Austrian Foreign Policy Yearbook

2002

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FOREWORD

As these words were being written, the world was holding its breath over a war, the consequences of which could hardly be foreseen. Even before it began, the conflict over Iraq had shaken the key institutions of global, European and transatlantic cooperation and raised many questions for the future. Our primary care must now be to ameliorate the sufferings of those people directly affected and provide the necessary humanitarian assistance, for which Austria has already made one million Euro available as immediate aid. Concern for the Iraqi people must be our primary concern in the post-war period.

Austria adopted a clear attitude towards the Iraq conflict, one which arose from our traditional multilateral, European and humanitarian commitment based on the rule of international law. To the very last, Austria campaigned for a peaceful solution to the problem of Iraqi weapons of mass destruction, not least in support of the Greek presidency of the European Union. While visiting the Maghreb states Morocco, Algeria and Tunisia, I endeavoured to encourage an Arab peace initiative – by agreement with the Greek presidency, which itself visited other Arab countries. This initiative would have impressed on Iraqi President Saddam Hussein the seriousness of the situation and the necessity of complete cooperation (active disclosure of all weapons of mass destruction, acceptance of cooperation with the UN weapons inspectors, etc.), in order to avoid the risk of war.

The Secretary-General of the Arab League, Amre Moussa, subsequently visited the EU foreign ministers at their Council meeting, and Council President Papandreou attended a meeting of the Arab League foreign ministers in Cairo. This initiative failed, although it had led to an Arab summit meeting in Sharm el Sheikh and to a decision to send an enlarged troika of Arab foreign ministers to New York and subsequently Baghdad. Only the Tunisian foreign minister went to see Saddam Hussein on a bilateral basis, to bring him a message from President Ben Ali, but unfortunately too late to prevent the outbreak of war.

All our efforts were and are directed towards strengthening the role of the United Nations and finding a common position among the members of the European Union. Despite the understandable disappointment over the differences that adversely affected the functioning of these institutions, it would be a serious mistake to allow mutual recriminations over the past to have an adverse effect on the ability of the UN and EU to act in the future. This would be doing an ill service, not only to the institutions concerned, but also to those most affected, namely, the Iraqi civilian population. We have to look to the future here. The United Nations, with its broadly-based legitimacy and its experience, is indispensable for humanitarian aid as well as for post-war political and economic reconstruction. The UN is in a position to coordinate aid measures efficiently, build structures to serve democracy and the rule of law, protect human and minority rights, and thereby, under the auspices of the entire international community, contribute to the peaceful development of Iraq and the region as a whole.

A glimpse into this Yearbook should suffice to convince oneself of what valuable and irreplaceable work the UN does to ensure long-term and lasting peace, since it is engaged in countering not only the symptoms, but also the underlying causes, of many of the ills that beset our world. This is of fundamental importance, not least for
the fight against terrorism, since it, too, thrives on a dangerous seedbed of hopelessness, poverty and destruction of natural resources. In 2002 the UN set an exemplary lead here with the Conference on the Financing of Development in Monterrey and the World Summit for Sustainable Development in Johannesburg.

The European Union is at a decisive point in its history. Through its enlargement, one of my most important foreign policy priorities in recent years, it is on the point of realising the chance of the century to assure peace, stability and prosperity over the entire continent. The conclusion of the accession negotiations with ten Central and East European states as well as Malta and Cyprus is the most welcome event of 2002 for Europe and for Austria. The EU will thereby become an entity of 450 million people, the strongest trading power in the world, an economic and monetary union, and the largest donor of development assistance and humanitarian aid. On the other hand, the EU is still faced with the challenge of finding a political and especially a foreign policy role that corresponds to its economic power. We have all too clearly observed that the instrument of the Common Foreign and Security Policy (CFSP) has not sufficiently matured to the extent of establishing and implementing a common European position.

Austria therefore regards its position as borne out, namely, that the CFSP and the European Security and Defence Policy (ESDP) must be further developed, for example in the Convention on the Future of Europe. The responsibility for ensuring the stability of our immediate geographical environment in itself makes a strong role by the EU vital. The murder of Serbian President Zoran Djindjic reminded us tragically that Europe must not relax its commitment to this important region of our continent or its endeavours to bring it closer to the European structures. In this connection I welcome the fact that the first civilian ESDP operation has begun in Bosnia and Herzegovina, and the first military one in Macedonia, both with Austrian participation.

Traditionally, Austria’s foreign policy pays close attention to South-Eastern Europe, which is reflected in the strong presence of Austrians there. Apart from prominent politicians and diplomats like former Vice Chancellor Erhard Busek, who on 1 January 2002 took up his office as coordinator of the Stability Pact for South-Eastern Europe, more than 600 Austrians were engaged in the various UN, OSCE, NATO-PFP and EU missions in the Western Balkans region. Worldwide, some 1,050 Austrians participated in international missions in 2002; all of them deserve our respect and thanks. Working under difficult conditions, they often risked their lives to help other people, and are the finest ambassadors for Austria’s solidarity and readiness to assist.

In a joint action with Romania, the Stability Pact and the European Commission, another initiative that I undertook for the stabilisation of South-Eastern Europe and to bring it closer to the European institutions, is the Danube Cooperation Process, which comprises the 13 states of the Danube basin. Founded in Vienna in May 2002, it aims to mobilise the political, economic and cultural integration potential of the Danube in a comprehensive forum in which current and future EU member states, together with other countries of South-Eastern Europe, can formulate and implement proposals of regional interest.
An enhanced European foreign and security policy would also lend more political weight to the in many respects already significant EU engagement in other crisis regions. I would mention in particular the Middle East conflict, but also the still precarious situation in Afghanistan or the ongoing Kashmir conflict. And, not least, a European Union that speaks with one voice would be a serious and credible partner for the United States. Because, despite differences of opinion, which in the case of a superpower may even be essential as international checks and balances, we – and especially we Austrians – should never forget that what unites us with the US is considerably more than what divides.

In 1999 Austria’s traditional commitment to human rights and humanitarian international law made us a logical founding member of a group of states that has taken a new approach to international politics with an emphasis on the security needs of individual human beings. The members of this Human Security Network, in addition to Austria, are Canada, Chile, Greece, Ireland, Jordan, Mali, the Netherlands, Norway, Slovenia, Switzerland, Thailand and (as observer) South Africa, with close cooperation by numerous academics and NGOs. I, as Austrian Minister for Foreign Affairs, held the chairmanship from July 2002 for one year. In this capacity, I selected as the two main themes of the year the issues of education for human rights, and children affected by armed conflict. My aim has been to contribute genuine added value to the international discussion, and thereby to increase consciousness of human security, at both political level and among the general public. The next meeting of foreign ministers was fixed to take place in Graz on 8-10 May 2003, the first European human rights city and the cultural capital of Europe. For that we drew up a Network declaration, compiling a handbook on human rights education, a strategy for the support of children affected by armed conflict, and a training curriculum for monitoring violations of children’s rights. The Network’s alarm function was activated for the first time under Austria’s chairmanship in connection with the dramatically rising number of abductions of children by the Lord’s Resistance Army in northern Uganda for military service and sexual exploitation. The main action was a statement delivered by the Network chairmanship to the UN Security Council. Within the framework of the Network, my Slovenian colleague Dimitri Rupel and I organised an action to provide help for children traumatised by the Iraq war. This forms part of our general humanitarian aid for war victims, above all children, as a result of the Iraq conflict.

Again on human rights, along with many others I took a close personal interest in the cases of those Nigerian women who had been threatened with death by stoning. The case against Ms. Hussaini ended with a verdict of not guilty, whereas that of Ms. Lawal went to the appeal court. I will naturally keep this case under close observation and speak out on behalf of her and of women facing a similar fate.

One special feature of Austria’s foreign policy has proved to be particularly forward-looking: its strong cultural component. Austria is justifiably proud of its cultural tradition of humanism, dialogue, transnational thinking, openness and respect for others. This tradition permeates not only our great works of literature, theatre, music and graphic arts of the past and present, but also our foreign policy, as for instance in our long-standing commitment to a dialogue between civilisations. This has even grown in significance, not least in view of escalating tensions in the Arab countries as well as between the Arab countries and the Western world. We do not think of this as a confrontation between rigid “blocks”, but instead, in an atmosphere of mutual
respect, endeavour to identify what unites us, what we have in common. In 2002 Austria initiated several events, for example an international expert seminar within the framework of the Euro-Mediterranean Partnership to consider the role of the media in the origin, transmission and perception of images of oneself and others, an initiative that we intend to continue. I am particularly concerned to ensure that the ordinary people are brought into this dialogue between cultures, and that it is not restricted to elites.

The effects, and the possibilities of exerting influence, that result from positive identification features like culture should not be underestimated. A special expression – “soft power” – has even been coined to describe them. Austria is well placed in this respect with its 28 Cultural Forums and 50 Austrian Libraries.

Many Austrians have learned through experience that their country’s foreign policy does not consist simply of negotiations, official visits and political statements, but that it also offers concrete help and support for individual citizens. The Federal Ministry for Foreign Affairs aims to be a service centre and a reliable partner for all Austrian citizens who are permanently or temporarily abroad. The service offered by the Ministry ranges from the provision of travel information on the internet to comprehensive consular assistance, available around the clock in cases of emergency, which in certain countries is carried out with no little degree of risk. Concrete assistance was also made available through swift foreign policy action during the flood disaster of summer 2002, when an EU disaster fund was organised at short notice. In this connection, the spontaneous solidarity of the Central European peoples, and their readiness to assist across all borders, remains one of the enduring impressions of the year. As an expression of esteem, as well as to increase awareness of the interests of those Austrians who live in other countries, the Austrian government declared 2002 to be the Year of Austrians Abroad and organised numerous events to mark it.

As this report documents, the tasks of Austria’s foreign policy are many and varied: they comprise political, economic, developmental, legal, humanitarian, cultural, consular and administrative functions, and in an increasingly globalised world are becoming steadily more complex and diverse. Dealing with them demands qualities of commitment, competence, adaptability, perseverance, professionalism, and not least satisfaction in one’s work, in order to be able to cope with the hard conditions that can be encountered in this occupation. These qualities characterise the members of the staff of the Ministry for Foreign Affairs. It is with pleasure and pride that I stand at the head of this Ministry, the competence of which is esteemed far and wide. The effective pursuit of our foreign policy goals demands a service that is sufficiently equipped with personnel and budgetary means as well as a network of representation abroad that is adequate in international comparison. Austria’s contribution to international cooperation is the best means of promoting the image of our land, whereas isolationist withdrawal would only harm its standing in the world.

As every year, we have endeavoured to present the foreign policy report as a comprehensive, practical and usable handbook and work of reference. I thank those responsible for its production as well as all of those in the Ministry and the embassies and other Austrian representations abroad who have contributed to its content.
The year 2002 has changed Europe. The European Union has been reshaped by enlargement and will be enormously enriched by the new members, politically, economically and culturally. For Austria's foreign policy, and for me personally, this enlargement represented the core of our work, even before 1998, when concrete negotiations with the first group of candidate states began under the Austrian presidency of the European Council. After thorough preparations, hard but fair negotiations, and political initiatives like the Regional Partnership, Austria is well prepared, and welcomes the accession of the ten new member states with pleasure and optimism.

In the new political map of Europe, Austria is now situated precisely where our national anthem proclaims it to be – in the centre of the continent. Geographical coincidence? At any rate one that determines our view of ourselves: the centre is a place of meeting, where forces balance out, where compromises are concluded and the parts become a whole. Austria's foreign policy is characterised by reliability and confidence-building. Therefore, in a world marked by global difficulties, Austria has much to contribute to the unity of Europe and to an enhancement of stability and human security. The present report invites the reader to view the foreign policy of the year 2002 from this Austrian position at the centre, a position based on a solid foundation of values, of peace, human rights and freedom.

Dr. Benita Ferrero-Waldner
Federal Minister for Foreign Affairs
A. Austria in the European Union

I. The Enlargement of the European Union

The enlargement of the European Union was Austria’s foremost political priority in 2002.

Accession negotiations were successfully concluded with ten candidate countries in Eastern and Southern Europe. The last open chapters of the negotiations with Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia were finalised at the meeting of the European Council in Copenhagen. The way is now open for those states to become members of the Union in May 2004 and to participate in the elections for the European Parliament in that year.

The conclusion had been preceded by negotiations under 31 chapter headings. The negotiating process with the Czech Republic, Cyprus, Estonia, Hungary, Poland and Slovenia (the so-called Luxembourg Group) started in 1998 under the Austrian presidency of the Council. In 2000 the European Council in Helsinki decided to open talks with six further candidates, the so-called Helsinki Group. An intense negotiating pace enabled Latvia, Lithuania, Malta and Slovakia to finally catch up with the members of the Luxembourg Group. Bulgaria and Romania, with which negotiations are continuing, have a target date of 2007 for their accession to the Union.

Several sensitive and difficult chapters like energy, free movement of persons, or free movement of capital could be concluded with the majority of applicants as early as 2001. In connection with the free movement of persons, Austria presented in 2000 an information note compiled by leading experts and describing the specific situation of the Austrian labour market arising from the country’s geographical position. This provided the basis for an objective discussion on this chapter. Under the Swedish presidency in spring 2001 an agreement was reached among the EU members on a Common Position that provides for a transitional period of up to seven years for the free movement of labour. On this basis the chapter was provisionally closed with the ten candidates in 2002. Reviews undertaken two and five years, respectively after accession will allow the transitional mechanism to be interpreted flexibly, including full liberalisation at an even earlier stage.

Transitional arrangements were also agreed upon for cross-border services for specific directly affected sectors in Austria and Germany, for example construction, cleaning services, home nursing, security activities, etc. Transitional solutions were also found for specific requests by the candidate countries in other sensitive sectors like environment or free movement of capital. Several of them were given transitional arrangements for the liberalisation of markets for agricultural and forestry land as well as secondary residences. Transitional solutions were also found for specific environmental issues, ensuring that these would not distort competition in the Internal Market.

During the negotiations on energy the main issue for Austria was the safety of nuclear power stations, which was given special attention on the basis of the
conclusions of the European Council in Helsinki in 1999. After the agreement reached at Melk in 2001 on the Czech power station at Temelin, Austria could assent to the provisional conclusion of the energy chapter with the Czech Republic. Fixed dates for the closure of the reactor blocks at Kosloduj (Bulgaria), Ignalina (Lithuania) and Bohunice (Slovakia) that cannot be raised to Western safety standards were anchored in the accession conditions for those countries.

By means of consistent negotiating procedures the Union succeeded in adhering to the “road map” laid down by the European Council in Nice in 2000, and by the end of 2001 had provisionally concluded most of the chapters with minor budgetary implications. The so-called “left-over” issues with individual candidate countries, for example on taxation, were mostly resolved under the Spanish presidency during the first half of 2002. Transitional arrangements were agreed for the imposition of the Community taxation rates on tobacco, so that existing members can continue to exercise border controls on the import of tobacco products during the transitional period. Thus the negotiations in 2002 largely concentrated on agriculture, regional policy, finance, and budget regulations.

The regional policy chapter was concluded under the Spanish presidency. The primary task here was to define the regions of each candidate country for the future award of means from the EU regional fund. In this connection it was possible to ensure the continuation of the cross-border programmes between current and future member states, which is of some importance for Austria. At the end of 2002 Austria had cross-border cooperation programmes with Hungary, Slovakia, Slovenia and the Czech Republic. These programmes cover a wide range of joint activities in the border regions, for example joint research centres, cross-border infrastructure projects, joint tourist activities, etc. In 2002 the Union provided a budget of €22.5m for these projects.

Agreement was reached on all the remaining chapters under the Danish presidency. The cornerstone for the talks was the financial framework for enlargement for the period until 2007 that was agreed in 1999 under the so-called Agenda 2000. This totals €42,600m for the period 2004-2006. This was confirmed at the European Council in Brussels in October 2002. By the end of the negotiations at the European Council in Copenhagen the agreed financial framework was some €1,700m under the budgeted figure, so that the upper limit of 1.27 per cent of EU-GDP agreed under the Agenda 2000 will be substantially underspent. On several occasions Austria insisted that the Union’s real expenditure during the current budget period, even after enlargement, should be stabilised at the current value of 1.1 per cent.

In the agriculture chapter, which is of particular financial relevance, a solution was found on the basis of the gradual introduction of direct payments to farmers in the candidate countries over a period of 10 years, beginning with 25 per cent of the level in the present member states during the first year. This arrangement takes account of the different starting positions of the agricultural industries in the current and future member states, while remaining within the Union’s agreed budgetary limit. It also avoids destabilisation in the new member countries by creating an imbalance in favour of the agricultural sector. During the ten-year transitional period the new members have the possibility to supplement direct payments from the Union with national means. The negotiations also covered the implementation of the EU
veterinary and plant protection regulations, when several countries were given short-
term transitional arrangements for products manufactured for local markets.

On the basis of the preparatory work of the European Council in Nice in December
2000, solutions were found for all aspects of the integration of the new members into
the institutions of the Union. There was agreement on the future weighting of votes
in the Council as well as the number of seats in the enlarged European Parliament.

An additional financial facility was set up to assist those new member states that will
have to administer the Union’s external border in order to establish the necessary
security systems. A compensation system for the Czech Republic, Cyprus, Malta,
and Slovenia will ensure that these countries do not become net contributors to the
EU budget during their first few years of membership. This concession, which
Austria, Finland and Sweden also enjoyed immediately after joining the Union in the
last round of enlargement, will stabilise their budget positions during the first few
years of membership until the full implementation of the programmes of support for
the new members.

In the final phase of the negotiations the presidency decided to clear up the
remaining open questions through intense discussions with the individual candidates
in so-called “confessinals”. By this means agreement was reached on individual
agricultural quotas and subsidies. This preparatory work by the Danish presidency
enabled the European Council in Copenhagen to conclude the accession
negotiations.

Parallel to the enlargement talks, there was a noticeable intensification of the
discussion on the so-called Beneš Decrees and the expulsion of the German-
speaking inhabitants of the Sudeten region in former Czechoslovakia after the
Second World War – not only between Austria and the Czech Republic, but also at
European level. This centred on the compatibility of the Decrees and the Czech
restitution legislation with EU law and the political accession criterion, one of the so-
called Copenhagen Criteria for EU membership. The European Parliament
commissioned a legal assessment by external experts, and an expert group from the
Commission discussed the open questions with Czech government representatives.
Both studies, published in October, came to the conclusion that the Decrees
represented no hindrance under EU law to accession by the Czech Republic.
However, in a resolution on 20 November, the European Parliament stressed that
after accession all EU citizens would enjoy the same rights on the territory of the
Czech Republic, that the Czech so-called Amnesty Act of 1946 had no basis for
existence in the light of the modern rule of law, and that a political gesture by the
Czech Republic in this connection would be desirable.

After the conclusion of the negotiations in Copenhagen, work continued on the
consolidation of the accession treaty text, so that it would be possible to sign the
individual treaties during the Greek Presidency in the first half of 2003. This would
open the way to timely ratification by the parliaments of the candidate and member
states alike. Monitoring the implementation of the EU acquis in the candidate
countries will also be continued up to the date of accession.

The European Council in Copenhagen decided to intensify the pre-accession
strategy for Bulgaria and Romania, with both of which negotiations are still
continuing. The process will be accelerated by stepping up the pre-accession aid programmes, especially as regards institution building. The main aspects in 2002 were administrative reforms and the implementation of the EU acquis on justice and internal affairs. The target date for the accession of these two countries is 2007.

The pre-accession strategy for Turkey was also stepped up in Copenhagen. Turkey’s latest steps towards fulfilling the Copenhagen Criteria were expressly welcomed. At the same time, the Turkish government was called upon to deal promptly with the still existing deficiencies in respect of both legislation and its implementation. It was agreed to open accession negotiations with Turkey if the European Council in 2004 states, on the basis of a report and recommendation by the Commission, that the country demonstrates the necessary institutional stability as a guarantee of democracy, the rule of law, human rights, and respect for and protection of minorities and fulfils the Copenhagen criteria. As a basis for this decision, a progress report will be presented by the Commission in 2004. The Commission was further requested to present a draft of a revised accession partnership. It is expected that the European Council will thereby implement its promise to increase financial pre-accession aid for Turkey.

In 2002 the decision was taken to extend the so-called Twinning Programme to the countries of the Western Balkans, Eastern Europe and Central Asia as well as Turkey. Originally part of the pre-accession PHARE instrument for the candidate countries, twinning promotes institution building by sending experts from EU countries to assist in the development of the administrative capacities of the recipient states. Austria has participated since 1998 by providing experts from the federal and regional governments to assist in more than 80 countries of Central and Eastern Europe, either as twinning leader or as co-partner. These twinning partnerships not only serve to strengthen and adapt the administrative structures in the accession candidates, but also afford the Austrian experts an opportunity to build up contacts and cooperation networks in those countries. After accession, these contacts provide a solid basis for close cooperation in an enlarged Union. To date, Austria has received twinning assignments to a value of over 30 million euros.

After the forthcoming round of enlargement the European Union will encompass more than 450 million people. The EU is thereby the most powerful trading entity in the world, the largest provider of development aid and humanitarian support. It possesses a strong common currency and, strengthened by the accession of ten new members, will have to find a global political role consistent with its economic power. The enlargement is in conformity with its task of guaranteeing peace, stability and prosperity in Europe. It is thereby well on the way to realising the post-war vision of a united Europe.

II. EU Policies

Austria’s Role in the European Institutions

Austria is represented in all the institutions of the European Union. Austria’s member of the European Commission, Franz Fischler, was reappointed on 15 September 1999 with responsibility for agriculture, rural development and fisheries. Hubert
Weber was reappointed as the Austrian member of the European Court of Auditors from 1 January 2002 for a further term of six years. Peter Jann and Josef Azizi are Austria’s members of the European Court of Justice and the Court of First Instance respectively, and in 2000 Christine Stix-Hackl was appointed Advocate-General.

The European Court of Justice dealt with 36 new cases referred to it by Austrian courts for preliminary rulings. At the end of 2002 there were 17 cases pending against the Republic of Austria concerning alleged breaches of Community law. Austria was found to have violated Community law with an “open skies” air transport agreement with the United States. As in the previous year, Austria instituted proceedings against decisions by the Commission on the ecopoint system for regulating the transit of heavy goods vehicles through the country. A related application for interim relief was, however, rejected.

Austria has 21 seats in the European Parliament, which held 12 regular plenary sessions in Strasbourg as well as 8 mini plenary sessions in Brussels. The principal issue discussed in 2002 was the enlargement of the Union. It adopted two basically positive reports on the progress made by the candidate countries, and on 19 November held an initial debate with members of their parliaments. Developments in Turkey were closely observed in respect of human and minority rights. The Parliament also adopted a series of reports on the work of the Convention on the Future of Europe, including the delimitation of competences between the Union and the member states, cooperation between the European and national parliaments, and the hierarchy of norms. The Parliament’s request for a constitutional treaty was taken up by the Convention.

The Committee of the Regions is an advisory body that represents regional and local interests through its 222 representatives of regional and local authorities within member states. Austria is represented by 12 members. There were six plenary sessions in 2002. The Committee’s activities concentrated on the work of the Constitutional Convention, to which it elected six representatives and six substitutes at its 42nd session. It also adopted positions on the themes of governance and enlargement.

The Economic and Social Committee consists of 222 representatives of the various parties with an interest in the EU legislative process. It is organised in groups representing employers, employees and “Various interests” as well as six technical groups. Austria appoints 12 members of the Committee, which held nine plenary sessions in 2002.

Under Austrian constitutional law the Austrian Parliament has a right to information and is entitled to adopt positions on issues of European Union policy. These are of a binding character if the issues would require Austrian legislation for their implementation or would be directly applicable under EU law. In 2002 the National Council (First House of the Austrian Parliament) adopted resolutions in relation to the procedures to be followed by the government on enlargement of the Union; Austria’s anti-nuclear policy in connection with the Czech Nuclear power station at Temelin; the creation of an EU Solidarity Fund; and the results of the European Council meeting in Copenhagen. The Federal Council (Second House of the Austrian
Parliament) adopted a resolution on maintaining the moratorium on genetic engineering at EU level.

Similar powers are exercised by the Austrian federal Ländere in relation to their fields of competence. In 2002 they adopted common positions on: the EEC directive on fauna, flora and habitat; social security for the disabled and persons in need of care; and the proposal for a directive on liability for the avoidance and restoration of environmental damage.

The relevant Austrian federal ministers are bound by the terms of these positions, and in dealings with the European Union may depart from them only for vital reasons of foreign and integration policy. The Austrian positions in the EU Committee of Permanent Representatives are decided at weekly inter-ministerial meetings chaired by the Foreign Ministry, with the participation of the social partners and all the relevant national institutions as well as the local and regional authorities.

Reform of the European Union

The Treaty of Nice

The ratification procedures of the Treaty of Nice, signed on 26 February 2001, in the individual member countries were completed during 2002. Austria’s ratification instrument was deposited on 8 January. The negative result of the Irish referendum in June 2001 had held up ratification, but a second referendum on 18 October 2002 resulted in a majority of 62.9 per cent in favour of the treaty. Participation increased from 34.79 to 49.47 per cent of the electorate, thus giving the second result more democratic legitimisation. Irish Prime Minister Bertie Ahern had previously presented a National Declaration to the European Council in Seville, stressing that the articles in the treaty concerning the Common Foreign and Security Policy did not affect Ireland’s traditional policy of military neutrality. Ireland’s ratification instrument was deposited on 18 December, which left the way open for the treaty to enter into force on 1 February 2003.

The Debate on the Future of Europe

The European Convention set up by the European Council in Laeken in December 2001 opened its proceedings on 28 February 2002 under the chairmanship of former French President Valery Giscard d’Estaing. It held 13 plenary sessions in 2002, and set up 11 working groups on individual themes. A Forum consisting of organisations representing all aspects of civil society (social partners, economic associations, nongovernmental organisations, universities, etc.) was set up to stimulate a comprehensive debate and to allow all European citizens to participate in the discussion on the future of Europe. The preliminary results of the Convention’s deliberations were:

- The European Union and European Community treaties should be merged into a single constitutional treaty.
- The European Union should have a single legal personality, the three-pillar system should be abolished.
- The competences of the Union and of the member states should be more clearly defined and attributed.
- The EU Charter of Fundamental Rights should be made legally binding and incorporated into a future constitutional treaty.
- The overwhelming majority of delegates are in favour of a so-called early-warning system for the control of subsidiarity that would integrate the national parliaments into the European legislative system.
- The Union’s powers should be strengthened in the area of police and judicial cooperation on criminal matters, for example by extending decision making by qualified majority.
- There was majority support for uniting the functions of the Commissioner for External Relations and the High Representative for the Common Foreign and Security Policy in one person. Members of the working group on defence recommended the adoption of a solidarity clause in the fight against new dangers and threats, especially terrorism. It advanced proposals for strengthening the Union’s military capacities and improving the efficiency of its crisis management.

At the Convention’s plenary session on 28 October, President Giscard d’Estaing presented a first draft of a constitutional treaty to replace the existing European treaties. The draft was a framework and contained no definitive articles. These were to be formulated in the light of further discussions during the first half of 2003. The Convention’s aim was to present the results of its deliberations in time for the meeting of the European Council in June 2003.

The representative of the Federal Chancellor in the Convention presented numerous proposals to the plenary sessions and working groups. The topics included: subsidiarity; foreign, security and defence policy; asylum, migration, judicial and police cooperation; the distribution of functions; and social policies. The Austrian internal debate continued in 2003. The second “Europe Round” was held in Vienna on 21 February, attended by government members, members of the Austrian and European parliaments, the Länder, and representatives of the major national institutions. The third “Europe Round” was held on 27 June, and the meeting of the European Youth Convention in Vienna on 9-14 July enabled the younger generation to express a wide range of opinions on the future of Europe.

In Austria’s view one of the principal objectives of the Constitutional Convention must be to strengthen the Union’s democratic legitimacy. The efforts to bring about institutional reform must concentrate first and foremost on the existing institutions, above all the so-called “institutional triangle” – the Council, Commission and Parliament. There must be a balance between the institutions, and the principle of equality between member states must be guaranteed. Austrian Minister for Foreign Affairs Benita Ferrero-Waldner laid particular stress on the maintenance of this principle in bilateral contacts, including those concerning the enlargement of the Union, and cooperation on the issue has been intensified between the small and medium-sized states within the Convention. The national parliaments should be drawn more closely into the European decision-making structures.

Other important issues for Austria include anchoring the European Social Model as well as a clear division of powers between the Union and its member states. Austria supports the legally binding inclusion of the EU Charter of Fundamental Rights in a European constitutional treaty as well as the Union’s accession to the
European Convention on Human Rights. One of the foremost goals of the Convention is to create the conditions for a **more effective and coherent foreign and security policy**. Europe must be able to speak with one voice in order to exert a decisive influence on international developments and play a stronger role in the international institutions.

**Institutional Reform**

The process of improving the working of the Council that was inaugurated in 1999 continued parallel to the deliberations of the Constitutional Convention. With a view to the forthcoming enlargement, the **European Council** in Seville in June agreed on a number of measures that could be implemented within the existing treaties. In future its meetings will be based on an agenda proposed by the Presidency and prepared by the Council for General Affairs and External Relations – renamed to take account of its dual nature.

The number of formations of the **Council of Ministers** has been reduced from sixteen to nine: General Affairs and External Relations; Economics and Finance (ECOFIN); Justice and Internal Affairs; Employment, Social Policies, Health and Consumer Protection; Competition (Internal Market, Industry and Research); Transport, Telecommunications and Energy; Agriculture and Fisheries; Environment; Education, Youth and Culture.

From December 2003 the European Council will adopt a **three-year strategic programme** proposed by the Council for General Affairs and External Relations. On this basis, the two states holding the presidency during the following year will draw up a joint **operational programme** covering their terms of office. The first such programme, for the year 2003, was presented by Greece and Italy in December 2002. The meetings of the Council on legal measures that are to be promulgated on a joint decision-making basis are to be held **in public** during the initial and concluding phases.

**Economic and Monetary Union**

Real economic growth in the Euro Zone averaged only 0.8 per cent in 2002, which made it difficult for several member states to achieve their budget targets. The aggregate deficit for the Euro Zone rose to an average of 2.3 per cent of GDP. For the first time, proceedings were instituted against two member states because of excessive budget deficits: Germany and Portugal both exceeded the permissible maximum deficit of 3 per cent of GDP. Against the background of the difficult economic situation there was repeated criticism of the **Stability and Growth Pact**, on the one hand because of its lack of the flexibility necessary to counter economic downturns, and on the other because it failed to provide sufficient incentive to adopt sustainable budgetary policies. The **ECOFIN Council** and the 12 members of the Euro Group several times committed themselves to continuing stability-oriented budgetary policies. The finance ministers stressed that the difficulties being experienced by individual states were primarily due to their failure to make use of the favourable economic conditions of previous years to carry out ambitious consolidation policies. Those states whose deficits were near or over the 3 per cent
mark committed themselves to annual reductions of the structural deficit of at least 0.5 per cent of GDP.

The finance ministers called for an increased readiness to carry out structural reforms in order to enhance the medium-term growth and employment potential of the European economy and the common currency. These included the streamlining of economic policy co-ordination processes, as directed by the European Council in Barcelona. In future, more emphasis will be placed on medium- and long-term aspects as well as on strategic questions. The Broad Economic Guidelines as well as the annual Employment Package will be adapted to a three-year rhythm with annual updates to take account of current economic conditions. More weight will also be placed on monitoring and evaluating the implementation of joint decisions.

Progress was made with the integration of financial and capital markets, with agreement on directives covering company pension funds, insider dealings and manipulations, and the supervision of financial conglomerates. The so-called Lamfalussy Procedure, which is already being applied in the stock markets, is now to be extended to the banking and insurance sub-sectors. The purpose of this procedure is to enable legislators to react more swiftly to current market developments and ensure a more uniform application of directives within the member states. The finance ministers also considered the question of corporate governance of firms against the background of a series of balance falsifications, especially in the United States.

There was continued discussion of the Tax Package, consisting of the Directive on the Taxation of Savings, the Code of Conduct for business taxation and the Directive on Interest and Royalties. Another important theme was taxation of energy, which several member states coupled with progress towards the liberalisation of energy markets. Several central questions remained unresolved within these two areas. From Austria’s standpoint these are notably the particularly important issue of including third countries in the taxation of interest, and the question of minimum taxation rates for energy-intensive undertakings. It was thus impossible to achieve agreement on the taxation package or the taxation of energy by the original target date of the end of 2002. In early 2003, however, an agreement on the taxation of interest could be reached.

Employment

Employment stagnated somewhat in 2002 because of the deteriorating economic framework. There are, however, positive aspects by comparison with the situation in 1997, when the European employment strategy commenced. The coordinated efforts at European level have helped to strengthen the resistance of the employment markets to the effects of economic swings. The present difficult situation could provide an additional incentive for political decision makers to accelerate the pace of reform.

The EU strategic goal is to raise average employment from 61% in 2000 and 63.9% in 2001 to around 70% in 2010, and the proportion of women in employment from 51% in 2000 and 54.9% in 2001 to over 60% by 2010. The European Council in Stockholm set intermediate goals of 67 and 57% respectively for the year 2005, and
added a target employment rate of 50% for the 55 to 64 age group by 2010. The member states will set their own targets within these groups.

Close attention was paid to revising the ten-year (since 1997) employment strategy, which was subjected to a mid-term assessment of its strengths and weaknesses. It was agreed to adjust the annual cycle in order to provide impulses for the spring economic summit and for the better preparation of basic economic policy. The employment report will in future be adopted in January as part of the Commission’s application package, and – after approval by the heads of state and government at the spring summit – will be issued in April as part of the Commission’s package of guidelines and recommendations. EU employment strategy may in future be on a three-year cycle, with the first year devoted to establishing priorities and strategy and the following years to implementation.

The Internal Market

The completion of the Internal Market continued in 2002 on the basis of the relevant strategies. The processes were rationalised in some areas. Synergy effects are anticipated in microeconomic structural policies from the fusion of the Council’s Internal Market and Industry and Research formations. The Strategy for the Internal Market, a five-year framework programme by the European Commission with four strategic goals, is revised, evaluated and brought up to date annually in cooperation with the member states.

Some important legal measures were finalised or at least developed in 2002, for example the package of directives on public procurement; changes to implementation orders concerning competition law; consolidation of the rights of citizens of the Union and members of their families; and the promulgation of the statute of the European company. A Commission report on the service sector constituted the basis for proposals to be advanced in 2003. Negotiations already begun in 2002 included a directive on the mutual recognition of occupational qualifications, which represents a significant simplification of the current acquis. In summer the Commission published the long-anticipated package of legal simplifications, which consists of an action plan and a list of announcements for consultation and assessment.

The translation of the Internal Market directives into the domestic law of the member states improved from 78.6% in 1992 to 97.9% in 2002. The goal set by the European Council in Stockholm in March 1991 – implementation of 98.5% of the Internal Market acquis by the spring 2002 meeting of the Council – was achieved by only seven member states. By the end of 2002, however, only five members had implemented 98.5% or more. The Austrian figure was 97.1 per cent.

Transport

The problem of excessive heavy goods vehicles in transit through Austria remained as acute as ever in 2002. As in the previous year, Austria raised a complaint in the European Court of Justice against the Commission’s method of calculation in connection with the 108 per cent rule, designed to limit excessive growth in transit traffic. The Court found the Austrian case to be not unfounded, but declined to grant
interim relief, in order not to anticipate a final judgement. Austria regards a separate proposal to scrap the 108 per cent clause as illegal, and has so far been able to prevent the Council from voting on it. The Commission’s objections to the level of road tolls levied on the transalpine Brenner motorway were met on 5 March by a comprehensive Austrian infrastructural cost analysis in the light of the special geographical and topographical conditions on this route. The European Council in Copenhagen confirmed the decision taken in Laeken on an extension of the ecopoints regime, and called on the Council of Ministers to arrive at a corresponding decision by the end of the year. However, instead of this, there was a discussion on a proposal presented by the Commission in December 2000 which would further weaken the ecopoints system through new exemptions for vehicles meeting the Euro-4 standard from 2005, and through insufficient compensation for these exemptions to the regime.

The European Council in Copenhagen instructed the Commission to draft a directive on a new method of calculating route costs by mid-2003. The European Council in Gothenburg had previously expressed itself in favour of a new road-pricing directive and a sustainable transport policy. Plans for awarding Community financial assistance under the Marco Polo programme for improving the environmental compatibility of goods transport were on the point of finalisation. This is an important instrument for diverting the growing volume of commercial road traffic to alternative means of transport. Work continued on the Rail Package, the ERIKA I and II packages for improving safety at sea, and on the European “Galileo” satellite navigation system.

At the end of the year political agreement was reached on the establishment of a Single European Sky by the end of 2004. One important step towards its realisation was taken in October with the accession by the European Community to EUROCONTROL. In July the regulation establishing the European Aviation Safety Agency (EASA) was adopted. The state guarantees for non-insurable risks arising out of terror and military hostilities that were introduced after the terrorist attacks on 11 September 2001 ran out at the end of October 2002. On 5 November the European Court of Justice declared the bilateral “open skies” agreements with the United States entered into by Austria and seven other EU member states to be in conflict with existing EU competence and competition regulations.

Environment

The Community and its member states ratified several important agreements as part of their preparations for the World Summit on Sustainable Development. These included the Kyoto Protocol for the implementation of the UN Climate Convention, and the Cartagena Protocol on biological safety. The European Strategy for Sustainable Development was broadened by an external dimension with the goal of establishing a global partnership to combat poverty. Amongst other aspects it covers trade, social development, the sustainable use of resources, and better governance.

The EU Sixth Environmental Action Programme was adopted by the Council as a framework for the Community’s environmental policy until 2010. The priority areas are climate change, nature and biological diversity, the environment and health, natural resources, and waste. The goals are to be achieved by implementing existing
Community environmental legislation, the horizontal extension of environmental factors into all aspects of policy, providing information for consumers, developing sustainable patterns of production and consumption, and partnerships with firms and their representatives. The Council adopted a common position on the directive on greenhouse gas emission trading. It issued an order on tracing the origins and labelling of genetically altered organisms as well as foodstuffs and fodder derived from them. The EU will also commit itself to promoting the use of alternative fuels and vehicles with low fuel consumption rates.

Austria’s goals on nuclear policy within the EU are the abandonment of nuclear fission as an energy source, and in the more immediate term the establishment of common European nuclear safety standards. The success of this policy can be seen in the adoption of the second goal by the Commission, which in November presented a Package on Nuclear Safety in the European Union. This basically aims to establish common safety standards for nuclear plants and for the disposal of waste. Austria also campaigned for hard and fast dates for the closure of obsolescent nuclear power stations. This data was fixed for several nuclear plants in Slovakia, Bulgaria and Lithuania in the course of their EU accession negotiations.

Energy

The highlight of 2002 was the political agreement by the Council in November on the liberalisation of electricity and gas markets in Europe. The directives foresee the complete opening of the markets by 2007, the establishment of independent regulatory authorities, the labelling of current, and the legal separation of infrastructure, production and supply. This corresponds to the existing situation in Austria.

Considerable progress was made with legislation to enhance sustainable energy production and use. A common position was adopted on the promotion of biological fuels. There was political agreement on a multi-annual programme for financing projects on renewable energy and energy efficiency, and on a directive on the energy efficiency of buildings.

The European Energy Charter, which was signed by more than 50 states in 1994, is of fundamental importance, since it stimulates the expansion of energy potential while increasing security of supply as well as stimulating economic development in Eastern Europe and the countries of the former Soviet Union. Its objective is the creation of a legal framework for the promotion of long-term cooperation and thereby legal security for investments, transit and trade. The Russian Federation has not yet ratified the Charter, and is tying this to a positive conclusion of the transit protocol, the purpose of which is to ensure the safe, efficient, uninterrupted and unhindered transit of oil and gas. The chairman of the Energy Charter Conference was given a mandate for further bilateral negotiations with Russia.

Education

On 14 February the Council of Education Ministers adopted its programme of work till 2010 for the implementation of the Lisbon strategy for employment, economic reform
and social cohesion. This will ensure the coherence of the range of European initiatives on education and create a common framework for open coordination. It also stresses the importance of education for democracy and social life, and that education must do more than simply provide a preparation for working life.

The conclusions of the European Council in Barcelona stressed another overriding goal: that the European systems of general education and occupational training must by 2010 become the global quality reference. Concrete measures to this end include the introduction of instruments to ensure the transparency of diplomas and certificates of qualification as well as closer cooperation on university diplomas within the framework of the Sorbonne-Bologna-Prague Process, including occupational training.

Research and Development

The Sixth Framework Programme for Research and Technological Development (2003-2006) with a total budget of €17,500m was approved in autumn. Austria was involved in all of the main aspects of the programme, and in the fields of nuclear and embryonic parent cell research adopted standpoints that differed from those of the majority of the member states: In the Euratom programme, Austria, with German support, was able to prevent the granting of support for “new reactor concepts”. In the case of embryonic parent cell research, Austria, together with Italy, Ireland and Germany, managed to obtain a moratorium until 2003.

In view of the Lisbon goal of making Europe the most dynamic economic area by the year 2010, the Commission has also encouraged the member states to conduct cooperation on research outside the Framework Programme. Austria, like most of the Council members on 27 November, adopted a positive attitude to the method of open coordination, with the reasoning that this could be used to implement the requirement laid down by the European Council in Barcelona, that by 2010 every member state should spend 3% of GDP on research, with two thirds coming from industry.

Building an Area of Freedom, Security and Justice

The highlight of cooperation on justice and internal affairs in 2002 was the considerable efforts made by the Spanish and Danish presidencies to obtain an early implementation of the goals of the Amsterdam treaty regarding the creation of an area of freedom, security and justice, and in particular the combating of illegal migration. On the basis of the decisions of the European Council in Tampere, which had laid down political guidelines on migration and asylum, access to law, and combating international organised crime, the European Council in Seville in June approved a package of measures to combat illegal immigration. These include the gradual introduction of a coordinated and integrated management of external borders, the integration of immigration policy into the Union’s relations with third countries, and accelerating the current legislative work on the framing of a common asylum and immigration policy.

By the end of the year there had been several joint actions towards the introduction of a coordinated and integrated management of external borders, and a number of
pilot projects open to all interested members had been activated. Austria is participating with Sweden in a project to establish a common core curriculum for border guard training and consolidation of European provisions concerning borders.

The Seville meeting was divided on whether sanctions should be threatened against third countries which persistently refuse to cooperate in combating illegal immigration, for example by stopping financial support. A compromise was finally reached, whereby, in the event of the existing mechanisms having no effect, the Council could unanimously declare a third country to be unjustifiably withholding cooperation. The conclusions reached by the Council for General Affairs and External Relations in October underlined the goal defined in Seville of the development of an integrated approach starting from the root causes of illegal immigration. This foresees that all future cooperation and association agreements will contain a commitment to the joint control of migratory flows as well as an obligation to take back returning migrants.

As a concrete measure to combat illegal immigration the Council for Justice and Internal Affairs compiled a new list of third countries whose nationals are required to have visas or are exempt from that requirement to enter the territory of the Union. The Commission concluded a readmission agreement with Hong Kong, and continued negotiations with a number of other countries. Mandates were issued for negotiating readmission agreements with China, Turkey, Albania and Algeria, and a readmission programme for Afghanistan. The Council finally adopted a declaration submitted by Austria and the United Kingdom on safe third countries.

The European Council in Seville instructed the Council for Justice and Internal Affairs to accelerate the ongoing legislative work on a common asylum and immigration policy. The Council thereby agreed at the end of the year on the criteria and procedures for determining the member state responsible for asylum applications.

Significant progress was made in 2002 in the following areas:

**Police Cooperation:** Europol was empowered to participate in so-called joint investigation teams. Alterations were made to its personnel statute and to the procedures for selecting the Europol directors. The European Police Academy was provisionally located in Denmark.

**Judicial cooperation in civil cases:** There was political agreement on a directive on legal aid for court actions, and on a framework decision on the application of the principle of mutual recognition to financial penalties and forfeits.

**Judicial cooperation in criminal cases:** There was political agreement on a framework decision on the execution of decisions on the securing of articles of property or means of evidence. A decision was reached on setting up Eurojust as the clearing house for cooperation between national prosecution services. A mandate was issued for negotiations on an agreement with the United States on judicial cooperation in criminal matters and on extradition. There was political agreement on a framework decision on combating the sexual exploitation of children, and on child pornography.
III. Austria’s and the European Union’s External Relations

The Common Foreign and Security Policy (CFSP)

The year 2002 was marked by intensive efforts by the European Union to contribute to a peaceful solution to the Middle East conflict, the situation in Iraq, continued international engagement in Afghanistan, the threat of an escalation of the confrontation between India and Pakistan over Kashmir into a possible nuclear conflict, and developments in South-Eastern Europe. Institutionally, some important steps were taken towards the development of a European Security and Defence Policy (ESDP). The first EU crisis management operation, a police mission in Bosnia and Herzegovina, was planned, and started operating officially on 1 January 2003. Preparations were made for the first military ESDP operation, the takeover of the NATO operation in Macedonia.

Numerous Austrians played a prominent part in the CFSP activities in South-Eastern Europe. On 1 January 2002 former Vice Chancellor Erhard Busek took up his office as Special Coordinator for the Stability Pact for South-Eastern Europe; a function coupled with a role as EU Special Representative. At present, Austria and Belgium are the only ones of the smaller EU member states which provide EU Special Representatives. Ambassador Stefan Lehne mediated successfully in the imminent constitutional conflict between Serbia and Montenegro at the request of the High Representative for the CFSP, Javier Solana. Around 1,050 Austrians were engaged in various EU, OSCE and EU missions in 2002, of whom more than 600 were active in the Western Balkans.

The CFSP mechanisms were used intensively in 2002 and contributed to a further growth in the acquis of the EU Second Pillar. There were 17 Joint Actions, 26 Common Positions, 204 Declarations, and 209 Demarches. The Common Strategies for the Russian Federation, Ukraine and the Mediterranean region remained unchanged.

Other highlights of the CFSP in 2002 were summit meetings between the Union and the United States on 2 May, Canada on 8 May and 19 December, China on 24 September, Ukraine on 4 July, the Russian Federation on 29 May and 11 November, Japan on 8 July, and the Latin American and Caribbean countries on 17 May.

In the Constitutional Convention, the working group on foreign relations presented its final report on 16 December. The most important proposals are the fusion of the hitherto separate functions of the CFSP High Representative and the Commissioner for Foreign Relations, and a single budget for foreign relations, the use of which in emergency situations may be justified retrospectively.

Combating Terrorism

The threat presented by global international terrorism did not abate in 2002, as was shown by the attacks in Bali (Indonesia), Russia and Kenya among others. The EU continued to act on the basis of the Action Plan adopted in September 2001. In June the European Council in Seville issued a declaration on the contribution of the CFSP
in the fight against terrorism, expressing its determination to continue its endeavours to this end. The declaration stresses the necessity of treating the countering of terrorism as a horizontal issue in every aspect of the EU’s foreign relations. The Helsinki Headline Goal Catalogue, which lists the military capabilities needed for purposes of the ESDP, was enlarged to include the capacities required to protect the civilian population against terrorist attacks. The goal of protecting EU troops from attacks with weapons of mass destruction was also added to the Catalogue.

In the light of this declaration, the Council for General Affairs and External Relations on 22 July arrived at conclusions on the tasks for the EU foreign policy in this area. Threat analyses were drawn up for seven regions (Central Asia, South-East Asia, the Middle East, the Gulf states and Iraq, North Africa, East Africa, and the Balkans) covering more than 30 states. These analyses form a useful basis for various EU measures in relation to third countries such as political dialogues, adoption of anti-terrorist clauses in agreements, and technical assistance programmes to combat terrorism.

The terrorism problem was exhaustively discussed in the political dialogue with third states, and concrete measures of mutual information and cooperation were agreed at a EU-Russia summit meeting in November. Programmes of technical assistance were instituted to help third countries to fulfil their obligations under UN Security Council Resolution 1373 (2001). This assistance concentrated on the ratification of international conventions, anti-terror legislation, police and judicial instruments against terror, enlargement of judicial capacities, etc. The European Commission initiated a first pilot project with the Philippines in November with representatives of the Commission and national experts from EU member states. Further missions are planned for Indonesia and Pakistan in 2003. Immediately after the terrorist attack in Bali an EU troika visited Indonesia to demonstrate the Union’s solidarity and energetic support.

The EU also set itself a number of goals under the CFSP and ESDP:

- Intensification of efforts to prevent conflicts.
- Joint evaluation of the terrorist threat by member states and by EU military forces deployed outside the Union on ESDP operations.
- Examination of the optimum use of EU military and civilian capacities to protect the civilian population against the consequences of terrorist attacks.
- Development of military capacities (especially under the European Capabilities Action Plan) for protection against terrorist threats. In view of the possibility of terrorist threats towards ESDP operations, the need to provide protection from atomic, biological and chemical weapons was added to the Catalogue.

The European Security and Defence Policy (ESDP)

The ESDP, inaugurated in 1999 within the framework of the CFSP, aims to provide the European Union with the civil and military means to cope with international crises and to raise its profile as a global political actor. From 2003 onwards the EU, in partnership with NATO, wants to be able to carry out crisis management operations over the entire spectrum of the Petersberg Tasks. The removal of the obstacles to EU-NATO cooperation at the European Council meeting in Copenhagen opened the
way to considerable progress in 2002. The Union is now in a position to carry out its first military operations in cooperation with NATO.

Preparing the first ESDP Operations

At the end of January 2002 the EU decided to take over the UN police mission in Bosnia & Herzegovina in a reduced form on 1 January 2003 as the EU Police Mission (EUPM). The goals of the mission, its command structure and arrangements for participation by third states were drawn up subsequently. 18 non-EU countries will participate in this first-ever EU crisis management operation. Austria will provide 5 of the 466 police officers involved in the EUPM.

In March the European Council in Barcelona announced that the EU was prepared to take over the NATO “Amber Fox” (in December renamed “Allied Harmony”) mission in Macedonia, on condition of the previous conclusion of an agreement on permanent cooperation between the EU and NATO. The Union’s readiness to take over this NATO mission was underlined several times in the course of the year, but it was only in December that the breakthrough in EU-NATO relations was achieved in Copenhagen and preparations could be started for the first military ESDP mission. The Copenhagen meeting also declared the readiness of the EU to take over the NATO mission in Bosnia & Herzegovina as soon as possible.

EU-NATO Relations

The ending of Turkish opposition to the long-desired agreements on permanent cooperation between the EU and NATO created the conditions for strategic cooperation on crisis management by both organisations. The so-called “Berlin-Plus Agreement” gives the EU access to NATO’s assets and capabilities for EU-led operations. The NATO-EU Agreement on Security of Information contains provisions concerning the exchange of classified information between NATO and the EU.

Improving Military and Civilian Capabilities for EU Crisis Management

At the beginning of 2002 work began on implementing the European Capability Action Plan (ECAP) that had been adopted in November 2001. It was carried out in 19 panels, which reviewed the means of closing certain capability shortfalls. These panels achieved different rates of progress, and submitted interim reports in November 2002. They were due to submit their proposals for closing capability shortfalls by March 2003. Austria participated in the panels on “protection against atomic, chemical and bacteriological weapons”, on “surveillance and target acquisition/unmanned aerial vehicles”, and participates in others as an observer. In connection with the implementation of the ECAP, the EU also decided to cooperate in the field of armaments. In April a first informal meeting of armaments directors of the EU members’ defence ministries took place in Madrid, and in November it was decided to integrate them more closely into the ECAP Process for closing gaps in military capability.

For 2003 the EU set itself the goal of being able to provide 60,000 soldiers within 60 days for ESDP military operations in crisis areas lasting up to a year. In order to enhance the rapid response still further, certain elements of the committed troops
have been identified that could be made available within five days. These elements are intended primarily for humanitarian and evacuation tasks.

On 16 May there was a conference in Brussels on contributions in the area of justice affairs, when the pledging goal of 200 experts could be exceeded. Austria offered to provide 5 legal experts. On 19 November a Civilian Crisis Management Capability Conference held in Brussels demonstrated that the target set by the European Council in Gothenburg in March 2001 in the four priority areas of civilian crisis management (police, rule of law, civil protection and civil administration) had been far exceeded by the EU members.

Further Development of the ESDP Decision Making Structures and Procedures

On 13 May there was a first formal meeting of defence ministers of the EU member countries within the framework of the Council for General Affairs. A second meeting followed in November. On both occasions the main item on the agenda was an assessment of the progress towards the development of military capabilities.

After lengthy negotiations, agreement in principle was reached in June under the Spanish presidency on the distribution of the costs of military ESDP operations. Costs arising from operations having military or defence implications that cannot be allotted to individual states are common costs that have to be borne by all member states in accordance with the GNP scale. All other costs have to be borne by those states that supply personnel for ESDP operations on the principle of “costs lie where they fall”.

The first EU crisis management exercise (CME02) concentrated on rehearsing the procedures for the preliminary decision-making phase of an operation. The European Council in Copenhagen agreed to undertake the first joint exercise with NATO (CME/CMX03) during 2003.

At the beginning of 2002 the Western European Union’s Institute for Security Studies in Paris as well as the Satellite Centre in Madrid were taken over by the European Union.

Cooperation with Third Countries in ESDP Matters

The process of consultation and cooperation with the six European non-EU NATO countries, and with the EU candidate countries, developed positively in 2002. The European Council in Brussels in October issued a declaration on participation by these six states in the ESDP that meets the wishes of Turkey. The EU underlined its readiness to consult closely with those NATO countries that do not belong to the EU. This was an important precondition for the conclusion of the agreements on permanent cooperation between the EU and NATO. Canada, Ukraine and the Russian Federation were given definite prospects of participation in ESDP operations. Participation by the European non-EU NATO countries and the EU candidate countries had already been guaranteed in 2000 at the European Council in Nice.
The Western European Union (WEU)

In accordance with the decisions taken by the European Council in Helsinki in 1999 on the development of a common European security and defence policy within the framework of the EU, the Western European Union was reduced to the exercise of a few residual functions with effect from 1 July 2001.

The Brussels Treaty with its military mutual defence commitment remained de jure in force, as does the status of the associated members, associated partners and observers, including Austria. The diplomatic representations of those countries to the WEU also remain in existence. Austria's representation to the WEU had hitherto been exercised by the country's permanent representative to NATO, but in 2002 this function was transferred to the Austrian representative on the EU Political and Security Committee, as is the case in most other member states.

The residual functions of the WEU, apart from the obligation to provide mutual assistance, include parliamentary cooperation within the WEU Assembly, to which Austria also sends representatives, as well as cooperation within the Western European Armaments Group, in which Austria has participated since 2000.

The Working Group on Defence in the Constitutional Convention

The working group on defence within the Convention on the Future of Europe presented its final report to the plenary session on 20 December. The report, which was given an overwhelmingly positive reception in the Plenary of the Convention, contains various proposals brought forward with a view to their inclusion in the proposed EU constitutional treaty. These proposals include an extension of the Petersberg Tasks, a solidarity clause with reference to combating terrorist threats within the Union, a takeover of the WEU mutual defence commitment in the form of closer cooperation, and intensive cooperation between EU countries on armaments. Large parts of the report are a result of German-French and British proposals. The Austrian contribution that was presented at the end of November proposes a further development of the ESDP in the direction of a common European defence. In particular, it suggests that a mutual defence commitment could be anchored in a facultative protocol annexed to the future constitutional treaty.

The Central and Eastern European States

The EU Candidate Countries

The year 2002 was a special one for the countries of Central and Eastern Europe (CEE) between the Baltic and the Black Sea, since it brought the final breakthrough after a decade and more of endeavours to achieve integration into the European and/or Euro-Atlantic structures. At the European Council in Copenhagen in December, EU accession negotiations were officially concluded with the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia (furthermore with Malta and Cyprus). Even though some measures of implementation still have to be completed, referenda to be held and ratification by national parliaments (also by the 15 existing members) to be carried through, as far as the EU is concerned, there should be no obstacle to full membership in the Union for the ten
candidate countries on 1 May 2004. Bulgaria and Romania, however, still have some way to go to fulfil the entry conditions, but have clear “road maps” that should ensure their membership in the European Union by 1 January 2007.

As far as NATO accession is concerned, at the NATO summit meeting in Prague in November invitations were extended to Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia to become members as soon as possible.

These foreign policy successes are due to the efforts made by the reform countries, which have demonstrated that they are functioning parliamentary democracies that have succeeded in overcoming the onerous legacy of communism. The integration into EU and NATO structures was and continues to be the main line of foreign policy in all the states of the region, irrespective of the party-political standpoints of the decision makers, as was demonstrated by the parliamentary elections in the Czech Republic, Hungary and Latvia as well as the presidential elections in Lithuania and Slovenia. Much to the relief of EU and NATO partners the result of the parliamentary election in Slovakia in September confirmed the country’s Euro-Atlantic orientation.

Austria supported the efforts of the EU candidate countries as far as possible, and was always ready to remove existing barriers and differences in a manner advantageous to everyone. After the parliamentary elections in the Czech Republic there was a significant atmospheric improvement in bilateral relations, which till then had been burdened by such matters as the Benes Decrees and the Temelin nuclear power station. The severe flood disasters in the summer of 2002 demonstrated that neighbourly cooperation functions in times of crisis, and that European solidarity is not an empty expression. At the Berlin summit meeting in August between Austria, Germany, the Czech Republic and Slovakia, the European Commission accepted the Austrian idea of an EU disaster fund. The so-called EU Solidarity Fund was accordingly established in November.

Austria was also one of those EU member states that from the beginning advocated equal participation by the candidate countries in the Constitutional Convention, which will lay the foundations for the next institutional reform of the EU.

Present and future EU member states of the region cooperate within the OSCE and the Council of Europe, and more recently within NATO, but there are also other existing forms of cooperation between EU members and candidates like the Baltic Council, the Central European Initiative or the Weimar Triangle between France, Germany and Poland. Austria’s trilateral cooperation with Hungary and Slovakia and the Regional Partnership between Austria, the Czech Republic, Hungary, Poland, Slovakia and Slovenia, established in June 2001 on Austria’s initiative, was supplemented by the Danube Cooperation Process that was inaugurated in Vienna on 27 May by the foreign ministers of 13 countries of the Danube basin. The Process was launched by Austria, Romania, the European Commission and the Stability Pact for South-Eastern Europe.

Mutual cooperation also continued and was intensified between the candidate countries of the region. There was a noticeable improvement in relations between the members of the Visegrád group (Poland, the Czech Republic, Slovakia and Hungary) after the election of the social-liberal government in Hungary. On the other hand, irritation continued between Hungary and neighbouring countries – especially
Slovakia and Romania – on account of the act passed by the Hungarian parliament in June 2001 on the status of Hungarians living in adjoining states. On the recommendation of the EU Commission, the new Hungarian government intensified consultations with Romania and Slovakia, in order to ensure that the application of the act would be in conformity with the EU acquis. Agreement was reached with Romania, but Slovakia refused to accept even a modified version of the Status Act.

There were positive developments as regards the protection of minorities. Estonia and Latvia made further progress towards the integration of foreign citizens, and several countries consolidated the legal and institutional frameworks for minority protection. In all of the countries with significant Roma communities there was an improvement in their difficult living conditions, but there remains considerable scope for comprehensive integration.

**Belarus, Ukraine, Moldova**

After the next round of enlargement of the European Union these three countries will share common borders with the EU. In order to enhance awareness of these future neighbours in the east, the EU launched its New Neighbours Initiative. Relations with these new neighbours on the eastern border of the Union should be based on common political and economic values. The Union wishes to avoid creating new lines of division through Europe, and to promote stability and prosperity on both sides of its new borders. To this end, it will support democratic and economic reforms, sustainable development and trade. The European Council in Copenhagen underlined these goals. Concrete proposals by the Commission and the Council Secretariat were expected in 2003, whereby each country would be assessed and treated in the light of its individual circumstances. Special attention would be given to cross-border and regional cooperation, in particular to the transport infrastructure.

Austria, which in the past has actively campaigned for the inclusion of the Union’s neighbours in Eastern Europe in the European Conference, has since its EU presidency in 1998 put forward the idea of a “Partnership for Europe” comprising all European countries inside and outside the Union. The New Neighbours Initiative therefore has Austria’s fullest support.

**Belarus**

Relations between the EU and Belarus have been strained for a number of years on account of serious deficiencies on human rights. In March, as a means of reviving relations, the EU presented a Benchmarks Programme, a kind of operational fulfilment calendar, but Belarus declined to react. A demand for an assurance of a functioning OSCE mission in Minsk headed the catalogue, which for the EU formulated a series of improvements in relations. Since, however, the Belarus authorities de facto closed the OSCE mission in October, an immediate implementation of the Benchmarks Programme became even more remote. In November, as a reaction to the closure, 14 EU members imposed travel restrictions on eight leading members of the Belarus regime within the Schengen framework. Portugal, exercising the OSCE chairmanship, did not take part in this action in order not to restrict its scope for action. Possibly under the influence of these personal sanctions, agreement was reached very swiftly, at the end of December, on the mandate for a new OSCE office in Minsk and the signing of a Memorandum of
Understanding between the OSCE and the Belarus government. The head of the new office has been appointed, and the sanctions will be lifted after it is seen to be functioning without hindrance. Only then will a step by step improvement in EU-Belarus relations on the basis of the Benchmarks Programme seem realistic. One of these steps would be the completion of the interrupted ratification procedure on a Partnership and Cooperation Agreement. With its entry into force Belarus would enjoy the same treaty relationship with the EU as Ukraine and Moldova, the other target countries under the New Neighbours Initiative.

Ukraine

Cooperation with Ukraine continued on stability, security, crisis management, the economy, environment and energy, among others, and a new field was opened on justice and home affairs. Joint committees were set up on visas, migration, and combating terror. Ukraine wants to progress beyond the existing partnership and cooperation agreement to an association regime with the EU, with the longer-term objective of a concrete date for membership. The Union wants a flexible, pragmatic, “evolutionary” procedure without a rigid and possibly restrictive temporal straitjacket. Austria has pointed out that the most effective step towards leading Ukraine closer to the EU would be the creation of a free trade zone, as foreseen in the existing agreement, increasing assistance through the more efficient application of TACIS funds, as well as making more practical use of the European Conference as a forum for a coordinated dialogue on current political and economic themes. The EU therefore reminds Kiev periodically, for example at the summit meeting in Copenhagen on 4 July, that the existing partnership and cooperation agreement still has development potential. The Union has repeatedly pointed out that any form of strengthened partnership must be built on common democratic values and EU standards, and that the EU has a right to expect corresponding behaviour from every partner. The fixed points stressed by the Union include the consolidation of democracy, the rule of law, respect for human rights, and adequately guaranteed and exercised freedom of the media and of opinion. Also expected is foreign policy behaviour that actively supports EU endeavours to find solutions to conflict situations like the Transnistria conflict and the associated border control problems.

The EU and other European institutions took part in the observation of the Ukrainian parliamentary election on 31 March 2002. The official observation team included an Austrian. Relations between the EU and Ukraine were one of the themes discussed during the official visit to Austria by President Leonid Kutschma on 6/7 November as well as during his meetings with Austrian President Thomas Klestil on the occasion of regional meetings in Bled, Slovenia, in May/June and in Salzburg in September.

Moldova

As in the case of Ukraine, relations between Moldova and the European Union are governed by a partnership and cooperation agreement. The government in Chisinau also pursues a foreign policy directed towards the European structures and an approach to European integration. The EU has announced its firm intention of engaging more strongly in a search for a solution to Moldova’s foremost domestic and foreign policy problem, the Transnistria conflict, in cooperation with the Council of Europe and the OSCE as well as Russia and Ukraine. In 1991/92 the Transnistria region had announced its separation from the central government under the name of
“The Transnistrian Moldovan Republic”. It has not been internationally recognised and has since pursued a policy of secession. The region, which is largely inaccessible to international observers, has developed into a “grey zone” for the smuggling of weapons and persons and other illegal cross-border activities, and is a permanent disturbance factor in the region. One solution proposed by the OSCE would be to transform Moldova into a federal republic with far-reaching autonomy for the province of Transnistria. The EU Commission participated in an OSCE fact-finding mission on the Moldovan-Ukrainian border, and in November a delegation of the general secretariat of the EU Council visited Moldova to sound out the practical possibility of an enhanced engagement on the spot. The information and experience that has been gained, especially in the field of political dialogue, provision of support for the control of the Ukrainian-Moldovan border, ensuring the upholding of national customs regulations, and the withdrawal of the Russian troops and stocks of weapons within the time limit set by the OSCE (in December extended till the end of 2003) form the basis for the procedure and radius of action for the EU, not simply in relation to the Moldovian central government and the Transnistrian administration in Tiraspol, but also in relation to both of the other main actors, the Russian Federation and Ukraine. The Union and its member states were also ready to resort to positive measures against the Transnistrian administration if positive results could be expected thereby.

The EU New Neighbours Initiative, the fulfilment of conditions laid down by the Council of Europe’s Parliamentary Assembly, and Moldova’s envisaged election to the chairmanship of the Council’s Ministerial Committee in May 2003, prompted heightened interest in European matters in Chisinau. Applications by Moldova to the Council’s general secretariat and to the European Commission for assistance in carrying through the chairmanship were granted in the form of practical measures such as training for Moldovan diplomats and the secondment of experts from EU countries.

The Southern Caucasus

The enhanced political dialogue between the EU and Armenia, Azerbaijan and Georgia continued in 2002 with a meeting of the EU Troika at ministerial level on 30 September before the meetings of the respective cooperation councils in Brussels with Armenia and Azerbaijan, and a visit by the Troika to all three Southern Caucasus states on 8-10 October at political director level. The most important themes were relations between Georgia and Russia, and the Nagorno-Karabakh question. Georgian President Eduard Shevardnadze met the High Representative for the CFSP, Javier Solana, on 18 March in Brussels, and delivered an address to the European Parliament’s Committee for External Relations, Human Rights, General Security and Defence Policy. Cooperation meetings, cooperation committees and meetings of the Parliamentary Cooperation Committee were held with all three states. The Indicative Programmes for all countries for 2002-2003 were agreed under the TACIS country strategy 2002-2006.

While on the one hand the efforts by the EU to intensify relations with the Southern Caucasus states continued, relations with Georgia received a serious setback with the abduction of the British EU staff member in Tbilisi, Peter Shaw. The third meeting of the Cooperation Committee with Georgia was therefore postponed from June till October. EU Commissioner Chris Patten referred the matter to President
Shevardnadze in a letter. It was decided to revise the TACIS Indicative Programme for Georgia. Peter Shaw was released in November.

Georgia’s relations with the Russian Federation deteriorated during the second half of the year after an ultimatum by Russian President Vladimir Putin to Georgia on 11 September. This threatened a Russian intervention in Georgia if Georgia did not take suitable steps to stop terrorist activities against Russia by Chechnyans operating from the Pankisi Valley. The EU undertook demarches in this connection, and raised the matter several times with Russia. The tenor was a call to both sides to resolve the conflict by political means, and a clear statement by the EU that it would not accept any infringement of Georgia’s territorial integrity and sovereignty.

The increased interest taken by the European Union in the Southern Caucasus was expressed in enhanced efforts to contribute to a solution for the regional conflicts. No progress was made in 2002 in the Nagornyi-Karabakh conflict because of the forthcoming elections in 2003: presidential and parliamentary in Armenia, and presidential in Azerbaijan. The EU is represented by France as one of the three co-chairmen of the Minsk Group that was set up under the auspices of the OSCE to find a solution to the conflict. During the annual debate in the United Nations General Assembly on the resolution on cooperation between the UN and the OSCE, which again referred to the Nagornyi-Karabakh conflict, the foreign ministers of Armenia and Azerbaijan both canvassed support for their standpoints from the EU members. As in 2001, the EU members abstained in the vote on the Azeri amendment.

On a British suggestion presented at a meeting in Moscow of the “Friends of the Secretary-General of the United Nations”, it was planned to hold a meeting with “Prime Minister” Dschergenya of Abkhazia (Georgia). However, the meeting could not take place, despite the presence of all the persons concerned from Georgia and Abkhazia, because Dschergenya refused to accept as the basis a document written by the former representative of the Secretary-General in Georgia on relations between Georgia and Abkhazia; he also refused to accept participation by the current Special Representative of the UN Secretary General in Georgia (for Abkhazia). In March the EU declared the holding of “parliamentary elections” in Abkhazia to be illegal, because they were being organised by the internationally unrecognised “government” of Abkhazia.

The EU-financed conference on information technology, “e-Development for the Southern Caucasus”, was held in Armenia in April. Armenia was also in receipt of humanitarian aid to ameliorate ongoing drought. EU demarches were undertaken in Armenia and Georgia in connection with developments in democratic policy, especially as regards the situation of the media, NGOs and religious communities.

The Austrian Statistical Institute was given approval for an EU twinning project with Armenia for the reform of statistical standards. The TACIS programme for the modernisation of Georgia’s customs administration is led by an Austrian. Another TACIS project is being carried out between the University of Soil Culture in Vienna and the University of Agriculture in Tbilisi.
South-Eastern Europe / Western Balkans

In 2002, for the first time in more than a decade, those states and provinces that are comprised within the expression “Western Balkans” used by the EU Common Foreign and Security Policy have experienced a year marked by almost total absence of violent conflicts. The attention of the populations was diverted away from inter-ethnic conflicts to economic and social problems. These are, however, considerable, and carry within them the seeds of future instability.

Developments in Individual States

Croatia

Throughout 2002 Croatia continued to pursue a political course in the direction of European integration, despite a short-lived governmental crisis in the middle of the year; Prime Minister Ivica Racan resigned after the social-liberal HSLS party left the coalition, but was confirmed in office by parliament. In January Croatia ratified the Stabilisation and Association Agreement (SAA) with the EU, followed in March by Austria as the first EU member to do so. This demonstrated Austria’s traditional links with Croatia, and its desire to bring Croatia as swiftly as possible towards the European structures. In addition to the implementation of the SAA, Croatia’s foreign policy was dominated by preparations for an early application for EU membership.

There was progress towards reform in other areas too. In July an act was passed to compensate the German-speaking minority who were driven out of the country after the Second World War. The disputes with Yugoslavia over the Prevlaka peninsula between Croatia and Montenegro, and with Slovenia over sovereignty in the Bay of Piran, were settled for the time being. In December a constitutional law was passed for the protection of national minorities, as agreed with the Council of Europe, and there were enhanced legislative and practical measures to enable the repatriation of refugees.

Croatia’s cooperation with the War Crimes Tribunal in The Hague was excellent, in the opinion of the chief prosecutor, as regards making documents available and allowing access to archives. However, the case of the accused Janko Bobetko, former Chief of the Croatian General Staff, aroused some controversy. The government found it impossible to extradite him to the Tribunal because of the massive support he enjoys in the population. When the warrant for his arrest was finally confirmed by a senate of judges of the Tribunal, and the Croatian government attempted to implement it, the general was admitted to a hospital in Zagreb and at the end of 2002 was still under medical treatment.

There were more than 60 bilateral visits at all levels between Austria and Croatia in 2002. Minister for Foreign Affairs Benita Ferrero-Waldner repeatedly advocated an early accession by Croatia to the European Union, since this would be in the interests of both countries, but at the same time stressed the importance of far-reaching reforms as well as close cooperation with the Hague Tribunal.
Bosnia and Herzegovina

More than seven years after the conclusion of the Dayton Peace Accords, Bosnia and Herzegovina is still at the stage of a transition from reconstruction to consolidation. This process is being supported and supervised by international institutions with considerable personnel and financial expenditure and a multinational military presence. On the civilian side, the priorities for action lie with the international community, but are substantially formulated and administered by the UN High Representative on the rule of law, return of refugees, establishing and strengthening state institutions, and economic development. Bosnia and Herzegovina became a member of the Council of Europe in April. The function of High Representative, which had been carried out by Wolfgang Petritsch of Austria since 1999, was taken over by Lord Paddy Ashdown of the UK at the end of May 2002; he also assumed the role of EU special representative for Bosnia and Herzegovina.

Significant progress has been made since 2000 on the repatriation of refugees. Of the more than two million refugees and internally displaced persons, just under one million had returned to their home areas by the end of 2002. The implementation of a judgement in 2000 by the Constitutional Court on the constitutionality of the three ethnic groups (Bosniacs, Serbs and Croats), whereby all three peoples must have equal representation in all state institutions and in both constituent “entities” of the Republic, represented the most significant constitutional reform since the Dayton Accords, and can be regarded as one of the most important steps on the way to integration into the European structures. A general election was held on 5 October. For the first time, the three constituent ethnic groups were represented equally in the government. This election was the first since the war that the authorities of the country carried through themselves. The results demonstrated that, in spite of the strength of mono-ethnic parties, the voters came out in favour of a broad spectrum of parties and not for the return of extremist political forces.

Austria is one of the strongest advocates of a rapprochement of Bosnia and Herzegovina to the European structures. In the course of its endeavours to this end, the country largely fulfilled the Road Map, the catalogue of reforms laid down by the EU for further progress in the Stabilisation and Association process. Austrian Minister for Foreign Affairs Benita Ferrero-Waldner visited Sarajevo, Banja Luka and Mostar, where she had comprehensive talks with representatives of politics, industry and culture as well as an exchange of views on questions of inter-religious dialogue and bilateral support.

The Federal Republic of Yugoslavia

The so-called Belgrade agreement was signed on 14 May after lengthy negotiations under the mediation of Javier Solana, EU High Representative for the CFSP. This agreement averted the threatening dissolution of the federation of Serbia and Montenegro and provided a framework for the drafting of a new constitution. This restructures the Federal Republic of Yugoslavia into a union of states under the name of Serbia and Montenegro, in which both retain far-reaching autonomous powers. At the beginning of December the Constitutional Commission unanimously adopted a draft, which was due to be adopted by the Serbian and Montenegrin parliaments as well as the federal parliament in early 2003.
The negotiations on the new constitution and the presidential election in autumn were overshadowed by domestic policy disputes between the most important personalities, Serbian Prime Minister Zoran Djindjic and Yugoslav President Vojislav Kostunica. This, and the resulting disillusionment of the population with politicians, resulted in the failure of the presidential election on two occasions because of low turnouts. It was to be repeated in the spring of 2003.

It must be pointed out that enormous progress has in fact been achieved since the end of the Milosevic regime. Relations with neighbouring countries have been largely normalised and important agreements concluded, for instance with Croatia on the Prevlaka peninsula and with Hungary on minority protection. On 11 April an act was passed on cooperation with the Hague-based International Criminal Court for the Former Yugoslavia. Negative foreign policy effects from weapons deliveries to Iraq and Liberia could be limited through constructive cooperation with international partners.

Austria has expressly endeavoured to support the comprehensive process of economic, social and political reform that has commenced over the past two years, bilaterally as well as in concert with its EU partners. An intensive exchange of visits at diplomatic level in 2002 underlined the importance of the Federal Republic of Yugoslavia as a political and economic partner of Austria. Some of the highlights were visits to Belgrade by Austrian President Thomas Klestil and Minister for Foreign Affairs Benita Ferrero-Waldner, and a meeting between Austrian Federal Chancellor Wolfgang Schüssel and Serbian Prime Minister Zoran Djindjic in Salzburg. Austria is Yugoslavia’s third-largest foreign investor after Germany and Italy, exports goods to the country to the value of €250m every year, and in 2002 raised €3.5m for project assistance there.

The signing of the Belgrade Agreement caused a government crisis in Montenegro. The reason was the clause that gives both constituent states the right, after three years, to decide on independence by means of a referendum. The Liberal coalition partner rejected this formulation as insufficiently radical and refused further parliamentary support. The ensuing election on 20 October resulted in a surprising victory for President Djukanovic, who had campaigned for the implementation of the Belgrade Agreement, and who now gained an absolute majority at the head of an electoral coalition. Subsequently, Djukanovic resigned as President and resumed his former position as Prime Minister. The regular presidential election took place on 22 December, when Speaker of Parliament (and party comrade of Djukanovic) Filip Vujanovic gained by far the largest number of votes. The election was, however, declared invalid, because participation had been less than 50 per cent, and had to be repeated in 2003.

In Kosovo the international community, especially the UN Interim Administration Mission in Kosovo (UNMIK), endeavoured to achieve peaceful coexistence between the various ethnic groups on the basis of Security Council Resolution 1244 (1999), improve the administrative structures and the security situation, and promote a general awareness of democracy and civil society. At the end of February the leading Kosovo-Albanian party agreed on the appointments to the most important offices in the provisional administration after the election on 17 November 2001. Ibrahim Rugova was elected President and Bajram Rexhepi Prime Minister. Representatives
of all three large Albanian parties as well as the “Povratak” coalition of Kosovo-Serbs were elected to ministerial posts.

The new Special Representative of the UN Secretary-General, Michael Steiner of Germany, since taking up his office in January has attempted to improve public security. He countered the movement for independence by the Kosovo-Albanians with his programme of “Standards before Status” – the sustained implementation of economic, social and democratic reforms, as well as supporting the return of Serbian refugees. After negotiations with Belgrade he also succeeded in having the northern part of the divided town of Mitrovica and the north of Kosovo, both with majority Serbian populations, placed under United Nations administration. Local elections were held in Kosovo on 26 October, but the level of participation by the Serbian population was far below that of the Albanian majority. The Democratic League of Kosovo, under Ibrahim Rugova, was the main victor.

Two years after the fall of Slobodan Milosevic, the Federal Republic of Yugoslavia at the end of 2002 continued to be on a course towards Europe. Its progress in this direction will be aided in the medium term by the signing of a Stability and Association Agreement.

Albania

At the beginning of 2002 the governing Socialist Party was divided into two wings under Chairman Fatos Nano and Prime Minister Ilir Meta. Meta resigned in January after his failure to form a government and was succeeded by Defence Minister Pandeli Majko. The Socialist Party nevertheless remained divided, and the situation calmed down only in April. On 24 June Alfred Moisiu was elected State President by Parliament with the votes of government and opposition. The lack of unity in the Socialist Party, and also the deep divisions between government and opposition were thus overcome in the spirit of a reform-oriented policy. The election of Moisiu rested on an agreement between Nano and Berisha whereby Nano became Prime Minister in July. Since then, the political situation in Albania can be regarded as stable.

Subsequently, there was a series of new appointments to several institutions, and the campaign against organised crime was stepped up. Steps were taken to implement the OSCE’s proposals for alterations to the electoral legislation. Albania’s intensive efforts to achieve reform were acknowledged in a decision by the EU foreign ministers to open negotiations on a Stability and Association Agreement.

Austrian Minister for Foreign Affairs Benita Ferrero-Waldner, both bilaterally and within the EU, strongly advocated a swift rapprochement of Albania to the European Union, since only thus could the reform-oriented forces be strengthened and supported. The start of the SAA negotiations is therefore not least due to Austria’s constant and intensive efforts. At the same time, Minister Ferrero-Waldner, in discussions with Albanian politicians, pointed out the importance of substantial measures of reform that would enable the actual implementation of such an agreement on the Albanian side. The EU and the OSCE organised a joint conference of the Friends of Albania in Vienna on 17 April to consider the situation in the country and to draft proposals for reform.

Macedonia (in EU context called: Former Yugoslav Republic of Macedonia)
After the armed crisis between the ethnic Macedonian and ethnic Albanian population groups in 2001, appreciable progress was made in 2002 towards achieving reconciliation between the two sides. The first stage was the implementation of the Ohrid Peace Agreement of August 2001, which was to a great extent fulfilled. Numerous new laws were passed to ensure the equality of the ethnic groups. By July the police forces had returned to the villages they abandoned during the fighting in 2001.

In mid-2002 the ethnic Albanian party landscape was completely reshaped. The new Democratic Union for Integration (DUI), founded in June by Ali Ahmeti (leader of the former National Liberation Army), whose programme is essentially the peaceful and complete implementation of the Ohrid Agreement, received almost two thirds of the ethnic Albanian votes in the parliamentary election on 15 September. The election also brought a swing within the ethnic Macedonian camp. The hitherto largest government party VMRO-DPMNE sustained large losses, whereas the Together for Macedonia electoral coalition, led by the Social Democratic Union of Macedonia, managed to obtain 60 of the 120 parliamentary seats. Since then, the country has been governed by an SDUM-led coalition with the DUI under Branko Crvenkovski with the goal of promoting peaceful development.

At the end of 2002 there was still a strong international presence in the country. A special role was played by EU Special Representative Alain le Roy of France, who was replaced in October by Alexis Brouhns of Belgium. Le Roy negotiated constantly between the ethnic groups and in many cases was able to prevent outbreaks of violence. Austrian Minister for Foreign Affairs Benita Ferrero-Waldner, in bilateral meetings with Macedonian politicians, repeatedly stressed the importance of a complete implementation of the Ohrid Agreement for the peaceful coexistence of the ethnic groups, and thereby provided on-the-spot support for the work of the EU Special Representative. The Stability and Association Agreement with Macedonia is still at the stage of ratification. Austria ratified it in 2002. Meantime, an interim agreement has been in force since 2001 to regulate economic and trade relations.

The Western Balkans and the European Union

The political and economic stability of South-Eastern Europe is one of the most important goals of Austrian foreign policy. The most significant tool for the stabilising of the region is the European perspective, the step by step approach by the countries of the Western Balkans to the European integration structures. The condition for this approach, which has economic and financial advantages, is the implementation of important reforms that serve the purpose of economic and political stabilisation. The European perspective provides the necessary incentive to come to grips with the problems of the region, something that is not simply of advantage to the region itself, but also to the EU in the interest of wider security. The approach to the EU proceeds in several phases, with the speed determined by the states themselves in step with the progress achieved with the reforms.

Austria places a high value on this process of stabilisation and association that has been established by the EU for the five countries of the Western Balkans, and provides wholehearted support for the EU’s endeavours to bring them as soon as possible into the European family. Austria’s commitment and expertise in this
connection are underlined by the massive presence of over 600 Austrian personnel in the various international missions in the Balkans like the KFOR, the EU Police Mission in Bosnia & Herzegovina, or the OSCE. In the Stabilisation and Association Process the EU combines specific political and economic measures like the SAA with comprehensive programmes of financial aid as support for reforms. In April 2002 the European Commission presented its first annual report on the progress achieved by the individual countries. This told of remarkable successes as regards political stabilisation, but also of a substantial backlog of reform measures, especially of an economic, social and structural nature.

Austria remains active in the ongoing optimisation and application of all of the instruments that have been developed for the reform processes and for the EU orientation of these countries. For example, the “twinning” mechanism that was developed for the EU candidate countries – country partnerships for adaptation to the EU acquis in specific areas – has been made available to the countries of the Western Balkans. Austria has played a pioneer role here in EU projects in Croatia (integrated border management and customs) and Albania (penitentiary system).

At the beginning of 2002 Erhard Busek of Austria became Special Coordinator of the Stability Pact for South-Eastern Europe, another sign of the importance Austria attaches to this region. Austria is also present within the framework of various Stability Pact initiatives with numerous activities and financial support. Austria plays a prominent role in the task forces on education and youth as well as gender, and has the leadership of the task force on trafficking in human beings. The Investment Compact, a leading initiative for promoting investment in the region, is under Austrian leadership, and Austria provides the director of the Regional Support Centre for Implementing Arms Control and Verification in South-Eastern Europe (RACVIAC).

Other highlights of Austria’s engagement include the media, migration questions, reintegration of refugees, energy, and social issues. Examples are projects to develop occupational schools (ECO-Net) in Albania, Bulgaria and Romania; opening a refuge in Belgrade for women victims of trade in persons; cooperation with the Macedonian media on questions of conflict prevention; and refugee projects in Bosnia, Croatia and Macedonia. With Austrian support, the Stability Pact task force on gender succeeded in raising the proportion of women members of parliament in South-Eastern Europe from 7 to 15 per cent during its three years of existence.

Austria is of the opinion that the European perspective is the most important means of supporting and strengthening reform-oriented political forces in the countries of the Western Balkans, and has accordingly campaigned steadily in every EU institution for the translation of this perspective into concrete reality.

The Russian Federation

Internal developments in the Federation in 2002 were marked by contrary tendencies. On the one hand, the promulgation of reforming legislation continued: liberalisation of the sale of agricultural land; a new criminal trial procedure, with better rights for the accused and the defender; new labour law; laws against extremist activities, with punishments for racism and actions against foreigners; introduction of voluntary civilian service instead of military service and laws to combat the
legalisation of the proceeds of crime. On the other hand, the state insisted on exercising widespread influence, especially in the media sector, but also in the treatment of “foreign” religious denominations like the Roman Catholic Church, and in nationality policies. Tatarstan was obliged to adapt its autonomy-oriented constitution to conform to the federal constitution, and all official languages of the states of the Federation must now use the Cyrillic alphabet. Even President Putin criticised the low rate of detection in the country’s growing crime problem, one of the main reasons why the Duma refused to abolish the death penalty, which in fact has not been pronounced since 1999.

The domestic and foreign trade situation remained dependent on the development of prices and demand on the international commodities market. Economic growth dropped slightly (from 5 to about 4 per cent), the investment climate remained unfavourable, and the flight of capital continued. On the other hand, there was substantial growth in real wages and disposable real incomes.

Russian foreign policy puts particular emphasis on relations with the European Union, which for its part is interested in improving their quality and range. In 2002 Moscow tended to regard the question of Kaliningrad as a matter of priority. This technical question of how the inhabitants of this Russian enclave on the Baltic can be guaranteed unhindered transit to the other areas of the Russian Federation after the accession of Poland and Lithuania to the European Union without excluding Lithuania from future participation in the Schengen system, or leaving a “hole in the Schengen area”, became a high-level issue and was on the agenda of both EU-Russian summit meetings in May and September. At the EU-Russia Summit of 11 November, an agreement could be reached on a scenario for a solution; its implementation will require the introduction of special travel documents. Austria constantly advocated a pragmatic solution that would satisfy the interests of all parties concerned (i.e. EU, Lithuania, Russia).

The Russian actions in Chechnya remained subject to differing interpretations. Whereas the EU insisted that the Russian military action must not lead to a permanent violation of human rights, Moscow is disinclined to allow the issues of Chechnya, its military actions there and possible solutions to the problem to become a matter of discussion with the EU and others. It is argued that every action there serves the cause of combating international terrorism. The closure of the OSCE Assistance Group in Chechnya on 31 December was a disappointing additional restriction on the possibilities of cooperation on the spot. The EU and Austria expressed their regret at the ending of the group’s activities. The OSCE nonetheless remains ready to participate in the cooperation that Russia envisages with the OSCE and its institutions in another, presently undefined form.

A meeting of the World Chechen Congress was held in Copenhagen in October – on NGO initiative and without involvement of the Danish government. In view of this meeting’s venue, the Russian government seriously questioned the holding of the forthcoming EU-Russia summit in Copenhagen, the capital of the then EU presidency. The presidency therefore proposed that the summit be held in Brussels, a departure from the normal rhythm.

The Russian reaction to the congress in Copenhagen is understandable in the light of the action a few days previously by Chechen suicide attackers, who held several
hundred visitors to a Moscow theatre hostage for days on end. The operation to free
them by special forces resulted in the deaths of dozens of hostages, including one
Austrian. The EU sharply criticised the hostage-taking, and expressed sympathy for
the hostages and their families. Austria also made it emphatically clear to the
Russian authorities bilaterally that terrorist actions cannot be excused by any motive
whatsoever. Russia sent its condolences on the death of the Austrian citizen.

The drafting of a concept for the Common European Economic Space (not to be
confused with the existing European Economic Area, the EEA) is in hand and is due
to be completed by the autumn of 2003. Austria has given strong support to the EU’s
dialogue with Russia on enhanced cooperation in the energy sector – inter alia for the
implementation of the Energy Charter, which has not yet been ratified by Russia.
Within this framework, an EU-Russia Energy Technology Centre was opened in
Moscow on 5 November to assist with the implementation of future projects.

Although the EU has accorded market economy status to Russia, a number of
Brussels demands to Moscow were still open at the end of 2002. Among these was
the abolition of certain charges for overflying Siberia, which the EU regards as
unjustified. This issue is also of importance to Austria. These and other matters of
economic cooperation are also dealt with in the ongoing negotiations on Russia’s
accession to the World Trade Organisation, which is in principle supported by the EU
and Austria.

The European Union is Russia’s most important trading partner, and will gain further
in importance after the forthcoming enlargement. In 2002 some 40 per cent of
Russia’s foreign trade was with the EU. Energy is the principal EU import from
Russia and is of steadily growing importance. According to Eurostat, the Russian
proportion of the Union’s total energy imports rose from 36 to 50 per cent between
1995 and 2000. Russia thereby supplies 15 per cent of the EU’s overall energy
needs.

EU-Russian relations were an important element in Austria’s bilateral contacts with
Russia. Discussions thereon continued on the occasion of official working visits by
Federal Chancellor Wolfgang Schüssel in January and Minister for Foreign Affairs
Benita Ferrero-Waldner in October, respectively. Other important topics were
assessments of the international situation as well as bilateral economic and cultural
relations. An agreement on tourism was signed in January.

Asia and the Pacific

General Developments

Korean Peninsula, China, Japan, Indonesia, Timor-Leste, Burma, Philippines

The security situation in North-East Asia in 2002 was dominated by the
destabilisation of the situation on the Korean Peninsula. After the historic North-South
Korean summit meeting in 2000 the process of rapprochement slowed down and by
the end of the year had virtually come to a standstill. The information that came to
light in autumn concerning a secret uranium enrichment programme by North Korea,
and the related violations of a number of international obligations, affected North
Korea’s relations with the United States in the first instance, but also with Japan, South Korea and the European Union, all of which are interested in a nuclear-free Korea and in preventing a proliferation of weapons of mass destruction in the region.

Apart from North Korea, however, the situation in North-East Asia in 2002 could be described as stable. The People’s Republic of China, which is increasingly developing into a determining regional factor, pursues its own ambitious economic and development goals predominantly through a peaceful neighbourhood policy. Even old disputes like the status of Taiwan, or territorial issues in the South China Sea, are considered from this aspect. The 16th Congress of the Communist Party of China in November represented a milestone, but no turning point, in the country’s political and economic reform process, since the generation change in China’s leadership has so far taken place only at party level. The new leadership in government and party is confronted with significant problems: the closing of unprofitable state industries and the management of the resulting unemployment; and finding a more just balance between poor and rich, which in China means a balance between the rapidly developing coastal regions and the less developed hinterland, as well as between cities and rural areas. In the longer term the list will include enormous transport and environmental problems as well as the further development of democratic institutions.

The 1997/98 economic and financial crisis can be regarded as largely overcome. Most countries of the region now show positive economic growth rates; some of them, indeed, like China, South Korea, India and Vietnam, are leading the world with healthy growth rates above 5 per cent. Several of the traditionally most successful national economies, like Singapore, Hong Kong, Taiwan and more recently Japan (with a high level of domestic debt and overdue economic reforms), are stagnating, however. These economies are oriented towards high technology and are relatively expensive industrial locations within the Asian context, so that more and more firms are relocating to cheap labour countries, principally China. Economic and financial interdependence in the region has increased substantially.

The democratisation process that began in 1999 in Indonesia continued in 2002 through four constitutional changes, which inter alia ended the automatic allocation of 38 parliamentary seats to the armed forces, and the adoption of a new law on political parties. The difficult economic situation, with high unemployment, has, however, led to growing support for radical groups. On 12 October there was a serious incident with 190 deaths, when a terrorist bomb exploded in a strongly frequented tourist resort on the island of Bali. The Indonesian government was accused by the United States, Australia and several EU member countries of an excessively lax attitude towards Islamic extremists. The Jemaah Islamiyah regional organisation is presumed to have been behind the Bali atrocity, and also to maintain links with the Al-Qaida network. The EU, US and Australia, from where most of the victims came, sharpened the travel warnings made available to their citizens. Demands were made that the government of Indonesia should take more incisive steps against radical politico-religious groups.

Timor-Leste (East Timor) became independent on 20 May 2002 in a ceremony attended by UN Secretary-General Kofi Annan. The 57th UN General Assembly welcomed it as its 191st member state. The first free parliamentary election had taken place in August 2001. The former freedom fighter Xanana Gusmao won the
presidential election in April 2002 by a huge majority. The foreign policy of the young state is mainly directed towards securing its newly-won independence and ensuring its economic survival.

The situation in Myanmar/Burma was marked by the hope of a beginning of a process of democratisation, after the Nobel Peace Prize laureate Aung San Suu Kyi, the election victor in 1990, had been released from house arrest. During the following months, however, there were repeated setbacks and arrests of opponents of the regime. The EU Common Position on Myanmar, which inter alia imposes travel restrictions on high-ranking members of the military regime, was prolonged by the Council in April and October.

The security situation in the Philippines deteriorated again, partly due to the activities of bands of criminals, but also those of radical Moslem organisations like the Abu Sayyaf group or the Moro Islamic Liberation Front (MILF). Both are regarded as having links with international terrorist networks like Al-Qaida or Jemaah Islamiyah. After the terrorist attacks in the US on 11 September 2001 the Philippines has participated unreservedly in the US-led anti-terror coalition and worked closely with the United States in its campaign against internal terror.

Central Asia

The Central Asian neighbours of Afghanistan, which even before the events of 11 September 2001 had felt themselves threatened by developments there, gained in geostrategic importance thereafter – which, however, did little to improve the human rights situation or regional cooperation. The enhanced interest taken in Central Asia by world opinion continued in 2002 and manifested itself in a prolific exchange of visits with the US and other members of the Anti-Terror Coalition, mainly EU countries. President Emomali Rakhmonov of Tajikistan and President Islam Karimov of Uzbekistan visited the US, President Rakhmonov also went to France, and President Askar Akayev of Kyrgyzstan visited Germany. The stationing of troops in Kyrgyzstan, Tajikistan and Uzbekistan continued under the Anti-Terror Coalition. The Russian Federation was permitted to use the Kant airbase in Kyrgyzstan, thereby creating a balance in Kyrgyzstan’s foreign policy.

Endeavours were nevertheless made to expand cooperation at regional level. In June, the Conference on Interaction and Confidence-Building Measures in Asia (CICA) was founded in Almaty (Kazakhstan). The meeting of the Central Asian Cooperation in Dushanbe (Tajikistan) elected Uzbek president Islam Karimov as its chairman, and resolved to create closer cooperation between its foreign ministries, parliaments and economic circles. On the other hand, there were repeated border closures in connection with domestic political developments in individual countries of the region.

Although events in Afghanistan and the subsequent stationing of troops from the Anti-Terror Coalition led to a reduction in the threat to the Central Asian countries from extremist Islamic forces, new potential threats to various regimes arose from domestic causes. The government of Kyrgyzstan had to resign because of developments in connection with the transfer of territories to China, and unrest in the south of the country; a new constitution was drafted. Turkmenistan was confronted with an ostensible attempt to assassinate President Saparmurat Niyasov, who took
this as the occasion to instigate show trials against the opposition, especially against former foreign minister Boris Shikhmuradov. The Turkmen accusation that Uzbekistan had assisted the attempted assassination led to a deterioration in bilateral relations.

In view of the enhanced importance of the region, the EU doubled its annual TACIS funding for Central Asia to €50 million. TACIS cooperation with Tajikistan recommenced. An EU Troika at foreign ministry regional director level visited Kazakhstan, Kyrgyzstan and Uzbekistan in July. A “Europe House” was opened in Uzbekistan in August to improve the coordination of EU assistance and information. In October the EU Drug Action Plan for Central Asia was signed. Cooperation committee meetings were held locally with Kazakhstan, Kyrgyzstan and Uzbekistan and cooperation council meetings with all three separately in Brussels. The subcommittees on trade and the economy for Kazakhstan and Uzbekistan met in the respective capitals, and were supplemented by the meetings of new sub-committees on justice and internal affairs. The Parliamentary Cooperation Committee for Uzbekistan met in Strasbourg in May. The second meeting of the Joint Committee with Tajikistan was held in Dushanbe in December under the Trade and Cooperation Agreement. An indicative programme was drafted for the period 2002-2004 within the framework of the TACIS Strategy Paper for Central Asia for 2002-2006.

Relations between the EU and Kazakhstan deteriorated after the arrest of the opposition politician Shadijanov just after his visit to the French Embassy in Almaty. The EU undertook several demarches and issued declarations in connection with the democratic and deteriorating media situations. The European Parliament awarded the expatriate opposition politician and former prime minister Akeshan Kashegeldin the “Freedom Pass” – a symbol of support for democratic opposition movements in countries with democratic deficiencies. The EU issued declarations on the situation in South Kyrgyzstan, in particular on the arrest of the opposition politician Beknazarov. A demarche was undertaken in respect of Tajikistan on account of the expulsion of Afghan refugees and the death sentence pronounced on the Nazriyev brothers. Tajikistan also received humanitarian aid to ameliorate the effects of the lengthy drought. EU declarations were issued in respect of the media situation in Turkmenistan and the legal steps taken against those allegedly involved in the failed assassination attempt against President Saparmurat Niyasov. In Uzbekistan, demarches were carried out in connection with imprisoned human rights activists.

Austria started a project for cooperation in the field of border guards in Central Asia with support from TACIS funding.

Afghanistan

Operation “Enduring Freedom” by the international Anti-Terror Coalition under US leadership started on 7 October 2001 and continued throughout 2002, mainly in the form of military operations in the Afghan mountains against the Al-Qaida network and remnants of the Taliban regime. The largest single operation took place in March under the name of “Anaconda”.

From 20 to 22 January 2002 Minister for Foreign Affairs Benita Ferrero-Waldner led an Austrian delegation to the International Conference for the Reconstruction of Afghanistan in Tokyo, to which the Afghanistan Reconstruction Group (ARSG) had
invited all potential donor countries. The chairmanship of the ARSG is shared by Japan, Saudi Arabia, the US and the EU.

The conference was a considerable success for the Afghan population. The total sum pledged over a number of years was $4,500 million, of which $1,800 million was promised for 2002. Additional aid was offered in the form of goods. The determination of the international community to put Afghanistan back onto its feet was clearly expressed.

Minister for Foreign Affairs Benita Ferrero-Waldner pledged an Austrian contribution of €12.3 million, structured as follows:

- €4.5 million for sending a contingent of the Austrian armed forces to participate in the International Security Assistance Force (ISAF) in Kabul for a period of six months.
- €6.5 million for reconstruction activities during 2002-2004.
- €1.1 million for humanitarian assistance.
- €200,000 for immediate de-mining activities.

The Minister defined Austria’s three main fields of activity within the framework of the reconstruction as: strengthening women’s rights, de-mining, and combating drugs.

By the end of 2002 Austria had completely fulfilled its promises made in Tokyo. The extension of participation in the ISAF involved expenditure of €2.5 million in addition to the funds pledged in Tokyo. A further €110,000 was budgeted for the maintenance of the Austrian ISAF presence in 2003 with a five-man team of staff and liaison personnel.

The most important milestone in the implementation of the Bonn Agreement of 5 December 2001 was the conclusion of the Emergency Loya Jirga in Kabul on 19 June 2002. This traditional assembly was attended by around 1,600 delegates from all parts of the country, and for the first time in Afghanistan’s history included women. A woman also stood as candidate for the office of President. Minister for Foreign Affairs Benita Ferrero-Waldner had previously undertaken several initiatives to press for the participation of women. Their actual participation was around 10 per cent, which in view of Afghan tradition and history must be considered a tremendous success.

The Emergency Loya Jirga ended with the election of State President Hamid Karzai, who also functions as head of government, and the formation of a government in the form of an Afghan Transitional Authority. With the approval of the Loya Jirga this has achieved a degree of democratic legitimacy, in contrast to the previous transitional administration. According to the Bonn Agreement, a Constitutional Loya Jirga must be called 18 months after the end of the Emergency Loya Jirga, followed by free elections not later than the summer of 2004.
India and Pakistan

On 13 December 2001 a group of terrorists attacked the Indian parliament. India accused the Pakistan-based Islamic groups Lashkar-e-Toiba and Jaish-e-Mohammed of being the perpetrators, and demanded firm action against them by Pakistan. Subsequently, in early 2002, it came to a large-scale troop mobilisation on both sides of the demarcation line in the disputed province of Kashmir. Bus and rail connections between the two countries were cancelled and rights of overflight terminated. There was a drastic reduction of personnel at the respective diplomatic missions. The bilateral crisis reached a dangerous peak in mid-May. India had expelled the Pakistani ambassador as a reaction to a rebel attack on an army camp in Kashmir that resulted in 30 deaths, and the danger of open hostilities between the two nuclear powers again became a realistic scenario. India and Pakistan had over a million soldiers assembled in the border region, especially in the Kashmir region, and the rhetoric of both sides at times contained no absolute assurance that nuclear weapons would not be used.

Despite international protests, in January India tested a nuclear-capable medium-range missile, which was greeted with regret in declarations issued by the EU and the US. Shortly afterwards, in May, Pakistan conducted comparable tests with nuclear-capable medium-range missiles, followed by more tests in October.

After forceful international reactions to the escalation of tensions between the two nuclear powers, India finally took the first concrete steps to defuse the tension by restoring rights of overflight for Pakistani civilian aircraft, recalling its navy to base, and appointing a diplomatic representative to Islamabad in ambassadorial rank. The government in New Delhi thus reacted to the assurances given by President Musharraf of Pakistan that Moslem extremists would be prevented from infiltrating into the Indian sector of Kashmir. However, a clear de-escalation began only after the local elections in Jammu and Kashmir in September and October and the parliamentary election in Pakistan on 10 October. The mutual withdrawals of large troop contingents were an important signal for a de facto release of tension, these were largely confined to regions outside Kashmir. Although the immediate danger of a military escalation was thus averted, neither politically nor indeed in substance has there been any resolution of the conflict.

Austria and the entire European Union made intensive efforts to reduce the tensions between the two nuclear powers. All the partners supported the relevant EU declarations. Visits were paid to the region by the High Representative for the CFSP, Javier Solana, Commissioner for External Affairs Christopher Patten and others. The EU foreign ministers sent messages with identical texts to their opposite numbers in India and Pakistan. Austrian Minister for Foreign Affairs Benita Ferrero-Waldner handed over the EU message on the occasion of her meetings with the two foreign ministers and other prominent political figures in both countries.

President Musharraf held a referendum on 5 April, which confirmed him in office for a further five years. The parliamentary election on 10 October was the first to be held since the takeover by General Musharraf in October 1999. It resulted in a considerably increased vote for a radical Islamic alliance (MMA) of six parties, which also emerged as the strongest group in several parallel provincial elections. Human rights organisations criticised the fact that the power of the president had been
strengthened in relation to the parliament by comprehensive constitutional changes promulgated in August prior to the election.

Sri Lanka

On 22 February the government of Sri Lanka and the LTTE (“Tamil Tigers”), who had been fighting for independence since 1983, signed an armistice agreement negotiated by Norway, and thereby presented an opportunity for attaining peace in the country for the first time for years. After a meeting with Sri Lankan government representatives in Oslo on 14 August, the LTTE finally declared itself ready to undertake peace negotiations, which accordingly commenced on 16 September in Satahip (Thailand). It was obvious that both sides were genuinely interested in making progress with the talks. There was a successful third negotiating round in Oslo from 2 to 5 December, when agreement was reached in principle on structures for a federal system in Sri Lanka. Three additional negotiating rounds were foreseen until March 2003.

Nepal and Bhutan

A refugee problem led to appreciable tensions between Nepal and Bhutan, which are both priority countries for Austrian development cooperation. The government of Bhutan insists that a substantial proportion of the 100,000 or so inhabitants of the refugee camps come from neighbouring areas of Nepal and have never lived in Bhutan, but this is denied by Nepal. In view of the delays in the attempts to reach a solution, the EU presidency expressed its concern over the situation to both foreign ministers, and called for an acceleration of the bilateral process and the resumption of a dialogue. Minister for Foreign Affairs Benita Ferrero-Waldner made a further approach in this sense to the foreign ministers of both countries.

King Gyanendra of Nepal dismissed the prime minister in October, and replaced him with another candidate regarded as loyal to himself. The king also cancelled the parliamentary election scheduled for 13 November. Since 1996 “Maoist” rebels have been fighting government troops, with around 8,000 deaths resulting.

Regional Organisations

The 10-member Association of South-East Asian States (ASEAN) comprises Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar/Burma, the Philippines, Singapore, Thailand and Vietnam. It is still a long way from being able to play a decisive political role in the region. There was a partial departure of its principle of non-intervention to cover cases where problems have cross-border dimensions, but divergences between the national systems and individual levels of development continued to hinder progress on cooperation, so that no significant political impulses emanated from the Association in 2002. On the other hand, the entry into force of the ASEAN Free Trade Association (AFTA) in April 2002 provided an economic stimulus, although it is initially restricted to the ASEAN founding members Indonesia, Malaysia, the Philippines, Singapore and Thailand. This is supplemented by the November 2001 agreement with China, which over the next 10 years will set up a free trade area between the ASEAN members and China. Japan propagated the idea of a comprehensive economic partnership with ASEAN, to be developed over the next five years, but this does not include any free trade components.
The Shanghai Organisation for Cooperation, comprising China, Kazakhstan, Kyrgyzstan, the Russian Federation, Tajikistan and Uzbekistan, has the aim of assuring stability in the region through confidence-building measures and joint action to combat terrorism.

The founding document of the Conference on Interaction and Confidence-Building Measures in Asia (CICA) was signed in Almaty (Kazakhstan) in June after years of negotiations. Set up as a result of Kazakhstan’s initiative, this organisation has the primary purpose of confidence-building in a similar manner to that of the OSCE in Europe. Its initial membership comprises Afghanistan, Azerbaijan, China, Egypt, India, Iran, Israel, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, the Russian Federation, Tajikistan and Turkey.

The Central Asian Cooperation comprises Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. It was decided to establish closer collaboration at the levels of foreign ministries and parliaments, and to set up a Central Asian Economic Forum.

EU-Asian Partnership

Since 1978 the bi-annual ASEAN-EU Ministerial Meeting (AEMM) has been the basis for a formalised dialogue between the two groups. The latest meeting between the EU and ASEAN foreign ministers took place on 27/28 January 2003 in Brussels. EU-ASEAN economic cooperation was institutionalised in 1980 with the conclusion of the EC-ASEAN Cooperation Agreement (EACA) covering trade, economic and development aspects.

The process of dialogue with Asia increased in intensity in 1996 with the foundation of the Asia-Europe Meeting (ASEM), a forum for a dialogue between heads of state and government. Since then, there have been biennial summit meetings involving the 15 EU states, the European Commission, the ASEAN states (with the exception of Myanmar/Burma, Cambodia and Laos) as well as China, Japan and South Korea. The ASEM dialogue covers political, economic and cultural matters, involving meetings of the respective ministers, with the foreign ministers responsible for the coordination of the process as a whole. At the meeting of ASEM foreign ministers in Madrid on 6/7 July 2002 it was decided to deal with the question of enlarging the ASEM at the fifth ASEM Summit in Hanoi in 2004. The candidates for inclusion would be the ten new EU members and the three remaining ASEAN members, whereby the question of admitting Myanmar/Burma to the process remains controversial.

The fourth ASEM Summit (ASEM IV) took place in Copenhagen from 22 to 24 September 2002. In addition to current political themes, the meeting considered the institutionalisation of closer economic and financial cooperation in the light of the World Trade Organisation’s Doha Development Agenda. A task force was set up to this end, to report by 2004 on the interregional extension of trade, investment and financial relations. The summit also considered measures to strengthen cooperation towards combating international terrorism and protecting the environment, the extension of cultural relations, strengthening people-to-people contacts, and involving national parliamentarians in ASEM activities.
Other ASEM institutions include the Asia-Europe Foundation (ASEF), which uses academic and cultural activities to promote mutual understanding; the Asia-Europe Business Forum, which brings together representatives of the private sector from both regions; and the Asia-Europe Young Leader Symposium (AEYLS), an Austrian-Japanese initiative that organises annual symposia, most recently in Berlin in June 2002.

The Middle East, North Africa and the Mediterranean

General Developments

In Israel the year 2002 was again largely dominated by the Palestinian-Israeli conflict. The “Al-Aqsa-Intifada” that started in September 2000 cost more than 2,400 dead (1,763 Palestinians, 647 Israelis) as well as over 30,000 wounded, and caused immense economic damage. In November the Israeli Labour Party left the coalition government under Ariel Sharon (Likud), as a result of which new elections had to be called for January 2003. After the worst wave of terrorism for years within Israel, the theme of security occupied a central place in the discussion. Towards the end of the year the likelihood of a war against Iraq by the US and its allies, and the possibility of an Iraqi attack on Israel (as happened in 1991), cast its shadow forward.

US President George Bush, in his State of the Union address on 29 January, described North Korea, Iran and Iraq and their “terrorist allies” as an “axis of evil”. In his speech to the UN General Assembly on 12 September he demanded the implementation of all Security Council resolutions on Iraq, including the destruction of Iraq’s weapons of mass destruction. Security Council Resolution 1441, adopted unanimously on 8 November, and accepted by Iraq on 13 November, held out a final opportunity to fulfil the disarmament conditions. The resolution gave Iraq one month to present a detailed declaration of its nuclear, biological and chemical weapons as well as carrier systems, and to allow the UNMOVIC and IAEA inspectors unrestricted access to all locations. Iraq was warned that any violation of these conditions would have serious consequences. Austria and the EU regarded Resolution 1441 as an important step towards eliminating Iraq’s weapons of mass destruction and strengthening the central role of the UN Security Council. On 27 November the UN weapons inspectors were again permitted to enter Iraq. On 7 December Iraq delivered the declaration demanded by Resolution 1441 on its weapons and carrier systems. On 19 December the Security Council met together with the leaders of the UNMOVIC and IAEA teams for an initial assessment of the Iraqi declaration. The United States and United Kingdom expressed disappointment over significant disparities in the declaration. France doubted its veracity. The Russian Federation and China stressed the necessity of a further and more exact examination.

Domestic policy in Iran was once again marked by a trial of strength between the two political camps designated “conservative” and “reformist”. This situation culminated during the second half of the year in two government bills in parliament to strengthen the position of the president and to reduce the powers of the Council of Guardians. The proposals were passed on first reading and parliamentary consideration is proceeding. The conservative judiciary increasingly reacted with repressive verdicts against exposed representatives of the progressive camp. Leading functionaries of opinion research institutes were sentenced to many years in prison for alleged
collaboration and propaganda against the state, several progressive newspapers were closed down temporarily, and a critical theologian was sentenced to death for criticising the role of the Islamic clergy within the state. This death sentence was, however, revoked in the face of widespread protests. Ever since the “axis of evil” speech by US President Bush Iran has attempted to demonstrate that the US accusations are groundless, and repeatedly points to its cooperative attitude towards the overthrow of the Taliban regime in Afghanistan as well as in combating terrorism (for example no asylum for Taliban or Al-Qaida combatants). Iran expressly welcomed the adoption of Security Council Resolution 1441. In November its foreign ministry spokesman expressed Iran’s hope that Iraq would cooperate fully with the UN inspectors. There were no official contacts with the United States, but Iran opened negotiations with the European Union in December 2002 on a Trade and Cooperation Agreement as well as a dialogue on political questions and human rights. Bilateral relations with Austria reached a peak in March with a visit to Vienna by State President Khatami, which was also an occasion for the signing of a Memorandum of Understanding on comprehensive cooperation between the two countries. What is projected is primarily an intensification of economic and cultural relations. The first would include large rail and underground rail projects, agreements on oil, and the signing of an agreement on double taxation. The second envisages an extension of the existing Cultural Protocol, and the holding of events to further the Intercultural Dialogue. Austria supports Iran’s endeavours to develop relations with the European Union as well as the conclusion of the desired EU-Iran cooperation agreement.

The traditional close relationship between Saudi Arabia and the United States has been increasingly overshadowed by mutual mistrust ever since the terrorist attacks on 11 September 2001. Whereas Saudi Arabia became more and more critical of the US attitude in the context of a looming new Gulf conflict, and pointedly opposed any US attack on Iraq outside the framework of the United Nations, there was increasing opinion within the US that Saudi Arabia was involved in Islamic terror. At the same time, Saudi Arabia was sending cautious signals of rapprochement to Iraq, like the reopening of the Arar border crossing point and the restoration of telephone links.

The United Arab Emirates also demonstrated concern over the possibility of the outbreak of another Gulf war. On domestic policy, an “amnesty” similar to the one announced in 1996 was to take effect from January 2003 in order to give the estimated 300,000 illegal foreign workers the opportunity to leave the country or apply for legalisation of their residence.

The dominant foreign policy theme for Kuwait in 2002 remained relations with Iraq. Twelve years after the Iraqi invasion, Kuwait still regards the regime in Baghdad as a threat. The summit meeting of the Arab League in Beirut in April adopted a passage on Kuwaiti-Iraqi relations in its final communiqué. This led for the first time to a relaxation of relations between the two states, but Kuwait did not regard the Beirut summit as in any way the beginning of a process of reconciliation. There was also no rapprochement after Iraq’s return of more than 100 tonnes of archive material, which Kuwait described as worthless. Kuwait is still faced with the problem of over 600 persons missing or taken prisoner during the 1991 Gulf war, a solution to which is regarded as a precondition for a normalisation of relations with Iraq. Kuwait remained reserved on the question of possible military action against Iraq, and repeatedly stressed that that was a matter for clarification between Iraq and the United Nations.
Meanwhile, the United States continued to build up its forces in Kuwait as well as in Qatar and Bahrain.

Internal political developments in Bahrain were dominated by endeavours to open the political system, and by the transition from an absolutist emirate to a constitutional monarchy on the basis of a reform that came into effect in February. According to the new constitutional regulations, legislative powers will be exercised by a parliament elected on the basis of a free, direct and universal suffrage together with a consultative council appointed by the King. The first parliamentary election was held at the end of October according to plan and resulted in a balance between the Islamic and independent groups of members.

Egypt continued its endeavours to mediate in the Israeli-Palestinian conflict, and to maintain the moderate line of the Arab states, against a background of escalating violence. In its Iraq policy, too, Egypt relied on discreet diplomacy and ensured that neither its strategic partnership with the US nor its chances of exercising influence within the Arab world would be endangered. These framework conditions led to a balanced and moderate attitude towards the Iraq crisis. Economically and socially, the Egyptian tourist industry has been hard hit by the persistent negative effects of the terrorist attacks on 11 September 2001 and the Middle East conflict.

President Bouteflika of Algeria has led his country back onto the international stage since his election in 1999. In addition to the integration movement on the African continent, in which Algeria has been particularly prominent since its OAU presidency in 1999, its foreign policy has concentrated principally on Europe and the United States. Since 11 September 2001 cooperation on combating terrorism, in which Algeria regards itself as an important partner on account of its ten years of experience, has had a specially important role in its foreign policy. On the other hand, the hoped-for rapprochement with Morocco has not been realised, due primarily to divergences on the Western Sahara question: Algeria insists on the right of the Saharouis to self-determination and supports the positions of the POLISARIO, whereas Morocco’s favoured solution rejects any far-reaching territorial autonomy. Algeria signed an association agreement with the European Union on 21 April 2002, and membership of the World Trade Organisation was planned for 2003. The process of national reconciliation (concorde civile) continued. The security situation was better than in previous years, but with ongoing acts of terrorism was still far from normal. Economic and social development remained behind expectations, and the parliamentary election on 30 May did little to alter the political landscape. There was no repetition of the 2001 unrest in the Kabylei crisis region, but the political situation there remained tense.

Lebanon was able to demonstrate its return to normality by hosting the summit meeting of the Arab League in March and the meeting of francophone countries in October, both in Beirut. This image was, however, periodically overshadowed by the situation along the border with Israel. Violation of the “blue line” by the Hisbollah, mostly in the vicinity of the “Shebaa Farms”, and by Israeli overflying, as well as the dispute over the amount of water Lebanon could take from the Hasbani River, all kept tensions with Israel alive. The signing of an association agreement with the European Union, and the results of the international donor conference (“Paris II”), were highlights in an otherwise sombre economic situation. However, it was expected that
the situation would stabilise in 2003 as a result of interest rate reductions as well as planned revitalisation measures. The main point of criticism by the political opposition remained the presence of and the influence exerted by Syria.

The foreign policy of Libya is still centred on the African Union (AU), the Charter of which entered into force at the summit meeting of the Organisation of African Unity in Durban in July. Colonel Gadhaffi, president of the Organisation of Sahel-Saharan States (CENSAD), the largest African regional organisation, exercises a powerful influence on the hard core of the AU. He advocated the choice of Sirte as the location of the Pan-African Parliament and proposed several amendments to the AU Charter, including the creation of a unitary African state and an all-African army. He strongly criticised the New Economic Partnership for African Development (NEPAD), which he claimed lacked democratic legitimacy. Instead of participating in the Barcelona Process, Libya in 2002 endeavoured to enhance cooperation between the western Mediterranean countries (the “5+5 Group” - Algeria, Libya, Mauritania, Morocco, and Tunisia, with France, Italy, Malta, Portugal and Spain) and to create a “6+6 Group” with the addition of Egypt and Greece. Libya succeeded in improving its relations with France (e.g. by offering compensation to the families of the victims of the 1989 attack on a French DC10 aircraft) and the United Kingdom (meeting between Ghadaffi and the Deputy Foreign Secretary), but a normalisation of relations with the United States is still not in sight. The Arab League is becoming increasingly critical of Libya; in October Libya declared its withdrawal from the organisation, but subsequently suspended this decision.

Morocco’s first parliamentary election under King Mohammed VI, in September 2002, was a democratic success on account of its transparency. The governing USFP narrowly managed to defend its relative majority. The major winner, as expected, was the Islamic Party, the PJD, which became the country’s third-largest political force. The appointment as Prime Minister of the non-party, independent, former minister of the interior Driss Jettou, who is politically close to the Palace, is regarded as a sign that King Mohammed intends to exert more influence on day-to-day politics in the future. The PJD was not represented in the new government that was sworn in on 7 November, and is therefore the main opposition party. The major social reforms that were expected in 2002 were not carried out, and the adverse economic situation during the previous years increased the poverty of the population. The conflict over the tiny Mediterranean island of Perejil in July was only one, albeit spectacular, sign of Morocco’s difficult relations with neighbouring Spain. Morocco had withdrawn its ambassador from Madrid in 2001, and the Spanish ambassador to Morocco was now also recalled over the Perejil crisis. Relations with neighbouring Algeria remained problematical, and the land border stayed closed. A solution to the Western Sahara conflict is nowhere in sight; the UN peace process ground to a standstill, and no decisive progress was achieved through direct talks between the parties to the dispute. Negotiations continued with the United States on the planned creation of a free trade zone.

In Mauritania, the institutional framework for democracy and the rule of law has now been created. The current process of rapprochement between Morocco and Mauritania is proceeding smoothly. Cooperation on military policy with the United States and the United Kingdom continued on the level of the previous year, but that with France remained frozen, despite a gradual normalisation of relations.

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Tunisia’s foreign policy priorities remained relations with Western states, especially the European Union, with neighbouring and other Arab countries, the campaign against international terrorism, and efforts to obtain progress in the Middle East conflict. A constitutional change intended to further democracy and the rule of law also created an opportunity for another candidature by President Ben Ali in 2004. The basically vigorous economic developments, in cooperation with the European Union, were overshadowed by temporary setbacks in tourism, especially after a terrorist attack in Djerba in April, and the consequences of years of drought.

The year 2002 in Sudan was marked by progress in the peace talks between the conflict parties in the civil war. An armistice between the government and the SPLA/M covering the Nuba Mountains region was signed in Bürgenstock (Switzerland) in January and later extended. On 20 July the conflict parties concluded the Machakos Agreement in Kenya; it contains the basis for a possible future shaping of the Sudan and thus for a continuation of the peace process. (See also the chapter on Africa south of the Sahara.)

Syria became a non-permanent member of the UN Security Council at the beginning of 2002, and made a special point of upholding the interests of Arab states. In November, Syria voted for Resolution 1441, at the same time stressing that this was not a licence for a forcible change of regime in Iraq. Syria maintained its position on the Middle East situation, namely, the “land for peace” principle that was laid down at the peace conference in Madrid as well as the relevant UN resolutions. At the Arab League’s summit meeting in Beirut in March, Syria supported the adoption of the Arab Peace Plan, and has since campaigned for its implementation. Continuing the process inaugurated by President Bashir Al-Assad on taking up his office in July 2000, the Syrian government took further steps towards reform of the economy and liberalisation of the media. There were numerous contacts by representatives of EU member states, and in June and November the eighth and ninth negotiating rounds were able to make progress on several chapters of an association agreement between the EU and Syria. The European Investment Bank started to implement its first projects in Syria.

The Middle East Peace Process

The year 2002 was marked by the Al-Aqsa-Intifada, the most serious crisis for decades that resulted in the almost total collapse of the peace process and a serious destabilisation of the region.

Attacks on Jewish settlements in the occupied areas and in Israeli town centres by radical-nationalist and religious-fundamentalist Palestinian groups (Al-Aqsa Brigades, the military arm of the Hamas, the Islamic Jihad and occasional splinter groups) as well as counter-attacks by the Israeli army (including the deliberate killing of alleged terrorists) all wound up into a never-ending spiral of violence. On several occasions in 2002 there were de facto occupations of the Autonomous Palestinian Areas by Israeli military forces, and a phased presence by Israeli troops in the population centres of the West Bank. Freedom of movement for the Palestinian population in the West Bank and the Gaza Strip was restricted by curfews and military blockades. The chairman of the Palestinian National Authority, Yassir Arafat, was able to leave his headquarters in Ramallah on only one day during the year.
None of the international attempts to mediate had any sustained success. The so-called “Middle East Quartet” (EU, US, Russia and UN) was formed as a reaction by the international community to the steadily escalating violence. During the second half of the year it worked out a “road map” that should lead to an end to the violence, a resumption of negotiations, and the creation of a Palestinian state. The end of the Israeli government coalition and the ensuing parliamentary election delayed its presentation and the start of implementation. This peace plan, inter alia, takes account of all the relevant UN resolutions, all the treaties currently in force between the parties, and the statements by US President Bush, who laid down the specific date of 2005 for the creation of a Palestinian state.

The Arab League, at its summit meeting in Beirut in March, adopted a plan drafted by Saudi Arabia as an Arab Peace Initiative. This offers Israel full recognition and the opening of diplomatic relations in return for a military withdrawal from all of the areas seized during the Six-Day War.

In view of the tragic escalation of violence in the Middle East, the Austrian government issued a statement on 3 April, repeated by the Austrian National Security Council at its constitutive meeting on 8 April, excluding any solution to the Middle East crisis by the use of violence, and appealing urgently to the parties to return to the negotiating table. The UN Security Council Resolution 1397 (2002) provides the cornerstone for a lasting and peaceful solution: the existence of two states, Israel and Palestine, within secure and recognised borders. This goal is being aimed at by the EU, in particular within the “Quartet”, which for the meantime represents the international forum that can best provide the impulses for a resumption of negotiations between the parties.

The Euro-Mediterranean Partnership

The Euro-Mediterranean Conference in November 1995 in Barcelona, attended by the EU and all the countries surrounding the Mediterranean, was the first integrated European initiative for cooperation in the Mediterranean region. The process that was started then was a regional answer to the challenges of strongly diverging economic, demographic and migratory developments for which answers had to be found on a basis of partnership because of the region’s geographical proximity to Europe. This process has the particular goal of creating a zone of peace, stability and prosperity. The Euromed partnership is presently the only forum that comprises all of the Mediterranean countries. The EU’s twelve partner states are Morocco, Algeria, Tunisia, Egypt, Israel, Jordan, the Palestinian National Authority, Lebanon, Syria, Turkey, Cyprus and Malta. Libya has observer status, but full participation in the Partnership is open to it.

The three main aspects of the Barcelona Process are: cooperation on political and security issues on the basis of fundamental principles, in particular the observance of human rights and democratic principles; economic cooperation with the goal of establishing a free trade zone covering the entire Mediterranean region by 2010; and deepening social, cultural and humanitarian cooperation.

Political cooperation comprised in particular joint measures on and questions of human rights, combating international terrorism, and migration issues. Due to the continuing Intifada in Israel, many political projects made only slow progress. One
continuing important factor was the status of the Barcelona Process as the only forum where European, Arab and Israeli state representatives could meet at the highest level. Thus, at the conference of foreign ministers in Valencia in April there was a meeting between Foreign Minister Peres and Minister Shaath on the occasion of an expanded EU Troika.

The most important goal, that of economic and financial cooperation, remains the establishment of a free trade zone between the partners by the year 2010. As part of the initial strategy towards the attainment of this objective, bilateral association agreements were concluded with all of the partners except Syria. The latest such agreements were signed with Algeria and Lebanon in April and June 2002 respectively. Cyprus, Malta and Turkey have a special status on account of agreements entered into during the 1960s and 1970s as well as their prospective membership of the European Union.

In addition to the “vertical” liberalisation of trade with the EU the intention is to liberalise trade “horizontally” between the Mediterranean partners, in the sense of “South-South integration”. This should also contribute towards stimulating cooperation on issues of a transnational character, for example infrastructural networking or harmonising technical standards. The association agreements with the EU also contain a number of social, cultural and financial aspects in the spirit of the Barcelona Process.

Two financial instruments are available for the implementation of the Euro-Mediterranean Partnership. The MEDA Programme comprises measures of financial and technical support for economic and social reforms in the partner countries. The financial basis is decided by the EU Council; a sum of €5,350 million has been budgeted for the period 2000-2006. The second financial source is the European Investment Bank (EIB), which since 1995 has made €7,420 million available for development activities in the Mediterranean partner countries.

The Euro-Mediterranean Partnership gained even more impetus in 2002. This was due not least to the adoption of an action plan at the meeting of foreign ministers in Valencia in April for the purpose of supporting the three core areas of the Barcelona Process with short- and medium-term initiatives. These include: stepping up political dialogue on themes like terrorism, European security and defence policy, conflict prevention and crisis management, good governance, and EU enlargement; the extension of economic and financial cooperation by creating the Facility for Euro-Mediterranean Investment and Partnership (FEMIP); participation in principle by the MED partners in the system of European accumulation of origins; and promotion of the infrastructural and telecommunications sectors as well as the private sectors of the MED partners. Another feature is the increasingly dynamic nature of social, cultural and human cooperation as a result of the adoption of an action programme on the dialogue between cultures, with a concentration on youth (exchange programmes, networking of associated schools), education (Euro-Med scholarships, exchange of teachers and professors, inter-religious university chairs) and the media (journalist exchanges) as well as the creation of a Euromed Trust and the issue of a framework document for a regional programme on justice and home affairs.

It is intended to strengthen the parliamentary dimension by setting up a Euro-Mediterranean Parliamentary Assembly. At the fourth meeting of the Euromed
Parliamentary Forum in Bari on 17-18 June it was decided to form a working group to make preparations for this institution.

Another means of achieving the goal of a free trade zone was identified as the establishment of a Euro-Mediterranean development bank. The FEMIP was set up by the European Investment Bank (EIB) as a preliminary stage of this development. At the end of the first trading year a decision will be taken on whether the FEMIP will be established as an independent branch of the EIB with its own headquarters in a Mediterranean country. It is intended to increase the annual financing by the EIB from €1,400 million at present to €2,000 million annually.

As a means of giving even more dynamic impetus to the partnership on social, cultural and human cooperation, on the initiative of Austrian Minister for Foreign Affairs Benita Ferrero-Waldner a symposium was held in the Hofburg Palace in Vienna on 3 June under the title of “Euro-Mediterranean Dialogue between Cultures and Civilisations – The Role of the Media”. The purpose of the event was to ensure that the political significance of the dialogue between civilisations should not be restricted to the elites of the respective cultural circles, but should permeate all social groups through the active involvement of the media. It was intended to hold a follow-up event for the media in 2003.

A conference of Euro-Med ministers for the environment held in Athens on 10 July issued a statement containing a strategy for the integration of environmental issues into the Euro-Mediterranean Process. The first phase of implementation of this strategy will include a study of the sustainability of the planned Euro-Mediterranean free trade zone.

Organisations for Multilateral Cooperation

The Arab League

The regular summit meeting of the League in Beirut on 27/28 March was dominated by the Saudi peace initiative for the Middle East conflict that was finally taken over as the Arab Peace Initiative. It foresees the restoration of normal relations with Israel and the conclusion of peace treaties on condition of a complete Israeli withdrawal from all of the territories it has occupied since 1967, a just solution to the problem of the Palestinian refugees, and the creation of an independent and sovereign Palestinian state in the West Jordan area and the Gaza strip, with East Jerusalem as its capital. The activity of the Arab League was considerably stimulated by its new Secretary-General, Amre Moussa, who visited Austria on two occasions.

The Organisation of the Islamic Conference (OIC)

The foreign ministers of the OIC and EU countries, with those of the EU candidate countries, met in a joint forum in Istanbul on 12-13 February 2002. The central themes were the promotion of mutual understanding of the different cultures as well as the dialogue between the Islamic world and the European countries in the aftermath of the terrorist attacks on 11 September 2001. The OIC foreign ministers held an emergency meeting in Kuala Lumpur on 6-8 May, and their annual conference in Khartoum on 25-27 June. At both meetings the central issue was the
worsening of the Middle East crisis, which resulted in sharp criticism of Israel’s actions.

The Gulf Cooperation Council (GCC)

The GCC was founded in 1981 as a forum for closer cooperation between Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, Bahrain and Oman. These countries possess more than 45 per cent of the world’s known oil reserves and account for one fifth of global oil production. On 1 April, Minister Abdul Rahman bin Hamad Al Attiyah of Qatar became GCC Secretary-General.

The twelfth meeting of the joint EU-GCC Council of Ministers took place in Granada on 27-28 February. The particular themes of this meeting were: combating terrorism, human rights, and the situation in the Middle East. Both sides emphasised their desire for the continuation of negotiations on a free trade agreement.

The 23rd GCC summit in Qatar on 21-22 December 2002 was dominated by the Iraq conflict. The summit demanded that Iraq fulfil all the UN Security Council resolutions and cease all practices that would tend to increase tension and instability in the region. The GCC heads of state demanded respect for Iraq’s territorial integrity and non-interference in its internal affairs. A message sent by Iraqi President Saddam Hussein to the Kuwaiti people on 7 December was rejected, and described as a threat to Kuwait and all the other GCC countries. It was decided that the customs union between the GCC members that had been negotiated for over 15 years should come into effect on 1 January 2003. Imports to GCC countries will now be subject to a unified tariff of 5 per cent.

Africa South of the Sahara

General

The image of Africa in 2002 remained one of social and economic problems: low expectation of life, bitter poverty, high illiteracy, ten per cent child mortality, population growth four times higher than in the industrialised world, dramatic HIV/AIDS statistics, streams of refugees, and so on. Whereas armed hostilities have decreased in most of the rest of the world over the past decade, within the past five years the number of military conflicts in Africa has doubled. There are many reasons for this – economic, political, ethnic, social and not least cultural – which all complement and reinforce each other. The African continent is nevertheless of considerable importance for the European Union, and also for Austria.

Africa’s economic and social problems as well as its future prospects have led the international community in recent years to the conviction that a joint effort will be necessary to assist Africa to position itself in the 21st century. That led in 2000 to a joint EU-Africa summit of heads of state and government, held in Cairo, which decided to institutionalise an enhanced EU-Africa dialogue, and agreed on an action plan with eight priority themes. The Danish EU presidency inaugurated an EU Platform with the African Union (AU) and the New Partnership for Africa’s Development (NEPAD) in order to stimulate this dialogue. The second EU-Africa Summit due to be held in Lisbon in April 2003 to finalise the projects that have been
worked out during the past three years was postponed to prevent the participation of President Mugabe of Zimbabwe following the imposition of travel restrictions by the EU on members of the Mugabe regime after the manipulated presidential election in March and the ongoing serious violations of human rights.

The second meeting of foreign ministers within the framework of the EU-Africa Dialogue, held in Ouagadougou on 28 November, achieved a convergence of positions, and agreed on a further deepening of cooperation on conflict management and observation of elections. No accord could be achieved on the themes of cancellation of debts or “the return of cultural objects stolen or illegally removed during the colonial period”.

The second decisive development at pan-African level is the New Partnership for Africa’s Development (NEPAD), an African initiative that aims to achieve constructive cooperation with the industrial world and enable the continent to participate in the process of globalisation. The G8 summit in Kakanaskis (Canada) indicated that substantial support for NEPAD would be forthcoming, and to this end appointed a committee of personal representatives of the G8 leaders to carry the development forward. In January 2002 the World Economic Forum also promised support for NEPAD, which could develop into one of the key instruments of international cooperation on Africa.

One phenomenon that has become increasingly evident within recent years is the spreading Islamisation along the historic dividing line through Africa. There has been an escalating series of armed conflicts along this line, which runs through Nigeria, Côte d’Ivoire, Niger, Mali and Mauritania. This religious divide also causes incompatibility between legal systems, since Sharia law is increasingly being introduced, and in some states like Nigeria and Côte d’Ivoire the central authorities have effectively lost control of certain regions. The economic and social difficulties being suffered by parts of the populations could lead to the rise of a politically-motivated, anti-Western and fundamentalist Islam, which can already be detected in the Sahel zone and the Horn of Africa.

Organisations for Regional Integration

The African Union (AU)

The Organisation of African Unity (OAU) was transformed into the African Union (AU) at the summit meeting in Durban on 8/9 July 2002. This was to take place in a one-year transitional phase, and certain details like the structures of the new institutions and some procedural matters remained to be determined. The existing leadership of the OAU remained in office with the title of “Interim Commission” until the next summit in Maputo in July 2003. The new AU Commission will be elected then, consisting of a president, vice president and eight commissioners, with half of the posts being allocated to women.

The AU and its structures are modelled after the European Union, the OSCE and the UN Security Council. Its programme represents a clear break with the structure and policies of the OAU. The new interpretation of the hitherto dogmatically defended national sovereignty is most noticeable; thus issues like human rights, good governance, democracy and the rule of law are no longer exclusively the province of
member states. In the event of serious infringements of these principles the other AU member states have a right and a duty to react. While the conversion of the OAU into the AU was still taking place at political level, the organisation was confronted with its first tests with the temporary expulsion of Madagascar after a controversial presidential election (reversed by the AU in February 2003) and the division of Côte d’Ivoire as a result of an unsuccessful coup d’état. On the other hand, the AU’s lack of action over events in Zimbabwe, one of its first real tests, was seriously inconsistent with its own basic first principles.

The East African Community (EAC)

The EAC, with membership by Kenya, Tanzania and Uganda, continued to deepen its activities in the reduction of tariffs and economic cooperation. The fourth summit meeting of the EAC heads of state and government at the end of November continued the lengthy negotiations on the East African Customs Union, which should be realised by November 2003.

The Economic Community of West African States (ECOWAS)

The new ECOWAS Executive Secretary, Mohammad Ibn Chambas, took up his office on 6 February 2002. Since then, the Community has made progress in all internal areas like economic and monetary integration, agriculture, occupational training, women’s issues, child support, combating poverty, standardisation, and development of transport and information networks. Its foreign and security policy, oriented towards furthering peace and democracy, has brought about long-term changes of direction within the sub-region. Close cooperation with the European Union and the African Union has made it one of the leading factors in the partnership between Europe and Africa. ECOWAS planned to send a multinational force from its military arm, ECOMOG, to deal with the crisis in Côte d’Ivoire, and an advance contingent took up positions before the end of the year.

The Southern African Development Community (SADC)

The SADC, with 14 member states, adopted important structural reforms in 2002 in order to accelerate political and economic integration. The reforms cover the sectors trade, industry, finance and investment, infrastructure, agriculture and natural resources, and humanitarian affairs. In future, these will be centrally coordinated through a newly-established directorate within the SADC secretariat in Gaborone, with increased personnel. A task force consisting of the new SADC chair, Malawi, together with Namibia, Angola, Botswana, Mozambique and South Africa, was set up to deal with the economic and political crisis in Zimbabwe.

The Inter-Governmental Authority for Development (IGAD)

In 2002 the IGAD was in a phase of restructuring intended to render it more palatable to the international donors who make a considerable contribution to its financing. While its core development projects tended to remain in the background during the year, the IGAD was able to maintain its profile on conflict resolution, especially as regards its endeavours in Somalia and Sudan. The conferences in Eldoret (Kenya) on Somalia, and Machakos (Kenya) on Sudan, took place on IGAD’s initiative. An IGAD early-warning centre (CEWARN) was set up in Addis Ababa.
The New Partnership for Africa’s Development (NEPAD)

NEPAD, officially founded on 23 October 2001, began to take concrete form during the following year. Originally regarded wrongly as a kind of African “Marshall Plan”, from which unrealistically high financial support was expected in some African quarters, a more concrete and sober image of NEPAD is beginning to emerge. The essential feature of NEPAD is that it is a genuinely African initiative that seeks support from the rest of the world. Another essential aspect is that NEPAD, for the first time, has established a clear connection between the principles of democracy, good governance, the rule of law, human rights, and peace and stability, on the one hand, and economic development on the other. Countries desirous of profiting from NEPAD must subject themselves to critical control by the other NEPAD members, the so-called “peer review” mechanism. The internal African discussion on the shape of NEPAD made it clear that the organisation should not constitute an independent structure, but should form an integral part of the African Union. NEPAD’s central “peer review” procedure should also take place within the AU; at a meeting in Abuja (Nigeria) in November, eleven states committed themselves to this procedure.

Developments within the African Regions

The Horn of Africa

The peace process between Ethiopia and Eritrea, which began with the Algiers Agreement in December 2000, continued in 2002. The border commission set up under the agreement presented its report on the legal border line between the two states in The Hague on 13 April. An ensuing application by Ethiopia for correction and revision of the decision was rejected. Demarcation of the border due to begin in mid-2003 has come to a halt. The United Nations peace mission UNMEE continued to supervise the maintenance of the armistice between the two countries.

There was also movement in the two other long-running conflicts in the Horn of Africa. After several postponements, a major national reconciliation conference for Somalia began on 15 October in Eldoret (Kenya) under the auspices of IGAD. The conference, which was substantially co-financed by the EU, brought together all the main Somali political actors, with the exception of the Somaliland region. The first phase of the conference decided the procedures for the following negotiations, and agreed on a comprehensive armistice. In the second phase, specialised committees have been handling questions like a future constitution, political representation, or disputes over the ownership of land.

After decades of civil war in Sudan, the government and the rebel Southern Peoples’ Liberation Movement signed the so-called Machakos Agreement on 16 July in Machakos (Kenya). It contains provisions for troop disengagement, an armistice, sharing the power and resources of the land, a referendum on Southern Sudan’s affiliation to the state of Sudan as a whole, and the relationship between the state and religion. In both cases (Sudan and Somalia) Kenya has functioned as a mediator within the framework of IGAD. The results in both can only be regarded as a first step.
Southern Africa

The Zimbabwean presidential election in March 2002 was held against a background of land occupations and brutal repressions with participation by state security personnel, while the police remained inactive against numerous politically motivated crimes. Opposition leader Tsvangirai continued to strive for an annulment of the election result and for the holding of a new election under international supervision. Despite threatening starvation, the Mugabe regime continued its radical land reform while ignoring its effect on Zimbabwe’s national economy as a whole. At the SADC summit meeting in Luanda on 1-3 October, Foreign Minister Mudenge failed to have support for the land reform written into the final communiqué. Finally, Zimbabwe gave up the vice presidency in favour of Tanzania, and thus made possible the holding of the 23rd SADC summit meeting in 2003. The fifth SADC-EU ministerial conference was held in Maputo at the beginning of November. Mozambique had stepped in at short notice, since Copenhagen refused due to the EU sanctions against government members from Zimbabwe. The atmosphere at the conference was affected by African solidarity on the controversial issue of Zimbabwe. In October 2001 the EU had inaugurated consultations on human rights with the government of Zimbabwe under Article 96 of the Cotonou Agreement, and on 16 February 2002 imposed so-called “smart sanctions” involving restrictions on entry into the EU and freezing of assets there.

In Mozambique the domestic political scene was dominated from November by the case of Carlos Cardoso, a journalist who had been murdered two years previously. Allegations concerning the involvement of highest-ranking political circles and the background of a major financial swindle led to a general discussion on corruption and organised crime.

The Great Lakes Region

In Burundi the minority groups of both civil war armies, the CNDD-FDD and the PALIPEHUTU-FNL, both signed agreements in Dar es Salaam on 7 October to end the fighting. On 2 December the majority group within the CNDD-FDD also signed an armistice agreement – which, however, entered into force only on 30 December, and is realisable only if the last armed party, the majority group within the PALIPEHUTU-FNL, also ends hostilities.

In Rwanda, the People’s Court – called Gacaca – for those accused of lesser participation in the genocide of 1994, started its work. The first twelve Gacaca pilot projects started in June 2002, and since 25 November a total of 673 Gacaca courts have been operating nationwide. At a rough estimate, around 80,000 persons have been sentenced by this short local procedure out of some 100,000 prisoners accused of genocide. The first phase of the constitutional reform was concluded at the end of June. The main foreign policy issues were the start to the rebuilding of unproblematic relations with Uganda, and the signing of a peace agreement with the Democratic Republic of Congo on 30 July in Pretoria. The Pretoria agreement foresees the complete withdrawal of Rwandan forces from the Congo and the simultaneous disbanding and disarmament of all Rwandan rebel armies on Congolese territory. Rwanda completed the withdrawal of its army on 5 October, but the neutralisation of the Rwandan rebel armies had still to take place.
The foremost domestic political event in the Democratic Republic of Congo was the Inter-Congolese Dialogue that was laid down in the Lusaka Agreement of 10 July 1999. On 19 April 2002, two of the parties to the dispute, President Joseph Kabila and MLC leader Jean-Pierre Bemba, concluded the dialogue and signed an agreement on the division of powers that excluded the third-largest party, the RCD, as well as several opposition parties, from the power cartel. The arrangement never entered into force due to a lack of agreement on details of the power-sharing. Negotiations on a transitional regime continued informally under the leadership of UN Special Representative Mustapha Niasse. On 17 December all the participants in the Inter-Congolese Dialogue (government, rebels, militias, civil society and opposition parties) signed an agreement in Pretoria on the distribution of powers in the DR Congo. This foresees a transitional presidency, to be held by Joseph Kabila for the ensuing two years before the holding of a general election. There was also agreement on having four vice presidents, 36 ministers, a 500-seat lower house of parliament, and a 120-seat senate. The implementation of this agreement during 2003 will be dependent on whether sustainable democratic structures can be established and the safety of the Congolese politicians in Kinshasa can be guaranteed.

The Pretoria Agreement with Rwanda and the Luanda Agreement of 6 September with Uganda were significant steps towards limiting the war. On the basis of these agreements Zimbabwe, Angola and Namibia also withdrew their troops from Congolese territory. Only Uganda left two battalions in Bunia and some troops on the flanks of the Ruwenzori massif. The United Nations sent an observer mission (MONUC) to supervise the armistice and troop withdrawals as well as to demilitarise all the rebel groups and private militias. Under Security Council Resolution 1445 of 4 December it is to be enlarged to a strength of 8,700 personnel.

West Africa

A severe crisis affecting the entire region developed since September 2002 as a result of an attempted coup d’état in Côte d’Ivoire. The attempt failed in the capital, Abidjan, but the country remained divided between the rebel-controlled north and the south under government forces. French troops (Operation Licorne) were swiftly made available to supervise an armistice that was arranged relatively quickly. They were supposed to have been replaced by an ECOWAS peacekeeping force, but it was only at the end of the year that an ECOWAS contingent from Senegal arrived. Previously, France had felt compelled to strengthen its military presence along the armistice line, which led to fighting between French troops and rebels. France invited the parties to the conflict to peace talks in Paris, and seemed to have achieved agreement at Linas-Marcoussis on 24 January 2003. It took several months until its most important provisions were implemented.

The relative stabilisation of the countries of the Mano River Union (Sierra Leone, Liberia and Guinea) as a result of intensive cooperation between the United Nations, the European Union and ECOWAS was at least maintained in 2002. The mediation by EU Special Representative Hans Dahlgren, appointed in 2001, was especially fruitful, since it resulted in confidence-building measures such as planned direct talks between the heads of state. The chairman of ECOWAS, the Senegalese President Abdoulaye Wade, also endeavoured to continue the still fragile process of stabilisation. However, the LURD rebels (Liberians United for Reconciliation and
Development) were still active, especially in the border areas with Guinea. This resulted in the persistence of tensions between Liberia and Guinea, since the government of Guinea accused Liberia of supporting the rebels. In Liberia itself there were ongoing armed conflicts, and the crisis was further aggravated by the disintegration of neighbouring Côte d’Ivoire. The peace process is furthest advanced in Sierra Leone; the war there was officially declared at an end in January with the symbolic destruction of the weapons collected by the United Nations UNAMSIL mission. In May President Kabbah was returned to office in a calm and democratically conducted election. At the beginning of December, Renate Winter of Austria was sworn in as a judge of the International Court that was set up in Freetown to deal with violations of human rights during the civil war.

East Africa

On 3 January 2002 the CCM governing party in Tanzania and the CUF opposition party on the island of Zanzibar signed an agreement on the implementation of the treaty on the reshaping of relations between mainland Tanzania and Zanzibar. The international donor community lifted its six-year embargo on development aid to the Zanzibar local government in May. Another domestic and foreign policy problem for Tanzania is the large number of refugees in the country, mostly from Burundi. In this connection there were accusations by the government of Burundi that Tanzania was supporting the Burundi rebellion. The allegations were rejected by Tanzania, and towards the end of the year relations improved between the two countries.

After the elections in 2001 Uganda was in a phase of transition from a one-party to a multiple-party system. According to the constitution, President Yoweri Museveni is not allowed to stand again at the presidential election in 2006. One of the major domestic political problems for Uganda is the activities of the Lord’s Resistance Army rebel group in the north of the country. The LRA, notorious for its atrocities, has been active there for 16 years, and is classed as a dangerous terror group by the US among others.

In Kenya, presidential, parliamentary and local elections were held on 27 December 2002. These ended the 24-year period of office of President Daniel arap Moi, who had to step down under the terms of the constitution. The result was an overwhelming victory for the NARC opposition party in both the parliamentary and presidential elections. The new President is the 71-year-old Mwai Kibaki. It is to be expected that there will now be a policy of economic reform, which could revitalise the suspended World Bank and IMF loans.

North America

United States of America

The effects of the terrorist attacks on 11 September 2001 (“Nine Eleven”) and the combating of international terrorism were the supreme challenges amongst all those facing the US in 2002, and led to a clear increase in the power of the Administration relative to Congress, and of Washington relative to the states. The Administration spoke of the necessity of following “Phase 1” of the fight against terrorism in Afghanistan with a “Phase 2” in Iraq. The connection between both phases was
constantly stressed, and the National Security Strategy promulgated by President George Bush on 17 September took full account of the necessity. Under the influence of the terrorist acts on 11 September 2001 the US announced the possibility of making preventive strikes against terrorist groups and so-called “rogue states” in exercise of the right to individual and collective self-defence under Article 51 of the Charter of the United Nations. As the only remaining superpower the US feels a responsibility “to make the world not just safer, but better”. It is therefore intended, inter alia, to double US contributions for development assistance in the medium term.

After the “Nine Eleven” attacks, the US constructed a broad and flexible Anti-Terror Coalition encompassing most of the international community against the Taliban regime in Afghanistan, with due respect to the role of the United Nations. On 12 September 2002 President Bush delivered a highly-regarded address to the UN General Assembly, in which he stressed the role and the responsibility of the Security Council for ensuring world peace in connection with the danger of weapons of mass destruction in Iraq. On 2 October the House of Representatives and the White House agreed on a resolution empowering the President “to use the Armed Forces of the US as he determines to be necessary and appropriate in order to defend the national security interests of the US against the continuing threat posed by Iraq, and to enforce all relevant UN Security Council resolutions regarding Iraq”. On 10 October the resolution was adopted by the House of Representatives, and the President was thereby given broad powers to undertake military action against Iraq. On 11 October the US Senate followed the example of the House of Representatives by voting 77 to 23 for the Iraq resolution. Preparations for a military strike against Iraq then went into top gear.

On North Korea, which the US also ascribes to its “axis of evil” along with Iraq and Iran, the world power United States seems to be confronted with its limits, and the military option against North Korea would appear to be ruled out. The US is attempting to solve the problem by handing it over to the United Nations, and by means of mediators, North Korea’s neighbour states China, South Korea and Japan.

The US need for enhanced security is also seen in the setting up of a Department for Homeland Security, a super-ministry that incorporates existing agencies and institutions. The Central Intelligence Agency and the Federal Bureau of Investigation, however, remain independent. The new department has a staff of 170,000 with a budget of 37 billion dollars. Its main functions will be to prevent terrorist attacks, reduce the country’s vulnerability, and minimise the damage in the event of an attack.

One of the most important domestic events in the United States was the Midterm Elections, which basically function as a barometer of the mood of the country. On 5 November elections were held for all 435 members of the House of Representatives, 34 of the 100 senators and 36 state governors. Probably under the influence of “Nine Eleven”, and the evasive attitude of the Democrats to foreign policy issues, it came to a surprisingly large victory for the Republicans. The Senate, previously with a small Democrat majority, was now in Republican hands. In the House of Representatives, the Republicans were able to enlarge their previously small majority. They were less successful in the elections for the governorships, in which the Democrats were able to capture posts hitherto held by Republicans. The consequences for domestic policy are that President Bush will be able to concentrate on a conservative agenda, including nomination of judges, tax reductions, etc., but because of the thin majority
in the Senate will still have to pay regard to the sensibilities of the Democrats. On foreign policy, the “Bush Doctrine” will remain the basis, and the President, being in a strengthened position, will have more flexibility on issues like Iraq and the Middle East generally.

The United States economy experienced a changeable year in 2002. After strong growth during the first quarter, it almost came to a standstill in the second, with a spurt to 4 per cent growth during the third. For the fourth quarter, growth is expected to be of the order of 1.5 per cent.

According to the UNCTAD World Investment Report 2002 foreign capital movements in the direction of the EU as well as into the US fell by half, due to a fall in the number of cross-border mergers of firms. The US dollar came under pressure, and parity was reached between the dollar and the euro. On 6 November the basic interest rate was reduced by 50 basic points to 1.25 per cent. This step was intended to stimulate US exports as well as to reduce the burden on US consumers, and in fact made a substantial contribution towards eliminating the danger of a recession. The consumer confidence index remained at 84.1 per cent (November 1985 = 100).

The increase in unemployment (6 per cent in November) is problematical when seen against the background of a record double deficit (public and private), the very small increase in company investments, and the large deficit on the current account.

The US economy would very probably go into recession if it were to be subjected to further external shocks caused perhaps by more terrorist actions, or if the war in Iraq had lasted more than 100 days. A new economic team was therefore assembled to counter this danger: John Snow was appointed Secretary of the Treasury and Stephen Friedman as Chief Economic Advisor.

Bilateral US-Austrian relations were unproblematic in 2002. In February, Vice-Chancellor Susanne Riess-Passer visited Washington and New York. She had talks with Secretary of Commerce Don Evans, National Security Advisor Condoleezza Rice, and with Deputy Secretary of State Richard Armitage. In these talks positive mention was made of Austria’s contribution to countering terrorism, and of the solution that had been found to the restitution question. There was also considerable US interest in the EU enlargement and in Austria’s position towards it. Austrian Minister for Home Affairs Ernst Strasser visited Washington in July, and had conversations with, amongst others, Attorney-General Ashcroft, the directors of the CIA and the FBI, the Commissioner of the Immigration and Naturalization Service, senators Chuck Hagel and Richard Shelby, and also had technical talks in the Cyber Smuggling Center and the transport ministry. From Austria’s point of view it was a good opportunity to signal that combating terrorism, which was naturally one of the central issues for discussion, remains a matter of high priority for Austria.

In 2002, for the first time since 1986, Austria had a surplus on its balance of trade with the United States, amounting to some $300 million. The US remains Austria’s third-largest trading partner after Germany and Italy.
Canada

Canada is one of Austria’s most important non-European trading partners, but even in non-economic matters the two countries have many common interests and points of contact. Canadian foreign policy has a far stronger multilateral orientation than that of the United States, as was evident in 2002 in its security and environmental policies, among others. On the Iraq problem it was noticeable that Canada did not support the unilateralist tendencies that were so obvious in the United States, but instead stressed the importance of multilateral action and the mechanisms of the United Nations in particular. As regards the environment, Canada, in contrast to the US, has not abandoned the Kyoto process, but accords it high importance. This all provides a multitude of potential points of contact with Austria and with the European Union.

There were two government reshuffles, in January and June. Foreign Minister John Manley became Deputy Prime Minister in January, and was succeeded by the chairman of the parliamentary foreign relations committee, William Graham. The resignation of Minister for Industry Brian Tobin removed an often-mentioned potential successor to Prime Minister Chrétien from the political stage. In June, Prime Minister Chrétien replaced Finance Minister Paul Martin with Deputy Prime Minister John Manley, who also retained his infrastructure portfolio in addition to finance, making him one of the central and most influential personalities in Canadian politics.

Relations between Austria and Canada in 2002 covered a wide spectrum. The Human Security Network was also an important link in bilateral relations. During the UN General Assembly, Minister for Foreign Affairs Benita Ferrero-Waldner had talks with her Canadian counterpart, William Graham.

Austrian Minister for Home Affairs Ernst Strasser visited Canada during his tour of North America. In contrast to his visit to the US, however, his talks here were mainly of a technical rather than a political nature. The central themes were combating terrorism, and the migration problem. His discussion partners and the media were made aware that Austria is one of the European countries that are most strongly affected by streams of refugees, which aroused increased interest on the Canadian side.

Economic developments in Canada in 2002 were positive, although there had initially been fears that the difficulties being experienced in the US would spill over the border. Canada’s 3.5 per cent growth was the highest within the G8 group, due mainly to a powerful expansion of private consumption. The most significant event in its economic relations with the EU was the decision in principle by the December summit to open negotiations on an “agreement on the enhancement of trade and investments” with the primary goal of eliminating non-tariff barriers to trade.

The Transatlantic Dialogue

The Transatlantic Dialogue between the EU and the US is by far the most intensive of all institutionalised dialogues between the EU and third states, due to the importance of the United States. It rests on a foundation of three documents:

- The 1990 Transatlantic Declaration
· The 1995 New Transatlantic Agenda (NTA)
· The 1995 Joint Action Plan EU-United States of America

Several bodies have been institutionalised for the implementation of the NTA: (1) a Task Force for the preparation of the quarterly (2) Senior Level Group Meeting, which in its turn prepares the annual (3) Summit Meeting between the President of the United States, the head of state or government of the country holding the EU presidency for the time being, and the President of the European Commission. The 2002 summit was held in Washington on 2 May.

The issues discussed at this meeting encompassed economic matters, but primarily means of combating terror, judicial cooperation and diverse regional problem areas. There was a comprehensive discussion on the Middle East problem as well as Afghanistan and questions concerning the Balkans.

The so-called “people to people links” continued under the Transatlantic Dialogue, with meetings of the Transatlantic Business Dialogue in Chicago on 7/8 November and the Transatlantic Consumer Dialogue in Washington on 31 October/1 November, but with a lack of concrete results. The EU and US are both considering alternative methods of involving the private sector in the dialogue.

As regards economic relations between the EU and the US, some 98 per cent of trade flows take place with no friction. The disputes that have arisen must be seen against this background. At the end of 2002 there were 18 current complaints between the two sides awaiting arbitration by the World Trade Organisation, of which 15 had been raised by the European Community. However, the reluctance of the US Congress to implement WTO judgements has led the Community to resort to lobbying. In the case of the “foreign sales corporations”, which are used by US companies to obtain illegal subsidies by means of tax refunds, the Community was awarded a potential sanctions volume of $4,043,000 million, with implementation from March 2003 onwards. The imposition by the US President on 5 March of protective tariffs on certain steel imports caused friction in EU-US relations. A relevant complaint raised by the Community in the WTO and joined by China, Japan, Korea, New Zealand, Norway and Switzerland, was due to be concluded in 2003. No agreement could be reached on market access to Europe for US genetically modified organisms, so that the US was likely to raise a further case before the WTO in 2003.

In view of the increasing divergences of opinion between the European Community and the United States, the conclusion of the Positive Economic Agenda at the summit meeting in Washington on 2 May can be regarded as the most important result. In areas like financial markets, food safety, organic agriculture or the insurance sector there are likely to be harmonisations or mutual recognition of the regulatory mechanisms of both sides.

The North American Free Trade Agreement (NAFTA)

The agreement on the creation of a North American free trade zone between the United States, Canada and Mexico came into effect on 1 January 1994. Its most outstanding feature is the inclusion of two of the world’s richest industrial countries with a developing country of the South. Mexico’s gross domestic product is twenty times smaller than that of the US, and its per capita income seven times lower, but
the marked cost differentials have played the major part in stimulating a dynamic
growth in intra-regional trade. US exports to the other NAFTA states rose by 86 per
cent between 1993 and 2001, whereas those to the rest of the world rose by only 44
per cent. During the same period, the volume of US-Mexico trade more than tripled,
and is now higher than the combined US exports to Germany, France, Italy and the
United Kingdom.

Despite these impressive successes, the NAFTA is still a subject of considerable
domestic political controversy, mainly on account of the high US trading deficit.
Nongovernmental organisations criticise the further implementation of the agreement,
since they fear wage- and environmental “dumping”. Furthermore, NAFTA arbitrators
in 2002 repeatedly condemned environmentally-oriented legislation in Canada and
Mexico as discriminatory. The NAFTA Free Trade Commission, at its meeting in
Puerto Vallarta on 28 May 2002, therefore decided to evaluate the NAFTA-investor-
state arbitration procedure. However, despite delays in the implementation of the
NAFTA Agreement, the integration process is proceeding according to plan.

Latin America and the Caribbean

Political Developments

Latin America presents a heterogeneous picture, both politically and economically. In
several countries of the region the political situation was marked by destabilisation in
2002, whereas in others there was ongoing consolidation. The same applies to the
Latin American economy, where general trends can hardly be identified.

The most significant event in the EU’s relations with the region was the summit
meeting of heads of state and government of the European Union and of Latin
America and the Caribbean in Madrid on 17/18 May. The first follow-up to the 1999
summit in Rio de Janeiro, its agenda covered bi-regional political, economic, cultural,
scientific and social cooperation. The results included the conclusion of negotiations
on an EU-Chile association agreement, a new impetus for the continuation of
negotiations on an EU-Mercosur association agreement, a mandate for the start of
negotiations on an “agreement on political dialogue and cooperation” with the
Andean Community and with Central America, the opening of negotiations with the
ACP countries on regional economic partnerships, and a decision on enhanced
cooperation in the international institutions. There will be a concentration on
implementing the Madrid decisions for deepening bi-regional relations before the next
summit in Mexico in 2004.

In Brazil, Luis Inácio Lula da Silva was elected the country’s 39th President. The
former trade union leader gained 61.47 per cent of the vote at the second ballot on
27 October, and is the first social democrat to hold the office. He is expected to
concentrate on introducing economic and social measures, since his party (PT) had
demanded the real doubling of the minimum wage within a period of four years. The
new administration’s foreign policy priority is the strengthening of the Mercosur
group.

After the resignation of the De la Rúa government in Argentina as a consequence of
the severe disturbances at the end of 2001, with 33 fatalities and the announcement
of the country’s partial insolvency by interim President Rodríguez Saá, the Peronist Eduardo Duhalde was appointed President by the Legislative Assembly on 1 January for the remainder of the term of office till December 2003. Duhalde ended the 10-year dollar convertibility of the Argentinean currency and started a widespread “pesification” of all economic sectors. The ensuing controlled freeing of the peso exchange rate led to a serious crisis in the banking and financial systems and forced the government to regulate bank accounts by restricting withdrawals (“corralito”), or completely freezing them (“corralon”). The “corralito” was gradually eased and on 1 December lifted, and the “corralon” was partially rendered more flexible. A power struggle between government and judiciary led to another institutional crisis.

The political and economic situation in Chile can be regarded as essentially stable. Under the leadership of the social democratic president, Ricardo Lagos, relations between government and opposition became less tense. The government reshuffle in January, especially the takeover of the defence ministry by former health minister Michelle Bachelet, improved still further relations between civil society and the armed services. On the occasion of a meeting of the Human Security Network on 1 July Austrian Minister for Foreign Affairs Benita Ferrero-Waldner paid a bilateral working visit to Chile, where she met Foreign Minister Soledad Alvear and President Ricardo Lagos. After the finalising of the association agreement between the EU and Chile, the central themes of the talks were the forthcoming enlargement of the EU and strengthening bilateral trade, whereby it is planned to send trade delegations.

Peru has been engaged in a process of fundamental democratic renewal since President Alejandro Toledo took up his office on 28 July 2001. There was, however, a major political crisis that was sparked off by protests in May and June against measures of privatization in Arequipa. Despite cancelling the proposed measures and a comprehensive government reshuffle, President Toledo was confronted with sinking popularity. The regional and local elections in mid-November confirmed this trend, with massive gains for the opposition parties and corresponding losses for Toledo’s Perú Posible party.

In Colombia, after the break-off of peace negotiations between the Pastrana government and the FARC guerrillas (Fuerzas Armadas Revolucionarias de Colombia) on 20 February, there was a further radicalisation of the activities of armed groups closely connected with the international drug trade and organized crime. Congressional elections were held on 10 March, when the adherents of Álvaro Uribe Vélez (who was elected President on 26 May) gained 30 per cent of the seats in the lower house and 47 per cent in the Senate. Security was initially given clear priority in President Uribe’s programme. With very weak economic growth, and unemployment running at 20 per cent, the economic situation must be regarded as disturbing. The strategy of a hard attitude towards the armed groups had the result that, by the end of the year, only the paramilitary Autodefensas Unidas de Colombia held out the possibility of peace negotiations, while the first talks with the Ejercito de Liberación Nacional (ELN) were unsuccessful and negotiations with the FARC were not even in sight. The fate of the hostages captured by the FARC remained unknown; they include more than 50 political prisoners, among them Green presidential candidate Ingrid Betancourt, who are being held as exchange for captured guerrilleros. UN Secretary-General Kofi Annan agreed to act as mediator in the conflict, and appointed a special representative for Colombia. The €34.8 million EU aid package for Colombia was inaugurated after several delays; its main provisions include
support for the rule of law, securing human rights, protection for biodiversity, and support for regional cooperation.

President Hugo Chávez of Venezuela, who was elected in 2000 for six years, was subjected to increasing criticism. On 11 April he was relieved of his office for 48 hours, while the president of the industrialists’ federation, Pedro Carmona, supported by senior military officers, formed a new cabinet and dissolved the National Assembly. Even after the return of President Chávez there was no sustained relaxation of the tension. A general strike called by the opposition on 2 December had noticeable effects on supplies to the population as well as to the oil importing countries. Venezuela, the world’s fifth-largest oil producer, also provides the Secretary-General of OPEC in the person of Álvaro Silva Calderón. The Organisation of American States, under Secretary-General Gaviria, endeavoured to mediate within the framework of the “Mesa de Negociación y Acuerdos”, which is also supported by the EU, but by the end of 2002 there had been no visible success.

The EU Common Position on Cuba of 2 December 1996 was renewed. Its purpose is to further the transition to democracy and pluralism, including full respect for human rights, within the framework of the political dialogue. Discussions were held with Cuba in Copenhagen on 4 November, and it was agreed to continue the political dialogue at another meeting in Havana in November/December 2003.

Mexico acquired a renewed and substantially improved international image from its elections on 2 July 2000, a turning point in post-revolutionary Mexican history. After 71 years of rule by the Party of Institutionalised Revolution, with a robust presidential system, authoritarian tendencies and powerful corporate structures, the opposition candidate of the Alliance for Change, Vicente Fox Quesada, started a six-year term of office as head of state on 1 December 2000, accompanied by great expectations on the part of the population. However, the PAN party, which supports the President, does not have a majority in Congress, which meant that many of the announced reforms could not be carried through. The domestic policy goals of the Fox government are: increased economic growth; comprehensive tax reform, with an initial increase in tax income to 12.5 per cent of GDP; strengthening confidence in the public security apparatus; and combating the drug trade. On foreign policy, it has pursued a strong multilateral engagement, inter alia as regards democracy and human rights, and continued the policy of commercial opening that had been inaugurated by the previous administration.

Although President Enrique Bolaños of Nicaragua managed to achieve some significant successes in his campaign against corruption, there were numerous challenges still awaiting the government, especially as regards improving the public administration and judicial system. In Guatemala the mandate for the UN Verification Mission was extended to December 2003, since only modest progress had been made with implementing the 1996 peace agreements.

Regional Integration

One significant result of the regular general assembly of the Organisation of American States in Barbados on 2-4 June was the signing of the Inter-American Convention against Terrorism by 30 of the 34 OAS member states. Its core provisions are an enhanced exchange of information, legal assistance, and closer
cooperation between customs and other relevant authorities. A declaration was issued on the events in Venezuela, and the mandate for the OAS special mission in Haiti was renewed.

The 18 members of the **Rio Group** (12 Latin American and 5 Central American states, with Caribbean representation through the presidency of Caricom) held their 16th summit meeting on 11/12 April in San José, Costa Rica, under Costa Rican chairmanship. The discussion centred on measures to combat international terrorism, the drug trade and organised crime; the necessity of continued economic liberalisation; and strengthening the Rio Group as a forum for dialogue in Latin America and the Caribbean as well as a voice of the region in relation to other world regions.

The 23rd summit meeting of the **Mercosur** member states (Argentina, Brazil, Paraguay and Uruguay, with Bolivia and Chile as associate members) took place in Brasilia on 5/6 December against the background of the most severe crisis since its founding in 1991. Intra-regional trade declined by around half by comparison with 2001, and inflation rose due to devaluation of the national currencies. The most important results of the meeting were the conclusion of an agreement on simplified residence rules for citizens of the Mercosur states, the establishment of a technical Mercosur secretariat, an extension of exceptions to the application of the common customs tariffs, and a framework agreement on the conclusion of a free trade agreement with the Andean Community by the end of 2003.

The **Andean Community** (Comunidad Andina, CAN), consisting of Bolivia, Peru, Ecuador, Colombia and Venezuela, held its 15th summit meeting on 30 January in Santa Cruz de la Sierra (Bolivia) at presidential level. It was agreed to introduce common customs tariffs by 31 December 2003 at the latest, and to define a common agricultural policy. The meeting also confirmed the longer-term goal of a common foreign policy as well as progress in the social sector.

The 12th **Ibero-American Summit**, held in Bávaro (Dominican Republic) on 15/16 November, underlined the importance of this meeting as a forum for dialogue between the Latin American countries as well as with Spain. The central issues were the difficult situation in several Latin American countries and in the international environment, the question of migration, and an improvement of Ibero-American cooperation within the international organisations. At the suggestion of Spanish Prime Minister Aznar it was decided to set up a reflection group to discuss fundamental issues and work out proposals for improvement.

The **South American Summit**, comprising the heads of government of the ten South American states (without Mexico), was held in Guayaquil (Ecuador) on 26/27 July under the chairmanship of Brazilian head of state Fernando Henrique Cardoso. The event goes back to a Brazilian initiative in the year 2000. The strongly integrationist 34-point “Acta de Guayaquil” was adopted unanimously. It was agreed to work closely together in the negotiations on the establishment of a Free Trade Area of the Americas (FTAA), to promote horizontal integration, and to establish a South American free trade zone between the Mercosur and the Andean Community even before the establishment of the FTAA.
The **Caribbean Community** (Caricom) comprises Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Surinam, and Trinidad and Tobago. In 2002 it made only modest progress towards economic integration and the creation of a common market. There was growing awareness of the need for a common negotiating position on the FTAA that is due to come into effect in 2005, on negotiations with the EU on regional economic partnership agreements, the problem of reduced access to the European banana market, and the noticeable decline in tourism and investment. The 23rd conference of heads of state and government in Georgetown therefore called for an early and comprehensive implementation of the integration principles laid down in the revised Chaquaramas Agreement. The Caribbean region is faced with the problem of growing crime; the Caricom members therefore adopted recommendations for the setting up of a "regional task force on crime and security" and broadly conceived national commissions for law and order. It was also agreed to establish a $250 million aid programme of loans for members in the eastern Caribbean region.

The **Association of Caribbean States** (ACS) has 25 countries (including Cuba) as full members as well as three associate members (France for Guadeloupe, Martinique and French Guyana; the Netherlands Antilles; and Aruba) and a number of observers. In the seven years of its existence it has made little progress towards its goal of creating a politically and economically integrated area. In 2002 its secretary-general made considerable efforts to find extraordinary budget means for the implementation of the projects included in the action plan adopted at the third conference of heads of state and government on the Venezuelan island of Margarita in December 2001. There were positive results in this connection at the ministerial conference in Belize on 26/27 November 2002, most conspicuously agreement on projects for the development of an early warning system for natural disasters, measures for the promotion of tourism, and the establishment of a data bank for sea transport.

**Relations with the European Union**

The EU conducts a regular **political dialogue** in meetings at foreign minister level with the Latin-American Rio Group, the Mercosur states, the Andean Community and the Central American San José group. In 2002 the dialogue with the Rio Group took place within the second summit meeting of the European Union and Latin America and the Caribbean on 17 May in Madrid, and those with the Mercosur and the Andean Community on the fringe of the summit. The EU-San José meeting at foreign minister level also took place in Madrid, on 18 May.

The Madrid summit was also the occasion for the finalisation of an association agreement between the EU member states, the EU Commission and **Chile**. The agreement was initialed on 10 June, and signed in Brussels on 18 November. This agreement is the most comprehensive and intensive to date between the European Community and its members and a third country. Its core element is the establishment of an EU-Chile free trade zone within ten years after the agreement comes into effect. It also foresees the progressive liberalisation of trade and services, a political and cultural dialogue, and covers practically every area of economic and scientific cooperation (a so-called fourth-generation agreement).
Despite the months-long severe financial crisis within the Mercosur, the EU Commission and member states underlined their determination to support Mercosur as the pole organisation for integration in Latin America. Negotiations on an EU-Mercosur association agreement have been going on since the end of 1999, with a free trade agreement as its core. The political will to this end was confirmed at the Madrid summit, and a ministerial meeting in Rio de Janeiro agreed on a calendar for further negotiations.

Agreement was also reached at the Madrid summit on the commencement of new political and cooperation agreements between the EU and the Andean Community as well as between the EU and Central America, in order to promote stability and regional integration as well as to combat poverty and ensure the sustainability of development efforts. At the end of 2002 the European Commission produced a draft mandate for negotiations. The agreement reached in Madrid foresees the establishment of a free trade zone as the medium-term goal.

All 15 Caribbean countries with the exception of Cuba (which has provisionally withdrawn its application) are parties to the so-called Cotonou Agreement between the EU and the states of Africa, the Caribbean and the Pacific (the ACP states). As foreseen by the Cotonou Agreement, in September 2002 the European Commission opened negotiations with the ACP countries on economic partnership agreements in conformity with WTO regulations. The negotiations are due to be completed by 2007.

On the fringe of the Madrid summit there was a review of the agreement with Mexico that entered into force in 2000. This so-called global agreement covers free trade, economic partnership, and political coordination and cooperation. It was decided to step up cooperation in the international institutions and to integrate civil society more strongly into the dialogue. A joint forum of the civil societies was held in Brussels at the end of 2002.
B. Austria in other European Institutions

I. The Euro-Atlantic Partnership Council (EAPC) and the Partnership for Peace (PfP)

The year 2002 was one of important decision making for the North Atlantic Treaty Organisation (NATO) and its 27 partner nations in the EAPC and PfP. In addition to the enlargement of the Alliance and the broadening of relations with the Russian Federation, combating international terrorism was the most important issue. The main events were the NATO and EAPC summit meetings on 21/22 November in Prague.

At the Prague meeting NATO invited seven partner states – Slovenia, Slovakia, Estonia, Latvia, Lithuania, Romania and Bulgaria – to begin negotiations on membership, with accession envisaged for May 2004. The Prague summit also agreed to strengthen the Alliance’s capabilities in order to ensure that it would be prepared to react effectively to new threats (inter alia by setting up a technologically advanced, flexible, deployable, interoperable and sustainable “NATO Response Force”). It was also decided to intensify cooperation with the partner nations, with Russia (NATO-Russia Council) and Ukraine, with seven countries of the southern Mediterranean region (Egypt, Jordan, Israel, Tunisia, Algeria, Morocco and Mauritania) that are linked to NATO through the so-called Mediterranean Dialogue, and with the European Union.

Cooperation between NATO and its partner states in the EAPC and PfP in 2002 was essentially influenced by two factors:
· the adaptations made necessary by the forthcoming enlargement of the Alliance,
· and the setting of additional priorities for countering terrorism.

To this end, the EAPC summit meeting on 22 November adopted two documents which aim at far-reaching flexibility of options for cooperation within the framework of the EAPC and PfP in view of the heterogeneous nature of their future structures as well as the very mechanisms required to combat terrorism.

Austria was represented at the EAPC summit by Minister for Foreign Affairs Benita Ferrero-Waldner. She stressed that Austria, although not herself a candidate for NATO membership, welcomed the enlargement of the Alliance as an important contribution to peace, security and stability in Central and Eastern Europe as well as in the Euro-Atlantic region as a whole. Although the enlargement processes in the EU and NATO were autonomous in nature, they constituted central components of the security architecture of a new Europe, which had overcome the dividing lines of the past. The Minister further welcomed intensified cooperation in the fight against terrorism as well as the new forms of cooperation within the framework of the EAPC and PfP.

On the invitation of Austrian Minister of Defence Herbert Scheibner, a conference on “International Security and the Fight against Terrorism” was held in Vienna on 13-15 June. It was attended by high-ranking representatives of NATO and EAPC-states, and the NATO-Mediterranean Dialogue countries. The purpose of the conference
was to discuss the manifold problems involved in the campaign against terrorism. The spectrum ranged from the political and military to the ethnic and cultural aspects of the problem. The conference was opened by Austrian Federal Chancellor Wolfgang Schüssel, NATO Secretary-General Lord Robertson of Port Ellen, and the Secretary-General of the Arab League, Amre Moussa. The Spanish EU presidency was represented by Minister of Defence Federico Trillo-Figueroa y Martínez-Conde. Austrian Minister for Foreign Affairs Benita Ferrero-Waldner, the foreign ministers Solomon Passy of Bulgaria, Dimitrij Rupel of Slovenia and Goran Švilanović of Yugoslavia, and State Secretary Mihnea Ioan Motok of Romania, elaborated on “South-Eastern Europe’s Contribution to Combating terrorism”. The role of military forces in the fight against terrorism was addressed by NATO Supreme Allied Commander Europe (SACEUR), General Joseph W. Ralston, and the Chief of the EU Military Staff, General Rainer Schuworth. The Secretary-General of the OSCE, Jan Kubis, also participated, as did prominent scientists, representatives of religious communities, and journalists.

On the margin of this conference, and on the basis of the “tailored cooperation programme” between Austria and NATO, Secretary-General Lord Robertson had bilateral discussions with Federal President Thomas Klestil, President of Parliament Heinz Fischer, Federal Chancellor Wolfgang Schüssel, Minister for Foreign Affairs Benita Ferrero-Waldner and Minister of Defence Herbert Scheibner. On 3 July Federal President Klestil paid an informal visit to Secretary-General Robertson at NATO headquarters in Brussels. At the meeting of EAPC foreign ministers in Reykjavik on 15 May, Austria was represented by the Secretary-General for Foreign Affairs, Johannes Kyrle.

The NATO Committee on the Challenges of Modern Society met on 10 October in Vienna under the chairmanship of Jean Fournet, NATO Assistant Secretary-General for Scientific and Environmental Affairs; this was the first occasion on which this committee had met in a non-NATO country. On the following day the members of the committee, which is mostly concerned with ecological and social matters, had a meeting with Austrian experts.

NATO and EAPC activities have a particular focus on South-Eastern Europe. The NATO-led PfP operations in Bosnia and Herzegovina (SFOR) and Kosovo (KFOR) made a significant contribution to maintaining peace in those areas. The Austrian KFOR contingent at the end of 2002 numbered 500 personnel out of a total of 30,000 from more than 35 countries. The Austrian SFOR contingent was reduced to two persons for service in SFOR headquarters. SFOR’s total strength amounted to 14,000 personnel from over 30 countries. In Macedonia, NATO terminated Operation Amber Fox on 15 December and replaced it with Operation Allied Harmony with a considerably reduced personnel strength of around 400 for security functions. Like Amber Fox, Allied Harmony was conducted by NATO without its PfP-partners, but those partners which participated in KFOR were kept regularly informed. The NATO South-Eastern Europe Initiative has the purpose of assuring stability in the Balkan-region as well as supporting the activities being conducted under the Stability Pact for South-Eastern Europe. It encourages regional cooperation as well as military and security policy reforms within the countries of the region.
II. The Organization for Security and Cooperation in Europe (OSCE)

The enlargement of the European Union and NATO quite naturally has consequences for the OSCE as a relevant actor in the security policy field. These new conditions are to be taken into account through a fundamental discussion of the changes in the challenges to security policy, and work will begin on developing an appropriate strategy. The subject of terrorism was also one of the main issues under the Portuguese Chairmanship. The Meeting of the OSCE Ministerial Council in Porto on 6/7 December adopted an anti-terrorism charter. Operationally, OSCE activities were expanded mainly in the policing sector. During the first quarter of the year its work was hindered by the delay in finalising the budget for 2002; it was only in April that this was adopted, with a revised scale of contribution for the secretariat, the institutions and the small missions. Since the decision not to prolong the missions in Estonia and Latvia after the end of 2001, the question of closing missions (e.g. Chechnya or Belarus), has become an increasingly controversial topic. It would appear that the scope of OSCE field activities has now passed its zenith. The ministerial meeting in Porto, at which all the documents were again adopted by consensus, confirmed that the OSCE has entered again a calm phase. One of the main reasons was the good relationship between the United States and the Russian Federation.

Regional Challenges

The OSCE maintained 19 field missions in 2002, to which – with a falling tendency in respect of the major operations in South-Eastern Europe – more than 80 per cent of the financial and personnel resources of the Organization are committed.

The Federal Republic of Yugoslavia

The OSCE mission in Belgrade, set up in 2001, contributed to the reforming endeavours of the Yugoslav government by providing support for the national authorities in a large number of fields. These included justice and reform of criminal law, electoral legislation, the return and integration of refugees, implementing legislation on minorities, the media, and the democratic control of armed forces. Another focus was the police, where the mission supported the reform process and in-service training for police officers, inter alia in a training centre run jointly with the Serbian Ministry of the Interior which by the end of 2002 had trained some 2,500 policemen and policewomen. One special feature was the training of a multi-ethnic police force in South Serbia, which – together with a series of confidence-building measures and programmes to promote the political participation as well as the medial, cultural and linguistic presence of the Albanian minority – has made a substantial contribution towards improving the coexistence of the ethnic groups and consequently the stabilisation of the region. The OSCE observed both ballots of the Serbian presidential election as well as its repetition, and recommended that the condition of 50 per cent participation should be dropped for the second round.

In Montenegro, where the OSCE maintains an office in Podgorica, the mission carries through a similar broad programme that supports the harmonisation of standards between Serbia and Montenegro foreseen by the so-called Belgrade Agreement signed in March 2002. Another principal activity was combating the
trafficking in human beings. The OSCE observed the Montenegrin local elections in spring.

The Federal Republic of Yugoslavia/Kosovo

The OSCE’s largest mission is in Kosovo, where it maintains ten offices with almost 300 international and 1,100 local personnel. The OSCE is an autonomous component of the UN Interim Administration in Kosovo (UNMIK), with responsibilities for the development of administrative and democratic institutions. This comprises functions in respect of democratisation, the rule of law, human rights, the organisation and observation of elections, development of the media, and training of police personnel. The OSCE organised local elections in Kosovo for the second time at the end of October; in the opinion of the Council of Europe’s monitoring mission these elections met the required international standards. Participation by the Kosovo Serbs, although higher than in the previous elections, remained low at one third of the registered Serbian electorate, despite the best efforts of the international community.

The OSCE Kosovo mission’s main functions include party development, strengthening civil society, and the development and strengthening of administrative structures, especially at local level. The Institute for Public Administration holds seminars for local elected representatives and officials as well as party representatives. Three centres for the further training of judges, prosecutors and defenders were established in order to strengthen the rule of law. Similar intensive support is given to the development of independent media, ranging from the drafting of the relevant legislation and the regulation of licences to the training of journalists from minority groups, the creation of a Media Commissioner and an independent Kosovo radio and television authority. The Kosovo police school is responsible for the development of a police force that meets international standards; by the end of 2002 it had trained around 5,500 police personnel, some 15 per cent of whom were women and 15 per cent from minority groups.

Macedonia

The Framework Agreement of August 2001 provided a basis for a political solution to the armed conflict in Macedonia. The part played in its implementation by the OSCE mission in Skopje made an important contribution to the stabilisation of the country. The mission undertook confidence-building tasks, with monitoring in border areas and sensitive zones, as well as training multi-ethnic police units. Another principal aspect was improving the coexistence of different ethnic groups, for example by encouraging decentralisation as well as participation by the Albanian population in the democratic processes, the local and central administration, and the media. The largest election monitoring operation to date, with 850 observers, was organised on the occasion of the parliamentary elections in mid-September.

Bosnia and Herzegovina

The OSCE mission in Sarajevo plays a key role within the international presence in the country, especially as regards human rights and the rule of law, for example on property rights legislation, a central issue for the return of refugees. In order to expedite the resolution of open questions on refugees, the OSCE missions in
Sarajevo, Belgrade and Zagreb have developed a joint regional approach with the UN High Commissioner for Refugees. Within the general rationalisation of the work of the various international actors, the OSCE mission took over the lead role on education and security cooperation, which involves support for reducing military forces and strengthening civilian control. The OSCE made an essential contribution to the successful autonomous organisation of the parliamentary elections by the national authorities, which were carried out to the required international standards.

Moldova/Transdniestria

The OSCE was again deeply involved in endeavours to find a political solution to the Transdniestrian conflict. The Council of Europe and the OSCE High Commissioner on National Minorities were active on issues like minorities, languages, status and legal systems. In the summer of 2002 there appeared to be positive movement on two issues of importance for a solution to the Transdniestrian conflict - the question of Transdniestria’s status, and the withdrawal of Russian military material – but by the end of the year the concrete results were very meagre. As so often in the past, the Transdniestrian leadership blocked further activities the moment a solution seemed near, when the wishes of the international community were clearly evident at the OSCE Ministerial Council in Porto and the deadline for the complete withdrawal of the military material on 31 December 2002 was approaching. The Ministerial Council therefore extended the deadline for withdrawal.

Belarus

The OSCE spent the entire year in negotiations with Belarus on the status of the OSCE Advisory and Monitoring Group in Minsk. It was finally possible to obtain a new mandate for an OSCE presence in Minsk that enables the work there to continue. This was made possible largely through massive international pressure, including travel restrictions imposed on leading Belarusian politicians by the European Union and United States.

Georgia

The year 2002 was marked by serious tensions between Georgia and the Russian Federation. The grounds for dispute included cross-border movements by Chechen guerrillas and alleged inactivity by Georgian security forces, overflying of the border by a “non-identified” aircraft, and Russian support for the separatist Georgian province of Abkhazia by the issue of Russian passports. The OSCE again endeavoured to find a solution to the South Ossetia conflict, and in view of the general tension was at least able to prevent any regression through a continuation of the Baden/Vienna 2000 negotiating process. The OSCE monitoring operation at the Russian/Chechen border was extended to cover the sectors of the border with Ingushetia and Dagestan. In Abkhazia the OSCE supports the United Nations in the search for a political solution. The withdrawal of the Russian military presence in Georgia was a subject of negotiations.

Russian Federation/Chechnya

The OSCE Assistance Group to Chechnya carries out humanitarian projects for internally displaced persons, especially in the education sector (from pre-school
education to computer courses), monitors the return of refugees, and sends regular reports back to the OSCE. It and the group of experts from the Council of Europe, whose mandate as part of the Russian human rights office in Chechnya was extended, represented the only permanent international presence in Chechnya. However, when the group’s mandate was due for renewal at the end of 2002, Russia insisted on the removal of its political and human rights functions. Agreement could not be reached, and the OSCE’s permanent presence was therefore ended for the time being.

Central Asia

The Portuguese Chairmanship of the OSCE confirmed its focus on Central Asia – it was also a feature of the Austrian Chairmanship – by appointing a special adviser for the region, amongst other measures. Central Asia became a central object of international interest after the events of 11 September 2001. The states of the region welcomed this enhanced interest, but made the point that OSCE activities should be stepped up in the economic, environmental, and politico-military dimensions. Endeavours were made to meet these desires during 2002; the newly-appointed police adviser in the OSCE secretariat drew up a plan to strengthen police capacities in the participating countries, implementation of which has already started. The enhancement of capacities for border control was implemented in bilateral and multilateral projects. In October the Austrian Ministry of the Interior contributed to this programme by organising a seminar in Krems on border supervision; this meeting foresees the establishment of a Central Asian academy for the training of border guards within the next two years.

Further Activities

In addition to the missions mentioned above, the OSCE is also represented by field missions in Albania, Armenia, Azerbaijan, Croatia and Ukraine. The Minsk Group, under the co-chairmanship of France, Russia and the United States, is endeavouring to find a solution to the Nagorno-Karabakh conflict.

The Human Dimension of the OSCE

The OSCE institutions in this field – the Office for Democratic Institutions and Human Rights (ODIHR), the High Commissioner on National Minorities (HCNM) and the Representative on Freedom of the Media – are essential instruments for ensuring the maintenance of human rights, democracy and the rule of law. Defending and promoting democracy is and remains the standard by which the work of the OSCE, and especially its institutions and field activities, is measured daily. The human dimension is at the same time a core OSCE activity and one of the Organisation’s most important comparative strengths.

One of the main tasks for the ODIHR in 2002 was carrying out 16 election observation missions, including for the first time monitoring of elections in “old democracies” like France and the United States. In the democratisation sector more than 100 projects were implemented in 20 countries; these included assistance with the development of institutions, advisory services on the rule of law, civil society, equality of treatment, trafficking in human beings, freedom of movement, migration, and anti-terrorism. In view of the increasing importance of combating trafficking in
human beings, the ODIHR stepped up its activities in this area. The relevant task force under the Stability Pact for South-Eastern Europe is led by ODIHR regional coordinator Helga Konrad, formerly Austrian Federal Minister for Women’s Issues. The ODIHR Roma-Sinti Contact Point concentrated on the issue of Romas in public life and conflict avoidance in various everyday situations.

The observance of commitments over the entire range of the Human Dimension was discussed by over 700 participants at the annual Human Dimension Implementation Meeting on 9-19 September in Warsaw. It was held in a new and revised form, whereas the three so-called Supplementary Human Dimension Meetings in Vienna were each dedicated to specific themes: “Violence against Women” (18/19 March), “Prison Reform” (8/9 July) and “Community Policing” (28/29 October). The annual Seminar on the Humanitarian Dimension in Warsaw (23-25 April) discussed the theme of “Judicial Systems and Human Rights”.

The High Commissioner on National Minorities endeavours to defuse conflict potential arising from minority situations through preventive diplomacy. In 2002 he provided advice for a number of OSCE participating States on legal measures to protect the political, social and cultural integration of minorities. The Representative on Freedom of the Media reported and intervened in numerous concrete cases involving hindering journalists in their work, and put forward recommendations on media legislation in the participating States.

The OSCE Ministerial Council in Porto adopted a series of substantial documents on the Human Dimension. The issues dealt with – trade in persons, election standards, and tolerance and non-discrimination – also help to broaden the much-criticised concentration on the “new democracies” in the field of the human dimension

**The Economic and Environmental Dimension of the OSCE**

The creation of an Economic and Environmental Subcommittee by the Ministerial Council in Bucharest in 2001 led to an expansion of the thematic range covered. The Ministerial Council in Porto decided to draw up a new basic document on the Economic Dimension, since the last “Bonn Document” dates from 1992.

The Tenth OSCE Economic Forum in Prague (28-31 May) was dedicated to the sustainable use and protection of water resources. The choice of subject led to reservations being expressed by many participating States, and so everything that could have been interpreted as having security relevance or hinted at internationalisation of water resources was omitted from the title. A special session of the Economic Forum occupied itself with methods of countering the financing of terrorism. The Netherlands Chairmanship selected the theme of the economic effects of trafficking (human beings, drugs, small arms and light weapons) for discussion at the 11th regular Economic Forum. A first preparatory seminar on the problem of small arms and light weapons was held in Sofia on 11/12 November; it adopted recommendations on the various issues, including the collection of weapons and providing a better linkage between the different problem areas like money laundering.
Political and Military Issues

The OSCE Forum for Security Cooperation, in addition to traditional business like the implementation of the 1999 Vienna Document on Confidence- and Security-Building Measures, was increasingly occupied with the issue of terrorism in 2002. One result of the Annual Implementation Assessment Meeting (Vienna, 4-6 March) was a decision to strengthen the reminder mechanism with regard to information to be delivered by participating States.

The main issues, not least in connection with combating terrorism, were the OSCE Document on Small Arms and Light Weapons, and the Code of Conduct on Politico-Military Aspects of Security. A workshop on the implementation of the document on small arms and light weapons, held in Vienna on 4/5 February, drew up model answers for the exchange of information. It also inaugurated work on a handbook of best practices on the various aspects of the control of these weapons. The Forum decided to offer participating States concrete support and expertise towards the application of the document; this assistance will also be available through the OSCE missions. The third follow-up conference on the Code of Conduct took place on 23/24 September at expert level. As a result of this conference, the Forum broadened the scope of the exchange of information under the Code to include national measures on combating terror. On Russian initiative, the Council of Ministers in Porto decided to institute a review of the role of the OSCE in peacekeeping, the review to take place in 2003. The existing guidelines date from 1992. The extension of the term of the Chairmanship of the Forum to four months has had a positive effect on its work.

The adapted Treaty on Conventional Forces in Europe (CFE) had been ratified by only two states (Belarus and Ukraine) by the end of 2002. A number of Western states have tied their ratification to a solution to the question of the Russian military presence in Georgia and to the withdrawal of Russian military material from Transdniestria. As soon as the treaty has entered into force it will be opened for accession by other OSCE participating States that had not previously been signatories. Austria is interested in acceding to this treaty, which affords the opportunity of participating in the decision making on issues of conventional arms control.

New Security Challenges / Combating Terrorism

The issue of counter-terrorism now figures prominently on the agenda of the OSCE. On 12 June a conference of international organisations was held in Lisbon, at the invitation of the Portuguese OSCE Chairmanship, to coordinate strategies against terror. The meeting of ministers in Porto adopted a Charter on Preventing and Combating Terrorism, which primarily re-emphasises the existing commitments of the participating States. A group of 17 states, including Austria, complied with the call to ratify all twelve relevant UN conventions contained in the action plan adopted in Bucharest. The Permanent Council in June called upon the participating States to take swift action to implement the recommendations of the OECD Financial Action Task Force on money laundering and the financing of terrorism.

The main aspects of the OSCE’s concrete activities in this sphere in 2002 were police, border controls, combating trafficking, especially in human beings and weapons, and countering money laundering and the financing of terrorism. The
The greatest amount of progress was achieved on police; the decision taken by the Ministerial Council in Bucharest to set up a police unit enhanced the OSCE’s profile in this area; its main purpose is to strengthen police capacities in the participating States in particular in the Southern Caucasus and Central Asia. The training of (multi-ethnic) police units is already a component of OSCE field activities in South-Eastern Europe.

The Ministerial Council in Porto mandated the Permanent Council to draft an OSCE strategy on the threats to stability and security in the 21st century. It also decided to establish an Annual Security Review Conference; this would give the politico-military side of the OSCE’s work a review system analogous to that of the human dimension, one designed to cope with the new security challenges, above all terrorism.

Institutional Issues

The discussion on strengthening and reforming the OSCE continued under the Portuguese Chairmanship. There were decisions by the Permanent Council on technical-administrative issues: improving the budgetary management; more coherent public relations work; and more exact definition of the functions of the Chairmanship in future. The latter two arose out of a joint US/EU/Russian initiative. No conclusion could be reached on the question of a legal personality for the OSCE.

Since 1993 the OSCE institutions in Vienna have been accommodated in rented offices. The Austrian government decided on 16 April to make a centrally located building available to the Vienna based institutions of the OSCE. The Ministerial Council in Porto accepted this offer.

The OSCE Parliamentary Assembly, comprising over 300 members of national parliaments, held its annual session in Berlin on 6-10 June 2002 on the general theme of terrorism. For the first time, a winter session was held, on 21/22 February, and this will be repeated annually in Vienna. A liaison office for the Parliamentary Assembly was opened in Vienna in order to intensify contacts with the OSCE secretariat and delegations of the participating States.

III. The Council of Europe

Political Developments

The importance of the Council of Europe (CoE) lies in its activities in the following areas:

- Protection of human rights, pluralist democracy and the rule of law.
- Promotion of consciousness of the common cultural identity in all its variety, for the ongoing development of which the Council of Europe stands.
- A search for solutions to the social problems of Europe (e.g. discrimination against minorities, hatred of strangers, intolerance, environmental pollution, cloning of humans, AIDS, drugs, and organised crime).
- Consolidation of the democratic stability of Europe by promoting political, legislative and constitutional reforms.
The Republic of **Bosnia and Herzegovina** was admitted on 24 April 2002 as the Council’s 44th member state. The Republic’s fulfilment of the entry conditions has made good progress since then, with substantial assistance from the Council. The Parliamentary Assembly, in its opinion 239, laid down an additional condition for accession by the **Federal Republic of Yugoslavia**, namely, the adoption of a new federal constitution. The procedure for membership by **Monaco** made progress in some respects, but certain vital questions could not be resolved (limited sovereignty, accession to essential CoE conventions, intra-state legislation). The suspension of special guest status for **Belarus** remained in force because its internal situation still did not meet CoE standards.

The Committee of Ministers and the Parliamentary Assembly paid special attention to the situation in **Chechnya**. Three CoE experts seconded to the office of Abdulkhakim Sultygov, Russian President Putin’s representative on human rights in Grozny, make the CoE’s human rights expertise available on an advisory basis. Their mandate has been renewed twice. In the late autumn of 2002 the president of the Parliamentary Assembly, Peter Schieder of Austria, had talks with President Putin in Moscow. The Russian president explained his plans for a resolution of the conflict, including the drafting of a constitution. President Schieder expressed the readiness of the Parliamentary Assembly to make its constitutional expertise available for this purpose.

As in previous years, the CoE participated in the monitoring of elections in several member states, and took over the observation of the local elections in **Kosovo** at the invitation of the OSCE and UNMIK. The CoE also continued to participate in activities within the framework of the Stability Pact for South-Eastern Europe, where it is primarily occupied with educational matters.

In April, representatives of the Parliamentary Assembly visited **Georgia**, where the CoE opened its own office in Tbilisi during the year. In **Moldova** the implementation of the conditions laid down for accession in 1995 was found to be incomplete, for instance on democracy, justice, and freedom of information and opinion. A “round table” was therefore set up, on the initiative of Secretary-General Walter Schwimmer and the Parliamentary Assembly, in order to unite all the political forces and lead to a faster improvement in the situation. In view of Moldova’s chairmanship of the Committee of Ministers in 2003, it was given intensive support for the preparations (sending of advisers, technical equipment, etc.) by the CoE and the EU. The accession conditions were also not entirely fulfilled in **Armenia** (failure to abolish the death penalty) and **Azerbaijan**. Both countries were supported by the work of a specially appointed monitoring group. There were also problems in Ukraine in respect of the media, and freedom of information and opinion. There was still no sign that the murder of the journalist Heorthly Gongadze was anywhere near being cleared up.

The CoE continued its programme of countering terrorism, and with the publication of its guidelines on human rights and the fight against international terrorism in early July it set a standard that has also been recognised by the United Nations. These guidelines, on the one hand, stipulate that states are committed to protecting the individual and the state as far as possible from terrorism, and on the other hand endeavour to regulate the steps taken by states to combat terrorism in the light of human rights. The guidelines cover: protection of the individual by the state from
terrorist actions; a ban on arbitrary behaviour (specifically respect for human rights and no discrimination); legality of anti-terrorist measures; a ban on torture; compilation and use of personal data by state security authorities; arrest and police custody; imprisonment on remand; legality of procedures; appropriateness of sentences; asylum; extradition; right to property; possible exceptions; respect for the norms of international law and human rights; and compensation for the victims of terrorist attacks.

Relations with Other International Organisations

Close cooperation continued in 2002 between the Council of Europe and the European Union. At official level, there is a regular exchange of information on current activities and projects between the CoE Secretariat and the European Commission. The CoE maintains a permanent office in Brussels. Representatives of the European Commission participate in meetings of the Committee of Ministers, ministerial delegations and reporter groups. One special feature is the jointly planned and co-financed programmes for Central and East European countries, which foresee deepened support in the fields of law, the rule of law and democracy. In September the 18th quadrilateral meeting was held at political level between the CoE and EU presidencies, the CoE Secretary-General and the Commission President, with an emphasis on four issues: the development of the European institutions (EU enlargement, completing membership of the CoE); political themes of common interest and joint programmes (predominantly in South-Eastern Europe, the Russian Federation, the Southern Caucasus and Moldova as a contribution to consolidating democracy and the rule of law); migration; and cooperation on conflict prevention.

A meeting at senior official level took place in Vienna in July between the Council of Europe and the Organisation for Security and Cooperation in Europe (OSCE), when there was an exchange of views on the activities of both organisations in the Balkan and Caucasus regions. CoE Secretary-General Schwimmer participated in the meeting of the Permanent Council of the OSCE in Vienna on 18 July, when he dealt with the question of cooperation between the CoE, OSCE and EU in the course of his statement on the enlargement of the Council (Serbia-Montenegro, Monaco). There was also an exchange of views with the director of the OSCE Office for Democratic Institutions and Human Rights (ODIHR), Gérard Stoudman, on issues of common interest like election monitoring in South-Eastern Europe; promotion of democratisation in those countries and in the Caucasus; the joint contribution to the Stability Pact in the form of election monitoring in Macedonia, Bosnia and Herzegovina and the Federal Republic of Yugoslavia; the fight against international terrorism while having regard to human rights; and combating organised crime and trade in persons.

There are regular contacts between the CoE and the United Nations, with particularly close cooperation with the high commissioners for refugees and human rights. In 2002 the CoE made substantial contributions to the UN missions in Kosovo, Bosnia and Herzegovina, and in Georgia, mainly by drafting legislation, monitoring elections, and training judges and prosecutors.

Human Rights

See the special chapter: The International Protection of Human Rights
Monitoring

One of the most important functions of the Council of Europe is monitoring the observance of the conditions for membership, especially as regards human rights, pluralist democracy, and freedom of information and opinion, in order to ensure their current and future fulfilment. One must distinguish between monitoring by the Parliamentary Assembly, which goes on continuously by means of visits, reports and recommendations, and monitoring by the Committee of Ministers, which in 2002 was carried out in three forms:

- Monitoring the fulfilment of entry conditions by member states on the basis of the relevant 1994 declaration.
- Thematic monitoring, which has been carried out since 1996, covers all member states, and in 2002 extended to ten areas, including: freedom of information and opinion; the functioning and protection of democratic institutions; functioning of judicial systems; and non-discrimination, with special reference to combating intolerance and racism.
- Specific, ad-hoc monitoring of the accession commitments of Armenia, Azerbaijan and Georgia. In the case of Armenia and Azerbaijan this is carried out by a special monitoring group, of which Austria is a member. The fulfilment of Georgia’s membership commitments will be monitored half-yearly from 2003.

This monitoring is a confidential process covering a long period of time, and is not immediately concluded with a specific result. In April 2002 the Committee of Ministers debated the implementation of the membership conditions by Moldova. Other meetings in July and October were dedicated to thematic monitoring, with special attention to freedom of information and opinion, the functioning and protection of democratic organisations, the functioning of the judicial system, local democracy, police and security services, the death sentence, and the efficiency of legal systems. The handling of non-discrimination was also regarded as extremely important, and there was particularly extensive discussion of the fight against intolerance and racism. The monitoring meeting in July agreed on means of rendering the complex and difficult monitoring procedure more brief and efficient in future. The ad-hoc monitoring of Armenia and Azerbaijan was continued, in order to assist both countries in the implementation of their membership commitments. The Parliamentary Assembly also continued its monitoring procedures in respect of Armenia, Azerbaijan, Moldova, Georgia and the Russian Federation.

Assistance Programmes

Under the Activity Programme that was integrated in 2001 the CoE allocated €9.7 million for aid activities and programmes for cooperation with 25 member and candidate states, with the recent members and applicants as the main beneficiaries. It covers a wide range, from assistance with democratisation and strengthening of civil society to reform of justice and administration. The actual measures mostly consisted of making the services of experts available and holding training courses. This programme also financed the CoE information offices in Central and Eastern European countries as well as the CoE offices in Tirana, Belgrade, Pristina, Podgorica and Sarajevo/Mostar. A supplementary budget of €500,000 financed special assistance actions in the new member countries Armenia and Azerbaijan.
The programmes on confidence-building measures and the advancement of young democratic leaders continued.

Under its joint programmes with the European Union, the CoE carried out projects to a value of €2 million in the Russian Federation, Albania, Moldova and the Northern Caucasus in the areas of justice, criminal law and police. It also supported joint multilateral programmes on the abolition of the death penalty, combating racism and intolerance, and ratification of the European Social Charter.

**Institutions of the Council of Europe**

The work of the CoE is carried on by the following organs:

- The Committee of Ministers, consisting of the foreign ministers of the 44 member states or their representatives (minister delegates). It is the decision-making body of the CoE. Its chairmanship changes every half year.
- The Parliamentary Assembly, with 612 members (306 members and 306 substitutes) from the 44 national parliaments, and the delegations from two candidates for membership which have special guest status.
- The Congress of Local and Regional Authorities of Europe, consisting of a chamber of local authorities and a chamber of the regions.
- The General Secretariat, with around 1,300 personnel.

**The Committee of Ministers**

The Committee of Ministers meets twice yearly at ministerial level. The 110th session was held on 2/3 May in Vilnius under the chairmanship of Lithuanian Foreign Minister Valionis. Austria was represented by the Secretary-General of the Foreign Ministry, Johannes Kyrle. The main topics were the contribution of the CoE to the fight against international terrorism, regional cooperation, and its effects on stability and democratic reforms in Europe. The Secretary-General of the Arab League, Amre Moussa, took part in the informal ministerial meeting at the invitation of CoE Secretary-General Schwimmer. The central themes of the discussion with him were international terrorism and the Middle East situation. In conclusion, a declaration was adopted on regional cooperation and the consolidation of democratic stability in Europe as well as the convention on regulating child visiting rights.

The 11th session was on 6/7 November under the chairmanship of Luxembourg Foreign Minister Lydie Polfer. Austria was once again represented by the Secretary-General of the Ministry. The Committee concentrated mainly on the four principal current questions: the possibility of holding a third CoE summit in the near future, ensuring the long-term effectiveness of the European Court of Human Rights, the CoE contribution to combating international terrorism, and membership of the Council of Europe by the Federal Republic of Yugoslavia. The meeting issued a declaration on Europe without dividing lines, a declaration on enhancing the efficiency of the European Court of Human Rights, and the text of an additional protocol to the convention on cyber-crime dealing with the criminalising of actions of a racist and xenophobic nature in computer systems. The minister delegates usually meet four times a month.
The Parliamentary Assembly

The Assembly holds four plenary sessions annually, with periodic meetings of its committees and sub-committees. The Assembly and its Standing Committee formulate resolutions, recommendations, opinions and guidelines for the Committee of Ministers as well as national governments, parliaments or political parties. Austria sends six members and six substitutes, elected from both houses of the Austrian Parliament. The President of the Parliamentary Assembly from the beginning of 2002 was Peter Schieder of Austria. In his maiden speech, President Schieder announced the most important programme points of his presidency:

- Raising the profile of the Parliamentary Assembly and the Council of Europe generally, with the work of the Assembly and its effectiveness being presented with the use of the most modern and efficient means, including the internet.
- Enlargement of the CoE with the accession of Bosnia and Herzegovina as well as Serbia and Montenegro. The accession of Monaco and eventually Belarus can be dealt with later.
- Special emphasis on the progressive role of the Parliamentary Assembly, which should be more active in the field of non-discrimination (e.g. on “fringe groups”, Romas, homosexuals and lesbians), and should play a forward-thinking role for national parliaments.

President Schieder undertook a series of official visits, inter alia to Morocco, Russia, Croatia and Portugal. He delivered highly-regarded addresses to the Interparliamentary Union (Marrakech, March), the Interparliamentary Forum on Combating Terrorism (St. Petersburg, March), the Conference of Speakers and Presidents of European Parliamentary Assemblies (Zagreb, May), and the International Union of Lesbians and Homosexuals (Lisbon, October). One politically especially important official visit was to the Federal Republic of Yugoslavia, where he met President Kostunica, Prime Minister Pesic and Foreign Minister Svilanovic, and handed over the list of membership conditions to be implemented after accession. President Schieder then participated in the 11th annual session of the OSCE Parliamentary Assembly, where political, economic and human rights aspects of the international campaign against terrorism were debated.

Most members of the Parliamentary Assembly are organised in five groups: Socialists (200 members), European People’s Party (153), Liberals, Democrats and Reformers (87), European Democrats (87) and the United Left (40). Another 35 members do not belong to any group (all figures January 2003). They are also grouped into “national delegations”; the leader of the Austrian national delegation is Michael Spindelegger.

The Parliamentary Assembly takes its important monitoring tasks very seriously, for example observing elections in CoE member or candidate states, but also monitoring the development of individual countries as regards the implementation of commitments they have undertaken along with CoE membership.

On the occasion of its third part session in September 2002 the Parliamentary Assembly held another joint plenary meeting with the European Parliament, whereby the importance of closer cooperation between both assemblies in the course of the expansion of the membership of both organisations was visibly underlined.
The Congress of Local and Regional Authorities of Europe

The Congress, founded in 1957 as a standing conference of the districts and regions of Europe, was reconstituted in 1994 as an advisory organ of the CoE. Its 306 members meet once yearly in Strasbourg in plenary session. In June 2002 the Governor of Tyrol, Herwig van Staa, replaced Llibert Cuatrecasas of Spain as its President.

The Congress formulates important recommendations for the Committee of Ministers on local and regional democracy as well as on environmental protection, disaster protection or social cohesion, which in Austria are followed up at local and regional level as well as by the relevant federal ministries. It performs a particularly valuable quantitative and qualitative task in its monitoring of local and regional democracy. Its monitoring is also a component of the procedures for admitting new members of the CoE, for example in the case of the Republic of Serbia and Montenegro (formerly Federal Republic of Yugoslavia). The Congress also carries out projects in South-Eastern Europe within the framework of the Stability Pact on developing and strengthening democracy at local level.

The Council of Europe and Austria

During 2002 three important positions in the Council of Europe were occupied by Austrians: Secretary-General (Walter Schwimmer, since 1998), President of the Parliamentary Assembly (Peter Schieder, since January 2002), and President of the Congress of Local and Regional Authorities of Europe (Herwig van Staa, since June 2002). Austria’s contribution to the regular CoE budget as well as to the extraordinary and pensions budget and various part agreements totalled €4.38 million.

Commitment to the Council of Europe is a matter of particular importance to Austria, which is especially active on human rights, culture/education and social issues. Austria played a leading role in the Multilateral Group for international measures against terrorism, and contributed substantially to the drafting of a new protocol to the outdated 1977 European Convention on Combating Terrorism. In particular, Austria campaigned for the restriction of the excessive number of opportunities written into the old convention for states to evade their responsibilities by declaring reservations. Austria was also closely involved in the drafting of an efficient follow-up mechanism through a more precise interpretation of the old conditions in combination with a new system. This should guarantee that that the fulfilment of the responsibilities arising out of the convention can be monitored. The protocol was to be laid out for signature at the 112th meeting of the Committee of Ministers on 15 May 2003.

The following conventions under the auspices of the Council of Europe entered into effect for Austria, or were signed by Austria, during 2002:

- Protocol no.1 to the European Convention on the Prohibition of Torture and Inhuman or Degrading Treatment or Punishment (ETS 151; 1953). Came into effect on 1 March 2003.
- Protocol no. 2 to the European Convention on the Prohibition of Torture and Inhuman or Degrading Treatment or Punishment (ETS 152; 1953). Came into effect on 1 March 2003.
• Additional Protocol to the Convention against Doping (ETS no. 188; 2002). Signed on 12 September 2002.

IV. The Central European Initiative (CEI)

The primary aims of the Central European Initiative (CEI) are to provide support to its 17 member countries in Central, East and South-Eastern Europe in the European integration process, to promote regional stability and development, and to prevent the emergence of new lines of division in Europe. Its members are Albania, Austria, Belarus, Bosnia and Herzegovina, Bulgaria, the Czech Republic, Croatia, Hungary, Italy, Macedonia, Moldova, Poland, Romania, Serbia and Montenegro, Slovakia, Slovenia and Ukraine. Macedonia held the chairmanship of the CEI in 2002.

The most important event of 2002, as every year, was the CEI summit of heads of government in Skopje on 15 November. The meeting adopted amendments to the CEI statutes (Guidelines and Rules of Procedure), and issued a declaration welcoming the European Union’s endeavours to develop a new neighbourhood policy aimed at promoting democratic and economic reforms and the creation of stability and prosperity on the borders of the enlarged Union. In this connection, the heads of government stressed particularly the importance of the CEI’s activities in favour of those countries that will not participate in the EU enlargement process in the foreseeable future.

The CEI’s parliamentary and economic dimensions are now anchored in its statutes. Two deputy director-generals were appointed in the Executive Secretariat, and it was decided to hold regular meetings of the political directors from the member states’ foreign ministries. The number of meetings of foreign ministers, hitherto held twice a year, has been reduced to a single meeting each year. The 2003 meeting will take place in Wroclaw under Polish chairmanship. These adaptations are part of a process of internal reform that was endorsed at the foreign ministers meeting in Ohrid (Macedonia) on 26 June, with a view to improving coordination between the CEI and other regional institutions.

The meetings of National Coordinators of the CEI are held in the country holding the chairmanship, in London at the European Bank for Reconstruction and Development (EBRD), in Trieste at the CEI Executive Secretariat and since April 2003 once a year in Vienna. Austria also intends to host more meetings of the CEI’s specialised working groups, especially those on environment and agriculture, which are under Austrian chairmanship.
The activities of the working groups should concentrate more on concrete projects in the future, such as a micro-loan system for agriculture that has already been introduced in Albania.

This and numerous other CEI projects, which are of special benefit to its economically weakest member states, are either financed by the CEI cooperation fund or co-financed by the CEI Special Fund at the EBRD and administered by the CEI Project Secretariat in London and Trieste.

As every year, the CEI Summit Economic Forum was held on the fringe of the Skopje summit, bringing together the economics ministers and representatives of the business communities of the participating states.

During 2002, in the context of EU enlargement, the CEI engaged in a redefinition of its priorities. The CEI should add value in areas that are not or not sufficiently covered by other regional fora. Austria supports the ongoing reform efforts, both as a member state and through the Director-General of the Executive Secretariat, a post which is held since the beginning of 2002 by Ambassador Harald Kreid (former Austrian Permanent representative to the UN in Geneva).

Austria values the CEI as an important link to the countries of Eastern and South-Eastern Europe, especially after the imminent EU enlargement.

V. Austria’s Relations with Neighbouring Countries

The Regional Partnership

The Regional Partnership with the neighbouring EU candidate countries Slovenia, Slovakia, Hungary, the Czech Republic and the “cultural neighbour” Poland goes back to an initiative by Minister for Foreign Affairs Benita Ferrero-Waldner, who on 6 June 2001 invited the foreign ministers of the partner states to an initial meeting in the Hofburg Palace in Vienna.

The concept follows logically from the close cooperation that already exists between Austria and those countries on many levels. A new and still closer form of cooperation was now developed in two phases: before the EU enlargement in 2004, the Regional Partnership has systematically deepened cooperation in those areas that are of particular importance for the enlargement, has helped to eliminate existing sources of friction, has provided concrete support for the partner countries in their accession negotiations and adaptation to EU norms, and has provided a framework for consultations on the Constitutional Convention and the Lisbon Process. After accession, it will contribute to the definition of common interests and their defence within the EU.

The ministerial meetings held at the invitation of the respective Austrian government members make a substantial contribution to the Partnership’s activities. In 2002 there were meetings of ministers responsible for: social, family and women’s affairs; home affairs; economics and employment; the environment; health; and youth. The
creation of the Central European Cultural Platform, with concrete projects in film, music and exhibitions, was one of the operational results. One particularly significant project is the joint compilation of a Central European school book containing a common representation of history. The security partnership of the ministries for home affairs, covering police, border controls, illegal migration, asylum and the exchange of information, has proved particularly successful as well.

On 14 October the third meeting of foreign ministers was held in Portoroz, Slovenia, at the invitation of Slovenian Foreign Minister Dimitrij Rupel. This meeting confirmed that the aims of this initiative are broadly shared by the partner countries. Thus in the pre-accession phase there was pronounced interest in an intensification of cross-border contacts (the flooding in Central Europe was an occasion for an impressive demonstration of Central European solidarity) as well as in utilising Austria’s EU know-how, for example with respect to access to EU funds. After accession, there will be a coordinated approach to issues of common interest within the Union, especially concerning infrastructure, transport and environmental policies, but also as regards the further development of the European institutions.

There was also agreement that this cooperation will continue for the time being without any special organisational or institutional structure. The activities of the Regional Partnership should, however, be supported by the creation of “focal points” in the foreign ministries of the partner states.

**South Tyrol**

On 8 March 2002 a regular meeting on South Tyrol was held in Vienna, chaired by Minister for Foreign Affairs Benita Ferrero-Waldner. Those present included the leader of the South Tyrolean People’s Party (SVP), Siegfried Brugger, the governors of North and South Tyrol, Wendelin Weingartner and Luis Durnwalder, representatives of all the parties in the Austrian Parliament, and politicians from South Tyrol. At a time when South Tyrol’s interests were receiving less attention by the Italian government in Rome under Prime Minister Silvio Berlusconi, this meeting confirmed that South Tyrol remains a very important issue for Austria. The South Tyrolean side at the meeting reported that, while relations with Rome had to some extent been strained, there had been no restriction of the province’s autonomy.

Numerous Austrian politicians visited South Tyrol in 2002, among them President of the National Council of the Parliament Heinz Fischer, Minister for Foreign Affairs Benita Ferrero-Waldner, Vice Chancellor Susanne Riess-Passer and the President of the Federal Economic Chamber, Christoph Leitl.

On the occasion of the state visit to Italy in September by Austrian Federal President Thomas Klestil, South Tyrol was the subject of a joint declaration with the President of the Italian Republic, Carlo Azeglio Ciampi. The heads of state declared that the autonomy of the Trentino-South Tyrol region represented a successful model for the protection of minorities and the peaceful coexistence of different linguistic groups, and in those respects set an example to the entire international community.

To mark the tenth anniversary of the declaration that the dispute between Austria and Italy over South Tyrol was terminated, Minister for Foreign Affairs Benita Ferrero-
Waldner held a ceremony in the Federal Chancellery in Vienna, in which many political figures from Austria, South Tyrol and Trentino participated. The Italian government was represented by Minister for European Affairs Rocco Buttiglione. On 12 June a special session of the Austrian parliament was held on this theme. All the speakers confirmed that the autonomy on the basis of the South Tyrol Package had proved a success.

The official result of the statistical census on the linguistic groups taken in 2001, which was published in June 2002, revealed that the numerical strengths of the various groups had hardly altered during the preceding ten years. The German-speaking group grew by 1.16 per cent since 1991 and now stood at 69.15 per cent of the total population of South Tyrol. The number of Italian speakers went down by 1.18 per cent to 26.47 per cent. The Ladin-speaking group remained stable at 4.37 per cent. New regulations were issued for the deposition of the individual declarations of linguistic identity, which can now be deposited at local authority level or at the office of the government’s commissioner in Bozen.

A referendum carried out in Bozen on 6 October on the initiative of the Alleanza Nazionale resulted in a vote of almost 62 per cent for the renaming of the “Peace Square” as the “Victory Square”, its previous designation, and only 38 per cent for the name “Peace Square” that was given to it by the Bozen City Council in December 2001. The developments in this connection caused considerable disquiet in South Tyrol and were the subject of an informal meeting in Innsbruck on 18 October between Minister for Foreign Affairs Benita Ferrero-Waldner, SVP party leader Siegfried Brugger, governors Wendelin Weingartner and Luis Durnwalder, and Austrian People’s Party parliamentary leader Andreas Khol. This meeting re-emphasised Austria’s continuing protective function for South Tyrol.

The provincial legislatures of Tyrol, South Tyrol and Trentino followed up their previous joint sessions in Meran and Innsbruck with another joint session on 29 May 2002 in Riva on the Lago di Garda. They discussed themes like developments in tourism, the expansion of cross-border cooperation, and the creation of a common marketing symbol.

In the 30 years since the Second Autonomy Statute entered into force in 1972, on the whole the development of South Tyrol’s autonomy has proceeded satisfactorily. Given the current legislative framework and economic conditions the safeguard of the linguistic, ethnic and cultural identity of the minority can be considered to be assured. After a phase of dynamic expansion of autonomy during the past years, South Tyrol’s main interest now lies in the maintenance and consolidation of the status quo.

**Protection of the Environment**

**Nuclear Safety**

The protection of the population, and therefore a high level of safety of nuclear power stations, especially those close to Austria’s borders, is a matter of the highest priority for the Austrian government. As regards the Czech nuclear power station at Temelin, the main task is the implementation of the agreement signed with the Czech Republic on 29 November 2001 (“Conclusions of the Melk Process and Follow-Up”) according
to the “road map” mutually agreed upon. The European Council in Copenhagen stated that it expected the Melk Agreement to be applied comprehensively. Both countries are working constructively on its implementation, amongst others in a working group set up for the purpose as well as by holding workshops. In December a scientific working group on a sustainable energy policy for Europe was established with five experts each from Austria and the Czech Republic. Its function is to examine the economic, ecological and comprehensive safety aspects, including the aspects of a “zero variant”.

Regular meetings of experts took place under the nuclear information agreements with neighbouring states, for the purpose of an early exchange of information and experience on the safety of nuclear power stations, radiation protection, and any eventual transborder consequences of radiological dangers and their effects. In particular, there was enhanced cooperation on radiation protection. In accordance with the Melk Agreement and its follow-up, negotiations commenced with the Czech Republic on amending the existing nuclear information agreement.

**The Convention on the Protection of the Alps**

The seventh Alpine Conference, held in Meran on 19 November under Italian chairmanship, decided that the permanent secretariat of the Alpine Convention be established in Innsbruck, with a branch office in Bozen, South Tyrol. This decision represented a significant success for Austria, and is also an international recognition of Austria’s active role in the interest of the Alpine region. M. Lebel of France was appointed interim Secretary-General for the build-up phase of the secretariat. The next Alpine Conference, to take place in 2004, will appoint a secretary-general for a period of four years. Germany took over the presidency for the next two years.

The permanent secretariat in Innsbruck has both political and administrative functions. It has a legal personality under international law and in 2003 will conclude a host state agreement with Austria. The technical-operotive branch office in Bozen will be installed in the European Academy, which will be entrusted, among others, with the Alpine observation and information system (ABIS) and the coordination of Alpine research activities.

The Alpine Convention, with its nine protocols, which entered into force in December 2002, is a globally unique system of treaties for regional sustainable development. Its successful implementation is also important for endeavours in other mountainous regions (e.g. the Carpathians), where its provisions may well inspire similar measures.

**The River Danube**

**The Danube Cooperation Process**

The Danube Cooperation Process was launched in Vienna on 27 May 2002 by the foreign ministers of the 13 participating countries of the Danube region (Austria, Bosnia and Herzegovina, Bulgaria, the Czech Republic, Croatia, Germany, Hungary, Moldova, Romania, Serbia and Montenegro, Slovakia, Slovenia and Ukraine) as well as the European Commission and the Stability Pact for South-Eastern Europe. The
invitation was extended by the Austrian Minister for Foreign Affairs Benita Ferrero-Waldner, the Romanian Foreign Minister Mircea Geoana, EU Commissioner Christopher Patten and Stability Pact Coordinator Erhard Busek. The aim of the initiative is to give impetus to the political, economic and cultural integration among the countries of the Danube basin. The DCP has therefore been acknowledged as a political forum in which regional matters can be formulated, goals defined and programmes devised. This should enhance cooperation in the region, guide the wide range of activities and organisations towards common regional goals, and contribute to the economic and political stabilisation of this heterogeneous region.

The founding of the Danube Cooperation Process was made possible by political changes in Belgrade. Cooperation between the countries of the Danube region, interrupted by the Yugoslav crisis, and previously hindered by the Iron Curtain, should now be fully activated between democratic states.

Ministerial meetings are envisaged to take place every two years, the next one in Bucharest in early summer 2004. The DCP is designed as a flexible process without institutional structures: The four initiators of the Process Austria, Romania, the Stability Pact and the European Commission agreed to continue playing a coordinating role.

The following “dimensions” have been identified for the process: economy, transport and navigation, tourism, environment, culture, and sub-regional cooperation. The participants in the initial conference in Vienna also agreed on a working programme for the immediate future. It includes two projects wherein Austria functions as “lead partner”: the setting up of an Internet Portal as a comprehensive information, communication and coordination platform for the Danube region, and an initiative for the qualitative improvement of freight transport by rail and ship between the Danube basin and the European Union.

It was agreed that a Danube Region Business Conference will be held in Bucharest during 2003. Business people from the Danube region are to formulate recommendations and measures to improve economic cooperation and standards within the region.

**Danube Navigation**

Due to the interruption of the fairway at Novi Sad as a result of the destruction of the Danube bridges during the Kosovo war, the Danube countries regard it as a matter of priority that freedom of navigation should be restored. In 2002 it was possible to raise the frequency of the opening times of the temporary pontoon bridge, reduce the transit charges for freight vessels and allow free passage for passenger ships.

The Project Committee set up by the Danube Commission to clear the navigation channel allocated contracts for the five tenders on the basis of the bids received, all according to the set timetable. The high water in August 2002, however, led to delays in the execution of the contracts, so that the clearing of the debris and restoration of the river bed could not be completed before early 2003. Austria played a leading part in this process through its presidency of the Danube Commission, in the Project Committee, in the expert group, and in the evaluation committee, and also, as the
administrator of the Vienna-based International Fund for Clearing the Danube Fairway, was able to raise almost the total planned fund of €26 million.

The Austrian presidency of the Danube Commission ran out at the 60th annual meeting on 15-23 April. The new Presidium appointed consists of Croatia (President), Romania (Vice-president) and Moldova (Secretary). The most important decisions taken at the meeting included the granting of observer status to the Netherlands and the Czech Republic as well as the question of a revision of the Belgrade Convention. The first preparatory meeting to determine the organisational and substantial aspects of a revision of the convention was held in Belgrade on 11 November. The goals are the adaptation of Danube navigation to the changed economic and integrationist framework, and to create the basis for a competitive transport system within an all-European inland waterway network.

In addition to questions of standardisation, Austria’s work with the Danube Commission placed an emphasis on enhanced networking of the European inland waterway system and on environmental issues.

**The Convention on the Protection of the Danube**

The International Commission for the Protection of the Danube River (ICPDR), which was set up in Vienna in 1998, continued to give priority to the European Union’s framework directive on water.

One significant initiative in this connection was the joint Austro-German assessment expedition in 2001 to establish the quality of the Danube water between Regensburg in Germany and the Danube delta on the Black Sea. The water quality measurements within the framework of the transnational Danube assessment network also continued in 2002. Other activities included an inventory of the major animal-keeping concerns within the Danube catchment area, measures against the permeation of water-endangering agricultural fertilisers into the Danube system, and guidelines for preventive measures in plants with water-endangering emissions.

These were also the main issues at the fifth ICPD plenary meeting in Vienna at the end of November 2002. Not least under the influence of the flood disasters in several member states, a resolution was passed with the aim of improving coordination on high water protection. An action programme for sustainable protection against high water in the Danube catchment area is to be drawn up by October 2004. Another important project is an intensification of cooperation with other water protection organisations, including the newly-founded Sava Basin Initiative and the Black Sea Cooperation.
C. Austria and the Developing World

The primary aims of Austria’s development cooperation are the reduction of poverty, the promotion of peace, in particular through democratisation and conflict prevention, and the protection of the environment as complementary and mutually supportive elements of sustainable development. Basic principles in all Austrian development programmes and projects are: working in partnership with the peoples concerned; the use of appropriate technologies; the cultural dimension of development; and the equality of men and women. Austria’s endeavours are primarily concentrated on underprivileged groups in the least developed countries of Africa, Asia and Latin America. These priorities are enshrined in the new Development Cooperation Act that was passed by Parliament in February 2002. This forms the basis for a coherent Austrian development policy with a list of specific goals that specify criteria for all the authorities involved.

The core problems of many countries are transnational and affect the future chances of all: war, migration, environmental damage as a result of poverty or unjust distribution of resources, lack of access to education and health care – these often add up to a vicious circle that the peoples concerned cannot break without external aid. Globalisation adds a further political dimension, because these problems have direct effects on the richer states. Climate change, for example, is a problem that one country cannot counter alone. Refugee and migratory movements are caused by poverty and war. Only if the causes are eliminated will there be any lasting improvement, and that demands international cooperation. Development assistance is therefore not just a matter of a moral obligation, but also of self-interest.

Globalisation has brought about a change in international development policies. In addition to the orientation towards social, economic and environmental sustainability, it is increasingly accepted that better integration of even the poorest countries into the world economy is the key to development. Parallel to this, in 2002 there was intensified discussion on increasing the level of official development assistance (ODA).

The international framework for this debate was set by two major conferences: the UN Conference on Development Financing in Monterrey in March 2002, and the World Summit on Sustainable Development in Johannesburg in September. In Monterrey the main themes were increasing the funds for development, stimulating the economies of developing countries, and finding ways to resolve their debt problems. The basis for the debates was the 0.7% goal and the UN Millennium Declaration. The latter foresees halving the number of people living in poverty by the year 2015.

Even before the Monterrey conference the European Union announced its intention to raise its average development assistance expenditure to 0.39% by the year 2006. That included the agreement of member states with below-average contributions to increase their expenditure to the current EU average of 0.33% of GNI. Austria announced in Monterrey that it would achieve the 0.33% mark by 2006, and that it had taken important steps to that end during the previous two years. In 2001 Austria’s ODA increased from 0.23% to 0.29% of GNI, appreciably above the OECD average of 0.22%. 

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The World Summit for Sustainable Development in Johannesburg made the question of a productive balance between social standards, reducing poverty and the protection and maintenance of natural resources the central issues. For the first time, attention was paid to the relationship between poverty, environmental destruction and disadvantage, and comprehensive solutions were sought in economic, development and environmental policies. The main themes of the conference included the fight against poverty, the opportunities and risks of globalisation, financing development, and problems of water and energy supply. Austria set its priorities for the summit in those areas in which it has many years of expertise and experience: renewable energy carriers, water supply and sanitation, and environmentally and socially tolerable tourism. Austria’s development assistance has for years carried out projects in those areas, with emphasis on the enhanced transfer of know-how and technology.

The international community committed itself in Johannesburg to increase its efforts to combat poverty, to provide financial and technical aid to halve the number of people without access to clean drinking water and sanitation by the year 2015, and to increase substantially the proportion of people with access to energy supplies. From Austria’s point of view these results form a solid political basis for concrete programmes and other measures for achieving the international development and environmental goals over the next few years. The European Union announced its first steps in Johannesburg. Its “Water for Life” initiative will finance programmes in the water sector and endeavour to achieve better coordination between the various donors, while a partnership programme in the energy sector, in which Austria plays a leading role, is to make available $700m over the next few years to develop sustainable energy supplies in developing countries. Voluntary initiatives and programmes with partners from industry and civil society will play a large role in achieving the goals set out in Johannesburg.

For a large part of the world’s population, reducing poverty is the essential precondition for a better future with enhanced opportunities. It is also a means of avoiding wars and protecting the global ecological balance, and for this reason forms the core of Austrian and international development cooperation. Combating poverty has for several years been a horizontal issue within Austria’s development programme, and has now been upgraded to a central objective. Austria’s goals have been set out to the OECD Development Assistance Committee (DAC) as follows:

- Selection of the poorest countries as priority and cooperation countries.
- Selection of particularly needy regions, provinces and districts within the partner countries, and encouragement of decentralisation.
- Orientation of measures towards sectoral priorities that will be of direct benefit to the poorest population groups.
- Selection of particularly disadvantaged target groups.

The practical application of Austrian development assistance towards the goal of reducing poverty was primarily determined in 2002 by the following:

- Participation in the drafting of DAC guidelines for specific approaches to the reduction of poverty, with a concentration on health matters.
- The inauguration of cooperation with the World Bank on the joint formulation of poverty-oriented strategies.
I. Bilateral Development Cooperation

Since the financial means available for Austria’s development cooperation are not unlimited, it is important to follow an efficiently programmed and globally coordinated concept with clearly defined regional and sectoral priorities. For several years more than 70 per cent of Austria’s bilateral ODA has been concentrated on a number of specific regions, and priority and cooperation countries, with the application of specialised Austrian know-how in certain sectors, as well as the special programme for Palestine:

Central America: priority country Nicaragua; cooperation countries Costa Rica, El Salvador, Guatemala.

The Sahel Zone of West Africa: priority countries Burkina Faso, Cape Verde; cooperation country Senegal.

East Africa: priority countries Ethiopia, Rwanda, Uganda; cooperation countries Burundi, Kenya, Tanzania.

Southern Africa: priority country Mozambique; cooperation countries Namibia, Zimbabwe, South Africa.

Himalaya/Hindu-Kush: priority country Bhutan; cooperation countries Nepal, Pakistan.

More than 500 projects in those countries were financed by Austrian bilateral development assistance in 2002. Typical examples were: an integrated programme of health care and advisory services for women in Ethiopia, with the aim of improving their legal and social position; provision of reliable water supplies for a population of 200,000 people in Quetzaltenango, Guatemala, through a new publicly owned company; and measures to minimise the dangers to Himalayan communities in Bhutan from glacier lakes that have expanded as a result of global warming. In Afghanistan, Austria is contributing an additional €6.5m over 2002-2004, inter alia to improve the situation of women in respect of education, health and nutrition, as well as for demining and the care of mine victims.

The special programme for Palestine once more had to cope with the unceasing conflict with Israel, which has had extremely damaging economic and social effects on the population. Despite the difficulties, Austria is participating in the international aid measures, and is carrying out water, health provision and seawater desalination projects within the framework of the UN network. In South East Asia, Austria continued to support technical and scientific institutions in order to strengthen local and regional expertise and to support North-South as well as South-South cooperation, including cooperation through the ASEA-UNINET multilateral university network that was founded in 1994 on Austrian initiative. Scholarships are provided annually for study at the Asian Institute of Technology in Bangkok. In 2002 almost 100 students received Austrian grants towards the completion of dissertations or research projects.
Sectoral Priorities

Austria offers her partners cooperation in those sectors where it possesses special know-how and expertise. In the micro, small and medium-sized business sector the aim is to combat poverty by creating new jobs and incomes. In 2002 there was a concentration on promoting the establishment of firms in rural areas, providing support for the marketing of agricultural products, and finance for agricultural investment. In agricultural and rural development the aim is to increase production while conserving natural resources, promoting markets and increasing the incomes of the rural population. The most significant event in the energy sector was inauguration of production at the Basochu hydro-electric power station in Bhutan, Austria’s largest ODA project. Solar thermal energy installations were set up in Zimbabwe and Uganda. Other main target areas for cooperation are water, decentralisation, conflict prevention and educational cooperation, in which some €9.5m was invested in 2002. Multinational conflict prevention seminars were held regularly in Southern Africa and Sri Lanka. The measures taken to promote fair trading resulted in increased sales of Fair Trade products from developing countries.

Co-financing

Since 1992 there has been a structured programme of co-financing development projects with both official and private funds on a basis of framework agreements, each covering several projects. Austria uses this instrument primarily to support social projects as well as private sector partnerships between Austrian firms and partners in the developing countries. In 2002 multi-project framework agreements on co-financing were again concluded with a number of organisations, which also participate financially. The European Commission made €3.05m available for the activities of NGOs in this sector. These arrangements enabled €6.11m to be raised to finance projects. The European Centre for Development of Enterprise, in cooperation with the Austrian Foreign Ministry, financed “twinning” arrangements between private business partners in Austria and developing countries up to a total of €150,000.

Evaluation

Evaluation and control have an important function in the administration of Austria’s development assistance, as a means of learning from experience and also of justifying the expenditure of public money. The series of evaluations of Austria’s activities in the small loans sector concluded in 2002 with the presentation of a synopsis of the results at a conference of the German-speaking evaluation services. The Austrian-financed activities in the leather sector in Uganda were evaluated jointly with UNIDO, with positive results, especially as regards the establishment of supportive framework conditions and training for small businesses. The preparations for the evaluation of the water and sanitation sector included participation by representatives of several coordinating offices as well as relevant experts, and specialists on horizontal issues like the environment, gender and poverty.
II. Multilateral Development Cooperation

The United Nations

The principal UN agency for the coordination and financing of technical assistance is the United Nations Development Programme (UNDP). Since the successful conclusion of wide-ranging reforms (introduction of results-oriented management methods, refocusing of programmes, and relocation of personnel and responsibility from New York to local offices) the UNDP has in addition acted as coordinator for all UN activities for the reconstruction in Afghanistan as well as for the achievement of the millennium goals. In recent years cooperation with the Bretton Woods organisations as well as with the private sector has been intensified. There is, however, still some doubt about its exact position in relation to the World Bank and the International Monetary Fund, which are becoming more and more active in development activities. Since these institutions are funded by obligatory contributions, they have an advantage over the UNDP, which is not financed from the general UN budget and is, consequently, dependent on voluntary contributions.

The United Nations Fund for Population Activities (UNFPA) is a relatively small and decentralised UN programme with a clearly defined mandate to formulate and support programmes for the control of demographic development. The best strategy to this end has been found to be a concentration on individuals, in particular educating girls and strengthening the role of women in developing countries. Its main fields of activity are reproductive health (family planning, medically assisted births, help for teenage mothers), reduction of mortality among infants and mothers, promoting primary schooling for all to reduce the rate of illiteracy among adult women, and gender equality in secondary education. Countering the spread of HIV/AIDS is another central activity. Despite its undoubted successes, and the recognized reforms introduced by Executive Director Thoraya Ahmed Obaid of Saudi Arabia, the level of contributions to UNFPA has continued to fall. Its core budget of $242m for 2002 represented a reduction of 10% over the previous year’s income. Its total resources, including project funds, were $317m, some 20% less than in 2001. Austria supports UNFPA through multilateral funds, and in 2002 also bilaterally for a project in the occupied Palestinian territories. The successful Austrian-financed WHEEL project (“Women in Health, Education, Environment and Local Resources) in Nepal was extended until 2004.

The work of the United Nations International Children’s Fund (UNICEF) is increasingly centred on combating the spread of HIV/AIDS, especially in Africa, with emphasis on preventing the infection of children through the mothers, caring for orphans, and protecting children and youths from infection by means of advisory and educational measures. The highlight of the year was the World Summit on Children that was postponed from 11 September 2001 until May 2002 on account of the terrorist attacks in New York. At the World Summit on Sustainable Development in Johannesburg in September, UNICEF concentrated on the provision of clean water in all schools and separate sanitary facilities for girls and boys, since in many developing countries the lack of separate facilities leads to girls breaking off their education. Austria financed a UNICEF project in Afghanistan to secure the rights of women and girls with a contribution of €200,000.
The United Nations Junior Professional Officer Programme enables young graduates to gain experience of the work of an international organisation over a period of two years. The costs of Austrian candidates are fully met by the Ministry for Foreign Affairs. The dual aim of this programme is to provide additional assistance for an international organisation as well as broadening the experience of the trainees. Austria also provides support for their appointment to the regular staffs of their respective UN organisations. In 2002, there was a selection process for new candidates. At the end of the year, there were Austrians in service under this programme in Nicaragua, Kenya, Myanmar, Palestine, Zimbabwe, Mozambique, Ethiopia, Uganda and Bhutan as well as in the central offices in New York and Geneva. Of the 25 Austrian participants since 1996, a total of 16 were subsequently appointed on regular contracts by UN organisations.

Within recent years, the United Nations Industrial Development Organisation (UNIDO) has increasingly concentrated on the development of sustainable small and medium-sized industries with an emphasis on the environmental and sustainability aspects of industrialisation. In 2002, Austria was a member of its Industrial Development Board and its Programme and Budget Committee. The most important events of the year for UNIDO were the UN Conference on Financing for Development in Monterrey, and the World Summit on Sustainable Development in Johannesburg. In Monterrey, UNIDO proposed the establishment of a trust fund to strengthen the export capacities of developing countries by enhancing productive capacities and promoting quality standards. Austria, followed by Italy and the United Kingdom, gave a voluntary donation of €200,000 to this end. In Johannesburg, UNIDO successfully presented its programme of support for industrial production in order to create employment and prosperity and for the protection of the environment. There are plans to set up a National Cleaner Production Centre in Johannesburg. Austria was able to maintain its high level of voluntary contributions to UNIDO and is still one of its six largest donors. Austria’s activities concentrate on the cleaner production and productive capacity-building sub-sectors, and in fact Austria co-finances 9 of the 28 cleaner production centres established by UNIDO. There is also increasing interest in UNIDO’s activities in the energy sector.

The United Nations Conference on Trade and Development (UNCTAD) held a review conference in Bangkok in May 2002. Its purpose was to conduct a systematic and future-oriented stock-taking, two years after the 10th World Trade Conference (UNCTAD X) and two years in advance of UNCTAD XI in Brazil in 2004. The review conference did not adopt any major measures of reform, but decided on several changes to the functioning of meetings held under UNCTAD auspices. It also adopted a report on the organisation’s programme of work containing proposals for the main lines of emphasis in the future. There was agreement that the new multilateral trade round and the growing importance of the development dimension of trade would constitute central themes of UNCTAD’s work within the coming years.

The UNCTAD Trade and Development Board session of October concentrated on the state of negotiations in the World Trade Organisation and the possible effect of the new trade round on development policy. WTO Director-General Supachai, the guest speaker, stressed the need to address the interests of the developing countries in the new round, which is planned as a development round. Another central theme was the question of trade-related technical assistance for developing countries. A joint UNCTAD-UNIDO project for the build-up of trading capacities was financed by
Austria with $200,000. A high-level conference will be held in Vienna during 2003 within the framework of this project, which concentrates on technical assistance to trade facilitation.

The 2002 UNCTAD report on Least Developed Countries (LDCs) examined the question of how the growing extreme poverty in the LDCs can be combated more effectively and recommended a strategy that lays more emphasis on measures to promote growth and productive capacities.

The central event in 2002 for the United Nations Commission for Human Settlement (UNCHS-Habitat) was the adoption by the UN General Assembly of Resolution 56/206, which has decisively altered Habitat’s mandate, status and role. The Commission has thereby been transformed into an established UN programme, and its title will henceforth be UN-Habitat. At the World Urban Forum in May and the World Summit on Sustainable Development in September, Habitat was able to increase the amount of attention paid to the issue of settlement within the global development agenda. In addition to its normative function, Habitat also carries out a series of concrete projects, for example one for the reconstruction of Afghanistan that will provide housing for some 21,000 people. Other development projects in Africa, Asia, Latin America and South-Eastern Europe are in the course of implementation.

III. The European Union’s Development Policy

In view of the International Conference for Development Financing in Monterrey, the European Council in Barcelona in March decided to increase EU official development assistance by €18,000m by the year 2006.

The internal reform of the European Commission’s administrative and financial system of development cooperation, inaugurated in 1999, essentially consisted of delineation between its functions and those of the member states as well as organisational restructuring and simplification, and standardisation of its procedures. This process was largely completed in many areas by 2002, whereby the backlog of transfer of payments seems to have been reduced. The new EC Budget Regulation of 2002 and the new Financial Regulation of the Ninth EDF of 2003 provide that the Commission may entrust the implementation of aid to national or certain private sector bodies of member states, particularly in the case of joint co-financing. In this context Austria advocates the use of more transparent and objective criteria. Externalisation is also being discussed in connection with the drafting of new rules of procedure for development assistance in Asia and Latin America. The new EC financial regulations as well as those adopted for the 9th EDF, which permit the Commission to co-finance complementary development projects by the member states within their national strategies, can extend the range of action for Austria’s development assistance.

The implementation of the Cotonou Agreement, signed by the European Community and 76 African, Caribbean and Pacific (ACP) states in June 2000, continued. The agreement covers a broad spectrum of cooperation, from intensified economic and trade cooperation to a political dialogue. Austria ratified the Cotonou Agreement in June 2002 after the parliament had unanimously approved the Agreement, the corresponding EU-internal implementation agreement and the internal EU financial
agreement for the 9th EDF. By the end of December 2002, a total of 14 member states had ratified the Agreement.

On 17 June 2002 the EU foreign ministers unanimously adopted a mandate to the Commission to negotiate regional Economic Partnership Agreements (EPAs) with the ACP states. These, in conformity with the Cotonou Agreement, are to replace the existing ACP trade preferences from 2008 onward with reciprocal but asymmetrical conditions of trade in conformity with WTO regulations. For Austria, the negotiation of the mandate was dominated by the overriding consideration of development. Austria, therefore, supported the general principle of WTO-conformity of the partnerships, but particularly emphasised that there should be no further restriction of the opening of the European market to the products ("everything but arms") of all the LDCs free of tariffs and quotas, which had been granted with the specific intention of improving their integration into the world market. The negotiations began in September 2002 and are scheduled to last for six years.

In June 2002 the European Council decided in Seville to integrate development assistance into the new Council for General Affairs and External Relations. This will enable matters of development policy to be dealt with more coherently, more frequently, and, according to necessity, more flexibly. The practice hitherto of holding informal meetings of ministers for development issues is to be continued. The new Council formation met for the first time in Brussels in November 2002, when its agenda included the relationship between trade and development, a theme that Austria has intensively promoted for three years within the EU and the UN. Austria succeeded in having the main principles of her development policy (e.g. emphasis on the significance of South-South cooperation, maintaining the individual responsibilities of the partner countries, special attention to the needs of the LDCs) largely considered in the Council’s conclusions. Another achievement was to have this text mention the significance of complementary measures for the development of productive capacities in the partner countries in order to overcome supply side constraints. On Austrian initiative, the conclusions invite the Commission to cooperate in this connection with the UN organisations, which dispose of comparative expertise in this area. This enables the intensification of cooperation between the Commission and UNIDO, which is strongly supported by Austria. A broadening of this cooperation would indirectly benefit the United Nations headquarters in Vienna.

Cleaner Production

The development of the United Nations programme for the worldwide establishment of National Cleaner Production Centres (NCPCs) started in 1993, immediately after the Environment Summit in Rio de Janeiro. These are independent, non-profit advisory centres located within ministries, universities and similar institutions. The NCPCs have four objectives: the preparation of environmentally sound production programmes and their application in industrial firms; training of experts; advising governments on environmentally-relevant legislation; and disseminating information on environmentally sound industrial production. The centres should be able to support themselves after a period of five years. The identification of countries to receive NCPCs will be done through UNIDO, which will bring forward concrete proposals together with requests for financing by the UNIDO member states.
The NCPC programme presently covers 25 centres in Brazil, China, Costa Rica, Croatia, the Czech Republic, El Salvador, Ethiopia, Guatemala, Hungary, India, Kenya, Korea, Lebanon, Mexico, Morocco, Mozambique, Nicaragua, Slovakia, Sri Lanka, South Africa, Tanzania, Tunisia, Uganda, Vietnam and Zimbabwe. There will also be a clean production network in Cuba and a sector-specific CPC in Russia covering the oil and gas industries as well as environmental management.

Austria has supported the NCPC programme since 1994. After the success of the Austrian-supported CPCs in the Czech Republic, Slovakia and Hungary, and in priority countries for Austrian development cooperation like Nicaragua and Uganda, a further million euros were made available to UNIDO in 2001 for an expansion of the programme. This provided the entire finance for the centre in Cuba, and co-financed that in St. Petersburg together with the United Kingdom. Another €100,000 was provided for the co-financing of a centre in Libya by the European Union. A treaty for the foundation of an NCPC in South Africa was signed on the occasion of the World Summit in Johannesburg. It will be co-financed with Switzerland and South Africa, with an Austrian contribution of €764,250.

Austria has thereby contributed some €5.1m to UNIDO cleaner production projects since 1994. This amounts to 17 per cent of the $30m budgeted by UNIDO for the programme since 1993.

IV. Assistance for Central and Eastern Europe and Central Asia

Austria’s programme of assistance covers 27 reform countries of Central and Eastern Europe (CEEC) as well as the successor states of the former Soviet Union. Its central aims are sustainable democratic, economic, social and ecological development, and the integration of those countries into the world economy.

Bilateral aid projects cover environmental issues, predominantly water and energy supply; education, training and youth; employment and social matters; administrative reform; democratisation; human rights; and combating poverty. The promotion of women’s rights is a horizontal issue that runs through all the sectors. Austria’s support for these states covers the development of appropriate strategies within the framework of international organisations (e.g. at the World Bank’s Balkan Forum, held in Austria in October 2002) as well as the implementation of specific projects together with the partner country and other bilateral and multilateral donors.

Geographically, there was a special emphasis on Bulgaria and Romania, but also on Albania, Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia and the Federal Republic of Yugoslavia. These states are also the core members of the Stability Pact for South-Eastern Europe, with which the programmes and projects are closely coordinated. The focus of the aid programme here is consistent with Austria’s activities within the Stability Pact, in which Austria holds the chairs of the task force on education and youth and the task force on trafficking in human beings, as well as the co-chairmanship of the Investment Compact Initiative for the promotion of the private sector.
In 2002 Austria provided support for a network of business schools in Albania, Macedonia and Romania. Each of these schools has its own private commercial company organised on Austrian lines, in which the students can learn what will later be their daily practice. In view of its considerable success, this project is to be extended to all the countries of South-Eastern Europe. The task force on trafficking in human beings set up a women’s refuge in Belgrade to provide victims with legal, psychological and medical support. At the end of 2002 a start was made with the development and implementation of training modules for law enforcement officers in South-Eastern Europe who are engaged in combating trafficking in human beings. The task force on women under the Stability Pact was given support for its efforts to provide women with a stronger position in public life. In the three years since the establishment of the task force on women the proportion of women elected to the parliaments of the South-Eastern European countries has risen from 7 to 15 per cent on average. Austria also provided support for cross-border projects for the benefit of networking and regional integration in the CEECs countries as well as in Central Asia and the Caucasus.

Investment promotion is another important element of Austria’s aid programme. It comprises technical assistance in the form of training and advice on the preparation and monitoring of projects, but also on safeguarding the long-term effect of investment measures. The projects place particular value on the creation of local employment and added value, but also on acting on a basis of joint partnership, whereby the partner is encouraged to assume functions and responsibility. Within the framework of the Investment Compact Initiative under the Stability Pact, with Austrian co-chairmanship, a statement was issued in Vienna on 18 July on the swift implementation of measures for the improvement of the overall conditions for direct investment in South-Eastern Europe.

Examples of Austria’s aid projects in South-Eastern Europe include a fund to provide machines and production facilities for small businesses in Romania; in partnership with a Romanian organisation, this has created or sustained around 3,000 jobs over the past 6 years. In Albania, Austrian know-how was used to update the water supply and sanitation system of the provincial capital Shkodra; clean drinking water is now available round the clock instead of only two or three hours daily. In the Posavina region of north-eastern Bosnia, the rebuilding of houses destroyed in the war will enable up to 140 families of all ethnic groups to return home from the collective centre in Zenica. It is particularly gratifying that this project is being supported by all three refugee authorities in Bosnia and Herzegovina.
D. The United Nations

General Assembly and Security Council

The 57th session of the United Nations General Assembly was dominated by the endeavours to obtain a peaceful disarmament of Iraq in accordance with the relevant Security Council resolutions. The speech by US President George Bush on the opening day, 12 September, inaugurated intensive efforts by the 15 members of the Security Council, but also all the other UN members, to find a compromise for a new resolution that would unmistakably define Iraq’s responsibility to disarm as well as its past shortcomings in this respect, while at the same time maintaining the central role of the Security Council in dealing with threats to peace and ensuring international security. Such a solution was achieved on 8 November with the adoption of Resolution 1441(2002), a considerable success for the UN and not least for UN Secretary-General Kofi Annan personally.

The address by Austrian Minister for Foreign Affairs Benita Ferrero-Waldner stressed the importance of combating international terrorism, assuring peace, and the protection of human rights. In her capacity as chairwoman of the Human Security Network she underlined the importance of the comprehensive protection of human rights. In view of tensions in the world she pointed to Austria’s efforts towards a “Dialogue among civilisations” in conjunction with the UN. On 13 September she held a working meeting of members of the Human Security Network, who approved the programme submitted by the Austrian chairmanship. She conducted bilateral talks with UN Secretary-General Kofi Annan; President of the General Assembly Jan Kavan; the foreign ministers of Bolivia, Canada, Egypt, Georgia, India, Malaysia, Mozambique, Pakistan, Peru, Switzerland and Turkey; Carol Bellamy, Executive Director of UNICEF; Sadako Ogata, co-chairman of the Commission on Human Security; and representatives of the Anti-Defamation League and the American Jewish Committee. While in New York, Foreign Minister Ferrero-Waldner also took part in a meeting of the International Assembly of Women Ministers, which, on her initiative, drew up a petition to the Nigerian foreign minister on the case of the Nigerian Amina Lawal, who was under sentence of death.

The agenda of the General Assembly primarily covered the Middle East situation; disarmament and international security; small arms and light weapons; economic, development and environmental issues; drug control and crime prevention; social policies; and refugees.

The debate on multilateralism in disarmament and non-proliferation was even more controversial than in the previous year. The United States demanded a vote on the resolution on the nuclear test-ban treaty (CTBT), and then voted against it. In the case of the Japanese resolution on the total elimination of nuclear weapons, Austria delivered a declaration criticising the weakening of the text on the IAEA security control system and the relevant protocol. Austria also contributed to the resolutions submitted by the New Agenda Coalition (NAC), and co-sponsored one of them. The NAC is a group of states that are pressing for faster progress in nuclear disarmament in accordance with the commitments accepted under the Non-Proliferation Treaty.
The follow-up to the 2001 International Conference on Small Arms and Light Weapons continued with the planning of a revision conference in 2006. On 18-21 March 2002 an “African Conference on the Implementation of the UN Programme of Action on Small Arms: Needs and Partnerships” was held in Pretoria on the initiative of Austrian Foreign Minister Benita Ferrero-Waldner and the Foreign Minister of Canada. In addition to Austria, preparations for this initiative were carried out by Canada, Kenya, the Netherlands, Nigeria, Mali, Norway, South Africa and Switzerland. The aim of the initiative is to speed up the implementation of the various international commitments to improve control of the availability of these weapons at national, regional and international level, and to identify possibilities for better cooperation in this field.

With respect to an international convention on terrorism no progress was achieved. In Vienna five additional posts were created within the United Nations terrorism prevention division. A decision on drafting a convention against the cloning of human beings was postponed for a year due to a lack of consensus on the issue. The United States again expressed opposition to the entry into force of the statute of the International Criminal Court and therefore did not participate in the vote, which allowed the resolution to be carried by consensus.

The UN general budget 2002-2003 rose to a record $2,900m after the United States had withdrawn its long-standing demand for nominal zero growth and agreed to the first budgetary increase since 1994. The increase was necessary due to higher expenditure for special political missions, refurbishment of UN Headquarters New York, and unfavourable exchange rates during 2002.

The membership of the Security Council in 2002 consisted of the five permanent members China, France, the Russian Federation, the United States and the United Kingdom, and the elected members Bulgaria, Cameroon, Colombia, Guinea, Ireland, Mauritius, Mexico, Norway, Singapore and Syria. Of these, Colombia, Ireland, Mauritius, Norway and Singapore retired at the end of 2002 and were replaced by Angola, Chile, Germany, Pakistan and Spain for the period 2003/2004.

The trend towards more transparency in the work of the Security Council continued in 2002, with more open debates and briefings, and a more concise and analytical annual report. The open debates enabled the European Union to enhance its visibility by presenting common positions. The working group on reform of the Security Council had its mandate confirmed by the 57th General Assembly. The group made no further progress on the issue of enlarging the Council’s membership, but the endeavours of many member states to achieve greater transparency did lead gradually to procedural reforms and a degree of opening.

The issues dealt with by the Security Council in 2002 included Iraq and the problematic situation in the Middle East generally. During the second half of the year the Council’s efforts were directed towards obtaining the unconditional compliance with the relevant UN resolutions by Iraq. In the first instance this involved the resumption of UN inspections and the elimination of any remaining weapons of mass destruction.

Resolution 1441 (2002), adopted by the Security Council on 8 November, called for Iraq’s unconditional compliance in respect to its disarmament obligations, after its
numerous failures to do so in recent years, and to cooperate fully and unreservedly with the weapon inspectors of the UN Monitoring, Verification and Inspections Commission (UNMOVIC, set up under Resolution 1284 (1999) as a subsidiary organ of the Security Council) and the International Atomic Energy Agency (IAEA). In the event of a further material breach of its obligations by Iraq, the Security Council would meet without delay to consider the situation and the necessity of complete compliance with the resolutions, in order to maintain security and international peace.

This formula guaranteed that the Security Council would be consulted before recourse was made to military measures to implement the resolutions. France in particular insisted on this procedure for safeguarding the central role of the Security Council, and in this was supported by Austria as well as the overwhelming majority of the UN member states. On 27 November the weapon inspectors resumed their work for the first time since the withdrawal of the UNSCOM inspectors in 1999. The lists of all biological, chemical and nuclear weapons and programmes demanded from Iraq under Resolution 1441 (2002) were handed over to UNMOVIC, IAEA and the President of the Security Council on 7 December. According to the timetable, the first report by UNMOVIC and IAEA to the Security Council on the provisional results of their inspections was due to be presented not later than 27 January 2003.

The Secretary-General’s plan for the future of Cyprus was presented to both parties to the dispute, and negotiations will continue in 2003. In Bosnia and Herzegovina (where Wolfgang Petritsch of Austria served for several years as the UN High Representative), the UN handed over its role to the European Union Police Mission. The corresponding UN mission in Kosovo (Yugoslavia) continued its work, whereas the UN-mission in Croatia was wound up in December after settlement of the dispute with Yugoslavia. The independence of East Timor was proclaimed on 20 May, after very successful work by the UN mission (UNTAET). Timor-Leste was elected the 191st member of the United Nations on 27 September, and is receiving full UN support for the establishment of the institutions of state.

The conflicts on the African continent remain one of the main aspects of the Security Council’s work, with an increasing emphasis on thematic and cross-border issues. These included nutrition, small arms and light weapons, children in armed conflicts, and conflict prevention among others. The Council increasingly views its role in Africa as complementary to those of the regional organisations like the African Union, the Southern African Development Community, the Economic Community of West African States, and the Intergovernmental Authority for Development, and provides support for the resolution of conflicts through such regional groupings. The ad-hoc working group on Africa, under the chairmanship of Mauritius, was charged to draft recommendations on methods of improving cooperation between the Security Council and the African Union as well as the various sub-regional organisations.

UN Peacekeeping Operations

At the beginning of 2002 there were 16 UN peacekeeping operations with personnel from 87 member states. In the course of the year two new operations were initiated in East Timor (UNMISET) and Angola (UNMA), while three were successfully concluded: UNTAET in East Timor, UNMOP in Croatia, and UNMIBH in Bosnia and Herzegovina. The personnel of the 15 remaining operations at the end of 2002
amounted to almost 42,000, a reduction of some 6,000 during the year. The largest operations were in Sierra Leone (UNAMSIL: 16,900 persons), Timor-Leste (UNMISET: 4,750) and Kosovo (UNMIK: 4,500). There was an ongoing trend to the use of contingents from Asian and African countries. The operations in Africa continue to require the use of armed troops with appropriate protection.

The implementation of the recommendations of the Brahimi Report in 2000 on the future of UN peacekeeping operations continued. In particular, endeavours were made to improve the UN’s Rapid Deployment Capacity to deal with emergency situations. To this end the UN drew up “On-Call Lists” of personnel and a data bank of Rapid Deployment Stocks of materials. The organisation’s planning and coordinating capacity for peacekeeping operations was enhanced by increasing the relevant personnel within the UN Secretariat by 100 posts.

At the end of 2002 there were approximately 1,000 Austrian troops and 50 police officers involved in UN peacekeeping operations. Of these, 450 were on duty with nine UN-led operations and a further 600 on UN-mandated operations in Kosovo and Afghanistan. The Austrian commands also included units from Germany, Slovakia and Switzerland. At the end of the year Austria was one of the 25 largest contributors of peacekeeping personnel and had the fourth largest contribution of the 15 EU member states. Austria advocated putting the military and police personnel of peacekeeping operations on the same legal basis. In mid-2002 Major General Hermann Loidolt, Chief Military Observer of UNMOGIP (India/Pakistan), and Colonel Michael Suttner-Keller, Deputy Force Commander of UNDOF (Israel/Syria), both ended their tours of duty with the UN.

International cooperation continued on preparations for the Standby Forces High Readiness Brigade (SHIRBRIG) for the swift provision of personnel for UN peacekeeping operations. It serves as a model for the composition of other international forces of brigade strength. Austria has been a full member of this multinational Brigade since 1997. Other participants are Argentina, Canada, Denmark, Finland, Italy, the Netherlands, Norway, Poland, Romania and Sweden. The SHIRBRIG staff commenced joint activities with the UN Secretariat in December.

Organisations and Programmes of the UN System

UN Economic Commission for Europe (ECE)

The 55-member Geneva-based ECE, the first of five UN regional organisations, was founded in 1947 with the aim of supporting the coordinated reconstruction of post-war Europe. In recent years it has undergone a wide-ranging reform.

Its most important functions now cover transport, the environment, energy, trade facilitation and business development, in which areas it is the authority for the establishment of standards. Its Executive Secretary is Brígita Schmögnerova of Slovakia. Austria retired from the chairmanship in January 2002 after two successful years in this capacity. Austria’s policy in that capacity was to enhance the role of the ECE as a multifunctional link between the EU and the Eastern European countries, and to strengthen cooperation with the economically weaker member states. In May a high-level ECE/WHO meeting in Geneva under Austrian co-chairmanship
inaugurated a Pan–European Programme for Transport, Health and Environment. The issue of sustainable development plays an increasing role within the ECE. The Commission played an important part in organising the European Regional Conference on Questions of Aging that was held in Berlin during September. Its main result was the adoption of a regional implementation strategy for the global action plan adopted by the second World Assembly on Aging in Madrid during April. Austria organised a meeting in Vienna on solidarity between the generations. The City of Vienna presented a comprehensive case study of its experience in municipal housing to the ECE committee on settlement.

UN Food and Agriculture Organisation (FAO)

The membership of the FAO is now 183 countries. Austria has been a member since 1947 and from 2000 to 2002 was a member of the FAO Council. In February, representatives of over 40 countries attended the Pan-European Conference on “Food Safety and Quality” in Budapest to consider cooperation in policy-making, research promotion, information and communication. The central theme at the 23rd FAO Regional Conference for Europe in Nicosia in May was the sustainable management of soil and water resources. In Rome in May the follow-up conference World Food Summit: Five Years Later adopted the declaration “International Alliance Against Hunger”. It appeals to governments, especially those of the developing countries, to improve the situation regarding human rights, democracy, access to law, good governance, economic policies and conflict resolution. A working group was set up to improve the implementation of the right to physical and economic access to adequate nutrition.

During the summit the member states signed the “International Agreement on Plant Genetic Resources for Food and Agriculture”, which is intended to ensure a fair distribution of the benefits of these resources for nutritional purposes. The agreement excludes chemical, pharmaceutical and other applications outside the food chain. It recognises the rights of farmers to their plant genetic resources and the associated knowledge as a national responsibility. The advantages arising from use are to be distributed in a balanced and just manner. The agreement will enter into force after ratification by at least 40 states. By the end of 2002 it had been signed by 60 states and ratified by 8.

International Atomic Energy Agency (IAEA)

With its headquarters in Vienna, the IAEA has 134 member states and employs 2,200 staff members. The IAEA also sustains research, teaching and safety monitoring facilities at Seibersdorf in Lower Austria.

The agency’s principal function is the global promotion of research and development on the peaceful use of nuclear energy and its many practical applications.

Austria’s interests within the IAEA are primarily nuclear safety and radiation protection, and safeguards against the proliferation of nuclear weapons. Austria ascribes considerable importance to the Convention on Nuclear Safety, the second review conference on which was held in Vienna in April 2002. The high quality of the national reports on implementation submitted by the 53 signatories, and their detailed consideration by the conference, made it clear that nuclear safety is no longer a
purely internal matter, but must be regarded as a global issue and ongoing process. Austria expressly supports the development of the IAEA’s new integrated monitoring system, which extends safeguard controls to all aspects of civilian nuclear programmes, including research activities. An additional protocol will extend national responsibility to provide information and permit inspection by the IAEA. By the end of the year, however, only 67 states and international organisations had signed additional protocols with the IAEA, including all the EU countries and the European Atomic Energy Community (Euratom). Austria ratified in July 2001.

After discussions in Vienna by the head of the UN Monitoring, Verification and Inspections Commission (UNMOVIC), Hans Blix, and IAEA Director-General Mohamed El-Baradei with representatives of Iraq in October 2002, and after the adoption of Resolution 1441 by the UN Security Council, IAEA inspectors resumed their activities in Iraq at the end of November. A setback was experienced in North Korea, where the government in Pyongyang dismantled the IAEA monitoring facilities and obliged the inspectors to leave the country.

The 46th session of the IAEA General Conference in September 2002 was once again dominated by the issue of more effective protection against nuclear terrorism. The US proposal to make a substantial increase in the IAEA budget for safety measures was, however, treated with considerable reserve, since it represented a departure from the principle of real zero growth. There was again a strong divergence between those states that wanted to see development of more advanced nuclear power stations and those, including Austria, which laid more stress on the improvement of nuclear safety and strengthening the IAEA’s control powers. The resolution on safety controls which was drafted by Austria in the name of the European Union was adopted by consensus.

**International Civil Aviation Organisation (ICAO)**

The ICAO’s working programme aims at a continual improvement of standards in international air transport in respect of technology, safety, environmental standards and economy. Its increasing membership, presently 188 countries, has made ongoing adaptation necessary. Since the terrorist attacks on 11 September 2001 its first priority has been measures to enhance security in air transport. In June the ICAO Council approved the Aviation Security Plan of Action, which obliges all members to review and update their security systems regularly in accordance with the latest ICAO standards.

The plan also embraces the identification, analysis and development of effective answers to new kinds of dangerous situation as well as the strengthening of the security-relevant provisions in the appendices to the ICAO Convention, especially as regards security on board. The programme, which is financed by voluntary contributions, covers the period 2002-2004. The ICAO is also working on the regulation of war risks insurance for civil aviation.

**International Fund for Agricultural Development (IFAD)**

Austria was a founding member of IFAD in 1977. It is a specialised agency of the United Nations which was established as an international financial institution with the aim of combating poverty and providing assistance for the improvement of
agricultural production in developing countries. To date, it has helped some 47 million households (around 254 million people) with small loans to finance more than 600 projects to a value of over $7,700m. IFAD regards its function as that of an “enabling micro-environment for the poor”. The essential elements of this strategy are enabling access to small loans, technology, the necessary minimum infrastructure, health care and primary education for the rural population. The negotiations started in 2002 on the sixth IFAD replenishment were due to be concluded in early 2003.

International Maritime Organisation (IMO)

The IMO now has 162 members and two associate members. Its function is to draft international legal rules for the safety of high-seas shipping and to prevent disasters at sea. It devotes special attention to the prevention of tanker accidents, which can cause serious environmental disasters. Its maritime safety committee in December adopted new rules for bulk transport vessels, with special emphasis on the prompt detection of water ingress. As a result of the wreck of the oil tanker “Prestige” on the north Spanish coast, the EU member countries proposed that the IMO Conference in May 2003 should increase the maximum insurance liability for oil spills to €1,000m.

In December a conference of signatories of the Convention on the Safety of Life at Sea adopted a new comprehensive safety regime for sea transport. The revised Convention is to enter into force in July 2004. There are obligatory measures and recommendations on the drafting of safety plans for vessels, crews and harbours. Cooperation on safety between owners, individual vessels and crews, harbours and the relevant governments should be standardised and rendered more coherent. Apart from aspects of technical safety and the environmental problem, the potential danger from terrorism played a significant role in the discussions.

A total of 6 high-seas vessels of 29,918 register tons sail under the Austrian flag. Austria’s main concerns within the IMO are questions of sustainability as well as nuclear safety and international standards on combating the smuggling of persons by sea.

Office for the Coordination of Humanitarian Affairs (OCHA)

The OCHA is responsible for the development of the UN’s humanitarian policies, for their promotion in relation to other UN agencies, and for the international coordination of humanitarian assistance and disaster aid. It has proved itself a reliable and influential partner of the numerous national and international organisations, UN agencies, NGOs and individuals engaged in humanitarian activities. The OCHA has more than 45 country and regional offices. Although a part of the UN Secretariat, it receives only 17 per cent of its funds from the regular UN budget, the remainder consisting of voluntary contributions from individual member states. In 2002 Austria contributed €37,830 plus €45,000 for demining in Afghanistan and €40,000 for the flood disaster in Algeria.

The United Nations Consolidated Inter-Agency Appeal (CAP) is of particular importance. The CAP is a strategic planning and consolidation instrument of humanitarian aid in connection with complex crises. Its function is to consolidate all of the information collected by UN agencies and institutions on the humanitarian needs of a crisis-striken country into a single appeal for contributions. Thanks to the CAP,
the quality, swiftness and effectiveness of international aid has been consistently improved. The CAP for 2003 was presented in Berne on 19 November in the presence of UN Deputy Secretary-General Louise Fréchette. Its goal was to raise more than $3,000m for humanitarian assistance to around 50 million people in 21 crisis-hit countries and regions. Some 19 UN agencies participated in this appeal.

Austria retained the chairmanship of the consultative group of the Military and Civil Defence Unit (OCHA-MCDU). This was set up in 1996 at Austrian suggestion and with Austrian support as a coordination point for military-civilian cooperation in humanitarian aid situations, and is also a liaison centre for requests for assistance. Work continued on drafting guidelines for the deployment of military and civilian forces to support humanitarian actions in complex crisis situations. Joint courses for civilian and military experts were held under the UN Civil-Military Cooperation (UN-CIMIC) training programmes. Three Austrian officers, initially financed by Austria, were seconded to the OCHA staff.

**United Nations Educational, Scientific and Cultural Organisation (UNESCO)**

In 2002 UNESCO Director-General Koichiro Matsuura of Japan inaugurated the second stage of his programme of reform. This began with the introduction of electronic management instruments and the corresponding financial and accounting software. The decentralisation process continued together with measures to improve coordination between the General Conference and the Executive Council. The system of associated experts is to be extended, with these temporary posts being financed by extra-budgetary means. Another priority is new information and communication strategies, in order to render UNESCO’s work generally better known and more effective.

On 12 September US President George Bush announced the return of the United States to membership of UNESCO, and in doing so expressly paid tribute to the measures of reform that had already been undertaken. The re-entry of the US is expected to provide a valuable stimulus to UNESCO generally as well as a further refinement of its main lines of work.

2002 was the UN Year of World Cultural Heritage. The 30th anniversary of the International Convention on the Protection of the Cultural and Natural Heritage of the World, the most significant international instrument in this field, was celebrated at a congress in Venice in November. A total of 175 states have now acceded to this convention, and more than 730 objects of cultural and natural importance in all parts of the earth have been listed as World Heritage. Eight of these are in Austria: the old city of Salzburg (1997); Schönbrunn palace and park in Vienna (1997); the Hallstatt/Dachstein/Salzkammergut landscape (1998); the Semmering railway and landscape (1999); the old city of Graz (2000); the Wachau landscape (2001); the historic centre of Vienna (2002); and the Neusiedlersee landscape, jointly with Hungary (2002). A decision will be taken by the World Heritage Committee in 1993 on the compatibility of a building project in central Vienna with the old city’s world heritage status. In view of the convention’s success, meetings were held at ministerial and expert level to draft a further convention for the protection of immaterial cultural heritage.
Afghanistan was a focus of attention for UNESCO in 2002. In June it opened a national office in Kabul, set up a special team to carry out its activities, and participated in the Immediate and Temporary Assistance Programme (ITAP). UNESCO played a part in setting up a High Commission for Education to tackle the problem of primary education for 3 million children as well as of 70 per cent adult illiteracy. Training was provided for journalists and technicians to support the establishment of independent media, and an information centre and internet café were opened. An expert commission was sent to evaluate the situation of the country’s cultural heritage; together with the Afghan authorities, it will put forward recommendations for the necessary measures: a national inventory, a list of the main subjects for restoration, combating illegal trade in cultural objects, and protection for immaterial cultural heritage.

In February the Austrian biochemist Andrea Hickel was awarded a UNESCO-L’Oreal “For Women in Science” scholarship for her work on the operative mechanisms of anti-microbial peptides (a new group of antibiotics). Professor Andrea Barta received a Special Honour Award under the same programme for her work on the role of certain ribonucleic acids in protein building.

The Austrian and German governments proposed Simon Wiesenthal and the Simon Wiesenthal Centre for the award of the 2002 Madanjeet-Singh Prize for the Promotion of Tolerance and Non-Violence. The international jury gave them high and gratifying praise for their many years of worldwide endeavours to promote education for peace and tolerance. However, the main award went to the Burmese Nobel Peace Prize laureate Aung San Suu Kyi.

Austria contributes 1.258 per cent of UNESCO’s regular budget. This presently amounts to $1.5m plus €1.67m, with an additional contribution of $34,421 to the UNESCO Fund for the Protection of the World Cultural and Natural Heritage. In 2002 Austria also provided voluntary contributions for the Association for the Development of Education in Africa (€111,000), the International Institute for Education Planning (€76,000), the Fund for Developing Knowledge of Human Rights through Education and Information ($10,000) and the International Council for Monuments and Sites (ICOMOS, $7,500 and €8,300).

**UN High Commissioner for Refugees (UNHCR)**

The UNHCR office (founded in 1951) is responsible for taking international measures to protect refugees, to seek solutions to refugee problems, and to coordinate the work of governments, UN agencies and NGOs. It must ensure that every person can exercise his or her right to seek asylum, to find refuge in another state, and to return voluntarily. Endeavours are made to find permanent solutions by providing support for repatriation or settlement in another country. The office has also been given subsidiary functions, in particular for stateless persons or those whose citizenship is in dispute, and in certain cases also for internally displaced persons. Successes were achieved in operations during 2002, especially in Sierra Leone, Eritrea and Sri Lanka. The major operation during the year was, however, in Afghanistan, where more than two million refugees were resettled in their homeland.

High Commissioner Ruud Lubbers, who was appointed in 2000, continued to consolidate the financial situation as well as carrying on the comprehensive reform
discussion he had instigated. The UNHCR 2004 Process alludes to the statutory renewal of his mandate that was agreed by the 57th General Assembly. The necessary structures and the political positioning for effective handling of the global refugee problem are under discussion. Action is being taken on existing weaknesses in implementing the legal norms on refugees from the perspective of the responsibility of the entire international community. The most significant result of the 53rd meeting of the Executive Committee was the adoption of the “Agenda for Protection”, comprising measures for enhancing the protection of refugees which go beyond those contained in the 1951 Geneva Convention. According to this agenda asylum procedures should be concluded as swiftly as possible, with special attention to the needs of women and children. Refugees should also be given every support to enable them to return voluntarily to their homelands. The implementation of this agenda will occupy the UNHCR and the UN member states within the next few years.

**United Nations University (UNU)**

Founded in 1972 as an autonomous organ of the UN General Assembly, the Tokyo-based UNU acts as a bridge between the UN and the academic community as well as contributing to the solution of global problems through research and capacity-building. It is an autonomous organ of the UN family. Its Administrative Council of 24 experts is appointed on a personal basis by the UN Secretary-General and the Director-General of UNESCO acting jointly. Austria made a voluntary contribution of €109,000 to the UNU in 2002.

Students and teachers in its worldwide network of academic institutions research current problems of peace policy and governance, development, science and technology, social questions and ecology. There are two external centres, in Paris and New York, as well as twelve research and training centres and programmes worldwide: development economics (Helsinki), new technologies (Maastricht), software technology (Macao), natural resources in Africa (Accra), sustainable development (Tokyo), biotechnology in Latin America and the Caribbean (Caracas), water, environment and health (Canada) and the Leadership Academy (Amman). There are also associated institutions offering training in nutrition (Cornell University), geothermal energy and fisheries (Iceland), and conflict resolution and ethnicity (Northern Ireland).

**World Tourist Organisation (OMT/WTO)**

The Madrid-based OMT/WTO (Organisation Mondiale de Tourisme / World Tourist Organisation) deals with global aspects of tourism, and in doing so works together with representatives of the private sector in its member states. It is not a UN specialised organisation in its proper sense, but it cooperates closely with other UN units. It is an organisation for the implementation of technical development aid activities within the framework of the UNDP. At the end of 2002 the OMT had 139 members, 6 associate members, and more than 350 representatives of the private sector as affiliated members. Austria has been a member of its Programme Committee since 1995, and has held the chairmanship of the committee since 1999.

The OMT/WTO, in conjunction with the UN Environment Programme and the Canadian Tourism Commission, organised a World Ecotourism Summit in Quebec in May within the framework of the International Year of Ecotourism 2002. Over 1,000
representatives of the public, private and NGO sectors discussed the results of more than 20 regional preparatory conferences. The main themes were: ecotourism and planning; product development and marketing; and its costs, promotion and regulation. A declaration on ecotourism was issued, and the issue was subsequently included in the action programme of the World Summit on Sustainable Development in Johannesburg.

**World Health Organisation (WHO)**

The 55th World Health Assembly in Geneva in May was again dominated by the problem of AIDS, the new financing mechanism of the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria (GFATM), the problem of access to medicines, and the health of the Arab population in the occupied areas. Political themes dominated the meeting more strongly than in previous years, not only in respect of Palestine, but also as regards the reform of the Executive Council. One of the resolutions called on member countries to implement the WHO medicines strategy, a framework for measures with four strategic goals: access; quality and safety; rational use; and the development of national policies. Others were on the subjects of health and sustainable development, mental health, the protection of patients, and the WHO contribution to the development goals of the UN Millennium Declaration.

The structures of the new GFATM were consolidated with the establishment of a permanent secretariat in Geneva under Richard Feacham as Executive Director of the Fund. All the relevant guidelines for the submission and allocation of projects were agreed, and mechanisms were established to ensure the lawful use of budget means and to halt incorrectly undertaken projects. Austria again participated in the structuring of the GFATM, and contributed €1 million to it.

**International Labour Organisation (ILO)**

One of the main issues on the agenda of the International Labour Conference in Geneva in June was means of combating child labour. Around 250m children are in employment worldwide, of whom 180m work in dangerous occupations. The 12th of June was proclaimed World Day against Child Labour. The $212,000 contributed by Austria to the UN programme to eliminate child labour were used for a project to combat the sexual exploitation of children in Ethiopia, Kenya, Tanzania and Uganda. Austria supplied one of the vice chairpersons of the Conference, and the Austrian Peter Tomek was appointed a substitute member of the employer side of the Administrative Council for the period 2002-2005.

The sanctions imposed on Myanmar (Burma) because of violation of the Convention on Forced Labour remained in force. In March the International Labour Office and the government of Myanmar agreed to the stationing of an ILO liaison officer in Myanmar to provide support for the government towards the elimination of forced labour. Another major issue was the situation of workers in the Palestinian areas, where the ILO is making efforts to increase technical assistance and create a fund for social protection and employment. Another technical assistance programme was started in Colombia, with an emphasis on measures to protect threatened trade union representatives. Considerable interest was aroused by the setting up of a 21-member commission to compile a report on the social dimension of globalisation for
presentation by November 2003. The chairmanship is held jointly by the heads of state of Finland and Tanzania.

**International Telecommunications Union (ITU)**

The ITU brings governments and industry together with a view to joint coordination of the establishment and running of global telecommunications networks. It is responsible for standardising, coordinating and developing international telecommunications and the harmonisation of the relevant national policies. It is the framework for the conclusion of international treaties and implementation orders on the terrestrial and space use of frequency spectrums and satellite orbits. Norms are developed in three ITU sectors for the worldwide interconnection of telecommunications systems independently of the different technologies in use. The 16th four-yearly conference of delegates was held in Marrakech from 23 September to 18 October 2002.

One of the major challenges to the ITU is its leading role in the preparations for the World Summit on the Information Society (WSIS), to be held in two stages in Geneva (2003) and Tunis (2005). The WSIS will deal with the multitude of technological and social challenges and opportunities inherent in the information society, and as far as possible should arrive at common goals and answers. The plan is that the first phase of the Summit should adopt a political declaration and an action plan. The first meeting of the preparatory committee took place in Geneva in early July, when it was agreed to include NGOs, civil society and the private sector in the preparatory work, and there was an exchange of opinions on the main themes of the Summit. Austria inaugurated preparations for the WSIS with a discussion process between interested state and non-state bodies, when options for an Austrian contribution to the Summit were reviewed.

**World Meteorological Organisation (WMO)**

The Geneva-based WMO, founded in 1951 as successor to the 1873-founded IMO, supports the work of meteorological services globally by promoting international networking as well as standardisation of data and statistical bases for data evaluation. This is of considerable practical importance for air, sea and land transport, and not least for research on climate change. The WMO works together with the UN Conference on Environment and Development (UNCED) on sustainable development for disadvantaged regions by providing the results of meteorological and hydrological research. Its work in 2002 was dominated by preparations for the 14th WMO World Congress in May 2003, when a new Secretary-General will be elected. The aim is a stronger positioning of the WMO through rationalising its working methods and increasing concentration on its central functions.
E. Disarmament and Arms Control

Maintenance of the strategic balance; progress in strategic, tactical and conventional disarmament; arms control through monitoring by treaty and the non-proliferation of weapons of mass destruction are all essential elements in a system for assuring peace – especially in the light of the terrorist attacks of 11 September 2001. The protection and security of the individual are at the core of Austria’s engagement in this field.

Weapons of Mass Destruction

The Treaty on the Non-Proliferation of Nuclear Weapons (NPT) has for many years been regarded as the cornerstone of efforts to prevent the proliferation of nuclear weapons. With the accession of Cuba in 2002 the number of States Parties increased to 188. There was a setback, however, when North Korea expelled IAEA inspectors and withdrew from the NPT with effect from 11 January 2003.

The first session of the Preparatory Committee for the NPT Review Conference 2005 met in New York in April. As a result of the constructive atmosphere, the Chairman was able to arrive at a comprehensive factual summary. The nuclear weapon states nevertheless remained reluctant to fully implement their commitments to achieve complete nuclear disarmament as foreseen in Article VI of the NPT, especially in respect of the concrete steps laid down by the Review Conference in May 2000 (e.g. entry into force of the CTBT, reduction of nuclear weapon arsenals). Austria called for strengthening the IAEA safeguards system, improving export controls, and increasing efforts to combat illegal trafficking in nuclear materials.

The Comprehensive (Nuclear) Test Ban Treaty (CTBT) bans all tests of nuclear weapons as well as all other nuclear explosions. It will enter into force when 44 states listed in Annex II of the Treaty, including Austria, have ratified. By the end of 2002, 166 states had signed and 97 had ratified the CTBT. The overall number of ratifications has steadily increased, but the ratifications of the 44 listed states have stagnated at 31. The states whose ratifications are still outstanding for the entry into force of the treaty are: Algeria, China, Colombia, the Democratic Republic of Congo, Egypt, India, Indonesia, Iran, Israel, North Korea, Pakistan, the United States and Vietnam. Austria ratified the CTBT on 13 March 1988.

The Provisional Technical Secretariat of the Preparatory Commission for the Comprehensive Nuclear Test Ban Treaty Organisation (CTBTO PrepCom) has been operational in Vienna since March 1997 and has now a staff of some 270. Its main task is to build up the Treaty’s global network of 321 monitoring stations, 16 radionuclide laboratories and an International Data Centre in Vienna. Final completion of the system is scheduled for 2007. The only component of the international verification system in Austria is the radionuclide laboratory at Seibersdorf, which will analyse “suspicious” samples. It was the first of the 16 laboratories worldwide to be officially certified, and started operating in December 2001.
The Conference on Disarmament (CD) in Geneva was once again unable to agree on a programme of work. This meant a further postponement of the start of negotiations on a treaty banning the production of fissile material for nuclear weapons or other explosive devices (also termed the Fissile Material Cut-off Treaty).

The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (1997) foresees the phased destruction of all chemical weapons by the year 2007 as well as measures for their control. This process is monitored by the Organisation for the Prohibition of Chemical Weapons (OPCW), based in The Hague. Austria was one of its founding members, and ratified the Convention in 1995. By the end of 2002 it had been signed by 174 states and ratified by 147.

During 2002 another 195 inspections were carried out in 145 chemical facilities, 79 of them commercial firms. The total number of facilities to be inspected is 4,710. Since the Convention entered into force there have been 1,312 inspections in 570 facilities. From 18 to 21 February an Austrian chemical company was subjected to an inspection, and was found to have fulfilled all of its commitments. This was the second inspection that was carried out in Austria. Up to 1 December 2002 the OPCW had supervised the destruction of some 6,989 tonnes of chemical weapons out of 69,869 tonnes declared, and 1,869,800 pieces of illegal ammunition from 8,624,584 declared. It also confirmed the dismantling of 28 of the 61 declared chemical weapon production plants, with another 13 already prepared for dismantling. A further 9 have been converted to civilian use, with conversion foreseen for another 11.

In the Russian Federation, the destruction of one per cent of the chemical weapons did not take place on schedule. The 31st meeting of the Executive Council therefore decided to hold a special session in 2003, after the destruction plant in Gorny (Russia) is in operation, to set a final and binding date.

The work of the OPCW in 2002 was overshadowed by a serious financial crisis, which was finally overcome by generous donations from the member countries after the election of a new Director General, Rogelio Pfirter. Preparations began in October for the first Review Conference in April/May 2003. Austria has actively supported the work of the OPCW and its various organs ever since the foundation of its provisional technical secretariat in 1993. Austria’s two-year term of membership of the 41-member Executive Council ended successfully in May. The total budget of the OPCW was €61.9 m for 2002, of which Austria contributed €554.756 (0.953%).

The Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (1972) does not contain any verification mechanism, although efforts to set up a verification mechanism have been going on since 1995. The negotiations in an ad hoc group set up for this purpose have so far proved fruitless, so that the Fifth Review Conference in 2001 had to be suspended. However, agreement was reached on a modest programme of work at its resumption in November 2002. This foresees an annual conference of the States Parties with the aim of achieving a better exchange of information.
The testing of ballistic missiles by India, Pakistan and North Korea spurred on the endeavours to prevent the proliferation of the means of delivery of weapons of mass destruction. Within the framework of the Missile Technology Control Regime the text of an International Code of Conduct was elaborated with the aim of preventing the spread of ballistic missiles capable of delivering weapons of mass destruction. This Code was launched at an international conference at ministerial level in The Hague in November 2002. By the end of the year 100 states had subscribed to this politically binding Code. A control mechanism is not foreseen, nor sanctions for failure to abide by its provisions. Its central aspect is not export control, but confidence-building measures and transparency. The Hague Code has, however, not been accepted by a number of important states, including India, Pakistan, China, North Korea, Syria and Israel.

At the first Meeting of the Subscribing States in November, Austria was entrusted to serve as the Immediate Central Contact (secretariat) of the Hague Code. This further strengthens Austria’s position as host of many international organisations, especially in the field of disarmament, including the International Atomic Energy Agency, the Provisional Technical Secretariat of the Preparatory Commission for the Comprehensive Nuclear Test Ban Treaty Organisation, and the Wassenaar Arrangement.

Conventional Weapons

Austria continued its campaign against anti-personnel mines in 2002 at political and operational level. The Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Landmines (APL) and on their Destruction (also known as the Ottawa Convention) was signed in 1997 and entered into force in 1999. By the end of 2002 it had been signed by 146 states and ratified by 130. Austria ratified it in June 1998. This development is particularly gratifying to Austria, which had drafted the original text of the Convention and has been one of the driving forces behind the so-called Ottawa Process for the worldwide abolition of these murderous weapons.

At the fourth conference of States Parties in Geneva in September, Austria and Peru co-chaired the intersessional committee on the “General Status of the Convention”, the politically most important APM committee. Its competence covers the universalisation of the Convention as well as the central issues of its implementation and observance. Austria’s initiatives to these ends as chair of the Human Security Network included declarations by HSN ministers and a letter campaign to non-treaty states to convince them to join. Austria also indicated an interest in hosting the first APL Review Conference in Vienna in 2004. Canada, Norway and Germany have made similar advances.

In order to protect the civilian populations most at risk from mines, the Ministry for Foreign Affairs supported measures for the clearance and destruction of mines as well as programmes to increase mine awareness and provide aid for mine victims. This assistance of about €1 million covered Mozambique and Nicaragua (priority countries of the Austrian development cooperation), Bosnia and Herzegovina and Croatia (members of the Stability Pact for South-Eastern Europe), as well as Afghanistan and Angola.
Austria also promoted the implementation of the second (landmine) protocol (as amended in 1996) to the 1980 **Convention on Certain Conventional Weapons** (CCWC), since several of its States Parties are not signatories of the more comprehensive Ottawa Convention. A conference of the signatories of the CCWC was held in Geneva in December to consider the work of the various expert groups. Endeavours are being made to obtain a mandate for negotiations on a legally binding protocol covering “explosive remnants of war” as soon as the work of the expert groups is sufficiently far advanced. The third conference of the signatories of the modified Protocol II was held in December.

Destabilising accumulations and the uncontrolled spread of **small arms and light weapons** are increasingly being recognised as a serious threat to security. The results of the 2001 UN Conference on Small and Light Weapons were not as comprehensive as those already achieved within the OSCE, but nonetheless laid the most important foundations for restricting future proliferation. The next steps will be to achieve progress at regional level, e.g. the OSCE region and Africa, on carrying through the programme of action and other additional measures. In 2003 the UN will hold a first conference on the follow-up mechanism foreseen under the action programme. This will lead on to a review conference in 2006. On the initiative of the Austrian and Canadian ministers for foreign affairs, a regional conference on the implementation of the action programme in Africa was held in Pretoria in March with additional support from other partners like the United Kingdom, Norway, South Africa, Kenya, Mali and Nigeria.

**Multilateral Export Control Regimes**

The primary goal of the various informal regimes for the coordination of national export controls is non-proliferation: i.e. preventing sensitive technology and know-how from falling into the hands of states that might use them for military purposes. The main instruments to this end are lists of goods and substances as well as guidelines for their export to non-member countries. Austria is a member of all of these groups, whose recommendations are implemented through foreign trade legislation.

As regards nuclear weapons, the 35-member **Zangger Committee**, currently under Austrian chairmanship, and the 40-member **Nuclear Suppliers Group** both issue control lists of sensitive goods and equipment. The 34-member **Australia Group** fulfils the same function in respect of chemical and biological weapons. The 33-member **Missile Technology Control Regime** endeavours to prevent the proliferation of guided ballistic missiles, especially in respect of their function as long-range carriers for weapons of mass destruction.

The 33-member **Wassenaar Arrangement**, with its secretariat in Vienna, provides an informal framework for the voluntary exchange of information on the export of certain conventional weapons, the technologies for their production as well as dual-use goods, with a view to establishing transparency and preventing destabilising accumulations. At its plenary session in Vienna in December the participating states agreed on certain initiatives to combat terror, and paid special attention to issues in connection with the destruction of chemical weapons as well as international
cooperation towards the best possible implementation of the terms of the Chemical Weapons Convention.
F. The International Protection of Human Rights

I. Introduction

The global implementation of international standards of human rights was again a central policy objective for Austria in 2002. The principal aspects were the abolition of the death penalty, the protection of minorities, the rights of women and children, especially in conflict situations, the situation of displaced persons, the abolition of trafficking in human beings, effectively combating racism and xenophobia, and the promotion of democratisation and good governance. Austria took significant initiatives in the EU institutions dealing with human rights, in international organisations like the United Nations (UN), the Council of Europe (CoE) and the Organisation for Security and Cooperation in Europe (OSCE), as well as in bilateral political dialogues with governments in all regions of the world. In June 2002 Austria assumed the chairmanship of the 13-member Human Security Network (HSN) for one year. Minister for Foreign Affairs Benita Ferrero-Waldner designated human rights education and children affected by armed conflict as the main themes of the Austrian year. Austria also campaigned intensively for the strengthening of civil society and provided financial support for a broad range of international and Austrian non-governmental organisations that are active in human rights.

II. Human Rights in the European Union

EU Human Rights Policy

The development and consolidation of democracy and the rule of law and the realisation of human rights and fundamental freedoms is one of the goals of the EU Common Foreign and Security Policy (CFSP). Issues of human rights policy are discussed by the EU human rights directors in the formation of a Council working group (COHOM) and in cooperation with Council geographical working groups as well as in the Commission’s Committee for Human Rights and Democratisation. Austria played an active part in developing the EU directives on human rights, the EU-internal discussion on the agenda of the UN Human Rights Commission and General Assembly, and various EU country-specific initiatives.

On 9 December, after an intensive discussion process in the COHOM, with active Austrian participation, a catalogue of measures was presented to the Council of Foreign Ministers with the aim of establishing an informed, coherent, consistent, effective and transparent EU human rights policy. The heads of missions play an essential role in almost all aspects, from the implementation of international resolutions to the formulation of strategies and the exchange of information between the Commission and member states. In the interests of transparency more attention is to be paid to the inclusion of the European Parliament, cooperation with relevant NGOs, and improved websites to allow better access to information. Human rights and democratisation now constitute a separate agenda item in the annual discussion to identify the main EU foreign policy goals.
In 2002 Austria participated in election monitoring missions in Cambodia, Congo Brazzaville, Sierra Leone, Timor-Leste, Ecuador, Pakistan, Madagascar and Kenya. A total of 56 Austrians were involved, including one as deputy head of the observation mission in Pakistan.

In fulfilment of the 1998 Vienna Declaration, the fourth EU Annual Report on the Human Rights Situation 2001-2002 was published as a joint venture by all partner states. It provides comprehensive information on the Union’s policies on human rights and democratization in relation to third states and at international level, but also deals with human rights strategies and problem areas within the EU itself. The fourth EU Human Rights Forum, held in December 2002, provided an occasion for an exchange of views and experience between member states, EU institutions and representatives of civil society. The themes ranged from human rights clauses in cooperation agreements with third states, the EU directives on the death penalty and on torture, transparency in EU human rights policies, and the anchoring of human rights aspects in other EU policies and development cooperation programmes.

Abolishing the Death Penalty

Austria and its partners in the European Union have declared the universal abolition of the death penalty one of the priorities of their human rights policy. This aim is pursued through the guidelines for a Union policy towards third countries regarding the death penalty, through general demarches and demarches referring to individual cases, and through stronger emphasis on the subject in regional and international institutions. The EU appealed to a number of states, especially the United States, but also to states in Africa and Asia, to abolish the death penalty, proclaim a moratorium or to refrain from lifting an existing one. Pressure is placed on countries that retain the death penalty at least to adhere to the minimum standards formulated in the EU guidelines. These include non-imposition of the death penalty on persons who were under the age of 18 when committing the offence, on pregnant women or mothers of newly-born infants, and on mentally handicapped persons. In several cases in the US, where it was likely that these minimum standards would not be observed, the EU intervened in the function of a so-called “amicus curiae”, in order to make its position clear. Austria also intervened bilaterally in certain cases, for example in that of a US citizen married to an Austrian; he was, however, executed on 19 November.

Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment

In December the EU Political and Security Policy Committee adopted a working paper on the implementation of the guidelines for EU policy towards third countries on torture that had been adopted by the Council in April 2001. This paper contained an evaluation of the implementation to date of these guidelines, on the basis of which the member states press for the worldwide abolition of torture, the effective implementation of international standards, and the development of preventive measures in their bilateral and multilateral relations with third countries. The paper foresees, inter alia, regular joint reports by the embassies of the EU member countries in third states on the problem of torture, the use of demarches, enhanced cooperation with UN special rapporteurs and regional structures to combat torture (European Anti-Torture Committee, Inter-American Human Rights Commission, African Commission for Human Rights and the Rights of Peoples) as well as support for NGOs that campaign for the abolition of torture.
At the 2002 session of the UN Commission on Human Rights as well as at the UN General Assembly, the EU conducted a lobbying campaign for the adoption of the optional protocol to the UN Convention against Torture. The protocol, which foresees a worldwide preventive system of visits to places where persons are held, was adopted by the General Assembly on 18 December. It will enter into effect when 20 ratifications have been deposited.

**Structured EU Human Rights Dialogues**

The EU guidelines for structured dialogues on human rights, on which Austria actively cooperated, were adopted by the Council of Ministers in December 2001. In 2002 they were the basis for a continuation of the EU-China dialogue, and for the opening of a new dialogue with Iran.

**The EU-China Dialogue**

This process, which commenced in 1996, continued with meetings between the EU Troika and representatives of the Chinese government in March and November. The subjects discussed included sensitive issues like the death penalty, the severe persecution of members of democratic movements as well as the Falun-Gong movement and specific individual cases. In May and October there were seminars at expert level, at which the themes discussed included media law and implementation mechanisms for economic, social and cultural rights, torture, and national human rights institutions. The evaluation of the dialogue process that has been going on since 2000 was once again published in Council conclusions. The tenor of these conclusions is that, despite a degree of progress in certain areas, in future dialogue meetings the EU will again raise issues like accession to international conventions, freedom of opinion and religion, and the situations in Tibet and Sinkiang.

**The EU-Iran Dialogue**

After the traditional EU resolution in the Commission on Human Rights regarding the situation in Iran (including the mandate of the special rapporteur) had been defeated on a vote, Iran suggested a structured dialogue on human rights between the EU and Iran on the EU-China pattern. After intensive EU-internal negotiations and a Troika expert mission to Teheran, the Council for General Affairs and Foreign Relations decided on 21/22 October to institute such a structured human rights dialogue in accordance with the relevant EU guidelines. It was also decided to refrain from tabling a resolution on the subject during the UN General Assembly, in order not to endanger the dialogue in its sensitive initial phase. The first substantial dialogue round, which took place in Teheran on 16/17 December, was dedicated to the critical problem areas of discrimination and the prevention of torture. From the very beginning Austria was in favour of a structured human rights dialogue with Iran, since the dialogue offers an opportunity to contribute to an improvement of the human rights situation in a constructive manner through direct discussion.

**South-Eastern Europe**

Working Table I of the Stability Pact for South-Eastern Europe, founded in 1999 on EU initiative, deals with the issues of democratisation and human rights. The Task
Force on Human Rights and National Minorities and The Task Force on Education and Youth, which is under Austrian chairmanship are particularly relevant for human rights issues. The recommendations of a conference on European Educational Cooperation for Peace, Stability and Democracy held in Graz in 1998 were integrated into the work of the Task Force on Education and Youth, and are further developed by the Task Force ("Enhanced Graz Process"). In 2002 the Task Force dealt, amongst others, with the themes of history and history teaching (a publication on multi-dimensional approach to history teaching), an analysis of the education available to Roma children in South-Eastern Europe, and an initiative on raising public awareness of the dangers of trafficking in human beings in the formal and informal educational sectors. This latter aspect will be handled jointly with the Task Force on Trade in Persons of Working Table III, which is under the leadership of former minister Helga Konrad of Austria.

III. Human Rights in the United Nations

The World Conference on Human Rights, held in Vienna in 1993, was the starting point for strengthening the operative capacities of the United Nations on human rights. Since then, the implementation of international standards of human rights has increasingly been promoted by the presence in the field of the UN High Commissioner for Human Rights and by the integration of human rights into the mandates for international operations. Austria supports in particular strategies for strengthening human security, for preventing displacement, and for re-integrating refugees and internally displaced persons into society. The essential instruments for promoting human rights, preventing conflicts and consolidating peace are the development of local human rights structures like functioning police and judicial services, but also broadly-based measures of education for human rights at all levels of society.

Austria actively supports the principles of universality, indivisibility and interdependence of human rights that were also underlined by the international community at the World Conference in Vienna, and consistently campaigns for their "mainstreaming" into the various fields of work of all UN programmes and activities. The Office of the High Commissioner for Human Rights that was created at the Vienna conference had a new appointment in September 2002, when Sergio Vieira de Mello of Brazil succeeded Mary Robinson of Ireland.

The Special Session of the United Nations on the Situation of Children Worldwide ("World Children’s Summit") in 2002 was the largest-ever UN conference on human rights. Austria, after a comprehensive period of preparation at inter-ministerial level, with participation by the relevant NGOs, campaigned for the inclusion of human rights in national education programmes, a ban on the death penalty for those under 18 years old, more attention to the need for protection of internally displaced children, and for a strengthening of monitoring and implementation mechanisms (committees on children’s rights and national action plans). In the final document, “A World Fit for Children”, all the participating states committed themselves to producing national action plans within a year, with controllable measures to strengthen the rights of children. The Austrian internal implementation of the final document commenced in April with the identification of suitable measures by the relevant authorities.
In July 2002 work began on drafting a new UN legal instrument on the rights of the disabled.

The United Nations Commission on Human Rights

The Commission, formally a functional commission (subsidiary body) of the UN Economic and Social Committee (ECOSOC), is the driving and coordinating power behind the universal human rights work, with a political signal effect that should not be underestimated. As the organ for deciding on new initiatives that have an effect well beyond the United Nations, it exercises a powerful catalytic function. Its meetings are attended by some 3,000 delegates, including representatives of almost 200 NGOs. Around 1,000 declarations are delivered and over 100 resolutions and decisions adopted. The immediate effects of the numerous thematic or country-related resolutions may be limited, but they play no small part in raising awareness, removing taboos on sensitive issues, and strengthening international standards of human rights. The effect of its critical resolutions on governments responsible for serious violations of human rights should also not be underestimated. By comparison with other international meetings, a vital role is played by particularly active nongovernmental organisations, which significantly influence the Commission’s work, publicise its results, exert pressure on politicians through public opinion, and thereby actually effect changes. The work of the Commission is the basis for that of the General Assembly in the field of human rights.

Regrettably, the 58th session of the Human Rights Commission was particularly difficult and confrontational, even by comparison with those of previous years. The framework conditions that influenced the Commission were especially unfavourable for the realisation of Western interests. The composition of the Commission allowed the long-standing conflicts of interest to emerge into the open with some force. This difficult starting position was further aggravated by the terror attacks of 11 September 2001 and the resulting anti-terror measures, the perceptible after-effects of the World Conference against Racism (enhanced African solidarity, which came to expression in connection with resolutions directed against African states), and the escalating developments in the Middle East. New initiatives by the Islamic states on the Middle East dominated the work of the Commission right to the last day. Unfortunately, it proved impossible to achieve unanimity among the EU member states on several Middle East initiatives, causing split votes on four occasions. Austria’s voting pattern followed that of the EU majority and the Spanish presidency, whereby Austria distanced itself in formal declarations from several passages of text containing unbalanced or aggressive formulations. One marked feature of this session of the Human Rights Commission was the absence of the United States, which had lost its seat the previous year and was therefore limited to a role as observer.

Discussions on a number of specific country situations proceeded in a rather negative way. There was a further stiffening of interest coalitions between states that were themselves in danger of being criticised for their human rights policies, or which regarded the addressing of situations in other countries by the Commission as unwarranted interference in a country’s internal affairs. Many of those states increasingly regard country-specific resolutions as an obsolete Western instrument. Thus those states managed to mobilise a narrow majority to vote down individual country-specific resolutions that were central to Western policy, especially the EU
resolutions on **Iran**, **Chechnya** and **Zimbabwe**. Wide-ranging concessions had to be made in order to have other resolutions accepted, for example those on **Myanmar** and **Equatorial Guinea**. On the other hand, the resolutions on **Sudan** and **Cuba** were passed by small majorities. Texts on the human rights situations in **Iraq**, the **Democratic Republic of Congo**, **Burundi**, **Sierra Leone**, **Afghanistan**, **South-Eastern Europe**, **Timor Leste**, **Cambodia**, **Haiti** and **Somalia** were adopted, after at times extremely difficult negotiations. Based on the reports of the special rapporteurs or representatives for those countries, these resolutions deal with positive or negative developments in the field of human rights, with mostly very detailed descriptions of the specific local situations (e.g. military conflicts or post-conflict tensions) as well as concrete accusations or situations of human rights violations. Since the United States, which normally introduces a resolution on the human rights situation in China, was not a member of the Commission in 2002, there was no text on China this time.

The debates on thematic resolutions went more smoothly, with progress being made despite the difficult overall situation. Some examples are the adoption – albeit after a vote – of the Draft Optional Protocol to the Convention against Torture; the setting up of a working group to draft a binding instrument on the question of enforced or involuntary disappearances; and the appointment of a Special Rapporteur on the right to everyone to the enjoyment of the highest attainable standard of physical and mental health. It also proved possible to have the majority of the thematic resolutions adopted without a vote. However, no agreement could be found on the implementation of the Programme of Action of the World Conference against Racism, and a particularly topical Mexican draft resolution on the protection of human rights and fundamental freedoms while countering terrorism had to be withdrawn because of the lack of any prospect of a consensus.

After two years as observer, Austria again became a member of the Commission on Human Rights for the period 2002-2004. In her address to the Commission, Minister for Foreign Affairs Benita Ferrero-Waldner dealt primarily with the issue of human rights and terrorism. On a national basis Austria introduced three resolutions: on Human Rights in the Administration of Justice, in particular juvenile justice; on internally displaced persons; and on rights of persons belonging to national or ethnic, religious and linguistic minorities. They all contained important further developments of international human rights standards, and were adopted by consensus.

**The United Nations General Assembly**

After the difficult and controversial negotiations in the Human Rights Commission, the discussions on human rights in the Third Committee of the General Assembly were comparatively consensus-oriented. Agreement was even reached on controversial themes like the upholding of human rights in the course of anti-terror measures, or the implementation of the results of the World Conference Against Racism. The Draft Optional Protocol to the Convention against Torture was adopted by a clear majority. The EU resolutions on specific country situations – **Iraq**, **Myanmar**, **Sudan** and the **Democratic Republic of Congo** – were all adopted. There was no initiative on **Iran**, in view of the already operational EU-Iran dialogue on human rights. Due to the positive developments in **South-Eastern Europe** and in line with a “phasing out” approach previously agreed upon it was decided not to table a resolution. The vote on a resolution on the Khmer-Rouge tribunal in **Cambodia** led to one of the few
situations of split vote among EU partners. Apart from that, the EU was consistently able to maintain common positions and to consolidate its central role in the area of human rights. In the framework of burden-sharing Austria carried out the negotiations for the EU on two third-country resolutions (an Australian-Namibian draft on the United Nations Decade for Human Rights Education, and an initiative by the Non-Aligned Movement on enhancement of international cooperation in the field of human rights, both of which were adopted by consensus), and initiated a decision of the Committee to devote the plenary meeting on 10 December 2003 marking the 55th anniversary of the Universal Declaration on Human Rights, concurrently to the commemoration of the tenth anniversary of the adoption of the Vienna Declaration and Programme of Action

**IV. The Organization for Security and Cooperation in Europe (OSCE)**

The OSCE deals with human rights issues in the broader context of the Human Dimension. At the Human Dimension Implementation Meeting in Warsaw on 9-19 December, Austria was the spokesperson for the European Union, as in previous years, on the question of minorities. It was successful in having the question of national minorities made a special topic in 2003, with the intention of going more deeply into specific aspects of the subject. (See also The Human Dimension in the chapter on the OSCE.)

**V. The Council of Europe (CoE)**

The Council of Europe’s human rights system consists of the European Convention on Human Rights and the activities of the permanent European Court of Human Rights. The growth in CoE membership from 27 states in 1989 to 44 in 2002 has resulted in a substantial increase in the number of applications submitted, compounded by the fact that individuals now have direct access to the court, and that with increasing publicity the system has gained widespread recognition. Some 4,000 individual applications were submitted to the court in 1988, but by 2002 the number had increased to 35,000. Despite improvements in the court's efficiency by comparison with the previous year, there was a backlog of more than 30,000 cases awaiting decisions by the end of 2002. Around 450 of all registered pending complaints concern Austria.

In October the CoE Steering Committee on Human Rights published an interim report on guaranteeing the long-term effectiveness of the Court. This report contains various proposals based on the findings of an evaluation group set up by the Committee of Ministers as well as those of a reflection group established by the Steering Committee. The proposals include accelerated handling of repetitive cases where the legal issues have already been decided by the Court, more competence for Three-Judge Committees, and the systematic monitoring of national legislative projects as regards their compatibility with the Convention, with a view to avoiding future violations. This report formed the basis for a declaration by the Committee of Ministers on 7 November that expressed concern about the excessive burden on the Court and requested the Committee of Ministers’ Deputies to present concrete
proposals for discussion by May 2003 on ways and means to ensure the long-term effectiveness of the Convention system.

On 3 May, Additional Protocol number 13 to the European Convention on Human Rights concerning the abolition of the death penalty in all circumstances, was opened for signature at the 110th session of the Committee of Ministers in Vilnius, Lithuania. It was immediately signed by a number of states, including Austria. The previous regulation under Additional Protocol 6 had allowed for exceptions in times of war and crisis. The abolition of the death penalty in all circumstances has been a long-standing Austrian foreign policy goal for which it has also campaigned within the European Union. At the end of 2002 the protocol had been signed by 39 states and ratified by 5; the ratification legislation by the Austrian parliament was being prepared. Ten ratifications are necessary for the protocol's entry into force.

Two additional protocols to the European Convention on the Prohibition of Torture and Inhuman or Degrading Treatment or Punishment entered into force in March 2002. The central feature of the Convention is a system of preventive visits covering any place where persons are deprived of their liberty by a public authority. The Convention creates a European Committee for the Prevention of Torture or Inhuman or Degrading Treatment or Punishment that, after notifying a government of its intention to visit institutions of the state concerned, can visit those locations at any time without previous warning. The two new protocols cover the election and re-election of Committee members as well as the accession to the Convention by states that are not members of the Council of Europe. Austria has ratified both protocols.

The European Commissioner for Human Rights, Alvaro Gil Robles, paid official visits to five CoE member states in 2002, and organised several seminars on human rights themes. His preventive activities are centred on support for member states and other actors in the human rights field. Gil-Robles made special efforts to seek a political solution to the Chechnya conflict; he proposed the appointment of a human rights representative in Chechnya by the Russian Federation, and in December organised a seminar in Moscow on “Armed Forces and Human Rights”. The CoE supports the work of the Russian President’s representative for human rights in Chechnya by providing experts.

VI. The Human Security Network

The Human Security Network is a group of like-minded countries from all regions of the world which at the level of Foreign Ministers maintain dialogue on questions pertaining to human security. The Network brings together foreign ministers from 13 states - Austria, Canada, Chile, Greece, Ireland, Jordan, Mali, the Netherlands, Norway, Slovenia, Switzerland, Thailand and (as observer) South Africa – with representatives of science and civil society. Austria is a co-founder of this forward-thinking group that emerged from the successful initiative to ban anti-personnel mines. Meetings at ministerial level have been held in Bergen (Norway, 1999), Lucerne (Switzerland, 2000), Petra (Jordan, 2001) and Santiago de Chile (2002).

The political concept of human security focuses on the security needs of the individual. The Network aims to use this innovative idea for the development and
implementation of national and international policies. The Network’s current efforts to achieve greater human security include besides the universalisation of the Ottawa Convention on anti-personnel landmines and the establishment of the International Criminal Court, issues such as the protection of children in armed conflict, human rights education, the control of small arms and light weapons, HIV/AIDS, questions pertaining to international humanitarian law, the fight against trans-national organised crime, human development and human security.

Austria took over the Chair of the Network at the ministerial meeting in Santiago de Chile on 5 July. The highlight of the Austrian presidency is the ministerial meeting in Graz scheduled for 8-10 May 2003. Minister for Foreign Affairs Benita Ferrero-Waldner is carrying out her presidency with the goal of creating genuine added value in the international discussion, strengthening human security by means of concrete actions, thereby increasing awareness of human security at political level and in the general public, and improving the application of existing standards.

She therefore declared human rights education and children affected by armed conflict to be the main themes of the Network under Austrian chairmanship. The concepts will be worked out by the member states in cooperation with internationally leading academics. The Austrian Chair placed the professional leadership of the human rights education project in the hands of the European Training and Research Centre for Human Rights and Democracy in Graz, and that of children affected by armed conflict with the Ludwig Boltzmann Institute for Human Rights in Vienna.

On the theme of human rights education, a declaration of principles is being drafted as a political programme for the realisation of the aims of the UN Decade of Education for Human Rights 1994-2004. A “Manual for Understanding Human Rights” will form a globally adaptable training package for human rights education with an emphasis on “training the trainers”.

On children affected by armed conflict the Network partners will develop a common strategy with the aim of strengthening child-specific monitoring in the United Nations, supported by a Network “alarm function” in the event of violations of children’s rights, the protection of girls in armed conflicts, and combating situations in which offences against children can go legally unpunished. The alarm function (stimulating awareness of concrete problems within international organisations and among the public) was activated for the first time in December by Minister for Foreign Affairs Benita Ferrero-Waldner, when she circulated a note to her colleagues in office in connection with the dramatically rising number of abductions of children by the Lord’s Resistance Army in northern Uganda for military service and sexual exploitation.

Another initiative to be taken under the Austrian presidency will be the development of a training course to qualify personnel for children-specific monitoring and rehabilitation measures in crisis areas and post-conflict situations. In a joint action with the special representative of the UN Secretary-General for children and armed conflict, Olara A. Otunnu, steps have been taken to publish a compendium of the latest standards of the rights of children affected by armed conflict as a handy instrument for use in field operations.

To mark the start of the Austrian chairmanship of the Network, Minister for Foreign Affairs Benita Ferrero-Waldner held a high-level policy meeting on 28 August on the
result-oriented implementation of both principal themes; this also served as presentation and documentation of Austria’s proposed strategy for the chairmanship. On 29 November a meeting of senior officials and experts was held in Vienna at which the basic material on the presidency themes was discussed by the Network partners together with international experts from all over the world. Other issues on the Network agenda were also discussed, and it was decided to draft a medium-term action plan.

The dynamic energy of the Network under Austrian chairmanship enabled a favourable positioning of the two main themes, as well as the Network as a whole, in the multilateral negotiating centres. Minister for Foreign Affairs Benita Ferrero-Waldner made Austria’s political concept for the Network the subject of her addresses to the World Summit for Sustainable Development in Johannesburg, the UN General Assembly and the Council of Ministers of the OSCE. These contacts were deepened through bilateral talks with UN Secretary-General Kofi Annan, UNICEF Executive Director Carol Bellamy, UN High Commissioner for Human Rights Sergio Vieira de Mello, and the co-chair of the Commission on Human Security, Ms. Sadako Ogata.

Minister for Foreign Affairs Benita Ferrero-Waldner held a working lunch for the foreign ministers of the Network countries on the fringe of the UN General Assembly. The occasion was taken to issue a declaration on the universalisation of the Convention Against Anti-Personnel Mines for presentation at the Conference on Disarmament.

Under the Austrian presidency, the Human Security Network also appeared for the first time before the United Nations Security Council. Austria participated in the open debates on “Women, Peace and Security” and on “The Protection of Civilians in Armed Conflicts” in its function as chair of the Network with statements previously agreed between its partners. With this, the Network developed into a regular component of the Security Council’s specialist advisory structure. Harvard University, in cooperation with the Austrian presidency, organised a workshop in New York as a contribution to the preparations for the Security Council debate on children in armed conflicts that was scheduled to take place in January 2003.

In order to maximise the Network’s chances of influencing international conferences on the relevant issues, the Austrian presidency activated the cooperation between its partner states in the multilateral negotiating centres of New York, Geneva and Vienna. Informal meetings take place regularly at expert and ambassador level in order to introduce new initiatives and coordinate working procedures between participants.

VII. Principal Issues

Women’s Rights

One outstanding issue in 2002 in the field of international women’s rights was the fate of those women in Northern Nigeria who had been condemned to death by stoning. Austria intervened actively in the cases of Safya Hussaini and Amina Lawal, instigated action by the EU ambassadors on the spot, worked on the relevant
passages in the conclusions of the European Council in Barcelona on 15/16 March as well as on numerous declarations by the European Union. The proceedings against Safya Hussaini ended on 25 March with a verdict of not guilty, whereas by the end of 2002 the case of Amina Lawal had to pass through two further courts, including the Supreme Court in Abuja, and was still pending. At the meeting of women foreign ministers in the margins of the UN General Assembly on 14 September, Minister for Foreign Affairs Benita Ferrero-Waldner initiated a petition to Nigerian Foreign Minister Lamido on the case of Amina Lawal, which was also forwarded to UN Secretary-General Kofi Annan. She also mentioned the issue in her address to the General Assembly, and on the occasion of a visit to Vienna by the Nigerian Foreign Minister on 8 October pointed out the obligations that Nigeria had assumed on human rights.

In the United Nations, Austria played an active part in the relevant resolutions in the Third Committee of the General Assembly as well as the Human Rights Commission (e.g. the resolutions against trafficking in women and girls, combating violence against women, and “honour crimes against women”) and the elections to the CEDAW Committee, the treaty body set up to monitor application of the UN Convention on the Elimination of all Forms of Discrimination against Women, including its additional protocol. Austria also financed a UNIFEM project for the reintegration and rehabilitation of women in the Democratic Republic of Congo.

Within the European Union, and also in the context of development cooperation, Austria continues to support individual projects on women’s rights (e.g. strengthening the judicial authorities in proceedings against perpetrators of violence against women in Indonesia, and providing support for businesswomen in Bulgaria).

Since holding the presidency of the Human Security Network, Austria has paid particular attention to the situation of girls affected by armed conflict, and has initiated a common strategy by the Network partners for implementing the recommendations of the UN Secretary-General on “Women, Peace and Security”. The principal theme of Austria’s statement before the Security Council on 28 October 2002 was the inclusion of women in peace negotiations and in reconstruction.

Rights of the Child

On 1 February 2002 Austria ratified the Optional Protocol to the UN Convention on the Rights of the Child on the Involvement of Children in Armed Conflict (“child soldiers”). The core of the protocol is the raising of the minimum age for participation in armed conflicts to 18 years. The Optional Protocol on the Sale of Children, Child Prostitution and Child Pornography was approved by the government on 30 April and forwarded to Parliament for ratification. On 18 January Austria approved an amendment to Article 43 Paragraph 2 of the Convention on the Rights of the Child which increases the membership of the Committee on the Rights of Child from 10 to 18. On 31 October Austria submitted its second report on child rights under Article 44 Paragraph 1 of the Convention to the UN Secretariat and the chairman of the Committee; this report describes in detail all the legislative changes for the domestic implementation of the convention as well as a large number of initiatives and programmes that have been undertaken for the benefit of children and young people and for the promotion of their interests.
The endeavours towards the protection of children and the effective implementation of their rights centred on the above-mentioned special session of the UN General Assembly on 8-10 May on the situation of children worldwide (“World Children’s Summit”).

Minister for Foreign Affairs Benita Ferrero-Waldner inaugurated an important Austrian initiative by choosing the issue of children affected by armed conflict as one of the two central themes of the above-mentioned Human Security Network under Austrian chairmanship.

Combating Racism

The Austrian report submitted in 2000 under the provisions of the UN Convention on the Abolition of Racial Discrimination was dealt with in March 2002 by the responsible UN committee. The committee approved Austria’s establishment of an advisory panel on human rights within the Ministry for Home Affairs as well as the functioning of human rights coordinators in the other ministries, the activities of the Vienna Integration Fund and the National Fund for Victims of National Socialism, relevant legislation on small businesses, security police, etc., and bilingual topographical signs in areas with linguistic minorities. Criticism was expressed on certain gaps in regulation, especially on civil rights, for the effective countering of racism (which, however, were already in the process of being corrected), gaps in the statistical data, individual cases of racism in everyday life, and problems in connection with state support for asylum seekers.

The UN World Conference against Racism in 2001 had called on all states party to the UN Convention on the Abolition of Racial Discrimination to issue declarations expressly recognising individual complaints under Article 14. On 20 February Austria issued a declaration recognising the competence of the committee in this respect, with the proviso that an examination of the matter is admissible only if it not being, or has not already been, examined under another international procedure.

Retired Austrian ambassador Kurt Herndl, an acknowledged expert in this field, was elected to the UN Committee on the Elimination of Racial Discrimination by the highest proportion of the vote, which constitutes an expression of international recognition of Austria’s commitment to human rights.

The Vienna-based European Monitoring Centre on Racism and Xenophobia, which is financially supported by Austria, published reports on the attitudes of EU citizens towards Muslims as well as on exclusion from the job market and occupational discrimination in Europe. In the first case a positive report indicated that the terrorist attacks on 11 September 2001 had led to no identifiable alteration in Austrian attitudes towards Muslims. The report also praised the information policies of the Austria media, the holding of meetings between representatives of the various religions, and the organisation of lectures and seminars on the subject by churches, universities and civil society.

As part of the regional follow-up activities of the UN World Conference Against Racism the Council of Europe organised an expert meeting on 27/28 February to implement the results of the World Conference. Austria holds the chairmanship of the
working group. The Austrian internal process for the implementation of the action programme of the World Conference started in 2002.

**Protection of Minorities**

Since ethnic tensions remain one of the principal causes of conflict all over the world, the protection of minorities is a central issue of Austrian foreign and human rights policies. Austria was the main sponsor of a resolution adopted by the UN Commission on Human Rights on rights of persons belonging to national or ethnic, religious and linguistic minorities. As in previous years, Austria was the spokesperson on national minorities on behalf of the European Union at the OSCE Human Dimension Implementation Meeting.

The Advisory Committee on the European Framework Convention for the Protection of National Minorities completed its appraisal of the first Austrian country report under the convention. The problem areas it mentioned were education (minority school legislation, bilingual kindergartens, training of bilingual teachers), media, official languages, bilingual road signs, and state subsidies. The adoption of a final decision by the Committee of Ministers of the Council of Europe was postponed to 2003 in order to obtain the reactions of the Austrian Advisory Councils for national minorities to the results of the Advisory Committee’s opinion.

On 10 October Austria submitted its first country report on the implementation of the European Charter on Regional or Minority Languages to the Council of Europe.

**Events**

An expert symposium, entitled “The Mandate of the Representative of the UN Secretary-General for Internally Displaced Persons: Taking Stock and Charting the Future, was held at the Diplomatic Academy in Vienna on 12-14 December 2002, at the joint invitation of Austria and Norway, to mark the tenth anniversary of the mandate of the Representative of the UN Secretary-General for internally displaced persons, Francis Deng.

The problem of internally displaced persons is a central issue of Austria’s human rights activities. For ten years Austria has, amongst others, introduced the relevant resolution in the UN Commission on Human Rights (Norway is the initiator of the corresponding resolution in the General Assembly), supported the work of the Representative from the very beginning, and provided support for the newly-created Unit on Internal Displacement within the UN Office for the Coordination of Humanitarian Affairs (OCHA) by financing the services of an Austrian expert.

More than 40 experts from international and regional organisations, NGOs and academia participated in the Symposium which provided an excellent opportunity to take stock and assess the work and challenges of the mandate, to further promote the Guiding Principles on internal displacement and to explore future objectives and priorities.

In connection with Austria’s chairmanship of the Human Security Network, meetings of senior officials were held on 28 August and 29 November in the Diplomatic Academy in Vienna; the latter took place parallel to a meeting of experts at the same venue (see above under Human Security Network).
G. The Humanitarian Dimension in International Relations

I. Migrants and Refugees

At the end of 2002 the United Nations High Commissioner for Refugees (UNHCR) was caring for 19.8 million people who had fled across international borders from armed conflicts, persecution and massive violations of human rights. In addition, another 5.3 million internally displaced persons were fleeing from conflicts within their own countries, a number that is steadily increasing.

The number of applications for asylum went slightly down worldwide. From January to September 2002 there were 428,549 applications in the industrial countries of Europe, North America and Australia, 19,652 fewer than in the corresponding period of the previous year. The number of applications within the European Union remained generally constant at 278,225 January to September, 341 more than in 2001. Most of these were made to the United Kingdom (80,530, an increase of 20%), Germany (54,272, decrease of 18%), France (37,236), and Austria (27,741). Austria thereby had the highest number of applications for asylum worldwide in relation to population. The countries of origin of applicants to the industrial countries were headed by Iraq (36,282), the Federal Republic of Yugoslavia (24,330), Turkey (21,676) and Afghanistan (20,460).

From January to December 2002 a total of 36,992 persons sought asylum in Austria, an increase of 22.8% over 2001. By the end of November 27,364 cases had been decided, with 932 positive and 3,573 negative results. The remaining applications were withdrawn. This corresponds to a recognition rate of 20%. The countries of origin were headed by the Federal Republic of Yugoslavia, (4,555), Afghanistan (4,048), Iraq (4,046) Turkey (3,313), India (2,681) and the Russian Federation (1,999).

II. Humanitarian Aid and Disaster Relief

In 2002 the Austrian Federal Government contributed more than €3.5m in bilateral aid for the relief of disasters and emergency situations worldwide: earthquake damage and landmine clearance in Afghanistan; flooding in Algeria and the Czech Republic; drought and civil war in Angola; rehabilitation of mine victims and children suffering from war trauma in Bosnia and Herzegovina; return of refugees to Croatia and Bosnia and Herzegovina; support for social institutions in Vojvodina; hurricane damage in Cuba; restoration of war-damaged houses in Macedonia; food supplies and medicines for children in Moldova; renovation of a kindergarten in Romania; transport costs in Ukraine; and humanitarian projects in the Palestinian areas, Zimbabwe and Uzbekistan.

In addition to the above, substantial humanitarian aid was contributed by Austrian local and regional authorities as well as voluntary organisations and individuals. Austria also contributed around 2.6 per cent (€11.5m) of the €442m budget of the
European Community Humanitarian Office (ECHO), which provides worldwide support for aid projects by national and international humanitarian organisations.

The International Organisation for Migration (IOM), founded in 1951, is the leading international authority for migration issues. Its traditional functions of registering and transporting migrants have in recent years been supplemented by a series of additional tasks arising out of emergency and post-conflict situations. It is also a clearinghouse for the political exchange of information for the development of a sustainable migration management that also covers the economic and humanitarian aspects, while utilising and improving the coordination of the existing regional initiatives. The increasing importance of migration questions is reflected in the increasing membership of the IOM. Ireland, Cambodia, Mexico, Nigeria, Zimbabwe, Kazakhstan and Rwanda joined in 2002, bringing its membership to 98 with 40 observers. The Director-General is Brunson McKinley of the United States. The IOM office in Vienna, established in 1952, is responsible for regional functions in Central Europe. Austria’s contribution in 2002 was €266,598 for the administrative and €254,838 for the operational budget.

The International Committee of the Red Cross (ICRC) is an independent humanitarian organisation with its own statute. Its role in times of armed conflict is regulated by the four 1949 Geneva Conventions and the two Additional Protocols of 1977. In recent years the ICRC has paid increasing attention to the problem of land mines and other explosive remainders of armed conflicts. In 2002 Austria contributed substantially to this programme with a donation of €800,000 for a programme of support for mine victims in Afghanistan. Austria also contributed €345,170 to the ICRC central budget.

III. International Drug Control

The resolutions of the 1998 Special Session of the United Nations General Assembly on drug abuse (UNGASS 98) remain the basis for multilateral cooperation in this field. The goal is to counter the escalating global problem of drug abuse in all its various aspects of cultivation, production, trafficking and consumption, as well as criminal activities, by balanced measures to reduce both supply and demand. The UN Commission on Narcotic Drugs (CND) is the forum for global policies on drugs, whereas the drafting and implementation of concrete programmes is the responsibility of the Vienna-based UN International Drug Control Programme (UNDCP).

As a result of criticisms contained in a UN internal report, UNDCP Executive Director Pino Arlacchi resigned at the end of 2001. His successor, Antonia Mario Costa, took up his office in May and immediately set about improving the organisation’s structure along the lines of the report as well as restoring a basis of confidence with the donor countries. He renamed the umbrella UN Office for Drug Control and Crime Prevention (ODCCP) the UN Office on Drugs and Crime (ODC) and ensured greater transparency through a new dialogue with donor and recipient countries and an increased flow of information.
The 45th session of the CND, held 11-15 March 2002 in Vienna, was dominated by the situation in Afghanistan. There was unanimous agreement on the need for decisive action by the international community to support the interim Afghan government in its endeavours to ban the opium cultivation and trafficking. A resolution co-sponsored by Austria to this effect received overwhelming support. Another main issue of the meeting was alternative development to replace illicit drug cultivation.

The central function of the UNDCP, a subsidiary organisation of the ODC, is providing information, raising public consciousness of the drug problem and supporting political decisions. It also monitors and combats the illegal cultivation of opium poppies and coca bushes by destroying illegal production, while simultaneously promoting alternative development projects. These are intended to provide economic sources of livelihood as substitutes for drug crops.

Once again, Afghanistan was the principal target for the efforts to eliminate the production of opiates (opium, morphine and heroin) from opium poppies. Production actually increased in 2002 as a result of armed hostilities, political instability, and lack of control by the central government, and because opium growing brings the peasants a higher income than other crops. Up to the installation of the Afghan provisional government, which renewed the ban on poppy cultivation, production rose dramatically to an estimated 3,400 tonnes of raw opium in 2002, the second-highest recorded figure. The UNDCP opened a local office in Kabul to provide assistance to the Afghan authorities in countering this trade. A pledging conference for the reconstruction of Afghanistan was held in Tokyo in February, when Austria specified that part of its promised contribution was to be applied to combating the drug problem. Pertinent projects thereby supported include the foundation in August of an Afghan drug police force and the establishment of a network of UNDCP regional offices. Other significant producers of opiates are Myanmar (Burma), to a lesser extent, Laos and Cambodia, and increasingly also Colombia.

Cocaine is derived from the coca plant, which is grown predominantly in the Andean countries of South America. The efforts by the UNDCP to reduce production concentrated mainly on Bolivia, which in 2002 destroyed more cultures and set itself the target of eliminating illegal production entirely by the end of 2003. Peru also achieved a further reduction in coca cultivation. The sustainability of these successes, and the provision of alternative sources of income for the former coca farmers, will continue to represent a challenge to the international community. Unfortunately, the situation is the extreme opposite in Colombia, which has meanwhile become the world’s leading producer of cocaine. The unceasing armed conflicts between the government and the ‘guerilleros’ favour drug cultivation and render counter-measures difficult.

Another UNDCP function is countering illegal trafficking in drugs by strengthening law enforcement, for example by holding training courses for officials of the prosecution authorities in transit countries. Demand reduction is a particularly difficult task, but comparative analysis is helping to construct a picture of worldwide drug demand, and relevant experience is being documented and exchanged. Adherence to the international conventions on drugs is monitored by the UN International Narcotics Control Board (INCB), with a 13-member Council and a
team of expert scientific and technical advisers. In 2002 Professor Rainer Schmid became a member of the Council on Austria’s nomination.

On 17 December Minister for Foreign Affairs Benita Ferrero-Waldner, UNDCP Executive Director Antonio Maria Costa and jury member Grace Bumbry presented the UN Vienna Civil Society Award to initiatives in Lithuania, Pakistan, Romania and South Africa for outstanding contributions to the fight against drug abuse, organised crime and terrorism. The prize money of US $100,000 was raised jointly by the Ministry for Foreign Affairs, the City of Vienna and the UNDCP.

IV. International Crime Prevention

Reduced state controls, open borders and the free circulation of goods and persons not only bring freedom of movement for trade, but also offer wider scope for organised criminal groups. In order to counter these undesirable side effects of globalisation it is necessary to step up international cooperation against organised crime.

The Vienna-based UN Centre for International Crime Prevention (CICP), the second ODC subsidiary organisation, cooperates closely with the UNDCP to develop strategies for combating international crime in all its forms as well as related practices like money laundering. In addition to general goals such as the development of global standards in crime prevention and prosecution, the CICP carries out concrete projects to strengthen the criminal justice systems in individual countries, and participates in drafting relevant agreements under international law.

Negotiations on drafting a UN Convention against corruption commenced in Vienna in January 2002. Austria and the Netherlands presented a draft convention covering the most important aspects like criminalising, prevention, return of funds of illicit origin, and international cooperation. The negotiations should be completed by the end of 2003.

The UN Commission on Crime Prevention and Criminal Justice (CCPCJ) met on 16-25 April in Vienna. In view of recent events, it gave special consideration to the crime prevention capacity of the CICP and its special counter-terrorism unit, the Terrorism Prevention Branch (TPB). The CICP’s mandate on crime prevention was decisively endorsed and consolidated. Austria, which was elected to membership of the CCPCJ for the period 2003-2006, played a significant part in the adoption of two resolutions on global standards and norms in crime prevention and combating terrorism. Other main issues were restorative justice, including extra-judicial compensation, and computer-related crime. Renate Winter, a judge of the Austrian Juvenile Court, presented her experience as a temporary member of the Supreme Court of Kosovo.

The symposium on Combating International Terrorism – the Role of the United Nations took place in Vienna on 3-4 June. Initiated by Austria and organised by the ODC, it analysed how the ODC could make an efficient, economic and swift contribution within the UN System to combating terrorism, and how synergies could be best utilised. A pledged contribution by Austria of one million US dollars to
strengthen the anti-terrorist capacities of the ODC enabled the creation of the **Global Programme against Terrorism**. In November the Austrian expert Walter Gehr took up his post as coordinator of the ODC anti-terrorism project “Strengthening of the Legal Regime”, with a total budget of 2.4 million US dollars, within the framework of the Global Programme against Terrorism.

On the basis of a report by the Secretary-General, the 57th UN General Assembly in December approved an increase in the personnel of the **Terrorism Prevention Branch** to more than double its previous size. This takes account of the results of the Vienna symposium, and makes the implementation of new counter-terrorism projects possible.

### V. The International Criminal Court

The Rome Statute of the International Criminal Court (ICC) entered into force on 1 July 2002, and the first session of the Assembly of State Parties took place from 3-10 September in New York. UN Secretary-General Kofi Annan praised the establishment of the Court as the historic end of the legal vacuum in respect of the most horrifying crimes like genocide and crimes against humanity, and as an important contribution to the maintenance of international peace. In the first session the Assembly of State Parties was established as an organ of the ICC furthermore the Court’s legal basis and budget were adopted. Special efforts were made to set up a procedure for the election of judges reflecting all regions, legal systems, both sexes and specific knowledge. The Assembly was also imbued with the hope that the work of the Contracting Parties, and of the Court itself after its establishment on 11 March 2003, would convince its doubters (e.g. the USA) of the Court’s potential for combating injustice and assuring peace.

Austria, in recognition of its active role in the preparatory work for the International Criminal Court, was appointed to the Bureau of the Assembly of State Parties. Its main functions were to prepare for the election of judges in early February 2003, to search for a qualified prosecutor and chancellor, as well as the supervision of personnel recruitment and administrative structuring of the Court in The Hague. At the conclusion of the session of the Assembly of State Parties a number of States, including Austria, signed the Agreement on the Privileges and Immunities of the International Criminal Court.
H. The World Economy

I. The World Economic Summit (G8)

The G8 summit took place in Kananaskis, Canada, on 26/27 July 2002 under Canadian chairmanship. On its second day the heads of state of Algeria, Nigeria, Senegal and South Africa and the Secretary-General of the United Nations also participated. The main issues were the world economy, combating international terrorism, and a new partnership with Africa. A new Global Partnership against the Proliferation of Weapons and Materials of Mass Destruction will be the framework for a ten-year programme of measures costing up to $20,000m in the areas of non-proliferation, disarmament, combating terrorism, and nuclear safety. There was agreement on an action plan for Africa, and on stepping up the G8 debt reduction initiative with an additional $1,000m. The heads of state and government agreed that the Russian Federation (a group member since 1997) should have the G8 chairmanship in 2006 and should organise the summit in that year. The next meeting is scheduled to take place in June 2003 in Evian-les-Bains in the French Alps. It will be preceded by a meeting of the G8 heads of state and government in St. Petersburg on the occasion of the 300th anniversary of the founding of the city.

II. The World Trade Organization (WTO)

The accession of Taiwan on 1 January 2002 brought total WTO membership to 144. The accession procedures for Vanuatu, Armenia and the Former Yugoslav Republic of Macedonia (FYROM) were concluded, and they will become members probably during 2003. Another 25 applications for membership, including those from the Russian Federation and Saudi Arabia, were being processed at the end of the year. On 1 September 2002 Supachai Panitchpakdi of Thailand took over from Michael Moore of New Zealand as Director-General for a three-year term. The interests of the EU member states are represented at the WTO by the European Commission, which has exclusive competence on most foreign trade matters. The European positions on WTO issues are coordinated by a Council committee set up under Article 133 of the EC Treaty to support the Commission.

The 4th WTO Ministerial Conference in Doha (Qatar) in November 2001 agreed to launch a new multilateral round of negotiations that would meet the demands of the developing countries for more development-friendly trade regulations (the “Doha Round”). At the beginning of 2002 an organisational structure was set up in the form of a Trade Negotiations Committee and several negotiating bodies within individual sectors. Its designation as the Doha Development Agenda expresses its emphasis on the needs of the developing countries. Expert aid will be provided by a Trust Fund, which in 2002 was funded by 18 million Swiss francs. Austria’s contribution was €200,000.

It was not possible to meet the deadline of 31 July 2002 that had been set by the Doha ministerial conference for a revision of the rules for special and differential
treatment of developing countries, due to the large number of proposals submitted and the divergent views of the WTO members. The mandate of the Committee on Trade and Development for the submission of recommendations was therefore extended to the end of the year.

As regards market access, the modalities for future tariff negotiations were to be clarified by the end of May 2003. The EU wants to achieve substantial reductions by all members, including developing countries, on the basis of a general formula for all industrial products. The US, on the other hand, advocates specific negotiations in individual sectors – inter alia with the purpose of keeping sensitive sub-sectors like textiles and shoes – as in previous negotiating rounds – as far as possible out of the tariff reductions. The developing countries are divided on the issue because of diverging interests. Other vigorously disputed issues were special treatment for environmentally friendly goods, and non-tariff barriers.

The modalities for tariff negotiations in the agricultural sector were to be agreed upon by 31 March 2003, so that the members could present draft commitments by the 5th Ministerial Conference in Cancún in September 2003. The goals of the negotiations include a further reduction of domestic support and export subsidies as well as improved market access. The US took the lead in the debate with its proposal for agricultural negotiations (e.g. on a general tariff reduction to 25 per cent on the basis of the so-called Swiss Formula), while a corresponding answer by the EC is still awaited. Austria rejects the US agricultural model and advocates that more attention be paid to the European one.

The negotiations on the further liberalization of trade in services were still at the initial stage at the end of 2002. In Doha, 30 June 2002 was set as the indicative date for the submission of member requests, and 31 March 2003 for the first offers. The EC presented requests to 109 WTO members in July, and itself received more than 20 from other members. It was planned to start work on a joint EC services offer in January 2003, with the Austrian offer being submitted as part of the offer by the Community and its member states.

The main emphasis in the negotiations on the environment sector lay, on the one hand, on a clarification of the relationship between multilateral environmental agreements (MEAs) and the WTO regulations, and on the other hand on an improved exchange of information between MEAs and the WTO. Another main point was the reduction of tariffs and non-tariff barriers for environmentally friendly goods and services. The eco-labelling of goods is a matter of particular importance for the EU.

On trade-related intellectual property rights (TRIPs) the main issue was the implementation of the Doha declaration on TRIPs and public health, in order to give the developing countries easier access to expensive patented pharmaceutical products through a generous interpretation of the exceptions stated in the TRIPs agreement. The open question of how developing countries with no production facilities could make use of the possibility of compulsory licences foreseen in the TRIPs agreement was to be resolved by the end of the year.

May 2003 will be the deadline for the review of the WTO dispute settlement understanding that was started in 1998. The first of two important complaints raised
by the EU against the United States was in respect of protectionist measures against
European steel exporters and related tax privileges for US firms. The US, at the
instigation of its crisis-hit steel industry, had imposed protective duties of up to 30 per
cent on certain imported steel products. After representations by its most important
trading partners had produced no results, a WTO panel was established on 25 July;
its decision is expected during 2003. Meantime, the EU imposed countervailing
duties on US products like steel, fruit, textiles and stationery. The second case
concerned the so-called Foreign Sales Corporations, by means of which US
companies export through tax havens with state approval. The case was decided on
30 August in favour of the EU, the annual damage being set at $4,043,000 million.
The EU is now entitled to impose countervailing duties up to that level.

III. The Organization for Economic Cooperation and Development (OECD)

At the end of 2002 the OECD had a staff of around 1,800 with a budget of €260m, of
which Austria contributes around 1 per cent. The internal administrative
reorganisation that has taken place in recent years continued in 2002 with the
establishment of three working parties, on budgetary reform and priorities, structural
questions, and outreach/relations with affiliated organisations like the IEA or FATF.
The first results are a more transparent financial layout, the identification of five
strategic goals (growth and stability, human capital and environment, globalisation
through extension of trade and investment, the public sector, and the development of
non-members), the reshaping of relations with non-member countries and
development cooperation. The rebuilding and extension of its headquarters started.

The admission of new members is unlikely before completion of the reorganisation,
but the existing outreach activities are continuing. Austria supports the participation of
EU candidate countries that are not OECD members as observers, and is in favour of
a linkage of EU and OECD membership. The organisation’s activities in the Stability
Pact for South-Eastern Europe continued, and 56 Global Fora – twice as many as in
2001 - were held as instruments of a dialogue with non-members. These covered
eight different issue groups: sustainable development, the knowledge society, good
governance, taxation, trade, international investment, agriculture, and competition.

The global economic outlook in 2002 was less than promising, in view of the
deterioration of the financial environment and increased geopolitical risks. Major
business failures like those of the US Enron company led to activities for enhancing
integrity and transparency in financial and corporate governance. Solvency risks in
the insurance sector arising out of the terrorist attacks on 11 September 2001 are
also being dealt with, with a view to strengthening business confidence and ventures.
The working party on combating bribery was enhanced with a view to accelerating
the monitoring of the application and enforcement of the corresponding convention.
Austria took over the chairmanship of the committee on Capital Movements and
Invisible Transactions, which monitors the implementation of the OECD liberalisation
code, especially in the telecommunications sector. Preparations started for the next
economic development review of Austria’s national economy, with the emphasis on
competition policy. On sustainable development the issues were policy coherence,
climate change, waste management, and support for developing countries.
A multi-disciplinary three-year project for the scientific assessment of the health systems of the OECD member states was inaugurated in 2001. The reason for this is the steadily growing pressure on national systems arising from enhanced expectations, demographic developments, and expensive technological advances in treatment methods. The objective is to find ways to improve performance, allow equal access for everyone to health care, and develop long-term methods of financing it.

The increased emphasis being laid by the OECD on development policy issues was reflected in a joint meeting in mid-May of national ministers for development cooperation and the directors of the development assistance agencies. The declaration entitled “The OECD’s Contribution to a Joint Development Agenda”, and the participation by representatives of the New Partnership for Africa’s Development (NEPAD), were the main features of the OECD ministerial meeting and the high-level meeting of the Development Assistance Committee on the themes of effective development assistance, policy coherence, NEPAD, and development cooperation in difficult partnerships. The main focus of attention was on enhanced cooperation with international organisations like the World Bank, UNDP and WTO. A database on trade-related technical assistance was established together with the WTO. In December reference papers were issued on donor harmonization as well as on poverty and health.

Membership of the International Energy Agency (IEA) rose to 26 states with the accession of the Republic of Korea in March 2002. The four-yearly assessment of Austria’s energy policy, energy supply and energy market by the IEA resulted in a very positive report, not least on account of the complete liberalisation of the domestic electricity and gas markets from 1 October.

Work commenced on the second OECD environmental review of Austria. The results, to be published in late 2003, will be based on a review prepared by Austria covering the last seven years as well as the report by an OECD fact finding mission, and will be presented to the relevant OECD committee.

The OECD working group on the harmonization of rules for biotechnology is chaired by Austria. Its important role in improving global safety standards in this field was underlined by the concrete results it achieved in 2002, e.g. guidelines for unique identifiers for genetically modified products. These now apply to labelling systems within the European Union and also globally under the Cartagena Protocol for Biological Safety. The OECD database for authorised genetically modified goods is playing a key role during the initial phase of setting up the Biosafety Clearing House for the information exchange on biotechnological safety.

The OECD Council met in May at ministerial level under Belgian chairmanship with the theme of “Partnership in the Service of Growth and Development”. The focus was on the prospects for global growth and the opportunities for action to stimulate an upswing, transparency and integrity in the global economy, and strengthening the multilateral trade system. Ministers for development assistance and representatives of non-member economies also participated in some of the discussions, on the implementation of the Doha results and on improving market access for developing countries. Protectionist tendencies on the part of the United States, especially in the
steel and agricultural sectors, were subjected to criticism, from the European Union in particular. However, the EU itself was taken to task for a failure to reduce subsidies. A new chapter in relations with Africa opened with a meeting between the OECD ministers and the ministers of the NEPAD steering committee. As in previous years, an OECD Forum was held for an exchange of views with NGOs and other representatives of civil society.

The OECD Round Table on Sustainable Development is an informal expert body meeting several times a year for discussions on specific issues. The first such theme in 2002 was the improvement of coordination between state development assistance and foreign direct investment in developing countries. The second was the remaining open points in the agenda of the then forthcoming World Summit for Sustainable Development in Johannesburg. The third meeting dealt with the subject of environmental labelling and sustainable development.
I. Global Sustainable Development

A great deal has been achieved during the past decade on the basis of the visions and proposals advanced at the 1992 World Conference on Environment and Development in Rio de Janeiro. Numerous conventions and other legal instruments have been negotiated, signed and ratified on issues like climate, biodiversity, desertification or dangerous chemicals. Vital principles contained in the Rio Declaration have been anchored in national and European legislation, and sustainable development is on the way to becoming a central policy principle. However, substantial deficits still exist: the implementation of Agenda 21, the catalogue of goals and activities adopted in Rio, is in many areas unsatisfactory (e.g. the insufficient decoupling of economic growth and environmental degradation), and the problems of developing countries in their endeavours to achieve sustainable development have received too little attention. Sustainable development at the global level means enabling the developing countries to benefit from the opportunities of globalisation through support for the development of their own potential and through better access to markets while limiting the negative impacts of globalisation.

The World Summit on Sustainable Development

The summit conference was held in Johannesburg from 26 August to 4 September 2002. Some 40,000 participants, including 104 heads of state and government as well as representatives of industry and nongovernmental organisations attended this largest-ever event of its kind. The Austrian delegation included representatives of government, industry, scientific institutions, and environmental and developmental NGOs, which were also included in the national preparatory process.

The European Union played an active role and made a significant contribution to the negotiations. Within the EU, preparations were made on the “lead country” principle, whereby EU partners with specific interests formed small groups around one member state that undertook the responsibility for the group theme. Austria was the lead country for energy, and was also active within the EU on institutional questions and sustainable development governance. Austria also advocated strengthening the UN systems in their coordinating functions and promoting the dialogue on implementation.

The results of the summit consist of a comprehensive implementation plan, a political declaration, an open list of partnerships for the implementation of Agenda 21, the goals contained in the UN Millennium Declaration and the new Johannesburg targets. The implementation plan contains the following main points:

**Combatting poverty:** Global sustainability also means reducing the number of people living in extreme poverty. Other identified core aspects include: reduction of trade barriers for developing countries on the world market; reorganising and strengthening financing for development; and ensuring access to sustainable energy, water and sanitation facilities in developing countries.
Water and sanitation: The development goal of halving by 2015 the number of people without access to clean drinking water has now been extended to cover sanitation.

Energy: No definite target was set here, but the conference agreed on the strongest international commitment to date on the promotion and extension of renewable energy. The European Union issued a declaration on renewable energy jointly with Norway, Iceland, Switzerland, New Zealand, Argentina, Brazil, Chile, Peru, all the candidates for membership of the EU, and the Association of Small Island Developing States.

Chemicals: There is to be enhanced protection for persons and the environment by the year 2020. Austria has already adopted this target through the ratification of the Rotterdam and Stockholm conventions.

Sustainable production and consumption patterns: The conference demanded a reversal of the consumer trend to the production of waste, and the decoupling of economic growth from environmental degradation.

Biodiversity: There is to be a drastic reduction of the loss of biological diversity by the year 2010.

Trade: The results of the WTO ministerial meeting in Doha in 2001 and the conference on Financing for Development in Monterey in March 2002 were confirmed.

Mountainous regions: There must be a sustainable relationship between exploitation, tourism and nature protection.

Johannesburg ended the series of summit conferences that were held throughout the 1990s. It summed up the conferences of Doha and Monterey, which can now be followed up coherently and with regard to their common goals. The summit confirmed the broad consensus on achieving the international development goals. The principle of sustainable development was firmly anchored on the multilateral agenda and put beyond dispute, as was the interdependence of economic, social and environmental factors, which must positively supplement each other for a broad and long-term enhancement and maintenance of the quality of life.

The implementation plan foresees a considerably altered role for the Commission for Sustainable Development, which in future will give implementation priority over the setting of norms. The UN Economic and Social Council (ECOSOC) is to concentrate more on its integration function and assume the coordination of the three pillars of sustainable development – economic, social and environmental.

The United Nations Environment Programme (UNEP)

The ministerial negotiating group on International Environmental Governance (IEG) concluded its work in February with the Global Ministerial Environment Forum in Cartagena. The IEG, which was created in preparation for the Johannesburg Summit, aimed to strengthen UNEP institutionally and financially, and to harmonise the
multilateral environmental agendas, also in respect of their links with multilateral trade law. The rapid development of international environmental law within the past 10 years has led to more than 230 multilateral agreements which must be better coordinated with each other as well as with others in related fields. UNEP and its subsidiary bodies also carried out valuable preparatory work for Johannesburg in respect of chemicals, protection of natural resources, and the achievement of sustainable production and consumption behaviour.

Global Environmental Agreements

The Convention on International Trade in Endangered Species of Wild Fauna and Flora

The twelfth conference of signatory states was held in November 2002 in Santiago de Chile. The Convention regulates trade in some 5,000 animal and 25,000 plant species. The meeting considered new trade regulations for 60 animal and plant species as well as over 60 draft resolutions. In the centre of public interest was the application for freedom to trade in ivory. Botswana, Namibia and South Africa were permitted under particularly strict conditions to dispose of existing legal ivory stocks totalling around 50 tonnes. Applications by Norway and Japan for a relaxation of the ban on trading in whale meat were rejected.

The International Convention for the Regulation of Whaling (IWC)

The 54th annual meeting of the International Whaling Commission took place in May in Shimonoseki, Japan. Iceland, which had left the IWC in 1992, was re-elected a full member by a narrow majority in spite of its objections to the whaling moratorium. The moratorium remains in force, but the number of large whales killed annually as legal exceptions by scientists and indigenous peoples in IWC member states has risen to more than 1,470. Austria advocates keeping these exceptions to the absolute minimum. What remains unknown is how many and which species of whales are being killed outside the IWC regime. In accordance with a parliamentary resolution, Austria entered the negotiations with a policy of the most comprehensive protection possible for all species of whales and dolphins.

The Basle Convention on the Control of the Transboundary Movement of Hazardous Wastes and their Disposal

The sixth conference of parties in Geneva in December decided to set up a mechanism to provide support in cases of difficulty in implementing the Convention. It also adopted technical directives on the environmentally benign handling of waste and on the harmonisation of the danger criterion “ecotoxic”.

The Vienna Convention for the Protection of the Ozone Layer and The Montreal Protocol

The 14th Conference of Parties to the Montreal Protocol, and the 6th Conference of the Parties to the Vienna Convention, were held in Rome in November. They were dominated by the negotiations on the replenishment of the Multilateral Fund, which helps developing countries to reduce and eventually eliminate the production and use
of substances which damage the ozone layer. Other questions thereby remained unresolved, including achieving reduction steps by developing countries by 2005, the elimination of methyl bromide, and future exceptions to the treaty. Austria was elected to the Executive Committee as representative of the group of former EFTA members.

**The UN Framework Convention on Climate Change (UNFCCC)**

The 6th Conference of Parties in October/November in New Delhi was influenced by the outcome of the Johannesburg summit. The main result was the issue of the “Delhi Ministerial Declaration on Climate Change and Sustainable Development”. The implementation of the Climate Convention continues, and first steps are being taken towards implementing the Kyoto Protocol on the basis of the decisions on implementation arrived at in Marrakech in 2001. There were disputes between industrial and developing countries on the question of further action on the Kyoto Protocol as regards commitments after 2012. The discussion is on whether an additional quantitative emission reduction target can be agreed. The USA, which advocates an alternative to the Protocol, demands that large developing countries should also commit themselves to reductions. The Kyoto Protocol has now been ratified by 100 states, but its entry into force is conditional upon its encompassing 55 per cent of CO₂ emissions by industrial countries. This would be achieved with the expected ratification by the Russian Federation.

**The Convention on Biological Diversity**

The 6th Conference of Parties, held in The Hague in April, arrived at some 30 decisions. The most important were on: participation by indigenous and local populations in the implementation of the Convention at national level; guidelines on preventing or minimising the import of alien species, stopping their proliferation, and on measures for their eradication; guidelines on access to genetic resources and sharing their benefits; a strategic work plan for the further implementation of the Convention; a strategy for the reception of plants and a work programme on woodland biodiversity.


The 9th preparatory meeting for the first conference of parties, held in Bonn in October, clarified a number of important points on conference procedure, mediation, interim activities (recommendations by the interim chemical test committee on the evaluation or acceptance of new chemicals and on rules for the committee), and financial rules and procedures. By the time of the conference 34 instruments of ratification had been deposited of the 50 that are necessary for the Convention to enter into force.
J. Cultural Policy and Scientific Cooperation

Austria is regarded worldwide as a nation with a highly developed culture. An active policy of cultural representation abroad is therefore a valuable means of utilising this image to strengthen the country’s international position in a wider sense. The new cultural policy concept that was introduced in March 2001 had its first year of operation in 2002 and fully justified the hopes that had been placed in it. The planned comprehensive reforms and modernisation of structure and content were achieved in all essential aspects.

Cultural cooperation makes a valuable contribution to Austria’s international identity and image as well as to all the essential aspects of its foreign policy: the European Union and its enlargement; security and stability in Europe; and Austria’s position in a situation of wide-ranging global competition. The following measures in particular contributed to strengthening Austria’s international presence:

- The rebuilt Austrian Cultural Forum in New York (www.acfny.org) opened with a festival of Austrian culture lasting several weeks under the title “transforming modernity”. The new building, which has been highly praised by critics, was designed by the Austrian architect Raimund Abraham.

- The network of Austrian cultural forums expanded with the opening of Mexico City and the reopening of Cairo, bringing the total to 28: Belgrade, Berlin, Berne, Bratislava, Brussels, Bucharest, Budapest, Cairo, Cracow, Istanbul, Kiev, Ljubljana, London, Madrid, Mexico, Milan, Moscow, New York, Ottawa, Paris, Prague, Rome, Teheran, Tel Aviv, Tokyo, Warsaw, Washington and Zagreb.

- The activities of these institutions are described and documented in the brochure austria kultur int, published in April 2002, which has helped to make the new corporate identity established in 2001 better known.

- The introduction of individual budgets for the forums and other forms of cultural representation has simplified forward planning and long-term project work. In its first year, this led to a noticeable increase in the number of events organised.

- The new Austrian Library in Chisinau (Moldova) opened in June. This brings the network of Austrian libraries to a total of 49 in 23 countries, mainly in Central and Eastern Europe. These are not simply libraries in the classical sense, but also venues for a range of events which help to strengthen Austria’s cultural presence.

- The events of 11 September 2001 brought one of Austria’s long-term cultural objectives into greater prominence: the dialogue between cultures and civilisations, with the aim of promoting mutual tolerance of, respect for, and knowledge of “the others”. An international expert seminar was held in Vienna in June under the title “Euro-Mediterranean Dialogue between Cultures and Civilisations: the Role of the Media”. In March there was a conference in Vienna on “Dialogue of Religions as a Way to Peace”, with participation by Iranian President Mohammad Khatami and Austrian President Thomas Klestil. A round table was held in Sarajevo in May under the title “Religion, State and Society in a
Multicultural Europe”. It was opened by Minister for Foreign Affairs Benita Ferrero-Waldner together with the highest representatives of the various religious groups in Bosnia and Herzegovina.

- The annual conference in September on cultural policy abroad stressed the importance of language in this connection. It reviewed Austria’s endeavours to promote the German language in Europe, especially in Central and Eastern Europe, and indicated directions for the future. The contributions were published as a brochure.

- The “Plattform Kultur Mitteleuropa”, which was inaugurated in December 2001 as part of Austria’s regional partnership with Poland, Slovakia, Slovenia, the Czech Republic and Hungary, continued during 2002. On 19 December, during the Danish EU presidency, there was a joint event in Copenhagen with dance demonstrations from all six countries. Since its foundation, the “Plattform” has organised some 50 projects, including the “Central European Jazz Connection” in Warsaw, the travelling photo exhibition “Young Central Europe”, and a Central European symposium in Milan.

- In April, the “Polish Year in Austria” opened with a concert by the Warsaw Philharmonic Orchestra in the Musikverein in Vienna. Around 100 projects in all sectors of the arts presented a comprehensive cultural image of Poland and contributed to a sustainable enhancement of bilateral relations. Preparations were started for a “Czech Year in Austria”

Music Projects

“The New Austrian Sound of Music”, a project inaugurated in March, attained widespread success in a very short time. The classical interpreters Hugo Wolf Quartet, Eggener Trio, Trio Viennarte, Wolfgang Sengstschmid, Gottlieb Wallisch, Clemens Zeillinger, and the duo Patricia Kopatschinska and Christoph Hinterhuber, and the jazz groups Sabina Hank Trio, Gansch’n Roses and Klaus Paier Trio, fulfilled numerous invitations with considerable success. The Landstreich group and the harpist Monika Stadler offered their more individualistic styles. On the more popular level, Bernhard Fleischmann toured successfully through Germany, France and Switzerland.

The Gustav Mahler Youth Orchestra, the Klangforum Wien, the Vienna Art Orchestra, the Linz Baroque Orchestra and the Austria Jazz Orchestra all received support for international concert tours. The holding of master courses and workshops on contemporary music developed into a major aspect, with requests coming from countries including China, the former Soviet republics and the EU candidate countries. Austrian exponents of international music like Hubert von Goisern and Timna Brauer not only held concerts in Africa, Europe and the Middle East, but also promoted understanding for other cultural traditions with projects like “A Musical Search for Traces” together with West African musicians, or “Voices for Peace”, a joint performance by Israeli and Palestinian choirs.
Literature and Theatre Projects

Contemporary Austrian drama and Viennese theatre around 1900 continue to attract a high international demand. The most popular authors in 2002 were Elfriede Jelinek, Thomas Bernhard, Werner Schwab, Felix Mitterer and Arthur Schnitzler. Other works by Marlene Streeruwitz, Peter Turnini, Wolfgang Bauer, Peter Handke, Ödön von Horvath, Johann Nestroy and Jura Soyfer also enjoyed worldwide success. Young Austrian producers were invited to hold guest productions abroad, especially on the stages of Central and Eastern European countries. These were mostly made possible by financial support from the Foreign Ministry and/or the Verein KulturKontakt.

These successes from the classical repertoire were supplemented by contributions from the contemporary theatre scene, including the Karin Schäfer Figurentheater, the “vis plastica” street theatre group, the Vienna Kabinetttheater and the Arbos Society for theatre for the deaf.

The young Austrian dance and choreography scene is well represented in invitations to other countries. It includes the Cie. Willi Dorner, the choreographers Christine Gaigg, Milli Bitterli and Saskia Hößbling, as well as Klaus Obermaier and Chris Haring with their acclaimed performance D.A.V.E. The A/J Project, inaugurated in December 2002 in order to establish a connection between Austria and Japan on contemporary dance, held performances and workshops by Akemi Takeya, Daniel Aschwanden, Milli Bitterli, Saskia Hößbling and Paul Wenninger.

Readings by prominent authors and presentations of new literary publications were held in all of the main target countries for Austria’s cultural policy (New York, London, Paris, Tokyo, Berlin, Moscow, Austria’s immediate neighbour countries and the countries of Central and Eastern Europe). The palette of authors presented ranged from the well-known names to a number of young writers just emerging onto the literary scene. The goal of attracting the interest of publishers outside the German-language region for works by Austrian authors was again realised, not simply in the English and French language regions, but also in other countries including Poland, the Netherlands and Russia (where a translation of Elfriede Jelinek’s “Die Klavierspielerin” became a best-seller). The magazine “New Books in German”, with support from the Austrian government, continued to assist in this connection.

Support is provided for translations of works by living Austrian authors. The Ministry for Foreign Affairs also provides purchasing guarantees, and distributes the books to libraries, schools and other educational institutions abroad. Austrian publishers and authors are assisted to attend international book fairs and literary festivals. Minister for Foreign Affairs Benita Ferrero-Waldner and State Secretary Franz Morak visited the Frankfurt Book Fair to provide support for the Austrian book trade. In several countries, including Poland and Estonia, prominent literary magazines devoted special issues to the Austrian literary scene.

An “Ingeborg Bachmann Centre” for contemporary Austrian literature was set up within the Institute for Germanic Studies at the University of London specialising in post-war Austrian literature and its contribution to the identity of the Second Republic. Its author-in-residence programmes and literary events are aimed at promoting greater awareness of modern Austrian literature throughout the United Kingdom.
The Fine Arts

The exhibition “Central European Avant-Gardes: Exchange and Transformation 1919-1930”, dedicated to innovative forms of expression in Central European graphic arts and architecture, was presented in Los Angeles, Munich and Berlin. The exhibition “Friedl Dicker-Brandeis: The Artist Who Inspired the Children’s Drawings of Terezin” remained on tour in the US and Japan during 2002.

An installation by the French-based Austrian artist Klaus Pinter entitled “Rebonds – une oeuvre éphémère” was on show in the Pantheon in Paris from April to September.

A comprehensive display of works by modern Austrian artists opened in May in the Museum of Contemporary Art in Massachusetts under the title “Uncommon Denominator: New Art from Vienna”. It had three themes: The Tradition of Painting; Body/Performance; and Design/Concept. Parallel to this, the Clark Art Institute in Massachusetts showed an exhibition of landscapes by Gustav Klimt.

The exhibition “Sigmund Freud: Conflict and Culture” opened in the Diaspora Museum in Tel Aviv after having been shown since 1998 in the Library of Congress in Washington and subsequently in many other venues.

Works by Alfred Hrdlicka, Franz West, Bruno Gironcoli and Tomas Hoke were exhibited at “Den Haag Sculptuur” under the motto “Europe in Picture, Myth and Reality”.

The city of Siegen (Germany) awarded the Rubens Prize 2002 to the Austrian artist Maria Lassnig, whose “Körperportraits” were on show at the Museum for Contemporary Art. The Musée des Beaux Arts in Mouscron (Belgium) presented a comprehensive show of works by Curt Stenvert, and the Tyrolean artist Hermann Pedit presented his largest exhibition to date in the Russian Museum in St. Petersburg.

Of the architectural exhibitions, “Emerging Architecture II” went on show in Budapest under the auspices of the Austrian Cultural Forum; “Innovative Austrian Architecture” was shown in Chile, Brazil, Argentina and Mexico; and “Building in Europe” went on tour in France, Poland and four locations in Norway.

The exhibition “Thomas Bernhard und seine Lebensmenschen – der Nachlass” opened in Luxembourg, in the Centre National de Littérature in Mersch.

The travelling exhibition “Harry Weber – Life in Vienna”, with 52 pictures by the winner of the State Prize for Photography 2002, opened in Santiago die Chile in August before moving on to Brazil, Argentina and Mexico.

Film and Audio-Visual Media

Numerous Austrian film productions were shown abroad in 2002, for example “Gebürtig”, “My Russia” and “Blue Moon”. The Ministry for Foreign Affairs enabled film makers to attend international festivals by assuming responsibility for travelling costs. These occasions included the Austrian Film Weeks in Basle, Bonn, Bratislava, Bucharest, Budapest, Hong Kong, London, Madrid, Montreal, New Delhi, Ottawa, Prague, Rome, Skopje, St. Petersburg, Tel Aviv, Warsaw, Zagreb and Zürich. They were supplemented by 22 Austrian Film Days in various countries as well as by Austrian participation in around 45 European Film Days organised by the EU.

International Youth Cooperation

The Ministry for Foreign Affairs repeated and enlarged its international youth project ‘Youth for Tolerance’ on intercultural understanding and conflict resolution – an idea originally suggested by Simon Wiesenthal. Young people from 16 European countries met in June and October in Vienna to prepare an exhibition due to open in July 2003. The theme of the exhibition, which will be shown in all the participating countries, is the concept of otherness and acceptance thereof, seen from both the majority and minority point of view.

International Sport

On 12 December the UEFA Executive Committee awarded the commission to stage the 2008 European Football Championship (EURO 2008) to Austria and Switzerland.

A joint offer to stage the Olympic Winter Games 2010 was submitted to the International Olympic Committee by the City of Salzburg and the Federal Länder Salzburg and Tyrol. The application is one of four contenders for the award. A final decision will be taken by the IOC General Assembly in Prague in July 2003.

Austria signed the Additional Protocol to the Anti-Doping Convention on the occasion of the 16th informal meeting of European ministers for sport in Warsaw on 13 September.

Cultural Promotion

The Foreign Ministry’s support for cultural activities is basically provided for individual projects that have foreign policy relevance. In 2002 some 113 projects covering the graphic arts, literature, music, science, youth and exhibitions received support to a value of €401,580. As in previous years, subsidies were provided for St. George’s College in Istanbul, the Circolo di Cultura Italo-Austriaco in Trieste, the Collège d’Europe in Bruges, the Stiftung Pro Oriente, and the historic Austrian settlement at Pozuzo in Peru.

Two events in the Republic of Bosnia and Herzegovina received support under the dialogue between religions. Similar support was given to an architectural exchange project with Iran, and another “between Danube and Nile”. Subsidies were also given
to an exhibition of Armenian artistic treasures; Azerbaijani, Georgian and Italian cultural weeks; the Cultural Association of the Austrian Romas; the Jewish Institute for Adult Education; the Hallamasch Artists’ Association; the “Klassik bei Hermagoras/Klasika pri Mohorjevi” festival; and the theatre festival “Grenze im Fluss/Meja na reki”. The Prague-Vienna-Budapest International Summer Academy was assisted to hold concerts under the “Plattform Kultur Mitteleuropa”, as was the St. Augustine Choir, and the Cathedral Music of St. Peter, Salzburg, for participation in the Haydn Biennale in Belgium, the Young Vienna Choir for its Asian tour, and the Klangforum Vienna. Other events supported included the “Poland in Europe” international conference in Vienna and a conference in the University of Graz on future prospects for the German language.

**Academic Activities**

A large number of symposia, workshops, lectures and other Austria-related events were held worldwide in 2002, covering a broad spectrum of themes including literature, history, philosophy, physics, social medicine, conservation and restoration, town planning and architecture. Thematic highlights included the centenary of Sir Karl Popper, the dialogue between cultures and civilisations, and enlargement of the European Union.

The dialogue between religions, which since 1992 had been the framework for some notable joint events between Austria and Iran, attained a new significance after the events of 11 September 2001. As noted above under highlights and projects, the dialogue between cultures and civilisations became one of the main foreign policy themes in 2002, and not merely in the cultural sense.

An international conference “The Enlargement of the European Union in the East” was held in Milan on 8/9 November under the auspices of the Austrian Cultural Forum and the State University of Milan as well as the diplomatic and consular representatives of Poland, Slovakia, Slovenia, Hungary and the Czech Republic. It was attended by prominent representatives of the scientific and cultural policy communities in seven Central European countries.

The UN “International Year of the Mountains” 2002 was the occasion for a festival in London entitled “Highly Inspired – a cultural season for the year of the mountains”, organised by the Austrian Cultural Forum London. With the cultural inspiration of the mountains in the foreground, it comprised literary, musical, film and other events in London, Bristol, Edinburgh, Glasgow and St. Andrews. These included an “Alpine Language Maze” for London schools, and a discussion with the Alpinist Heinrich Harrer.

**Austrian Studies Abroad**

Centres or chairs of Austrian Studies focus on researching and presenting various aspects of culture, economy and politics in an Austrian, but in some cases also Central European, context. They also help to cement cooperation between Austrian institutions of research and higher education and the international scientific and cultural community. Amongst others, they include the Chair of Central European
Studies with Special Reference to Austria at the University of Leyden; the Canadian Center for Austrian and Central European Studies at the University of Alberta; the Centre for Research on Robert Musil at Saarbrücken University; the Center for Austrian Studies at the University of Minnesota; the Centre for Austrian Studies and the Cardinal König Chair at the Hebrew University of Jerusalem; the Austrian Centre at Monash University, Melbourne; the Visiting Austrian Professorship at Stanford University; and the Schumpeter Chair at Harvard University.

Austrian Libraries

It is more than ten years since the first Austrian libraries were established in Central and Eastern Europe, since when the concept of making Austrian literature and information on Austrian history and culture available to a broad public, especially in the university cities of the reform countries, has proved highly successful. The number of libraries rose to 49 in 2002 with the opening of a new institution in Chisinau (Moldova) and the transfer of the library of the Cultural Forum Warsaw to the University Library in Warsaw. Expanded information on their structure, aims and networking, as well as details of individual libraries, can be obtained from a joint website at www.oesterreich-bibliotheken.at. Each library has a stock of around 5,000 books as well as periodicals and audio-visual material. In addition to contemporary Austrian literature, they offer material on Austrian history and information on the country, supplemented by periodicals and audio-visual material. Some of them offer opportunities for internet research. In 2002 the total cost of new book provision was more than €400,000. The host organisations provide the infrastructure and staff, who are given training in Austria along with academics and graduate students who work in close contact with the libraries. Several of the libraries are also venues for lectures, readings, exhibitions, and musical and film evenings, especially in locations where there are no Austrian embassies or cultural forums. Minister for Foreign Affairs Benita Ferrero-Waldner visited the libraries in Warsaw, Breslau and St. Petersburg during the year. Apart from the Austrian libraries, the Ministry donates stocks of books to departments of German in universities around the world.

German as a Foreign Language

The German language, with around 100 million speakers, is the most widely-spoken first language in Europe. The language as a factor in the creation of identity was the theme of the 2002 conference on cultural policy abroad under the title “Language and Culture – the Significance of Language Activities in Cultural Policy Abroad”. Austria’s endeavours to encourage the use of the German language have the aim of giving it the function of a regional language of communication and of an integrating factor in Central, Eastern and South-Eastern Europe, and thereby of facilitating intercultural understanding. The “Dimensionen” teaching material published in cooperation with Switzerland and Germany, takes account of the differences of correct usage in the various varieties of the German language. The promotion of the language, especially in neighbouring countries, gives Austria a distinct profile as a German-speaking country, encourages multilingual abilities within the European Union, enhances the importance of German in relation to its area of use, creates a competitive advantage, and disseminates an advantageous image of Austria in the interest of an economic and cultural future.
Austria’s language promotion takes several forms. Since 1997 the German language courses established in Bratislava, Brno, Budapest, Cracow and Warsaw have been run by the Austrian Institutes there. These are run on a private basis, but are owned by the Republic of Austria, represented by the Ministry for Foreign Affairs. Some 9,000 students can take the Austrian Language Diploma, a widely recognised qualification. The functions of the central office in Vienna, the Österreich-Institut GmbH, include the publication of the quarterly magazine "Österreich Spiegel" with up-to-date information on language teaching. There are plans for extending the network of institutes as well as for closer cooperation with the Austrian libraries, the users of which have mainly language interests. In December the Österreich-Institut was awarded the “European Seal 2002 for Innovative Language Projects”, which is awarded annually by the European Union for outstanding achievements.

At the end of 2002 a total of 120 Austrian lecturers were teaching German language and literature at university level in 25 countries in Africa, Asia, Europe and Latin America as well as Australia. There are Austrian schools in Budapest, Guatemala, Istanbul and Prague, and Austrian teachers are in service in other German-language schools in all the other continents for periods of up to eight years. At the end of 2002 there were 178 Austrian teachers serving in schools in other countries worldwide. In addition, teachers are seconded to the nine bilingual schools in Slovakia (2), the Czech Republic (2) and Hungary (5). These schools play a special role in promoting the German language and knowledge of Austria in the neighbouring countries. Another 51 Austrian teachers of mathematics and natural sciences were working in schools in New York City.

One special case is the new Gyula Andrassy University in Budapest, in which German is the teaching language. Established in 2002, and financed from Austria, Germany and Hungary, it offers two-year postgraduate courses for a maximum of 150 students of international relations, Central European studies, and comparative political science and jurisprudence.

Austrian educational advisers assist with the organisation and reform of primary and secondary teaching and teacher training in Belgrade, Bratislava, Brno, Bucharest, Budapest, St. Petersburg, Sarajevo, Skopje, Sofia, Tirana and Zagreb.

**Scholarships and Mobility Programmes**

The Austrian Academic Exchange Service (ÖAD) administers Austrian scholarships to both incoming foreign and outgoing Austrian students. The Austrian universities have the highest proportion of foreign students in Europe at 16.9 per cent for academic and 38.2 per cent for artistic subjects. More than half of the foreign students come from EU countries, mainly Germany and Italy. Academic mobility has been considerably simplified by the introduction of the European Credit Transfer System (ECTS). Furthermore, the Bologna Process (creation of a European academic area) helps to simplify the mutual recognition of academic qualifications. More than 30 per cent of all Austrian graduates have spent relevant periods of study abroad, the most popular non-European destination being the United States.
The Central European Exchange Programme for University Studies (CEEPUS), with participation by Austria, Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia, has been extended until 2004 at least. Hundreds of Austrians have spent periods of study and research in the US on scholarships from the Fulbright Program. At the end of 2002 there were 55 Austrian students in the US, and around 30 US students were studying in Austria on Fulbright scholarships – not only in universities, but also in other research centres and institutions like the Diplomatic Academy in Vienna.

University Cooperation

The existing network of partnership agreements between Austrian universities and the tertiary sector in other countries is being broadened and enhanced through multilateral initiatives, for example the ASEA-UNINET, a system of multilateral cooperation between universities in East Asia and Europe. Through exchanges of professors and students, similarity of courses, mutual recognition of qualifications, joint economically relevant projects and the introduction of a job exchange, it aims to contribute to the achievement of mutual understanding and to combat poverty and unemployment, especially among young people. Summer schools for Austrian students in Beijing and Shanghai and for Chinese students in Austria were held under this programme. There are also regular symposia in connection with joint projects, mainly technological, in cooperation with international companies.

Multilateral Scientific Cooperation

Austria is a member of a whole range of international organisations for scientific cooperation. These include the European Cooperation in Science and Technology (COST) in Brussels, the European Council for Nuclear Research (CERN) in Geneva and the European Space Agency (ESA) in Paris.

Austria advocates an extension of cooperation with third countries in COST activities, and supports adherence to the principle of decision-taking by scientists themselves. Austria participates in 90 per cent of all COST actions, this being the highest rate among the different European research cooperation programmes. Worldwide, some 25,000 researchers participate in COST actions with a total value of € 2,000m per year.

The value and importance of multilateral and technological cooperation have increased substantially in recent years. Organisations like CERN or ESA and their scientific and technological products have proved to be irreplaceable for achieving European policy targets. This is shown most clearly by the European Space Strategy, with its goal of providing Europe with independent satellite navigation and coordinated earth observation systems. Austria is participating in Galileo for the building of the satellites and ground equipment of this new navigation system, and will also take part in the Galileo-Common-Undertaking for the planning, establishment and utilisation of the user services. The practical implementation of the space component of the Galileo system will be carried out by ESA. Austria is also considering involvement in GMES, the European initiative for Global Monitoring for Environment and Security. Austria makes use of the opportunities provided by the full
membership in ESA, which enables smaller partners to participate in major European research projects which they could not undertake independently. One particular success in 2002 was the decision by the ESA Council on 12 December to site the new European Space Policy Institute (ESPI) in Vienna. This is the first ESA institution to be located in Austria, and the success of the bid against some very interesting competition is a measure of the high quality of what Austria had to offer. The ESPI will provide assistance on a scientific basis for political decision making on European space strategy.

Austria is also a member of the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT), the European Molecular Biology Conference (EMBC), and the International Institute for Applied Systems Analysis (IIASA), located in Laxenburg, near Vienna. IIASA, which celebrated its 30th anniversary in 2002, was augmented by the accession of China to full membership.

The main issues within the EUREKA high technology initiative in 2002 were its role in the planned EU Common European Research Area, and measures to improve synchronisation with the EU Sixth Framework Programme for Research and Development. During the Greek chairmanship from July 2001 to June 2002 there were 169 approved new projects, to a value of €410m, of which Austria contributed €32.2m. Eleven of these were initiated by Austria, inter alia on laser technology, new materials, information and communication technologies, and on traffic. Austria also participated in a further 23 as a project partner, and apart from Spain was thereby the only EUREKA member to attain its own set goals.

The European Union

The EU has a role to play in cultural affairs under article 151 of the EC treaty. The member states retain their fundamental responsibility in this field under the principle of subsidiarity, while the Union provides support for activities with a European dimension. The Community can only supplement or support measures by the member states, or undertake promotional or coordinating measures. It has no legislative powers.

Financing and planning is carried out through the five-year (2000-2004) Culture 2000 framework programme, with a budget of €167m. Support is provided for cooperation between cultural actors, with the object of contributing to a common European cultural area, and to promote artistic and literary creativity, awareness of European history and culture, their international dissemination, the advancement of Europe’s significant cultural inheritance, and the encouragement of intercultural dialogue and social integration. In 2002 Austria submitted 12 one-year projects, 8 of which were awarded EU financial support. Austrian institutions were involved as participants in 21 further projects. Of the 7 multi-annual projects submitted, 5 were awarded financial support, but Austrians are also involved as joint participants in a further 5 projects. The total EU contribution to Austrian project organisers is €4.79m.

A Working Plan for European Cooperation on Cultural Matters was drafted during the Spanish presidency in the first half of 2002. It contains a list of principal topics for the work of the following presidencies. The Danish presidency during the second half of the year highlighted the themes of European added value and mobility, and a
relevant resolution was adopted by the Council on 11 November. This lists the characteristics of added value that should be demonstrated by actions at EU level, for example encouraging cooperation between member states, clear multilateral character, enhancing mutual knowledge of cultures, sustainable and long-term contribution to the development of cooperation, integration and cultures, broad visibility and accessibility. These criteria will be of practical relevance for the evaluation of support for projects submitted. The resolution also contains a catalogue of measures for facilitating the mobility of culturally creative persons within the EU region.

The EU has allocated a total of €3,000m for projects under the Socrates II and Leonardo II educational programmes for the period 2000-2006. These are also open to the candidate countries in Central and Eastern Europe. More than a quarter of this sum is for schools. Around 400 schools on average cooperate every year in the transnational Comenius projects. Beside Socrates/Comenius (schools), Socrates/Erasmus (tertiary sector), Socrates/Grundtvig (adult education) and Socrates/Minerva (information/communication technology in education) should also be mentioned in this connection. More than 3,000 Austrian students annually spend a semester in one of the 30 participating states with Erasmus support. The Tempus programme for the tertiary sector is also open to the CEE countries that are not EU candidates (Albania, Bosnia and Herzegovina, Macedonia and Croatia) as well as the members of the Commonwealth of Independent States.

**Cultural Agreements**

Cultural working programmes for the next few years were concluded with France, Poland, Mexico and Luxembourg on the basis of existing cultural agreements. A similar programme for the period 2003-2006 was agreed with Israel in the form of a Memorandum of Understanding covering science, education and training, youth and sport, and art and culture. On 12 March Federal Chancellor Wolfgang Schüssel and Iranian President Mohammad Khatami signed a Memorandum of Understanding on Comprehensive Cooperation that also covers cultural and scientific affairs. The cultural agreement with Slovenia entered into force on 1 May, that with China on 1 December.

A meeting of the Joint Commission with Hungary took place in Budapest on 25/26 November on the basis of the bilateral scientific and technical agreement. A similar cooperation agreement with Ukraine has been initialled, and negotiations were opened with Croatia on another one.
K. Austrians Abroad

One of the most important tasks of the Ministry for Foreign Affairs is to protect the interests of well over 300,000 Austrian citizens who live permanently abroad, as well as the now greatly increased numbers who travel to other countries on business or as visitors. The Austrian embassies and consulates dealt with over 600,000 consular cases in 2002, ranging from passport renewals to applications for asylum as well as emergency situations of every kind. Where there is no Austrian consular mission, emergencies can be dealt with by the consular authorities of any other EU member state. Austrian citizens can now travel to 94 countries without visas.

There are also many people of Austrian descent who have become citizens of other countries but who retain ties with their homeland (‘HerzensösterreicherInnen / Austrians at heart’). At the end of 2002 there were some 450 associations of Austrian expatriates and former Austrian citizens in almost 50 countries. The year 2002 was declared the Year of Austrians Abroad. The occasion was marked by the opening of a special website (www.Auslandsösterreicherinnen.at or www.austriansabroad.at) by the Foreign Ministry. The central service point for expatriate Austrians till 2002 was the Auslandsösterreicherwerk, which represented their interests in relation to the authorities at home. It published the quarterly magazine Rot-Weiss-Rot. The Weltbund der Österreicher im Ausland was the umbrella organisation for around 150 Austrian societies in 35 countries. It held its annual meeting in Vienna, when some 900 delegates from Austrian societies around the world attended. These two organisations decided to amalgamate from 1 January 2003 in order to create a single and more efficient representative and service organisation under the title of Auslandsösterreicher-Weltbund (AÖWB). The Burgendländische Gemeinschaft is the umbrella organisation for the Burgenland societies abroad, especially in the United States and Canada.

The Fund for the Support of Austrian Citizens Abroad, which is subsidised by the Ministry for Foreign Affairs and the nine Länder, provided emergency assistance in 2002 totalling €572,396 to 850 needy Austrians in 58 countries. In addition, in the course of its traditional Christmas action the Ministry made donations to needy Austrians abroad to a value of €26,000.

Since 1990 Austrian citizens resident in other countries have had the right to vote in Austrian parliamentary and presidential elections as well as in certain referenda and elections to the European Parliament.
L. The Federal Ministry for Foreign Affairs

Austria is represented abroad by a network of 81 embassies, 6 permanent missions to international organisations, a branch of the Berlin embassy in Bonn, 16 consulates-general, two regional offices for development cooperation, and 28 cultural forums. There are also 264 Austrian honorary consulates all over the world. These supplement and provide valuable support for the professional diplomatic service. Honorary consuls are prominent persons, mostly active in business or self-employed, who provide the infrastructure for consular activities, and work for Austria on a voluntary basis.

At the end of December 2002 the Federal Ministry for Foreign Affairs had a total staff of 1,376. Of these, 589 were stationed in Austria and 787 posted abroad. 53 members of its staff were seconded to other ministries, international organisations, development cooperation offices or the Diplomatic Academy, etc. The total personnel comprised 733 men and 643 women (46.7%) at all levels. Selection of entrants to the diplomatic service is carried out by examination (examen préalable) set by an independent appointments commission. Basic and advanced training in the Ministry, the Administrative Academy and the Diplomatic Academy, including language tuition, is interspersed with periods of practical experience in Vienna and abroad.

Adverse working conditions have increasingly become an occupational hazard for members of the diplomatic service in the various crisis regions of the world as well as in the economically less developed countries, where they may be subjected to considerable climatic and other discomforts, and sometimes risks to their health and even their lives. There may be considerable problems for families like a lack of job opportunities for partners, frequent changes of school for children, etc.

The federal budget for 2002 allocated €299.775m to the Foreign Ministry. After subtracting Austria’s aid programme for the Eastern European countries (€10.93m), contributions to international organisations (€50.39m), other legal commitments (€2.83m), expenditure on international conferences (€2.60m) and official development cooperation (€55.2m), the operational budget of the Ministry for Foreign Affairs in 2002 was €177.837m, or 0.30 per cent of the Austrian national budget.
ANNEX I: International Organisations in Austria

A number of major units and organisations of the United Nations system have their headquarters in Vienna:

- International Atomic Energy Agency (IAEA)
- Comprehensive Nuclear Test Ban Treaty Organisation (CTBTO), Preparatory Commission
- UN Industrial Development Organisation (UNIDO)
- United Nations Office at Vienna (UNOV):
  - UN Office for Outer Space Affairs (OOSA)
  - Division of Administrative and Common Services (DACS)
  - United Nations Information Service (UNIS)
- UN Office on Drugs and Crime (UNODC):
  - UN International Drug Control Programme (UNDCP)
  - International Narcotics Control Board (INCB)
  - UN Centre for International Crime Prevention (CICP)
- International Trade Law Branch
  - Secretariat of the UN Commission on International Trade Law (UNCITRAL)
- Secretariat of the UN Scientific Committee on the Effects of Atomic Radiation (UNSCEAR)
- UN High Commissioner for Refugees (UNHCR), Regional Office
- UNAIDS Liaison Office
- UN Office for Project Services (UNOPS), Office
- ICPDR International Commission for the Protection of the Danube River
- Programme Coordination Unit of the Environmental Programme for the Danube River Basin (UNDP/GEF)
- UN Postal Administration (UNPA), European Office

Some of the non-UN and non-governmental international organisations and institutions based in Austria are:

- Organization for Security and Cooperation in Europe (OSCE)
- Secretariat of the Wassenaar Arrangement (WA)
- Organisation of the Petroleum Exporting Countries (OPEC)
- OPEC Fund for Industrial Development (OFID)
- International Institute for Applied Systems Analysis (IIASA)
- International Organisation for Migration (IOM), Regional Office
- Vienna Institute for Development and Cooperation (VIDC)
- International Union of Forestry Research Organisations (IUFRO)
- International Press Institute (IPI)
- International Institute for Peace (IIP)
- International Organisation of Supreme Audit Institutions (INTOSAI)
- International Federation for Information Processing (IFIP)
- International Federation of Resistance Movements (FIR)
- European Patent Office (EPO), Branch Office
- EU Monitoring Centre on Racism and Xenophobia

There are also a number of smaller international organisations and branch units.
ANNEX II: The Diplomatic Academy of Vienna

The Academy was separated from the Federal Minister for Foreign Affairs in 1996 and is now a legally autonomous institution. At the beginning of October a total of 27 participants, including 14 Austrians, successfully completed the **38th postgraduate diploma course**. Since 1964, when the Academy was established, 830 graduates, including 413 from 84 foreign countries, have been awarded the Diploma of the Diplomatic Academy. A further 26 candidates, including 16 Austrians, were accepted for the 39th diploma course.

A total of 24 students graduated from the Academy’s **Master of Advanced International Studies** (M.A.I.S.) course, which is organised in conjunction with the University of Vienna. The graduation ceremony took place in the University at the beginning of July. Another 25 applicants qualified for entry to the 6th M.A.I.S. course. The 2nd **Special Course in International Studies**, which is primarily intended as a preparation for the M.A.I.S. course, was completed by 15 participants, and 18 applicants were accepted for the third course.

The Academy also held a further two **special courses for young diplomats** from Central and Eastern Europe, the Commonwealth of Independent States and Mongolia. By the end of 2002 a total of 534 participants from 28 reform countries have been able to make use of this special training opportunity. The Academy’s traditional **summer course for German language and Austrian studies** was attended by 66 participants from 24 countries.

The annual **International Forum on Diplomatic Training**, organised by the Academy, was held on 22-25 September 2002 in Amman, Jordan.

The programme of **in-service training** for the staff of Austrian and foreign institutions included several seminars for the Austrian Ministry for Foreign Affairs, a seminar with international participation on negotiating in the EU, and a "Train the Trainers" seminar for participants from member states of the Central European Initiative.

The role of the Diplomatic Academy as an **information and conference centre** expanded again, with over 200 lectures, conferences and seminars on international issues. These included the 32nd Vienna Seminar of the International Peace Academy; the second Milton Wolf Seminar on journalism and diplomacy, organised jointly with Duke University and the American-Austrian Foundation; and a conference organized by the Marangopolous Foundation on anti-terrorist measures and human rights.

In addition to the **Jahrbuch der Diplomatischen Akademie Wien**, which gives a detailed list of all the courses and other activities, the DA’s publication series ("**Favorita Papers**") continued with titles on New Intellectual Dialogue between Europe and Japan; International Organisations in Kosovo; Österreichischer Völkerrechtstag; Central Asia’s First Decade of Independence; and Austro-Irish Links through the Centuries.