and Secretariat of the ISG regarding the evolving role of the ISG and how best to build on success to date and maintain momentum in infrastructure development in SEE. The ISG has maintained its momentum and is enjoying increasing support from the International Financial Institutions (IFI), the European Commission and the SEE countries as a mechanism to develop a co-ordinated, strategic regional approach to infrastructure development in SEE. The agreement on the Core Regional Transport Network and the forthcoming MoU are tangible evidence of this.

Future Challenges

Sustained political support in the various member countries up to the highest levels as well as private sector involvement are vital if the regional energy and other infrastructure initiatives are to succeed. The next steps include consolidating the emerging agreement around the expanded energy MoU, which is to be signed at a Ministerial Meeting in December 2003, and launching negotiations on a multilateral and legally binding agreement to be signed in 2004. At the same time, the Stability Pact will use all opportunities to foster the necessary political consensus to ensure implementation of the MoU and to promote the REM with international investors, pointing to the enhanced security provided by the forthcoming treaty. Following the expected signing of the Transport MoU, the Stability Pact will continue to encourage approval of new regional projects and facilitate removal of bottlenecks to project implementation, particularly along key corridors and border crossings. Options will be explored to improve the environment for public private partnerships (PPPs) as an additional source of finance for relevant infrastructure projects. The Stability Pact will also support the evolution of the ISG mandate to ensure continued progress in infrastructure in SEE.

2. Trade and investment

In order to promote the development of a business climate conducive to investment, trade and employment and hence ensure sustainable economic development, the Stability Pact uses a variety of interlinked instruments designed to address the weaknesses in the policy framework, overcome political obstacles, tackle administrative and bureaucratic barriers and highlight the commercial opportunities and business potential in the region. These instruments include the Stability Pact Trade Working Group, the Investment Compact, the Business Advisory Council and the electronic SEE (eSEE) Working Group as well as the activities of the Special Co-ordinator and the Chair and Director of the Working Table in fostering political consensus and participating in high profile promotion activities.

Activities in 2003

In the field of Trade Liberalization, the Stability Pact Trade Working Group (TWG) has met four times in 2003, culminating in a ministerial meeting of the Group on 13 November, hosted by the Italian EU Presidency in Rome. Negotiations on the network of 21 Free Trade Agreements (FTAs) required under the Stability Pact Trade MoU were brought to a successful conclusion at the Rome ministerial. Fourteen agreements are in force, the others are at different stages of ratification, while Serbia and Montenegro and Romania have committed themselves to sign the final outstanding agreement before the end of the year. The significant delays encountered in completing the network of FTAs were largely due to the internal difficulties in Serbia and Montenegro relating to constitutional adjustments. Political interventions on this and other issues by the Special Co-ordinator, the European Commission (Commissioners Patten and Lamy) and the EU Presidency have been conducted in close co-ordination with the Stability Pact. Four agreements with Moldova have been finalized and negotiations on the remaining three have been opened. UNMIK has attended the Stability Pact Trade Working Group meetings including the Ministerial meeting and is participating in relevant technical assistance activities organized under its auspices. A statement was adopted at the Ministerial meeting committing the SEE countries to full implementation of the FTAs and examining options for further trade liberalization in the region, including the development of a Free Trade Area and the promotion and liberalization of trade in services.

An exercise to identify non-tariff barriers impeding regional trade, so that action can be taken to bring about their progressive elimination, was launched by the TWG, which also sought the views of the private sector via the BAC. Several workshops/seminars have been held under Stability Pact auspices focused on FTA implementation including resolution of trade disputes, customs co-ordination, standards and intellectual property, and information exchange/public awareness.

Co-ordination of strategy and activities is achieved through the TWG, which comprises senior trade policy officials from the SEE countries, the European Commission, World Bank, World Trade Organization and several bilateral donors. The group is currently chaired by Albania, and its annual strategy and action plan is adopted by consensus. The peer pressure and transparency inherent in the functioning of the Trade Working Group contributed to finalization of the network of FTAs. An analysis of the agreements commissioned by the TWG concluded that the agreements in general comply with the stringent terms of the MoU.

The group's regular meetings and constant information exchange provide a forum for identification and resolution of barriers to FTA implementation, including identification of non-tariff barriers and the need for increased harmonization of the FTAs. The delays in the ratification of four FTAs by Serbia and Montenegro have been a major topic at recent meetings and the TWG has co-ordinated steps to overcome the political and technical difficulties involved. The TWG is also a good medium for co-ordination and co-operation of strategy and technical assistance among the international community e.g., exchange of policy reports, listing of all trade related technical assistance projects, EC/US co-operation on seminars.

In the field of Investment Facilitation, a key concern of the Stability Pact's Investment Compact (IC) is to ensure that the countries implement the agreed priority critical time-bound reforms designed to improve the investment climate. Updated reports on Progress in Policy

Reforms in SEE were published in April and in October. A variety of workshops and meetings were held under individual IC components, including Promotion of Private Investment, support for small and medium-sized enterprises (SME) and Governance and Regulatory Reform. The main donors held meetings in February and October to ensure better co-ordination.

Foreign Investors Councils (FIC) are now active in all Stability Pact countries and efforts are underway to ensure co-operation on a regional basis. Other IC activities included support for the publication of a White Book on Investment in Serbia issued by the Serbian Foreign Investment Council and efforts to strengthen individual Country Economic Teams (CET). IC Project Team missions travelled to the Former Yugoslav Republic of Macedonia and Moldova. A Ministerial meeting took place in July at which Ministers reaffirmed their commitment to improving the regional investment climate and agreed on further actions. SEE round tables on investment promotion took place in Switzerland and Japan.

The Business Advisory Council held three meetings (Sarajevo, Rome and Bucharest) and a fourth is planned for Belgrade in December. These meetings provide a structured and focused channel through which Governments of the host country can obtain the private sector's perspective on current and planned policies, particularly in areas such as trade liberalization, SME development and improving the climate for foreign direct investment (FDI). The business missions that accompany the BAC meetings also highlight business opportunities in the region.

The Special Co-ordinator and senior Stability Pact staff participated in several high profile events designed to promote business in the region, including the World Economic Forum in Athens and the International Herald Tribune Eastern European Investment Summit in Bucharest.

The SEE countries stated that the regular progress reports are valuable instruments for creating awareness, facilitating inter-ministry discussion on policy issues and highlighting progress made. The interim reviews have concluded that most countries are on track with reforms, although implementation is weak in some areas. The establishment of Foreign Investors Councils in all countries combined with the BAC meetings and interventions has ensured improved dialogue between the private sector and governments.

Future Challenges

The overall challenge continues to be to contribute to improving the trade and investment climate in SEE through the efficient use of the variety of instruments available. In line with the Thessalonki Agenda, the focus of the SP Trade Working Group will be on ensuring that outstanding FTAs are ratified and that all FTAs are fully implemented in conformity with the MoU standards. Activities to eliminate non-tariff barriers will need to be intensified and a review conducted on impact to date of the FTAs in force for over 12 months. Furthermore, the efficiency of the FTAs needs to be improved through increased harmonization of the scope and scale of the agreements with EU regulations and WTO obligations as well as further options identified to liberalize trade in goods and services so that an economically efficient free trade area evolves in SEE. Regarding investment, the main challenge is to maintain pressure to continue improving the investment climate through monitoring the ongoing identification and implementation of reforms while not neglecting the social dimension and facilitating greater involvement of the private sector in providing

structured information and feedback to governments. The important contribution of FDI to employment generation will also be highlighted and the Special Co-ordinator and other senior officials from the Pact as well as the BAC will maintain the high profile promotion of the region as a source of trade and investment opportunities.

Other activity areas

The Initiative for Social Cohesion has promoted activities in all five sectors agreed as priorities within the initiative, i.e., employment, social dialogue, social protection, housing, and health.

In line with other activities of the Working Table to promote sustainable economic development in the region, a Ministerial Conference on Employment was held in Bucharest on 30 October. A declaration was signed by Ministers committing the Governments of SEE to co-operating in the areas of employment policies and the reform of labour market institutions in order to contribute to the overall goal of increasing employability.

In the area of Social Dialogue, the Balkan Forum of the European Trade Union Confederation agreed in September to focus its activities on arbitration issues and the establishment of a network of labour courts throughout SEE. Progress has already been made in bringing employers and employees together to discuss common issues.

In the social protection sector, CARDS (Community Assistance for Reconstruction, Development and Stabilization) funding was ensured for the Co-ordination Centre for Social Policy to be established in Ljubljana. Furthermore, the network of experts on pension system reforms has been strengthened with the help of the CoE. A system of exchange of pension and social benefits in the Balkan countries is to be established as a next step. A meeting organized in Bled in November focused on the need to improve contribution collection mechanisms.

The high-level Conference on Housing Reform held in Paris in April 2003 provided an opportunity to identify the main economic, social and financial challenges faced by this sector in SEE as well as outlining a number of policy responses, including the formulation and implementation of national housing policy strategies and action plans and mechanisms to share experiences and review progress. A follow-up meeting was held in Zagreb in November.

The SEE Health Network has become a recognized vehicle for achieving the goals set by the SEE Ministers of Health in the Dubrovnik Pledge, signed in September 2001, under which they agreed to harmonize health policies so as to improve efficiency and professionalism in their respective health services. Three regional projects in the fields of mental health, food safety, and regarding the control of communicable diseases are ongoing.

V. Working Table on Security Issues

The core objectives of the Working Table on Security Issues, the fight against organized crime and the management and stabilization of population movements, are both within the area of Justice and Home Affairs. It is, however, important to emphasize the activities undertaken in the field of Security and Defence to promote security sector reform,

including support for the conversion of military bases for civilian use and the re-training of former military personnel, and in the areas of non-proliferation of illicit small arms and light weapons and establishment of open but controlled borders. Also, the progress made within the Disaster Prevention and Preparedness Initiative deserves to be highlighted as a very promising example of growing regional co-operation.

1. Organized crime

Organized crime is in many ways undermining the political and economic development prospects of the countries of SEE. Fighting organized crime is thus essential for the development of the region and requires sound judicial systems and efficient law enforcement institutions. The activities of the Stability Pact are thus aimed at capacity-building, improving the legal framework and cross-border co-operation with the focus on prevention, protection and prosecution.

To this end, a set of interlinked instruments has been established, including the Stability Pact Initiative against Organized Crime (SPOC), the Stability Pact Task Force on Trafficking in Human Beings (SPTF) and the Stability Pact Anti-Corruption Initiative (SPAI). Close co-operation has furthermore been established with the Transborder Crime Fighting Centre in Bucharest. Related initiatives include the Ohrid process on Border Management and Security, the SEE Small Arms Clearinghouse and MARRI (see below).

Activities in 2003

In order to promote greater co-ordination among anti-crime operations and enhanced inter- and intra-agency co-operation and co-ordination, both within SEE and with EU and other international law enforcement agencies, the SPOC Contact and Advisory Group and the Regional Steering Group were merged into an SPOC Board in May 2003. A department head of the Austrian Criminal Service was elected to be the SPOC Board Chairman.

A roadmap for the years 2003/2004 was developed outlining, among other things, the necessary legislative reforms in the sector, potential projects and issues requiring ministerial-level attention.

Improvement of data protection and data processing were the focus of two joint SEECP-SPOC ministerial meetings in Sarajevo aimed at fostering the development of mechanisms to allow for the extended exchange of information which is so crucial in the fight against organized crime. The two ministerials, furthermore, focused on witness protection mechanisms and the implementation of the Palermo United Nations Convention against Transnational Organized Crime. They are to be taken into consideration in follow-up to the November 2002 London Conference on Organized Crime and in the lead-up to the EU-Western Balkans Justice and Home Affairs Ministerial 28 November 2003.

Due to the pending decision by the European Council to allow Europol to enter a co-operation agreement with the Bucharest-based Transborder Crime Fighting Centre, it has not to date been possible to develop an operational arrangement between the two. While working relations were established, conditions for a formal agreement between Europol and the Transborder Crime Fighting Centre should be met in 2004.

The Organized Crime Training Network (OCTN) was established under the auspices of the Stability Pact. Beginning in early 2004 OCTN will start training middle-ranking officers of specialized organized crime units in SEE, focusing on capacity-building and network creation. Steps are being taken to ensure close co-ordination and co-operation with the Association of the European Police Colleges (AEPC) — a partner in this endeavour — and the Association of the Police Chiefs in SEE (SEPCA).

In September 2003 in Sarajevo the Steering Group of the Stability Pact Anti-Corruption Initiative agreed on the SPAI work plan for 2004 and beyond. The meeting took place in the premises of the newly-established Regional Office.

The primary focus of the Stability Pact Task Force on Trafficking in Human Beings is the implementation of the Statements on Commitments signed by Ministers of all SEE countries in Palermo (2000), Zagreb (2001) and Tirana (2002).

The aim of SPOC and related initiatives is to facilitate result-oriented dialogue between local, regional and international agencies on fighting organized crime. A further important goal is to ensure sustainability through enhanced regional ownership. Important steps have been made in both directions through the establishment of functioning secretariats for SPOC and SPAI in the region, in Bucharest and Sarajevo respectively,.

Future Challenges

The Stability Pact will continue to stimulate and monitor closely the implementation of the UN Convention against Transnational Organized Crime (Palermo TOC) in particular through the creation of witness protection mechanisms. Moreover, it will continue to facilitate dialogue between the Transborder Crime Fighting Centre and other law enforcement agencies, particularly Europol, with the aim of increasing formal operational exchanges on organized crime investigations. It will also aim to continue its support for sustainable national and regional anti-trafficking policies to address trafficking in human beings and to assist, with the backing of the newly created SPAI Regional office, all the SEE countries in their efforts to draft and implement National Action Plans and appropriate legislation to fight corruption offering training programmes for the judiciary and law enforcement bodies in this respect.

2. Managing and stabilizing population movements

Encouraged by the support received at the Thessaloniki Summit, the Migration Asylum Refugee Return Initiative (MARRI) aims to adapt the strategies for handling population movements in the region in a more comprehensive manner so as to make ethnic inclusion sustainable, with a view to rendering national action more effective in the areas of asylum, legal and illegal migration as well as border management. The merger of the Migration and Asylum Initiative (MAI) and the Refugee Return Initiative (RRI) within the first six months of 2003 resulted in a single, more streamlined and focused approach.

Activities in 2003

The Programme of Action (PoA) of the Migration, Asylum, Refugee Return Regional Initiative (MARRI) was endorsed, in principle, at a meeting of the MARRI Steering

Committee in July 2003. The MARRI PoA was developed to support and complement the Stabilization and Association Process (SAP).

Facilitated by MARRI, the Nordic Consultative Group of JHA Ministers invited their counterparts from the Western Balkan countries to a joint meeting in September 2003 to discuss improved co-operation to support the SAP countries. One of the outcomes of the consultations was the possible establishment of the "Regional Forum", involving the five SAP states, as an instrument to ensure regional responsibility and operational capacities.

In working with key partner organizations, MARRI has successfully brought the issue of sustainability into the planning and implementation process. Nevertheless, the number of returns has decreased as compared to 2002. This should be seen as an indicator that most of those willing to return would have done so by the end of the year. When all countries are taken into account, the target of durable solutions for 100,000 IDPs and refugees has been achieved. Nevertheless, the difficult economic environment will make the sustainability of these returns a genuine challenge.

The bilateral issue of pension payments between Serbia and Montenegro and Croatia was resolved in March 2003 and an inter-banking agreement introduced. A comprehensive return agreement between Serbia and Montenegro and Bosnia and Herzegovina was signed in October 2003. The development of a housing programme has continued successfully, with an increasing involvement of the private sector. The Council of Europe Investment Bank (CEB) and the World Bank under the auspices of the Stability Pact hosted a regional housing policy and finance conference in April 2003. The regional data and information exchange project is now under way, working to support government's efforts to manage data in line with international data protection standards.

The National Action Plans (NAP), country team in Bosnia and Herzegovina has been re-activated and has resumed its work. The Netherlands, now leading the Albania country team, has conducted expert missions and work on the NAP is in progress. Implementation of the NAP in Croatia and the former Yugoslav Republic of Macedonia is under way. The development of a NAP in Serbia and Montenegro was delayed due to the constitutional changes.

The actors involved in MARRI agreed on a common regional framework and are now engaged in defining their activities. MARRI is concentrating on implementation of the PoA. The complementarity to ongoing efforts and programmes, in particular the SAP and CARDS, is the key for developing synergies.

The proposed change of emphasis, to the effect that refugees should now be regarded as citizens with equal and unimpeded access to basic rights, may offer a final solution to the pending cases of the close to one million persons still displaced in SEE. Sustainability of solutions is at stake due to the difficult social and economic circumstances and in the interest of stability, greater freedom of choice must be ensured.

Future Challenges

The focus of the Stability Pact in 2004 will be to continue to facilitate the realization of sustainable solutions for the remaining refugees and displaced persons, while moving overall to a broader approach of non-discriminatory access to rights and citizenship.

Furthermore, MARRI will aim to facilitate the establishment of a Regional Forum on Migration, Asylum, Visa, Border Management and refugee issues with regular meetings on political and expert level. This will be connected with the gradual transfer of MARRI support structures to the region by the end of 2004. The regional data exchange project should be expanded to the whole region as well as to the full scope of work in support of other MARRI activities. Moreover, MARRI stands ready to make the experiences gained in the return process between Bosnia and Herzegovina, Croatia and Serbia and Montenegro available to support the return process regarding Kosovo.

Defence and security issues

Although cross-border military threats in SEE have become unlikely, the Stability Pact considers it important to keep the security sector reform, the collection of small arms and light weapons (SALW), military down-sizing, fostering security dialogues, assisting civil-military co-operation, and effective border management on its agenda.

The Conference on Border Security and Management was held in Ohrid in May 2003. The objective was to assist in the establishment of open but controlled borders, and to develop an integrated border management system in accordance with EU standards. The first review meeting of the Ohrid Border Process was held in Belgrade on 5 November 2003 and revealed that all parties involved have started the reform processes spelled out in the Ohrid Way Forward Document, albeit starting from very different levels and encountering different obstacles and challenges. All countries have started bringing their national legislation in line with the commitments undertaken in Ohrid, in particular regarding legislation on civilian border authorities and related laws on foreigners and asylum. The international partners of the process have underlined their continued commitment and support.

The Stability Pact in co-operation with NATO has successfully launched programmes to assist the transition to civilian life of discharged military personnel in Albania, Bulgaria, Croatia and Romania. Co-operation in this area has also started with Serbia and Montenegro and the former Yugoslav Republic of Macedonia. The process of conversion of military bases for civilian use has started in Bulgaria and Romania.

The proliferation and circulation of illicit small arms and light weapons (SALW) throughout SEE is linked with organized crime and increases the risk of terrorism. The South-Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC) continues to play a central role in the Stability Pact approach to SALW issues. Two Regional Steering Groups for the Control of SALW in SEE met in 2003. SEESAC's organizational and operational expertise complemented the activities of National Focal Points and of other partners to deliver a cohesive response to continuing problems caused by SALW.

The Regional Arms Control Verification and Implementation Assistance Centre (RACVIAC) concentrated its activities on providing a regional forum for more comprehensive discussions on politico-military issues. In order to re-train more discharged military personnel and to convert military bases, RACVIAC will gradually have to rely more on staff recruited from the region, while sustaining its multinational structure, in order to strengthen regional ownership.

The Disaster Prevention and Preparedness Initiative (DPPI) supports co-operation and co-ordination across borders in order to ensure the safety of citizens as well as of the environment. DPPI was engaged in project facilitation and implementation. DPPI has established a fruitful co-operation with the IFRC, UNDP, UN OCHA, NATO, HELF Germany, Swedish Rescue Services Agency, Swiss Agency for Development and Co-operation, RACVIAC, OSCE, OHR, European-Mediterranean Seismological Centre and the East-West Institute. A number of training events on core DPPI issues were held. The Joint Fire-fighting Unit is an example of this co-operation. The Unit is shared by Bosnia and Herzegovina, Croatia and Montenegro and is expected to have its focal operation theatre at the three-country-crossing near the Adriatic Sea. DPPI will support the countries in the establishment of agreements, rules and regulations for border-crossing when providing rapid disaster/humanitarian assistance. It will also assist them to develop, adopt and enforce state-of-the-art disaster emergency legislation and other codes designed to prevent and mitigate disasters in line with guidelines and common practices.