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FOREWORD

2003 was a year of major foreign policy developments. Their impact on international relations will be felt for a long time to come. 2003 demonstrated what foreign policy and diplomacy at their best are capable of achieving, as the course was set for the greatest enlargement in the history of the European Union and for the drafting of its constitutional treaty. Simultaneously, events in Iraq showed the world what is liable to happen if the possibilities held out by diplomacy, the peaceful resolution of conflicts and international mediation are insufficiently exploited. Both developments confronted also Austria’s foreign policy with considerable challenges.

The enlargement of the European Union through the admission of ten new members on 1 May 2004 will go down in history as a success attained through years of diplomatic effort and consistent foreign policy. For the first time in its history, almost the whole continent is united in peace and freedom, and the Union, with 25 member states and 450 million people, is now the largest and most dynamic integrated area in the world. Austria now lies in the very centre of this area in every respect. One of the priorities of Austrian foreign policy has been achieved.

Thanks to the enlargement of the EU Austria has not only moved into the centre of Europe in a geographical sense, but has also considerably enhanced its safety, because it now lies in the middle of an entity that is constituting itself more and more as a zone of common security. In an age that is characterised by new and often hardly comprehensible threats, like terrorism, this aspect of security must stand in the forefront of our considerations with respect to EU-enlargement. This is all the more important as we live in an age in which the success of foreign policy is measured by the amount of security we are able to offer our people, a security that can no longer be guaranteed except on a communal basis.

It was in 2003 that the decisive preparations were made for the enlargement of the European Union, which finally ended the artificial division of Europe
by the Cold War and opened the way for Austria to grow into its natural zone of common security. When, on 16 April 2003, Federal Chancellor Wolfgang Schüssel and I signed the treaties for the accession of the ten new member states in Athens, the cradle of European democracy, in the name of Austria it was for me one of the most moving moments of my career as Austrian Federal Minister for Foreign Affairs.

For Austria it was important that the enlargement should be a success for both the old and the new members of the Union. During the accession negotiations we laid considerable emphasis on the protection of Austrian interests, for example regarding transitional arrangements for the free movement of workers and services, but overall on reaching agreement in the spirit of the founding fathers of European integration: seeking our own advantage in the common advantage.

The prospect that Austria will be one of the greatest beneficiaries of enlargement in economic terms among the "old" EU members as well as the already close economic links with our neighbours in Central Europe are the results of years of consistent work by the Austrian Foreign Ministry and by Austrian industry and commerce. It is especially important that this process of political and economic integration also leads to an intellectual and cultural reintegration of what had shared a common fate for centuries. The Regional Partnership that I instigated several years ago has proved invaluable also in this respect.

Now it is one of our major tasks to establish stability and prosperity, the peace dividend of the European Union, also in the Balkans, in order to calm the most dangerous crisis area on the continent. It is in our own interest to fully integrate South-Eastern Europe into the European peace process because nowadays our security begins far beyond our own national borders. Thus Austria welcomed and wholeheartedly supported the application by Croatia for membership of the European Union in the spring of 2003 as an encouraging signal. Additionally, Austria has been actively engaged in political and security-related fields in Bosnia and Kosovo.
The year 2003 also saw another important step taken by the European Union: the deliberations on a constitutional treaty were brought to an end by the Constitutional Convention, and an Intergovernmental Conference on its adoption was convened. The new constitution will facilitate the future development of the enlarged Union, improve the functioning of its institutions, simplify EU legislation, and provide more transparency for its citizens. The constitutional treaty was subsequently adopted in June 2004 as the first joint project by the new, extended Union and represents the institutional keystone for overcoming the division of Europe.

Europe will thereby be given a constitution that respects the equality of the Union’s member states as well as that of its individual citizens, a constitution that is imbued with the will to increase the Union's capacity to act as well as its decision-making power. Moreover, it is a constitution which – and this was a matter of particular importance to me during the negotiations – aims to take the troubles, fears and demands of the citizens seriously and to render the European Union more democratic and transparent.

The year 2003 was, however, also dominated by the dramatic events in Iraq. After so many years of brutal dictatorship, war and terror, the international community has a primary responsibility to offer Iraq the opportunity to attain peace, freedom and democratic development. In accordance with the decisions taken by the Austrian National Security Council of 29 January and 24 March 2003 Austria advocated from the very beginning a role as significant as possible for the United Nations in Iraq as well as a common position by the European Union. On the basis of an all-party consensus I ensured that Austria took the appropriate measures under its law of neutrality that the situation necessitated.

Irrespective of our attitude towards the events of 2003 in Iraq, one thing is clear: that we are all affected by the dangerous instability in that country. If it is not possible to achieve peace and lasting stability there, this can have extremely negative consequences for the security of the entire Middle East, and indeed for our own security here in Europe. With this in mind, and in
fulfilment of the decisions of the UN Security Council, Austria plays its part in the international endeavours to stabilise Iraq: by participating in programmes in Jordan for the training of Iraqi police officers as well as by offering to make facilities available for the training of Iraqi military officers and diplomats in Austria.

Furthermore, I believe that we have to draw a number of basic lessons for the future from the fact that the European Union failed to find a common standpoint on the Iraq situation and that even within the UN Security Council there were deep divisions of opinion between EU member states. In this connection I regard the European Council’s adoption of a common EU strategy for the support of the process of political transformation and reconstruction in Iraq as a first significant sign of progress.

In the light of this experience I more than ever advocate a Common Foreign and Security Policy under which the EU and its members will genuinely speak with one voice. I am also in favour of the longer-term goal of a permanent seat in the United Nations Security Council for the European Union as such.

There is another development that I regard as a first significant sign of progress: today many more people than a year ago have realized that there is no sustainable alternative to multilateralism, to cooperation and diplomatic endeavours within the framework of the United Nations. In this connection, too, the role of the European Union is becoming increasingly important. The Union is not only the largest contributor by far to the UN, and thereby its main financial support, it is also a major source of ideas in virtually all areas of UN activities. The intensification of cooperation between the EU and the UN, as expressed in the September 2003 “Joint Declaration on UN-EU Cooperation in Crisis Management”, is an important contribution by the Union to peace and stability in our world. In the summer of 2003 the EU itself and not merely its member states provided through operation “Artemis” in the Democratic Republic of the Congo, in which Austria participated, for the first time swift and unbureaucratic
support for the UN efforts to restore peace and prevent further massacres of the civilian population.

Cooperation between the EU member states within the United Nations also intensified during 2003, a development that Austria strongly welcomes. Over the past years I have repeatedly called for the EU to speak with one voice in the world organisation. In the summer of 2003 the EU Commission submitted a paper which outlines the way to even closer cooperation in this respect. It carries the significant title “The EU and the UN: The Choice of Multilateralism”, and in doing so charts the exact course that Austria has always advocated: the EU must base its common foreign policy clearly on multilateralism, and support and strengthen its instruments in a sustainable way. This objective is clearly recognised in the security strategy formulated by the EU in December 2003 under the title “A Secure Europe in a Better World”. Austria expressly supported its adoption.

The year 2003, with all its heights and depths, in effect launched an appeal for responsible and visionary foreign policy. Within the next few years important tasks are going to fall to the lot of the European Union, which has increasingly established the mechanisms for dealing with these challenges. The Union will be able to make a decisive contribution towards ensuring that responsible diplomacy is given, and also uses, the chance to create a world based on the respect for the rule of law. In the course of this development Austrian diplomats will be given a greater opportunity to contribute much of what has characterised Austria’s foreign policy for many years.

* * *

No Austrian Foreign Policy Yearbook would be complete without mentioning what Austrian diplomats at home and at posts around the world carry out daily in dealing with consular cases. Making the Ministry for Foreign Affairs as service-oriented as possible, so that all Austrians, no matter where they may be, will always find a ready ear in emergency situations, has always been one of my priorities. Under the motto “At Your
Service Worldwide”, the Citizens’ Service and the duty personnel in the Ministry can be contacted day and night. Assistance in cases of accident or death, help for those in difficulties through no fault of their own, the issuing of documents and visas, travel warnings as well as the provision of other information form the core of the services offered by the Austrian Foreign Ministry.

Consular cases – and I stress this with all emphasis – are of course also matters for the head of a diplomatic mission. Thus I insist that, in important cases, the matter is handled by the Austrian ambassador personally, and I also intervene in person where circumstances make it necessary. In early 2003 this was the case when Austrians were taken as hostages in the Sahara, when we were able to have them freed long before the hostages of other nationalities and bring them home complete and unharmed.

* * *

Austrian diplomats all round the world have once again, through well proven cooperation, contributed so that this comprehensive reference work on foreign policy in the year 2003 could be put together. I extend my thanks to all of them, and express my hope that the Austrian Foreign Policy Yearbook 2003 will find many readers interested in the foreign policy developments of an eventful year.

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

I. The Enlargement of the European Union

After the conclusion of entry negotiations with Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia in December 2002, the year 2003 was largely taken up with preparations for the formal accession of those countries on 1 May 2004. The texts of the accession treaties had to be finalised and approved by the EU Parliament and Council, and then signed and ratified by the 15 existing and 10 new members.

The texts – the legal formulations of the results of the entry negotiations – were finalised in February 2003 and translated into the now 20 official EU languages. On 9 April the EU Parliament approved all of the treaties in separate votes, followed by their required unanimous adoption by the Council of Ministers. The formal treaty signing by the representatives of all 25 countries took place in Athens on 16 April.

After approval of Austria’s signatures by both houses of the Austrian parliament, the ratification procedure was formally ended on 19 December with the signatures of the Federal President and Federal Chancellor. Austria’s instrument of ratification was deposited in Rome on 23 December 2003, since Italy is the depositary state for the accession treaties.

The ratification procedures in other EU states were due to be concluded by 30 April 2004, in order that the candidate countries could become members of the European Union as foreseen on 1 May. In nine of the new member countries the procedures involved the holding of referenda between March and September 2003. The rate of popular approval ranged from 53.65% in Malta to 93.71% in Slovakia. No referendum was held in Cyprus in view of the de facto partition of the island; for the meantime EU law will apply only in the southern part. Legally, however, Cyprus as a whole is joining the EU, so that, analogous to Germany, no alteration of the accession treaty will be necessary on reunification.
The approval of the enlargement of the European Union by all of the parties represented in the Austrian parliament is an expression of a broad consensus on the subject over all sectors of Austrian society. The foundation for this consensus was the resolution of certain questions of importance to Austria in the relevant negotiations between 1998 and 2002. These matters are now regulated as integral and binding conditions of the accession treaties.

The Austrian labour market has been afforded special protection through limited transitional arrangements for a period of seven years for the free movement of persons. The situation will be reviewed at periods of two and five years after enlargement, which will permit a flexible application of the transitional arrangements, and if necessary an early liberalisation.

On cross-border services, transitional solutions were written into the treaties for specific sectors in Austria and Germany that will be affected by the enlargement. These include the building and cleaning industries, home care for invalids as well as protection and security services.

The treaties guarantee the continuation of the Union’s existing regional policies, and therefore its financing of the cross-border programmes between existing and accession states that are of some importance to Austria. At the end of 2003 Austria was conducting four such cross-border cooperation (CBC) programmes in partnership with the Czech Republic, Hungary, Slovakia and Slovenia. These mutually agreed programmes cover a range of activities like joint research centres, infrastructural development in border areas, and joint tourism projects.

One issue of particular importance to Austria is the maintenance of high safety standards in nuclear power stations in the accession countries. In the case of certain plants which for technical reasons cannot be brought up to the accepted standards, the treaties have set fixed dates for their closure. Those affected are reactor blocks at the Ignalina and Bohunice power stations in Lithuania and Slovakia respectively.
The agriculture sector has a special financial relevance. Here the treaties foresee the progressive introduction of direct payments to farmers in the accession countries over the next ten years. This takes account of the different agricultural starting positions in the old and new member countries as well as ensures that the Union’s agriculture budget stays within its planned limit. It will also avert social and economic destabilisation in the accession countries by avoiding creating an imbalance in favour of the agricultural sector. During the ten-year period those countries will also have the opportunity of supplementing the Union’s direct payments from national funds.

The regular monitoring of the implementation of the body of EU law (“acquis communautaire”) in national legislation will continue after the signing of the accession treaties. The safeguarding clause in the treaties defines a mechanism for a materially and temporally limited suspension of the application of the acquis in the event of its insufficient implementation by an accession country.

The representation of the old and new member states in the Council of the European Union, the European Parliament, the European Commission and the other EU institutions, and the functioning of these institutions after the enlargement, will continue for the meantime on the lines laid down in the Nice treaty, after the European Council in Brussels on 12/13 December 2003 failed to reach agreement on institutional reform on the basis of the draft constitution drawn up by the Convention on the Future of Europe. The treaties, however, contain the Nice provisions in a technically adapted form, since these were compiled with a Union of 27 members in mind – including Bulgaria and Romania, which will not become members in 2004 yet. Thus the functioning of the Union with 25 members is already assured.

At the end of 2003 the accession negotiations with Bulgaria and Romania had provisionally concluded 26 and 22 respectively of the 31 negotiating chapters. The remaining chapters should be concluded in 2004, with the signing of accession treaties scheduled for 2005. The European Council in Brussels in December decided that these two states can become EU members in January 2007, subject to the satisfactory conclusion of negotiations and the results of monitoring.
According to the progress report presented by the EU Commission in November 2003 Bulgaria continues to fulfil the political criteria laid down in Copenhagen (democracy, rule of law, human rights, protection of minorities), has a functioning market economy, and should shortly be in a position to hold its own in the competition and market forces of the Union. The latest progress report on Romania states that it, too, is largely fulfilling the Copenhagen political criteria, and for the first time recognises that it has a functioning market economy. The report also stresses, however, that sustained improvement in administrative capacity will be necessary, as will further macro-economic reforms and a continuation of the structural reform programme, while corruption continues to be a major problem.

The financing of enlargement to include Bulgaria and Romania has still to be clarified in accordance with the conclusions of the European Council in Thessaloniki in June 2003 and independently of the findings of the financial forecast for 2007 to 2013. This is possible, since the budgetary effects of accession by these two countries would be relatively small in the overall context. Moreover, the conditions governing the financing of accession that are to be written into the treaties with these two countries can be adapted in the light of the results of the negotiations on the next financial forecast.

In the case of Turkey, the European Council in Copenhagen in December 2002 decided that the question of commencing negotiations on EU membership would be determined at its meeting in December 2004 on the basis of a report by the Commission. In December 2003 the Council welcomed the credible and substantially successful efforts by the Turkish government to carry out political and legal reforms in conformity with the political Copenhagen criteria, as well as the progress made towards meeting the economic criteria, and confirmed that Turkey had in fact moved closer to the Union. The Council highlighted the independence and functioning of the courts, the exercise of the basic freedoms of association, opinion and religion, the shaping of the relationship between the military and civilian authorities according to European standards, the situation in the south-west of the country, the cultural rights of minorities and the improvement of macro-economic imbalances as areas in which further
efforts would be necessary. A resolution of the Cyprus question would have positive effects on Turkey’s endeavours to obtain EU membership.

On 21 February 2003 Croatia submitted an application for membership of the European Union. Austrian Minister for Foreign Affairs Benita Ferrero-Waldner welcomed the application. She assured Croatia of Austria’s support on the way to EU membership, which as in every other case would be decided on the basis of the country’s individual performance. The application is not only a clear statement of Croatia’s continuing EU-oriented foreign policy, but also demonstrates how much progress the country has achieved during the past few years in the direction of maturity for membership of the Union. The EU Council on 14 April 2003 directed the Commission to prepare an opinion on the Croatian application; it is anticipated that this will be presented some time during 2004.

Austria participated during 2003 in 18 projects in twelve countries within the framework of the Instrumentes Twinning programme of preparation for EU membership by means of administrative partnerships, thereby obtaining a repayment of 12 million euros. There were an additional 15 Twinning Light projects in eight countries. Austria was thereby able to hold its own in a field that is increasingly becoming a source of competition between individual EU countries. The “twinning” instrument will be continued in the new member countries after enlargement until 2006 in the form of a “Transitional Facility”. It will also be extended to Romania, Bulgaria and Turkey, the countries of the Western Balkans, the Commonwealth of Independent States, and others in the Mediterranean region.

The busy enlargement timetable for the year 2003 could be maintained, and so the way has been opened for Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia to join the European Union on 1 May 2004. Thus one of the two major challenges to the Union is about to be successfully concluded. After this enlargement the European Union will encompass more than 450 million people. It is thereby the world’s strongest trading power and the largest donor of development assistance and humanitarian support. It has a strong single currency and, strengthened by ten new member states, will have a global political role to play that corresponds with its economic power.
II. EU Policies

Austria’s Role in the European Institutions

Austria is represented in all of the institutions of the European Union. Austria’s member of the European Commission since 1995, 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 Audit Office 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. In 2000 Christine Stix-Hackl was appointed an Advocate-General.

In 2003 the European Court of Justice dealt with nine new cases referred to it by Austrian courts for preliminary rulings. At the end of the year there were 25 cases pending against the Republic of Austria concerning alleged breaches of Community law. Austria was found to have breached Community law in respect of the application of EU directives on residues of insecticides in foodstuffs. Austria’s action against decisions by the Commission on the ecopoint system for regulating the transit of heavy goods vehicles through the country was partly upheld by the Court, which, however, rejected Austria’s case for annulment of the relevant decisions taken by the Commission. In November Austria lodged an appeal against the Court’s rejection of the Upper Austrian government’s legislation banning gene technology.

The principal issues in the European Parliament in 2003 were the conclusion of the work of the Constitutional Convention and participation by the Parliament in the work of the Intergovernmental Conference. The work of the European political parties was placed on a new basis with the adoption on 17 September of the regulations on their legal status and financing. On 16 December the Parliament and Council signed an institutional agreement on “better legislation”, which should ensure intensive
coordination and more transparency in the legislative process. Work continued on drafting an unified statute for MEPs; the Parliament adopted a draft statute on 14 June, and modified it on 17 December in response to several demands by the Council. In December the Austrian Parliament adopted an amendment to the act for the introduction of general direct election of members of the European Parliament, in which Austria has 21 members.

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 twelve members. The Austrian delegation consists of the nine Länder governors and three representatives of the cities and local authorities. The leader of the delegation till November 2003 was Governor Waltraud Klasnic of Styria, who was succeeded by Governor Herwig van Staa of Tyrol. He was elected Vice President of the Committee at its plenary session in November, with Governor Klasnic as his personal representative.

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 other interest groups as well as six technical groups. Austria appoints twelve members of the Committee.

Cooperation between Austria’s Parliament and the Federal Provinces

Under Austrian constitutional law the Austrian Parliament has a right to information and is empowered 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 2003 the Nationalrat (First House) adopted a resolution on the basic position to be adopted by Austria at the Intergovernmental Conference on the draft EU constitution.
Similar powers are exercised by the Austrian federal Länder as a body in relation to their fields of competence. In 2003 they adopted seven common positions: on the altered draft EC directive on fauna, flora and habitat; two positions on state aid and guarantees for public financial institutions; on the General Agreement on Trade in Services; the proposal for a directive on liability for the avoidance and restoration of environmental damage; the Green Book on services of general interest; and the draft flora-fauna-habitat directive on a Community list of the Alpine regions.

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 representation by the social partners and all the relevant national institutions as well as the local and regional authorities.

The Reform of the European Union and its Institutions

The Constitutional Convention

The EU Constitutional Convention continued its work during the first half of 2003. The conclusions of 12 working groups and another three circles formed the basis for successive drafts of individual sections of a draft constitution, which was further developed at 13 plenary sessions of the Convention over a period of more than 17 months, working on a basis of consensus.

The chairman of the Convention presented the drafts of Parts I and II to the European Council in Thessaloniki on 20 June and handed the completed text of the draft constitution to the president of the European Council in Rome on 18 July.

As decided by the European Council in Laeken in December 2001, the draft constitution is a recommendation for presentation to the following Intergovernmental Conference. The Council meeting in Thessaloniki
concluded that the draft represented a good starting point for the negotiations at the Conference. Its main features are:

- the codification and modification of all the relevant treaties to date into a single constitutional text with the abolition of the Union’s “pillar” structure and the creation of a single legal personality;
- the integration of the Union’s Charter of Fundamental Rights into the constitution and the improvement of legal protection;
- a clearer distribution of competences between the Union and its member states;
- simplification of the mechanisms for decision making and instruments for implementation;
- a more transparent, efficient and democratic structure and improved procedures for the Union’s institutions, a more direct involvement of national parliaments in the legislative process, and recognition of the role of the regions and local authorities in the European political architecture in accordance with the constitutional structures of the member states;
- strengthening the Union’s capacity for action on foreign policy issues (especially through the creation of the post of a foreign minister of the Union), the development of an area of freedom, security and justice, also within the framework of the Economic and Monetary Union, having regard to the common core elements of the European Social Model.

The broad spectrum of these results meets fundamental Austrian concerns and reflects the numerous written and oral contributions by the Austrian members of the Convention. The representatives of the Federal Chancellor put forward around 170 amendments to individual articles, with more than 300 coming from the representatives of the Austrian Parliament. The proceedings and results of the Convention were the subject of parliamentary debates on several occasions. Notwithstanding diverging views and priorities on the part of the political parties represented in the Austrian Parliament, there was a high degree of acceptance of the compromises achieved by the Convention.

While the Convention was able to reach a consensus on large parts of the draft constitution, several aspects of the institutional reform remained
controversial to the end. These issues included the definition of a qualified majority, the composition of the European Commission, and the presidential system in the European Council and Council of Ministers, as well as several concrete policies like the extent of the transition to qualified majority voting. A considerable number of the Commission members, including the representative of the Austrian Chancellor, accepted those parts of the draft constitution only on condition that the proposed solutions would be subjected to further discussion at the Intergovernmental Conference.

The Intergovernmental Conference

In accordance with the decisions of the European Council in Thessaloniki the formal procedure for summoning the Intergovernmental Conference was started in July 2003. It was undisputed that the ten new member states that would be joining only on 1 May 2004 and a representative of the European Commission should participate as equal partners. Two representatives of the European Parliament were also included. The three candidate countries Bulgaria, Romania and Turkey participated in all the sessions of the Intergovernmental Conference as observers.

In contrast to earlier intergovernmental conferences the negotiations should be restricted to the political level and should be lead by the heads of state and government, supported by foreign ministers, but with no prior regular meetings of officials. It was generally accepted that the basic structure of the Convention’s proposals should not be questioned, and that the negotiations at the Intergovernmental Conference should concentrate on a limited number of specific themes. However, there were differences from the beginning as to how far the conference should accept the Convention’s proposals on these themes, whether it should alter them slightly, or consider alternative solutions in these areas. The Italian presidency finally agreed to the wish of a substantial number of member states, including Austria, that basically all points of the draft constitution that individual delegations considered unsatisfactory should be discussed at the Intergovernmental Conference.
Austria’s basic position for the Intergovernmental Conference, after a broad process of assessment, was approved by Government and Parliament in September. The Federal President accordingly gave the Federal Chancellor and Minister for Foreign Affairs a mandate to negotiate on this basis. Austria welcomed the majority of the Convention’s proposals, but took the view that those concerning institutional reform required further consideration in order to maintain satisfactory institutional balance as well as a balance between the principle of equality of member states and the equality of citizens. One central issue, in Austria’s view, was that every member state would continue to nominate a member of the European Commission with full voting powers. Furthermore, efforts would have to be made to improve individual concrete political provisions in Part III of the draft treaty. Austria regarded it as unsatisfactory that the Convention failed to subject the EURATOM treaty to substantial reform. Therefore, in Austria’s view, the Intergovernmental Conference should consider revising the EURATOM treaty after it has approved the constitutional treaty.

The opening and first working session of the Conference, on 4 October in Rome, was attended by the heads of state and government in the presence of the foreign ministers. This was followed by five meetings of foreign ministers and a further two of heads of state and government down to mid-December. There were only two meetings of officials to prepare and deepen the negotiations at political level. Parallel to the political discussions, a working group of legal experts examined the draft as a whole from a purely legal standpoint, whereby the text was altered only if no delegation raised any objection.

The Italian presidency presented several modified draft texts on the various formations of the Council of Ministers, the foreign minister of the Union, closer structured cooperation on the Common Security and Defence Policy, and on a series of individual provisions in Part III of the draft constitution. A large degree of convergence between the individual positions was achieved at the meeting of foreign ministers in Naples on 28/29 November. Even at this meeting, however, the question remained open as to whether, and if so to what extent, there should be a transition from unanimity to qualified majority voting on the Common Foreign and Security Policy as well as the political areas taxation, social security and criminal law. To the last, the
Italian presidency refrained from submitting concrete proposals on the highly controversial issues of the composition of the European Commission and a definition of qualified majority voting.

The European Council, at its meeting in Brussels on 12/13 December, failed to reach the planned final agreement on the constitutional treaty. The principal stumbling block was the definition of a qualified majority, where it proved impossible to achieve a compromise between retaining the weighting of votes laid down in the treaty of Nice or adopting the double majority system proposed by the Convention. While Germany and France in particular insisted on the double majority, Poland and Spain refused to give up the Nice weighting. The Intergovernmental Conference is therefore to continue during the first half of 2004 under the presidency of Ireland.

The compromise proposals put forward by the Italian presidency adopted most of Austria’s basic positions on Part III of the draft constitutional treaty, in particular as regards clarification of the competences of the member states for social security and the completion of legal protection in respect of binding decisions by the European Council. The later proposals for the further development of the Common Security and Defence Policy also took into account the positions of the neutral and non-aligned EU member states. By the end of 2003 there was sufficient support for Austria’s position on the composition of the European Commission. Austria therefore proposed that the Intergovernmental Conference should resume its negotiations at its convenience, the result of the IGC being more important than the final date of its conclusion.

The Strategic Multi-Year Programme 2004-2006

The implementation of the decisions taken by the European Council in Seville in June 2002 on the reform of the Council of Ministers started during the second half of 2003. A strategic three-year programme for the period 2004-2006 was drafted under the chairmanship of Ireland with participation by those states holding the presidency during the period: Ireland, the Netherlands, Luxembourg, the United Kingdom, Austria and Finland. Its main features are the successful integration of the new EU member states
and preparing the integration of Bulgaria, Croatia and Romania. A special emphasis was also laid on strengthening the Union as an area of freedom, security and justice as well as an area of growth and prosperity, with a half-term assessment of the so-called Lisbon Strategy in 2005. This programme forms the basis for the 2004 annual programme by the Irish and Netherlands presidencies as well as for the next Austrian presidency during the first half of 2006.

**Economic and Monetary Union**

In 2003 the economy of the European Union lacked vigour for the third year in succession. Growth in the euro zone was barely 0.5% and in the EU as a whole 0.8%. The ongoing weakness had its effects on public budgets and the labour market. In the euro zone public budgets went down to 2.8% of GDP, a reduction of around 0.5% by comparison with the previous year, and unemployment rose from 8.4% to 8.9%. The reduction in Austria amounted to a modest 1%, albeit still an increase on the figure of minus 0.1% for 2002. Unemployment in Austria was 4.5%, again a slight increase on the previous year’s figure of 4.3%, but well below the average in the euro zone. Inflation fell again, to an annual average of 2.1%. Despite slower economic development by comparison with the United States, the euro exchange rate in relation to the US dollar went up steadily and reached a historic peak in December. The economic climate started to improve during the second half of 2003, and towards the end of the year there were signs of an upswing.

Monetary and fiscal policies provided support for these tendencies throughout the year, while ongoing structural reform should help to provide a solid foundation for sustainable economic development and a long-term increase in the EU’s growth potential. Substantial progress was made towards improving the social security systems in a number of member countries, including Austria, and the definitive adoption of the taxation package by the Council of Ministers was a milestone in the development of taxation policy. Finally, the achievement of a common position by the Council on a directive covering stock broking services was an important
contribution towards the implementation of the Action Plan on Financial Services.

In the second half of the year the European Council adopted a Growth Initiative. Its central element is the accelerated implementation of a package of important all-European infrastructural projects with the aim of enhancing the competitiveness of the European economy and contributing to the realisation of the Lisbon Strategy. This initiative fits into the framework of basic EU economic policy, the Stability and Growth Pact, the financial estimates and the agreed capital framework of the European Investment Bank.

The coordination of economic policy for the first time followed the tightened procedure adopted at the end of 2002. This specifies a three-year period for the basic principles of economic policy, and a coordination of the general lines of employment policy with these. The basic principles of economic policy for the period 2003 till 2006 were adopted in June. The strategic goals are: strengthening economic growth, reforms for more and better jobs, as well as reform of pension and health systems to ensure the sustainability of public finances.

Under the terms of the Stability and Growth Pact the Council continued the procedure against Germany and inaugurated one against France. In both cases it declined to follow the procedure proposed by the Commission under Art 104 Para 8 & 9 of the EC Treaty, and instead adopted resolutions with budgetary recommendations to both countries.

**Employment**

The basic employment policy goals defined by the Council in Lisbon, Stockholm and Barcelona have already been largely achieved by Austria. The new three-year targets adopted in 2003 lay down three overriding objectives: full employment in accordance with the Lisbon objectives, job quality and productivity, as well as promotion of social cohesion and of an integrative employment market. Certain activities are to be put in hand in the member states in accordance with ten specific directives and a number
of quantitative goals. The annual recommendations by the Commission on the implementation of EU employment policy included recommendations to Austria on life-long learning, labour availability, active aging and gender equality.

In accordance with a decision by the European Council in Brussels in March 2003 the Commission set up a new task force on employment. This was a reaction to apprehension that the EU was in danger of failing to achieve the ambitious goal defined by the European Council in Lisbon of making the EU by the year 2010 into the world’s most competitive and dynamic knowledge-based economic area in the world, one capable of achieving sustainable growth with more and better employment opportunities and greater social cohesion. The task force came to the conclusion that the member states would have to step up their efforts to reach the agreed employment policy goals. The EU should therefore not lose sight of the more comprehensive and longer-term challenges like globalisation, economic integration and population aging, in order to remain competitive and achieve higher employment quotas.

**The Internal Market**

There were initial difficulties to be overcome after the amalgamation of the Internal Market, Industry and Research formations of the Council of Ministers, as decided by the European Council at its meeting in Seville in 2002. In particular, the new council’s role and procedures as an instrument of structural policy in the light of the Lisbon Strategy had to be defined. During preparations for the spring 2003 meeting of the European Council in Brussels a single contribution covering all three areas of policy emerged for the first time. This included the first implementation package (e.g. a common employment report) of importance for the Lisbon Strategy and in time and content better suited to the Council’s meeting in the earlier part of the year.

The Commission included the results of that meeting in the revision of the Internal Market strategy it published in May. The revised strategy covers a period of three years and sets out priorities in ten areas such as markets in
goods and services, services provided via the internet, procurement markets, etc.

There were continued efforts to complete the Internal Market. The legislative measures already finalised include, amongst others, a reform of fusion controls and a package of directives on public contracts. The Council of Ministers managed to arrive at a Common Position on the consolidation and extension of what has been achieved to date on the freedom of movement of Union citizens. Substantial progress was made on the directive on takeover bids. These successes must, however, be contrasted with several weak points. Thus the long expected agreement on a common patent could not be achieved despite considerable efforts. On services, for example the directive on professional qualifications, or another proposed measure on sales promotion, negotiations seemed to have ground to a halt. A fresh proposal for a framework directive on services was announced for the end of the year, but did not materialise.

The Commission continued its endeavours to simplify the common acquis, with the aim of reducing the number of legal instruments by at least one third by the year 2005. This will be achieved by re-codification and consolidation without altering the substance.

At the beginning of 2003 the Commission expressly emphasised the central importance of speeding up the implementation of the Internal Market provisions in national law for the success of the Lisbon Strategy. By 30 November 2003 Austria had achieved an implementation rate of 97.5%, with 38 directives still to be implemented, and has thereby advanced to the eighth place among the EU member states.

**Transport**

The problem of transit road traffic through Austria remained an extremely sensitive issue in 2003. The first priority for Austria was the retention of the system of transit permission on the basis of ecopoints, allocated according to the environmental compatibility of individual heavy goods vehicles, beyond its planned end in December 2003. The object of this system was a
sustainable reduction of exhaust pollutants from transit traffic over the period 1991-2003 to 40% of the 1991 figure.

In view of the different positions adopted by the European Parliament and Council the matter went to the conciliation committee. On 9 November a text was agreed – Austria voted against – and adopted by the EU Parliament and Council in December. Austria finds the result unacceptable because it would liberalise the vast majority of transit journeys, and even those vehicles still subject to restriction would have practically unrestricted transit rights due to the reduction in the number of ecopoints required. A ban on heavy goods vehicles falling into the Euro 0 class would come nowhere near to achieving a balance. The result largely wipes out the strategic effect that was the main feature of the ecopoint system, namely, of promoting the development of transit traffic on the most environmentally benign foundation. Furthermore, a whole series of technical and administrative obstacles stand in the way of the practical administration of the new system.

As in the previous two years, Austria raised a complaint in the European Court of Justice against the Commission’s method of calculation in connection with the 108% rule, designed to limit excessive growth in transit traffic, since the Commission still refused to recognise transit journeys as such, even in the face of correct driver declarations. On 20 November the Court rejected the Austrian case in respect of the year 2000, whereupon Austria on 16 December withdrew its complaints in respect of 2001 and 2002.

In accordance with a decision by the European Council in Copenhagen in December 2002, on 23 July 2003 the Commission submitted a draft directive on a new method of calculating route costs. This, however, falls far short of the proposals published in the Commission’s White Book on sustainable transport policy. Thus the internalisation of external costs only in fringe areas like accident costs, and the toll supplements for financing expensive projects like the tunnel under the Brenner Pass, do not go far enough. Above all, the framework for calculating infrastructural costs as the basis for toll charges is restricted to investments incurred within the previous 15 years, a far too short financial period. In view of the urgency of
the dossier, the European Council in Brussels in December 2003 directed the Council of Ministers to complete a draft by March 2004.

The revision of the Trans European Network directives had hitherto made no further progress due to lack of agreement on supplementing the list of priority projects. The Commission therefore set up an expert group (Van Miert Group) to try to achieve a consensus, and in June it produced a list of 18 priorities. The Commission accordingly supplemented the 2001 proposal and on 1 October published a list of 29 proposed priority projects, of which cross-border sectors of European interest should be subsidised by the Community up to 20% of total cost. The European Council in Brussels welcomed the political agreement reached by the Council of Ministers on the Commission’s proposal. The Brenner rail tunnel and another four cross-border priority projects of interest to Austria are included.

At the Council of Ministers on 5 December Austria, Germany, France and Luxembourg were able to maintain the blocking minority against a harmonisation of bans on weekend and night journeys by heavy goods vehicles, despite a change of attitude by Italy. Under the subsidiarity principle the power of decision on this issue will remain with member states. In 2002 the Governor of Tyrol imposed a ban on night journeys over a sector of the Inn Valley motorway – meantime extended to all year round – because nitrous oxide emissions from the heavy traffic had exceeded the legal values for air pollution. However, the Commission brought a complaint before the European Court on 25 July 2003, with the result that a further extension of the ban was provisionally ruled out until 30 April 2004. The court takes the view that the only solution is a compromise between the opposing parties, which will also bring certain disadvantages for the functioning of the Internal Market and for individual economic interests.

On 22 July 2003 the Marco Polo programme replaced the PACT programme for intermodal transport. The new programme provides Community financial assistance for improving the environmental compatibility of goods transport, and is thereby an important instrument for transferring the steadily growing volume of heavy goods road traffic to alternative means of transport. It is due to run till the end of 2010.
The Council of Ministers and EU Parliament were unable to reach agreement on the second package for revitalising rail transport through an integrated European rail system by opening the market for the transport of goods by rail. The Parliament stood for a swifter opening of goods transport even on non-cross-border routes and for the inclusion of passenger traffic.

The marine transport scene was dominated by the “Prestige” tanker disaster in November 2002. This resulted in a ban being imposed on the transport of heavy mineral oil in single-hulled tankers and in orders for the accelerated withdrawal of such single-hulled vessels. An extension of the functions of the European Marine Safety Agency was drafted, and in December the European Council agreed to the Agency’s future location in Lisbon.

In December 2003 an understanding was reached after a conciliation procedure on the project of a common European airspace. Political agreement in principle had already been achieved by the Council of Ministers in December 2002.

Following on the "open skies" verdict by the European Court on 5 November 2002 the Council of Ministers in June 2003 gave the Commission a mandate for negotiations with the United States on air transport. The Commission was also empowered to negotiate with third countries on replacing certain provisions in existing bilateral agreements with a Community agreement. The first rounds of talks were held with the US with the goal of a comprehensive EU-US air transport agreement to replace all the bilateral agreements between the US and individual EU member states. In June, directives were issued for negotiations on bilateral agreements on air transport between EU members and third countries, with a view to guaranteeing their conformity with EU law. The member states are thereby obliged to provide the Union with all relevant information on their negotiations with third countries on this issue.

Political agreement was reached on insurance requirements for air transport companies and aircraft operators and on the prevention of unfair competitive advantages for air transport companies that are not based in EU member states.
Environment

The European Union’s environmental policy in 2003 concentrated on the implementation of the results of the World Summit on Sustainable Development and the international agreements that have been ratified in this connection.

The European Council in Thessaloniki underlined the foreign policy dimension of sustainable development and established the Green Diplomacy Network. This EU-internal diplomatic network has drawn up a work programme with an emphasis on environment and security, climate policy, sustainable energy policy, and international institutional architecture. This programme was confirmed by the European Council in Brussels.

On woodlands, the Commission produced a cross-sector action plan entitled Forest Law Enforcement, Governance and Trade (FLEGT). This will create a system of proof of legality for timber imports into the EU on the basis of voluntary agreements with the producer countries.

A draft revision of the registration, assessment, licensing and limitation of chemical substances (REACH) was the occasion for a discussion of a comprehensive revision of the EU policy on chemicals, with a view to improving the protection of health and the environment. It would also encompass issues of competition and trade, ensure compatibility with international environmental agreements, and apply the substitution and precautionary principles. The European Council in Brussels decided to site the European Chemical Agency in Helsinki.

In connection with the application of the Kyoto Protocol, work started on a system for monitoring emissions of greenhouse gases within the Community. The directive on emission trading entered into force in the autumn, so that EU-wide trading can start in 2005 as planned. There was still no political agreement on the integration of the project-oriented Kyoto mechanisms into the EU-internal emission trading system.
The Council of Ministers nevertheless reached political agreement on a proposed directive on environmental liability. It regulates the avoidance and restoration of environmental damage within the framework of administrative law on the basis of polluter liability. Austria was unable to agree to the compromise, because the directive did not cover the nuclear sector.

The goals of Austria’s nuclear policy within the EU remain the phasing out of nuclear energy, and, as an intermediate step, the raising of the level of protection for the population and the environment. Austria therefore welcomes the proposal by Commissioner Loyola de Palacio for a package of measures for nuclear safety within the EU with the primary aim of achieving common safety standards. The relevant negotiations, however, turned out to be protracted and difficult, since several member states raised strong objections. The same happened with Austria’s endeavours to obtain a reform of the Euratom treaty and to transform the Euratom loan into an instrument for supporting a withdrawal from the use of nuclear energy. These three themes dominated Austria’s nuclear policy at European level.

Energy

Continuing work on the liberalisation of electricity and gas markets was a prominent EU-internal energy issue in 2003. Other measures included a directive on support for combined power and heat, and proposals for a directive on assuring the supply of mineral oil products and natural gas.

Other major issues included the shaping of international relations in the energy sector, in particular the dialogue with Russia, cooperation between Europe and the Mediterranean region, the energy policy dimension of the Stability Pact in South-Eastern Europe, and the Northern Dimension. The objective is to ensure energy supply in those regions at fair prices, and to assist in the creation of regional internal markets.

One important EU contribution towards the implementation of the World Conference on Sustainable Development is the Johannesburg Renewable Energy Coalition, within which the EU as a driving force endeavours to anchor long-term quantitative goals to increase the proportion of renewable
energy carriers internationally. The Union proposes to set up a fund for this purpose.

In the light of the common climatic goals that are the basis of sustainable development, the use of renewable energy forms is to be stepped up and further developed within the EU. The existing goal of 12% of energy EU-wide from renewable sources by the year 2010 is not going to be achieved on current trends. Austria has already exceeded the EU target.

More than 50 states signed the 1994 treaty establishing the European Energy Charter, which created a legal framework for the promotion of long-term cooperation, with the intention of providing legal security for investments, transit and trade. At the end of 2003 the treaty had still not been ratified by the Russian Federation. Russia makes this dependent on a positive conclusion of the protocol on the safe, efficient, uninterrupted and unhindered transit of oil and gas. Continued work on the transit protocol was the principal activity in 2003. Since, however, the Energy Charter Conference in December failed to reach a conclusion, the Russian Federation being the only state to withhold its agreement, a declaration was adopted and the text was frozen as such. The chairperson’s mandate for further negotiations with the Russian Federation remains in force during 2004.

**Education and Youth**

On 5 May 2003 the Council of Ministers, in its education configuration, adopted five concrete threshold values against which the member states can assess their progress towards achieving the educational goals of the Lisbon Strategy. The ministers for education agreed that by 2010 the number of premature school leavers should be no higher than 10% of the total; that the number of graduates in mathematics, natural sciences and technology should be increased by at least 15% with a simultaneous reduction in gender imbalance; that at least 85% of 22-year-olds should have completed upper secondary school; that the number of 15-year-olds with poor reading skills should be 20% lower than in 2000; and that there
should be a minimum 12.5% increase on EU average in the number of adults in the 25-64 age group participating in lifelong learning activities.

Austria already performs well in the light of these standards. In 1993 it had the lowest proportion (9.5%) of premature school leavers of all EU member states (average 18.8%). With 86.5% of 22-year-olds having completed higher secondary school, Austria has already surpassed the EU target.

The Education Council in Brussels on 25 November inaugurated the Erasmus Mundus programme (2004-2008) for the improvement of university cooperation with non-EU states, with a budget of €230 million. The E-Learning programme (2004-2006) for the effective integration of information and communication technologies into the general and occupational education systems was adopted, and financed with a budget of €44 million.

**Research**

The Sixth Framework Programme for Research and Technological Development and its specific programmes were adopted in 2002 with a budget of €17,500 million. In 2003 implementation began with the issuing of invitations to tender (some 12,000 projects were entered by around 100,000 participants from about 50 countries) as well as the resolution of open questions like the drafting of directives for the promotion of research on human embryonic parent cells, and a partnership between Europe and developing countries on clinical studies under Art 169 of the EC Treaty.

The Council of Ministers on 3 December was unable to reach a compromise on directives for the promotion of embryonic parent cell research. The moratorium that had permitted research on existing parent cells, but had forbidden research on embryos, ran out at the end of the year. As a result, invitations to tender for research on both embryonic and adult parent cells could begin as from 1 January 2004.

In the course of developing the European area of research an action plan was drawn up by the Commission for increasing investment on research to 3% by the year 2010, with two thirds being raised by industry. The plan also
foresees an improvement of the efficiency of relations between the Community and the European Space Agency through the signing of an agreement and the joint publication of a White Book on future space policy.

Building an Area of Freedom, Security and Justice

In 2003 the Greek and Italian presidencies both gave priority to the development of an area of freedom, security and justice in Europe. The primary issue was the implementation of a common policy on immigration and asylum. In February the ministers for home affairs agreed on a directive covering the reunification of families from third countries and the conditions for their long-term residence within the EU. In June they adopted a directive on the legal position of citizens of third countries with long-term residence permission. They also agreed in principle on a directive on the status and rights of refugees and persons with subsidiary protection; Germany, however, made its agreement dependent on the passing of the draft act amending its national law on asylum and immigration. Since this process had not been completed by the end of 2003, the German reservation remained in force. In November the Council agreed on a directive on the issue of short-term residence titles to victims of smugglers of illegal immigrants and illicit traders in persons who cooperate with the responsible authorities.

The Council of Ministers continued to implement the programmes agreed by the European Council in Seville (June 2002) and Thessaloniki (June 2003) for the effective countering of illegal immigration and trade in persons. The principal issues were the negotiations with third countries on repatriation and the concept of an integrated border management system. In this latter connection the Council of Ministers agreed on the general outlines of a border protection agency to coordinate operational cooperation on the external border of the Union.

On judicial issues, at the beginning of 2003 the Council adopted the proposal, put forward by the Commission in May 2002, for a framework decision on attacks on information systems. In May 2003 the ministers of justice reached political agreement on a framework decision on the mutual
recognition and execution of monetary penalties of more than €70. All monetary penalties above this amount imposed by a court, or against which appeals can be raised before such a court, will in future be recognised by all EU member states. These are now obliged to take the necessary measures to implement the sentences imposed, if they are requested to do so by the member state that imposed them.

In June the ministers of justice approved the signature of agreements between the EU and the US on extradition and judicial assistance, less than one year after the start of negotiations. The additional value of these two agreements in relation to the still valid bilateral treaties between the EU countries and the US lies in their provisions for simplifying judicial cooperation. For Austria, they supplement the relevant national treaties with the United States.

In October, after years of negotiations, the ministers of justice achieved political agreement on a directive on parental responsibility, a particularly important issue for European citizens. This directive establishes which court is responsible for divorce cases as well as child care and access rights after divorce and abduction of children.

III. Austria and the European Union’s Foreign Relations

The Common Foreign and Security Policy (CFSP)

1. General

The most marked features of the CFSP in 2003 were the beginning of the first EU missions and the Iraq crisis. The fact that the Union was unable to agree on a common course of action was assessed by many observers as a setback for the CFSP. This was, however, compensated in part by joint measures after the end of the war in Iraq.
Other important themes were intensive efforts by the EU to arrive at a peaceful settlement in the Middle East, the situations in Iran and North Korea, the adoption of an Action Plan and a Joint Strategy for preventing the spread of weapons of mass destruction as well as the adoption of a European Security Strategy.

The CFSP mechanisms were also used intensively in 2003, and thereby contributed to a further growth in the acquis of the Second Pillar. The binding instruments of the Joint Actions (29 new were adopted) and Common Positions (21 new) came into use. The Union also issued 143 Declarations and carried out Demarches in third countries. Common Strategies continue in force for Russia, Ukraine and the Mediterranean countries.

The Union’s foreign relations were given a further impulse by summit meetings with the United States on 25 June, Canada on 28 May, China on 28 October, Ukraine on 7 October, Russia on 31 May and 6 November, Japan on 1 May and the Western Balkan countries on 21 June.

The questions of deepening the CFSP and of the institutional reforms necessary to this end were a subject of discussion in the Constitutional Convention and the Intergovernmental Conference. The most important points are the proposals to unite the functions of the High Representative for the CFSP and the Commissioner for External Relations in one person, and to provide a single budget for the CFSP agenda, for which expenditure in urgent cases may be justified post factum.

2. The European Security and Defence Policy (ESDP)

The object of the ESDP, inaugurated in 1999 under the CFSP, is to provide the European Union with the civilian and military means it requires to cope with international crises and to raise its profile as a global political actor. The year 2003 was a decisive one for the development of the ESDP. Permanent agreements on the modalities of a strategic partnership between the EU and NATO on crisis management were concluded and implemented. The first civilian and military EU crisis management operations were carried out,
and there was further progress in the development of civilian and military capacities.

Relations between the EU and NATO

Since the conclusion of the permanent agreements, especially the “Berlin Plus” agreements of March 2003, the EU-NATO strategic partnership on crisis management has been placed on a solid foundation. The “Berlin Plus” agreements give the EU a formal right to use the NATO facilities, including its planning and command structures, for EU-led crisis management operations. This arrangement was successfully implemented in 2003 in the ESDP CONCORDIA operation in Macedonia.

Austria and the other non-alliance EU member countries managed to obtain guarantees that, in the event of an ESDP operation under the “Berlin Plus” agreements, staff officers from these countries would be given an adequate place in the NATO planning and command structures.

The adoption of a “framework for an enhanced dialogue between NATO and the EU and an agreed procedure on security and stability in the Western Balkan states” set the pattern for an improved dialogue and closer cooperation between both organisations in that region. There was also an exchange of information on the NATO Mediterranean dialogue and the EU initiatives on dialogue and cooperation with the Mediterranean partners in the ESDP sphere. Moreover, the EU is sounding out additional possibilities of cooperation with NATO on combating terror. The EU and NATO staffs also exchanged information on the non-proliferation of weapons of mass destruction.

The First ESDP Operations

At the beginning of 2003 the EU commenced the first ESDP operation, a police mission (EUPM) in Bosnia and Herzegovina. Its observer, advisory and monitoring functions are intended to assist the police in Bosnia and
Herzegovina to make progress towards European standards. The operation is scheduled to last three years.

The first ESDP military mission was Operation CONCORDIA in Macedonia from 31 March to 15 December 2003. As part of a comprehensive EU plan in the aftermath of the NATO military presence the operation was intended to contribute to creating a stable and secure environment, so that the Macedonian government would be in a position to implement the Ohrid framework agreement. This objective was achieved and with it the first practical application of the EU-NATO permanent agreements, especially the “Berlin Plus” accords, so that the operation could be carried out with recourse to NATO means and expertise.

Working in close cooperation with the Macedonian authorities, and with their agreement, the EU decided to continue the engagement after the completion of Operation CONCORDIA in order to provide support for the build-up of an efficient and professional police service meeting European standards. To this end, the EU police mission EUPOL PROXIMA commenced in Macedonia on 15 December.

The EU carried out the ARTEMIS military crisis management operation in the Democratic Republic of the Congo from 12 June to 1 September 2003 at the request of the United Nations Secretary-General. This enabled a stabilisation of the security situation to be achieved in the province of Bunia until the arrival of augmented UN troop units. ARTEMIS was not only the first ESDP operation outside Europe, but also the first autonomous EU military operation without recourse to NATO ways and means. It also provided proof that the EU is in a position to react to a crisis situation in the shortest possible time with an ESDP operation.

On 12 and 13 December the European Council in Brussels confirmed that the Union is prepared to undertake an ESDP mission in Bosnia and Herzegovina, covering military aspects with the use of NATO ways and means. Relevant discussions were opened with NATO, which was already conducting the SFOR mission in Bosnia and Herzegovina.
Austria participated in all ESDP operations, with five police officers in EUPM, eleven army personnel in CONCORDIA, another three on the staff of ARTEMIS, and two police officers in PROXIMA.

Improving Military and Civilian Capacities for EU Crisis Management

The General Affairs and External Relations Council confirmed on 19 May that the European Union was now in a position to undertake the entire range of Petersberg Tasks. At the same time, however, it pointed to some remaining limitations due to the lack of capabilities in certain sectors, which could lead to increased risks in operations in the upper spectrum of the Petersberg Tasks, especially where several operations were being run concurrently.

Models for closing the gaps in military capacities are being worked out primarily under the European Capabilities Action Plan (ECAP). The work was carried out in 19 working groups, which presented their final reports on 1 March 2003. Thereafter, concrete proposals for procurements have been advanced by project groups. Austria participated in the project groups on Headquarters, Drones, Interoperability in Humanitarian Operations, Protection from ABC Weapons, Special Units and Medical Units. The situation report on military capabilities that was presented to the Council of Ministers on 17 November stated that progress had been achieved in closing certain gaps in capacity.

The Council, in carrying out the decisions of the European Council in Thessaloniki, also agreed to set up an agency for the development of defence capabilities, research, procurement and arms. This agency, which will be responsible to the General Affairs and External Relations Council and be open to participation by all EU member states, will have the functions of developing capacities for crisis management, promoting and improving European cooperation in the arms sector, strengthening the industrial and technological basis of Europe’s defence, creating a competitive European market for defence equipment, and promoting research with the aim of strengthening Europe’s industrial potential in this
field. The agency was due to be established during 2004. The Council also decided to set up a development staff to prepare for the establishment of the agency.

The ESDP’s civilian crisis management capacities were also extended in parallel with those of the military structures. Hitherto, there had been an emphasis on police, the rule of law, civil administration, civil defence, and developing a framework for coherent cooperation between the civilian and military authorities. From now on, in view of the probability of more ESDP civilian missions in the medium term, the most urgent task is to strengthen the EU’s civilian planning structures.

A strategic training plan was adopted with the “Common Criteria for Training in Connection with the Civilian Aspects of Crisis Management”. The implementation of this concept by the EU institutions and member states will make it easier to recruit civilian personnel who are well prepared for crisis management operations.

Cooperation with International Organisations

On 24 September a Joint Declaration on Cooperation was signed between the EU and the UN on crisis management. This lays down a structured framework for consultation and cooperation, and opens the way for the EU to provide more efficient support for the UN in crisis areas. The declaration names four fields in which relations between both organisations should be strengthened: planning, training, communications and proven practices.

In the conclusions of its meeting on 17 November, the Council emphasised that it regarded cooperation with the Organisation for Security and Cooperation in Europe (OSCE) on conflict prevention, crisis management and conflict aftercare as particularly important.

For certain ESDP operations concrete cooperation plans were developed with the United Nations (ARTEMIS, EUPM) and the OSCE (PROXIMA).
Crisis Management Exercise

The first joint EU-NATO crisis management exercise, CME/CMX 03, was held from 9 to 25 November 2003. The main objective was the strategic planning of an ESDP operation with military and civilian elements within the framework of the “Berlin Plus” agreements. CME/CMX 03 offered an opportunity to test the effectiveness of EU and NATO cooperation in crisis situations on the basis of the permanent agreements. The decision making process at EU level, especially the coordination of civilian and military instruments, were also practised and subjected to scrutiny. Moreover, as part of the exercise, political consultations were held with third countries on the basis of agreements.

ESDP and Terrorism

In accordance with the commission issued by the European Council in Seville in 2002 work continued on the build-up of a data bank of civilian and military capabilities of relevance for the protection of the population from the consequences of terrorist activities, including chemical, biological, radiological and nuclear attacks. The content of the military data bank is also to be made available for the common disaster protection mechanism.

The ESDP in the draft EU Constitution by the Constitutional Convention and in the Intergovernmental Conference

The draft constitutional treaty drawn up by the EU Constitutional Convention contained wide-ranging provisions of relevance to the ESDP. Proposed were:

- an extension of the Petersberg Tasks to include disarmament measures, military advice and support, conflict prevention, and operations to stabilise the situation after conflicts;
- the establishment of a European agency for arms, research and military capacities;
• an opportunity for “structured cooperation” for those EU member states that fulfil special criteria relating to military capabilities and are willing to enter into binding commitments among themselves;
• the provision of an opportunity for “closer cooperation” among those member states that have an interest in mutual defence;
• the introduction of a solidarity clause for all EU member states in order to combat terrorist threats and disasters.

In the Intergovernmental Conference it transpired that the extension of the Petersberg Tasks, the agency for arms, research and military capabilities (to be set up during 2004) and the solidarity clause can be accepted by all EU member states without text alterations. On the other hand, the “structured cooperation” and the “closer cooperation” in the field of mutual defence were subjected to discussion.

As regards the “structured cooperation”, Austria and a majority of member states insisted that this form of cooperation should be open, transparent and inclusive. At the Intergovernmental Conference, the presidential proposal for what is now to be known as “permanent structured cooperation” contained a list of commitments to be accepted by the participating states. The primary condition is that participants must meet higher criteria in respect of military capacities, endeavour to achieve specific interoperability goals, and cooperate within the framework of European procurement programmes. One important objective of this cooperation is to put the participating states in a position, by 2007, to form units to act as components of emergency forces capable of undertaking demanding crisis management operations. The presidential proposal meets the wishes of Austria and the majority of member states in that it foresees a transparent procedure for later participation in the “permanent structured cooperation” and guarantees the participation of the Council of Ministers in its routine work.

The foreign ministers of Austria, Finland, Ireland and Sweden participated with a joint proposal in these negotiations on “closer cooperation” in the field of mutual defence. As a result of the talks, the revised draft proposal presented to the European Council by the Italian presidency in December 2003 foresees a constitutional article with the following text:
“In the event of an armed attack on the territory of a member state all the other member states must do everything in their power to provide help and support in accordance with Article 51 of the Charter of the United Nations. This is without prejudice to the special character of the security and defence policies of certain member states. The commitments and the cooperation in this respect remain in accordance with commitments entered into within the framework of NATO, which for the states involved continue to be the foundation of their collective defence and the instrument of its realisation.”

On the basis of the negotiations to the end of 2003, Austria anticipates that this formulation will be acceptable to all the EU states – in particular to our non-alliance partners Finland, Ireland and Sweden – and will probably also form part of a final consensus on the EU constitution.

The Central and Eastern European (CEE) States

1. The Central and Eastern European EU Candidate Countries

The European Council in Copenhagen in December 2002 officially concluded the accession negotiations with the three Baltic republics, Poland, Slovakia, Slovenia, the Czech Republic and Hungary. This was followed by further decisive steps towards membership of the Union by those countries on 1 May 2004. Bulgaria and Romania have clear goals to achieve to enable them to accede to the EU on 1 January 2007.

In a little over a decade the candidate countries of Central and Eastern Europe, by dint of considerable efforts to reform, have succeeded in overcoming the heavy burden left by the communist system and achieving impressive success regarding their integration into EU and NATO - structures. This integration into the EU and NATO structures was their overall foreign policy guideline – irrespective of the party political orientations of their decision makers.
Austria supported the efforts by the new member states within its means as best as possible and constantly endeavoured to remove existing obstacles and differences. Regarding the Czech Republic numerous meetings on government level have moved the bilateral relations into a future-oriented direction. The Federal Government, in accordance with the relevant motions adopted by Parliament concerning those laws and decrees from the years 1945 and 1946 which refer to the expulsion of individual ethnic groups in former Czechoslovakia, held talks with the Czech Republic aimed at finding a solution in conformity with human rights while involving those interest groups concerned. Moreover, the Federal Government again confirmed its request for a phasing out of the Temelin nuclear power plant. Within the framework of the Melk agreements ("Melk Process") both the Czech Republic and Austria have so far taken all steps regarding the implementation schedule for Annexes I and II of the Brussels Agreement as scheduled.

The present and future EU member states in the region cooperate not only within broader frameworks like the OSCE and the Council of Europe, but also within NATO and other groups like that for the Baltic coastal countries, the Central European Initiative (CEI) or the Weimar Triangle (France, Germany and Poland). Austria cooperates with its eastern neighbours (Slovakia, Slovenia, the Czech Republic, Hungary and the “cultural neighbour” Poland) in the Regional Partnership as well as with the 13 states of the Danube basin (see the chapter on Austria’s cooperation with neighbouring countries).

Mutual cooperation between the states of the region continued. After the Medgyessy government in Hungary came to power in 2002 there was a noticeable improvement in relations between the Vysegrad partners (Poland, the Czech Republic, Slovakia and Hungary), which had previously been disturbed on individual issues. It proved possible to eliminate the irritation between Hungary and neighbouring states – especially Slovakia and Romania – on account of the act passed by the Hungarian parliament in June 2001 on the status of Hungarians living in other countries.

There were new and positive developments regarding the protection of minorities. Estonia and Latvia made more progress towards the integration
of foreign citizens, despite which there were repeated complaints by Russia of alleged discrimination against the Russian minorities, complaints that were also expressed to NATO, the EU and the OSCE. In several countries the legal and institutional minority protection frameworks were further consolidated. In Bulgaria, Slovakia and Romania, minorities continue to play a significant role in national political life.

All the countries with large Roma communities made progress towards ameliorating the difficult living conditions for this ethnic group, but the question of permanent integration of the Roma still awaits a comprehensive, long-term and effective solution.

The statistics showing the high percentage of Romas among imprisoned criminals give little ground for optimism. A marked increase in imported crime in Austria – inter alia from South-Eastern Europe – has led to intensified bilateral cooperation with the ministries for justice and home affairs of the states concerned.

2. Belarus, Ukraine, Moldova

The New Neighbours Initiative (NNI) launched by the EU in 2002 for its new eastern neighbour states Belarus, Ukraine and Moldova was subsumed in a “Wider Europe” concept with the extended aim of strengthening relations with other more distant neighbours in the southern and eastern Mediterranean region. This concept is now designated the “European Neighbourhood Policy”, and this “Wider Europe” has been conceived as also encompassing Russia. Despite the inclusion of such heterogeneous regions within one foreign policy concept it is not intended to cover the existing EU relations with the “Wider Europe” target countries with any levelling models. The individual approach to each country will be retained. In view of the origins of this initiative, the first action plans were to be worked out with Ukraine and Moldova, and these were to be finalised during 2004. In the case of Ukraine it will replace the Common Strategy adopted unilaterally by the EU in 1999. Russia has made it known that the “Wider Europe” framework contains few new elements for its relations with the EU by comparison with the decisions of the St. Petersburg summit meeting, and
that it is therefore less interested in it than the “genuine” new EU neighbours in the East. Since the accession of Finland in 1999 Russia already borders directly on the European Union.

Belarus

Relations between the EU and Belarus have been restricted since 1997, and in 2003 there were no fundamental or lasting changes in that position. Only in December did President Alexander Lukashenko agree to a resumption of talks with the EU on a number of concrete issues. In early 2004 tentative feelers were put out to ascertain the best way of proceeding in future. Within the EU, it has been pointed out from several sides that a full implementation of the New Neighbours initiative, with an individual action plan, is scarcely possible so long as general relations between Belarus and the EU remain restricted. The measures taken by the Belarus government in many areas (especially as regards the media, NGOs, schools and universities) have become even stricter by comparison with earlier practice. This, as well as the manner in which the local elections were carried through in March 2003, is not conducive to exerting a positive influence on relations with the EU. The new OSCE Office in Minsk (the previous mission was entitled OSCE Advisory and Monitoring Group) was able to commence its activities after receiving official approval from Belarus at the beginning of 2003. Accordingly, the travel restrictions on leading members of the regime that were imposed by 14 EU states in November 2002, on account of the treatment of the earlier OSCE mission, were lifted in April.

Ukraine

Cooperation between the EU and Ukraine intensified in 2003. At the same time, however, Ukraine pointed out to the EU that it didn’t always share the Union’s views on Ukraine, but that it had learnt to cope with it in a more pragmatic and realistic way. One can now identify the course that Ukraine must set in its approach to the EU, and the concrete measures it must take during this process.
The cornerstone of EU-Ukraine relations remains the 1994 Partnership and Cooperation Agreement, which entered into force in 1998. A report presented by the cooperation committee in March 2003 states that substantial progress has been made with the implementation of the agreement as well as in other areas like political dialogue, trade and investment (including WTO membership), science and technology, tariffs and statistics. Special praise is awarded to Ukraine’s cooperation on justice and internal affairs, which has even exceeded the framework laid down in the agreement. The report also mentions, however, that in several other areas more effort will be required or cooperation deepened, for example freedom of the media, energy (above all nuclear safety), legal coordination, environment and transport.

In view of the considerable and not yet fully exploited potential of the agreement with the EU, Ukraine’s desire for another treaty relationship would seem to be unrealistic for the foreseeable future. This was made clear at the Ukraine-EU summit in Yalta on 7 October, and also during the visits by the relevant EU commissioners in September and November. Ukraine’s “European” future will initially lie in drafting and executing the most substantial possible action plan corresponding to the New Neighbours initiative. This is to contain binding goals for both sides, although there are differing points of view regarding its period of validity.

It also seems important that the EU should give Ukraine some perspectives over and above those provided by the agreement. How this can be achieved without losing sight of reality is shown by an Austro-Hungarian working paper that was praised by the Committee of Permanent Representatives as a “good contribution”. It sets out priorities for the projected action plan: elimination of the last remaining obstacles to market economy status for Ukraine, active support for the earliest possible entry of Ukraine into the WTO, and an immediate start to preparatory work for an EU-Ukraine free trade accord on the basis of Article 4 of the agreement. Secondly, the paper proposes concrete initiatives for the action plan, for instance on justice and internal affairs, economic relations, infrastructure and energy, environmental protection, regional policies and cross-border cooperation. The paper was welcomed by Ukraine, and it is to be expected that some of its elements will be integrated into the action plan.
Within the EU, Austria, together with Hungary, is an advocate of bringing Ukraine closer to the Union. This was expressed by Austrian Minister for Foreign Affairs Benita Ferrero-Waldner on the occasion of the accession conference in Athens in April 2003, and it was also a discussion theme during her visit to Ukraine in early June. The Ukrainian presidential election in October 2004, whether by direct popular vote or election by parliament, was regarded as an important test case for the democratic standards demanded by the EU.

Moldova

In 2003 the Moldovan leadership intensified its European policies on specific lines. In late February and early March a parliamentary committee and a national committee for European integration commenced work, the latter under the chairmanship of the Prime Minister. In September the Foreign Ministry created a department for EU affairs. In October the long-awaited “Concept for the Integration of Moldova into the European Union” was published, with the declared goal of association status by 2007.

Whereas the EU regards its relations with Moldova as falling within the framework of the New Neighbours initiative for the foreseeable future, Moldova is desirous of being recognised as a South-Eastern European state and thus entitled to equality of treatment with Western Balkan countries under the stability and association process. At the beginning of December the EU Commissioner for Enlargement, Günther Verheugen, paid a working visit to Moldova to introduce the “Wider Europe” initiative and to discuss the joint drafting of an action plan. Also considered was the possibility of the Commission opening a representative office in Moldova’s capital, Chisinau.

The European Union acceded to Moldova’s request to play a larger role in the Transnistria conflict. In February the Union banned the issue of visas to 17 Transnistrian politicians and, in cooperation with the US, made it clear that further measures were not ruled out. Under the influence of these measures, Transnistria lifted the blockade on the removal and destruction of
the 40,000 tonnes of Russian ammunition stored there under catastrophic conditions. The OSCE ministerial conference in Porto in December 2002 had demanded that the operation be completed by the end of 2003. This could no longer be achieved, but by the end of November some 50 per cent of the material had been removed.

In February, President Vladimir Voronin presented a new initiative for resolving the Transnistria conflict, which was welcomed by the EU. Under this plan, a constitutional committee consisting of representatives of the Moldovan parliament and the Supreme Soviet of Transnistria is to draft a constitution for a reunited state. This would be assessed by international experts, after which it would be submitted to a referendum. In both parts of the country there could be a simultaneous parliamentary election, the election of a government for the entire country, and a presidential election. The EU participated in this constitutional committee as an observer. Moldova again extended an invitation to the Union to participate in an international security presence after a successful conclusion of these negotiations.

Prior to and during its half-yearly presidency of the Committee of Ministers of the Council of Europe from May to December, the Republic of Moldova enjoyed a period of internal stability. This was reflected in the success of the ruling Communist Party in the local elections in May. However, relations between the two parts of the country deteriorated in the course of the year, with mutual economic sanctions and a blockade of the mobile telephone system in October and November. The publication of the so-called “Kosak Memorandum” in November – essentially a Russian-inspired draft constitution compiled outside the group of negotiating parties (two Moldovan regions and three mediators – Russia, Ukraine and OSCE) sparked off a protest movement by the Moldovan Opposition, who agreed to enter the parliamentary election in 2005 as an electoral coalition. After criticism of the memorandum by the OSCE, EU and US, the initiative collapsed.

There was also movement on other open questions in the Transnistria conflict. The issue of border controls between Ukraine and Moldova was brought nearer a solution after a bilateral agreement on the recognition of the Moldovan customs stamp by Ukraine entered into force on 1 July. The
EU Commission offered expertise and ongoing support for the controls at the Moldova/Ukraine border. In July, during the further negotiations on Transnistria, the Netherlands chairmanship of the OSCE proposed the institution of an international security presence in the form of a “Peace Consolidation Force” under EU leadership, but this was turned down by the EU. The Union did, however, indicate its readiness to participate in a multilateral solution under the auspices of the OSCE. The promulgation of such plans, albeit only in sketch form, before any signs of an internal political solution, seems to have contributed to a hardening of Transnistrian attitudes during the second half of the year.

3. The Southern Caucasus

Relations between the EU and the states of the Southern Caucasus (Armenia, Azerbaijan and Georgia) in 2003 were closely connected with the elections that took place in all three countries. After the presidential elections in Armenia and Azerbaijan and the parliamentary elections in Armenia and Georgia, the EU issued declarations which, while acknowledging the progress that had been made in many respects, pointed to the shortfalls from international standards, and demanded improved conduct of future elections as well as more transparency.

At the same time, the EU continued to enhance its relations with the region by the appointment in July of Heikki Talvitie as its first Special Representative for the Southern Caucasus. By the end of the year he had visited the region five times. His mandate foresees an intensification of EU policies in the region, especially as regards political and economic reforms, as well as stepping up the Union’s contribution to conflict prevention and resolution and to regional cooperation. The states of the Southern Caucasus were very satisfied with the appointment and functions of the Special Representative, but expressed their disappointment over the non-acceptance of their region as part of the geographical “Wider Europe” concept.

The parliamentary election in Georgia on 2 November, and the enforced resignation of President Eduard Shevardnadze on 23 November, demanded
swift reactions from the EU in order to give visible proof of its engagement in the region. It issued a declaration paying tribute to Shevardnadze’s conduct and calling on the new leadership to exercise discretion, and on 23 November Heikki Talvitie was told to go to Georgia as soon as possible. His visits were intended to underline the EU’s support for the new political situation in Georgia, but also to make manifest the Union’s role as an important political actor in the region, and to ascertain the new administration’s needs. In response to this latter function the Georgian government submitted a comprehensive catalogue of requests for support. The EU and its member states promptly supplied comprehensive financial assistance, especially in view of the impending presidential election. The EU ambassadors in Tbilisi had a meeting on 28 November for an exchange of opinions with presidential candidate Michael Saakashvili, who had actually instigated the revolt in Georgia, and who was subsequently elected president on 4 January 2004 by an overwhelming majority.

State president Nino Burdshanadse met EU Commission president Romano Prodi in Brussels on 2 December in order to inform the EU on the recent developments in Georgia and to ensure that there would be support for the new power structures. On 9 December the Council of Ministers adopted conclusions on the situation in Georgia and the Southern Caucasus, in which the EU assured the new Georgian leadership of its support and respect for the country’s territorial integrity. It called for the maintenance of stability and held out a prospect of more intensive relations with the EU to all three states of the region. On 2 December the External Relations Committee of the European Parliament considered a report on EU policy towards the Southern Caucasus. This called for increased EU efforts to stabilise the region, its inclusion within the “Wider Europe” concept, the signing of a stability pact, and support for regional energy supply systems.

Meetings of the cooperation councils under the partnership and cooperation agreements with the three states took place at foreign minister level in Brussels on 30 September. These had been prepared by the national cooperation committees meeting in the respective capitals in June, with additional meetings of parliamentary cooperation committees. An EU Troika, headed by Margherita Boniver, Italian State Secretary for Foreign Affairs, visited the region from 7 to 10 July.
In addition to the declarations and demarches in connection with the elections, the EU issued a declaration on the abolition of the death sentence in Armenia and conducted a demarche in Georgia in connection with respect for religious freedom.

The Georgian parliament adopted a resolution on 28 March on speeding up the process of integrating Georgia into the European Union. Georgia received humanitarian assistance of 2.2 million euros from the European Community Humanitarian Office for the benefit of the population affected by the conflict in Abkhazia.

The TACIS programme for modernising the customs administration continued under Austrian leadership. The Austrian Civilian Service Platform received a grant for a TACIS programme to develop civilian service in Georgia. The University of Soil Culture in Vienna ran two TACIS-TEMPUS projects together with Georgia. One Austrian was on the staff of the TACIS representation in Yerevan.

South-Eastern Europe / Western Balkans

1. Developments in Individual States

Croatia

The first half of 2003 in Croatia was a period of finalising various reforms. These included the passing of the broadcasting act, the drafting of electoral legislation, and the continuation of military reforms.

Croatia’s Stabilisation and Association Agreement with the EU, which was ratified by Austria in March 2002, could still not enter into force in 2003, since several EU member states made their ratification conditional upon an improvement in Croatia’s cooperation with the International War Crimes Tribunal in The Hague, especially as regards the extradition of Croatian general Ante Gotovina. His co-accused Janko Bobetko, Chief of the General Staff, died in April before his announced extradition to The Hague.
Relations between Croatia and the neighbouring states were marked by a number of positive developments. In March the agreement between Croatia and Slovenia on their mutual rights and responsibilities in respect of the jointly-owned nuclear power station at Krsko entered into force by decision of the Sabor. At the beginning of May, Foreign Minister Tonino Picula signed the “Adriatic Charter” that was concluded jointly with Albania, Macedonia and the United States. In June, visa requirements were suspended for citizens of Serbia and Montenegro. In view of its aspiration to become a member of the European Union, Croatia declined to yield to US pressure to sign an agreement on the non-extradition of US citizens to the International Criminal Court. However, relations with Slovenia received a setback in October with the decision by the Sabor to proclaim a fishery and environmental zone in the Adriatic.

The parliamentary election on 23 November brought a change of government from the Social Democrat-led coalition to the Croatian Democratic Community (HDZ) under its leader Ivo Sanader. It was sworn in on 23 December. The new government is supported by the representatives of the Serbian minority, who provide eight deputy ministers.

Bosnia and Herzegovina

The year 2003 was dominated by the planning and execution of various governmental reforms and by a slow approach to the European Union. The reforms were advanced in the first instance by Lord Paddy Ashdown, High Representative of the UN and Special Representative of the EU, and were oriented to the Mission Implementation Plan adopted at the beginning of 2003. This was a catalogue of measures to be implemented before the end of the High Representative’s mandate at some future date. Progress was made with reform of the taxation system, and the adoption in December of the scheduled reform of the defence system by all the legislative bodies of the state and its constituent entities.

Further successes included the founding of a court of justice at federal level as well as the establishment of a special chamber for war crimes, which in future will take over the trials of war criminals from the International War
Crimes Tribunal in The Hague. The setting up of this special chamber is being financially supported by the Austrian Foreign Ministry under its Eastern European cooperation programme.

In March and July the High Representative, together with the SFOR and the US, took steps to combat those criminal structures that probably form the network around Radovan Karadzic, who is sought by the War Crimes Tribunal. The report presented in October by the chief prosecutor in The Hague nevertheless pointed to the continuing lack of cooperation by both entities towards his apprehension. Lord Ashdown's mandate was extended in December until May 2005.

The continually adverse economic situation was the cause of numerous strikes and protests. The High Representative endeavoured to improve matters through a so-called “Bulldozer Committee”, an initiative to reduce bureaucratic barriers and improve the climate for investment. Alija Izetbegovic, founder and leader of the Party of Democratic Action, and former President, died in Sarajevo on 19 October.

Serbia and Montenegro

After the 2002 Belgrade Agreement united the republics of Serbia and Montenegro into a State Union, the constitution of this Union was adopted in March 2003. The Federal Republic of Yugoslavia, which had been founded by Slobodan Milosevic in 1992 after the disintegration of the former Socialist Federative Republic of Yugoslavia, thereby ceased to exist. The new state was given the name Serbia and Montenegro, with a five-member government (foreign affairs, defence, human and minority rights, foreign trade and domestic economy) under the leadership of the President of the Union. Svetozar Marovic from Montenegro was elected President of the Union. The two republics have the right, after three years, to hold a referendum on whether or not to remain in the Union.

On 3 April the Republic of Serbia and Montenegro was admitted as a member of the Council of Europe. On the occasion of the first official visit by the President of Croatia to Serbia and Montenegro on 10 September,
presidents Marovic and Stipe Mesic apologised for the misery to which their countries’ citizens had been subjected during the recent war. Marovic also apologised to the Bosnian people during his visit to Sarajevo on 13 November.

These positive developments were overshadowed by the murder of Serbian President Zoran Djindjic in Belgrade on 12 March, which had far-reaching repercussions in Serbia. The assassination was an attempt by criminal circles with connections going deep into the police, military and judicial apparatus, to topple the government, consolidate their activities that had begun under Milosevic and avoid threatening criminal prosecution. The government was able to prevent further attacks and the intended political chaos through decisive action, including the proclamation of a state of emergency. Austrian Federal Chancellor Wolfgang Schüssel represented Austria at the funeral service in Belgrade.

The state of emergency was lifted on 23 April, after which the internal differences of the Serbian government coalition came to the surface again. In summer and early autumn 2003 Serbia was shaken by a series of scandals involving corruption and misuse of power.

On 16 November the third attempt to elect a president of Serbia failed due to insufficient participation in the poll, which fell below the legally required 50% of the registered electorate. Tomislav Nikolic, the candidate of the Serbian Radical Party (SRS), gained almost 47% of the vote, to general surprise. The SRS also became the strongest party after the parliamentary election in Serbia on 28 December. The DOS, which had brought about the fall of Milosevic in October 2000, dissolved itself before the election.

The United Nations Interim Administration Mission in Kosovo (UNMIK) continued to be responsible for the fulfilment of Security Council Resolution 1244 (1999). UNMIK leader Michael Steiner of Germany stepped down at the end of June. In August, UN Secretary-General Kofi Annan nominated Harri Holkeri of Finland as his successor. The first round of talks since the end of the war in Kosovo took place in Vienna on 14 October between representatives of Kosovo and the Republic of Serbia, with the goal of establishing a dialogue on practical problems. Serbia was represented by
Prime Minister Zoran Zivkovic and Kosovo by President Ibrahim Rugova. The international community was represented by Harri Holkeri, who conducted the discussions. Commissioner Chris Patten and Javier Solana, High Representative for the CFSP, represented the EU. NATO was represented by Secretary-General Lord Robertson, and the OSCE by Chairman-in-Office Jaap de Hoop Scheffer, Foreign Minister of the Netherlands. It was agreed to continue direct conversations. On 10 December Holkeri presented formal guidelines for improving standards, including democratisation, human and minority rights, the return of refugees and clearing issues of property rights. The intention is to create a framework for peaceful coexistence by all the inhabitants of Kosovo before any decision is taken on the province’s future political status.

After the election in Montenegro in October 2002, a coalition government was formed on 9 January 2003 under Milo Djukanovic, who had just retired from the presidency. The presidential election failed on two occasions, in December 2002 and February 2003, due to insufficient participation, after which the hurdle of 50% of the electorate was lifted. At the resumed election on 11 May 2003 the government candidate and hitherto Prime Minister Filip Vujanovic was elected President of Montenegro.

The government remained under pressure due to a pending, still unresolved current criminal case of trading in persons, allegedly with the involvement of the highest circles. The state prosecution service decided in May not to bring principal accused persons to court, which brought Montenegro sharp international criticism. However, in November the new state prosecutor reopened the case, and investigations continued.

Albania

The continuing division of the ruling Socialist Party into two factions, one centred on the Party Chairman and Prime Minister Fatos Nano and the other on Deputy Prime Minister and Foreign Minister Illir Meta, led to a serious political crisis during the second half of 2003. After the resignation of Meta in July and the dismissal of Minister for Home Affairs Luan Rama in October, their replacement was repeatedly prevented by a lack of
agreement in parliament due to the party split. It was only after the overwhelming confirmation of Nano as Party Chairman at the Socialist Party congress on 12/13 December that it was possible to fill the posts and reshuffle the cabinet. The new government was sworn in on 30 December.

Mayoral and local government elections were held on 12 October on the basis of a new electoral law that had been drafted in cooperation with the OSCE and the Council of Europe with the intention of bringing Albanian practice up to European standards. In the judgement of an international monitoring mission by the OSCE and Council of Europe the conduct of the local elections represented a further advance by Albania towards fulfilling international standards. The remaining aspects where improvement was required mostly concerned the electoral registers. The local elections, which resulted in successes for the larger parties, led to a clear softening of the previous ominously hardened political division of the country into north (Democratic Party) and south (Socialist Party).

Macedonia

A “compromise package” was concluded in March between the most important government parties, the ethnic-Macedonian Social Democratic Alliance for Macedonia and the ethnic-Albanian Democratic Union for Integration. The agreement included three government action plans for the implementation of the OHRID framework agreement that had been concluded in August 2001 to end the conflicts: “fair representation” of the ethnic Albanians in the administration, use of the Albanian language in parliament and public documents, and implementation of local government autonomy. In mid-December the government, after a lengthy political tug-of-war, presented its draft legislation on redrawing local government boundaries, financing local government autonomy, and on the town of Skopje. Previously, the result of the census in November 2002 had been published, showing the ethnic Albanian proportion of the Macedonian population to be 25.17% of the whole.

From 31 March until 15 December 2003 the EU CONCORDIA mission took over the functions of the former NATO Allied Harmony operation.
Thereafter, the EU presence continued in the form of the PROXIMA police mission. Tension was aroused early in the year by the impending dismissal of hundreds of members of the “Lions” special police. The unstable security situation in Macedonia became clearer later in the year when there were incidents in the Skopska Crna Gora mountain region involving armed and uniformed ethnic Albanians intending to establish a “liberated zone” there. In early September the armed groups were suppressed in skirmishes with Macedonian army units and special police. The methods used did, however, reveal deficiencies in the organisation of the security forces, and caused a serious crisis in the coalition government. These could eventually be resolved, however, not least due to the efforts of the EU Special Representative, Alexis Brouhns of Belgium. Austrian Minister for Foreign Affairs Benita Ferrero-Waldner repeatedly stressed to Macedonian politicians the importance of a swift and complete implementation of the OHRID agreement, thereby providing support for the EU Special Representative.

2. The Western Balkans and the European Union

The positive trends of the year 2002 continued in 2003. The Western Balkan region took a series of steps towards stabilisation and an approach to the European Union. It can no longer be described as a crisis region, meaning that the danger of inter-state or inter-ethnic hostilities has diminished, not least thanks to energetic action by the European Union. Potential for instability remains, however, on account of the still precarious economic situation.

A still closer approach to the European Union by the countries of the Western Balkans is one of the priorities of Austria’s foreign policy. The institutional framework for this is the Stabilisation and Association Process, inaugurated in 1999, which was given important new impulses at the conference of EU heads of state and government with those of the Western Balkan countries on 21 June 2003 in Thessaloniki. Austria participated intensively in the orientation debate that preceded the summit, where the primary goal was to use the experience gained from the current accession
procedure in a suitable manner for the Stabilisation and Association Process.

The summit adopted the “Thessaloniki Agenda for the Western Balkan Countries: On the Way to European Integration” as well as a Joint Declaration. These documents create a framework for cooperation with the European Union during the coming years. The Stabilisation and Association Process has now been expanded with the inclusion of several pre-accession instruments. In March the EU Commission published its second annual report on the progress made by the countries concerned towards implementing the Process, which is now supplemented with the institution of European Partnerships similar to the accession partnerships that were set up during the previous round of accession to the EU. The summit also established the “Forum EU – Western Balkan States” to broaden the existing political dialogue. It foresees regular meetings of heads of state and government, annual meetings of ministers for foreign affairs, home affairs and justice, and intensive consultations between officials and members of parliament. An initial meeting of ministers for home affairs and justice was held in Brussels on 28 November, followed by the foreign ministers on 9 December. The Western Balkan countries now also have the opportunity of acceding to EU demarches, declarations and Common Positions on CFSP issues.

These summit decisions were backed up by increasing the funding of the EU CARDS programme to support reform with another €200 million, and by increasing the opportunities for participation in other Community programmes for the countries of the Western Balkans. The twinning programme to support public administrations is now open to all the countries of the region. Austrian institutions, with comprehensive experience in Central and Eastern Europe, have stepped up their activities in the Western Balkans. Two examples are a large customs management project in Croatia, and another for prison reform in Albania.

The Thessaloniki summit brought not only a commitment to a more intensive EU engagement in the region, but also obliged the countries concerned, which will soon be geographically surrounded by EU members, to increase their efforts to fulfil the political and economic criteria of the
Stabilisation and Association Process. Austria has traditionally close political and economic associations with the Western Balkan countries. The extensive agenda adopted in Thessaloniki is therefore in accord with Austria’s intention to bring them, as potential EU members, as soon as possible closer to the EU structures, whereby the principle of evaluating the progress made by every country individually is of primary importance. In order to make use of the experience gained during the recent enlargement process, the Ministry for Foreign Affairs, in cooperation with the Stability Pact for South-Eastern Europe, organised a conference in Vienna on 5 May on the subject of “The Transformation Experience: Constructing a Central and South-Eastern European Partnership”.

Complementing the Stabilisation and Association Process, the Stability Pact for South-Eastern Europe, under the leadership of its Special Coordinator, former Austrian Vice Chancellor Erhard Busek, took numerous initiatives to bring the region closer to the EU and to improve cooperation within the region itself. In view of the far-reaching stabilisation that has taken place since the founding of the Pact in 1999, Special Coordinator Busek has successfully pursued the aim of supporting local initiatives and activities within the region. Austria continued to engage in a series of activities under the Stability Pact as well as provided financial support. The initiative for combating organised crime, one of the most important aspects of the Pact in 2003, was under Austrian leadership from May onwards. Austrians have also chaired the task forces on trade in persons and education and youth, as well as the Investment Compact, under which a ministerial conference on “Pushing Ahead with Reform: Removing Obstacles to Foreign Direct Investment in South-East Europe” was held on 10/11 June. Austria supplied the director for the Zagreb-based regional support centre for the implementation of arms control and verification in South-Eastern Europe. In the energy sector, Austria participated in drafting a “Memorandum of Understanding on the Regional Energy Market in South-East Europe and its Integration into the European Community Internal Energy Market”, and signed this in Athens on 8 December. Other aspects of the Stability Pact of special interest to Austria are the reintegration of refugees, migration issues, the media, and social affairs.
The Russian Federation

The following internal developments were of importance for the European Union's relations with the Russian Federation in 2003:

In his annual message to the Russian nation in May, President Vladimir Putin declared that the strategic goal of his government was to make the Russian Federation into a "strong, economically modern and influential state". His target for the next 10 years is the doubling of GNP coupled with a reduction of poverty among the population. Other goals include full convertibility of the rouble, drastic reform of the administration, and a consequent cutback in bureaucracy.

The fundamental Russian economic data remain strong. Economic development is notable for substantial budget surpluses and enormous foreign currency reserves, thanks to income from oil and gas exports, and by impressive economic growth of the order of almost 7%. A controversy surrounding the JUKOS state oil undertaking did not have a serious effect on the economic environment. The Russian RTS share index fell briefly and the drain of capital out of the country increased, but it is anticipated that, if there are no further state coercive measures against private companies, foreign capital will shortly start to flow back to Russia, where high profits can be expected.

The Kremlin has assured Western investors that the rights of commercial enterprises will not be restricted, provided that these do not interfere in political life. The results of the privatisations that took place during the 1990s are not to be called in question. What are desired are apparently non-political technocrats at the head of Russian companies who will concentrate on economic efficiency, attracting foreign investment and technology, and ensuring higher taxation income.

The arrest of JUKOS chairman Michael Chodorkovskij and the resignation of Aleksander Voloshin, head of the Presidential Office since the days of Boris Yeltsin, may signal the start of a new phase of Russian domestic politics. The governors have been stripped of their power and subordinated to the central power in Moscow, and the independence of the audio-visual
media has been restricted. It seems that the “oligarchies” are now to be brought under state control. The means of production are to remain in private hands, but the prosperous private sector – the basis for a re-emergence of a powerful Russia – is to be subject to state control.

The TV6 television company, owned by a private consortium, was closed down in May. This was the last surviving federation-wide television programme independent of the government.

There are serious internal security problems, including terrorism, corruption, drug abuse and illegal immigration. These were the reason for a restructuring of the Russian security services.

In March 2003 the population of Chechnya voted in favour of a new constitution. Chechnya remains an autonomous republic within the framework of the Russian Federation, with its own president and parliament. Achmed Kadyrov was elected to the presidency in October, after other candidates with good chances had withdrawn their candidacies. The presidential election was an example of the so-called “directed democracy”. To date it has not given the impression that it has succeeded in inaugurating a political process likely to lead to the pacification of Chechnya.

The winners in the Duma election in December were the presidential party United Russia and two other Kremlin-friendly parties, Vladimir Zhirinovsky’s nationalist Liberal Democrats and the socialist-nationalist Rodina block. The simultaneous appreciable weakening of the communists and the practical elimination of the liberal members (Jabloko and Union of the Right) of the Duma has created a new party landscape and probably signifies the beginning of a new political era in Russia. The result of the Duma election is a remarkable personal success for President Putin, who now carries the main responsibility for Russia’s policy. The Duma will in future play a largely supporting role.

Extending Russia’s relations with other participants in the Commonwealth of Independent States (CIS) remains a priority of Russian foreign policy. At the CIS summit meeting in Yalta on 19 December the presidents of the Russian
Federation, Ukraine, Kazakhstan and Belarus signed a framework agreement on the gradual creation of a Single Economic Space. This is to comprise a customs union with free movement of goods, services, capital and persons as well as common policies in areas of economic relevance. Each country decides autonomously on the individual steps towards integration. President Kutchma of Ukraine also declared that the creation of the Single Economic Space must not contravene the Ukrainian constitution and the country’s foreign policy orientation. It remains to be seen whether the Yalta agreement is not simply another abortive attempt to achieve economic integration within the framework of the CIS.

The Russian-Ukrainian dispute over the border line in the Strait of Kertch, involving the island of Tusla, the political upheavals in Georgia and the rejection by the President of Moldova of a Russian plan to resolve the Transnistrian conflict demonstrate that Russia’s relations with a number of CIS members contain the seeds of conflict.

It is constantly stressed by the Russian side that relations with the European Union are a strategic priority of Russian foreign policy. At their summit meeting in St. Petersburg on 31 May the EU and the Russian Federation decided to develop their partnership with the creation of four Common European Areas. The draft of a Common European Economic Area was completed in time for the summit meeting in Rome in early November, and the criteria for cooperation on crisis management under the Common European Area of External Security were agreed. A cooperation agreement between Russia and Europol was signed in connection with the future Common European Area of Internal Security, and there was a prospect of talks on visa relaxation in conformity with the Schengen rules. The goal of abolishing visas for travel between the EU and Russia is still a distant prospect, whereby a series of preconditions would have to be met on the Russian side, including the conclusion of an agreement on repatriation. In the course of drafting the Common European Area of Science, Education and Culture, Russia acceded to the so-called Bologna Process for the mutual recognition of university qualifications.

The Permanent Partnership Council set up in St. Petersburg is a further development of the existing cooperation council under the Partnership
Cooperation Agreement. The new council will not be restricted to foreign ministers, but will also meet in other formations of ministers for economic and internal affairs, etc. In the view of the EU, the accustomed troika format should be retained, whereas the Russian Federation would prefer a larger framework, if possible 25+1.

At the fifth EU-Russia Industrialists’ Round Table in early December, Russian government members again alleged that Russia will suffer economic disadvantages from the enlargement of the European Union, and therefore seeks compensation from the EU. The question of extending the applicability of the Partnership Cooperation Agreement to the new EU members was particularly stressed as a ground for counter-demands. The EU, on the other hand, is of the view that the Russian Federation will also gain from EU enlargement in the longer term, since this will lead to an accelerated rate of growth in the new member states and thus to trade-creating effects and an increase in EU-Russian trade. The broadening of the applicability of the Agreement would also bring Russia most-favoured status in relation to the new member states.

The EU Commission demands the fulfilment of certain conditions for an accession to the World Trade Organisation by the Russian Federation, in particular an increase in the gas price to Russian industry to world price level, a break-up of the Gasprom monopoly, and the abolition of the state pipeline monopoly. The Kremlin rejects these as unacceptable and links the issue with the ratification of the Kyoto Protocol.

The strategic partnership between the EU and the Russian Federation made no progress towards ending the conflicts in Moldova and Georgia, since the conceptions of the partners on the route to be pursued are much too divergent.

EU topics were regularly the subject of conversations during bilateral contacts between Austria and the Russian Federation, for example during the official visit by Russian Foreign Minister Igor Ivanov to Austria on 14/15 October.
Asia

1. General Developments

1.1. China, Japan, Korean Peninsula

The security situation in North-East Asia in 2003 was still dominated by the ongoing tension on the Korean peninsula. Information emerged in the autumn of 2002 on the secret uranium enrichment programme of the Democratic People’s Republic of Korea (North Korea) and its related violations of a series of international commitments. This inevitably led to strained relations with the United States in particular, but also with Japan, the Republic of Korea (South Korea), and finally the European Union, which are all interested in having the Korean peninsula declared a nuclear weapon-free zone. North Korea's renunciation of its international commitments, especially the Nuclear Non-Proliferation Treaty, is not a bilateral matter between it and the United States, but affects the entire international community.

Trilateral (North Korea, China, US) talks were held in Peking on 23/24 April at China’s instigation. Another attempt to resolve the crisis was made at multilateral six-party talks on 27-29 August, again in Peking, when the participants were both Koreas, China, the US, Japan, and the Russian Federation. Although there was no agreement on a written conclusion, the talks were internationally considered a success. In October, North Korea agreed in principle to the continuation of this dialogue in the same format.

An EU Troika mission visited North Korea on 9-11 December in order to express the EU’s continuing readiness to support a peaceful solution of the nuclear problem on the basis of the six-party talks.

The People’s Republic of China, which played a key role as mediator with North Korea in the nuclear crisis, is developing more and more into a determining regional and global factor, while pursuing its own ambitious economic and development policy goals. Its economic growth remains unbroken and is expected to exceed 8% for 2003. The 16th Congress of the
Communist Party of China in November 2002 prepared the way for a peaceful transition to a new leadership generation, which took place in March at state and government levels.

The problems that China still has to solve include closing uneconomic state industries, controlling the resulting unemployment, the banking sector and the high volume of outstanding loans, and finding a better balance between rich and poor, which means achieving better harmony between the swiftly developing coastal regions and the backward interior as well as between town and country. In the longer term, enormous transport and environmental problems as well as the development of democratic institutions will have to be faced.

Cooperation between the EU and China continued to develop and adapt to the dynamic development of international relations generally. At their annual summit meeting in Peking on 30 October, the EU and China exchanged political strategy papers for the first time. They formulated the goal of a new strategic partnership, the implementation of which should deepen relations between China and the EU still further. The initialling of an “Authorised Destination Status” agreement within this framework was a breakthrough in the field of tourism. This agreement will enable Chinese travel agencies to offer Chinese citizens group tours to all the EU member countries.

1.2. Central Asia

The international importance of Central Asia, which increased enormously after the events in Afghanistan and the terror attacks in the US on 11 September 2001, did not diminish in 2003, not least because of developments in Iraq. However, there was cause for concern on the part of the states of the region that a loss of interest and a renewed destabilisation of the situation in Afghanistan could have a more widespread effect on Central Asia.

Several states have therefore taken the initiative towards raising their international profiles through the organisation of major events, important
official visits and demonstrative activities within regional organisations or associations. From the EU point of view, the most important such event was the annual meeting of the European Bank for Regional Development in Tashkent on 3-5 May 2003, the bank’s first meeting in Central Asia, and a signal for the further opening of Uzbekistan in respect of market economy and democratic policy. On this occasion it proved impossible to achieve the goal of convertibility of the Uzbek som as well as Uzbek concessions on human rights and democracy, but Uzbekistan was given a further year to meet the standards. The convertibility of the som resulted on 15 October.

Kazakhstan established its foreign policy position by holding two international conferences, the “Dialogue between Religious Communities” (23-28 September, Astana) and the “United Nations Conference on the Transit Problems of Inland Developing Countries” (28/29 August, Almaty). Kazakhstan submitted an official application for the chairmanship of the OSCE in 2009. Tajikistan, as principal sponsor of the relevant UN resolution (Austria was a co-sponsor), held a conference within the framework of the International Year of Fresh Water (29 Aug – 1 Sep, Dushanbe).

As a regional concession towards Russia, and to a certain extent as a counterweight to the continuing presence of the anti-terror coalition (including some EU members) in Kyrgyzstan and Uzbekistan, the Russian military base in Kant was officially opened during a visit by President Putin to Kyrgyzstan in October. On the occasion of his visit to Uzbekistan in August it was agreed to transfer the Shanghai Cooperation Organisation’s anti-terror centre from Bishkek to Tashkent, in order to integrate Uzbekistan more strongly into this regional organisation. Kazakhstan, together with Belarus, Russia and Ukraine, founded a new four-member “Single Economic Space” on EU lines, in order to promote economic integration.

Another prominent domestic policy event was the constitutional referendum in Kyrgyzstan on 2 February, with the intention of establishing a new internal distribution of power and making full use of State President Askar Akayev’s term of office till 2005. It was heavily criticised by the opposition because their proposals were ignored. The EU conducted a demarche in Bishkek and issued a declaration in this connection. A referendum in
Tajikistan on 22 June empowered President Emomali Rachmonov to remain in office until 2020.

In order to underline a continuing EU interest in Central Asia, a meeting of the relevant working group was held in Brussels in March in the presence of all the EU ambassadors in Central Asia as well as other important EU personalities with an interest in Central Asia. The financing of the “Border Management in Central Asia” programme, which had been initiated by Austria, was finally taken over by EU-TACIS and conducts training projects in Central Asia and Austria. Meetings of the EU cooperation committee and the cooperation councils were held with Kazakhstan, Kyrgyzstan and Uzbekistan. Subcommittees discussed trade, investment, energy, transport, justice and internal affairs with Kazakhstan and economic and trade questions with Uzbekistan. In December, a joint commission decided on the drafting of a partnership and cooperation agreement with Tajikistan. On 26 March President Emomali Rachmonov met the High Representative for the CFSP, Javier Solana, in Brussels. Rachmonov pointed to the danger of a militant Islam spreading from Afghanistan, due to insufficient international support for the new Afghan power structure.

In Turkmenistan there was no improvement in the internal political situation since the end of November 2002, when there had been an ostensible attempted coup against President Nijasov. The UN General Assembly adopted a resolution submitted by the EU on the human rights situation in Turkmenistan. This was a follow-up to the implementation of the OSCE Moscow Mechanism in early 2003, the report on which had been prepared by a French jurist. The resident EU ambassadors in Ashgabat had compiled a report on the human rights situation in Turkmenistan for this purpose. In an attempt to prevent the introduction of the draft resolution, President Nijasov sent a letter to EU Commission President Romano Prodi, in which he proposed a dialogue between the EU and Turkmenistan on issues of democracy and human rights. This was received positively. The EU undertook several demarches relating to the human rights consequences of the supposed coup, especially as regards the situations of those arrested in that connection.
In view of the forthcoming parliamentary election in Uzbekistan in December 2004, the EU began to pay more attention to the country’s internal situation, the status of human rights there, and the registration of political parties. The EU ambassadors resident in Tashkent carried out a series of demarches, visited a special prison in Karakalpakistan, and had discussions on specific themes with the foreign minister, the chairman of the electoral commission and minister of justice.

In Kazakhstan there were EU declarations and demarches in connection with the moratorium on the death sentence, the new land legislation, and the withdrawal or revision of a law on non-governmental organisations. Another critical declaration was issued on the conduct of a court case against the journalist Duvanov. EU representatives were, however, allowed to attend the court proceedings.

In October the EU Parliament adopted a resolution on Turkmenistan and Central Asia, in which it strongly criticised the human rights situation, especially in Turkmenistan, put forward proposals for improvement in the individual states, and called for more engagement in the region by the EU member states. Previously, the EU Parliament had nominated four political prisoners in Central Asia for the Sakharov Prize for Human Rights: Muhammed Bekdshanov (Uzbekistan), Batyr Berdijev (Turkmenistan), Felix Kulov (Kyrgyzstan), and Galymshan Shaqijanov (Kazakhstan).

At the end of 2003 two Austrians were serving in the EU Commission office in Almaty. Five Austrian educational institutions were participating or acting as team leaders in new cooperation projects financed by the Ministry for Foreign Affairs under a scheme of networking projects with Central Asian universities within the TEMPUS-TACIS framework. A study group visited Austria in July as part of a Kyrgyz TACIS project for implementing the EU Partnership and Cooperation Agreement.

1.3. Afghanistan

Discernible progress was made in 2003 with the difficult political and economic rebuilding of Afghanistan. The process of political consolidation
continued, the economy grew by around 30% in 2003 according to the International Monetary Fund, the schools reopened over large areas of the country, and a large proportion of the refugees returned.

Austria made a major contribution to the reconstruction, both bilaterally and within the framework of the EU. The €12.3 million budgeted for 2002-2004 had been largely expended by the end of 2003. Austria concentrated on combating drugs, on improving the rights of women, and on mine clearance. Between February 2002 and August 2003 a total of 170 Austrian soldiers served in the UN peacekeeping force (ISAF) in Afghanistan, with another ten officers allocated to the UN operation there in 2004.

The transitional Afghan government under President Hamid Karzai was on the road to a gradual stabilisation of the country in 2003, but was still faced with substantial challenges. One important stage on this road was the drafting of a new constitution by the Grand National Council, the Loya Jirga. The new constitution, which was finally adopted on 4 January 2004, establishes a political system headed by a strong president. The next stage is to hold elections during 2004.

The main obstacles to political and economic reconstruction were the security problems in the Afghan provinces, many of which remained under the control of regional warlords. Clear signs of a regrouping of the Taliban, and continued clashes between regional warlords, led to a deterioration of the situation, especially in the south and south-east of the country. Against this background, the UN Security Council decided on 13 October to expand the mandate of the ISAF, which had hitherto been restricted to Kabul, to cover the Afghan provinces. In August, command of the ISAF was transferred to NATO. The US continued its Enduring Freedom operation against the Taliban and Al Quaida in the south and south-east of the country.

Difficulties were experienced with the development of central state institutions like the army, police and judicial system, but a degree of progress was nevertheless made, due not least to international assistance. The disarmament and reintegration of local and regional militias started in October.
Increasing drug production remained a massive problem. To date, no effective method has been found to counter the country’s ingrained drug economy. Afghanistan remains the world’s largest producer of raw opium with about 70% of the total. A large proportion of this ends up in Europe.

1.4. South and South-East Asia

South and South-East Asia, with its export-oriented national economies and its gradually developing internal market, is regaining its status as a region of dynamic growth, after the setback it experienced as a result of the 1997/98 financial crisis. Studies of long-term trends in world trade indicate that the Asia-Pacific region will be the main centre of the world economy by the year 2050.

India and Pakistan

In 2003 there were signs of a gradual reduction of tension and improvement of bilateral relations between the two states, although no lasting political resolution of the conflict over Kashmir was yet in sight. A new initiative by Indian Prime Minister Atal Behari Vajpayee in April was followed by the first confidence-building measures (full resumption of diplomatic relations, reopening of a bus route between India and Pakistan). At the end of October, India circulated twelve proposals for extending the confidence-building measures (direct transport connections and simplified travel arrangements). Pakistan reacted accordingly with the announcement of a unilateral armistice from 25 November along the Indian/Pakistani demarcation line in Kashmir, which was accepted by India. Further steps towards normalising relations were to follow in early 2004: in January air routes between the two countries were reopened after an interruption of almost two years, and on 5 January 2004 Pakistani President Pervez Musharraf and Indian Prime Minister Vajpayee announced at a meeting in Islamabad that a comprehensive dialogue was to be commenced with a view to peacefully resolving all bilateral problems. The international
community welcomed the steps taken by the two governments towards improving bilateral relations.

Nepal and Bhutan

There was progress towards resolving the problem of around 100,000 inhabitants of the refugee camps in Nepal, which for years have caused tension between Nepal and Bhutan. At the 15th joint ministerial committee meeting in October, the two sides agreed in principle on which refugees could return to Bhutan. The repatriation was due to begin in February 2004. The “Friends of Bhutan” group, which comprises Austria, Denmark, the Netherlands, Norway and Switzerland, maintained contact with both governments with a view to achieving an early resolution of the refugee problem.

In January 2003 the Nepalese government agreed a ceasefire with the Maoist rebels. The subsequent political negotiations were, however, broken off in August and the armistice ended. Since then there has been a resumption of the armed conflict, which since 1996 has cost around 8,000 lives.

In mid-December the government of Bhutan started a military operation against militant separatists from the northern Indian state of Assam, who for years have used the south and south-east of Bhutan as a refuge and base. Several previous rounds of negotiations over a peaceful withdrawal of the separatists from Bhutan had proved fruitless.

Sri Lanka

The ceasefire agreement signed in February 2002 between the government and the LTTE (Liberating Tigers of Tamil Eelam) was observed throughout 2003. On the other hand, the peace talks begun in September 2002 ran into stalemate in April 2003 after six rounds of negotiations. The main unresolved question was under what conditions a transitional administration for the LTTE-controlled areas in the north-east could be established. Direct negotiations over the proposals submitted by both sides had not taken place by the end of the year. One of the reasons was an increasing divergence of
opinion within the Sri Lankan leadership over the substance of the course to be followed in relation to the LTTE.

President Chandrika Bandaranaike Kumaratunga accused Prime Minister Ramie Wickremesinghe of an excessively conciliatory policy towards the rebels. At the beginning of November these differences led to an open governmental crisis. President Kumaratunga suspended the parliament temporarily, dismissed three key ministers and proclaimed a state of emergency. The EU and US expressed their concern that the crisis could have an adverse effect on the peace process. The situation eventually became less tense, but the peace talks had not been resumed by the end of 2003. However, all three parties (President, Government and LTTE) asserted their desire to continue with the peace process, which was supported by Austria through seminars and workshops in the area of conflict management.

Indonesia

After the devastating terrorist attacks on the island of Bali on 12 October 2002 the Indonesian government stepped up its measures against terrorism. On 5 August 2003 Indonesia was again the target for Moslem extremists, when the bombing of the Marriott Hotel in Jakarta killed 14 people. The culprits were identified as the regional terror organisation Jemaah Islamiyah, which is regarded as having links to Al Qaida.

The negotiations between the Indonesian government and the GAM separatist movement over the province of Aceh broke down in mid-May, and the ceasefire agreement signed in December 2002 was not renewed. On 19 May the government proclaimed a state of emergency in Aceh and commenced a large-scale military operation augmented by humanitarian measures. On 19 November the state of emergency was renewed for a further six months. The EU, Japan and the US issued a joint declaration expressing their concern over the extension of the state of military emergency and called on the Indonesian government to guarantee unhindered access by international humanitarian organisations.
Cambodia

Parliamentary elections took place in Cambodia on 27 July and ended with a victory for the ruling Left Party under Prime Minister Hun Sen. The resulting coalition talks proved difficult, and agreement in principle on the formation of a three-party government could be reached only three months later. Professor Peter Leuprecht of Austria acted as Special Representative of the United Nations Secretary-General for human rights issues in Cambodia.

Myanmar (Burma)

Hopes for a beginning of a process of democratisation in Myanmar received a considerable setback with the renewed arrest of Nobel Peace Prize laureate Aung San Suu Kyi and other opposition leaders on 30 May. The EU condemned the procedures used by the Myanmar leadership, demanded the release of Aung San Suu Kyi, and called for a political dialogue with the opposition. After these events, the EU sanctions imposed in 1996 were tightened still further.

The Myanmar government reacted very slowly to international appeals to inaugurate a process of national reconciliation and democratisation. At the end of August, the newly appointed Prime Minister, General Khin Nyunt, presented a stepped plan that foresaw the calling of a national convention, the drafting of a constitution and the holding of elections, but containing no details of a timescale for its implementation or in what manner the opposition would be included. At the end of September the imprisonment of Aung San Suu Kyi was commuted to house arrest, followed by the release of several opposition politicians.

On 15 December, on the initiative of Thailand, a “Forum on International Support for National Reconciliation in Myanmar” was held in Bangkok, attended by representatives of Myanmar and eleven other states, including Austria, and the UN Special Representative for Myanmar, Razali Ismail. Myanmar announced at the forum that the national reconciliation process would begin in 2004, with participation by all the political parties and ethnic
minorities. The forum was scheduled to meet again in 2004 to evaluate progress.

2. Regional Organisations

The 10-member Association of South-East Asian Nations (ASEAN), comprising Thailand, Singapore, Malaysia, Indonesia, the Philippines, Brunei, Vietnam, Laos, Myanmar and Cambodia, is an important forum for regional cooperation. It is, however, still a long way from being able to play a decisive political role within the region. On the other hand, it developed a degree of dynamism with the entry into force of the ASEAN Free Trade Area (AFTA) in April 2002. ASEAN maintains institutionalised cooperation with China, Japan and the Republic of Korea in the form of “ASEAN + 3”.

The Shanghai Cooperation Organisation comprises China, Kazakhstan, Kyrgyzstan, the Russian Federation, Tajikistan and Uzbekistan. Its function is to ensure stability in the region by means of confidence-building measures and a joint campaign against terrorism. Its secretariat is in Peking, and its anti-terror centre was relocated from Bishkek to Tashkent.

The Conference on Interaction and Confidence-Building Measures in Asia (CICA) functions in a similar manner to the OSCE in Europe. The membership in 2003 comprised Afghanistan, Azerbaijan, China, Egypt, India, Israel, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Palestine, the Russian Federation, Tajikistan and Turkey.

Kazakhstan, Kyrgyzstan, Mongolia and Pakistan also participate in the Central Asian Cooperation.

3. The EU-Asian Partnership

A biennial formalised dialogue at ministerial level with ASEAN countries has taken place since 1978 in the form of the ASEAN-EU Ministerial Meeting (AEMM), most recently on 27/28 January 2003 in Brussels, where Austrian Minister for Foreign Affairs Benita Ferrero-Waldner participated. Economic
cooperation between the European Community and the then ASEAN members was institutionalised in 1980 with the conclusion of the EC-ASEAN Cooperation Agreement (EACA) covering trade, economy and development.

The dialogue process with Asia gained in intensity in 1996 through the creation of the Asia-Europe Meeting (ASEM), a dialogue forum of heads of state and government that meets every two years. In 2003 ASEM had 26 members: the 15 EU member states, the EU Commission and ten Asian partners – Brunei, China, Indonesia, Japan, Malaysia, the Philippines, Singapore, South Korea, Thailand and Vietnam. The ASEM dialogue covers political, economic and cultural issues. There are also meetings of government ministers, with the foreign ministers responsible for the overall coordination of the ASEM process as a whole.

The fifth meeting of ASEM ministers for foreign affairs, on 23/24 July in Bali, was dominated by the question of Myanmar, where the human rights situation was blocking the enlargement of ASEM. The EU insisted on the inclusion of its forthcoming ten new members after their accession in May 2004, while the Asian members demanded the admission of the three outstanding ASEAN members Myanmar, Laos and Cambodia. There was no consensus between the two sides on the acceptance of Myanmar. The ASEM ministers for foreign affairs expressed their appreciation of the Austrian initiative regarding the publication of the “Human Security Network” handbook of education for human rights entitled “Understanding Human Rights”.

The fifth ASEM summit meeting (ASEM V) was scheduled to take place 2004 in Hanoi.

Other ASEM institutions are the Asia-Europe Foundation (ASEF) for the promotion of mutual understanding through academic and cultural activities, the Asia-Europe Business Forum for representatives of the private sector, and the Asia-Europe Young Leader Symposium (AEYLS), an Austrian-Japanese initiative which holds annual symposia, the most recent being in August 2003 in Vietnam.
The Middle East, North Africa and the Mediterranean

1. General Developments

Throughout the whole of 2003 the Middle East and the North African region remained under the influence of the serious crisis in Iraq and the unceasing conflict between Israel and its Arab neighbours.

At the special session of the European Council on the Iraq situation on 17 February, the European Union stressed its determination “to work with all our partners, especially with the United States, to achieve the disarmament of Iraq, peace and stability in the region and a dignified future for all the peoples who live there.”

In a draft resolution introduced on 7 March, the US, UK and Spain called upon the UN Security Council to declare “that Iraq will have failed to make use of the last chance held out to it by Resolution 1441 if the Council does not come to the conclusion on or before 17 March 2003 that Iraq has shown complete, unconditional and active cooperation in respect of its disarmament commitments under Resolution 1441 (2002) and earlier relevant resolutions…” The discussion of this draft resolution in the Security Council remained without result.

On 17 March the coalition led by the United States presented Iraqi President Saddam Hussein with an ultimatum, to leave Iraq within 48 hours, otherwise there would be recourse to military means. After the expiry of the period of this ultimatum, the attack on Iraq began in the early hours of 20 March.

On 9 April coalition troops captured Baghdad, and on 1 May US President George Bush officially declared the end of the “major hostilities” and the victory of the coalition army. On 16 May the so-called “Coalition Provisional Authority” (CPA) was set up.
On 22 May the UN Security Council adopted Resolution 1483. This recognised the CPA as carrying the specific powers, responsibilities and duties of the coalition states arising out of the relevant international law.

On 20 June the European Council in Thessaloniki stressed the Union’s readiness to participate in the reconstruction of Iraq within the framework of Resolution 1483. It also called upon the states neighbouring on Iraq to support stability in Iraq and the region.

On 13 June the interim Iraqi Governing Council was set up. On 14 August the Security Council welcomed this in Resolution 1500 as “an important step on the way towards building an internationally recognised, representative government by the Iraqi people, which will exercise the sovereignty of Iraq.”

On 16 October the Security Council adopted Resolution 1511, calling upon the “Coalition Provisional Authority” to transfer the responsibilities and powers of government to the Iraqi people as soon as possible. The Iraqi Governing Council was requested to draw up a programme and timetable for drafting a new constitution and holding democratic elections under its provisions, and to submit these to the Security Council by 15 December for assessment. Resolution 1511 also called upon the UN member states and the international and regional organisations “to contribute to the training and equipping of the Iraqi police and security services”. Austria contributed four police officers to assist with the training of Iraqi police in Jordan.

On 17 October the European Council welcomed the adoption of Security Council Resolution 1511 and confirmed the EU’s determination to play a significant role in the political and economic reconstruction of Iraq within the framework of the relevant UN Security Council resolutions. It stated that the essential preconditions for success were a stable security situation, a strong and effective role for the United Nations, a realistic timetable for the transfer of political responsibility to the Iraqi people, and the establishment of a transparent, multilateral donor fund for channelling the support of the international community.
Saddam Hussein’s sons, Kusai and Udai, were killed on 22 July in an exchange of fire with coalition troops in the northern city of Mosul. Saddam Hussein himself was captured by US troops on 13 December. The security situation in Iraq remained tense, however, with the most serious attacks on coalition troops concentrated in central Iraq and the Baghdad region.

The World Bank and the UN Development Programme estimate the cost of reconstruction in Iraq at around €50,000 million over the period 2004-2007. A donor conference was held in Madrid on 23/24 October. The US promised around €18,000 million, Japan €4,500 million and the EU €200 million from Community funds. Austria promised €16 million over the period from national funds, of which the greater part was available during 2004. The question of a partial remission of debts was a matter for international discussion.

On 15 November the so-called Baghdad Agreement was concluded between the CPA and the Iraqi Governing Council. This foresaw the adoption of a constitution at the conclusion of a political transition process, and the formation of a sovereign transitional government coinciding with the dissolution of the CPA by June 2004 at the latest. This transitional government was to be formed from a transitional national assembly, to be elected by local delegates by the end of May 2004 at the latest. The adoption, by the end of February 2004, of a fundamental law defining the basic elements of the state structure (federalism, separation of powers, civil rights) was to precede the election of a constitutional assembly by 15 March 2005 at the latest, with the constitution being submitted to a referendum at a later date. The election of a new Iraqi government is foreseen by the end of December 2005 at the latest.

Austria was active in humanitarian operations in Iraq at a very early date. On the initiative of Austrian Minister for Foreign Affairs Benita Ferrero-Waldner, and in cooperation with Slovenia and Jordan, a project was started to provide professional psychological treatment for Iraqi children suffering from trauma as a result of the war. Under this initiative, a “Workshop on Psychological Support for Children, Families and Teachers in Iraq” was held on 18-21 October 2003 in Amman, Jordan. As early as May, injured Iraqi children were brought to Austria for medical treatment. From
June 2003 Austria also participated in a relief action to renew hospitals in Iraq.

The security situation in Saudi Arabia became increasingly critical during 2003 on account of dramatically increasing terrorist attacks. There were repeated armed skirmishes between extremists and Saudi security forces as well as large-scale finds of weapons. In May and November there were major attacks by extremists in areas inhabited by foreigners from Western countries, leaving dozens of people dead and many hundreds injured.

On 31 August in Jeddah the European Union and Saudi Arabia signed a bilateral agreement on Saudi Arabia’s accession to the World Trade Council.

At the summit meeting of the Organisation of the Islamic Conference in Malaysia during mid-October, Crown Prince Abdullah and Minister for Foreign Affairs Prince Saud Al-Faisal spoke out in favour of a swift transfer of power in Iraq and against a premature commitment of troops from OIC countries to Iraq.

Kuwait found itself in a difficult position in relation to the military action against Iraq. On the one hand, it placed military bases at the disposal of the US-led coalition, gave it comprehensive logistical assistance, and served as an invasion base for 200,000 allied troops. On the other hand, the Kuwaiti government repeatedly made it clear that it did not want the war, and itself took no part in any phase of the military action.

Kuwait welcomed the fall of Saddam Hussein’s regime, and from the beginning supported the recognition of the Iraqi Governing Council set up by the US, as well as the transitional government.

Several prominent liberal members of the Kuwaiti parliament lost their seats at the election in July, while the moderate Islamist grouping achieved a number of successes. The election resulted in a government reshuffle with – for the first time in the history of Kuwait – a separation of the functions of the Crown Prince and the Prime Minister. Sheikh Sabah Al-Ahmed Al-Sabah was formally appointed Prime Minister.
Domestic developments in Qatar were marked by the continuation of the democratic reform process. In a referendum held on 29 April the draft of a new constitution was approved by almost 97% of the votes cast. The most important elements of the constitution are the anchoring of fundamental rights such as freedom of the press, assembly and religion as well as the separation of the executive and legislative powers.

In the United Arab Emirates, Sheikh Mohammed bin Zayed Al Nahyan was appointed Deputy Crown Prince towards the end of the year. The foreign policy of the Emirates was a moderate and predictable course in support of stability in the region.

Oman officially recognised the Iraqi Governing Council in August, while remaining concerned about the situation in Iraq, which it considers a destabilising factor for the entire Middle East.

In Iran, the reforming forces around President Khatami suffered a clear defeat in the local elections in February. Student unrest in May and June was also directed for the first time against the President and his supporters, and was an expression of the frustration of Iranian youth. The award of the Nobel Peace Prize to the human rights activist Shirin Ebadi was welcomed with enthusiasm by large sections of the population.

The Iranian nuclear programme, which had been causing concern on account of its lack of transparency, was criticised by the US and other Western states. A visit in October by the foreign ministers of the United Kingdom, France and Germany resulted in some Iranian concessions. Iran will open its nuclear programme to inspection by the International Atomic Energy Agency, cooperate regularly with the IAEA, sign an additional protocol to the Nuclear Non-Proliferation Treaty, and suspend all uranium enrichment activities.

Morocco also became a target for terrorism with the bomb attacks in Casablanca during May, when 45 people were killed. As a reaction, the king and the government gave the fight against terrorism priority status, but also stepped up measures against social problems. It came to a nationwide
movement for the defence of the Moroccan social model. In October, King Mohammed VI introduced a far-reaching reform of family law, which in many areas will guarantee equality for men and women. At the local elections in September the moderate Islamist Party (PJD), the third-strongest in parliament, received only a small proportion of the vote, mainly due to its own decision to restrict publicity to around a quarter of all the constituencies.

Morocco continued its foreign policy of the most far-reaching possible approach to the European Union, with a view to achieving a “statut avancé” going beyond the existing association relationship. It therefore particularly welcomed the EU concept of a “new partnership”. Morocco is also the country among the twelve MEDA partners that makes the most efficient use of the capital made available to it – €140 million for 2003. Relations with Spain became to a great extent normalised during 2003, as was shown inter alia by the visit to Morocco in December of Spanish Prime Minister Jose Maria Aznar, when the bilateral summit process that was interrupted in 2000 was resumed. Negotiations continued with the United States on the planned creation of a free trade zone.

Relations with neighbouring Algeria remained problematical. The land border between the two states remained closed and there was no end in sight to the conflict over Western Sahara. The UN Security Council, in a resolution adopted on 31 July, supported the so-called “Baker Plan” as the optimum political solution of the conflict, but on the basis of an agreement between the two parties.

Since his election in 1999, President Abdelaziz Bouteflika of Algeria has led his country back on to the international stage. The main points of Algeria’s foreign policy are: combating international terrorism; relations with the EU countries, especially those bordering on the Mediterranean; the African continent, where Algeria has built up a marked profile since its presidency of the Organisation of African Unity in 1999; and relations between the Maghreb states – which, however, suffer meantime from the country’s strained relations with Morocco over the Western Sahara. An association agreement was signed with the EU in 2000, and Algeria’s accession to the World Trade Organisation is planned for 2004.
The process of national reconciliation in Algeria on the basis of the 1999 amnesty act (“concorde civile”) continued. The general security situation improved once again, but with the abduction of 31 hostages (including ten Austrians) in the southern Sahara in February, Europeans became a target for terrorist activities for the first time for several years. Despite significant investment and restructuring measures in the state sector, and promotion of the private sector, economic and social development remained short of expectations.

For Tunisia, a moderate Islamic country with a Western orientation, the important aspects of foreign policy are its relations with Europe and the West, the partnership with the European Union and individual Mediterranean member states, especially France, the Maghreb-Arab Union (UMA), the Arab world, the situation in and around Iraq, the Middle East problem and combating terrorism. Hopes of a revival of North-South relations, at least for the western Mediterranean region, are placed in the dialogue of the “5 plus 5”, the first summit of which took place in December 2003 in Tunis.

Despite the Tunisian efforts, a revival of the UMA has proved abortive, mainly due to the Western Sahara crisis. On the other hand, Tunisia’s bilateral relations with the Maghreb states, including Libya, experienced a stimulus both politically and economically. Economic relations between the Arab countries of North Africa still remain very underdeveloped, however. Tunisia advocates the strengthening of the Arab League.

The Tunisian government pressed the Iraqi leadership to show more flexibility, but disapproved of the military intervention by the US and its allies. On the Middle East question, Tunisia has long since advocated a negotiated solution, and supports all relevant international efforts to this end. The stalemate that occurred during the second half of 2003 was regarded with great concern in Tunisia because of the danger of a radicalisation of its own population.

In Libya, head of state Muammar Ghaddafi, after decades of refusing all private sector economic initiatives, in autumn announced the establishment
of a private sector and the privatisation of a number of nationalised enterprises.

In a similar manner, towards the end of the year he initiated a turn in Libya’s foreign and security policies. After an initiative by the UK and US, and after nine months of negotiations, on 19 December 2003 Libya announced its rejection of all kinds of weapons of mass destruction, and its acceptance of inspection by the International Atomic Energy Agency and other independent experts.

Progress with and the resolution of pending compensation claims in respect of past terror attacks (“Lockerbie”, “UTA”, “La Belle”) had led in September to the lifting of the UN sanctions, which had already been suspended in 1999. The EU now hoped for a further approach by Libya on the basis of the Barcelona Process, in which Libya had hitherto participated only occasionally and as a rule as an observer or guest of the presidency. Austria will endeavour to intensify the already cordial relations with Libya and to support Libya's full participation in the Barcelona Process by adoption of the existing "acquis".

In view of the continual escalation of violence in the Israeli-Palestinian conflict, Egypt endeavoured to mediate and to ensure that a moderate line would be taken by other Arab states. In the Middle East conflict generally, Egypt relied on discreet diplomacy, in order not to endanger its strategic partnership with the US or the possibilities for exerting influence within the Arab world. This framework led to a moderate and balanced Egyptian attitude during the Iraq crisis.

The year in Israel was again dominated by the ongoing conflict with the Palestinians, and in the first half by fears of an Iraqi attack in the course of the military action by the US and its allies. During the second half of 2003 strikes called by the trade unions as a reaction to Finance Minister Benjamin Netanyahu’s reform measures added to Israel's foreign policy problems. The topic of security dominated political discussion in the light of terrorist actions within Israel.
Prime Minister Ariel Sharon had a landslide victory in the election for the 16th Knesset, when his Likud Party won 40 and his centre-left coalition 68 of the 120 Knesset seats. Another winner, with 15 seats, was Tommy Lapid’s Shinui (“change”) Party with its laical programme. The Labour Party, with 19 seats, had its worst-ever election result, and failed to make any impression on the political debate, even after a change of leadership from Amrsam Mitzna to Shimon Peres. The oriental-religious Shas Party went down to 11 Knesset seats.

**Jordan**’s foreign policy was marked by the war in Iraq and the problems in relation with the Middle East peace process. On 21-23 June there was a special session of the World Economic Forum Davos, held at the Dead Sea and attended by US Secretary of State Colin Powell. Jordan always took the part of a peaceful solution to the Iraq situation and, at least outwardly, adopted an impartial attitude opposed to a war. The King visited the United States several times for political discussions.

Jordan also made intensive efforts to mediate within the Middle East peace process in order to speed up the implementation of the “road map”. The summit meeting at Aqaba on 4 June is significant in this connection; the participants included US President George Bush, Israeli Prime Minister Ariel Sharon and Palestinian Prime Minister Mahmoud Abbas.

The parliamentary election in Jordan was held on 17 June after a delay of two years. Six of the 120 seats were reserved for women. The Islamic Action Front won 15 seats and now carried out its political activities within the institutions. At the opening of parliament the King announced the inauguration of a course of political reform with a special emphasis on democratisation.

**Lebanon** was opposed to the attack on Iraq and campaigned for a resolution of the problem on the basis of the Security Council’s conclusions. This attitude was maintained by Lebanon during its chairmanship of the Arab League that ended on 1 March.

In its relations with Israel, Lebanon, in close agreement with Syria, adopted the standpoint that a comprehensive and lasting peace settlement could be
attained only on the basis of a complete Israeli withdrawal from southern Lebanon (including the Shebaa Farms – which, however, were treated by both the United Nations and Israel as Syrian territory – and several minor corrections to the withdrawal line demanded by Lebanon) and from the Golan Heights, as well as on the basis of granting the national rights to the Palestinians, including the right of return.

Lebanon’s economic and financial situation remained tense. The budget deficit and national debt continued to rise in the absence of privatisation and economy measures. The results of the “Paris II” donor conference in December 2002 created a breathing space, which was used to reduce the interest on new state debts and pressure on the national currency, but did not provide any lasting solution to the debt problem.

The issue of Syria’s influence and military presence in Lebanon tended to be overshadowed by regional developments. In July 2001 and in March 2002 Syrian troops had been almost completely withdrawn from Beirut. Further partial withdrawals took place in February and July 2003 from northern Lebanon. The size of the Syrian forces left in Lebanon at the end of 2003 was estimated to be less than 20,000.

Since the beginning of 2002 Syria had been a non-permanent member of the UN Security Council, where it represented the interests of the Arab states in particular. In the autumn of 2002 it voted in favour of Resolution 1441 concerning Iraq, but subsequently became one of the most vehement opponents of the use of military force in the Security Council.

Shortly before the US and UK forces took over control in Iraq in mid-April, Syria adopted a more pragmatic attitude, closed the Iraq-Syrian border, cooperated with the US on the pursuit of members of the Saddam Hussein regime, and generally tried to relax relations with the United States.

At the beginning of October, Syria was the target of an Israeli air attack on an ostensible Palestinian training camp to the north-west of Damascus. This was the first Israeli attack on Syrian territory for 30 years, and it brought relations between the two countries to a new low point. As regards the Middle East problem, Syria maintained its basic position that the foundation
for peace in the region lies in the principle of “land for peace” laid down by the peace conference in Madrid and the corresponding UN resolutions. Syria is sceptical towards the “road map” published in April, since it does not specify the return of the Golan Heights to Syria.

The Syrian government introduced more measures of economic liberalisation in continuation of the reform process inaugurated by President Bashar Al Assad on taking up his office in July 2000. In September, President Assad appointed a new Prime Minister, who carried out a government reshuffle. The formation of the new government, however, indicates continuity rather than reform. The negotiations on an EU association agreement were largely completed by the beginning of December. In view of intensifying the political, economic and scientific dialogue, Austria advocates a swift clarification of the remaining questions, an early adoption of the text of the treaty as well as an earliest possible ratification.

2. The Middle East Peace Process

The year 2003 was again dominated by the Al-Aqsa Intifada, which had a seriously destabilising effect on the region, and by international efforts to restore peace, which, however, remained without lasting success. Suicide bombings and other terror actions as well as armed clashes cost 745 deaths (540 Palestinians, 205 Israelis) and over 4,000 injured. This brought the number of dead since the start of the Al-Aqsa Intifada in September 2000 to more than 3,400 (over 2,300 Palestinians and 910 Israelis) and the injured to over 30,000. The enormous economic damage affected the entire region.

Attacks on Israeli settlements and soldiers in the occupied territories by radical-nationalist and fundamentalist-religious Palestinian groups (Hamas, Al-Aqsa Brigades, Islamic Jihad and splinter groups), terror attacks in Israeli town centres, counter-attacks by the Israeli army (including the “liquidation” of suspected terrorists) and the extensive reoccupation of the autonomous Palestinian territories all contributed to aggravating the vicious circle of violence. Freedom of movement for the Palestinian population was
drastically restricted by the Israeli army with curfews and barriers, which led to a dramatic worsening of the economic and humanitarian situation of the Palestinian population. Israel found itself subjected to increasing international criticism on account of its military actions, a government decision on the possible expulsion of Yasser Arafat, President of the Palestinian Autonomous Authority, continuing settlement activity, and not least the erection of a “security fence” in the occupied areas. President Arafat spent the year exclusively in the Muqata, his headquarters in Ramallah.

In order to revive the peace process, the International Middle East Quartet (EU, US, Russia and UN) formulated a Road Map, a peace plan on the basis of the “Palestinian statehood” speech by US President Bush in June 2002. Its goals are an end to terror and violence, an Israeli withdrawal from the occupied areas, a normalisation of everyday life for the Palestinian population, a resumption of negotiations, and the establishment of a Palestinian state by the year 2005. This Road Map was accepted in May by the Israeli government (with 14 reservations) and by the Palestinian government under its newly-appointed Prime Minister Mahmoud Abbas (“Abu Mazen”) and its validity was ceremonially sealed by US President Bush, King Abdullah I of Jordan, Israeli Prime Minister Ariel Sharon and Mahmoud Abbas at a summit meeting in Aqaba at the beginning of July. However, the withdrawal of the Israeli army from the northern Gaza strip and the liberation of Palestinian prisoners brought only short-term progress. A lack of firm effort by both sides led to a complete breakdown of the peace process in August, and the obviously weakened Mahmoud Abbas resigned. In December his successor, Ahmed Qurei’a (Abu Ala’), although comprehensively supported by Egypt, failed to bring about a renewed Palestinian-internal cessation of hostilities. On Russian initiative, the UN Security Council adopted the Road Map in Resolution 1515 – without the Israeli reservations.

Parallel to the unsuccessful international endeavours to achieve peace, the Israeli-Palestinian peace camp led by former Israeli Minister of Justice Yossi Beilin and former Palestinian Minister of Information Yassir Abed Rabbo drew up the “Geneva Initiative” containing proposed solutions in treaty form for the “final status” – the core issues of Jerusalem, the future of the
Palestinian refugees, the settlements, and the drawing of borders between Israel and the future Palestinian state. Its text was published in Geneva at the beginning of December. This peace initiative by civil society, with compromise solutions for the central questions of the conflict, was basically a continuation of the Israeli-Palestinian negotiations in Taba (Egypt) at the beginning of 2001. It was intensively discussed in the Israeli and international media, and was vehemently criticised by the Israeli government as a pre-emption of official negotiations.

In early December Israeli Deputy Prime Minister Ehud Olmert (Likud Party) advocated with surprising clarity an unilateral Israeli withdrawal from parts of the occupied territories in the event that no progress could be achieved in negotiations with the Palestinian side within about six months. This would be followed by the unilateral establishment of a “security border” under the criteria of the greatest possible protection of the Israeli population, including the settlements in the West Jordan region.

As a reaction to a terrorist attack in Haifa in October, which according to Israel was carried out by Syrian-based terrorist organisations, Israel carried out an air strike on an abandoned training camp near Damascus. At the beginning of December Syrian President Assad announced his country’s readiness to resume negotiations with Israel on the basis of the interim results achieved in 2000.

Repeated exchanges of fire on the Israeli-Lebanese border claimed one Israeli victim and several wounded.

3. The Euro-Mediterranean Partnership (Barcelona Process)

The Euro-Mediterranean Conference in Barcelona in November 1995, with participation by the EU and all the other states bordering on the Mediterranean, set in motion the first integrated European initiative for cooperation in the Mediterranean region. The process is to be seen as a regional answer to the challenges and development opportunities that arise out of the geographical proximity of the Mediterranean countries to Europe. Its principal goal is to create a common zone of peace, stability and
prosperity. The Euro-Med partnership is still the only forum in which all the states bordering on the Mediterranean can discuss common interests. The twelve partners of the EU are Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, the Palestinian Autonomous Authority, Syria, Turkey and Tunisia.

Cyprus, Malta and Turkey, in view of their candidacies for membership of the EU, had a special status in 2003. Cyprus and Malta were due to change sides on their accession to the Union on 1 May 2004. Libya still had observer status, but its full participation in the partnership remained open.

The three main points of the Barcelona Process are: political and security cooperation on the basis of fundamental principles, in particular the observance of human rights and democracy; economic cooperation with the aim of creating an all-Mediterranean free trade zone by 2010; and the deepening of social, cultural and humanitarian cooperation.

The political aspects included, in particular, partnership measures and issues of human rights, combating international terror, and questions of migration. Due to the ongoing Intifada, only slow progress could be made on a large number of political issues. Despite this, the Barcelona Process as the only forum in which European, Arab and Israeli state representatives can meet at the highest level, still remains a vital factor.

The most important goal of economic and financial cooperation remains the establishment of a free trade area by 2010. As part of the strategy of approach to this goal association agreements have been concluded with all of the partner countries except Syria, with the aim of establishing free trade in stages on a bilateral basis. In April and June 2002 the last such agreements to date were concluded with Algeria and Lebanon. In December 2003 a breakthrough was achieved in negotiations with Syria, which provides hope for an early conclusion of an association agreement.

In addition to the creation of a free trade area between the EU and the Mediterranean countries individually (“vertical trade liberalisation”) there is to be a parallel liberalisation of trade between the Mediterranean partners themselves (“horizontal” or “South-South integration”) as well as an
extension of cooperation to issues of a trans-national character (e.g. networking of infrastructures or the harmonisation of technical standards). The association agreements also cover a series 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 first of these is the MEDA programme to provide financial and technical support for economic and social reform in the partner countries. The financial basis is fixed by the Council of Ministers (€5,350 million have been budgeted for MEDA II for the period 2000-2006). Since 2001 the Office for Cooperation (EuropeAid) has had responsibility for the MEDA programme. The EU member states must present their positions on all planned projects in the MED Committee, before these are implemented by the Commission. The second important source of finance is the European Investment Bank (EIB), which has been active in the region for 30 years. In 2003 the EIB provided loans worth a record €2,100 million for the Mediterranean partner states.

In the course of implementing the 2002 Valencia Action Plan, the Euro-Mediterranean integration was stepped up by formulating short- and medium-term initiatives for its support in three core areas. These are, firstly, strengthening political dialogue between the EU and its MED partners on issues like terrorism, European security and defence policy, conflict prevention and crisis management, good governance and EU enlargement. Secondly, the extension of economic and financial cooperation through the establishment of the FEMIP investment facility, participation in principle by the MED partners in the EU origin accumulation system, and support for the infrastructural and telecommunications sectors as well as the private sectors of the MED partners. Thirdly, social, cultural and humanitarian cooperation were promoted by the adoption of an Action Programme on a Dialogue of Cultures, the establishment in principle of a Euromed Trust, and a framework document on a regional programme on justice and internal affairs.

The Euro-Mediterranean Partnership was given a further stimulus in 2003 by the fact that the presidency of the EU Council was held by two Mediterranean states, Greece and Italy. The Euromed meeting of foreign
ministers on 26/27 May in Crete also helped here, since the participation of Syria, Lebanon and Israel demonstrated the value of the Barcelona Process as an useful forum for the discussion of regional problems. In view of the shifting of the geopolitical balance as a result of the Iraq war, the Arab states have welcomed the involvement of the European Union.

The Euromed meeting of foreign ministers on 2/3 December in Naples confirmed the decision to set up a Euromed Trust on the Dialogue of Cultures, but postponed a decision on its location. The Euro-Mediterranean Investment Facility and Partnership (FEMIP) created by the EIB was strengthened and equipped with additional means and instruments. Its main activities are the development of the private sectors, with close involvement by the partner countries in the financing. It was agreed to set up a Euro-Mediterranean Parliamentary Assembly to strengthen the parliamentary dimension of enlarging the EU-Mediterranean cooperation.

4. Organisations for Multilateral Cooperation

The Arab League

The summit meeting of the Arab League was dominated by the Middle East conflict and the Iraq war. The meeting condemned Israeli policy in the Palestinian areas, rejected the US military strike against Iraq as a breach of international law, and demanded an immediate and unconditional withdrawal of the coalition troops. In September, the representatives of the Iraqi Governing Council were conditionally accepted as the Iraqi representatives in the Arab League for a limited period.

The Organisation of the Islamic Conference (OIC)

The OIC summit in Malaysia in mid-October discussed the election of a new Secretary-General at the next summit in Istanbul in April 2004. The candidates were then the Bangladeshi Salahuddin Quader Chowdhury, with Saudi Arabian support, and another one from Malaysia.
The Gulf Cooperation Council (GCC)

The activities of the GCC were dominated by the Iraq war and its effects on the Gulf region. The meeting of foreign and defence ministers in Jeddah on 8 February decided to send units of the Peninsula Shield Force, the joint GCC special force, to Kuwait. This was the first occasion for the application of the December 2000 joint defence agreement and its military mutual assistance clause. The mandate of the GCC troop contingent was restricted to the defence of Kuwait, and implied no participation in the war against Iraq.

The final communiqué of the 24th GCC summit in Kuwait on 21/22 December stressed Iraq’s territorial integrity, sovereignty and independence, and underlined the principle of non-intervention in its internal affairs. It welcomed the Baghdad Agreement of 15 November with its timetable for the transfer of sovereignty to the Iraqi people. It called for an important role for the United Nations in this process. The meeting demanded that the occupying powers adhere to their commitments under the Geneva Conventions.

The 13th meeting of the EU-GCC Ministerial Council was held in Doha, Qatar, on 3 March. The most important themes included the Iraq war, the Middle East situation, human rights issues, enhanced cooperation against terrorism, and the planned free trade agreement.

Africa South of the Sahara

1. General Developments

In 2003, as in previous years, Africa was afflicted by long-standing social and economic problems: low expectation of life, bitter poverty, high illiteracy, high child mortality, a high rate of population growth, and frightening HIV/AIDS figures. This basic situation, aggravated by ever-increasing Islamic influence along the historic dividing line across the continent, led on
the one hand to a hardening of political structures with one-party systems (Togo and Gabon), strong army influence, more or less democratic presidential elections (Nigeria, Togo and Guinea), successful (Guinea-Bissau) or unsuccessful (Mauritania) coups and similar phenomena.

The total number of armed conflicts declined, because the civil war in Liberia could be ended, the situation in Cote d'Ivoire was stabilised by the sending of a UN mission (including two Austrians), and a peaceful end to two decades of civil war in Sudan was in sight at the end of the year. Thanks to mediation by South Africa, an agreement was reached between the government of Burundi and the largest rebel group, the FDD, and to the FDD's participation in the government. As a result of the massacres by antagonistic militias in Bunia (Ituri/East Congo) there was for the first time a short-term EU military operation (ARTEMIS) in July/August, led by France and with Austrian participation. This operation brought to light the urgent necessity of an autonomous capacity for peacekeeping operations by the African Union (AU) – the creation of which was in fact decided in principle at the first AU summit in Durban in 2002. In November, the EU decided to set up an “African Peace Facility” with an initial annual funding of €250 million to support the AU in its efforts in this direction.

The African continent remains of considerable importance to the EU and its member states, but the early enthusiasm for a joint EU-African effort to position the continent for the 21st century has given way to a more sober appraisal. The enhanced EU-African dialogue and the action plan with eight priority themes that was decided in 2000 by the EU-Africa summit of heads of state and government in Cairo, was to have been continued and deepened by the second EU-Africa summit in Lisbon during April 2003.

However, as a consequence of the EU sanctions against the regime of Robert Mugabe, President of Zimbabwe, including travel restrictions against leading functionaries of the regime, all of which were renewed on 18 February 2003 for a further year, participation by Mugabe in the planned summit did not come into consideration for the EU. On the other hand, several states, predominantly southern African ones, insisted on his presence. The fact that Mugabe attended the France-Afrique summit in Paris at the end of February, at the invitation of French President Jacques
Chirac, threw the position of the Union into doubt. After an EU troika had failed to achieve a compromise solution (representation of Zimbabwe at the summit by the foreign minister) in negotiations with South Africa, which currently held the AU presidency, it came to a postponement of the summit sine die. The position at the end of 2003 was that the summit, if it was to take place at all, could be held only after the end of the Mugabe regime. Under the circumstances, which were partially due to the EU sanctions against Zimbabwe, no further preparations were made for the summit.

In its place, the EU-African dialogue took the form of several EU troika missions to African states, mostly at official but sometimes ministerial level (AU summit; Kenya; transfer of power to the provisional government in Liberia). On 10 November the EU and AU troikas at ministerial level agreed to conduct the EU-African dialogue in future in troika format. The eight themes agreed in the Cairo Action Plan were grouped into four “clusters”. The fact that many of the old and new EU member states further reduced the number of their embassies in Africa during 2003 is also a part of the overall picture.

EU Commission President Romano Prodi visited West Africa (Senegal, Cote d’Ivoire and Burkina Faso) for the first time from 11 to 15 November, when he advocated a dialogue between the states of the region and generally acted as an advocate of peace and democracy.

2. Regional Organisations for Integration

African Union (AU)

On 25 May 2003 the AU celebrated the 40th anniversary of the founding of its predecessor institution, the Organisation of African Unity (OAU). The one-year transitional period for the transformation of the OAU into the AU ended at the second AU summit meeting in Maputo, Mozambique, on 10-12 July. The new chairman of the AU until its third summit in Addis Ababa in 2004 is Joaquim Chissano, President of Mozambique. The AU Commission, consisting of a president, vice president and eight commissioners, was elected in Maputo. Alpha Oumar Konare of Mali was elected president and
Patrick Kayumba of Rwanda vice president, and seven of the eight commissioners were appointed. The post of commissioner for economic affairs was to be filled in February 2004 by a candidate from the southern African region.

The very ambitious AU programme represents a clear break with that of the OAU, especially as regards the reinterpretation of the hitherto sacrosanct national sovereignty. Thus issues like human rights, good governance, democracy and the rule of law are no longer exclusively the internal affairs of member states. Serious violations of these principles give the other member states a right and a duty to react.

On 30 December the “Protocol Relating to the Establishment of the Political and Security Council” entered into force with the deposition of the 27th instrument of ratification by Nigeria. The institution, on the pattern of the United Nations Security Council, is to act as an early-warning and decision-making organ for conflict prevention, management and resolution. Its constituent session was scheduled for March 2004.

East African Community (EAC)

The EAC, founded on 30 November 1999 in Arusha, made further progress in 2003 with the completion of a protocol for the standardisation of customs tariffs and the establishment of a customs union. However, the signing of the protocol by the presidents of Kenya, Uganda and Tanzania had been postponed twice by the end of the year.

Economic Community of West African States (ECOWAS)

ECOWAS successfully continued its efforts as regards regional economic integration, assured peace, conflict resolution, mediation, development of its inter-regional and international relations and treaties (with the EU, Canada, etc.), enhancing professionalism, perfecting market mechanisms and economic instruments, combating poverty, democratisation, and deepening community internal functions and cooperation. In 2003 it managed to
achieve progress and successes in all areas. The Liberian-Sierra Leone war zone was pacified by a cease-fire agreement, Liberian President Charles Taylor was exiled to Nigeria, the attempted coup in Sao Tome and Principe was defeated, and the war zone in Cote d'Ivoire was kept under control. All these efforts demonstrated the steady improvement in the crisis management exerted by ECOWAS in cooperation with important international and regional political powers and personalities. Nigeria, as the seat of the ECOWAS headquarters, and thanks to its versatile president and his numerous initiatives, played a notable leading role in these activities.

It should also be mentioned that skilful diplomacy by President Kufuor of Ghana succeeded in bringing the rebel movements in Liberia and Cote d'Ivoire to the negotiating table and bringing about their integration into the peace process. The troop contingents provided by the ECOWAS states for peacemaking in those two countries have been a heavy financial burden on the countries concerned, so that efforts were being made to change their status to that of a United Nations mission.

In addition to the military, economic and politico-diplomatic means of securing peace and stability in the region, ECOWAS’s interest is increasingly turning to the enhancement of human security, social and humanitarian progress, the dignity of the individual and his work, increasing medical care, school education and culture.

Recognition for the endeavours and the progress made by ECOWAS is shown by the generous assistance rendered by the EU, US, UK, Germany and the UN in donations for carrying out peace negotiations by individual countries, assistance with training (including military training), and more recently the accreditation of non-African diplomatic representatives as permanent delegations to ECOWAS (the Russian Federation, France, Germany, Spain, Cuba, Greece and Switzerland). ECOWAS will remain a pioneer of a partnership between Africa and other continents, whether through interpretation of the New Economic Partnership for African Development (NEPAD) or other forms of cooperation.
Southern African Development Community (SADC)

The structural reform of the SADC institutions, which resulted in the reduction of 21 sectors overseen by individual member states into four directorates in the SADC secretariat in Gaborone, was formally concluded in 2003. The four directorates are responsible for: a) trade, industry, finance and investment; b) infrastructure and services; c) foodstuffs, agriculture and natural resources; and d) social and human development and special programmes.

At the SADC summit in Dar es Salaam, Tanzania, on 25/26 August, the presidency transferred from President Jose Eduardo Dos Santos of Angola to President Benjamin Mkapa of Tanzania. Lesotho took over the chairmanship of the SADC Organ for Policy, Defence and Security Cooperation from Mozambique. The summit underlined the intention of the member states to progress from the present regional cooperation to a deeper economic integration, and approved the Regional Indicative Development Plan, a 15-year plan under which the short- and medium-term goals of the SADC are to be realised in three-year phases according to fixed priorities. This was intended to speed up the hitherto protracted implementation of the 24 sectoral protocols that had been signed since 1992, only twelve of which had been ratified and entered into force. For the first time since 1995 the heads of state and government in Dar es Salaam signed no new protocol, but instead a Charter of Fundamental Social Rights and a Mutual Defence Treaty, both of which will enter into force after ratification by two thirds of the SADC member states. A SADC special summit on combating HIV/AIDS was held in Maseru, the capital of Lesotho, in July. It adopted a “Declaration on the Fight against HIV and AIDS in the SADC Region”, and set up a regional fund for the implementation of the “SADC HIV and AIDS Strategic Framework and Programme of Action 2003-2007”.

The Republic of the Seychelles withdrew from the SADC in July on the ground that its annual contribution of 100,000 dollars was not justified by any advantages arising from its membership.
Inter-Governmental Authority for Development (IGAD)

The restructuring of the IGAD was concluded at its tenth summit meeting in Kampala (Uganda) on 24 October 2003. Observers of its meetings to date were of the opinion that this was the most constructive and successful summit since its foundation. While the projects at the real development policy core of the organisation again remained somewhat in the background in 2003, in respect of conflict resolution the IGAD, despite differences between its principal actors, was able to raise its profile through its efforts to achieve a solution to the problems in Somalia and Sudan. However, the peace conference for Somalia in Mbaghali/Nairobi (Kenya) arrived at a temporary stalemate towards the end of the year. By contrast, the Sudan conference in Machakos (Kenya) came to a positive conclusion with the signing of a peace treaty at the beginning of 2004.

New Partnership for Africa’s Development (NEPAD)

NEPAD was founded on 23 October 2001, not as an established institution in the normal sense, but as a process that has since become a significant instrument for the further development of the African Union. In the beginning it was mistakenly regarded as a kind of “Marshall Plan” for Africa, and its advocates often visualised quite unrealistic sums in support being made available, but a more sober picture has gradually emerged.

The essential feature of NEPAD is that it is in the first instance a genuine African initiative, one that takes account of the concept of “ownership”. For the first time, it establishes a clear connection between the principles of peace and stability, democracy, good governance, the rule of law and human rights, on the one side, and economic development on the other. Medium-term results of the NEPAD process, however, were not visible in 2003 yet, as can be seen in the question of “peer review”, which still attracted ambivalent attitudes from the member states.
3. Developments in the Regions

The Horn of Africa

The peace process between Ethiopia and Eritrea, inaugurated by the peace agreement signed in Algiers in December 2000, came to a standstill in 2003, because Ethiopia refused to implement the arbitration decision on 13 April 2002 by the border commission set up under the agreement. After a final fruitless meeting between the border commission and the two parties to the dispute, at the end of December the UN Secretary-General appointed Lloyd Axworthy, former foreign minister of Canada, as his special representative with a mandate to bring both sides to a dialogue on the stalled process. Meantime, the UN peace mission (UNMEE) continued to monitor successfully the maintenance of the ceasefire between the two countries.

The large-scale national reconciliation conference for Somalia that had been going on in Kenya, first in Eldoreth and then Mbaghati, under the auspices of IGAD and co-financed by the EU, also ground to a halt during the second half of 2003. Although it included practically all of the important political actors, with the exception of Somaliland, the role of Ethiopia within the Technical Committee was regarded as too dominant by Djibouti and the National Transitional Government in Mogadishu. After hefty criticism at the tenth IGAD summit in Kampala, Ethiopia agreed to adopt a less prominent role in future. The Technical Committee, which had hitherto been composed of the neighbouring countries of Kenya, Djibouti and Ethiopia, was enlarged by the inclusion of Eritrea and Uganda and renamed the Committee of Facilitation. After the disagreements in Kampala, the negotiations on the future form of government and the distribution of power were reduced to a minimum. A senate of influential Somalis was due to revive the conference in January 2004.

The only real movement was seen in the peace process to end the decades of civil war in Sudan. The government of Sudan and the rebel Southern People’s Liberation Movement (SPLM) had signed the so-called Machakos Agreement on 16 July 2002. This covered a range of conditions, including a withdrawal of forces, a ceasefire, a division of power and national wealth, a
referendum on southern Sudan’s relationship with Sudan as a whole, and the relationship between state and religion. After intensive involvement by the US, the signing of a peace agreement was expected to take place in 2004. Kenya acted in the name of IGAD as mediator and organiser of peace conferences for both Sudan and Somalia.

Whereas peace was expected to be achieved in southern Sudan, since the spring of 2003 there were armed hostilities in the province of Darfur, bordering on Chad in the west, between rebel groups (Sudan Liberation Movement, Sudan Liberation Army, Justice and Equality Movement) and the central government and affiliated militia groups. These resulted in around 3,000 deaths, with 670,000 internally displaced persons, and another 110,000 refugees in Chad.

Southern Africa

The drought disaster in southern Africa remained a serious threat to the region in 2003. The food situation in the hardest-hit countries of Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe became less acute (with the exception of Zimbabwe), thanks to increased rainfall. The need for food aid fell from 15 million tonnes at the beginning of the year to 6.5 million tonnes in December. The much too low rainfall in South Africa and the neighbouring countries during the first half of the rainy season up to the end of the year, however, gave grounds to fear a further deterioration of the drought situation. Austria supported the World Food Programme’s aid for southern Africa with €200,000 for Zimbabwe and €90,000 for Lesotho.

The political situation in Lesotho stabilised on the whole since the parliamentary election in May 2002, and the effects of the serious political unrest after the 1998 election were being slowly overcome. The results of the May 2002 election were challenged in court by the opposition Basotho National Party (BNP), but this was rejected in August 2003 by the High Court in Maseru, and the BNP accepted the verdict. A BNP demonstration in May passed off without incident. However, at a student demonstration on 11 September there were clashes with the police, with nobody injured. On the other hand, a demonstration by textile workers on 10 November against their Chinese employer resulted in two deaths and 120 injured. The rapidly
escalating public debt, partly due to the drought disaster, represents threat to the country’s development in the medium term.

The situation in Swaziland, a country with the last absolute monarchy in Africa, remained unstable. The king had ruled by decree since 1973, when he declared the constitution to be out of force. Since then, political parties and trade unions had been officially forbidden, although their activities were tolerated to a limited extent. On 9 April 2003 a demonstration against the lack of freedom of opinion, government intervention in the work of the law courts and the ban on opposition parties was prevented by a massive police operation. On 19 April King Mswati III issued a statement, with reference to the Swazi tradition, that democracy would not be good for the country.

The political situation in Madagascar, after serious unrest during the first half of 2002, settled down completely after the parliamentary election on 15 December 2002. Madagascar, which had been suspended by the OAU in the spring of 2002, was accepted as a full member of the African Union at its summit in Maputo.

Despite the threat of famine in Zimbabwe, where some 5 million people were in receipt of food aid, radical land reform was forced through, often with the use of violence. For the first time, a member of the government admitted that the land reform had not fully achieved its aim, that in many areas only 40 per cent of the new farmers had effectively taken over the land allocated to them. Furthermore, many of them do not possess the necessary capital or agricultural machinery to start production. Despite repeated efforts at bilateral level by the presidents of South Africa, Nigeria and Malawi to induce President Robert Mugabe to enter into a formal dialogue with the opposition MDC in order to resolve the internal crisis, no official negotiations took place. Although the MDC was able to prove that it could cripple commercial and working life in the urban centres with its successful one-week “stay-away” in early June and its support for a general strike, the intended political breakthrough did not materialise because of the mobilisation of the security forces to prevent the planned protest marches. The court action raised by opposition leader Tsvangirai to annul the result of the 2002 presidential election has been pending since November.
The so-called “smart sanctions” imposed by the EU on 18 February 2002, consisting of travel restrictions and freezing of assets, were extended for another year from 18 February 2003. President Mugabe was informed of this in a letter from the EU which stressed that the Union was prepared to continue a dialogue with Zimbabwe under the terms of the EU-ACP agreement.

The Great Lakes Region

In Burundi, the office of president changed hands on 1 May 2003 under the terms of the Arusha Agreement, when President Pierre Buyoya stepped down in favour of Vice President Domitien Ndayizeye. On 16 November an agreement was signed in Dar es Salaam between the transitional government and the CNDD-FDD rebel organisation. The protocol on the division of powers in politics, the army and security apparatus, and the protocol on the remaining open issues, including the technical agreement on the military and security forces, had been signed beforehand. On 23 November the FDD was included in the government; under a comprehensive ceasefire agreement it was allocated 40 per cent of the command structures and the troops of the new Burundian army, and in the civilian sector one minister of state, three other ministers and several parliamentary seats, etc. Thus strengthened, the government could then commence negotiations with the other rebel movement, the FNL. The situation in Burundi nevertheless remained unstable, as shown by the cancellation of the Pledging Conference for the African Mission in Burundi that had been planned for 2/3 December, and the murder of the Apostolic Nuncio, Archbishop Michael Courtney, by unidentified rebels on 29 December. The “Forum des Partenaires au Developpement du Burundi” was held on 13/14 January 2004 in Brussels as a deliberate expression of faith in the stability of the peace process.

The new constitution of Rwanda was adopted by 93 per cent of the vote in a referendum on 26 May. The presidential election on 25 August brought an overwhelming victory for President Paul Kagame. At the parliamentary election on 30 September the party coalition led by his “Front Patriotique Rwandais” gained some 74 per cent of the vote and 58 of the 80
parliamentary seats. The previous prime minister, Bernard Makuza, a prominent member of the disbanded “Mouvement Democratique Republicain”, was reappointed on 11 October. The constitution lays down that the offices of president and prime minister must be held by members of two different ethnic groups.

In the Democratic Republic of Congo, too, the general trend away from escalating civil war to pacification in stages continued to make headway. This was shown in the ongoing consolidation of the transitional government, which met on 24 July for the first time with the inclusion of all the main elements of the civil war years, and by the gradual build-up of state institutions and the establishment of their administrative authority right into the Kivu and Ituri regions. The trend was also shown in a normalisation of regional inter-state relations, especially with Uganda and Rwanda, albeit in the latter case with some difficulty. In November, with South African mediation, an agreement on a division of powers was signed in Pretoria between Congolese President Joseph Kabila and the most important rebel groups, which were given places in the transitional government until the general election in 2005.

Another sign of progress in internal and regional peacemaking was the planning of a Conference on Security and Cooperation in the Great Lakes Region, to be held in November 2004. After years of rejection by the regional powers, the project now had their approval. Preparations were under way for the event, which will be held under the chairmanship of Ibrahima Fall, Special Representative of the UN Secretary-General. On the initiative of the Canadian and Netherlands governments, a Group of Friends of the Great Lakes was formed on 4 December. Austria is a member of the group, which will provide support for the conference from the donor side.

East Africa

The most outstanding event in East Africa in 2003 was the end of the rule of the KANU state party in Kenya during January and the installation of a coalition government comprising almost all of the opposition groups. The KANU had been in power since the country gained its independence. The
new government, which took over an economy, infrastructure and administration that had been seriously weakened and damaged by corruption and neglect, managed to make some progress, including activities to deal with the corruption and nepotism of previous years, but repeatedly showed signs of internal tensions. In particular, the work of drafting a new constitution brought to light deep differences of opinion regarding the distribution of power between the various executive institutions.

In Uganda two themes dominated domestic politics: the ongoing “civil war” with the “Lord’s Resistance Army” (LRA) in the Acholi region, and the introduction of a genuine multi-party system. The political banditry of the LRA did not diminish, and even spread to the neighbouring regions of Teso and Lango. President Yoweri Museveni seemed to be convinced that there could only be a military solution to the problem. In fact, towards the end of 2003 he managed to achieve a series of tactical successes, resulting in a partial withdrawal of the LRA to its bases in Sudan. On the issue of establishing a genuine party pluralism a positive albeit directed process of developing consciousness seems to have begun. Yet Museveni links this with an attempt to obtain a third period in office – which, however, is not foreseen by the present constitution.

West Africa

While in 2002 Liberia was one of the countries that served as a base for the rebels in the western region of Côte d’Ivoire, from March 2003 the second Liberian MODEL rebel group was operating decisively from the territory of Côte d’Ivoire. In the course of the year, however, the peace settlement in Liberia also resulted in the pacification of the western region, which had been continually disturbed by the mercenaries engaged by both sides as well as deeply ingrained bloody ethnic conflicts.

The peace process after the failure of the attempted coup in Abidjan on 18/19 September 2002 is based on the catalogue of measures signed by all the political forces in Côte d’Ivoire in a Paris suburb at the end of January 2003 and subsequently endorsed by the international community (UN, EU,
ECOWAS/CEDEAO). It foresees the democratic and transparent holding of the presidential election scheduled for 2005 with a previous settlement of organisational matters as well as hitherto neglected issues like the status of foreigners and the related question of land ownership rights.

Basically, it is still a matter of personal struggles over the succession to the founding President Houphouet-Boigny, who died in 1993. The Follow-Up Committee set up by the UN Secretary-General under his Special Representative, Professor Albert Tevoedjre of Benin, supervises the observance of the so-called Linas-Marcoussis Agreement. In the course of the year, however, it needed unceasing international and regional diplomatic visits as well as the negotiating skills of ECOWAS President Kufuor to stifle the repeated outbreaks of hostilities in Cote d’Ivoire as soon as they emerged. The ECOWAS troop contingents (MICECI) and the UN mission in Cote d’Ivoire (MINUCI) as well as the strengthened 4,000-strong French troops (LICORNE) were also able to prevent recurring outbreaks of violence.

On 4 July the government troops and the armed rebel formations in Abidjan issued a joint declaration that the war was at an end. President Laurent Gbagbo, however, does not regard the peace process as concluded. The disarmament and confining of the former rebel armed units are proceeding only slowly.

At the end of the year the country was still divided into a northern region controlled by the former rebels and a government-controlled south. In view of this precarious situation, the African Development Bank – of which Austria is also a member – moved its headquarters temporarily to Tunis. Offices of other international organisations have followed this example. A return of the bank to Cote d’Ivoire is unlikely before the next presidential election in 2005.

Mano River Union (Guinea, Sierra Leone, Liberia)

Sierra Leone gradually achieved stability with international assistance after the end of the ten-year civil war in February 2002. The fourteen-year civil
war in Liberia also came to a provisional end on 18 August 2003 with the signing in Accra of a comprehensive peace agreement between the country’s former government, Liberians United for Reconciliation and Democracy (LURD) and the Movement for Democracy in Liberia (MODEL). In October, a national transitional government was able to take over the administration until elections could be held in 2005. This was preceded by intensive international and regional efforts to resolve the conflict, with a significant role played by the EU Special Representative for the Mano River Union, Swedish Minister of State Hans Dahlgren. Ghana declined to implement the order for the arrest of President Charles Taylor that had been issued by the International Special Court in Freetown on account of his involvement in the civil war in Sierra Leone. On 11 August Taylor accepted the offer of exile in Nigeria extended by Nigerian President Obasanjo, which opened the way for a peaceful settlement. On 4 December Interpol issued an international warrant for the arrest of Taylor. There is still concern that an incomplete disarmament or an unsuccessful integration of the former armed bands could lead to their spreading into neighbouring countries, where new conflicts could break out.

In Guinea-Bissau it came to the generally expected military coup against President Koumba Yala in September 2003. He had considerably weakened and in some cases abolished the country’s institutions of democracy and the rule of law as well as led it to the verge of economic ruin. The military coup remained bloodless, the President abdicated “voluntarily”, and the military authorities immediately set up a civilian government under Interim President Enrique Rosa, who thereupon endeavoured to lead the country out of the crisis with international assistance.

In the Casamance, the southern region of Senegal, under the influence of the military coup and the new government in neighbouring Guinea-Bissau, the government renewed its talks with the various autonomist groups, and for the first time seems to have achieved some modest success. A provisional agreement on a ceasefire was reached with at least one of the resistance movements, and this was maintained for the rest of the year.
In view of the unstable situation in West Africa, marked by civil wars, separatist movements, weapon smuggling, attempted coups and manipulated elections, a “Centre de Reflexion Europe-Afrique pour la Prevention des Conflits et des Crises Internationales” (CREAF) was set up in Dakar as a joint Austrian-French initiative. It commenced its activities there on 4/5 June with a “Premier Colloque Euro-Africain sur la Coopération en Matière de Sécurité et de Prévention des Crises en Afrique de l’Ouest”, a highly-regarded event with high-ranking international participation.

North America

United States of America

The war against Iraq was the predominant theme in the US in 2003. As it did with the military intervention by the US-led coalition against the Taliban regime in Afghanistan in 2001, the Administration related the Iraq war to the terror attacks in the US on 11 September 2001.

This motivated President George Bush to give special prominence to the element of preventive action, if necessary by military means. Thus, according to the National Security Strategy published on 17 September 2002, the security of the United States is to be guaranteed by military supremacy and by preventive self-defence.

On 19 November, in a statement of foreign policy principles during a state visit to the United Kingdom, President Bush identified three pillars of US policy. The moderate use of military force as a last resort is legitimate as protection against a chaotic world infected by violence. This principle stands alongside cooperation within the framework of international organisations and the global spread of democracy.

The war against Iraq that was begun jointly with the United Kingdom and a number of other states was essentially at an end by 1 May 2003. Thereafter, the US endeavours were directed towards pacifying and reconstructing the country and its institutions against a background of continuing terrorist attacks and a difficult security situation in some regions.
One of the foremost war aims was achieved in December with the arrest of Iraqi dictator Saddam Hussein.

With the overthrow of the Saddam Hussein regime, the United States signalled its readiness to pursue its interests with the means that it considers necessary to this end, and where necessary outside the multilateral framework of the United Nations.

The problems in Iraq after the end of the fighting led to a de-escalation of the rhetorical attacks against Iran and North Korea. In the latter case the US is interested in pursuing the international endeavours on a multilateral basis. As regards Iran, in October the Administration announced a resumption of the long since interrupted dialogue.

The end of the Iraq war in May turned attention once again to domestic policy issues. President Bush made use of his high popularity ratings as well as the Republican majority gained in both Houses of Congress in the November 2002 elections to push through controversial legislation like the third tax reduction inside three years and the reform of the Medicare system. At the beginning of November 2003 a package of 87,000 million US dollars to support military and reconstruction measures in Iraq and Afghanistan was passed by Congress at the request of the White House, but only after hard negotiations.

In other important areas, however, President Bush had no success in the face of resistance by the Democrats. A whole series of judicial appointments was opposed by the Opposition. The announced revision of energy policy had not yet been passed by the end of the year. In view of the narrow Republican majority in the Senate, the President had to pay more attention to the sensibilities of the Democrats than he originally thought. Furthermore, the unceasing security difficulties in Iraq caused a marked cooling of attitudes towards the Administration by large sections of Congress.

After the end of the war against Iraq, President Bush announced in May that he would be standing again for the presidency in November 2004. Within a
few weeks he had received more financial donations for election expenses than all of his Democrat challengers up to that point.

The election for Governor of California on 7 October was won by the Republican candidate, Austrian-born Arnold Schwarzenegger, by a clear majority, and on 17 November he was sworn into office as the 38th Governor. His predecessor was voted out of office at the same election under the constitutional “recall” procedure.

Schwarzenegger’s success was due not only to a skilful election strategy, but also to general dissatisfaction with Governor Davis over massive budget problems, increasingly problematical energy and water provision, noticeable cutbacks in education, and the high rate of unemployment.

The US economy grew by around 3% overall in 2003, with 8.2% achieved in the third quarter of the year – a rate unseen for a long time, although no new jobs were created. Unemployment in the autumn was therefore 6.1%, the highest figure for nine years. The growth was largely stimulated by private consumption, which profited from average wage increases of 3.3% and a low inflation rate, but also from a low interest rate as well as favourable financing offers for property and long-life consumer goods. On the other hand, companies, especially in the manufacturing sector, were very reticent about investment, since the available capacities were by no means fully employed and stocks were high. Furthermore, there was a certain lack of sales opportunities abroad for the export-dependent and capital-intensive manufacturing sector, which mainly produces investment goods that were less in demand due to the current global economic situation.

The budget surplus for 2001 will probably remain historic for a long time, since the Iraq war, increased expenditure for combating terrorism and unemployment as well as increased security measures have all been a considerable burden on the state finances. The Administration nevertheless attempted to stimulate the economy with a tax reduction package, not least because 2004 is an election year.
The rising exchange rate of the euro against the US dollar was mainly due to a lack of trust by US investors in the US economy, with a consequent flight of capital out of the US financial markets. Foreign direct investment in the US was also on a downwards trend. On the other hand, the strong euro is more than welcome for the US export economy and the country’s chronic balance of payments deficit.

Austria, with a trading surplus of $44,536,000 in 2002, was able to record a surplus on trade with the US for the first time since 1986. Exports to the US market totalled $908,469,000 and imports from the US $863,933,000. A slight reduction in exports to €4.1 billion and a strong reduction of imports to €3.2 billion increased the surplus on trade with the US in 2003 to €915 Mio. Despite the reductions in imports and exports, the United States remains Austria’s third most important trading partner worldwide after Germany and Italy. The most important exports goods are machinery and other apparatus, with 13% accounted for by motor vehicles and components. Pharmaceuticals are also exported to the US to a value of €340 Mio. There are around 380 branches of Austrian firms in the US and some 400 US firms in Austria.

Bilateral relations between Austria and the United States continued to develop with no problems. The US, in view of its difficulties with the reconstruction of Iraq, was looking for partners and support. This was the background to the welcome the US accorded to Austria’s contributions to the reconstruction of Iraq that were promised at the donor conference in Madrid. The total Austrian contribution of €16,379 Mio. for the period to the end of 2007 was greeted by the US representatives with praise and gratitude.

Austrian Minister of Finance Karl-Heinz Grasser visited the United States in April and December 2003 for discussions. The good bilateral relations were also evident during the visit by Minister for Home Affairs Ernst Strasser in September. This visit signalled that cooperation between Austria and the US on combating crime and terrorism is an essential component of bilateral relations. State Secretary Reinhart Waneck also visited the US in December.
Canada

Canada is one of Austria’s most important trading and investment partners, but in non-economic matters, too, there are numerous points of contact where common interests are pursued by the two countries. In foreign policy this is shown, for example, by the fact that the voting patterns of both countries in the United Nations General Assembly are identical over 96% of the issues involved. Above all, Canadian foreign policy is much more multilaterally-oriented than that of the United States.

In the Iraq crisis, Canada did not support the unilateralist tendencies of the US, but instead stressed the importance of the multilateral approach and especially the mechanisms of the United Nations. Canada did not participate in the military coalition against Iraq. In general, it aims to achieve a balance between its fundamental multilateralism, the maintenance of its sovereignty in relation to the United States, and its wish of remaining a reliable partner of the US.

In several areas cooperation with Austria and the European Union could be intensified. Thus Canada and the EU – in contrast to the US – both regard the International Criminal Court as an extremely important institution. The fifth meeting of the Human Security Network on 8-10 May 2003 in Graz was particularly important for mutual cooperation between Austria and Canada; it was attended by Austrian Minister for Foreign Affairs Benita Ferrero-Waldner and Canadian Foreign Minister Bill Graham.

On 12 December Paul Martin became the new Prime Minister of Canada. His cabinet contains 38 members, of whom only 16 remain from the administration of his predecessor, Jean Chretien. Martin increased the number of women members to eleven, an important step towards his goal of 50% women members of the government.

A Ministry for Public Security was set up, on similar lines to those of the US Department for Homeland Security, as well as a Canada Border Service Agency. Prime Minister Martin is to chair a new cabinet committee for relations with the US, reflecting the importance he places on improving
relations with Canada’s large neighbour to the south. The new government had to be regarded as an interim administration, however, in view of the forthcoming election in 2004.

At the beginning of December, both conservative opposition parties, the Canadian Alliance in the west of the country, and the predominantly eastern-based Progressive Conservatives, decided to unite to form a single Canadian conservative party. This ends a 15-year division of the Canadian conservative political forces, which will now constitute a stronger parliamentary opposition.

In 2003 the Canadian economy, which had been particularly successful during the previous years, suffered a 3.4% drop in growth to around 2% overall. The causes of this setback included an increased need for security on the part of the US after the Iraq war, and the outbreak of the SARS virus disease, with a concentration in Vancouver and the economic metropolis Toronto. This had a paralysing effect on business travel and therefore foreign trade. Another blow was the diagnosis of the first and only case of BSE in Canada, which resulted in a ban on Canada’s substantial exports of beef, especially to the US and Japan. Then the economically dominant province of Ontario was totally blacked out on 14 August by the largest-ever failure of electricity supply in the history of North America, which resulted in a huge loss of working time and consequential economic damage. Despite all this, however, Canada’s economy remained fundamentally sound.

The central bank countered developments with a drop in the interest rate to 2.75%. Inflation is low at a forecast 2% for the year, and the exchange rate of the Canadian dollar reached a very respectable 72 to 74 US cents in 2003 after rising from a low of 62 cents the previous year. And for the sixth time in succession Canada had a budget surplus, this time of around 4,000 mio. Canadian dollars.

Despite the worldwide economic turndown, Austro-Canadian trade continued to expand. As in previous years, two thirds of Austria’s exports consist of machinery and vehicles, especially engines. Three quarters of Austria’s imports from Canada consist of machinery and vehicles, especially short-haul aircraft, the rest being mainly timber and wood pulp.
Around 80 Austrian firms and subsidiaries have made use of the economically favourable location by opening headquarters in Canada, including 26 production facilities. These are responsible for the major proportion of mutual trade, including some 60% of Austrian exports to Canada. On the other hand, major Canadian firms like Magna and Bombardier, in the IT sector Nortel, Cognos and Arithmetics, have used Austrian locations as the bases for their European activities.

**The Transatlantic Dialogue**

The Transatlantic Dialogue is a relatively strongly institutionalised form of cooperation between the European Union and the United States. In view of the importance of the US, it is by a large margin the most intensive of all the institutionalised dialogues between the EU and third countries. It is essentially based on the three fundamental principles of the 1990 “Transatlantic Declaration” as well as the “New Transatlantic Agenda” and the “Joint Action Plan EU-USA”, both dating from 1995. Its highest institution is the annual summit meeting, which took place in Washington on 25 June, and there are also EU-US ministerial meetings. The assemblies are prepared by a Senior Level Group and a Task Force.

The dominant theme is the resumption of intact political relations between Europe and the US after the Iraq war, which caused a crisis in transatlantic relations and a partial rift in mutual confidence. The divergences that were acerbated by the Iraq crisis are to be overcome by concrete cooperation in key areas of mutual interest like combating international terrorism and non-proliferation of weapons of mass destruction.

The European Council in Thessaloniki on 19/20 June 2003 defined the aim of the summit, amongst others, as to set priorities for relations based on an intensified cooperation that is directed towards concrete results. The themes of the summit were the non-proliferation of weapons of mass destruction, air transport agreements and a hydrogen economy. The concrete results included an agreement on mutual legal assistance and extradition.
The European Council on 12/13 December adopted a declaration on transatlantic relations that was intended to resolve the differences between the US and Europe. The declaration described transatlantic relations as irreplaceable and, in addition to combating direct dangers to security, called for the drafting of effective policies and a common mode of action in the political and economic sectors as well as in civilian and military crisis management.

The transatlantic dialogues set up under the “people to people links” are primarily of importance to the business sector. The Transatlantic Business Dialogue and the Transatlantic Consumer Dialogue were in the midst of a restructuring in 2003 and no meetings were held. A meeting was held in Washington under the Transatlantic Legislators Dialogue, but by the end of the year there had been no significant results.

The trade disputes between the EU and the US, which frequently attract large-scale publicity, should not obscure the reality that 98% of all transatlantic trade is carried on with a complete lack of friction. At the end of 2003 the European Community (EC) was involved in 15 cases awaiting mediation by the World Trade Organisation. Eleven of these cases had been raised by the EC. The lack of readiness by the US Congress to implement WTO adjudications has led the EC to resort to lobbying measures.

In the Foreign Sales Corporations case, involving the payment of illegal subsidies in the form of tax refunds, on 30 August 2003 the European Community was awarded a potential sanctions volume of $4,043,000 million. An implementation is not to be expected before March 2003 at the earliest. The Anti-Dumping Act 1916 case and the Copyright case were also not yet implemented.

The protective tariffs of 15% to 30% (sec. 201 measure) imposed by the President on certain steel imports for a period of three years on 5 March 2002 were lifted in November 2003 at the half way point.
On the issue of market access for genetically modified organisms the US raised an action in the World Trade Organisation, but no verdict had been issued by the end of 2003.

Under the ongoing Positive Economic Agenda good progress was made with cooperation on financial services, harmonisation, mutual recognition of the regulatory systems of both sides, and scientific cooperation on the production of energy from hydrogen. Less progress was made in negotiations on a wine agreement.

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 actually played the major part in stimulating a dynamic growth in intra-regional trade. NAFTA is the world’s largest economic block with an aggregate GDP of $11,400,000 – one third of total world GDP.

According to the International Monetary Fund, Canada’s exports to the US and Mexico rose by 87% from 1993 to 2002, to the US from $113,600m to $213,900m, while exports to Mexico rose to $1,600m. US exports to Canada and Mexico rose from $147,700m ($51,100m Mexico, $96,500m Canada) in 1993 to $260,200m ($107,200 Mexico, $152,900m Canada) in 2002. Mexican exports to the US increased by a massive 234% to a total of $136,100m in 2002, while exports to Canada grew by 203% over the same period from $2,900m in 1993 to $8,800m in 2002. Whereas Canada’s proportion of overall US imports remained constant at 18%, Mexico was able to increase its share from 6.8% in 1993 to 11.6% in 2002. The three NAFTA states account for 19% of worldwide exports and 25% of global imports.
Foreign direct investment by the three NAFTA partners among themselves rose from $136,900m in 1993 to $299,200m in 2002. Overall, NAFTA accounts for some 23.9% of incoming and 25% of all outgoing foreign direct investment worldwide.

These growth figures had their effect on the labour market. US exports to Mexico and Canada maintain some 2.9m jobs in the US, corresponding to an increase in employment of 914,000 jobs between 1993 and 2002, predominantly for qualified personnel. The wage levels for these jobs lie some 13% to 18% in the US, 35% in Canada and 40% in Mexico above the national averages. In view of these successes, the earlier criticism of the NAFTA (US trade balance deficit, wage and environmental dumping) has been largely silenced.

At the end of 2003 the current NAFTA projects were: a further clarification of the formerly controversial dispute settlement procedure for investments (the right of firms to sue governments), whereby all hearings are to be held in public; agreements on the mutual recognition of qualifications for bookkeepers; and an exploration of the possibility of liberalising the rules of origin.

**Latin America and the Caribbean**

**Political Developments**

While many Latin American states showed signs of political and economic instability in 2003, some of them were able to improve their economic situations. Electoral success like those of President Luiz Inacio Lula da Silva in Brazil, President Lucio Gutiérrez in Ecuador or President Néstor Carlos Kirchner in Argentina confirm a trend to stronger trust in personalities who have declared the combating of poverty to be among the principal goals of their policies.

Relations between the European Union and the region are shaped in a bi-regional summit process that began in June 1999 in Rio de Janeiro and continued in Madrid in 2002. The implementation of the Madrid summit continued with the agreements on political dialogue and cooperation that
were signed in Rome on 15 December with Central America and the Andean Community. Negotiations on an EU-MERCOSUR association agreement continued at a meeting in Brussels in November between the EU commissioners for foreign trade and external relations and the MERCOSUR foreign and trade ministers, when a new working programme was agreed, with five additional rounds of negotiations planned till October 2004. The aim of the third summit meeting, in May 2004 in Guadalajara, Mexico, is to deepen political, economic, scientific, social and cultural cooperation.

In Brazil, the government under President Luiz Inácio Lula da Silva started to implement the economic and social measures that had been promised during the election campaign. The “Fome Zero” programme to combat hunger and guarantee the most elementary needs was expanded, and reached 758,870 families in 837 local authority areas. The second major project, the “Bolsa Familia”, combined the assistance schemes for school, food and gas provision as well as the food cards in order to increase their efficiency. The stability policy was maintained in order to increase international confidence in the Brazilian economy. In foreign policy, the priorities were deepening and enlarging the MERCOSUR, expanding relations with the EU, and diversifying trading relations.

Néstor Kirchner was elected president of Argentina with only 22% of the vote in the first round, after the second-placed candidate, Carlos Menem, had withdrawn before a second ballot could be held. President Kirchner was able to consolidate and extend his power through his great popularity, his considerable activity and a confrontational style of government, characterised by a comprehensive cleansing of the military and police apparatus, and his dismissal of the top management of the social security system and several members of the Supreme Court. He thus created the preconditions for his intended structural reforms and a constant and predictable economic policy. From about the middle of the year a number of economic indicators have pointed to a gradual recovery from five years of recession. Argentina seems thus to have overcome the most serious economic and financial crisis in its history, for the meantime at least, because fundamental structural problems remain unresolved. The government expected the country to achieve GDP growth of 5.5% for 2003, and in fact a strong growth of imports and investment was detectable as
early as the first quarter. This was driven by industry and exports, with strong impulses from agriculture.

The economy of Chile turned out to be the most stable in the region, despite unfavourable international framework conditions. The government of President Ricardo Lagos continued its neo-liberal policy with a series of massive privatisations accompanied by a strong emphasis on social aspects and a balanced distribution of incomes. Since taking up office President Lagos has been concerned to normalise relations with the military commanders and to maintain good contacts with the right-wing opposition parties.

In Peru the government of President Alejandro Toledo, who had been in office since July 2001, was confronted with general social dissatisfaction. At the end of May a state of emergency had to be declared for a short time because of persistent protests and rioting. Comprehensive government reshuffles were carried out at the end of June and in mid-December in order to stabilise the political situation.

Ever since President Álvaro Uribe of Colombia took up office there had been a limited state of emergency (“Estado de Conmoción Interior”). The general security situation improved somewhat as a result of the “Policy of Democratic Security”, but the peace negotiations with the armed groups made scarcely any progress. Contact with the guerrilla group “Fuerzas Armadas Revolucionarias de Colombia” (FARC) remained broken off, but the Catholic Church and the UN Special Representative endeavoured to ascertain the possible preconditions for negotiations on a “humanitarian agreement”. The goal is the release of the kidnap victims, including more than 30 politicians, among them the former presidential candidate Ingrid Betancourt, in the hands of the FARC at the end of the year. It was also impossible to establish a basis for a dialogue with the “Ejercito de Liberación Nacional” (ELN). The government therefore concentrated on talks with the paramilitary “Autodefensas Unidas de Colombia” (AUC), which on 1 December 2002 had announced a unilateral ceasefire and on 15 July 2003 signed an agreement on the total disarmament of its 15,000 members by 2005. After a first paramilitary group had handed over their weapons at the end of November, the Organisation of American States
(OAS) started to examine the possibility of supporting this demobilisation process, which throws up some complex legal issues. A referendum on constitutional reform held on 25 October failed to attract the necessary minimum participation of 25% of the electorate. If the referendum result had been valid it would have been possible, amongst others, to achieve a swift and substantial reduction in state expenditure in order to bring down the budget deficit. There was a government reshuffle in mid-November, in the course of which the ministries for Justice and Home Affairs, Defence, Environment and Social Building changed hands, as did the police direction.

The political situation in Venezuela was dominated by the failure of the general strike called by the political opposition, which lasted from 2 December 2002 until 2 February 2003. Its purpose had been to force the resignation of President Hugo Chávez or bring forward the election date. Another factor was the decision by both government and opposition to resort to the procedure foreseen by the constitution for the dismissal of the president. The collection of the signatures necessary to initiate the specified referendum for the dismissal of certain opposition politicians was carried out by the government party MVR from 21 to 24 November, while the same procedure was carried out by the opposition from 28 November until 2 December with a view to a referendum on the dismissal of the president and members of parliament on the government side. The electoral authority was due to report the results in January 2004 after scrutinising the signatures. If the required number of 2.4 million signatures for the dismissal of the president is reached, the referendum must be held within 90 days. The collection of signatures proceeded without incident, as was confirmed by observers from the OAS, UNDP and the Carter Center.

The human rights situation in Cuba deteriorated appreciably during the first half year 2003, when the number of political prisoners rose to over 300. After a three-year moratorium, the death penalty was executed on three Cubans who had tried to hijack a ferry to Florida by force of arms. At the end of March there was a wave of arrests throughout the country, when 75 opposition politicians received lengthy terms of imprisonment. These actions by the Cuban government were sharply criticised by the European Union, which agreed on a number of joint measures like restrictions on bilateral visits. The EU renewed its Common Position on Cuba of 2
December 1996, the aim of which is to encourage a transition to democracy and pluralism, including full observance of human rights, within the framework of political dialogue.

The election of Vicente Fox Quesada as president of Mexico in December 2002 ended the 71-year rule of the Party of Institutionalised Revolution (PRI) and initiated a change of course that aroused great expectations among the population. In the Congress, however, the PAN party that supports the president is only the second-largest, and the PRI remains the largest party in both houses as well as in the majority of the federal states. As a result, several of the planned reforms could not be carried out within the scheduled timetable. Mexico’s economy nevertheless continued to experience growth. In foreign policy the Fox government showed strong multilateral commitment, not least as regards democracy and human rights, and continued the commercial opening policy of the previous administration.

In Guatemala the overriding event was the presidential election, from which Oscar Berger of the “Gran Alianza Nacional” emerged as the winner in the second ballot at the end of December. The international community repeated its assurance of support for President Enrique Bolanos Geyer of Nicaragua at a consultative group meeting in October, especially as regards combating corruption.

Institutions for Regional Integration

At the general meeting of the Organisation of American States (OAS), in Santiago de Chile on 8-10 June, one of the most significant results was the adoption of the “Declaration of Santiago on Democracy and Public Trust: A New Commitment to Good Governance for the Americas”. This foresaw the drafting of a work programme for responsible governance with a view to mastering political, economic and social challenges. Another important result was a declaration on the situation in Haiti, in which the government was called upon to create a climate of security that would permit the holding of elections, and to set up a credible and independent electoral commission. The opportunity was also taken to strengthen the role of the OAS in Haiti.
The 18-member Rio Group (12 Latin American, 5 Central American states and the presidency of CARICOM) held its summit meeting on 23/24 May in Cuzco under the chairmanship of Peru. The central issues were joint means of combating poverty, the challenges of globalisation, and responsible governance. A new political dynamism was in evidence, which accorded with the aim of the Peruvian chairmanship to rejuvenate the Rio Group as a forum for reaching agreement on issues of importance to the states of the region. The final document, the “Cuzco Consensus”, is a strategic agenda which, for the first time, sets out concrete measures in the form of specific political commitments by the members of the group.

The members of the MERCOSUR group are Argentina, Brazil, Paraguay and Uruguay, with Bolivia and Chile as associate members. The significant points at its 25th summit meeting in Montevideo on 16 December were the formal admission of Peru as an associate member, and the signing of a free trade agreement with the Andean Community, to enter into force in April 2004. This was a further step towards the liberalisation of trade within a population group of 350 million people. Former Argentinean president Eduardo Duhalde was elected to the presidency of the newly-created “Commission of Permanent Representatives of MERCOSUR”, located in Montevideo.

The Andean Community (Comunidad Andina, CAN), comprising Bolivia, Peru, Ecuador, Colombia and Venezuela, held its 14th summit meeting in Quirama (Antioquia, Colombia) on 28 June at presidential level. At this meeting the foreign ministers were given the responsibility of monitoring the implementation of the plan to combat drug crime, and were to draft a new programme to combat corruption. Guidelines for food security are to be drawn up to supplement an integrated social programme to combat poverty. The Quirama Declaration expressly stressed the importance of the negotiations between the Andean Community and the European Union over an agreement on political dialogue and cooperation.

The central issue at the 13th Ibero-American Summit in Santa Cruz de la Sierra, Bolivia, was the combating of poverty. The heads of state and government, in their declaration entitled “Social Integration – Motor of the Development of Ibero-America”, agreed to improve the living conditions of
more than 200 million people living in poverty. They also agreed to set up a permanent secretariat under the leadership of a secretary-general, to be elected at the summit meeting scheduled for the end of 2004. The holding of the Ibero-American Summit in Bolivia, just a few weeks after the transitional government had taken up office after protests by the population, was also a clear message to everyone concerned to support democracy and the rule of law in the country, and at the same time underlined the significance of this meeting as an important forum for dialogue between the Latin American states, Spain and Portugal.

The Caribbean Community (CARICOM) comprises Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, Surinam, St. Vincent, and the Grenadines, and Trinidad and Tobago. Its endeavours towards economic integration and the creation of a common market again made only slow progress in 2003. There was nevertheless an enhanced awareness of the need for a common position in view of the creation of an all-American free trade zone by 2005 and the negotiations between the ACP states and the EU over the Economic Partnership Agreements. The heads of state and government, at their 24th conference in Montego Bay, Jamaica, on 2-5 July, therefore issued an urgent appeal for an early and comprehensive implementation of the principles of integration set out in the revised Chaquaramas Agreement. Reduced access to the European banana market and the withdrawal of favourable terms for sugar by the EU had led to economic problems in the Caribbean states. On 6 May the EU Commission contributed a sum of 57 million euros to the CARICOM states to improve economic integration under the Ninth European Development Fund. The Caribbean Court, which was set up to replace the Privy Council in London as the supreme court of appeal, was unable to commence its functions on 15 November in Port of Spain as originally planned.

The Association of Caribbean States (ACS) has 25 full and three associate members (Aruba; Dutch Antilles; and France, representing Guadeloupe, Martinique and French Guyana), and a number of observer states. During the eight years of its existence it has made little progress towards its goal of creating a politically and economically united area, but efforts were made to approach this goal by means of various regional
technical cooperation projects. A number of projects covering trade, transport, sustainable tourism and natural disasters were included in an action plan adopted in December 2001 at the third conference of heads of state and government on the island of Margarita, Venezuela. On this basis, a beginning was made with the compilation of a data bank on sea transport in the Caribbean region, an examination of trade barriers within the ACS, a programme of language training for tourist promotion, planning for the establishment of an early-warning system for natural disasters, and a series of measures for providing assistance in the event of such happenings.

Relations with the European Union

The EU conducts a regular political dialogue, including annual meetings at foreign minister level, with the Rio Group, the Andean Community, the MERCOSUR states and the Central American San José Group. In 2003 the meetings with the first three were held in Athens on 27/28 March. The exchange of views took place at the half way point between the second EU-Latin American/Caribbean summit in Madrid in May 2002 and the third summit in Mexico on 28/29 May 2004, and was regarded as particularly valuable.

The association agreement between the EU and Chile that was signed in 2002 was subjected to a comprehensive linguistic and editorial revision in 2003, and awaited parliamentary ratification. It is the most comprehensive and intensive agreement that the Union and its member states has ever concluded with a third country – a so-called fourth-generation treaty. Its core is the establishment of an EU-Chile free trade zone within ten years after the agreement enters into force. It also encompasses the progressive liberalisation of trade and services, a political and cultural dialogue, and practically every aspect of economic and scientific cooperation. A large part of the agreement was being provisionally implemented from 1 February 2003, including the provisions covering the institutional framework, the trade section, especially as regards trade in goods, the chapters covering public procurement and competition, and the dispute settlement mechanism. The remaining conditions like the section on political dialogue, several parts of the trade chapter like services, intellectual property, and payments and
capital movements, as well as parts of the cooperation chapter, will enter into force after ratification by the national parliaments.

Negotiations between the EU and MERCOSUR on an association agreement had been going on since November 1999. The core of this unique draft interregional agreement is the provisions covering free trade. The negotiation process up to 2003 went through eleven rounds of talks with mixed success, and was advancing only slowly, especially as regards the economic aspects. The chapters on political dialogue and on cooperation were finalised in the seventh round, since when the talks had concentrated on trade-relevant issues, but with no breakthrough in significant areas, including agriculture, services, rules of origin, investment, and public procurement tenders. Three negotiating rounds were held in 2003, in March in Brussels, in June in Asunción, and in December in Brussels. There were exchanges of offers regarding tariffs on goods deliveries, mutual lists of desires on services and investments, and a EU offer on public procurements, but none of this helped to speed up the negotiations. Additional difficulties arise out of the lack of an integrated market on the MERCOSUR side, which causes difficulty for the EU in respect of market access.

These negotiations in a sense represented competition for the parallel talks on the creation of a Free Trade Area of the Americas (FTAA or ALCA), which is scheduled to be completed by 2005. There was also a degree of tension in relation to the Doha Round of WTO negotiations. After the failure of the fifth WTO Ministerial Conference in Cancún during September (with postponement of the adoption of the DOHA negotiating modalities for agriculture and non-agrarian market access) the stalled EU-MERCOSUR negotiations were revived in November within the framework of a meeting between the EU commissioners for foreign trade and external relations and the foreign and trade ministers of the MERCOSUR states. The new work programme agreed at this meeting comprised five additional rounds of talks and two further ministerial meetings up to October 2004, and was much more flexibly organised than the previous agenda.
B. Austria in Other European Institutions

I. European Security Policy

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

The main task in 2003 for NATO and its 27 partner nations in the EAPC and PfP was the implementation of the reforms decided at the NATO/EAPC summit meeting in Prague in November 2002. The purpose of these reforms was a move away from the classical concept of territorial defence to the rapid, comprehensive and geographically largely unrestricted deployment of military forces. The most important objectives to this end are:

The project to create a NATO Response Force of around 21,000 personnel capable of swift deployment over a wide range of functions.
The implementation of the Prague Capability Commitments – i.e. the achievement of exactly defined and ambitious fixed capability goals.
The reform and radical slimming down of the NATO command structure.

Considerable progress was made in all of these areas. The alliance is to be structured in such a manner that it will be capable of a rapid and efficient reaction to security risks classified as “real”, and that it will reduce the gap between the capacities of the US and the EU member countries.

On 11 August 2003 NATO took over the command of the ISAF operation in Afghanistan. After UN Security Council Resolution 1510 had expanded the scope of the ISAF mandate on 13 October to beyond the limits of Kabul, NATO applied to have it extended still further to encompass the regions of Afghanistan, primarily to provide support for the regional reconstruction teams that were to be set up as necessary. As a pilot project, the alliance provided the security umbrella for a reconstruction team in Kundus under German leadership.
At the end of 2003 Austria declared its readiness in principle to send liaison officers to ISAF, which is de facto organised on the lines of KFOR and SFOR as a NATO Partner Operation.

In Iraq, NATO provided support for Poland and Spain during their command of the Multinational Division Central-South.

Other principal NATO activities included the intensification of cooperation with the partner countries, with Russia, Ukraine, the seven countries of the southern Mediterranean that are allied with NATO through the so-called Mediterranean Dialogue (Algeria, Egypt, Israel, Jordan, Mauritania, Morocco and Tunisia), and with the EU.

The enlargement of the alliance by another seven highly active partner states in Central and Eastern Europe (Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia) was due to be decided at the next NATO summit meeting in Istanbul in June 2004. This would result in fundamental changes to NATO partnership relations, which in future will extend geographically into Central Asia and the Southern Balkans, with the Western Balkans retaining its status as a region of special focus.

Within the PfP-framework those EU member states that are not NATO members (Austria, Finland, Ireland and Sweden) are strengthened by NATO and the other partner states: in their capacities as EU members; as potential substantial contributors to NATO/PfP operations; and are seen as partners, who can provide potential assistance for the countries of Central Asia, the southern Caucasus and the Western Balkans.

The NATO-led PfP operations in Bosnia and Herzegovina (SFOR) and Kosovo (KFOR) continued to make an important contribution towards the consolidation of the situation in those areas during 2003. At the end of the year the Austrian KFOR contingent comprised around 500 persons out of a total KFOR strength of some 17,500 soldiers from 34 countries. In view of the replacement of the NATO military presence by the European Union in Bosnia and Herzegovina, the Austrian SFOR contingent was increased to 10 persons out of a total of 12,000 soldiers from 27 countries.
Moreover, within the NATO South-East European Initiative, NATO and EAPC endeavour at various levels and in a large number of committees to ensure stability in the Balkan region within the as well as to provide support for the activities of the Stability Pact for South-East Europe. This is mainly done by encouraging regional cooperation as well as reform projects of military structures and security policies in individual states.

If the requisite conditions are fulfilled (above all cooperation with the International Criminal Tribunal for the Former Yugoslavia as well as the implementation of defence reforms), Serbia and Montenegro and also Bosnia and Montenegro could be accepted as new members of the EAPC and PfP at the NATO summit meeting in Istanbul in mid-2004. Austria supported the efforts of those countries towards integration into the Euro-Atlantic structures, inter alia through the organisation of a seminar on the democratic control of military forces; held in December 2003, it was also supported by Slovenia, the UK and the NATO international staff.

Work continued without interruption on the implementation of the initiatives concerning the Partnerships taken at the November 2002 summit meeting in Prague (“Partnership Action Plan against Terrorism”, “Comprehensive Examination of EAPC and PfP”). Attempts were also made to upgrade the EAPC by increasing its scope to encompass themes like “Combating Trade in Women” (through training and increasing awareness of the problem, primarily among female soldiers being sent to the Balkans).

Austria was represented at ministerial level at meetings of the EAPC as well as under the special programme that was adopted in 2000 to strengthen cooperation between Austria and NATO. NATO Secretary-General Lord Robertson of Port Ellen paid a farewell visit to Austria on 5/6 November 2003, when he met Federal President Klestil and other Austrian statesmen.

The Western European Union (WEU)

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

The Brussels Treaty, with its commitment to military assistance, remains legally in force, as does the status of the associate members, associated partners and observers, including Austria. The diplomatic representation of those countries at the WEU also remains. Austria’s interests in the WEU, like those of most other EU states, are represented by the Austrian member of the EU Political and Security Committee.

In addition to the military assistance commitment, the other residual WEU functions are the parliamentary cooperation in the WEU Assembly, to which Austria also sends members, and cooperation in the Western European Armaments Group (WEAG), which Austria joined in 2000.

II. The Organisation for Security and Cooperation in Europe (OSCE)

Introduction

A series of substantial documents on the positioning of the OSCE and the main aspects of its work were drafted in 2003 under the Netherlands chairmanship. These included the OSCE strategy for dealing with threats to security and stability in the 21st century, an action plan to combat trade in persons together with an operational mechanism, and a set of fundamental principles for the economic and environmental dimensions. While these documents and a series of other decisions, for example in the Human Dimension, were adopted by consensus at the 11th OSCE Ministerial Meeting in Maastricht on 1/2 December, this was not possible in respect of the regional declarations, especially those on Moldova and Georgia. The differences of opinion between the Russian Federation and the majority of other states (EU, US and the states concerned) turned out to be irreconcilable. The traditional joint ministerial statement also failed to achieve acceptance on account of these two regional issues.
Regional Questions and Field Activities

The OSCE maintained 18 field operations in 2003, all of them in South-Eastern Europe and the Commonwealth of Independent States (CIS). These accounted for some 85% of the OSCE budget and the major part of its personnel resources. Austria seconded 29 civilian experts to more than half of these operations, most of them in South-Eastern Europe.

1. South-Eastern Europe

The OSCE continued to conduct its six largest field operations in South-Eastern Europe. The missions are predominantly active in the re-establishment of democracy and the rule of law as well as in confidence-building after conflicts. They often work in areas that are also relevant for the EU’s stabilisation and association process. There is close cooperation between the OSCE and the EU, especially in Macedonia and Bosnia and Herzegovina, where civilian police operations were maintained.

The OSCE mission in **Serbia and Montenegro**, commenced at the beginning of 2001, is active in the fields of justice and criminal law reform (including the formation of national capacities for prosecuting war criminals), police training, electoral legislation, repatriation and integration of refugees, implementing the law on minorities, the media, and democratic control of the military forces. The OSCE monitored the parliamentary and presidential elections – in the latter case the ODIHR criticised the stipulation of 50% minimum participation. The head of the OSCE office in Podgorica was the Austrian diplomat Rudolf Bogner.

The OSCE’s largest mission was in **Kosovo**, with around 315 international and more than 900 local personnel. Former Austrian federal minister Friedhelm Frischenschlager was leader of the department for democratisation till the end of 2003. The OSCE was an autonomous component of the UN Mission in Kosovo (UNMIK) and responsible for the build-up of administrative and democratic institutions. Its tasks lie in the areas of democratisation, the rule of law and human rights, the organisation and supervision of elections, media development and police training. By the
end of 2003 more than 6,200 police officers had been trained, of whom 15% were women and 15% members of minorities.

The mission in **Bosnia and Herzegovina** plays a key role within the international presence in respect of human rights and the rule of law, amongst others the restitution of property, a central issue for the return of refugees, which could be largely concluded during 2003. The Organisation’s excellent presence in the field, with four regional offices and 24 outstations, helps enormously in this context. Since the rationalisation of the work of the various international actors under the leadership of the OHR the mission has also assumed a leading role on education (developing common curricula, eliminating ethnic separation in schools, integrating pupils from minorities) and security cooperation, including the development of common, state-wide defence structures.

The OSCE mission in **Macedonia** was given important tasks by the framework agreement of August 2001 that sealed the political solution to the armed conflict. Up to July 2003 some 1,000 members of minorities had been trained as police officers according to plan. The return of police to Albanian-speaking villages in crisis areas, on which the mission cooperated, was successfully concluded. The OSCE also took measures to establish trust between the members of the police and the public, and was engaged in questions of participation by the Albanian population in the democratic processes and in the local and central administration.

After the crisis in **Albania** in 1997, the OSCE presence in Tirana, in 2003 under Finnish leadership, was given a relatively broad mandate, which was more precisely specified, at Albanian request, at the end of the year. This specification of the mandate shall make allowance for the normalisation of the internal political situation. The mission is engaged in legal, administrative and electoral reform, in the media, and in combating trafficking in human beings. The OSCE monitored the local elections held in October. The mission in **Croatia** is primarily engaged in the repatriation and reintegration of refugees and minorities. Its personnel had been significantly reduced over the previous years.
2. Moldova and the Transnistrian Conflict

The Netherlands' OSCE chairmanship invested considerable political energy in the search for a solution to the Transnistrian conflict, which broke out in 1992. The EU also took a closer interest in this issue, inter alia with visa restrictions on the Transnistrian leadership with the aim of thus enhancing the leadership's willingness to cooperate. In the first half of 2003, after an initiative by Moldovan President Voronin to draft a new federal constitution, and progress with the withdrawal of Russian military personnel and equipment (the original withdrawal date of the end of 2002 was extended by a year by the OSCE ministerial meeting in Porto in 2002), it seemed as if there would be some movement in the rigid fronts. However, in the last few months of the year there was no visible progress in the negotiations on the constitution and status. The OSCE, Russia and Ukraine are also involved as mediators in these negotiations. Russia diverged from this established “format of five” and presented a draft plan for a federation. This was rejected by the OSCE, EU, US, and also (after an initially positive reaction by President Voronin) by the Moldovan side, not least on account of the lack of any security guarantees like an international presence. The withdrawal of the Russian military equipment, which is stored in Transnistria under catastrophic conditions, came to a stop in the second half of the year, and was resumed only towards the end. The question of a fixed date for the removal of the material was one of the main controversial issues that led to the failure of the regional declaration on Moldova at the OSCE ministerial meeting.

3. Belarus

The extension of the OSCE presence in Minsk represented a positive signal on the part of Belarus at the beginning of 2003. Following this, however, the internal political situation deteriorated, with adverse results for members of the civil society and independent media. The situation in Belarus was therefore on the agenda of the OSCE Permanent Council during the entire year. No difficulty arose in December in respect of the annual renewal of the mandate of the OSCE office in Minsk.
4. Georgia

The OSCE mission in Georgia, the largest OSCE operation outside South-Eastern Europe, is inter alia involved in finding a political solution to the conflicts in the separatist enclaves of South Ossetia and Abkhazia, the latter under UN leadership. There has been no visible progress in recent years. The OSCE also maintained an observation operation on the border with Chechnya in 2003 with up to 148 personnel, including nine Austrians. The operation was inaugurated under the Austrian OSCE chairmanship, and subsequently extended to Ingushetia and Dagestan.

At the beginning of November the OSCE monitored the Georgian parliamentary election with 450 observers, including 14 Austrians. Their report listed serious irregularities in the conduct of the poll, including the electoral register, but improvements in the electoral legislation were noted. There had, however, been massive manipulation in the assessment of the results. The OSCE mission will provide organisational support in 2004 for the planning of the presidential and parliamentary elections. At a donor conference on the occasion of the OSCE ministerial meeting 13 countries, including Austria, and also the EU Commission declared their readiness to make more than 6 million euros available for this purpose.

5. The Russian Federation / Chechnya

In 2002 no agreement could be reached on renewing the mandate of the OSCE Assistance Group in Chechnya. In 2003, therefore, the Netherlands chairmanship endeavoured to obtain a fresh mandate in the form of specific projects covering elections, good governance, judicial administration and the reintegration of internally displaced people. This, too, remained unsuccessful. The question of restoring a permanent OSCE presence in Chechnya does not arise in view of the security situation. At Russian invitation, a four-member team of experts from the ODIHR attended the constitutional referendum in Chechnya on 23 March. A ODIHR monitoring mission in the usual form was not possible, again largely due to the security situation.
6. Central Asia

Following on the previous years, the Netherlands' chairmanship continued the OSCE focus on Central Asia. This was expressed in the appointment of former Finnish President Martti Ahtisaari as the personal emissary of the Chairman-in-Office for Central Asia. The OSCE became increasingly active in the field of non-military threats to security like terrorism. Concrete assistance was provided to enhance police capacities and the control of borders (Kyrgyzstan/Uzbekistan), but also, in cooperation with the UN Office on Drugs and Crime, to combat money laundering. The OSCE Academy in Bishkek, founded in December 2002 and incorporated into the international academic network, will be responsible for training experts for OSCE-specific security issues. Austria has made expertise and personnel available to this institution, which is due to start on a provisional basis from February 2004.

In view of the serious violations of human rights in Turkmenistan as a result of the attempt to assassinate the President in November 2002, ten OSCE member states, including Austria, decided to initiate the so-called Moscow Mechanism, which foresees the sending of a mission to report on the situation in a country where the observance of human rights is seriously endangered. Turkmenistan refused to permit the group to enter the country. The report was therefore submitted without Turkmeni participation.

7. Other Activities

In addition to the above, the OSCE conducts field operations in Armenia, Azerbaijan and Ukraine. The Minsk Group, under the co-chairmanship of France, Russia and the United States, endeavours to find a solution to the Nagorno-Karabakh conflict.

The Human Dimension of the OSCE

Human rights and democracy are major pillars of the OSCE concept of comprehensive security. The Office for Democratic Institutions and Human Rights (ODIHR), opened in Warsaw in 1991, is a special OSCE institution.
Since April 2003 it has been headed by the Austrian diplomat Christian Strohal. As a means of achieving its goals the ODIHR organises a series of annual events. The principal one, the two-week Implementation Meeting on the Human Dimension, was held in Warsaw on 6-17 October with the aim of reviewing the implementation of commitments over the entire spectrum of human rights. Three supplementary meetings on the Human Dimension were held in Vienna in 2003, on the Roma and Sinti (10/11 April), freedom of religion (17/18 July) and on combating torture (6/7 November). The annual Seminar on the Human Dimension (Warsaw, 13-15 May) dealt with issues concerning the participation of women in political and economic life.

Under the heading of Democratisation the ODIHR continued to work on projects dealing with electoral law and election monitoring. The activities comprise advising on the adoption and use of legal norms, training of local election observers and staff of electoral authorities, educating the population, and monitoring and analysing election results. In 2003 the ODIHR sent professionally organised observer missions to 18 national, regional and local elections.

Another principal OSCE activity in 2003 was the continued fight against anti-Semitism, racism, xenophobia and intolerance. These were the subject matter of two governmental conferences in Vienna on 19/20 June (anti-Semitism) and 4/5 September (racism, xenophobia and discrimination).

The OSCE, in 1990, was one of the first international organisations to recognise the special problems of the Roma ethnic group in connection with the spread of racial hatred, xenophobia and discrimination, and to put them on record in the Copenhagen Document. A “contact point” for the Roma and Sinti groups was set up by the ODIHR in 1994. The Ministerial Meeting in 2003 adopted an action plan to improve the situation of the Roma and Sinti within the OSCE area. This is to form a basis for assistance to the participating states towards implementing their commitments in this connection.

In view of the increasing necessity of combating trafficking in human beings the OSCE Ministerial Meeting adopted an action plan against human trafficking. The implementation of its main aspects – prevention,
prosecution, and protection of victims – is to be carried out by a special representative of the Chairman-in-Office in close cooperation and coordination with a number of international organisations and other initiatives active in this field. The relevant task force on human trafficking of the Stability Pact for South-Eastern Europe also continued its intensive activities in 2003 under the leadership of former Austrian minister Helga Konrad in her capacity of ODIHR regional coordinator.

The political and military dimension of the OSCE

The work of the Forum for Security Cooperation in 2003 concentrated on contributions to OSCE strategy, preparing and carrying out the first annual Security Revision Conference, and assessing the possibility of the OSCE carrying out peacekeeping operations. Other aspects of its activities were: strengthening the dialogue on security policy (with Austrian support), including the danger of the misuse of weapons of mass destruction by terrorists; the compilation of a handbook with 8 practical guidelines on aspects of the control of small arms and light weapons, which has meanwhile proved useful within the United Nations; and a document on the destruction of surplus stocks of conventional ammunition and explosives, which represent a considerable danger in several participating countries. Other topics that were discussed included portable anti-aircraft systems (man-portable air defence systems); the standardisation of end-user certificates for weapon exports; and the non-proliferation of weapons of mass destruction as well as related products and technologies.

There was also movement on the traditional confidence- and security-building measures like the exchange of military information and inspections under the terms of the 1999 Vienna Document. The annual Implementation Assessment Meeting was held on 4/5 March.

The ratification and entry into force of the adapted Treaty on Conventional Forces in Europe (CFE) could not be foreseen in 2003. The NATO member states are making this conditional on the implementation of the so-called Istanbul commitments by the Russian Federation, mainly a military withdrawal from Moldova and Georgia.
Strategic and Security Policy Issues

These focuses were adopted by the ministerial meeting in Porto in 2002. The OSCE Strategy on Countering Threats to Security and Stability in the 21st Century is the OSCE’s answer to the most dangerous current threat scenarios. In addition to collating existing instruments it also includes new components like strengthened cooperation with other international organisations and OSCE cooperation partners. All the OSCE institutions are to participate in the implementation of the “strategy”, in order to make the best possible use of the Organisation’s three “dimensions”. The first Annual Security Revision Conference was held on 25/26 June; in future it will carry out the regular review of the entire OSCE security activities, and the “strategy” in particular. The concept of OSCE peacekeeping operations was considered in a special working group. Ambitious proposals by individual delegations found no support, so that the rules that have existed since 1992 remain unchanged.

As regards combating terrorism, the Ministerial Meeting arrived at concrete decisions on the establishment of a network of national contact points and on increasing the security standards of travel documents.

The Economic and Environmental Dimension

The ministerial meeting adopted a new strategy for the Economic and Environmental Dimension, under which the 1990 document on the fundamental principles of economic cooperation in Europe is to be brought up to date and supplemented. At the request of the EU, the new material will comprise the principles of good governance and protection of the environment, which were absent from or hardly mentioned in the older document. As part of the preparations for the new document, an OSCE conference on globalisation issues was held in Vienna on 3/4 July 2003.

The theme of the 11th OSCE Economic Forum in Prague on 20/23 May was the economic consequences of smuggling, which – and the smuggling of persons in particular – was one of the principal issues of the Netherlands' chairmanship.
Institutional Matters

A number of important decisions on the internal reform of the OSCE were taken in 2003. Among them were the new personnel statute, the standardisation of budget procedure, and the strengthening of the auditing mechanisms. Once again there was no agreement on the question of a legal personality for the Organisation. The working group on the reform of the OSCE field missions confirmed the unaltered relevance of the field activities, and continued its work in 2004. Negotiations on a revision of the contribution scales continued. The relevant working group, under Austrian chairmanship, drafted a comprehensive methodology for establishing the regular contributions, which should be applied from 1 January 2005.

The planning work for the future permanent headquarters of the OSCE institutions located in Vienna was concluded in 2003. The new headquarters, in the centre of Vienna, will be ready for occupation in 2007.

The OSCE Parliamentary Assembly comprises 317 members from 55 national parliaments. Its president, elected annually, was Bruce George of the UK, who was re-elected in 2003. The secretariat of the Parliamentary Assembly is located in Copenhagen, with a branch office in Vienna that was opened in January 2003. The annual plenary session is held in July in a different member state each time. Since 2002 there has also been an annual winter session in Vienna.

III. The Council of Europe (CoE)

Political Developments

Serbia and Montenegro became the Council of Europe’s 41st member state on 3 April 2003, and on the same day signed the European Convention on Human Rights. The CoE Parliamentary Assembly and the Committee of Ministers will provide support to assist the country to fulfil the commitments it has undertaken along with membership. The implementation of the commitments that Bosnia and Herzegovina
undertook in 2002 again made good progress with substantial CoE assistance. Progress was again made with the membership application by Monaco, but there was still no visible solution to essential issues like its limited sovereignty, its power to sign essential CoE conventions and its domestic legislation. The special guest status of Belarus in the Parliamentary Assembly remained suspended because its internal situation still did not meet the Council’s standards.

Special attention was paid to the development of the situation in Chechnya. The Secretary-General’s experts working in the office of Abdulkhakin Sultygov, Russian President Putin’s special representative on human rights in Grozny, again made the Council’s human rights expertise available to the authorities there on an advisory basis. The mandate had been renewed twice already. Due to the adverse security situation, it was impossible for them to work on the spot, and they had to operate from Strasbourg. They nevertheless took over some additional functions like information on human rights and the training of human rights educators. These took the form of seminars, mostly held in neighbouring Ingushetia.

As in previous years, the Council of Europe participated in the international monitoring of elections in several member countries. The Parliamentary Assembly and the OSCE cooperated in observing the presidential and parliamentary elections in Armenia. The same partnership monitored the presidential election in Azerbaijan, the parliamentary election in Georgia, and the election for the Duma in Russia. The CoE’s Congress of Local and Regional Authorities of Europe and the OSCE observed the presidential election in the Republic of Serbia.

Moldova made progress with the implementation of its membership commitments in the areas of democracy, justice, and freedom of information and opinion. From May to December 2003 Moldova held the chairmanship of the Committee of Ministers, when it received intensive support form the CoE and the EU in the provision of advisers and technical equipment. In Armenia and Azerbaijan the process of implementation was not concluded during the year. Both countries received support from a specially appointed monitoring group. At the end of September Armenia ratified the 6th Additional Protocol to the European Convention on Human Rights, which
abolishes the death sentence under all circumstances, and thereby fulfilled another important condition of membership. There were still problems in Ukraine as regards the media and the freedom of information and opinion. The mysterious murder of the journalist Heorhiy Gongadze remained unsolved.

The CoE stepped up its programme of countering terrorism, and created a further important legal instrument in the form of an additional protocol to the European Convention on Combating Terrorism that was opened for signature at the 112th meeting of the Committee of Ministers. At the end of October Gertraude Kabelka of Austria was elected to the chairmanship of the new Expert Committee on Terrorism.

**Relations with Other International Organisations**

The close cooperation between the Council of Europe and the European Union continued in 2003. There is a regular exchange of information between the CoE Secretariat and the EU Commission on current activities and projects. The CoE maintains a permanent office in Brussels. Representatives of the EU Commission attend meetings of the CoE Committee of Ministers, the ministerial delegates and the reporter groups. Some of the highlights of this cooperation are the jointly planned and co-financed programmes for in-depth promotion of democracy, the rule of law and justice in the Central and Eastern European countries. The 19th quadrilateral meeting took place in June at political level between the two presidencies, the CoE Secretary-General and the EU Commission President, with an emphasis on four issues: the development of the European institutions (EU enlargement, completing membership of the CoE, the draft EU constitution, the third CoE summit); political themes of common interest and joint programmes for the promotion of democracy and the rule of law (primarily in South-Eastern Europe, the Russian Federation, the Southern Caucasus, and Moldova); migration; and cooperation on conflict prevention. With his memorandum on CoE-EU cooperation under the title “One Europe – a Europe of Partners” the CoE Secretary-General initiated a discussion of this topic.
There is also a close relationship with the **Organisation for Cooperation and Security in Europe**. At the 12th high-ranking 2+2/3+3 meeting (political and administrative heads of both organisations with the presidents of the parliamentary assemblies) in Den Haag on 5 February at the invitation of the Netherlands OSCE chairmanship, there was a general exchange of views on the nature of future cooperation between the OSCE and the CoE. It was regarded as especially important that the particular strengths of both organisations, and those of the EU, should be utilised in close cooperation and coordination in South-Eastern Europe and in the Caucasus. In the course of a meeting at senior official level on 5 July in Strasbourg there was an exchange of views on the activities of both organisations in the Balkans and Caucasus. CoE Secretary-General Walter Schwimmer attended the meeting of the Permanent Council of the OSCE in Vienna on 24 July. Another exchange of views took place on 16 September with Christian Strohal, director of the OSCE Office for Democratic Institutions and Human Rights (ODIHR), when the main issue was how to deepen cooperation between both organisations while avoiding duplication of effort. At the 13th high-ranking 2+2 meeting on 5 November in Chisinau, without the presidents of the parliamentary assemblies, the situation in the Caucasus republics and in South-Eastern Europe was the subject of debate. There was also an exchange of views on measures to counter trafficking in human beings.

There are regular contacts between the Council of Europe and the **United Nations**. On 14 February there was a high-ranking trilateral conference, organised by the CoE, between the CoE, the OSCE and the UN, with additional participation by the EU Council and Commission, the International Organisation for Migration, and the International Committee of the Red Cross. The main points were cooperation in combating international terrorism, possible measures against trafficking in human beings, and the situation in the Caucasus. The next high-ranking trilateral meeting was due to take place in Vienna in early 2004 at OSCE invitation.

**Human Rights**

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

One of the most important instruments of the Council of Europe is its monitoring of the commitments undertaken by its member states when they became members of the CoE, above all as regards human rights, pluralist democracy, and the freedom of opinion and information, in order to ensure that they are being genuinely observed. There is a difference between the monitoring carried out by the Committee of Ministers, on the one hand, and that by the Parliamentary Assembly in the form of visits, reports and recommendations. In 2003 there were three different types of monitoring carried out by the Committee of Ministers:

Monitoring the commitments undertaken by the member states on the basis of the 1994 declaration on the observance of membership obligations. Thematic monitoring, which has been in force since 1996 and applies to all member states. It covers 10 individual fields, including freedom of opinion and information, the functioning and protection of democratic institutions, the functioning of judicial systems, and non-discrimination with emphasis on intolerance and racism. Secretary-General Walter Schwimmer proposed some measures of reform, whereby the secretariat would be relieved of pressure, an expert group appointed, and the reporting system tightened up.

Specific ad-hoc monitoring of the membership obligations undertaken in the cases of Armenia, Azerbaijan and Georgia. This is a long-term confidential process that will not be concluded immediately with a definite result. In the case of Armenia and Azerbaijan this takes place in a special monitoring group, of which Austria is a member. This group visited both countries in June, and discussed the implementation of the CoE membership commitments with leading state representatives, members of parliament, representatives of the media and NGOs. The fulfilment of Georgia’s obligations is monitored by the Committee of Ministers, whereby a delegation of the group reporting on democratic stability visited Georgia in June.
Assistance Programmes

A total of 10.8 million euros were made available for assistance activities and programmes for cooperation with 24 member states, and also non-members like Belarus, whereby it was mostly the new CoE member countries that were the beneficiaries. The fields in which the CoE provides assistance range from the promotion of human rights, help with measures of democratisation and strengthening civil society to the reform of justice and administration and the promotion of social cohesion. The measures consisted overwhelmingly in the provision of experts and the holding of training programmes. This "Activities Programme" also financed the CoE information centres in Central and Eastern European countries as well as the Council’s offices in Tirana, Belgrade, Pristina, Podgorica, Sarajevo/Mostar, Skopje, Chisinau, Tbilisi, Baku and Yerevan.

Under the Joint Programme with the EU, the CoE carried out assistance programmes in the southern Caucasus (Armenia, Azerbaijan, Georgia) on human rights and democratisation. There were negotiations on the adoption of a new set of Common Areas for 2003-2005 that will benefit in particular Georgia, the Russian Federation, Bosnia and Herzegovina, Serbia and Montenegro, and the Romas. Approximately 2.4 million euros were made available for this purpose.

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 45 member states or their representatives (minister delegates, who meet four times a month). It is the decision-making body of the CoE. Its chairmanship changes every half year.

The Parliamentary Assembly, with 626 members (313 members and 313 substitutes) from the 45 national parliaments, as well as the delegations from 2 candidate countries, 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 2,000 personnel.

The Committee of Ministers

The Committee of Ministers meets twice yearly at ministerial level. The 112th session was held in Strasbourg on 14/15 May under the chairmanship of Maltese foreign minister Joe Borg. The main themes were the role of the CoE in a Europe without dividing lines, the question of holding a third summit meeting of heads of state and government, and the reform of the European Court of Human Rights. UN Deputy Secretary-General Louise Fréchette took part by invitation in the informal ministerial meeting, when the main themes discussed were the European contribution to the reconstruction of Iraq, and strengthening the role of the United Nations.

The 113th session was on 5/6 November in Chisinau under the chairmanship of Moldovan foreign minister Nicolae Dudau. The principal themes this time were future cooperation between the CoE and the EU, and once again the question of holding a summit meeting of heads of state and government, which Poland offered to organise during its chairmanship in the spring of 2005. A final decision was due to be taken at the 114th meeting in May 2004. Other matters discussed were the reform of the European Court of Human Rights, and the CoE’s contribution to the campaigns against trafficking in human beings and against international terrorism. Jaap De Hoop Scheffer, Netherlands foreign minister and Chairman-in-Office of the OSCE, took part by invitation in the informal meeting and debated the future role of the CoE, OSCE and EU with the ministers. Secretary-General Schwimmer presented his memorandum entitled “One Europe – A Europe of Partners”. The revised Convention on the Protection of Animals in International Transport was opened for signature at the meeting, and was signed by 12 member states.

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 and political parties. Austria sends six members and six substitutes elected from both houses of the Austrian parliament. The President of the Parliamentary Assembly has been Peter Schieder of Austria since the beginning of 2002.

Under his leadership, the CoE’s worldwide leading role in the field of universal justice was further enhanced by its support for the International Criminal Court, global abolition of the death penalty, and respect of human rights in the combating of terrorism and directing of legal migration. This was further underlined by the CoE’s role in promoting democratic stability in Greater Europe (Chechnya and other regional issues) and in strengthening the rights and interests of minorities and fringe groups in a sustainable way.

The members of the Parliamentary Assembly are organised in five groups: Socialists; European People’s Party; Liberals, Democrats and Reformers; European Democrats; and the United Left. A number of members are not organised in any of these groups. The members are also organised into “national delegations”; the leader of the Austrian national delegation is Michael Spindelegger.

The Assembly also undertakes important monitoring tasks in CoE member or candidate states (it observed the parliamentary election in Serbia at the end of December 2003) and scrutinises developments in individual states regarding the observance of commitments entered into upon entry to the Council (Armenia, Azerbaijan und Ukraine among others).

On the occasion of its fourth part session in September 2003 the CoE Parliamentary Assembly held a joint plenary meeting with the EU Parliament, whereby the importance of closer cooperation between the assemblies in the course of the enlargement processes of both organisations was again underlined. The necessity of the accession of the European Union to the European Convention on Human Rights was stressed by members of both assemblies. The two presidents, Peter Schieder and Pat Cox, took the occasion to sign the Charter of the European Political Parties for a Non-Racist Society.
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 313 members (with 313 substitutes) meet once yearly in Strasbourg in plenary session. Herwig van Staa, Governor of Tyrol, was elected President of the Congress in June 2002. In 2003 he continued his activities in the cause of local and regional democracy, for example an official visit to Romania in December, when he met President Iliesco and Prime Minister Nastase and attended an international conference on the decentralisation of Romania.

The Congress submitted recommendations to the Committee of Ministers on local democracy, environmental protection, disaster protection and social cohesion. Its monitoring of standards of local and regional democracy is an important part of the CoE’s task of supervising the observance of membership commitments. One example was its participation in the monitoring of the Serbian parliamentary election at the end of December. The Congress also offers projects for strengthening local democracy within the framework of the Stability Pact for South-Eastern Europe as well as similar programmes for the countries bordering on the Mediterranean.

The Council of Europe and Austria

Three important positions in the Council of Europe were occupied by Austrians during 2003: 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 total contribution to the CoE regular budget, the extraordinary and pensions budget and various part agreements totalled 4.5 million euros.

The following conventions under the auspices of the Council of Europe entered into force for Austria or were signed by Austria during 2003:
Additional Protocol to the Convention on Cyber Crime, the Culpability of Documents of a Racist or Xenophobic Nature that are Committed through Computer Systems (ETS No. 189, 2003), signed on 28 January 2003.

IV. Central European Initiative (CEI)

The primary goals of the Central European Initiative are to guarantee the participation of its 17 member states in Central, Eastern and South-Eastern Europe in the European integration process, to promote regional stability and development, and prevent the emergence of new lines of division in Europe. In 2003 the CEI was under the chairmanship of Poland.

As every year, the most important event in 2003 was the summit meeting of the CEI heads of government on 21 November in Warsaw. The conference was dominated by the forthcoming enlargement of the European Union, including five of the CEI member states: Poland, Slovakia, Slovenia, the Czech Republic and Hungary.

The summit adopted a final document which, with reference to the coming EU enlargement, expressed the expectation that further enlargement steps would follow after 2007. The statement also made it clear that most CEI activities would henceforth be concentrated on those member states that were not already members of the European Union.

The ongoing organisational reform of the CEI, in the sense of a rationalisation of its structures, was unanimously approved. The Austrian
delegation, like a number of others, pressed for a reduction in the number of
the 16 working groups, and for a concentration on aspects of cooperation
that were not already being handled by other regional and international
actors. In this connection, the importance of a close coordination with the
goals of the EU “Wider Europe” policy was expressed.

The usual CEI Summit Economic Forum, an inclusive round table of
ministers for economic affairs, took place in Warsaw on the fringe of the
main summit meeting.

For Austria, the CEI represents an important link to the countries of Eastern
and South-Eastern Europe, especially after the latest round of enlargement.
For those countries, the CEI system of regional cooperation provides
valuable experience for forms of regional cooperation that will gain in
topicality within an enlarged European Union. (See The Regional
Partnership, below.)

V. Austria’s Relations with Neighbouring Countries

The Regional Partnership

The Regional Partnership with the neighbouring then EU candidate
countries Slovenia, Slovakia, Hungary, the Czech Republic and the “cultural
neighbour” Poland was originally an initiative by Austrian 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 should be devised in two stages, without creating any
new structures and on the basis of an informal and open collaboration.
Before the enlargement of the European Union, the Regional Partnership served the purpose of reducing existing sources of friction, providing concrete support for the partner countries in their accession negotiations and adaptation to EU norms, and forming a framework for consultations on the Constitutional Convention and the Lisbon Process. In this connection, the Ministry for Foreign Affairs organised a workshop for the partner states on development cooperation after EU enlargement (13/14 February) and a seminar on current election issues (15/16 December).

After the enlargement of the European Union the Regional Partnership will continue with the purpose of helping to define matters of common interest and of pursuing these interests within the Union. It will thereby form part of a complex of existing networks which, as a whole, help to smooth relations between the EU member states. The main matters of common interest are: internal security; border, asylum and consular questions; cultural cooperation; infrastructure; and the future development of the European institutions.

The ministerial meetings held at the invitation of the respective Austrian government members make a substantial contribution to the Partnership’s activities. Thus the “Salzburg Forum” of ministers for home affairs (“Security Partnership”) in August produced operative results of some significance, when it was agreed to set up a regular consultation mechanism on matters of internal security at EU level.

Among the “like-minded” small and medium-sized EU member states within the Constitutional Convention and Intergovernmental Conference on the new EU constitution, too, the coordination within the Regional Partnership has proved to be a success.

Austria’s goal is the establishment of the Regional Partnership as a natural consultation mechanism for matters of common interest with a European dimension. The foreign ministers of its member countries met on 4 July for their fourth conference in Buchlovice (Moravia, Czech Republic). Poland was due to host the following meeting.
South Tyrol

The most important event of 2003 in South Tyrol was the election for the provincial legislature on 26 October. The result generally corresponded to the forecasts, but the South Tyrolean People’s Party (SVP), with 55% of the votes, was able to defend its absolute majority with no difficulty and retained its 21 of the 35 seats.

The Alleanza Nazionale, with 8.4%, remained the strongest Italian party and retained its 3 seats, while the right-wing Unitalia-Movimento per l’Alto Adige managed to re-enter the assembly on the strength of its 1.5%. Unsurprisingly, the Greens, with 7.9%, gained another mandate and ended up with 3 seats. As expected, the “Union für Südtirol” increased its proportion of the vote (6.8%), but did not manage an additional third seat. Contrary to expectations, the Freedom Party doubled its share of the vote since 1998 (2.5% to 5%) and now holds 2 seats. The centre-left alliance “Unione Autonomista” (3.7%) and the left-wing “Frieden und Gerechtigkeit – Gemeinsam Links” (3.8%) gained one seat each. The leading candidate of the Forza Italia, Michaela Biancofiore, got her seat as expected with 3.4%, but failed to acquire a second seat as hoped, or even to overtake the Alleanza Nazionale as the strongest Italian party. The Rosa Alternative (1.0%) and the Ladins (1.4%) did not make it into the legislature, the latter due to the unexpected success of the SVP in the ethnic Ladin areas.

The formation of the government proved more difficult than expected, due to differences in the expectations of the different regions, interest groups and parties. The rules on the proportionality of the German- and Italian-speaking groups also had to be respected, with the chairmanship of the assembly changing half-way through the legislative period. However, the formation of the government was finalised on 22 December. The Governor of South Tyrol, Luis Durnwalder, presented his fourth governmental programme with a list of priorities: the consolidation of what has already been achieved, the protection of the living environment, and the maintenance of the existing high standards in health and social policies.

South Tyrol’s autonomy has developed positively within recent years, and the situation of the minority can be considered assured. However, a private
organisation laid complaints regarding the census in South Tyrol before the provincial court, the Council of Europe and the EU Commission. One of its main points concerned the declaration of membership of one of the three linguistic groups listed in the statute of autonomy, on the ground that this contravened the EU data protection rules. The provincial court and the CoE both rejected the complaint, but a decision by the EU Commission was still awaited at the end of the year. SVP chairman Siegfried Brugger came to Vienna on 20 March for consultations on this issue. As in the past, there was close contact on this issue between the South Tyrolean political leadership and the Austrian government, which also pointed out the delicate nature of the matter in the context of South Tyrol's status of autonomy.

Protection of the Environment

Nuclear Safety

Protecting the population, and thus guaranteeing a high standard of safety for nuclear power stations, especially of those close to the Austrian border, are the highest priority for the Austrian government. Closest attention has therefore been paid to the implementation of the agreement signed with the Czech government on 29 November 2001 concerning the Temelin nuclear plant according to the agreed timetable. Both sides adhered strictly to the agreement and worked constructively towards its fulfilment, inter alia in a working group on emergency planning that was set up in 2002 and successfully concluded in 2003. A series of workshops was held in accordance with the mutually agreed “road map”. A rejection of nuclear power as such does not come into consideration for the Czech Republic, but alternatives to Temelin were being discussed within the scientific working group on a sustainable energy policy for Europe.

Based on the deliberations of the Austrian-Czech working group on radiation protection and planning for emergencies, an informal system of Central European cooperation between Austria, the Czech Republic, Germany, Hungary, Slovakia and Slovenia was agreed at a symposium in Salzburg on “Off-Site Emergency Planning”.

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After an incident (stage 3 of the INES scale) during the cleaning of reactor fuel rods at the Paks nuclear power station in Hungary, two additional meetings of nuclear experts were held at Austria’s instigation.

The regular meetings of experts held under the nuclear information agreements with Austria’s neighbours continued according to plan. Their purpose is an early exchange of information and experience on the safety of nuclear power stations, radiation protection, and the cross-border consequences of radiological dangers and their effects. The areas of emergency protection planning, radiation protection and monitored data were intensified and expanded. Growing significance is attached to the problem of intermediate and end storage of radioactive waste.

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

The Permanent Secretariat of the Alpine Convention has been operational in Innsbruck from the beginning of 2003. After three rounds of negotiations, Austrian Minister for Foreign Affairs Benita Ferrero-Waldner and the interim Secretary-General of the Convention, Noel Lebel of France, signed the host state agreement on 24 June. It was unanimously ratified by the Austrian parliament.

The first meeting of the monitoring committee was held in Berlin in October under the German presidency. This committee, established in November 2002 at the 7th Alpine Conference, supervises the observance of the Convention and its nine protocols in a non-confrontational, non-judicial and non-discriminatory manner. The central issue at its first session was the compilation of a standard format for the implementation reports by the parties to the Convention.

The main issues on the agenda of the Permanent Committee of the Alpine Convention were the strengthening of the operability of the Permanent Secretariat, the appointment of a deputy secretary-general, and the programmes of the working groups on traffic, environmental quality goals, landslides and avalanches.
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 basin as well as the EU Commission and the Stability Pact for South-Eastern Europe. The aim of the initiative is to create a broad political forum for the Danube region, in which important regional issues can be formulated, goals defined, and programmes devised. This is intended to enhance cooperation in the region, guide the wide range of activities and organisations toward common regional goals, and contribute to the economic and political stabilisation of this, in many respects, very heterogeneous region.

The Danube Cooperation Process has been conceived as a political process, under which ministerial meetings will be held every two years. Secretariat functions will be carried out by the participating countries, especially by the four founders: Austria, Romania, the Stability Pact and the EU Commission.

Its activities are based on the work programme agreed upon in 2002, with a concentration on the fields of economy, transport and navigation, tourism, the environment, culture and sub-regional cooperation. A number of meetings at official level were held to prepare for the second ministerial meeting scheduled for 14 July 2004 in Bucharest.

In October 2003 a Danube Region Business Conference was held in Bucharest. More than 500 delegates, mostly business people from the entire Danube region, formulated recommendations on what measures should be taken to expand economic cooperation throughout the region.

Austria was intensively involved in preparations for the second ministerial meeting. Work also continued on projects for which Austria is responsible as the lead partner. The development of the internet portal (“Danube Portal”), which is intended to provide comprehensive information on the region and its countries, has well advanced. The initiative on the qualitative
improvement of freight transport by rail and ship between the Danube region and the European Union was given more specific form at a large workshop and in cooperation with international partners.

Danube Navigation

The reopening of the fairway at Novi Sad that was blocked during the Kosovo war, and the final clearance of the river bed, was completed on 16 June 2003. Austria played a significant part in this success through its chairmanship of the Danube Commission till April 2002, in the Project Committee, in the expert group, in the committee for the evaluation of the tenders, and also as administrator of the Vienna-based International Fund for Clearing the Danube Fairway. It was not least thanks to Austria that the European Union could be induced to contribute €14.6 million, around 85% of the total cost. On the basis of the final project cost of €17.3 million at the end of the year (the original estimate was €24m) the Austrian contribution was €500,000, a sum that was exceeded only by Germany's (€700,000) among those of the bilateral donors.

The remaining obstacle to the unhindered passage of shipping was the pontoon bridge at Novi Sad. While the Danube Commission was successful in having the frequency of the opening times increased, and while passenger vessels now transit free of charge, the transit dues for cargo vessels remained appreciably higher than the actual costs of opening the bridge.

Austria had for twelve years exercised a significant influence on the Danube Commission through the provision of the director-general and subsequently through the presidency. It had also strengthened the organisation during the period of political and economic upheaval in the region. At the 61st annual meeting on 7-15 April problems of the organisation began to show. Therefore, Austria, together with Romania in particular, is concentrating her efforts on a revision of the Belgrade Convention. The intention is to bring Danube navigation into line with the changed economic and integrationist framework, and to create the basis for a competitive transport system within an all-European inland waterway network. Austria was able to stimulate this
process with the holding of a Working Group of the Whole in Vienna on 3/4 July 2003, which substantially prepared the framework for the revision process in respect of organisation and content. In Budapest on 13/14 October the Preparatory Committee set up two working groups. The one on navigation issues achieved wide-ranging agreement at its meeting in Bucharest on 13/14 November. The working group on institutional and legal questions was due to meet in Vienna in January 2004 under Austrian chairmanship.

The Convention on the Protection of the Danube

The Vienna-based International Commission for the Protection of the Danube River (ICPDR) was founded in 1998 as the operational organ of the Convention on the Protection of the Danube. The Commission’s priority in 2003 remained the implementation of the European Union’s framework directive on water within the entire Danube catchment area. To this end, an Expert Group for River Basin Management was set up.

In the context of the monitoring of water pollution, the survey of the major sources of emissions was brought up to date. A special expert group was working on measures to reduce emissions. An agreement was being sought with the manufacturers of washing substances on the increased use of phosphorus-free washing detergents in the countries on the lower reaches of the river.

The UN Development Programme’s Global Environmental Facility (GEF) instigated a project for enhancing capacities for the implementation of fertiliser reduction and cross-border cooperation between the Danube countries, with the ICPDR as the lead actor for putting the programme into effect, in the Danube-Black Sea region. The GEF is to provide financial assistance for several states on the lower Danube to enable them to implement the EU water directive, and to ensure that the water quality of the Black Sea is monitored, especially in the vicinity of the Danube Delta.

In connection with the plans for developing the Danube shipping channel, the sixth annual meeting of the ICPDR in December pointed to the
necessity of carrying out the environmental compatibility procedure. Moreover, the importance of adhering adherence to the EU water protection legislation, including the framework directive on water, was emphasised. In order to mark the tenth anniversary of the signing of the Convention on the Protection of the Danube, and to increase public awareness, the meeting decided to hold a “Danube Day” in 2004, including a meeting of the ministers for the environment of the Convention’s signatory states. The Executive Secretary, Joachim Bendow, was succeeded by Phil Weller, who had previously headed the WWF Danube-Carpathian Programme.

In response to the severe flooding that took place in the summer of 2002, the ICPDR increased its activities to cope with high water. An expert group worked out the details of a first action programme for sustainable high-water protection in the Danube catchment area.

C. Austrian Development Cooperation and Cooperation with Eastern Europe

The primary goals of Austrian development cooperation are the reduction of poverty, the promotion of peace, and the protection of the environment. Basic principles in all Austrian development programmes and projects are: working in partnership with the peoples concerned; using appropriate technologies; taking into account the cultural dimension of development; respecting the equality of men and women. Austria’s efforts are mainly concentrated on underprivileged groups in the least developed countries of Africa, Asia and Latin America. Worldwide some 6 million people benefit from Austria’s development activities in 20 countries of those continents as well as in 19 partner countries in South-Eastern Europe and among the newly independent states. The core problems of many countries are transnational in nature and affect the future chances of people everywhere: armed conflicts, mass migration, environmental damage, often resulting from unjust distribution of resources, are gaining a worldwide dimension through the effects of globalisation. It is not only for humanitarian reasons that Austrian development activities are focused on joint solutions and
cooperation with the partner countries. This is also done in the interest of international security and stability.

The international basis for development cooperation was laid down by the United Nations in 2000 in its Millennium Declaration, wherein it stated eight Millennium Development Goals for combating global poverty and its consequences in a more effective and coordinated manner than hitherto. Considerable joint efforts will be necessary from industrial and developing countries alike if these goals are to be achieved by the target date of 2015. The industrial countries are facing a challenge mainly in four distinct areas: relieving the debt burden of the poorest countries; improving access to new technologies and innovations for developing countries; reducing unfair trade barriers and tariffs; and increasing economic support as well as budgets for development assistance.

On the basis of these goals, the UN Conference on Development Financing in Monterrey in March 2002 discussed an increase of financial means for development work, as well as possibilities for stimulating the economies of developing countries. Before the conference the European Union had already announced its intention to raise its average development assistance expenditure to 0.39% of GNI by the year 2006. This was backed up by the agreement of all EU member states, including Austria, to increase their expenditure to at least 33% by 2006. In 2002 Austria invested 0.26% of GNI in development cooperation, corresponding to a figure of €550 million. This lay above the then OECD average of 0.23%, but below the EU average of 0.35%. In 2003, according to the available forecasts, this rose to a volume of €786 million or 0.35% of GNI, mostly due to large-scale cancellation of debt. For 2004 the budget for development cooperation in the Ministry for Foreign Affairs was increased by a further €30 million, bringing it up to a new record level.

In order to guarantee longer-term success for development cooperation it is imperative to build up and strengthen those structures and capacities of the partner countries which are important for consolidating social stability as well as for conserving the environment and natural resources. A lack of security, ethnic tensions or ecological over-exploitation can undermine the macroeconomic conditions necessary for a stable development. In view of a
sustainable development policy, Austria’s development programme has thus adopted the themes of conflict prevention, human rights - strengthening, democratisation, the rule of law and good governance, as well as an environmentally and socially compatible development, energy production from renewable energy carriers, and assured water supply as high thematic and organisational priorities.

Over the preceding three years Austrian development cooperation has been considerably strengthened as regards both its structure and its content. In February 2002 Parliament passed a new Development Assistance Act in order to adapt Austrian Development Cooperation to the changed international framework conditions. The act contains a catalogue of goals and principles that are to be applied by the entire Austrian federal administration in matters pertaining to developing countries. The aim is a unified and coherent Austrian development policy, the Ministry for Foreign Affairs acting as coordinator. In July 2003 an amending law brought further major additions. The most prominent one is that the operational management of all development projects will henceforth be carried out by a new Austrian Development Agency, which commenced its activities on 1 January 2004. Its strategic guidelines will be laid down by the Ministry for Foreign Affairs. This new structure will enhance the efficiency of Austrian development cooperation in the fight against poverty worldwide.

I. Bilateral Development Cooperation

For several years more than 70 per cent of Austria’s bilateral Official Development Assistance (ODA) has been concentrated on a number of specific regions, on priority and cooperation countries, on the application of specialised Austrian know-how in certain sectors, as well as on the special programme for Palestine:

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

In those countries several hundred projects were financed by Austrian bilateral development assistance in 2003. As far as possible, responsibility for running the projects was handed over to local institutions. Some **selected examples** are as follows:

In **Costa Rica** Austrian development cooperation concentrates on the economic development of the northern border region along the Rio San Juan. In El Salvador the emphasis was on education and micro-credit programmes for producers. In Guatemala, Austrian aid was aimed at supporting the indigenous population of the western highlands by promoting Maya institutions, the traditional legal system and bilingual intercultural education. In **Nicaragua** Austria supported the de-mining programme, and provided alternative employment for farmers until their fields are cleared.

In **Burkina Faso**, Austria coordinated the donor funds for the development of an occupational training centre in Bobo Dioulasso with two branch establishments. Austria signed a further development programme and a food aid agreement with Cape Verde for the period 2003-2005, carried out decentralised water supply projects, and established an in-service training system for teachers. In **Senegal** the emphasis was on rural development and decentralisation, while support for craftsmen was the central aspect of co-financing projects.

In drought-plagued **Ethiopia**, Austrian development assistance was concentrated on food security, health, energy supply, and on the improvement of the situation of women. A new cooperation programme for 2003-2005 was signed with Uganda, the main points being water supply and sanitation, good governance and decentralisation, as well as the development of the private sector. Within the framework of the "South Western Towns Water and Sanitation Programme" Austria supports the
provision of clean water and the ecological disposal of sewage in 35 small towns in the south-west of the country. In Rwanda, Austria supported a wide-ranging reconciliation project; guaranteeing the sufficient supply of water, promoting sanitation, as well as promoting democracy and human rights constituted further priorities in Rwanda. A similar programme was followed in Burundi, where Austria actively supported the peace process. In Kenya, water supply and drainage systems were the main areas where Austria offered assistance. In Tanzania, one of the poorest countries in Africa, priority was given to furthering the process of decentralisation and to the development of the food processing industry, both initiatives being aimed at contributing to the building-up of the private sector.

Economic growth in Mozambique almost reached double figures in 2003. Austrian assistance aimed at furthering decentralisation, e.g. by launching local water and energy supply projects, by improving the administration and furthering rural development, as well as by encouraging the building-up of a local media sector. In Zimbabwe, on the other hand, where the government continued its radical land reforms, the economy was shrinking, inflation mounted to 140% and some 80% of the population was living in absolute poverty. Austrian assistance had started no new projects since 2001, but a sum of €300,000 was made available for food supply. Running projects for the development of small industries and solar energy continued. In Namibia, where the debate on the re-distribution of land was also acute, Austrian projects for sustainable tourism and democratic development helped to maintain political stability. In South Africa, the debate on the land reform became fiercer as well. Austrian assistance concentrated on promoting democratic development, ranging from the provision of legal advice to support for local self-government, as well as including activities against domestic violence.

Austrian assistance for Bhutan focused on the supply of energy, the conservation of the cultural heritage, on measures to minimise the dangers to Himalayan communities from glacier lakes that have expanded as a result of global warming, and on projects in tourism and high-altitude ecology. Major projects like the extension of the Basochhu hydro-power plant and the restoration of the Trongsa Dzong monastery were close to being completed. Despite unrest amounting to civil war in Nepal, Austrian
assistance projects were continued in the fields of rural development, tourism and culture. These projects were largely carried out by NGOs working directly with the village communities. In Pakistan, the government's support for the so-called fight against terrorism gave rise to a massive Islamic fundamentalist counter-movement, the ensuing political crisis directly affecting Austrian programmes in the north-western region of the country. Consequently, the Austrian assistance programme for Pakistan was reviewed; in the future it will concentrate on medical treatment and the provision of medication, on education, as well as on measures to create additional incomes in rural areas. Improving the situation of women and strengthening civil society constituted the more comprehensive goals of Austrian development cooperation in Pakistan.

The ongoing conflict between Palestine and Israel is causing extremely damaging economic and social effects. According to the World Bank the Palestinian economy shrank by half in the previous two years, while the population increased by 13% in three years. Within the framework of the special programme for Palestine Austria contributed €300,000 in 2003 for UN humanitarian measures, carried out water, medical care and seawater desalination projects, and financed a centre for the treatment of chronic illnesses.

In South East Asia, Austria has for years supported projects on technical and scientific cooperation in order to strengthen local and regional expertise. Particular emphasis was given to continuing North-South cooperation as well as to extending South-South networks, e.g. by cooperating with the Asian Institute of Technology in Bangkok, where scholarships are provided annually for interdisciplinary higher studies. In 2003 almost 100 students working on dissertations or research projects received Austrian grants.

Shortly after the end of the war in Iraq Austria promised to donate one million euros for immediate humanitarian aid; at the international donor conference it promised a further €16m for economic reconstruction. Bilaterally, Austria primarily supports the building up of the medical sector. Severely wounded children were brought to Austria for treatment. A hospital, health centre and medical training centre in southern Iraq were
being refurbished. In partnership with Slovenia and Jordan it was planned to open a centre for war-traumatised children in Babylon. In view of the difficult security situation the first training seminar for Iraqi physicians, psychologists and psychiatrists was held in Amman, Jordan.

Austria had promised **Afghanistan** €6.5m for structural projects on de-mining, gender and combating drugs for the period of 2002-2004. In 2003 projects amounting to €1.5m were financed out of these financial means. On the basis of close cooperation between Austria, Iran and the European Commission, initiated successfully by Austria within the framework of the Vienna-based UN-Office on Drugs and Crime Austria, 25 border check points were set up on the Iranian-Afghan border in order to combat drug trafficking. The personnel of these check points is given special training. The total amount of the project was expected to be $3.95 million.

**Sectoral Priorities**

Austria offers its partners cooperation primarily in those sectors where it has special know-how and expertise. The goal of combating poverty, for example, is pursued by promoting the development of the micro, small and medium-sized enterprises sector, which in turn will create new jobs and incomes. The activities in the rural development sector are intended to reduce poverty, improve agricultural production while at the same time preserving natural resources, and to encourage local markets. Support is provided for educational institutions as well as for institutions offering advice or supporting the interests of special groups. Decentralisation is encouraged by promoting regional control of water and energy supply, with the local population having a say in their management. In the energy sector, Austrian aid is concentrated on the supply of electricity and the more efficient utilisation of traditional energy sources from biomass. As regards the water supply and sanitation sector projects were carried out in Uganda, Cape Verde, Mozambique, Kenya and Palestine. In the environment sector Austrian development policy comprises support for environment protection projects as well as the close examination of the environmental compatibility of development projects, with the view of avoiding their possibly adverse environmental effects. Existing environmental projects, in particular the
project on protecting the rain forest in the Amazon region, were continued and consolidated. Cooperation in the field of education concentrated on vocational education and training of specialists from developing countries with an economic or scientific background. Finally, priority was also given to promoting mobility and economic development, e.g. by improving transport infrastructures. In 2003, money was invested primarily in the maintenance of railways in southern and eastern Africa.

**Co-financing**

Since 1992 Austria has had a programme for the co-financing of development projects, which is financed both out of official and private funds. In 2003 framework agreements on co-financing were signed with nine Austrian non-governmental organisations, which cover several projects and which are financed by the organisations themselves on a pro rata basis. Austria uses the instrument of co-financing primarily to support projects in the social sector as well as to encourage private sector partnerships between Austrian firms and partners in the developing countries. The European Commission made €4.14m available for the activities of NGOs. Together with the project executing organisations' own resources €7.04 could be raised to finance further projects. The European Centre for Development of Enterprise (CDE) and the UN Industrial Development Organisation (UNIDO), in cooperation with the Austrian Foreign Ministry, financed within the framework of private business partnerships “twinning” arrangements in Ethiopia and Tanzania, amounting to a total of €250,000.

**Evaluation and control**

In 2003 the following projects within the Austrian Development Cooperation were evaluated: the International Law Institute in Uganda, the inter-island cable system in Cape Verde, the de-mining programme (with field studies in Mozambique and the Balkans), as well as water supply and sanitation in five countries. Special attention was paid to quality control in socio-culturally sensitive projects in Uganda and Senegal. Austria’s experience in the
II. Multilateral Development Cooperation

Globalisation has changed the face of international development policy. Developing countries are increasingly being integrated into the global economy by strengthening their production capacities and reducing the barriers against access to international markets. The coordination of development policy within the framework of international organisations and institutions is becoming ever more important. Multilateral development cooperation plays a prominent role in the overall concept of Austrian development policy. Of the total budget of €259m in 2003, some €22m was paid to the United Nations, €79m to the international financial institutions and €158m to the European Union for development assistance.

The United Nations

The principal UN agency for the coordination and financing of technical aid, the United Nations Development Programme (UNDP), is steadily gaining importance. The UNDP played an essential role in the reconstruction activities in Afghanistan and is now primarily focusing on the achievement of the millennium goals. On the basis of the Multi-Year Funding Framework 2004-2007 that was adopted in 2003 the UNDP will concentrate more strongly on five strategic goals: democratisation, reduction of poverty, energy and environmental protection in view of sustainable development, crisis prevention and reconstruction, as well as on the campaign against AIDS. The reform process of UNDP, which had taken several years, was basically completed, and led to the transfer of operational activities to the representative offices.

The United Nations Population Fund (UNFPA) is a relatively small and decentralised UN programme, which supports programmes for the control of demographic developments. Over the last years it successfully concentrated on the strengthening of the role of girls and women, especially
in the fields of family planning, medical services and universal primary education. Austria supported UNFPA in 2003 through direct contributions as well as with two projects in Afghanistan and Palestine.

The work of the United Nations International Children’s Emergency Fund (UNICEF) is increasingly centred on combating the spread of HIV/AIDS, especially in Africa. The emphasis is on preventing the infection of children through their mothers, on caring for orphans, and on protecting children and youths from infection. Moreover, the work of UNICEF focuses on immunisation, health and hygiene. Austria contributed to the regular budget and continued to finance a UNICEF “Accelerated Learning Program for Girls” in Afghanistan, which had been launched in the preceding year and was extended until the end of 2004. Austria also agreed to finance a project to counter AIDS among children and young people in Ethiopia during 2004 and 2005.

The United Nations Junior Professional Officer Programme gives young graduates the opportunity to get on-the-job training in an international organisation for the period of two years. The entire costs of Austrian candidates are met by the Ministry for Foreign Affairs. The twofold aim of this programme is to provide support for an international organisation as well as to allow the trainees to gain valuable insights into the activities of IOs as well as to broaden their own knowledge. In 2003 Austrian JPOs participated in programmes in Bhutan, Kenya, Afghanistan, South Africa, Burundi, Cape Verde, Uganda and Palestine as well as in Brussels and the central office in New York.

The United Nations Industrial Development Organisation (UNIDO) has increasingly specialised on the development of sustainable small and medium-sized industries. Special consideration is given to the issues of environmental protection and environmental compatibility of the industrial output. In 2003 UNIDO increased its efforts to integrate developing countries into the global trading system by supporting them in the building-up of production capacities as well as by promoting assured quality standards. On 10 September a cooperation agreement was signed between UNIDO and the World Trade Organisation. At the biennial UNIDO General Conference in Vienna on 1-5 December, Tajikistan, Timor-Leste and
Turkmenistan were admitted as new members. The debate was primarily focused on how the international development goals could best be achieved. Austria, a member of the UNIDO Industrial Development Board and the Programme and Budget Committee, is, on the basis of its high level of voluntary contributions, one of UNIDO’s largest donors. Austria’s financial contributions are primarily directed towards the environmentally compatible production of industrial goods as well as to the strengthening of production capacities in developing countries. In November 2003 the Renewable Energy and Energy Efficiency Partnership (REEEP) was established in UNIDO HQ in Vienna with Austrian support.

In April 2003 the United Nations Conference on Trade and Development (UNCTAD) signed a Memorandum of Understanding with the World Trade Organisation on strengthening their partnership on technical cooperation and on enhancing the economic capacities of developing countries. In August preparations began for the 11th World Trade Conference (UNCTAD XI) in June 2004, which will deal with the topic of better coherence between national development strategies and the global economic processes. The 50th meeting of the UNCTAD Trade and Development Council in October was overshadowed by the failure of the WTO negotiations in Cancún. Against this background, UNCTAD intends to enhance its role as a forum for improving the North-South dialogue. A benchmarking system, supported by Austria, was presented at a meeting of the Commission on Science and Technology for Development, and subsequently at the World Summit on the Information Society in Geneva during December.

One of the major objectives of The United Nations Commission for Human Settlement (UN-Habitat) is the improvement of the living conditions of slum-dwellers. The problem of rapid urbanisation and the growing number of slum areas will dominate its work for the coming years. The issues of water, sanitation and settlement planning will also feature prominently in the working programme of UN-Habitat. In addition to its normative function Habitat also carries out a series of concrete projects, for example in Iraq, Afghanistan and the Balkans. Other development projects (e.g. Safer Cities, Water for African Cities) are in the course of implementation in Africa, Asia, Latin America and South-Eastern Europe.
III. The European Union’s Development Policy

During the year 2003 a large number of processes that had been started in the preceding years were being implemented. The European Commission issued a first and comprehensive progress report on the implementation of the budget goals that had been adopted on the European Council in Barcelona. The most prominent of these goals concerns the increase in EU official development assistance by €18,000m by the year 2006. The internal reform of the European Commission’s administrative and financial system for development cooperation, started in 1999, was largely completed.

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 different types of cooperation, from intensified economic and trade cooperation to a political dialogue. Austria ratified the Cotonou Agreement in June 2002. The agreement entered into force in April 2003, after all the EU member states and the required number of ACP countries had ratified it.

In 2003 the EU Commission started an initiative to reform the European Development Fund (EDF), with the aim of integrating it into the ordinary Community budget. A large number of the member states welcomed this proposal, but reservations by several partners prevented agreement. For the objecting countries (e.g. Spain and the UK) an integration of the fund would have entailed higher contributions. Austria was in favour of the proposed integration, which could simplify and harmonise administration and move the long-term focus of EU development policy towards combating poverty. Thereby, least developed countries in particular could benefit.

In June 2002 the EU foreign ministers unanimously gave the Commission the mandate to negotiate regional Economic Partnership Agreements (EPAs) with the ACP states. This was due to the fact that the existing regulations regarding EU trade preferences for ACP countries have to be adapted to WTO rules by 2008 at the latest. The negotiations started in September 2002 on a general level, at the desire of the ACP countries. As this approach turned out as not very fruitful, the EPA negotiations restarted in September 2003 on a regional level.
The initiatives on water and energy that had been started by the EU in 2002 at the World Summit on Sustainable Development in Johannesburg made only slow progress in 2003. EU Commission President Prodi attempted to have the so-called reserve billions of the Ninth European Development Fund (EDF) – which were originally tied to the half-time assessed performance of the fund – dedicated to a fund for water. The member states, however, were opposed to the creation of thematically dedicated funds as this was contrary to the principle of partnership dialogues.

In 2003 the EU resolved on a massive commitment to the campaign against HIV/AIDS and poverty diseases, including malaria and tuberculosis. A communitarian legal basis for the area of these poverty-induced diseases was established and is to cover the period 2003-2006. In addition to the Community’s own action programme, it covers the EC contribution to the Global Fund for AIDS, Tuberculosis and Malaria. This fund is a new international financial instrument for promoting the fight against the spread of these diseases. In agreement with the ACP countries, substantial sums were also set aside from the Development Fund for the same purpose.

The proposal of the Commission for the creation of a theme-based financing instrument within the framework of the EDF, the African Peace Support Facility, was approved in principle by the foreign ministers in November 2003. It constitutes an important means of supporting African efforts in view of conflict prevention, the keeping of peace, and regional stabilisation.

The new budget regime of the European Community, which was adopted in 2002, now basically permits that the placing of the implementation of Community programmes is delegated to national organisations of member states. Under the financial provisions of the 9th EDF the placing of such programmes to national development agencies has already started, especially as regards co-financed projects on the basis of substantial bilateral means. In the future, the new Austrian Development Agency can also make use of this possibility.

Since the year 2000 Austria has pursued the goal of intensifying the cooperation between the European Commission and the United Nations. In
May 2002 the Commission was instructed by the Council to establish a more efficient partnership with the UN in the areas of development and humanitarian assistance. The subsequent action plan for establishing strategic partnerships with selected organisations of the UN family was adopted and the legal framework established. The list of relevant UN organisations was presented by the Commission in early 2003 and negotiations were opened on a strategic partnership. The Commission also aimed at simplifying administrative procedures, especially when UN organisations are commissioned to carry out EU-financed development programmes.

For several years Austria has successfully endeavoured to intensify cooperation between the EU Commission and the UN Industrial Development Organisation (UNIDO). The Financial and Administrative Framework Agreement for a future EU-UNIDO strategic partnership, signed on 23 October 2003, is a satisfying result. Austria will continue to push forward the operational implementation of this agreement.

IV. Cooperation with Eastern Europe and Central Asia

In 2003 Austria’s programme for cooperation with the reform countries of Central and Eastern Europe (CEE) as well as the successor states of the former Soviet Union was redesigned. Changes had become necessary in view of the impending accession of eight CEE countries to the European Union. The new concept has a more strategic emphasis, is more in line with EU programmes and takes greater account of topical issues related to the discourse on international development and EU-integration. Additionally, a stronger emphasis is put on economic issues and development. Development assistance is thus a key instrument of Austria’s policy towards South-Eastern Europe within the context of the EU integration process. The geographical concentration on South-Eastern Europe will be retained as well as the financing of specific projects in Eastern Europe and Central Asia.

Thematic aspects of Austrian cooperation with Eastern Europe are: education; economy and employment; environment, water and energy; the
rule of law and civil society. In the field of education, higher education and vocational training stand in the foreground. Moreover, Austria is supporting small and medium-sized businesses, innovative employment policies and Austrian investment in those countries. A new strategy has been worked out for the fields of environment, water and energy, with an emphasis on sectors where Austria has special know-how, on innovative projects and on projects capable of stimulating the economy and creating employment. Achieving the participation of all relevant actors is another important goal. New initiatives were taken, e.g. through a fund to finance local NGO environmental projects in Bosnia and Herzegovina, or a project on environment rehabilitation in Romania. On the whole, the new concept for Eastern Europe is based on the thematic focuses of strengthening the rule of law and civil society, good governance, crisis prevention and reconciliation.

Due to its geopolitical position and its excellent relations with the countries of South Eastern Europe, Austria has a great interest in the creation of stability in the region as well as in its swift economic, social and environmental development. In addition to bilateral programmes for individual countries, Austria supports a series of regional projects going beyond the borders of South Eastern Europe. International coordination and the definition of goals take place within the framework of the Stability Pact for South-Eastern Europe. In 2003 Austria was particularly involved in the task forces on Education and Youth and on Trafficking in Human Beings as well as in the Investment Compact initiative.

In Albania, Austria supported programmes aimed at guaranteeing the basic provision of water and energy in order to improve the prospects for sustainable economic development. Strengthening the institutional basis for water supply companies was a further important objective of Austrian development assistance in this country. The major hydro-power plants in northern Albania were rehabilitated in cooperation with Switzerland, Japan and the EBRD. In the field of education, Austria took initiatives directed primarily towards modernising Albanian tourism, industrial and agricultural vocational schools. Austria supported Bulgaria’s integration into the European Environment Agency and started a financing programme for small
environmentally compatible businesses. A Centre for Women’s Employment was opened in Sofia.

In **Bosnia and Herzegovina** Austria has for many years supported the universities of the country, for example by financing visiting professors. Advice is also given to curricula design and the improvement of the infrastructures of centres of excellence. In **Croatia**, a curriculum for the training of teachers in human rights education has been drawn up. Support was provided for the return of refugees in East Slavonia/Vukovar. In **Macedonia** Austria carried out drinking water and sewage projects in six districts of the country, and repaired as well as extended geothermal heating plants for the commercial production of vegetables under glass. In 2003 Austria was one of the largest donors for the University of Skopje, and supported the South-East European University in Tetovo, an OSCE foundation. In May 2003 Austrian Minister for Foreign Affairs Benita Ferrero-Waldner opened the new emergency hospital in Temesvar, Austria’s largest development project in Romania. The modernisation of the water purification system in the Carpathian district of Campulung was started. In the North Romanian Province of Maramures Austria supported the rehabilitation of sewage water plants. This project involved the stabilisation of dams after two serious mining accidents had led to a pollution of the River Theiss in the Danube drainage area.

In February 2003 the Republic of Serbia and Montenegro became the successor to the former Federal Republic of Yugoslavia. The status of the province of Kosovo, which at the end of the year was under United Nations administration, was still a matter for negotiation. Austrian development assistance was lent to drinking water projects in four Serbian districts. Two rural water supply projects were carried out in Kosovo. Austria was a major supporter of the public universities of Belgrade, Novi Sad, Nis, Kragujevac, Pristina and Podgorica as well as the University of Fine Arts. Within the framework of the new “Brain Gain” project emigrated scientists shall be invited to hold lectures and seminars in the universities of the country. Austria also provided support for regional cooperation networks against trafficking in human beings. In Kosovo, Austria financed treatment for traumatised children in cooperation with the Slovenian NGO “Together”. A centre for women is being built with Austrian financial support.
Austria’s financial assistance for projects in Eastern Europe and Central Asia was geared towards selected activities, mainly in the field of education. In Azerbaijan a project foreseeing to provide humanitarian assistance for the support of children’s sanatoria and orphanages was concluded. Numerous forms of cooperation at administrative level between Austria and the region were carried out through the Know-How Transfer Centre.

In South-Eastern Europe a project, financed by Austria and launched within the framework of the Stability Pact, is intended to find ways to combat trafficking in human beings. This branch of organised crime is extremely difficult to combat by the authorities in South-Eastern Europe. Experts from the Austrian Ministry for Home Affairs, the United Nations and the police authorities of other countries have drawn up a handbook with up-to-date information on trafficking in women. The handbook has been translated into all of the languages of the region and adapted to the local context by teams of judges and public prosecutors. In addition to the handbook, a curriculum has been drawn up, which is intended for the training of judges and prosecutors in the countries of the Stability Pact.

D. Global Cooperation - The United Nations

The year 2003 was dominated by the Iraq conflict, its effects on the system of collective security, and the debate on the role of the United Nations in post-war Iraq. UN Secretary-General Kofi Annan (UN-GS) called upon the member states (MS) to make the crisis the occasion for an in-depth institutional reform of the UN, and therefore set up a committee of eminent persons who will compile a report on the new threats to peace and security. The other principal themes of the year were the Middle East situation, the conflicts in Africa, methods of combating hunger and poverty, and the fight against HIV/AIDS.
The 58th session of the General Assembly opened on 16 September 2003 under the presidency of Julian R. Hunte, foreign minister of St. Lucia. The main themes of the address by Austrian Minister for Foreign Affairs Benita Ferrero-Waldner on 25 September were the reform of the United Nations, international security, human rights and the situation in Iraq. In her capacity as chairwoman of the Network for Human Security she pointed to its endeavours to give prime attention to the themes defined by the Secretary-General as “soft threats”, and to the fact that Austria had stepped up its budget for development cooperation by 35% for 2004. She expressed regret at the failure of the World Trade Round in Cancún. The various discussions and meetings she attended included the annual dinner for women foreign ministers, which serves as a forum for women’s affairs internationally, and meetings with representatives of Jewish organisations.

Since various draft resolutions on the Middle East situation had been blocked in the Security Council by the US veto, the 10th emergency special session of the General Assembly reopened on 19 September. By enormous majorities it adopted resolutions against the possible “removal” of Palestinian President Jassir Arafat by the Israeli government, and (introduced by the EU) against the building of a “security wall” across the occupied Palestinian territory. Contrary to former votes in the Security Council in these two cases the EU member states voted unanimously for the resolutions. When it transpired that Israel was ignoring the resolution and continuing with the building of the wall, the 10th emergency special session, by a small majority, referred the matter to the International Court for an assessment of the legal consequences of Israel’s actions. The EU member states, which unanimously abstained from voting, issued a statement that this decision was not conducive to a resumption of the political dialogue. The number of Middle East resolutions was reduced to 20; with one exception, the EU members voted unanimously on them.

Austria took a number of initiatives on disarmament and international security. In the case of the Japanese resolution on the total elimination of nuclear weapons, Austria again 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 United States once again demanded a vote on the resolution on the nuclear test-ban treaty (CTBT), and then voted against it.

The follow-up to the 2001 International Conference on Small Arms and Light Weapons continued. The First Biennial Meeting on the Implementation of the Action Programme of the UN Conference, in New York on 7-11 June, was a substantial and successful step towards the 2006 Revision Conference. Austria was one of 79 states that submitted national reports on their implementation of the action programme. Austria also delivered a statement detailing its activities in this connection within the OSCE, Wassenaar Arrangement and Human Security Network. The United States was the only country to vote against the setting up of a working group on an international instrument on the marking and identification of small arms and light weapons.

Austria, as designated host country for the revision conference on the Ottawa Convention in 2004, endeavoured in cooperation with Thailand and Belgium to mobilise support for a resolution on the implementation of the Convention. The resolution was finally co-sponsored by 144 countries, a distinct improvement on the previous year’s figure.

The most prominent economic, development and environmental issues were those arising out of the Monterrey Conference in 2002. A high-level dialogue on development financing on 29/30 October provided a forum for assessing the progress towards implementing the Monterrey results. However, an EU-led attempt to rationalise and re-organise the agenda in the Second Committee on the basis of Monterrey met with massive resistance from the G77 group, who feared that such a procedure could work to the disadvantage of the developing countries. On the other hand, the G77 and EU, for the first time, jointly sponsored a resolution on renewable energy, which was duly adopted. Another resolution covered the development in mountainous regions. At Japan’s invitation, an international conference on the diminishment of natural disasters was due to be held in
Kobe in 2005. On the initiative of Tajikistan, the period 2005-2015 was declared the international Decade of Water. The year 2006 was declared the International Year of Deserts and Desertification.

The principal social policy theme was the problem of aging, and the follow-up to the World Assembly on Aging in 2002. The Vienna-based „Europäische Zentrum für Wohlfahrtspolitik und Sozialforschung“ was entrusted with the monitoring of the regional strategy. Work began on drafting a comprehensive convention on the elimination of every form of discrimination against handicapped persons. The problem of ensuring the safety of humanitarian personnel was one of the main aspects of the discussion on refugees and displaced persons. The appointment of High Commissioner for Refugees Lubber was renewed till the end of 2005.

The new system drafted by Austria for the re-organisation of the Committee on Outer Space received general approval. For the first time within the UN-system, a fixed rotation of the chairmanship with cooperation between the current, previous and designated holders is foreseen. The Austrian initiative on the use of space technology for the development and use of space and water was also generally accepted and is already in use, in cooperation with national and regional space authorities, in follow-up programmes for Africa and Latin America.

The major issue in the Committee on International Law was a mandate for drafting a convention against the cloning of human beings. Austria supported the proposal for an absolute ban on cloning persons, which was supported by around 70 states. The alternative proposal, supported by some 35 states, was a ban on reproductive cloning, but without excluding therapeutic cloning (cloning within the medical field). Austria took the view that a comprehensive solution could basically be found through either alternative, and that preference should be given to the variant that was best capable of realising the objective as swiftly as possible. Austria was thereby interested in having the new convention completed at the earliest date with the broadest possible acceptance, and took the view that it should not be ratified only by those states that already possessed national legislation banning cloning. After protracted discussion and voting, the plenary General
Assembly adopted a compromise by postponing a decision for a year to allow for more consideration.

The overall budget of the United Nations for 2004-2005 was approved at $3,160,000m, an increase of $270m over the previous financial year, but which in fact represented real zero growth. The Secretary-General’s proposals for simplifying the budget procedure were adopted, and he was enabled to exercise more flexibility in administering his staff on an experimental basis. The sub-department for international trade law in Vienna (UNCITRAL) had its staff increased by three, which makes it eligible for the status of a full department. The Russian Federation voluntarily increased its contribution to the UN budget from 0.46% to 1.1% which reduces the burden on the other member states. Austria’s contribution was thereby reduced from 0.867% to 0.859%. The General Assembly also approved the 2004-2005 budgets of the war crimes tribunals for the former Yugoslavia and Rwanda at $298m and $235m respectively.

The Security Council (SC)

The membership of the Security Council in 2003 consisted of the five permanent members China, France, the Russian Federation, the United States and the United Kingdom, and the elected members Angola, Bulgaria, Cameroon, Chile, Germany, Guinea, Mexico, Pakistan, Spain and Syria. Of these, Bulgaria, Cameroon, Guinea, Mexico and Syria retired at the end of 2003 and were replaced by Algeria, Benin, Brazil, the Philippines and Romania for the period 2004/2005.

The trend to more transparency in the work of the Security Council continued in 2003, 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 there. The working group on reform of the Security Council, which had been active since 1993, had its mandate again confirmed by the 58th 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 at least lead to a degree of opening towards non-members.
Austria, while holding the chairmanship of the Human Security Network up to May, took an active part in Security Council debates on the protection of civilians and the role of children in armed conflicts. Austria also supported an initiative in favour of the rule of law, and in a statement stressed the importance of law in international relations and the value of cooperation between the Security Council and the International Criminal Court.

In early 2003 the situation in Iraq dominated the work of the Security Council. The fulfilment of the disarmament conditions laid down in resolutions 1284 (1999) and 1441 (2002) had to be monitored, and there was discussion of a resolution that would have authorised military action against the country. The heads of the UN Monitoring, Verification and Inspection Commission (UNMOVIC) and the International Atomic Energy Agency (IAEA), Hans Blix and Mohamed El Baradei, repeatedly submitted reports on their findings since the resumption of inspections on 27 November 2002. Whereas El Baradei was able to report with certainty that Iraq had no active nuclear weapons programme, Blix regretted in his last report before the outbreak of the war, and after the UNMOVIC inspectors had left Iraq, that the inspections to date had not brought the necessary certainty regarding the absence of weapons of mass destruction, and that more time for inspections would have been advantageous.

On 17 March the US, UK and Spain announced that they would not submit their resolution to authorise military action against Iraq to a vote, since there would have been no unanimity within the Security Council. They reserved the right to take their own steps to disarm Iraq. Shortly after the commencement of the war, the overwhelming majority of the member states that made open statements in the Council on 26 and 27 March took the view that a further Security Council resolution would have been necessary to legitimise the intervention in Iraq that started on 20 March.

On 22 May, in the absence of the Syrian representatives, the Security Council unanimously adopted Resolution 1483, which appointed a UN Special Representative for Iraq and called upon the international community to participate in the reconstruction of the country. On 14 August the Council unanimously adopted Resolution 1500, which welcomed the setting up of
the Iraqi Governing Council, and created a UN Assistance Mission (UNAMI) in Iraq. After the devastating bomb attack on the UNAMI headquarters in Baghdad on 19 August, in which Special Representative Sergio Viera de Mello and 21 others were killed, and after further attacks on the UN as well as on the International Committee of the Red Cross, the UNAMI personnel was withdrawn.

Security Council Resolution 1511 on 16 October called upon the Iraqi Governing Council to submit a timetable by 15 December for the drafting of a constitution and the holding of elections. The Russian Federation, France and Germany agreed to the resolution, but expressed regret that it did not foresee a stronger role for the United Nations and a swifter transfer of power to the Iraqi people. The UN Secretary-General, in his report to the Security Council on 5 December, stressed that the security situation in Iraq still did not permit a return of UNAMI and hence any substantial political role by the United Nations. He welcomed the agreement reached on 15 November by the occupation authorities and the Governing Council on the formation of a sovereign transitional government by the end of June 2004 and the election of a government under a new constitution by the end of 2005, but asked for a clear definition of the role of the UN in its implementation. The Security Council took note of this agreement at its session on 16 December in the presence of the Iraqi Interim Minister for Foreign Affairs, Hoshyar Zebari.

The Oil for Food programme was transferred to the occupation authority on 21 November under Resolution 1483 (2003). On 24 November, however, a Security Council committee was set up by Resolution 1518 (2003) to examine and list the assets of individuals and institutions who had stood in a close relationship with the Saddam Hussein regime, in order to transfer these assets to the Iraq Development Fund under the terms of Resolution 1483.

Two resolutions on the Middle East situation, one on the threatened “removal” of Palestinian President Arafat by Israel and the other condemning the building of the Israeli “security wall” in the occupied territories, failed on account of the US veto and several abstentions, but both were later adopted by the General Assembly in modified form. On 19
November the Council unanimously approved the Middle East “road map” in Resolution 1515 (2003). The mandate of the UN Assistance Mission in Afghanistan (UNAMA) was renewed for 12 months with an additional section to prepare for elections. The mandate of the International Security Assistance Force (ISAF), which was now under the strategic command of NATO, was also renewed for 12 months and extended beyond Kabul in order to protect humanitarian and reconstruction activities elsewhere. A Security Council mission in early November demanded a reform of the security institutions, since the registration of electors was being endangered by the ongoing problems and a lack of resources.

The Secretary-General reported to the Security Council in April that negotiations on the future of Cyprus had broken down, and advised against further UN mediation so long as there was no clear demonstration by both sides that they were willing to achieve a solution. The Council renewed the mandate of the UN peacekeeping force in Cyprus (UNFICYP) until mid-2004. The UN Mission in Bosnia and Herzegovina (UNMIBH) was wound up at the end of 2002. On 1 January 2003 the European Union Police Mission (EUPM) took over the task of building a police force of European standard and generally anchoring the country more firmly within Europe. The Security Council renewed the mandate of the NATO-led military Stabilisation Force (SFOR) for a further year in order to guarantee the maintenance of the peace agreement. In his report, the High Representative for Bosnia and Herzegovina, Paddy Ashdown, advocated that a special chamber for war crimes should be set up within the country’s supreme court.

The new head of the UN Mission in Kosovo (UNMIK), Harri Holkeri, reported rising unrest among the ethnic Albanian population, culminating in attacks on Serbs and also UNMIK personnel and premises. On 14 October direct talks on technical questions between the authorities in Belgrade and Pristina opened in Vienna under Austrian auspices and attended by EU High Representative for the CFSP, Javier Solana, NATO Secretary-General George Robertson, OSCE Chairman-in Office Jaap de Hoop Scheffer and representatives of the Contact Group – US, UK, France, Germany, Italy and Russia. On 6 November the Security Council approved a mechanism for monitoring the implementation of the “standards before status” policy in Kosovo by mid-2005. Work on drawing up a timetable for this purpose
continued into 2004. In East Timor the progressive transfer of operational functions from the UN Mission of Support (UNMISET) to the East Timor authorities continued in 2003. The mandate of the reduced UNMISET was renewed for another year. The East Timor military forces were scheduled to be fully operational by mid-2004.

The conflicts in Africa remain one of the main aspects of the Security Council’s work, with an increasing emphasis on horizontal issues. These included nutritional situations, small arms and light weapons, mercenaries, children and civilians in armed conflicts, conflict prevention, and local or regional conflicts. 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 (SADC), the Economic Community of West African States (ECOWAS), and the Intergovernmental Authority for Development (IGAD), and provides support for the resolution of conflicts through such regional groupings. The Security Council welcomed the increasing emphasis on African responsibility for conflict prevention and conflict resolution as foreseen by the New Partnership for African Development (NEPAD).

**UN Peacekeeping Operations (PKO)**

At the beginning of 2003 there were 15 UN peacekeeping operations with personnel from 89 member states. In the course of the year two new operations were started, in Liberia (UNMIL) and Cote d’Ivoire (MINUCI), and two existing ones were ended in Angola (UNMA) and the UN Iraq-Kuwait Observation Mission (UNIKOM), on the border between Iraq and Kuwait. The military and police personnel of the 15 current operations at the end of 2003 amounted to 45,815, an increase of more than 6,000 during the year. The largest operations were in Sierra Leone (UNAMSIL, 11,700 personnel), the Democratic Republic of Congo (MONUC, 10,200), Liberia (UNMIL, 5,569), and Ethiopia/Eritrea (UNMEE, 4,200). As in previous years, there was an ongoing trend to the use of contingents from Asian and African countries. The operations in Africa continued to require the use of armed troops with appropriate protection, and the trends indicated an increased need for peacekeeping operations in 2004.
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. Austria advocated putting the military and police personnel of peacekeeping operations on the same legal basis.

During 2003 some 970 Austrians participated in UN-authorised peace activities, 525 of them in the KFOR in Kosovo. At the end of the year 438 Austrians (387 troops, 12 military observers and 39 police officers) were involved in eight UN peacekeeping operations. Five Austrians were involved in the ISAF operation in Afghanistan and another three in the EU-led ARTEMIS operation in the Democratic Republic of Congo. At the end of the year Austria had the fourth largest contribution of the then 15 EU member states and was one of the 25 largest contributors of peacekeeping personnel from the 94 contributing countries.

International cooperation continued on preparations for the Standby Forces High Readiness Brigade (SHIRBRIG) for the swift provision of personnel for UN peacekeeping operations. Austria was a founder member. The value of this form of cooperation was shown in the use of parts of the SHIRBRIG brigade command as an interim UN headquarters for UNMIL in Liberia. SHIRBRIG also serves the UN and more recently the African Union 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, Sweden, and since 2003 Lithuania, Slovenia and Spain. In 2003 Austria was preparing to take over the leadership of SHIRBRIG from Canada in 2004.

Programmes and Funds of the UN System

UN Economic Commission for Europe (ECE)

The 55-member Geneva-based ECE, the first of five similar UN regional organisations, was founded in 1947 with the aim of supporting the
coordinated reconstruction of post-war Europe. Its Executive Secretary is Brigita Schmögnerova of Slovakia. Its most important function is now helping to bring the economically weaker European states up to European standards, especially in respect of transport, the environment, energy, trade facilitation and business development, in which areas it serves as a forum for the establishment of standards as well as for exchanges of views and experience between national experts. After its successful adaptation to the new political and economic realities in Europe after the Cold War, the ECE is faced with new challenges arising out of the enlargement of the EU to the east. At the World Summit on Sustainable Development in Johannesburg in 2002 the ECE and the other UN regional economic commissions were required to integrate sustainable development more closely into their programmes. It was therefore decided to hold a regional implementation forum for sustainable development in Geneva in early 2004, when Austria will be represented in the panel on settlements, in view of the city of Vienna’s outstanding commitment to social housing. In 2003 Vienna supported the Trust Fund of the Committee for Human Settlements with a contribution of €20,000 towards the setting up of a task force on social housing.

Office for the Coordination of Humanitarian Affairs (OCHA)

Since 1998 the OCHA has been 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 41 country and regional offices worldwide. Although a part of the UN Secretariat, it receives only about 12.5 per cent of its income from the regular UN budget, the remainder consisting of voluntary contributions from individual member states, including Austria.

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 dealing 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-hit country into a single appeal for voluntary contributions. Thanks to the CAP, the quality, swiftness and effectiveness of international aid has been consistently improved. The CAP for 2004 was presented in Geneva on 19 November 2003 in the presence of Swiss Minister for Foreign Affairs Micheline Calmy-Rey. Its goal was to raise about $3,000m for humanitarian assistance to around 45 million people in 21 crisis-hit countries and regions. Other UN agencies and NGOs also participated in this appeal.

Austria retained its traditional chairmanship of the consultative group of the Military and Civil Defence Unit (OCHA). 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. The guidelines for the deployment of military and civilian forces to support humanitarian actions in complex crisis situations were completed and presented in Brussels on 26 June. Joint courses for civilian and military experts were held under the UN Civil-Military Cooperation (UN-CIMIC) training programmes. Austria allocated €35,000 for the improvement of the OCHA’s coordination function. Three Austrian officers, initially seconded and financed by Austria, were transferred to the OCHA staff in 2003. Austria also financed a legal expert in the Unit for Internally Displaced Persons (IDP Unit), the primary purpose of which is to coordinate the activities of other relevant UN institutions. It is estimated that there are some 25 million so-called “IDPs” worldwide, which is double the number of refugees.

**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.

At the beginning of 2003 some 20 million people were covered by the mandate of the UNHCR. With 4,395 staff in 153 offices in 67 countries the UNHCR is one of the major aid organisations and operates in practically every region of the world. Its annual budget is of the order of $1,000m. 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 could be provisionally concluded by the adoption of a relevant resolution by the General Assembly. One of the most radical changes concerns the mandate of the UNHCR, which will in future be open-ended. The UNHCR will deliver verbal reports to the ECOSOC and will submit a comprehensive written report to the General Assembly. The Lubbers proposal for the introduction of an estimated contribution scale met with resistance from most of the donor states, and thus in future contributions will also be on a voluntary basis.

The “Convention Plus” initiative that was started in 2002 continued. The background to this project is that the measures for enhancing the protection of refugees contained in the 1951 Geneva Convention on Refugees and the 1977 Additional Protocol are inadequate as means of coping with the modern refugee problem. The aim is therefore possible bi-, tri- or multilateral framework agreements dealing with various aspects of the problem. At a special Forum held on 27 June most of the delegates were of the opinion that such special agreements would have to be based on the 1951 Geneva Convention and in no circumstances undermine it. Canada presented a concrete proposal for the resettlement of refugees in third states. According to this proposal, donor countries should be prepared to accept a certain number of refugees. Resettlement, repatriation and local integration would be three possibilities of providing a durable solution to the problem.
UN Food and Agriculture Organisation (FAO)

The membership of the FAO now consists of 187 countries and the European Community. East Timor, Tuvalu, Ukraine and the Federated States of Micronesia became members in 2003. Austria has been a member since 1947 and in 2002-2003 was one of the 49 members of the FAO Council, which are each elected for a three-year period.

The new Concept for Food Security and Quality in the form of a holistic food chain approach found general acceptance within the Agriculture Committee, but it was stressed that it would have to conform to the Codex Alimentarius and take more account of the needs of developing countries, which required further support to build up capacities, strengthen national institutions and adapt to higher safety standards. The Secretariat was requested to submit a revised version of the framework concept to the next meeting. The draft Framework Proposal for Good Agricultural Practice – from primary production to processing and distribution – was welcomed by the Committee. No new regulations are to be created for its implementation, but instead existing codes and conventions are to be supplemented. Such a code has to take account of globally very different natural and socio-economic conditions, the interests of all producers, including small producers as well as consumers in developing countries. The Committee on World Food Security discussed the drafting of voluntary guidelines for realising the right to adequate nutrition at national level. Other themes were the role of aquaculture in food for the improvement of the nutrition situation, the significance of disasters in respect of long-term food security and combating poverty, and the possibility of establishing an FAO fund of $2m in this connection.

At the 32nd FAO Conference in Rome on 29 November to 10 December the principal issues were: intensified action to combat illegal fishing, the FAO/UN World Nutrition Programme, the International Year of Rice 2004, the progress report on the fulfilment of the gender-specific FAO Development Plan 2002-2007, and improving the coherence of the FAO Initiative on Combating Hunger, where the right to nutrition also came to discussion. Three round tables were held: the role of water and the infrastructure for sustainable food security; developments in the
international trade negotiations concerning agriculture and their effect on food security; dimensions of food and nutritional security. Other themes included the effects of HIV/AIDS on agriculture, the International Treaty on Plant Genetic Resources for Nutrition and Agriculture, and the use of science and technology for improving the administration of water in Africa and the Middle East.

**International Labour Organisation (ILO)**

The 91st meeting of the International Labour Conference in Geneva in June adopted Convention No. 185 on Passes for Seamen (new version). This foresees a single international form of pass that is easily recognisable by immigration authorities and meets the demands of biometrical presentation. With a view to the devising of new international documents at future meetings of the Conference, further points on the agenda included the development of human resources, working relationships and job protection. There was general discussion of work as a way out of poverty, and the question of equality in the workplace. ILO Convention No. 184 on job protection in agriculture, and Recommendation No. 192 on the same subject, were noted by the Austrian Parliament in July, which also ratified the new version of the ILO Convention No. 183 on the protection of mothers and noted the relevant recommendation.

**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 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 in 2002.
One of the major challenges to the ITU was its leading role in the preparations for the World Summit on the Information Society (WSIS), held in two stages in Geneva (2003) and Tunis (2005), in cooperation with other UN organisations. The first stage, on 10-12 December 2003, with the inclusion of civil society and the private economic sector, dealt with the multitude of technological and social challenges and opportunities inherent in the development of information society, with a view to arriving at a common understanding of the social effects of information and communication technologies. The summit adopted a political declaration and a strategic action plan setting out specific common goals. The main problem areas during the negotiations were the regulation of the Internet, network security, the role of the media, human rights, intellectual property, and not least the financing of the measures that were foreseen. The second phase of the World Summit in Tunis was due to concentrate on development themes, and review progress made since 2003.

The Summit also attracted more than 300 side events, at which Austria was represented. The European Academy for Digital Media and the International Centre for New Media in Salzburg presented the “World Summit Award – the best in e-Content and Creativity”, a project for searching out prize winners worldwide in various categories of the information society in respect of content and creativity. The Ars Electronica Center in Linz exhibited the interactive installation “Hidden Worlds of Noise and Voice”. The Vienna University of Technology presented its “Benchmark Tool” for comparative assessment by country of grades of development and application in the field of information and communications technology.

Further Austrian initiatives included the calling of an international preparatory symposium on the human rights dimension of the information society, whose “Statement on Human Rights, Human Dignity and the Information Society” formed part of the Summit preparatory process. Austria also contributed to the scientific conference on “The Role of Science in the Information Society” that was organised by CERN as preparation for the Summit.
International Fund for Agricultural Development (IFAD)

Austria, through its membership of IFAD, makes an important global contribution towards improving the living conditions of the poorest rural population groups, and simultaneously to the Millennium Development Goals. IFAD provides assistance for these groups in developing countries by supplying loans under very favourable conditions and non-repayable grants. As a comparatively small international financial institution IFAD supports the creation of an “Enabling Micro-environment for the Poor”. The essential elements of this strategy are creating easier access to small loans, technology, fair markets, the necessary minimum infrastructure, health care and primary education for the rural population.

International Maritime Organisation (IMO)

The IMO now has 163 members and three associate members. Its function is to draft international legal rules for the safety of high-seas shipping and to prevent environmental disasters at sea. It devotes special attention to the prevention of tanker accidents, which can cause serious environmental disasters. As a reaction to the sinking of the tanker “Prestige”, its Marine Environment Committee in December adopted an accelerated timetable for the withdrawal of single-hulled tankers from service. The International Conference on an Additional Protocol to the International Fund for Oil Pollution Damage increased the maximum insurance liability for oil spills to almost €1,000m. The main issues at the 23rd IMO Conference were the development of an audit scheme for flag countries, guidelines on safe harbours for vessels in distress, and questions in connection with the breaking up of high-seas ships. Efthimios Mitropoulos of Greece replaced William O’Neil of Canada as Secretary-General of the IMO.

A total of 6 high-seas vessels of 29,918 gross 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.
International Civil Aviation Organisation (ICAO)

An ICAO World Conference, attended by all 188 member states and around 30 international organisations, was held in Montreal in March 2003 for the purpose of drafting a framework for the liberalisation of global air transport. Its concluding statement set out its goal of the widest possible economic liberalisation of air transport compatible with security, social interests and protection of the environment.

The 34th ICAO General Meeting increased the size of the ICAO Council from 33 to 36 seats, and elected Chile, Singapore and South Africa to membership. Austria belongs to the ABIS electoral platform, which also comprises the Benelux countries, Ireland and Switzerland, and was for the first time a candidate for Council membership at the 35th General Meeting in autumn 2004.

Emergency measures were agreed to prevent the spread of the SARS epidemic, and in June a new catalogue of measures for better protection against infection at airports was drawn up in conjunction with the World Health Organisation. The Air Navigation Conference in September laid the basis for the development of a harmonised global navigation system, primarily for the purpose of increasing safety in the air. The 1999 Montreal Agreement on the revised civil liability of airlines entered into force, replacing the 1929 Warsaw Agreement; it became law only after the joint deposition of the articles of ratification by all EU member states. In December the dispute between the EU and the US over the so-called “hushkits” was formally ended; the issue was a landing ban on older US aircraft fitted with supplementary silencers.

United Nations Educational, Scientific and Cultural Organisation (UNESCO)

2003 was a year of conspicuous success for the reforms inaugurated by UNESCO Director-General Koichiro Matsuura after his appointment four years previously. The re-entry of the US on 1 October meant that the organisation had regained its claim to universality, and, after the admission
of Timor-Leste, now comprises 190 member states. The 32nd General Conference on 29 September – 17 October was addressed by five heads of state as well as Laura Bush, wife of the US President, who stated the future aims of the US within UNESCO as basic education, education for tolerance, post-conflict education, and education on HIV/AIDS.

The General Conference adopted the Convention on the Protection of Non-Material Cultural Heritage, which encompasses areas not covered by the successful 1972 World Heritage Convention. The Conference also requested Director-General Matsuura to submit the draft of a convention on the protection of cultural diversity, after consultation with other relevant international organisations. Austria welcomes this project, which aroused lively interest. A first meeting of experts was held in Paris in December. The conference issued an International Declaration on the Protection of Human Genetic Data and, as a next step, requested Director-General Matsuura to draft a declaration on universal bioethical norms.

Other new UNESCO instruments that set international standards were the Charter on the Protection of the Digital Heritage, and the Recommendation on the Promotion and Use of Multilingualism and General Access to Cyberspace. The Declaration on the Malicious Destruction of Cultural Heritage, initiated two years previously under the influence of the destruction of the Buddha statues at Bamian was adopted by consensus. Director-General Matsuura was given a mandate to prepare a draft convention against doping in sport.

In post-war Iraq the distribution of UNESCO teaching material for schools that had begun under the “Oil for Food” programme continued under the new conditions with the additional function of providing support for the reconstruction of the Iraqi school system. A committee of experts met three times in Paris to review the plundering of cultural goods after the end of hostilities, and UNESCO also sent two expert missions to Iraq. In cooperation with INTERPOL, UNESCO compiled a databank of stolen objects and a computer-assisted inventory of artefacts in Iraqi museums. UNESCO’s work for the reconstruction of Afghanistan continued in 2003 covering the educational system, the media, and various aspects of the cultural heritage.
UNESCO contributed to the World Summit on the Information Society (WSIS) with ethical and intellectual considerations on themes like social inclusion, youth, gender, cultural diversity, human rights and intercultural dialogue. It sponsored a number of fringe events, including the round table for information ministers in October.

The ceremonial presentation of the documents for the entering of the cross-border Fertö/Neusiedlersee cultural landscape in the world heritage list took place in May, and that for the historic centre of Vienna in October. Austria now has eight entries in the list, which at the end of 2003 comprised 754 cultural objects and sites in 129 countries.

One satisfactory result of the return of the United States to UNESCO was that, after six years of zero growth, the biennial budget could be increased to $610m in recognition of the successful reforms of the previous years. Austria contributed 1.25% of UNESCO’s regular budget for 2003. This contribution totalled $1,488,361 plus €1,646,125, with an additional contribution of $33,894 to the UNESCO Fund for the Protection of the World Cultural and Natural Heritage. In 2003 Austria also provided voluntary contributions for the International Council for Monuments and Sites (ICOMOS, $7,442 and €8,231), the Fund for Developing Knowledge of Human Rights through Education and Information (€10,000), and the International Institute for Educational Planning in developing countries (I.I.E.P., €72,600).

**World Health Organisation (WHO)**

The 56th World Health Conference in Geneva in May took place in a spirit of compromise and cooperation. Jong Wook Lee of Korea was appointed WHO Director-General as from 21 July. The Framework Convention on Tobacco was unanimously adopted, and was signed by Austria on 28 August. The budget for 2004-2005 was agreed, with a return to the UN contribution scale as reference. New EU member Cyprus was transferred to the WHO European Region (EURO). Representatives of Canada, the Czech Republic, Ecuador, France, Guinea-Bissau, Iceland, Nepal, Pakistan,
Sudan and Vietnam were elected to the WHO Executive Committee. Resolutions adopted, mostly by consensus, included those on SARS, International Health Regulations, and Intellectual Property Rights. The resolutions on Palestine and the representation of developing countries in the WHO Secretariat were adopted only after votes; in both cases Austria abstained.

The 53rd meeting of the WHO Regional Committee for Europe, held on 8-11 September in Vienna, elected Austrian Health Minister Rauch-Kallat as its chairperson. The senior official Hubert Hrabcik was elected to the Standing Committee, in which Austria is now represented for the first time. The most important issues at the meeting were country strategies, HIV/AIDS and tuberculosis, mental health, and the health of children and young people. Austria allocated €100,000 to UNAIDS for projects in the priority countries for Austrian development cooperation. Austria also made a Junior Professional Officer available to UNAIDS for two years as a human resource contribution to the programme.

The Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria (GFATM), administered by a 23-member Council, is an independent financing mechanism to provide resources for sustainable measures against these diseases. Fully operational since 2003, its funds increased from $1.7m to $4.7m between January 2002 and July 2003.

**International Atomic Energy Agency (IAEA)**

The IAEA, with 2,200 staff, has its administrative headquarters in Vienna and also research, teaching and safety monitoring facilities at Seibersdorf in Lower Austria. Its principal function is the global promotion of research and development on the peaceful use of nuclear energy and its many practical uses, and the verification of the observance of the conditions of the Nuclear Non-Proliferation Treaty (NPT).

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, and to the Convention on the Safety of Used Fuel Elements and Radioactive Waste. The first review conference on the latter convention was held in November 2003, when the reports on the implementation of the 33 signatory states were examined and recommendations for improvements put forward.

On safety controls, Austria strongly supports the development of the IAEA’s new integrated monitoring system. A central role here is played by an additional protocol which extends national responsibility to provide information and permit swift and unhindered inspection of plants by IAEA inspectors. This will provide the Agency with a more comprehensive overview of the nuclear activities of its member states. By the end of 2003 a total of 79 states and international organisations had signed additional protocols with the IAEA, including all the EU countries and the European Atomic Energy Community (EURATOM), so that the convention can enter into force in 2004.

The IAEA withdrew its inspectors from Iraq on 17 March, shortly before the outbreak of hostilities there. Although its mandate remained in force, the Agency was unable to renew its functions in Iraq after the end of the fighting, and this remained the case up to the end of 2003. No progress was made in North Korea, where the government in Pyongyang refused to permit any monitoring of their nuclear plants after the enforced withdrawal of the IAEA inspectors in December 2002. In Iran, on the other hand, the IAEA was able to clarify concrete details of a comprehensive nuclear programme after reports reached it in the autumn of 2002. In mid-October 2003 the Iranian government yielded to strong international pressure; it went over to a policy of active cooperation and on 18 December signed the IAEA additional protocol.

The 47th session of the IAEA General Conference on 15-19 September 2003 was traditionally dominated by the Iranian nuclear programme and measures to strengthen protection against nuclear terrorism. Since the demands of nuclear verification had increased considerable within recent years, the General Conference agreed to an increase in the IAEA budget for the first time in 15 years. The developing countries, on the other hand, demanded that more means should be allocated to IAEA programmes for
technical cooperation, which had also been under-funded for years. However, in view of the crises in North Korea, Iraq and Iran, Austria renewed its emphasis on safety controls and once again drafted the relevant resolution that was submitted in the name of the European Union and adopted by consensus. Austria also repeated its traditional demand for further international efforts to enhance nuclear safety.

**World Tourist Organisation (WTO)**

The Madrid-based WTO (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. At the end of 2003 the OMT had 142 members, 2 observers, 7 associate members, and more than 300 affiliated members. In 2003 it became a United Nations special organisation. Austria has been a member of its Programme Committee since 1995, and has held the chairmanship of the committee since 1999. This function was confirmed at the 15th General Conference in Peking during October.

One of the main functions of the WTO is the transfer of tourism-related know-how to developing countries. In this capacity it acts as the executive body for technical development assistance within the framework of the UNDP. The most important event in 2003 was the first International Conference on Climate Change and Tourism, held in April in Djerba, Tunisia. It was attended by more than 150 representatives of the public and private sectors as well as NGOs from 42 countries and six international organisations. The conference considered the effects of climate change on coastal zones, islands and mountain regions and on regions subject to drought and flooding. It adopted the Declaration of Djerba on Climate Change and Tourism, which recognised the effects of climate change on tourism and called for additional research and the encouragement of sustainability in tourism. The 2004-2005 work programme adopted in Peking highlights sustainable tourist development, the fight against poverty, and support for destination development.
World Meteorological Organisation (WMO)

The Geneva-based WMO supports the work of meteorological services globally by promoting the standardisation of observation data and data evaluation which provides information for air, sea and land transport, and not least for research into climate change. Austria contributed 588,440 Swiss francs or 0.93% of the 2003 WMO budget. The 14th WMO General Congress in May 2003 elected Michel Jarraud of France as its new Secretary-General in succession to G.O.P. Obasi of Nigeria, who had headed the organisation since 1984. It also elected a new Executive Council, which will conduct the Organisation’s affairs till the next General Congress in 2007.

United Nations University (UNU)

Founded in 1972 as an autonomous organ of the UN General Assembly, the Tokyo-based UNU has the function of a think tank with an emphasis on the environment and sustainable development, as well as peace and governance. It offers students and academics a worldwide network in which research, capacity building, theoretical solutions and practically applicable action plans can be carried out. 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.

There are two external centres, in Paris and New York, as well as 13 research and training centres and programmes: 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 programmes and initiatives offering training in comparative regional integration (Bruges), nutrition (Cornell University, USA), geothermal energy and fisheries (Iceland), and conflict resolution and ethnicity (Ulster).
E. Disarmament and Arms Control

Achieving progress in strategic, tactical and conventional disarmament, carrying out arms control through treaty-based verification as well as the non-proliferation of weapons of mass destruction are all essential elements in a system for assuring peace. Guaranteeing the protection and safety of the individual is the underlying motivation for Austria’s engagement in this field.

Weapons of Mass Destruction

The Treaty on the Non-Proliferation of Nuclear Weapons (NPT) has for many years formed the cornerstone of efforts to prevent the spread of nuclear weapons. With the accession of Timor-Leste in 2003 the number of signatory states increased to 189, whereby the NPT almost achieved universal status. India, Israel and Pakistan, however, continued to remain outside the treaty’s scope.

The second session of the preparatory commission for the NPT Review Conference 2005 met in Geneva in April/May and was characterised by an objective and constructive atmosphere. In view of the Iraq war and the nuclear crises in Iran and North Korea the non-observance of the treaty was the central issue, which also overshadowed the question of its universality. The non-nuclear weapon states repeated their demand that the five nuclear weapon countries should swiftly fulfil their commitments to complete nuclear disarmament under Article VI of the NPT, especially in respect of the concrete steps to this end agreed at the review conference in 2000. Austria, Sweden and Mexico produced a working paper with specific proposals for the reduction of non-strategic nuclear weapons. Austria also advocated an appreciable strengthening of the IAEA security control system, increased efforts against illegal trading in nuclear materials, and additional measures regarding export control.

The Comprehensive (Nuclear) Test Ban Treaty (CTBT) bans all tests of atomic weapons involving chain reactions as well as all other nuclear explosions. It will enter into force when 44 named states, including Austria,
have ratified it. Of the 170 states that have signed, 108 had ratified by the end of 2003. The number of ratifications overall continued to increase, but those by the 44 named states have gone up only slowly to 32. The ratification by Algeria in July 2003 was the first for more than two years. Austria ratified the CTBT on 13 March 1988.

Article XIV of the CTBT provides for the regular holding of ratification conferences in order to accelerate the treaty’s entry into force. The third Art. XIV conference was held in Vienna on 3-5 September 2003 in order to discuss concrete measures to this end. The final declaration adopted at the conference called for the early signing and ratification of the CTBT, for the continuation of the moratorium on nuclear tests, and for support for the CTBTO Preparatory Commission and international cooperation. It is also foreseen that one particular state should coordinate the international efforts to promote the entry into force of the CTBT in collaboration with a Special Representative. The question of a Trust Fund for the financing of outreach activities remained to be discussed at the end of the year.

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 with a staff of around 270. Its main task is to develop the Organisation’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. Austria continued to campaign for the earliest possible setup of the Preparatory Commission’s monitoring network. The only unit to be established in Austria is the radionuclide laboratory at Seibersdorf, which was established to examine “suspect” samples. It was the first of the 16 laboratories worldwide to be certified, and started operating in December 2001.

The Conference on Disarmament (CD) in Geneva once again failed to achieve agreement on a work programme, despite considerable endeavours and some modest signs of a weakening of the stalemate of many years towards the end of the session. This meant that there was still no progress towards drafting a treaty banning the production of fissile
material for nuclear weapons or other explosive devices (also termed the Fissile Material Cut-off Treaty).

The 1997 Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (CWC) 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 2003 it had been signed by 180 states and ratified by 158.

During 2003 another 273 inspections were carried out in 205 chemical facilities, 132 of them in commercial chemical firms. The total number of facilities to be inspected is 4,887. Since the Convention entered into force there have been 1,600 inspections in 679 facilities. Up to 1 December 2003 the OPCW had supervised the destruction of some 8,250 tonnes of chemical weapons out of 69,869 tonnes declared, and 1,992,556 pieces of illegal ammunition from 8,624,584 declared. It also confirmed the dismantling of 31 of the 61 declared chemical weapon production plants, with another 13 already prepared for dismantling. A further 10 have been converted to civilian use, with conversion foreseen for another 10.

The Russian Federation destroyed one per cent of its Category 1 chemical weapons by the end of April 2003 (instead of April 2000 as planned). Further delays took place in the United States and South Korea. The eighth meeting of the parties to the Convention in October 2003 therefore set new dates for the destruction of chemical weapons: the Russian Federation was committed to destroy 20% of its weapons by 29 April 2007; the United States 45% of its stocks by 31 December 2007; and South Korea 45% of its weapons by 30 April 2007. The acceptance of the extended date for the destruction of 45% of the declared chemical weapons by 31 December 2007 means that the original 10-year period foreseen by the treaty will be exceeded. This also throws into doubt the chances of maintaining the original maximum extension period of five years till 2012.
The first review conference under the Chemical Weapons Convention took place from 28 April to 9 May 2003 in The Hague. There was unanimous agreement on the political declaration and the initially controversial final document, both of which set the course for the following years. Despite some compromises, it proved possible to prevent any weakening of the convention. The parties to the Convention underlined their will to implement their commitments regarding the most important aspects: destruction of all chemical weapons, national implementation of the convention, and its universal application.

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 in May 2002; its next period of membership will be 2008-2009. The total budget of the OPCW was €68.5m for 2003, of which Austria contributed €605,984 (0.946%).

The 1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (BTWK) does not have any control mechanism, although efforts to set up a verification mechanism have been going on since 1995. The negotiations in a special ad-hoc group set up for this purpose proved fruitless, so that the fifth review conference in August 2001 had to be suspended. However, agreement was reached on a modest work programme at its resumption in November 2002. That programme foresaw an annual conference of the parties to the Convention with the aim of achieving a better exchange of information. The next meeting in November 2003 dealt with aspects of national implementation and legislation, national security, and the monitoring of substances relevant to the Convention.

The objective of the 33-member Missile Technology Control Regime (MTCR) is to control the export of ballistic missiles capable of delivering weapons of mass destruction. At the 2003 plenary meeting in Buenos Aires in September agreement was reached on the strict implementation of export controls and the introduction of qualitatively new measures such as a “catch-all” clause in its guidelines that had been proposed by the EU. These
measures were regarded as essential in view of the ongoing proliferation of missile technology and the growing danger of international terrorism. Argentina took over the MTCR chairmanship from Poland. The 2004 plenary meeting was due to be held in the Republic of Korea.

The **International Code of Conduct for preventing the spread of long-range carriers for weapons of mass destruction (HCOC)** was adopted by a state conference at ministerial level in The Hague in November 2002. By the end of the year 2003 a total of 111 subscribing states had accepted this politically binding multilateral text. Its central aspects are confidence-building measures like the announcement of missile starts and the annual notification of space programmes. This Hague Code has, however, not yet been accepted by a number of important states, including India, Pakistan, China, North Korea, Syria and Israel. In order to universalise the Code of Conduct so-called “outreach activities” are carried out, the above-mentioned states thereby being paid special attention. An outreach seminar was held in New York on 1 October, on the occasion of the second regular meeting of subscribing states, when Chile took over the chairmanship from the Netherlands. The central issues were the universal application of the Code of Conduct, its anchoring in the UN system, and technical questions like improved communication. The next conference was due to be held in Vienna in June 2004.

Austria has been entrusted with the central contact point (secretariat) of the Hague Code. This further enhances the significance and international standing of the Vienna International Centre, which already houses other important organisations in the field of verification and 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 2003 at political and operational level. The Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Landmines and on
their Destruction (APM, also known as the Ottawa Convention) was signed in 1997 and entered into force in 1999. By the end of 2003 it had been signed by 150 states and ratified by 141. This development is particularly gratifying to Austria, which had drafted the original text of the Convention and indeed was one of the driving forces behind the so-called Ottawa Process for the worldwide abolition of these treacherous weapons. Austria ratified the Convention in June 1998. Considerable progress was made in 2003 with the accession of Greece, Turkey, Serbia and Montenegro, Lithuania, Belarus, Sudan and Burundi.

At the fifth conference of signatory states in Bangkok in September, Ambassador Wolfgang Petritsch of Austria was elected President of the first Review Conference of the Ottawa Convention that was due to take place in Nairobi in November/December 2004. The greatest challenge to the “Nairobi summit for a mine-free world” is to ensure the future political and financial commitment of its signatory states to the worldwide campaign against the use of anti-personnel mines. The success of the Ottawa Convention is reflected in the drastic decline in the use of these weapons: trading has almost stopped since there is hardly any production, and even non-signatory states are adhering to the international standard and legal norm that the convention has created.

In order to protect the civilian population, which is most at risk from mines, the Ministry for Foreign Affairs provided €1,100,000 to finance measures for the clearing and destruction of mines, to launch programmes intended to increase the awareness of the dangers of mines and to offer aid for victims. An evaluation of the mine action programme yielded the result that the programme should in future concentrate on a number of priorities, whereby the means can be applied more efficiently. The 2003 programme included multi-annual projects in Mozambique, Nicaragua, Bosnia & Herzegovina, Croatia and Albania.

In order to raise public awareness of the economic, social and humanitarian consequences of the landmine problem, the Ministry for Foreign Affairs organised a benefit concert under the motto “World Without Mines”; held in the Musikverein in Vienna, with performances by Anne-Sophie Mutter and Lambert Orkis, the event raised a total of €200,000.
Austria also campaigned for the implementation of the commitments under the 1980 Convention on Certain Conventional Weapons (CCCW) and for its further development. At the 2001 review conference it was agreed to extend the scope of the convention and its protocols to cover non-international conflicts and to develop the issues of “explosive remnants of war” and mines other than anti-personnel mines as a further priority. The military use of so-called splitter bombs in Iraq, Afghanistan and Kosovo caused immense humanitarian problems, since the victims of these explosive remnants in many conflict regions already outnumber those injured and killed by land mines. Yet in contrast to land mines, there had hitherto been no legal framework for a possible solution to the problem. However, the conference of signatories to the CCCW in November 2003 adopted Protocol V, which establishes a responsibility for the clearance of explosive remnants of war and for providing information for the civilian population. The protocol will enter into force as soon as 20 ratifications will have been deposited.

The 2001 UN conference on small arms and light weapons was a politically important success regarding the endeavours to control the international proliferation of these weapons, which can often be obtained easily. While the results of the conference were not as comprehensive as those already achieved by the OSCE, they nonetheless laid the most important foundations for restricting future proliferation. The action programme adopted by the conference contained measures at national, regional and international level for the control of their production, export and trading by intermediaries as well as for marking, standards for stock control and cooperation on post-conflict programmes. A systematic series of follow-up meetings and a review conference in 2006 were agreed.

The accumulation and uncontrolled spread of small arms and light weapons is increasingly being recognised as a serious threat to security. Therefore, it is important that progress is achieved at regional level, e.g. in the OSCE region and Africa, and that the action programme is carried out. In June 2003 the UN held the first biennial conference in New York on the follow-up mechanism foreseen under the action programme.
The European Union’s Code of Conduct for Weapon Exports, adopted in June 1998, lays down politically binding criteria for the approval of exports of conventional weapons. If an export permission is refused, it provides for mutual information and, if necessary, for a consultation between the member states. Those weapons and military equipment which are covered by the Code of Conduct are summed up in a single list. The Council publishes an annual report on the application of the code. On 23 June 2003 the EU Council adopted a Common Position on arms brokering, in order to prevent that embargos imposed by the UN, OSCE or the EU are bypassed. In Austria the position is covered by existing legislation.

**Multilateral Export Control Regimes**

The primary goal of the existing five informal regimes for the coordination of national export controls is non-proliferation: i.e. preventing that sensitive technology and know-how get into the hands of states that might use them for military purposes. The main instruments to this end are lists of relevant goods and substances as well as guidelines regarding the export to non-member countries. Austria is a member of all of five regimes.

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 with regard to 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, and dual-use goods, with a view to establishing transparency and preventing destabilising accumulations. At its plenary session in Vienna in December 2003 the comprehensive evaluation of the functioning of the Wassenaar Arrangement (carried out every four years) was concluded. Against the background of the international campaign against terror, the
participating states agreed on a large number of measures, including stricter
controls on the export of man-portable air defence systems (MANPADS),
the introduction of a catch-all clause in the regime’s guidelines, and
enhanced transparency in the transfer of small arms and light weapons.

F. The International Protection of Human Rights

I. Introduction

The global implementation of international standards of human rights was
again a central issue for Austria in 2003. The principal aspects were the
abolition of the death penalty, the protection of minorities, the rights of
women and children, especially in armed conflicts, the situation of internally
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. From July 2002 until
May 2003 Austrian Minister for Foreign Affairs Benita Ferrero-Waldner held
the chairmanship of the 13-member Human Security Network (HSN).
Minister Ferrero-Waldner designated education for human rights and
children affected by armed conflict as the main themes of the Austrian
chairmanship. Austria also campaigned intensively for the strengthening of
civil society and supported nongovernmental organisations (NGOs) 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 as
well as the respect of human rights and fundamental freedoms are some 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 a part in developing the EU directives on children in armed conflicts, the EU-internal discussion on the issues dealt with by the UN Human Rights Commission and General Assembly, and various EU country-specific initiatives.

After an intensive discussion process in the COHOM, with active Austrian participation, it was decided to enhance the involvement of the EU heads of missions (HOMs) not only in the implementation of international resolutions but also in the formulation and planning of strategies on human rights. This would include the compilation and updating of “fact sheets” on the human rights situations in the states to which they are accredited. The EU-internal exchange of information on human rights is to be stepped up, improved websites will expand public information on the relevant EU policy, and human rights and democratisation will now form a separate agenda item in the annual discussion to identify the main EU foreign policy goals.

In fulfilment of the 1998 Vienna Declaration, the fifth 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 democratisation in relation to third countries and on international level, but also deals with human rights strategies and problem areas within the EU itself. It covers the period from 1 July 2002 until 30 June 2003.

The EU election monitoring missions, 25 of which have been organised by the Commission since 2000, are an important means of implementing human rights policies. These allow the member states to make a contribution to stability, transparency and confidence in the countries under observation, and thereby to the consolidation of democratic structures. During the last years the missions have also served to raise the profile of the EU as a credible and visible actor. In 2003 Austria participated with 31 personnel in monitoring missions in Nigeria, Mozambique, Guatemala, Rwanda, and Cambodia.
The fifth EU Human Rights Forum, held in Rome in December 2003, provided an occasion for an exchange of views and experience between member states, EU institutions and representatives of civil society. The themes included children in armed conflicts, the sexual exploitation of children, and trafficking in children. The Forum issued detailed recommendations to all EU member states and institutions.

The European Council in Brussels in December agreed that the mandate of the Vienna-based EU Monitoring Centre on Racism and Xenophobia (EUMC) should be enlarged, and that the organisation should be reformed as a Human Rights Agency. The Commission is to draft the appropriate legislation.

Abolishing the Death Penalty

Austria and its partners in the European Union have declared the worldwide abolition of the death penalty to be 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 those 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 others in Africa and Asia, to abolish the death penalty, to 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 norms formulated in the EU guidelines. These include non-imposition of the death penalty on persons who were under 18 years old at the time of the offence, on pregnant women or mothers of newly-born infants, and on mentally handicapped persons. Austria participated actively in a number of interventions at EU level.
Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment

In 2003 the EU concentrated on the very complex implementation of the guidelines for EU policy towards third countries on torture that had been adopted by the Council in April 2001. The paper foresees, inter alia, regular joint reports by the embassies of the EU member countries on the problem of torture in third countries, the use of demarches, and enhanced cooperation with UN special rapporteurs and regional institutions to combat torture as well as support for NGOs that campaign for its abolition.

The campaign against torture has a high status in Austria’s international human rights policy. At the beginning of the 58th UN General Assembly Austrian Minister for Foreign Affairs Benita Ferrero-Waldner signed the Facultative Protocol to the UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. 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 2002 after 10 years of difficult negotiations in which Austria participated as a EU - matter of priority. Austria already possesses institutions for the implementation of aspects of the protocol, and legislative measures for complete coverage are in hand.

Structured EU Human Rights Dialogues

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, with follow-up seminar meetings at expert level. The subjects discussed included sensitive issues like the prohibition of torture, the death sentence, Tibet, the severe persecution of members of democratic movements and religious groups as well as the Falun-Gong movement and specific individual cases. In March the EU Council again made the continuation of the human rights dialogue with China dependent on concrete improvements in the situation there. While progress had been
made in certain areas, such as China’s cooperation with the UN and EU human rights mechanisms, in others like the death penalty there has been little sign of improvement. Despite slow progress, the human rights dialogue remains an important instrument for cooperation between the EU and China. It is especially important because respect for human rights in China can be assured only through long-term endeavours. That is why Austria favours its continuation.

**The EU-Iran Dialogue**

A structured dialogue on human rights between the EU and Iran was inaugurated in December 2002, and a further two dialogue rounds were held in March and October 2003. The first two rounds, on discrimination and torture prevention, as well as on the rule of law and fair procedures, were regarded as basically successful, but there was a disappointing lack of cooperation and readiness to provide information by the Iranian side regarding individual cases. There were also no detectable improvements in the human rights situation in Iran as a consequence of the dialogue. The third round was held in Brussels in October after the original arrangement for it to be held in Teheran in September had been cancelled by the EU because of the Iranian refusal to issue visas to the representatives of the NGOs Human Rights Watch and Amnesty International. The meeting dealt with the issues of the right to the free expression of opinion and – at Iranian request – the right to development, and took place in an open and constructive atmosphere. For the first time, a reply was made to the EU list of individual cases. However, valuable as the dialogue process undoubtedly is for strengthening civil society, and for keeping the line of communication on human rights open, measurable concrete progress will continue to be essential.

**III. Human Rights within 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 human rights standards 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 particularly supports strategies for strengthening human security. The essential instruments for supporting human rights, preventing conflicts and consolidating peace are the development and strengthening of the rule of law, good governance, an active civil society and local human rights structures, but also broadly-based measures of education for human rights at all levels of society.

Austria actively supports the principles of the universality, indivisibility and interdependence of human rights that were also underlined by the international community at the Human Rights Conference of the UN in Vienna, and consistently campaigns for their “mainstreaming” into the various fields of work of all UN programmes and activities.

The office of High Commissioner for Human Rights that was created at the Vienna World conference had a new appointment in September 2002 in the person of Sergio Vieira de Mello of Brazil. Vieira de Mello, who was appointed by the Secretary-General Kofi Annan to lead the UN mission in Iraq, was killed in a bomb attack on the UN headquarters in Baghdad on 19 August 2003, and by the end of the year there had been no decision on a successor. On Human Rights Day 2003 (10 December) he was posthumously awarded the Human Rights Prize 2003. Other winners of this prize, which is awarded every five years for exceptional services to the protection and promotion of human rights, include Enriqueta Estela Barnes de Carlotto of Argentina (spokesperson for persons who have disappeared), the Family Protection Project Management Team in Jordan, Pufang Deng of China (handicapped son of the former Chinese political leader and defender of the rights of the disabled), Shulamith Koenig of the US (activist for human rights education), and the Mano River Women’s Peace Network in Sierra Leone, Liberia and Guinea.
The United Nations Commission on Human Rights

The Commission, formally a subordinate institution 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 concrete effects of the numerous thematic or country-related resolutions may be limited, but they play no small part in establishing consciousness, removing taboos on sensitive issues, and strengthening international standards of human rights. The effect of the Commission’s critical resolutions on governments responsible for serious violations of human rights should also not be underestimated. In contrast to other international conferences, a very 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.

The 59th session of the Human Rights Commission opened just a few days before the start of hostilities in Iraq. There were widespread fears that the developments in Iraq would overshadow the work of the Commission, as those in Israel and Palestine had done the year previously. A group of delegates from Islamic countries did in fact introduce a proposal that the Commission should hold a special session devoted to Iraq, analogous to the one on the Israeli-occupied territories the previous year. This was, however, rejected by a clear majority after it became obvious that the proposers’ principal motivation was to condemn the British-US military action – something that was in any case outside the competence of the Commission. Although the pessimistic expectations of a polarisation over Iraq were not realised, it was nevertheless clear that the developing geopolitical situation was having its effect on the discussions. Another negative trend was a polarisation of positions between North and South marked by increasing polemics and a regrettable marginalisation of the real human rights aspects.
Once again this situation was influenced by the constitution of the Commission, a large proportion of the members of which had only a limited understanding of human rights. The negotiating climate was also adversely influenced by the US demand for a vote on Libya’s candidacy for the chairmanship, which was put forward by the African group. This would have entailed a departure from the prevailing practice of endorsing the chairmanship and other office bearers by acclamation after these had been elected by the regional group whose turn it was to fill the function in question.

From the EU point of view the decisions taken on a number of specific situations in individual countries were once again disappointing. Based on the reports of the 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. Many developing countries as well as the Russian Federation reject country resolutions as political motivated “finger pointing” and as outdated and misused means of applying pressure by the Western states, was appreciated by the basically more moderate states of the South. The resulting increasing solidarity, however, led to the mobilisation of sufficient majorities against the EU resolutions on Sudan, Zimbabwe and Chechnya that the Western group was unable to counter. The failure in the case of Sudan was particularly regrettable. The Commission did, however, succeed in adopting resolutions or decisions on 19 country situations, including the Middle East, Cuba, Belarus, Myanmar, North Korea and Turkmenistan, the latter three being EU initiatives.

Once again there were many thematic resolutions on individual aspects of human rights as such, which are of central importance for the setting and dynamic development of standards. Here, too, the different priorities of the countries of the North and the South came to the forefront: resolutions on civil and political rights mostly by European countries, and a majority of those on economic, social and cultural rights from countries of the South. A comprehensive EU resolution on the death penalty was adopted by a comfortable majority; this is a central issue for the European Union. Other
successfully adopted resolutions covered the rights of the disabled, the protection of human rights in anti-terror measures, and the rights of children – the latter after the US had withdrawn its demand for separate votes on all but two binding provisions. There was opposition, especially from Islamic states, to a number of ambitious thematic initiatives by Western countries that went beyond the established consensus on problematical issues. The subjects of sexual orientation, violence against women, and non-judicial summary or arbitrary execution were particularly controversial. The majority of the traditional thematic resolutions were, however, adopted by consensus.

Two Austrian resolutions were adopted by consensus. The text of that on internally displaced persons was enhanced by its connection with the issues of peace and security. There was more difficulty with the resolution on minorities, in which Austria had pleaded for the appointment of a special rapporteur to carry out preventive and early-warning functions in situations of ethnic tension. This particular idea had to be dropped because of resistance from the EU, where there were differences of opinion on the issue. Austria also negotiated another three resolutions in the name of the EU – on a right to health, the promotion of international cooperation on human rights, and on the independence of the judiciary.

The United Nations General Assembly

The discussions on human rights in the Third Committee of the General Assembly were also less consensus-oriented than in previous years and were marked by increasing politicisation. Procedural debates hindered the work appreciably and created a diversion from substantial discussion. The number of resolutions adopted by consensus diminished, and demands for votes on traditionally consensus-capable resolutions increased. The introduction of numerous new resolutions undermined Western efforts to rationalise the work of the committee and the General Assembly itself.

Here, too, more attention was drawn to thematic resolutions rather than to country specific ones. Those on the protection of human rights in anti-terror measures, and on racism and xenophobia, were adopted by clear
majorities. A resolution on the elimination of domestic violence against women was adopted by consensus, and the Secretary-General was requested to submit a comprehensive study on all forms of violence against women. The resolution on the rights of children, sponsored by the EU and the Group of Latin American States, once again went to a vote at the instigation of the United States, which is not a party to the Convention on the Rights of Children and so does not accept formulations on its basis.

Austria once again introduced resolutions on human rights in the administration of justice, and on the rights of minorities, both of which were adopted by consensus. Austria also led the negotiations on behalf of the EU for four further resolutions: on internally displaced persons, on the Decade of Human Rights, on the promotion of international cooperation on human rights, and on the importance of cooperatives for social development.

The EU introduced three country-specific resolutions: on the human rights situations in Myanmar, Turkmenistan, and the Democratic Republic of Congo; that on Myanmar was adopted by consensus, the other two by clear majorities. A fresh resolution on Iran was sponsored by Canada and a majority of EU members including Austria, after a gap of one year, on account of the continuing serious human rights situation there; it was adopted by a solid majority. Japan introduced its traditional resolution on the situation in Cambodia, which was adopted by consensus.

The voting pattern of the EU member states was less unanimous than in previous years, but the Union still managed to exert its political influence effectively and successfully. The United States, on the other hand, demanded votes on the proposals to which it was opposed in the Convention on the Rights of the Child, the International Court of Justice, and on the death penalty.

IV. Human Rights within The Organisation for Security and Cooperation in Europe (OSCE)

For human rights in the OSCE see The Human Dimension in the chapter on the OSCE above.
V. Human Rights within 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 23 states in 1989 to 45 in 2003 has brought with it a substantial increase in the number of cases raised, compounded by the fact that individuals now have direct access to the court, and that publicity for the system has given it an increasing awareness. Some 4,000 individual complaints were raised at the court in 1989, but by 2003 this had increased to 35,000. Despite improving the court’s efficiency by comparison with the previous year, by the end of 2003 there was a backlog of more than 30,000 cases awaiting decisions. Around 400 of the total number of complaints are against Austria.

In November 2003 the CoE Steering Committee on Human Rights published a further interim report on ensuring the long-term efficiency of the court. The backlog of submitted complaints, the major proportion of which are rejected, but around one tenth of which are forwarded for judgement, compared with the annual number of cases handled in detail (around 850), is posing a serious challenge to the credibility and effectiveness of the human rights system under the European Convention. There is a consensus on a number of proposals put forward by the steering committee, including the necessity of improving the application of the Convention and its implementation at national level, accelerated handling of repetitive cases where the legal issues have already been decided by the court, and the use of three-member senates of the court for the summary handling of such cases. There is a division of opinion among the member states on the question of introducing new criteria for admissibility under Article 35 of the Convention. Whereas one side has advanced radical solutions as far as turning the European Court of Human Rights into a court for the basic principles of human rights, in which the court itself would select submissions as model cases according to relevant criteria, a number of states are against any weakening of the right to individual complaint through the introduction of additional filters. Various compromise proposals were in being by the end of 2003. Austria stands for the retention of the unrestricted right of individual application to the court, since the relevant developments in the member states of the Council of Europe are not yet so advanced that
this most effective instrument for promoting human rights can be regarded as superfluous.

Additional Protocol number 13 to the European Convention on Human Rights, on the total abolition of the death penalty, was laid out for signature at the session of the Committee of Ministers in 2002. It was signed and ratified by Austria. The previous regulation under Additional Protocol 6 had allowed the implementation of death penalty in times of war and crisis. The complete abolition of the death penalty has been a long-standing Austrian foreign policy goal for which it has also campaigned within the European Union. At the end of 2003 the protocol had been signed by 41 states and ratified by 21. It entered into force for Austria on 1 May 2004.

The European Commissioner for Human Rights, Alvaro Gil Robles, continued his series of official visits to CoE member states in 2003, including Russia, the Czech Republic, Slovenia and Poland. In contrast to the legal procedures of the European Court of Human Rights, his preventive activities are centred on providing advice for member states, increasing awareness of human rights issues, and pointing out to member states as well as the Committee of Ministers where there are fundamental or system-inherent deficiencies and problems. The seminar on “Armed Forces and Human Rights” that he organised in Moscow in December 2002 was continued in Madrid in 2003 on the themes of human rights education and increasing the awareness of human rights in armed forces. Another seminar, on the protection of the human rights of the mentally handicapped, was organised in conjunction with the World Health Organisation.

VI. The Human Security Network (HSN)

The Human Security Network is a transregional, cross-theme interest association in the international system. 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 was a co-founder of the Network that arose out of the initiative against anti-personnel mines. Meetings at ministerial level have been held
in Bergen (Norway, 1999), Lucerne (Switzerland, 2000), Petra (Jordan, 2001), Santiago de Chile (2002) and Graz (Austria, May 2003). In each case the venue was in the country holding the chairmanship for the previous year. Austria held the chairmanship from July 2002 till May 2003 and was followed by Mali till mid-2004.

The political concept of “human security” concentrates on the security needs of the individual. Human rights, humanitarian international law and the rights of refugees are essential foundations of human security. The Network aims to use this innovative idea for the development and execution of national and international policies. The perspective of human security has the potential to strengthen political processes for the prevention and resolution of conflicts, and to contribute to the consolidation of peace and development. Its central themes include the universal extension of the convention on anti-personnel mines, the successful efforts to set up the International Criminal Court, the protection of children in armed conflicts, education for human rights, the control of small arms and light weapons, HIV/AIDS, issues of humanitarian international law, combating transnational organised crime, and the relationship between human security and development.

**Austria’s Chairmanship Strategy 2002-2003**

Focussing and consolidation of the Network through the main themes of education for human rights and children affected by armed conflict.

Drafting of a policy paper, and theme-related projects as well as instruments for its implementation, with the goal of further concretion of the concept of human security through more intensive anchoring of education for human rights. Academic support was provided by the European Training and Research Centre for Human Rights and Democracy in Graz (human rights education) and the Ludwig Boltzmann Institute for Human Rights in Vienna (children in armed conflicts).

Activating cooperation at the level of the multilateral missions of the member countries at the UN headquarters centres, with the aim of
enhancing the Network’s profile and influence. The delivery of agreed statements on Network themes in relevant international institutions (e.g. UN Security Council and General Assembly, UN Human Rights Commission and OSCE). In the Security Council, Austria, holding the chair of the Network, participated in the open debates on Women, Peace and Security, Protection of Civilians in Armed Conflicts and Children in Armed Conflicts with statements previously agreed between the HSN partners. The Network thereby developed into an established component of the Security Council’s thematic advisory circle.

Strengthening the Network by compiling a medium-term work programme for 2003-2005 and regulating the order of succession to the chairmanship.

The highlight of the year was a ministerial meeting in Graz on 8-10 May 2003, the first European human rights city, when the documents drafted during the Austrian chairmanship were adopted and the direction of the work in the next few years was agreed. The meeting was also attended by the Secretary-General of the OSCE, the UN High Commissioner for Human Rights, the Executive Director of UNICEF, the Co-Chairman of the Human Security Commission and UN High Commissioner for Refugees, the UN Under-Secretary-General for Children in Armed Conflicts, and senior representatives of UNODC, UNESCO, the International Committee of the Red Cross, the European Monitoring Centre on Racism as well as leading experts from the nongovernmental sphere.

The Most Important Results

On the initiative of the chairmanship, and in close agreement with the partners, international organisations and more than 50 international experts, the following documents were drafted over a period of eight months, and were adopted by the ministers in Graz:

The Graz Declaration by the HSN on the principles of human rights education and human security (a policy paper on the creation of a “culture of human rights” for the realisation of the aims of the UN Decade of Human Rights Education 1994-2004).
An HSN Handbook entitled “Understanding Human Rights” (a basic training package for human rights education for worldwide use on the basis of the universal legitimacy of human rights with an emphasis on “training the trainers”).

HSN strategy for the support of children in armed conflicts (a strategy paper on strengthening children’s rights in conflict situations, especially by stepping up child-specific monitoring in the UN system supported by an “alarm function” in the event of violations of children’s rights; combating situations in which offences against children can go legally unpunished; protection of girls in armed conflicts; and integrating the interests of children into peace processes).

An HSN training programme to produce qualified personnel for assignments in crisis areas, especially for monitoring and rehabilitation.

In addition, the chairmanship inaugurated the following initiatives:

As a visible sign of the implementation of the chairmanship’s theme of children in armed conflicts, Austrian Minister for Foreign Affairs Benita Ferrero-Waldner, together with her Jordanian and Slovenian colleagues, inaugurated an aid programme in Iraq with the aim of providing help and professional psychological support for children suffering from war trauma.

In cooperation with the UN Under-Secretary-General responsible for children in armed conflicts, Olara Otunnu, the HSN published a compendium of existing standards entitled “Children and Armed Conflict – International Standards for Action” as a handy instrument for use in field operations.

In view of the polarisation of opinions in the UN Commission on Human Rights and its effect on the international system of human rights protection, the ministers agreed in Graz to intensify their cooperation with the goal of improving the Commission’s working methods in agreement with the UN High Commissioner for Human Rights.
The ministers also adopted an HSN working programme drawn up by the Austrian chairmanship for the period 2003-2005.

The Future of the Human Security Network

In addition to regulating the chairmanship succession till 2006 – Mali 2003-2004, Canada 2004-2005, and Thailand 2005-2006 – it was decided, based on a proposal by the Minister for Foreign Affairs Benita Ferrero-Waldner, that the chairmanship of the Network would in future function in troika form. One important task for the troika is to supervise the implementation of the working plan 2003-2005. Another is to define a catalogue of criteria to be fulfilled for a later enlargement of the Network; this was available for decision by the ministers at their conference in Bamako/Timbuktu in May 2004.

VII. Principal Issues

1. Women’s Rights

For the first time in its almost 50-year history the regular meeting of the UN Commission on the Status of Women had to be broken off with no result. The generally tense political situation just before the outbreak of the Iraq war, and an ensuing division of camps, led to the failure of the negotiations on “Agreed Conclusions” on the extremely complex issue of human rights for women and violence against women. The adoption of the remaining informal texts had to be postponed to a supplementary session. However, a substantial improvement in the follow-up to the Fourth World Conference on Women (Peking 1995) in the Agreed Conclusions became the Commission’s second main theme, namely, women and information technologies.

At its supplementary session on 25 March the Commission adopted a detailed resolution on the situation of women and girls in Afghanistan. This was introduced and negotiated by the European Union against stubborn resistance by the United States. The US did not want to see Afghanistan
dealt isolated after the setting up of a transitional administration there, but failed to attract any support.

Austria, holding the chairmanship of the Human Security Network, was invited to take part in preliminary talks on the UNIFEM strategy and business plans. This invitation was extended in the light of common main interests (e.g. reintegration of former child soldiers into society, human rights education for women). Austrian Minister for Foreign Affairs Benita Ferrero-Waldner, as chairperson of the HSN, initiated a joint strategy by the Network partners for the implementation of the UN Secretary-General’s recommendations on women, peace and security.

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 on the elimination of domestic violence against women, and on women and political participation). Austria also financed a UNIFEM project for the reintegration and rehabilitation of women in the Democratic Republic of Congo.

One outstanding issue in 2003 in the field of international women’s rights was once again the fate of those women in Northern Nigeria who had been condemned to death by stoning. At the annual meeting of women foreign ministers on the fringe of the UN General Assembly, Minister for Foreign Affairs Benita Ferrero-Waldner initiated a petition to the Nigerian Foreign Minister on the case of Amina Lawal; this was also forwarded to UN Secretary-General Kofi Annan and circulated as a UN document. The case was also raised during a visit to Vienna by the Nigerian Foreign Minister. Beyond that Austria campaigned actively within the European Union for this matter to be given wider publicity through declarations by the EU. The worldwide agitation finally led to Amina Lawal being declared not guilty on 25 September.

Within the European Union, and also in the context of development cooperation, Austria continued to support individual projects on questions of women’s rights (e.g. the postgraduate courses in Uganda (Women’s Human Rights) and Afghanistan (Securing the Rights of Women)), the latter organised by UNICEF.
Work began in autumn on compiling Austria’s sixth country report on the implementation of the UN Convention on the Elimination of every Form of Discrimination against Women. It was due to be submitted to the Secretary-General during the first half of 2004.

2. Children’s Rights

The UN facultative protocol on the sale of children, child prostitution and child pornography was approved by the Austrian government and forwarded to Parliament for ratification.

Minister for Foreign Affairs Benita Ferrero-Waldner draw special attention to Children’s Rights 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.

On Austrian initiative, guidelines for the protection of children in armed conflicts were drafted by the EU working group on human rights, and were adopted by the Council in December. The guidelines foresee the handling of this aspect within the framework of political dialogues and multilateral cooperation, in the form of demarches, and also in connection with training programmes for crisis management operations. The EU goal is the effective implementation of existing international standards by third countries and non-state actors, the carrying out of effective measures to protect children from the effects of armed conflicts, putting an end to the use of child soldiers and of the associated lack of available penal measures.

3. Combating Racism

The 2003 annual report of the Vienna-based European Monitoring Centre on Racism and Xenophobia (EUMC), which was about to be upgraded to a full human rights agency, recorded positively a gratifying decline in racially-
motivated actions by EU citizens. It praised the fact that Austrian criminal law, in contrast to those of several other European countries, foresees higher penalties for offences aggravated by racial motives, and also the provision that young offenders convicted under the act banning national socialist activities are ordered to attend seminars on twentieth-century history. It criticised isolated cases of the use of force by police against foreigners. As regards equality in employment, test series had revealed cases of discrimination against persons on account of their ethnic background in connection with invitations to interviews.

In December, as a reaction to public pressure, the EUMC published the draft of a study by the Berlin-based Centre for Research into Anti-Semitism on the extent and the perpetrators of anti-Semitic violence in Europe. This preliminary study, from which the EUMC had expressly distanced itself, mentions the aspect of Muslim violence against Jews. It is also reported that, in Austria, anti-Semitism seems to be concentrated on diffuse and traditional stereotypes rather than on acts of physical violence.

After the tensions aroused during and after the 2001 UN World Conference against Racism the EU exerted itself, on the one hand, to maintain an internal consensus, and on the other to overcome the mood of confrontation with the African group in Geneva as regards the implementation of the results of the conference. The 58th UN General Assembly, in contrast to the Commission on Human Rights, succeeded in anchoring a passage on anti-Semitism in a resolution, which also bore fruit in other resolutions.

**4. Protection of Minorities**

Ethnic tensions remain one of the principal causes of conflicts all over the world. Therefore the protection of minorities is a central issue of Austrian foreign and human rights policies. Austria once again initiated a resolution in the UN Commission on Human Rights on the protection and advancement of national, ethnic, religious and linguistic minorities, as well as another one on the same issue in the General Assembly. As in previous years, both resolutions were adopted by consensus, but the relevant negotiations are becoming increasingly difficult. Austria was once again the
spokesman on national minorities on behalf of the European Union at the OSCE implementation meeting on issues arising out of the Human Dimension.

The adoption of a final resolution by the Committee of Ministers of the Council of Europe on the first Austrian country report on the implementation of the European Framework Convention on the Protection of National Minorities was held over until 2004. Members of the expert committee on the CoE European Charter on Regional or Minority Languages visited Austria in December in the course of its appraisal of the first Austrian country report on the implementation of the convention.

During the drafting of a constitution for the European Union, Austria supported a Hungarian proposal for anchoring collective and national minority rights in the text.

5. Human Rights Education

The concrete implementation of internationally recognised commitments on human rights is a central aspect of Austrian policy. A lively interest on the part of the public and a fundamental understanding of the essential nature of human rights are both of considerable importance to this end. The central instrument for their achievement is education for human rights. In the international debate this is increasingly being regarded as having a bridging function in an active strategy for the realisation of human rights – as an indispensable tool to accompany and enhance developments in democratic policy and as an important basis for political participation. The protection and promotion of human rights serve the cause of stability, peace and development.

Under the Austrian chairmanship of the Human Security Network, Austrian Minister for Foreign Affairs Benita Ferrero-Waldner had two significant documents of considerable practical significance drafted and adopted. The first was a Declaration of Principles on Human Rights Education and Human Security, in the light of the goals of the UN Decade of Human Rights...
Education 1994-2004. The second was a globally applicable Handbook of Human Rights Education for the concrete implementation of these goals.

Minister Ferrero-Waldner actively campaigned for the worldwide distribution of the Handbook, and of the training programme on the rights of children. In addition to the UN General Assembly and the European Union, she contacted all the regional and international organisations whose mandates cover aspects of education for human rights, and in innumerable personal contacts pressed for the use of the book and the training programme. The reactions were overwhelmingly positive. The UNDP had the Handbook translated into French. Spanish and Chinese language editions are in preparation, and Arabic and Russian under discussion.

Austria’s commitment to human rights education also demands corresponding measures at national level. All of the Austrian ministries and institutions with relevant competences have had their attention drawn to these documents with a view to their use in their respective training programmes. It is intended to issue a German language edition of the Handbook.

VIII. Humanitarian International Law

The 28th International Conference of the Red Cross and Red Crescent was held in Geneva from 2 to 6 December 2003. The four-yearly conference had the general theme of “protection of human dignity”, with an emphasis on missing persons, weapons as a humanitarian hazard, illnesses and diseases (especially HIV/AIDS), and natural disasters.

The most important results from Austria’s point of view were the adoption of an action plan for the following four years, and a declaration of political intent. Austria, in its national capacity, delivered three “pledges” – legally non-binding commitments on certain legal and political initiatives in the humanitarian field – and a further four in conjunction with its EU partners. On the fringe of the conference, Austria organised a well-attended workshop on children in armed conflicts in the name of the Human Security Network.
IX. Events

On the 10th anniversary of the UN World Conference on Human Rights, held in Vienna in 1993, an international symposium was organised in the Vienna International Centre in conjunction with the UN High Commissioner for Human Rights on the subject of “The Role of Judges in the Promotion and Protection of Human Rights – Strengthening the Cooperation of the International Actors”. It was chaired by High Commissioner Bertrand Ramcharan. The participants were senior representatives of governments and NGOs as well as prominent judges and other experts.

The symposium centred on the role of the judicial system, which fulfils a central role in the promotion and protection of human rights at national level. The starting point was the recognition that in critical human rights situations the judges and the judicial system urgently require the support of the international community in order to uphold human rights for the individual in practice. The more difficult the human rights situation in a country is, the more difficult the situation of the judges generally becomes. The main purpose of the symposium was to direct the attention of the international community to the fact that, in many cases, judges need support in order to maintain their independence, competence, integrity and non-party status. In addition, more efficient ways have to be found for all international actors within and without the UN system, in order to assist individual states in their efforts to strengthen the role of their judges in promoting and protecting human rights.

The result of the symposium, which was oriented towards practical application, was the adoption of the “Vienna Declaration on the Role of Judges in the Promotion and Protection of Human Rights and Fundamental Freedoms”. The previously prepared and edited text was augmented by the views and recommendations expressed by the participants. The Declaration contains specific recommendations to states, governments and nongovernmental organisations as well as concrete proposals relating to conflicts and post-conflict situations.
Austria delivered the Vienna Declaration to the UN general Assembly as a national contribution to Human Rights Day 2003 (10 December), dedicated not only to the 55th anniversary of the Universal Declaration of Human Rights, but also to the 10th anniversary of the World Conference in Vienna. The text was distributed as a document of the General Assembly and Security Council, and will also be implemented in other organisations such as the UNDP, ODIHR and the Council of Europe.

G. The Humanitarian Dimension in International Relations

“A safe world in the 21st century” is the motto of the United Nations strategy for the new millennium. Austria, too, must take account of the increasing importance of the humanitarian dimension in international relations with its implications of solidarity and joint responsibility.

I. Migrants and Refugees

At the end of 2003 the United Nations High Commissioner for Refugees (UNHCR) was caring for 20.5 million people (some 700,000 more than in 2002) who had fled over international borders from war, persecution and massive violations of human rights. In addition, another 4.6 million internally displaced persons were fleeing from armed conflicts within their own countries, a number that is steadily increasing.

There was a clear reduction in the number of applications for asylum worldwide in 2003. In the industrial countries there were 463,000 applications, around 20% fewer than in the previous year. This was the lowest number since 1997 and the third-lowest since 1988. The number of applications within the European Union also showed a dramatic reduction to a total of 288,000, down 22% from the previous year. This trend is apparently due to illegal migration.
Within the EU, most applications were made to the United Kingdom (61,050 January to September, a decrease of 41%). France came next with an almost unchanged number of 51,400 applications, followed by Germany with 50,450, a decrease of 29%. **Austria** lay in the middle field with 32,364 applications, a decrease of 18%. Tendencies varied in the new EU member states, but they showed an overall 16% increase in applications from a relatively low base.

The countries of origin of applicants to the industrial countries were headed by the Russian Federation with 33,400 persons, mostly from Chechnya, an increase of 68%. This was followed by Iraq (24,700, a decrease of 50%), Serbia and Montenegro (24,800, minus 23%), Turkey (22,912, down 21%) and China (21,259, minus 19%).

Austria’s refugee and migration policy has a comprehensive basis, in which due regard is paid to political, human rights and development policy aspects. In 2003 a total of 32,364 persons submitted application for asylum in Austria, a decrease of 18% compared with the previous year’s figure. By the end of the year 34,828 cases had been decided, with 1,829 positive and 4,604 negative results. The procedures on the other cases were either terminated, the applications were withdrawn, or they were found to have no basis. This corresponds to a recognition rate of 21%. The countries of origin were headed by the Russian Federation (6,713, mostly from Chechnya), Turkey (2,843), India (2,823), Serbia and Montenegro (2,521), Afghanistan (2,360), Nigeria (1,846), Georgia (1,517), Iraq (1,452), Moldova (1,175) and Armenia (1,112). A revised Asylum Act completed its parliamentary procedures on 23 October and entered into force on 1 May 2004.

### II. Humanitarian Aid and Disaster Relief

Austria’s endeavours in the field of humanitarian assistance are based on the relevant EU guidelines, with the purpose of avoiding and alleviating human suffering as well as saving human life. It is carried out on the basis of non-discrimination between victims irrespective of ethnic origins, religion, society, citizenship, social position or political views. Austria’s aid profile is determined primarily by institutionalised relations with other states and
groups of states, and by the availability of personnel and material resources for special scenarios. In addition to the countries which Austria has bilateral agreements with, humanitarian aid is provided in the first instance to the partner countries for Austrian development cooperation, including those in Eastern Europe.

In 2003 two major aid actions were organised with assistance from the Austrian Federal Government. One of these was for the relief of earthquake victims in Algeria, where the natural disaster in June resulted in 2,200 dead and 10,000 injured. An Austrian search and rescue team with 130 trained and equipped personnel and their dogs was on the spot within hours, and several injured and orphaned children were brought to Austria for treatment. The other action was for war-wounded or seriously ill children and young people in Iraq, who were brought to Austria for special medical treatment. Austria also sent a military and civilian rescue team to Iran, where on 26 December an earthquake destroyed most of the historic town of Bam and left more than 30,000 dead.

In 2003 the Austrian Federal Government also made a sum of €1,058,000 available for projects for the relief of victims of natural disasters and armed conflicts in Afghanistan, Algeria, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania, and Serbia and Montenegro/Kosovo. Another €312,000 was provided for the removal of anti-personnel land mines in Afghanistan and Ethiopia.

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 by European states in 1951, is the leading international authority for migration questions. 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 has increasingly become a platform 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 initiatives. Director-General Brunson McKinley of the United States was re-elected for a further four-year period of office. The IOM office in Vienna, established in 1952, is responsible for regional functions in Central Europe. In 2003 Malta, Mauritania, Moldova and New Zealand joined the IOM, bringing its membership to 102 states.

The 28th conference of the International Committee of the Red Cross and the Red Crescent (ICRC) was held in Geneva on 2-6 December on the general theme of “protecting human dignity”. It adopted a humanitarian action plan for the following four years with an emphasis on missing persons, weapons as a humanitarian hazard, illnesses and epidemics as well as natural disasters. Austria organised and conducted a workshop on children in armed conflicts, and together with the ICRC and UNICEF succeeded in restoring this ongoing problem to the humanitarian agenda.

III. International Drug Control

The abuse of drugs continues to be a worldwide threat in all its aspects: cultivation, production, trafficking and consumption. These, together with their associated criminal activities, have to be combated by balanced measures directed towards the reduction of both supply and demand.

The main issues at the 46th session of the UN Commission on Narcotic Drugs (CND), held in Vienna on 8-17 April, were the half-term evaluation of the action plan adopted at the 1998 Special Session of the United Nations General Assembly on the World Drug Problem (UNGASS 98) and the continuation of the consolidation of the UN Drug Control Programme (UNDCP), a subsidiary office of the Vienna-based UN Office on Drugs and Crime (ODC).

Under the terms of the political declaration adopted by the UNGASS the UN member states committed themselves to making significant progress towards cutting down the cultivation of opium, coca and cannabis, reducing the demand for drugs, and combating illegal trafficking in psychotropic substances. The joint ministerial declaration on the half-term evaluation –
the main result of the 46th session – revealed that progress had been made towards these goals, but that it had been uneven. In particular, the connection between the illicit drug trade and terrorism as well as other forms of transnational and organised crime like trafficking in human beings, money laundering, corruption and the arms trade is positively alarming. Closer and above all more efficient international cooperation is clearly required here. Against the background of the drug situation in Afghanistan, which is becoming more acute as a result of large-scale new planting, the international community was called upon to give continued support to the comprehensive international strategy for combating the cultivation of opium.

The consolidation of the UNDCP and the reforms carried out by Executive Director Antonia Mario Costa were positively assessed. In his first year of office he had succeeded in improving transparency and efficiency and so restoring the confidence of the donor countries. This was reflected in a forward-looking resolution on the programme’s finances that Austria had materially helped to draft over months of negotiations, and which was sponsored by a large number of states. The member countries also gave overwhelming support to Executive Director Costa’s measures for greater integration of the work of the ODC subsidiaries UNDCP and Centre for International Crime Prevention (CICP) for the more effective coordination of the campaign against drugs and more general crime and terrorism. In autumn there were mutual accusations of corruption by members of the UNDCP staff; these were also reported in the international media, but they could be revealed to be groundless after a prompt investigation by the UN audit office (OIOS).

The 2003 annual report of the ODC on worldwide trends in drug abuse and the corresponding report by the International Narcotics Control Board (INCB, an independent forum of experts in which Austria is also represented) since last year on the worldwide drug problem, both document the uneven nature of the developments. The INCB report deals with current questions of drugs and addiction. It expresses apprehension that synthetic drugs are going to become the dominant form of drugs in the future because, in contrast to conventional drugs, they can be produced anywhere and are therefore more difficult to control. The INCB therefore started a large-scale initiative in order to prevent precursor substances – chemicals
necessary for the production of synthetic drugs – from getting into the hands of illegal manufacturing laboratories all over the world.

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 transnational organised crime.

The Vienna-based **UN Centre for International Crime Prevention (CICP)** cooperates closely with the UNDCP to develop strategies for combating international crime in all its forms as well as associated 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.

The **UN Commission on Crime Prevention and Criminal Justice (CCPCJ)** met on 13-20 May in Vienna. The main points of the agenda were trafficking in human beings, terrorism, and UN standards and norms on crime prevention and criminal justice. Other priority themes were organised crime and corruption. Austria, an elected member for the period 2003-2006, played an active role as vice-chairman and introduced resolutions on terrorism and on standards and norms. These include the regular monitoring of the implementation of the anti-terrorism conventions by the CCPCJ, which means that combating terrorism has now become a regular part of the commission’s functions. The CICP mandate to provide technical assistance for the implementation of the conventions was extended to cover responsibility for the connections between terrorism and other forms of crime. The next CCPCJ conference was due to include a meeting of high-ranking experts to consider progress on the criminal law aspects of terrorism, international cooperation, and the implementation of the conventions against terrorism.
In February the CICP and Austria cooperated in the holding of a meeting of experts on the application of UN standards and norms in the Peace Centre at Stadtschlaining. The meeting assessed progress to date on the use of the existing UN standards and norms on crime prevention and criminal justice, from the treatment of prisoners to out-of-court settlements, and evaluated the current reporting system. The result of the meeting was a series of concrete recommendations that were adopted by the CCPCJ.

The ad hoc committee on the drafting of a **UN Convention against Corruption** was able to complete its work in October. Austria provided one of the vice chairpersons and led the negotiations on the chapter on monitoring and implementation mechanisms. These go beyond the minimum consensus of the UN Convention against Transnational Organised Crime and simplify the control of adherence to the terms of the convention by member states. The negotiations on the repatriation of illegally acquired means transferred abroad, a new and vigorously discussed legal area, could be successfully concluded. The UN Convention against Corruption was signed by almost 100 national representatives at a ministerial conference in Merida, Mexico.

In the course of the reforms within the organisation, details of the continuation of the United Nations Vienna Civil Society Award for the period 2004-2006 were negotiated between the ODC, the Austrian Federal Government and the City of Vienna.

**V. The International Criminal Court**

The election of the 18 judges of the International Criminal Court (ICC) took place in February 2003, when Philippe Kirsch of Canada was elected President. The ceremonial inauguration of the Court on 11 March was followed in April by the election of Luis Moreno-Ocampo of Argentina as prosecutor and Bruno Cathala of France as chief administrator.

The second assembly of signatory states in New York in September dealt with some remaining institutional issues and budget arrangements. These
included the election of the deputy prosecutor and the directors of the ICC fund for victims. Under Austrian chairmanship, a separate secretariat for the assembly of signatory states was established in The Hague as from 1 January 2004.

In New York on 17 December Austria deposited its instrument of ratification of the Convention on the Privileges and Immunities of the International Criminal Court, the fourth state to do so.

The third assembly of signatory states was due to meet in September 2004, for the first time in The Hague, whereby the ICC formally becomes independent of the United Nations in New York. Negotiations were due to begin in 2004 under Article 2 of the ICC statute on the relationship between the Court and the UN. The prosecutor announced that the first official prosecution procedures in respect of crimes falling within the Court's jurisdiction would begin in 2004.

H. The World Economy

The World Economic Summit (G8)

The G8 summit of the world's eight leading industrial nations took place in Evian, France on 1-3 June 2003 under French chairmanship. For the first time, the opening took the form of an “expanded dialogue” initiated by French President Jacques Chirac with the heads of state and government of 21 states in Africa, Latin America and Asia (including China) as well as representatives of international financial institutions. The agenda of the meeting was a discussion of progress in three global areas: worldwide economic growth, sustainable development, and global security.

Prospects for growth should be enhanced through improvements in corporate governance and market discipline. At the same time, the summit
reminded enterprises for the first time of their social and ecological responsibilities in addition to their economic functions. The discussion of development centred on Africa. Other issues were water, famine, health, AIDS, and the role of science and technology in sustainable development. On security, declarations were issued against the proliferation of weapons of mass destruction and against terrorism. One horizontal issue in all of the themes was the concept of prevention, especially as regards the building of international financial constellations and in the fight against terrorism.

These global themes were supplemented at the end of the conference with several regional issues and their effects on the international community: Iraq, Israel and Palestine, North Korea, Afghanistan, Iran and Zimbabwe. The next meeting is scheduled to take place in June 2004 in Sea Island, Georgia, USA, under US chairmanship.

The World Trade Organisation (WTO)

The lack of any result of the 5th WTO Ministerial Conference in Cancún, Mexico, in September dampened expectations of a successful conclusion to the current multilateral trade round (“Doha Development Round”), which had been due to run till 1 January 2005. Thus it was not possible to arrive at a decision on strengthening individual provisions on differentiated special treatment for developing countries. The fiduciary trust that was set up to provide technical assistance to these countries was funded with more than 24 million Swiss francs in 2003. Austria’s contribution was €200,000.

As regards market access, the question of procedures in tariff negotiations remained open, due to the lack of agreement in Cancun. 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. The developing countries refuse to consider mandatory tariff reductions – despite the increasing amount of trade between themselves. The proposal by the industrial countries that different levels of development in individual
countries should be reflected in differential treatment remained politically unacceptable.

The target date for establishing the procedures for negotiations on all three agricultural pillars – market access, export subsidies and internal support – as well as non-trade-related issues like consumer, environmental and animal protection, was 31 March. The EU, through extensive adaptation of its Common Agricultural Policy, created more room for negotiation on domestic agricultural support. It also managed to approach the US position on market access (stepped tariff reductions with special consideration for sensitive goods) and on export competition (equal treatment for all forms of export subsidies). This joint EU-US proposal for negotiation failed in Cancún because of the demands made by a group of developing and threshold countries led by Brazil (“G20 plus”). The initiative by four African countries for the abolition of all trade-disrupting subsidies in the cotton sector also remained unsuccessful, at least for the time being.

On services, one of the key questions in the GATS negotiations, the recognition of independent market opening by individual countries, could be resolved in March. Agreement was also reached on the procedures for the special treatment of the least developed countries in the negotiations on services. The European Community, which in the previous year had presented demands to 109 WTO member countries, and had itself received 38 from other countries, in April submitted to the WTO a joint EC offer on services compiled from the list of offers of all EC member countries. From March onwards another 38 WTO member states submitted their offers, mostly of a rather modest nature. After the setback in Cancún the negotiations in this field came to a virtual standstill.

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 labelling of goods to indicate their environmental compatibility is a matter of particular importance.
for the EU, as well as the better anchoring of sustainable development in the WTO regulations.

On trade-related intellectual property rights (TRIPs), agreement was reached just before the ministerial conference in Cancun on improved access to pharmaceutical products by developing countries, which are now empowered to make use of the compulsory licences foreseen in the TRIPs agreement to combat epidemics if they themselves have no production facilities. On the other hand, the drafting of a list of designations of origin for wines and spirits remained open on account of a lack of agreement on their protective effect.

In accordance with the ministerial declaration at Doha (Qatar) in 2001 a decision ought to have been taken at the Cancun conference on the opening of negotiations on the so-called “Singapore themes” (investments, competition, trade facilitation, and transparency in public procurement). Many developing countries, however, no longer feel themselves bound by these decisions and were unable to agree to the EC proposal for an “uncoupling”, with the interim exclusion of competition and investments.

A revised target date of May 2004 was set for the review of the WTO dispute settlement mechanism, which is regarded as the core of the multilateral trade order. The US protectionist tariffs of up to 30 per cent on imported steel products, which had been strongly contested by the EU, was declared illegal by the WTO arbitration committee, and was lifted by the US on 5 December.

The accession of Armenia and Macedonia brought total WTO membership to 146. The accession procedures for Cambodia and Nepal were concluded, and they will become members during 2004, the first of the least developed countries to do so. Another 24 applications for membership, including those from the Russian Federation and Saudi Arabia, were being processed at the end of the year. Afghanistan submitted an application for membership in April, but by the end of the year no working group had yet been set up to scrutinise it.
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 in Brussels and Geneva by a Council committee set up under Article 133 of the EU Treaty to support the Commission.

The Organisation for Economic Cooperation and Development (OECD)

At the end of 2003 the OECD had a staff of around 1,800 with a budget of €264m, of which Austria contributes around one per cent. The internal administrative reorganisation continued, with an emphasis on procedures for enlargement, changes in the decision-making processes, revision of the calculation of contributions, and revision of the committee structure. All development matters were collected into a common area. A new financial layout allows for a more effective supervision and evaluation of the use of resources.

In 2003 the Russian Federation requested the opening of negotiations on membership of the OECD. Austria supported the accession of all EU candidate countries that were not already OECD members, especially Slovenia and the Baltic States. The organisation’s activities in the Stability Pact for South-Eastern Europe continued in 2003, as did the programmes of cooperation with third countries. The Global Forums for cooperation on specific themes made a substantial contribution to the exchange of views with representatives of non-member states.

The OECD’s annual review of Austria’s economic development, published in October 2003, attested that the country, which, since the end of the 80’s, has been one of five European states with the highest per capita GDP, possesses a powerful economy, but it also pointed out that further structural changes will be necessary if Austria is to take advantage of the opportunities held out by the enlargement of the European Union. The report praised the economic innovations of the previous few years, especially the reform of the pension systems as an ambitious project to
ensure public care for the aged, but called for the unification of the various pension systems. Continuation of the policy of stabilising the budget should give the state more room for manoeuvre and support economic growth. Other recommendations include increasing participation in employment by older citizens, improving competition conditions, and enhancing the use of market economy instruments for environmental protection as a contribution to sustainable development.

A draft plan for the exchange of bank information in taxation matters under civil law was rejected on account of the possible consequences for banking secrecy in Austria and other European countries.

In November, an OECD study of the Vienna-Bratislava region pointed out the massive potential for development on both sides of the border, and recommended a closer cooperation between the Austrian and Slovakian authorities to this end.

The study on “Children and Career – the Compatibility of Occupation and Family”, published in September, praised Austria for its high level of support for families, which keeps child poverty and the danger of poverty for parents to a minimum in global comparison. It recommended, however, an adaptation of the limits for additional earnings and tying child allowances to the use of child care facilities.

As already decided in 2002, the OECD Development Cooperation Directorate, the Development Centre, the Sahel and West Africa Club and the Centre for Cooperation with Non-Members were combined. The Development Assistance Committee (DAC) now has two working groups, on statistics and on effective aid, and six networks, on evaluation, environment, poverty, conflict prevention and gender questions. A plan for the coordination of donor procedures was adopted in February. The new strategy paper on worldwide development is guiding the OECD activity in the direction of multidisciplinary work and standardised procedures. The Development Centre ran into considerable financial difficulties after the resignation of Argentina and Brazil, which stopped their payments in contravention of the rules, and of Denmark and Canada.
The Administrative Council of the International Energy Agency, at its meeting in Paris on 28/29 April, underlined the Agency’s commitment to its energy policy goals of security of supply, protection of the environment and economic growth. The realisation of these aims demands constant adaptation to changing framework conditions and constant new endeavours, especially against the background of political uncertainty in countries that are major producers of energy carriers, fluctuating prices, increasing energy consumption, and growing threats to the environment.

The results of the OECD examination of the environment in Austria, the report on which was published in November, were overwhelmingly positive. The report stressed the responsibility of Austria to consolidate its exemplary environmental record through additional investment, and to make its experience available to other countries.

The OECD working group on biotechnology, which is chaired by Austria, concentrated on the issues of biotechnology and sustainability, networking biological research centres, and the preparation of a workshop meeting in Tokyo on setting up a data bank for research on human biological material.

The increased use of biomass as an energy carrier and industrial raw material, and the resulting opportunities this holds out for agriculture as supplier, was the theme of a workshop held in Vienna on 10-13 June, with particular emphasis on the consequences for national economies and the environment.

As regards information technology the OECD concentrated on the development and challenges of the broadband sector, the creation of new markets, and the productivity gains arising out of the new data services. The Joanneum Institute for Technological and Regional Policy carried out a study on electronic administration in Austria.

The OECD Council met on 29/30 April in Paris at ministerial level under New Zealand chairmanship with the theme of “A Timetable for Growth and Development”. The focus was on the prospects for global growth, measures to stimulate an upswing, to maintain confidence and consolidate growth, on the challenges inherent in population development, and on strengthening
the multilateral trade order. The central issues in the discussions on development and trade matters, in which representatives of non-member states also participated, were private investment in developing countries, public finance for development assistance, and trade expansion.

On 29/30 September the ministers for employment and social affairs held discussions on the theme of more and better jobs, with an emphasis on the integration of disadvantaged groups like older workers, women, single parents and the disabled, as well as the further development of occupational skills. They decided to resume the occupational study that had been carried out ten years previously, with a view to evaluating the experience for future decisions.

The OECD Round Table on Sustainable Development, an informal forum of experts, held meetings on international governance and sustainable development, the global effects of national sustainability measures, and the problem of over-fishing.

I. Global Sustainability

Whereas at the close of the World Summit on Sustainable Development in Johannesburg the future of the sustainability process was judged mainly on the basis of the negotiating goals that had not been reached, the dynamic and active follow-up that has since been achieved, especially within the European Union, indicates a consolidation of the concept and increasing acceptance of the interdependence of economic, social and environmental issues. All international actors are basically committed to the vision of sustainable development, which unites in itself the aspects of just distribution, a sensitive use of nature and natural resources, a reduction of poverty and the creation of prosperity. The concept of sustainability, with its trans-generational and precautionary perspectives, also underlines the necessity of a revolution in social values.
The Follow-Up to the World Summit on Sustainable Development

The Commission for Sustainable Development (CSD) remains the principal international institution for the operational implementation of the results of the 2002 World Summit. Its operational pattern has been drastically altered and put onto a two-year cycle consisting of a “review year” and a “policy year”. The review year will be used to evaluate the implementation of the Agenda 21, Rio-plus-Five and the Johannesburg implementation plan, and is to concentrate on the identification of obstacles to the implementation process of the current CSD cycle. The review session will comprise a high-ranking segment, a discussion forum with experts, and regional reports detailing experience with implementation. Preparatory implementation meetings will be held at regional level. The result will not be a negotiated text, but a summary by the chair. This will provide a basis for negotiations on political options and the elimination of obstacles to implementation for the policy session. This will be held on normal multilateral lines and will also have a ministerial segment, which may include ministers for matters other than the environment if their subjects are under discussion.

Austria’s negotiating goal at the CSD 11 in May 2003 was the inclusion of the issue of energy in the second cycle of the work programme, which Austria will prospectively lead in 2006 in the course of its EU presidency.

The public-private partnerships that were proposed by the UN Secretary-General in Johannesburg developed dynamically in 2003, whereby Austria was in the first instance committed to initiatives on energy for sustainable development. The secretariat of the Renewable Energy and Energy Efficiency Partnership (REEEP), set up on the initiative of the UK government, was opened in the Vienna International Centre in November. REEEP’s aim is the expansion of the use of renewable energy and energy-efficient systems as a means of improving the security of energy supplies, combating climate change, encouraging access to modern and reliable energy services, strengthening relevant international cooperation, and increasing market shares for these technologies. Austria is actively involved
in the work of REEEP. The Global Forum for Sustainable Energy, set up on Austrian initiative, held its first regional seminar in Vienna in November on the theme of sustainable district heating in the countries of the EU Stability Pact.

The 5th UN-ECE ministerial conference on Environment for Europe, held on 21-23 May in Kiev, was the first large environmental conference at which the new EU member countries were fully integrated into the EU coordination system. The EU stressed its constructive role as a motor for the promotion of sustainable development and strengthening the environmental pillar in Europe, especially against the background of its recent enlargement. The political highlights of the conference were the adoption and signing of three new ECE protocols (on strategic environmental monitoring, a register of pollutants, and liability under civil law) and the Carpathian Convention, approval of the strategies for the Eastern European, Caucasian and Central Asian (EECCA-) states, and the adoption of a ministerial declaration.

In 2001 the UN General Assembly had declared 2003 to be the International Year of Water, with the primary objective of raising public awareness of the issue through national and international activities. Water was therefore the central theme of numerous international conferences, above all the Third World Water Forum, held in Kyoto (Japan) in March. The EU introduced its “Water for Life” initiative with concrete projects for developing countries. Austria presented the International Convention on the Protection of the Danube River as an example of a successful cross-border initiative for the sustainable protection of the water in the Danube and its catchment area. A brochure in English language entitled “Blue Austria Global Responsibility” was published in order to make Austrian expertise on water policies, water management and water technologies as well as Austrian water projects internationally known in relation to development aid.

At the end of May the third session of the United Nations Forum on Forests in Geneva dealt with the economic aspects of woodlands, forest health and productivity, and the conservation of forest cover against present and future needs. The meeting decided to set up group of experts to work out the parameters of a legal framework for international woodland policies. Austria will also be represented in this expert group.
The United Nations Environment Programme (UNEP)

The main issue at the 22nd session of the UNEP Administrative Council and the fourth meeting of the Global Ministerial Environment Forum (GMEF) was strengthening the UNEP as the central pillar and coordinating organ of global efforts to protect the environment against the background of the results of the WSSD. The connection between the environment and poverty was underlined as well as the necessity of involving civil society. Particularly important decisions included those on post-conflict environmental assessment, global water policies, strategic management of chemicals, a mercury programme, support for Africa, consumption and production methods, and UNEP’s role in the implementation of the results of the WSSD as well as for the further development of global environmental policies and global environmental law.

Global Environmental Agreements

1. The Convention on Long-Distance Transborder Air Pollution

The 21st session of the Executive Organ in Geneva was simultaneously the first to deal with the protocol on heavy metals, which Austria had already ratified as the 19th state to do so. A task force was set up to examine this protocol, inter alia on the question of its extension to cover other substances. Other issues included the monitoring of adherence to the conditions of the existing protocols, the duty of reporting, and the decision on a task force on persistent organic pollutants. Austria is one of the few states to have fulfilled its commitments promptly and completely.

2. The Conventions on Water Protection and Industrial Waste (Helsinki Convention)

The second joint special meeting of states parties to the ECE Convention on the Transborder Effects of Industrial Wastes, and to the ECE Convention on the Protection and Use of Transborder Waterways and Lakes, was held in May. The meeting adopted a protocol establishing liability under civil law
and responsibility for compensation in cases of transborder industrial pollution of water resources. In December Austria signed the Kiev Protocol, which establishes a minimum standard of legal liability.

3. The International Whaling Convention (IWC)

The 55th annual meeting of the International Whaling Commission took place in May in Berlin, when it adopted the “Berlin Initiative on Strengthening the Protective Efforts of the International Whaling Commission”. This establishes a new “Protection Committee” within the IWC for the safeguarding of whales and dolphins. The initiative was strongly opposed by the whaling nations Iceland, Norway and Japan, which fear an indefinite extension of the moratorium on whaling and delays in its revision. Iceland resumed whale-hunting in mid-August despite a call by the IWC to desist, whereupon the 23 states, including Austria, which stand for the protection of whales, undertook a demarche calling upon Iceland to reconsider its policy.

4. The UN Convention on Combating Desertification

The sixth conference of states parties in Havana in August/December was overshadowed by the UN and EU sanctions against Cuba because of violations of human rights. Its main content was the integration of the results of the WSSD into the convention, which is primarily an instrument of development policy. Combating poverty and rural development therefore remain principal aspects of the work. The phase of build-up and analysis has now been concluded. A new Implementation Committee (CRIC) will monitor the work, and financing can from now on also be immediately commenced through the Global Environment Facility (GEF).

5. The UN Framework Convention on Climate Change (UNFCCC)

The 9th conference of parties in Milan in December was dominated by the open question of when the Russian Federation would ratify the Kyoto Protocol, in order to enable it to enter into force. 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 the industrial countries.
In the meantime, however, the implementation of the flexible Kyoto Mechanisms had already begun. The Austrian Joint Implementation/Clean Development Mechanism Programme commenced in September. The 21st session of the International Forum on Climate Change (IPCC) was held in Vienna in November.

6. The Cartagena Protocol on Biological Safety

Austria ratified the protocol jointly with all the other EU member states, so that it was able to enter into force in September.

7. The Convention on Persistent Organic Pollutants (POPs, Stockholm Convention)

The seventh session of the Intergovernmental Committee (INC-7) was held in Geneva to prepare for the first conference of states parties. There were diverging positions on the compliance rules, on the review committee on persistent organic pollutants (POPsRC), and on questions of financing (GEF). There was further objective progress on important points like procedural rules, mediatory procedures and financial regulations, etc. By the end of 2003 there had been 42 ratifications of the 50 necessary for the convention’s entry into force.

J. Cultural Policy and Scientific Cooperation

The presentation of Austria’s culture abroad has a high priority for the establishment of the country’s international position, its public perception and its room for political manoeuvre. Austria is perceived worldwide as an important cultural nation. This expectation demands an active policy of cultural representation abroad. It is therefore important to use Austria's comparative advantage in the field of culture to the best effect not only to utilise our country’s artistic and scientific achievements for the promotion of security, stability and tolerance, but also to present the innovative power of contemporary cultural creativeness to a public as wide as possible.
The geographical priorities of cultural activities in 2003 were in the first instance realised by the Austrian Cultural Forums in New York, Moscow, London, Paris, Warsaw, Cracow, Prague, Bratislava, Budapest, Ljubljana, Zagreb, Belgrade, Rome, Milan and Berlin. The programmes of the Austrian Cultural Forums in Cairo, Istanbul and Teheran also constituted valuable contributions and continued Austria’s long-standing efforts to strengthen the dialogue between cultures and civilisations. Additionally, the activities of the 50 Austrian Libraries, most of which are located in countries of Eastern and South-Eastern Europe, played an important role. Relations between Austria and Israel have also been intensified during the year.

In view of the steadily increasing importance of China the first official steps towards the setting-up of an Austrian Cultural Forum in Peking were taken during a visit by Austrian Minister for Foreign Affairs Benita Ferrero-Waldner. The new Forum, to be opened in 2004, raises the total number to 29.

In addition to presenting contemporary artistic achievements, Austria’s cultural policy pursues three major objectives: promoting a dialogue between cultures and civilisations; strengthening the cultural dimension of the enlarged European Union; and commemorating significant anniversaries. These included, amongst others, the 30th anniversary of the death of Ingeborg Bachmann, the 50th of Stefan Zweig, the 100th of Hugo Wolf, and the 70th birthday of Helmut Qualtinger. Moreover, the 300th anniversary of the city of St. Petersburg is to be particularly mentioned, as it was celebrated with a festival entitled “Dream Landscapes” and oriented towards the Austrian Modern Age.

In the run-up to the enlargement of the European Union by ten new member states, a number of which have had very close historical and cultural links with Austria in the past, numerous projects dealt with the theme of the Central European cultural region. A concert series under the title of “Musical Experience Central Europe” took place, and international conferences were held on the topic of “More Culture in Europe”. Several exhibitions like “Parallel Actions”, a presentation of conceptual art in the Cultural Forum in New York, supplemented the rich programme. Within the framework of the
Greek presidency of the EU Council a programme of events devoted to the Central European theatre was held in Athens under the auspices of the Regional Partnership’s “Platform Culture-Central Europe”. Within the framework of the Italian presidency of the EU Council a concert series in Rome devoted to jazz was organised (also in connection with the EU-subsidised project “Discovering Europe”).

After the terrorist attacks in the US on 11 September 2001 there was global recognition that it is necessary to destroy the basis of extreme fundamentalism and religious motivated terrorism. At the same time awareness was increasing that the moderate forces in the international community would have to cooperate in order to analyse the ostensible or factual differences between peoples based on religion, customs, tradition, etc., and to find ways for living together peacefully. The aim is to view differences as enrichment, and to replace hostile cultural perceptions by a more differentiated view of “the others”. On the basis of a joint initiative by Austrian Minister for Foreign Affairs Benita Ferrero-Waldner, the leader of the Islamic Community in Bosnia and Herzegovina and the president of the Islamic Community in Austria, a “Conference of the Leaders of Islamic Centres and Imams in Europe” was held in Graz on 13-15 June. The about 130 participants adopted the “Graz Declaration”, which deals with issues of an authentic Islam while expressing full acceptance of European values. It approves the respect of human rights and underlines the importance of pluralism and democracy. The functions and objectives of the conference will in the future be assumed by a “Permanent Council of the Imams and Muslim Clergy in Europe”. This “Permanent Council” may be based in Vienna.

On 8/9 November 2003 the Ministry for Foreign Affairs, in cooperation with the “Institute for Human Sciences”, organised the symposium “Cultural Diversity – Endeavours to Achieve a Common Moral Basis and the Public Role of the Media” in Vienna. Representatives of the media, political scientists and philosophers from the Western and the Islamic world discussed the moral responsibility of the media in what regards the elimination of prejudices and misunderstandings between cultures. Further such symposiums are planned.
The annual conference in September on culture policy abroad was held under the motto “Austria in a Europe of Cultures”. György Konrád held a widely praised speech. Moreover, an assessment conference of representatives of all 50 Austrian Libraries on the theme of “Chances for Cultural Networks” took place for the first time.

Music Projects

“The New Austrian Sound of Music”, a project presented by the Ministry for Foreign Affairs in March 2001, has increased its widespread impact in 2003. The classical interpreters Hugo Wolf-Quartet, Eggner Trio, Trio Viennarte, the duo Patricia Kopatchinska and Christoph Hinterhuber, the soloists Wolfgang Sengstschmid, Gottlieb Wallisch, Clemens Zeilinger, as well as the jazz groups Sabina Hank Trio, Gansch’n Roses and Klaus Paier Trio, got numerous invitations and achieved considerable success. The Landstreicher group/world music and the harpist Monika Stadler succeeded in drawing attention to their individualistic styles and to reach a wider range of audiences. Bernhard Fleischmann in the DJ/pop category toured successfully through Germany, France, Switzerland and the United States.

In the orchestral sector, the Gustav Mahler Youth Orchestra, the Klangforum Wien and the Vienna Art Orchestra all received support for their international concert tours. The holding of master courses and workshops on contemporary music has become a major aspect, with countries in Asia, the former Soviet republics and the EU candidate countries showing great interest.

Austrian exponents of world music and brass ensembles are achieving increasing popularity. Sonus Brass was highly successful in Istanbul. Stella Brass from Vorarlberg under Josef Ammann participated in the 300th anniversary celebrations in St. Petersburg, and Pro Brass under Alfred Lauss were applauded in Milan and in Japan.

The Cultural Forum in London started the “acf new artists series” as well as promoted tours throughout the UK by Austrian instrumentalists and singers performing classics as well as music of the 20th century. The latter was also
presented in a highly noticed concert by the pianist Albert Sassmann at the American University in Cairo.

Austrian jazz was equally successful at the international festivals as well as on individual tours. Joe Zawinul and other artists performed in Algeria, and the “Kelomat” ensemble in London and the US. The Criss-Cross ensemble under Adriane Muttenthaler with its “Vienna Style” was applauded at the Ankara Festival, as were other artists at the jazz festivals in Bosnia and Croatia. Electronic music featured dominantly at the week-long “Moving Pattern” festival organised by the Cultural Forum New York and MICA. Other Austrian artists of experimental music were enthusiastically received at festivals of new music in Paris, Vancouver, Montreal, Dundee, Zürich and Tokyo.

One outstanding international event that attracted considerable public interest was a festival held in Paris in October, where "Entartete Musik" was primarily performed. The festival was dedicated to Austrian, French and German composers who had had to flee during the Nazi regime. Works by the composers Erich-Wolfgang Korngold, Karl Weigl, Karol Rathaus, Ernst Toch, Egon Wellesz, Erwin Schulhoff and Ernst Krenek as well as the children’s opera “Brunibár” were performed and applauded by the audience.

Within the framework of the “Hugo Wolf Year”, programmes with the emphasis on his compositions were held in Amsterdam, Berlin, Bremen, Dresden, Dublin, Halle, Leipzig, London, New York, Ottawa, Stuttgart, Toronto and Utrecht as well as in the Cultural Forums in Istanbul, London and Washington and at the Cervantino Festival in Guanajuato (Mexico).

The Vienna Horn Ensemble, with the legendary viennese hornist Roland Berger, gave a widely appreciated concert in Stockholm together with the horn group of the Royal Philharmonic Orchestra. The Wiener Saloniker with turn-of-the-century salon music were applauded at the second International Music Festival in Mersin (Turkey). A large number of projects were realised to celebrate the 40th anniversary of the establishment of diplomatic relations with the Republic of Korea, including a performance by Andreas Weixler and Se-Lien Chuang at a computer music festival.
Literature and Theatre Projects

Contemporary Austrian drama and 20th-century Viennese theatre continue to enjoy an unbroken demand on the international level. The most popular authors in 2003 were once more Thomas Bernhard, Elfriede Jelinek, Felix Mitterer and Werner Schwab. In addition to that works by Wolfgang Bauer, Peter Handke, Ödön von Horvath, Johann Nestroy and Peter Turrini enjoyed worldwide success.

On the theatre level it can be referred to the successes of ensembles of the Austrian free theatre scene, especially of the “Karin Schäfer Figurentheater”, which has already won several international awards, the literary-musically creative “Kabinetttheater”, the “Laroque Dance Company” and “Editta Braun Company” of Salzburg, the ARBOS Society for theatre for the deaf, and various children’s and youth street theatre groups, who all represented Austria at festivals around the world.

Especially mentioned should be the International Festival of Women’s Theatre in Tornio, Finland, in June, and the annual International Experimental Theatre Festival in Cairo in September, where Austria was represented with three productions. These events demonstrated once again that Austrian performers are able to achieve outstanding successes not only with traditional art forms. In Tornio, which had an Austrian theme, seven Austrian groups out of 23 productions from 6 nations participated. Two of them were awarded acknowledgement prizes by the festival jury.

The young and younger members of the Austrian dance and choreography scene enjoyed great demand and were invited to renowned and respective festivals as well as to local events in other countries. This includes, most prominently, the Compagnie Willi Dorner and the ensembles of the choreographers Milli Bitterli and Saskia Höllbling. The “A/J Project”, initiated by “dietheater wien” in December 2002 in order to establish a connection between Austria and Japan on contemporary dance, held performances in Vienna by Japanese groups, and will be continued with performances and workshops by Austrian groups in Japan next year.
Readings by prominent authors and presentations of new literary publications were held, not only in the geographic emphases of the Austria’s cultural policy, but also in nearly all of the countries Austria has diplomatic relations with. The list of presented authors 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 sustainable pursued. The magazine “New Books in German”, with financial support from the Austrian government and the Ministry for Foreign Affairs, continued to be an important issue. Further on the Ministry for Foreign Affairs purchased printed works, and distributes them to libraries, schools and other educational establishments abroad. Additionally the release of Austriaca abroad and translations of works by living Austrian authors are supported.

Two notable international Austrian successes in the field of literature for children and young people were achieved in 2003. Christine Nöstlinger, who in 1984 had been awarded the Hans Christian Andersen Prize, the most important international award for children’s literature, became the first recipient of the Astrid Lindgren Memorial Prize founded by the Swedish government. Further on copies of Thomas Brezina’s books were sold more than a million times in China, breaking every previous sales record including the one of the “Harry Potter” books.

The Fine Arts

The Cultural Forum New York presented works by Elfie Semotan, Rudolf Schwarzkogler and Hans Weigand, amongst others, within the framework of the exhibition “Serious Play. Metaphorical Gestures” on functionality and the visualisation of metaphorical forms in contemporary art. The poster exhibition “To Japan” in the gallery of the Cultural Forum Tokyo offered a retrospective of literary reading tours by famous Austrian authors like Barbara Frischmuth, Robert Menasse, or Peter Rosei. The Academy of Arts in Berlin showed a large retrospective with “Mediale Anagramme – Valie Export” organised by the Neue Gesellschaft für Bildende Kunst Berlin. From February till April the “TRANSFER WIEN” exhibition brought a thematic
selection of works by Viennese artists to the Phoenix Hall of the Falckenberg Collection in Hamburg.

Further on spectacular Austrian contributions to the “Arquitectura radical” exhibition in the Centro Andaluz de Arte Contemporaneo in Seville, amongst others by Raimund Abraham and Coop Himmelb(l)au, Missing Link and Mario Terzic were made. The “Ferrogramme” exhibition by Christoph Feichtinger – unique prints on hand-made kitakata paper – aroused enthusiasm among a wide public in Rio de Janeiro and Mexico. An exhibition on the importance of the work of the Austrian architect Clemens Holzmeister in its national and international context was shown in Istanbul with support from the Middle East University in Ankara and the Istanbul University of Technology. Max Weiler’s Meister Eckhard Cycle was presented in Erfurt on the occasion of the anniversary year. At the Bienal de Valencia, Austria was represented by the interactive installation “common ground” by “assocreation”, a group of young artists who won the Prix Ars Electronica in 2001.

Under the title of “Cultural Heritage” the Austrian Embassy in Addis Ababa organised an exhibition and workshop with Professor Manfred Wehdorn on the importance of conserving and renovating historic buildings. The “Sur de Viena” show by the Vienna SUR Gallery reviewed the work of young artists from Africa and the Mediterranean region who were trained in Austria and live there. The jewellery exhibition “Re-view – Aspects of Austrian Jewellery Art” in Tokyo was dedicated to the Austrian jewellery art in the period from 1900 to the present. “The Ironic Glance” in the Cultural Forum Bratislava confronted theoretical discussions to date with directly approachable works of art which should prove that contemporary art can also be approached in a less serious manner.

The Cultural Forum Rome presented art in the public concourse at the Roma Termini rail station under the motto “Urban Tension”. In the Czech Republic, an exhibition on the work of the two most significant theatre architects in Central Europe, the Vienna partners Fellner and Helmer, was shown in all six of the Czech theatres built by them. The successful travelling exhibition on Erich Lessing, holder of the Austrian State Prize for Photography, was shown in Finland, Slovakia and Spain. The show “Nach
der Natur. Konstruktionen der Landschaft” by Margherita Spiluttini was presented in Lucerne (Switzerland).

**Film and Audio-Visual Media**

2003 was a year of international success for numerous Austrian film productions for example “Böse Zellen”, “Donau”, “Jesus”, “Du Weisst”, “Struggle”, “Twinni”, and “Am anderen Ende der Brücke” as well as the short film “Fastfilm”. “Böse Zellen” was nominated as Austria’s entry for the foreign Oscar 2004. The Ministry for Foreign Affairs enabled a number of film makers to attend international festivals by assuming responsibility for travelling costs. The highlights included the Austrian Film Weeks in Agram, Bonn, Bucharest, Hong Kong, Istanbul, London, Prague, Rome, Sarajevo, Singapore, Sofia, Skopje, St. Petersburg, Warsaw and Zürich. The Austrian film productions could be presented more effective on the 30 Austrian Film Days in various countries as well as by Austrian participation in around 45 European Film Weeks organised by the EU.

**International Youth Cooperation**

The Ministry for Foreign Affairs continued and enlarged its international youth project on tolerance and conflict resolution – an idea originally suggested by Simon Wiesenthal. An exhibition organised over several years by young people from 16 European countries opened in Vienna in July 2003. The theme of the exhibition is inter-cultural relations and tolerance in all their forms.

**International Sport**

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 other candidates were Vancouver (Canada) and Pyongyang (Republic of Korea). The final decision taken by the IOC General Assembly in Prague on 2 July 2003 was to award the 2010 games
to Vancouver. This met a repeated demand that, after the forthcoming winter Olympics in Turin in 2006, the following venue should not be an European winter sports centre.

Austria signed the Additional Protocol to the Council of Europe’s Anti-Doping Convention in Warsaw in 2002. The purpose of the protocol is to improve still further the available measures to counter doping in sport. It received parliamentary approval on 3 December and was due for ratification in 2004.

**Cultural Promotion**

The Ministry for foreign affairs provides financial support for cultural activities as a means of realising the goals set out in its cultural concept. Basically, this support is provided for projects that have strong foreign policy relevance, and which can be realised at home or abroad. In 2003 84 projects covering the entire artistic and cultural range received support to a value of €413,500.

For the first time, this support was provided for a project within the framework of the “Plattform Kultur Mitteleuropa”, an initiative by Austria, the Czech Republic, Hungary, Poland, Slovakia and Slovenia for closer cooperation on cultural policy, namely the training of young artists and scientists through participation in the Prague-Vienna-Budapest summer academy and the summer academy of the Mozarteum in Salzburg. Substantial support was given for foreign tours by the Klangforum Wien, the Vienna Art Orchestra, the Gustav Mahler Youth Orchestra, and the Konzertvereinigung Junge Philharmonie Wien. The A-Capella Festival organised by the “Mania Kulturverein”, the Hallamasch Festival of Cultures 2003 run by the Hallamasch Artists’ Association in Vienna, and the “Österreichische Werkwoche für Kirchenmusik” in Salzburg were all subsidised, as well as a guest performance by the Azerbaijani State Pantomime and the Italian Cultural Weeks 2003 in Vienna.

Finance was also provided for conferences, symposia and meetings by organisations like the Austrian Union of School Students, the European
conference of the Papal Council for Culture, the Vienna Business School, the Austrian Exchange Service and the Austro-Turkish Scientific Forum. Financial assistance was provided for the publication of a number of books by and on Austrian writers, for the catalogue “Discover Islamic Art” by the Museum without Frontiers, and for the magazine “Balkan/ Südosteuropäischer Dialog”. As in previous years, subsidies were provided for St. George’s College in Istanbul, for German language teaching in the Austrian settlements in South America, and for various cultural activities by the German-speaking minorities in Slovenia, Croatia and Romania.

**Scientific Projects**

A large number of symposia, workshops, lectures and other Austria-related events were held worldwide in 2003, covering a broad spectrum of themes ranging from literature, music, history, town planning, architecture and cultural philosophy to more specialised fields like social medicine, eco-social market economy and cyber arts. Thematic highlights included the 30th anniversary of the death of Ingeborg Bachmann, the dialogue of cultures and civilisations, and the enlargement of the European Union.

The Bachmann anniversary was marked by numerous readings and film shows, international scientific symposia, and a series of radio documentations and other programmes on specific themes. The dialogue between religions, which since its initiation by former Foreign Minister Alois Mock in 1992 had been the framework for some notable joint events in Austria and Iran, attained a new significance after the events of 11 September 2001. The dialogue between cultures and civilisations became one of Austria’s main foreign policy themes in 2003, and not merely in the cultural sense.

An international conference on the theme “More Europe – Foreign Cultural Policy in and Beyond Europe” was organised in Warsaw in conjunction with the Adam Mickiewicz Institute. Its aim was to provide a forum for an exchange of views and experiences on the perspectives of transnational cultural policy, with an emphasis on Europe and beyond. A summary of the discussions by the participants, from 16 countries, was presented as a
“Decalogue” of ideas that could form the basis for a broadly-based definition of cultural policy. Its main theses encompass support by a critical public, transparency and the rule of law, the strengthening of democratic values in cultural policy, comprehensive opportunities for participation in cultural life, and the inclusion of formal and informal networks as expression of modern and democratic cooperation and communication.

An international symposium on “Clemens HOLZMEISTER – Architect between Tradition and Modern” was held in Istanbul in cooperation with the Istanbul University of Technology. Holzmeister (1886-1983), one of the most influential architects of Austria in the 20th century, worked and taught in Austria and Turkey for many years. His former Austrian and Turkish students as well as art and architectural historians discussed the significance of his comprehensive work in its historical context.

**Austrian Studies Abroad**

Centres or chairs of Austrian studies in foreign universities present Austrian culture, economy and politics in the host countries, and increasingly also other European themes. Beyond that they help to cement cooperation between the Austrian institutions and the international scientific and cultural community. They include, amongst many others, 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 in Edmonton; 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**

Now there are 50 Austrian Libraries in 23 countries, predominantly in Central, Eastern and South-Eastern Europe, which are visited by an
average of around 100,000 readers annually. There is a total stock of 270,000 books. Most of the libraries have proved to be future-oriented institutions, and are an innovative, flexible and highly effective instrument of cultural policy abroad. In 2003 the 50th Austrian Library was opened in Cluj-Napoca (Romania) under the organisational auspices of the Babes-Bolyai University. For the building and accouterment a new and original approach was used in this case: cooperation between institutional partners, sponsors and private persons. The province of Upper Austria provided substantial finance for the running of the library, and for part of the book stock. Donations of books were made by the University of Vienna and the Karl Franzens University of Graz, amongst others.

One of the highlights of 2003 was the conference “Chancen Kultureller Netzwerke” held on 2-4 September in the new Vienna Central Library. The participants included representatives of the 50 Austrian Libraries and the government ministries as well as diplomats, academics and representatives of national institutions. The central issue was the role of the Austrian Libraries as cultural forums in miniature. It transpired that there was no lack of ideas, but some of them have not been able to be realised due to a lack of capital. The results of the conference will be published as a brochure. Comprehensive information on the structure, aims and networking of the Austrian Libraries, as well as details of individual libraries, can be obtained from the web-portal www.oesterreich-bibliotheken.at

Apart from the Austrian Libraries, the Ministry donated stocks of books to departments of German language in universities around the world. This practice has a broad effect and gives a long-term boost to international interest in Austrian literature, history and knowledge of the country, and has frequently stimulated translations of Austrian literature.

German as a Foreign Language

The Österreich-Institut GmbH (www.oesterreichinstitut.org), founded in 1996, is an initiative by the Federal Ministry for Foreign Affairs with the object of promoting the teaching of the German language abroad in its Austrian variant. Departments in Warsaw, Cracow, Brno, Bratislava and
Budapest have successfully offered teaching for several years, and in 2003 they were joined by sites in Ljubljana and Rome. The facilities in Milan, on the other hand, were closed down. Thus all the states of the Regional Partnership now have teaching units, with more than 9,200 students overall. Particular emphasis is laid on raising existing German language skills to professional standard in specialised fields such as business language. In December 2002 the Österreich-Institut was awarded the “European Seal for Innovative Language Projects”, which is presented annually by the European Union for outstanding achievements in this field. In addition, the Verein Österreich-Kooperation disseminates knowledge of the German language, literature and knowledge of Austria by providing Austrian lecturers for the arts and cultural faculties of foreign universities. At the end of 2003 a total of 141 Austrian lecturers were teaching German language and literature at university level in 27 countries around the world, of whom 44 were allocated to the five EU candidate countries of the Regional Partnership.

Scholarships and Mobility Programmes

The Austrian Academic Exchange Service (ÖAD) administers the award of Austrian scholarships to foreign students. The Austrian universities have one of 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). The measures agreed under the Bologna Process also help 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.

University Cooperation

The Bologna Declaration by the European ministers of education set out the goal of establishing a European area of higher education. In accordance
with this aim, the since 1995 existing Central European Exchange Programme for University Studies (CEEPUS) resulted in intensive academic mobility between the participating countries Austria, Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia. Austria has therefore taken the next step (CEEPUS II), which from 2005 will offer joint university programmes, leading to joint degrees. Students can participate in all courses, lectures and seminars without restriction, which will be recognised without bureaucratic restrictions by their home universities. Under CEEPUS II, networking between institutions of the tertiary sector in the region is being promoted by means of scholarships. Therefore every member state will offer full scholarships for students, young graduates, lecturers and professors from the other participating countries under its own conditions.

Multilateral Scientific and Technical Cooperation

Austria is a member of a whole range of international organisations for scientific and technical 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 in COST activities to third countries, especially the countries of Central and Eastern Europe. Austria also advocates that, after closure of the Commission’s scientific COST secretariat in Brussels, an efficient and cost-effective substitute should be established to carry out the scientific secretarial services through the European Science Foundation in Strasbourg and the COST office that is to be opened in Brussels. Austria wishes the particular strengths of COST to be retained as far as possible, namely, self-administration, minimal administrative structures, and responsibility for its own affairs.

Austria regards its efforts over many years to enhance the prestige and status of European scientific and technological cooperation as fully justified. The European Union views the strengthening of cooperation with organisations like the European Space Agency as a means of achieving its
goal of establishing a globally pre-eminent information society and of increasing European competitiveness. Therefore Austria supported the framework agreement between EU and ESA and the Green Book on European Space Policy, as well as the formulation of the EU White Book on European Space Policy. The international dimension of this European space policy far exceeds the scientific-technical dimension, and contributes to the achievement of the political objectives of the European Union.

It is a matter of particular urgency to ensure free and independent access to scientific and technical space services. This is being achieved in particular through the setting-up of the European Galileo satellite navigation programme. Austria is participating in the space segment of the programme, and will also take part in the user services, inter alia through the relevant ESA programmes. Further on Austria’s full involvement in GMES, the European initiative for global earth observation for environment and security is intended, and the subsequent plans for Digital Divide (broadband services), with the aim of full integration into future-oriented scientific-technical cooperation projects right from the planning stage. Austria thereby supports the continuation of the successful cooperation with the United States and the establishment of a long-term partnership with the Russian Federation.

The Ministry for Foreign Affairs is also responsible for the foreign policy issues of the European Organisation for the Use of Meteorological Satellites (EUMETSAT), the European Molecular Biology Conference (EMBC), and the International Institute for Applied Systems Analysis (IIASA), located in Laxenburg, near Vienna. It supported the endeavours to develop IIASA into a global organisation, thereby further enhancing the status of Vienna as a location for international organisations.

The Cultural Policy within the European Union

The EU has a role to play in cultural affairs under article 151 of the European Community Treaty. This provides for an EC contribution to the development of the cultures of the member states and for the maintenance of their national and regional diversity, while simultaneously emphasising
the common cultural legacy. The member states retain their fundamental responsibility in this field. The Community can only supplement or support measures by the member states, or undertake promotional or coordinating activities. It has no legislative powers otherwise.

Consistent financing and planning is carried out through the five-year (2000-2004) Culture 2000 framework programme, with a budget of €167m. In 2003 the focus was on the performing arts. Austria submitted 21 one-year projects, four of which were provided promotion. Austrian institutions were involved in 14 further projects as organisers or partners. Of the 10 multi-annual projects submitted, 2 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 €1.57m.

Preparations were begun in 2003 for the successor programme to Culture 2000. The Commission instigated an open consultation as well as a half-term evaluation of Culture 2000 as a basis for compiling its successor. Austria pressed for a rapid integration of the new member states and additionally for taking the countries of South-Eastern Europe into consideration. In order to ensure the continuity of the programme of assistance, the Commission proposed in April that, in view of the changes arising out of the enlargement of the Union in particular, the existing programme should be extended unaltered for a further two years, to the end of 2006.

Under the Greek presidency, representatives of the new EU member states attended a meeting of the Council for the first time as active observers. A resolution was adopted on greater synergy with other sectors, and a declaration on saving the cultural treasures of Iraq. In the second half year, under the Italian presidency, a resolution was adopted on improved cooperation in the museum sector as a contribution towards improving the mobility of artists and art works in Europe. There was political agreement on the Community’s action programme to support cultural institutions active on a European-wide scale.

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 fully open to the Central and Eastern European countries. More than a quarter of this sum is for school and adult education. Around 400 schools on average cooperate every year in the transnational Comenius projects. Besides Socrates/Comenius (schools), the programs Socrates/Erasmus (tertiary sector), Socrates/Grundtvig (adult education) and Socrates/Minerva (information/communication technology in education) should be mentioned in this connection. With Erasmus support more than 3,000 Austrian students annually spend a semester in one of the 30 participating states, and all projects can receive additional support from the Austrian Ministry of Education. The Tempus programme for the tertiary sector - running till 2006 - 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.

Additionally, in 2003 the Erasmus Mundus programme was inaugurated to provide scholarships for young researchers from third countries, and to support cooperation with universities and research institutions outside the European Union. Due to run over the period 2004-2008, its purpose is to improve the quality of tertiary sector education in the EU and to promote intercultural understanding.

**Bilateral Cultural Agreements**

Cultural working programmes for the next few years were concluded with Portugal, Tunisia, Slovenia, Bulgaria, the People’s Republic of China and the Russian Federation on the basis of existing cultural agreements. A third round of informal cultural talks that have been held with Switzerland since 1994 took place in Vienna at official level.

On 6 June in Kiev Minister for Foreign Affairs Benita Ferrero-Waldner signed an agreement between Austria and Ukraine on cooperation in the fields of science and technology. It was due to enter into force during 2004.

An agreement between the Austrian and the Croatian government on scientific and technological cooperation was signed in Zagreb on 12 March and entered into force on 1 August.
On the basis of the agreement signed in 2000 between Austria and Slovakia on cooperation in the fields of culture, education and science, a protocol on the continuation of this cooperation was signed in Bratislava on 22 November 2003. An intimation by the Slovakian side regarding the protocol’s entry into force on the Austrian side was expected for the beginning of the following year.

K. Austrians Abroad

Relations with Austrians abroad and others with an interest in Austria are maintained through some 450 Austrian associations in almost 50 countries. A special website (www.AuslandsösterreicherInnen.at - deutsch/vereine), lists these associations.

The Vienna-based “Auslandsösterreicher-Weltbund” (AÖWB) has been active since 1 January 2003 as the umbrella and service organisation for these groups, with the duty of representing the interests of the Austrian associations and those of individual Austrians based abroad. The AÖWB was formed by merging the “Weltbund der Österreicher im Ausland” (founded 1952) and the “Auslandsösterreicherwerk” (founded 1955), and took over all the functions of its predecessor organisations.

The AÖWB also includes the Austrian “Roundtables Zentraleuropa” and the “Austrian-American Councils” in North America. It publishes the quarterly magazine “ROT-WEISS-ROT”. The president of AÖWB is Fritz Molden, vice president is Gustav Chlestil, and General Secretary Irmgard Helperstorfer. This year it held its annual meeting in September in Graz, when more than 800 delegates from Austrian societies around the world attended. In 2003 the AÖWB received a subsidy of €177,000 from the Foreign Ministry.

The “Burgendländische Gemeinschaft” is the umbrella organisation for the Burgenland societies abroad. It organises visits to Austria as well as personal services, and represents the interests of expatriate Austrians from
Burgenland in their homeland. It publishes a periodical magazine: “Die Burgenländische Gemeinschaft”. Its president is Walter Dujmovits.

The **Fund for the Support of Austrian Citizens Abroad**, which is subsidised by the Ministry for Foreign Affairs and the nine Länder, in 2003 provided emergency assistance totalling €631,780 for 931 needy Austrians in 60 countries. In order to save annual administrative costs of around €40,000, which can now be used for support, the Foreign Ministry took over the direct management of the fund from 1 October 2003. The chairman of the newly-appointed board of curators is former ambassador Georg Hohenberg. In the course of its traditional **Christmas action** the Ministry made donations to 606 needy Austrians in 56 countries to a value of €58,000.

Expatriate Austrians who are aged and/or physically or mentally infirm and unable to care for themselves can apply to the Foreign Ministry for repatriation to their homeland and for accommodation in hospitals or nursing homes. The condition is that they cannot be helped by relatives or local organisations, that their condition allows the journey to be undertaken, and their personal permission is obtained. In 2003 two patients were repatriated, from Australia and Spain, and found accommodation in Austrian care institutions.

Since 1990 Austrian citizens resident in other countries, as well as those temporarily abroad on election dates, have had the right to vote in Austrian parliamentary and presidential elections as well as in referenda and elections to the European Parliament. In 2003 consideration was being given to methods of simplifying voting procedures for expatriates, including the use of “e-voting” via the internet. These were the themes of a Regional Partnership seminar in Vienna on 15/16 December. On the occasion of the EU summit in Porto Carras on 19-21 June the Greek presidency organised a meeting of prominent expatriates from EU member states, including three Austrians, in order to discuss issues like migration, social questions, language promotion, repatriation procedures and voting rights.
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, 15 consulates-general, and 28 cultural forums. The two regional offices for development cooperation, in Kampala and Managua, were transferred to the new Austrian Development Agency as from 1 January 2004. Additionally exist 265 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 2003 the Federal Ministry for Foreign Affairs had a total staff of 1,374. Of these, 606 were stationed in Austria and 768 posted abroad; 22 of these were seconded to other ministries, international organisations, development cooperation offices or the Diplomatic Academy, etc. The total personnel comprised 740 men and 634 women (46.1%) 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.

The federal budget for 2003 allocated €307 million to the Foreign Ministry. After subtracting Austria’s aid programme for the Eastern European countries (€10.4m), contributions to international organisations (€43.9m), other legal commitments (€2.7m), expenditure on international conferences (€2.5m) and official development cooperation (€52.7m), the operational budget of the Ministry for Foreign Affairs in 2003 was €194,172,000, or 0.32% 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:

- Secretariat of the Waassenaar 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)
ANNEX II: The Diplomatic Academy of Vienna

The Academy is an autonomous institution, and since 1996 has been organisationally and financially independent of the federal administration. At the beginning of October 2003 a total of 24 participants, including 16 Austrians, successfully completed the 39th postgraduate diploma course. Since 1964, when the Academy was established, 816 graduates, including 392 from 84 foreign countries, have been awarded the diploma of the Diplomatic Academy. A further 29 candidates, including 17 Austrian citizens, were accepted for the 40th diploma course.

A total of 25 students graduated from the Academy’s two-semester 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 27 applicants qualified for entry to the seventh M.A.I.S. course. The third Special Programme in International Studies, which is primarily intended as a preparation for the M.A.I.S. course, was completed by 17 participants, and 24 applicants were accepted for the fourth course.

Another two special courses for young diplomats from Central and Eastern Europe, the Commonwealth of Independent States and Mongolia were held. By the end of 2003 a total of 600 participants from 31 reform countries had 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 50 participants from 28 countries.

The annual International Forum on Diplomatic Training that is organised by the Academy was held in late September 2003 in Dubrovnik, Croatia.
The programme of in-service training for the staff of Austrian and foreign institutions included several seminars for the Austrian Ministry for Foreign Affairs, two EU seminars on negotiating techniques with international participation, 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 250 lectures, conferences and seminars on international issues. These included the 33rd Vienna Seminar of the International Peace Academy, on the theme of cooperation between the UN and the EU on peacekeeping operations; and the third Milton Wolf Seminar on journalism and diplomacy, organised jointly with Duke University and the American Austrian Foundation.

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 continued with the occasional Favorita Papers on various diplomatic topics. New titles in 2003 were: 1/2003, ONE CULTURE OR TWO?, Problems and Prospects of Transatlantic Dialogue; 2/2003, The CSFP/ESDP after enlargement; 3/2003, Cooperation in Peace Operations: The United Nations and Europe.