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Assistance services available to Austrian citizens abroad are detailed on the website of the Federal Ministry for European and International Affairs at www.bmeia.gv.at under “Service”.
FOREIGN AND EUROPEAN
POLICY REPORT
2011

Report by the Federal Minister for European and International Affairs
The year 2011 was characterised by two main events that also constituted a major challenge for Austrian foreign policy and the team of the Federal Ministry for European and International Affairs: the earthquake, tsunami and nuclear disaster in Japan and the revolutions in the Arab world not only affected Austrians who live and/or work in these regions but also had massive consequences for Austrian tourists. This constituted a major challenge both for our network of representatives and our head office. In short, these events put our crisis management system severely to the test. The speedy dispatch of crisis support teams from the Federal Ministry for European and International Affairs, supported by the Ministry of the Interior and the Ministry of Defence, proved highly efficient during the evacuation of thousands of Austrians from Tunisia, Egypt, Libya and Japan: Not a single Austrian was harmed during these crises, and we have fulfilled our promise of being “At Your Service Worldwide”. The efficient and professional attitudes displayed during the crisis management procedures highlighted the skills and commitment of our staff and are a result of our ongoing efforts to provide the best possible level of consular protection.

From the very beginning, Austria has taken a very clear stance on the developments of the Arab Spring. We have left no doubt whatsoever that we are on the side of those who demand freedom, democracy and rule of law. During my visits to Egypt and Libya, I have always emphasised that there can be no successful political transition process without proper protection of social, religious or ethnic minorities. Both on a bilateral and an international level, we have thus emphatically supported respect for human rights and the full, equal participation of women.

The current transition phase in the Arab world is not just about securing and consolidating the newly-won freedom, but also about creating stability in the relations with the southern European neighbours of these countries. The new governments require our support in this process. Austria was quick to offer assistance by contributing towards the resolution of the refugee crisis in Libya, by providing medical treatment for the wounded or by offering to assist with the training of policemen and women and diplomats. Austrian
companies that have been active in North Africa for many years also have an important role to play in the economic development of the reform countries.

The disastrous consequences of the nuclear disaster in Fukushima have caused a shift in international attitudes towards energy policy and have caused several of Austria’s neighbouring countries to phase out their nuclear energy programmes. Austria has vehemently spoken up in favour of an agreement to carry out stress tests for all nuclear power stations in Europe, which constitutes a concrete step towards improved nuclear safety. Together with our partners in the European Union, we have thus succeeded in reacting in a timely manner to the justified fears among the population with regard to the utilisation of nuclear energy.

In 2011, the handling of the economic and financial crisis increasingly put European solidarity to the test. The excessive debt of some countries endangered the stability of the entire European region and demanded speedy action on the part of all member states. We succeeded in creating appropriate crisis instruments that enable a closer monitoring of public finances. However, more needs to be done. There is more at stake than simply overcoming the debt and economic crisis. We have to ask ourselves how the European Union can emerge from this crisis stronger than before. In addition to the crisis instruments, we are therefore pursuing initiatives that aim at bringing about sustainable growth and promote employment.

European politics need to be more than mere crisis management, and the positive dynamics of European integration are particularly evident in the area of EU expansion. The completion of accession talks with Croatia constitutes yet another important step in the stabilisation and integration process in our immediate neighbourhood and sends a signal to the entire region that political and economic reforms are ultimately worth the effort. Both in Brussels and among our partners in Southeast Europe, Austria is perceived as a strong voice and driving force behind EU expansion on the Western Balkans. With the proposal of candidate status for Serbia on a trial basis, Austria was able to assume a mediating function during a delicate phase of the Serbian EU rapprochement process in the European Council in December 2011. In the meantime, Serbia has been granted candidate status, something I personally worked for together with my French and Italian counterparts. This is an encouraging sign of the ongoing expansion dynamics on the Western Balkans.

Within the EU, we are increasingly putting an emphasis on regional cooperation as a tool for strengthening the ties with our neighbours. The EU Strategy for the Danube Region that Austria has initiated together with Romania pro-
vides a basis for intensive cooperation among the countries of the Danube Basin, mostly in the areas of transport, energy and environment. Our goal is to fully utilise the potential of the Danube River as a European waterway and to make use of existing EU resources and instruments in the best possible manner. Due to its extensive expertise in the environmentally friendly, efficient utilisation of the Danube as a transport route, Austria will be able to make important impetus in this context.

The Danube region is the bridge to the Black Sea region, which is also one of the focal areas of Austrian foreign policy. With the regional summit of the World Economic Forum on Europe and Central Asia that took place in Vienna in June 2011, a conference on the role and responsibility of religious communities and the civil society in resolving conflicts in the South Caucasus in September 2011 and the stationing of an expert in development cooperation in Tiflis, we were able to greatly expand the ties between Austria and the countries in the region with regard to politics, the economy and the civil society.

In the long run, Europe will only be successful if it is shaped and supported by everyone. The strengthening of trust in the EU is thus one of the main tasks that the Federal Ministry for European and International Affairs is committed to. For this reason, I have continued my EU Dialogue Tour through the Austrian federal provinces to get a direct idea of the anxieties and concerns felt by the Austrian population in connection with the EU. Our experience has once again shown that dialogue with the population can only be successful if it is seen as a team effort of the entire federal government and the political decision makers on all levels – federal, provincial and the municipalities and towns. For direct contact and exchange, contact persons for European affairs are required on a municipal level. I am thus delighted that my initiative on the appointment of EU Local Councillors has been successful. To date 400 European Municipal Councillors have been appointed in every part of Austria, in each of the provinces and from all political parties. We will continue to widen this dialogue on Europe and hold so-called town-hall meetings together with representatives of the European Commission in Austria. The aim of this initiative is to reverse the flow of the discussion. Politicians will not be in the centre … it will be the citizens who will drive the discussion and specify its topics.

The United Nations have traditionally been a focal area of multilateral efforts in Austria. With the end of 2010, our highly successful two-year membership in the UN Security Council came to an end. The key issues, especially with regard to the protection and promotion of human rights, were taken up again in June 2011 when Austria was elected into the UN Human Rights Coun-
Foreword

cil for the first time. Austria’s election into the highest UN body for human rights met with great approval, yet another sign of the international appreciation of our strong commitment to this topic.

Similar to our role in the Security Council, we will continue to pursue our goals in the Human Rights Council to put Austrian ideas into play and to be a reliable, responsible partner for the international community. Our membership will focus on three main areas: the protection of freedom of faith and conscience and that of religious minorities, the promotion of freedom of the media, the protection of journalists, the rights of children and the protection of children from exploitation and violence. The worldwide increase of violence against Christians and other religious minorities is a trend that fills me personally with a great deal of concern. Against this background, I have spoken in favour of anchoring freedom of faith and the protection of religious minorities in the human rights policy of the EU and have also instigated the drawing-up of strategies for an improved utilisation of EU instruments in this field in the EU Task Force on Religious Freedom.

Disarmament and non-proliferation is another area in which we were able to build up a strong profile in recent years. Progress made with nuclear disarmament and non-proliferation is not just essential for maintaining world peace and international security; it also has a direct and increasingly strong relation to Vienna as a seat of international organisations. We are fully committed to a result-driven, multilateral diplomacy of disarmament. This refers to the Non-Proliferation Treaty (NPT), the first preparatory conference of which will be hosted in Vienna in May 2012 as a direct result of our efforts, as well as the implementation of the new NPT Action Plan of which we were one of the lead authors, and our tenacious efforts for the speedy coming into force of the Comprehensive Nuclear Test Ban Treaty (CTBT).

Vienna as the seat of office of many international organisations is increasingly faced with competition from other locations. I consider it an important task to foster the consolidation and step-by-step expansion of Vienna as hub of peaceful dialogue and a seat of international organisations. The year 2011 once again proved that our consistent policy to promote Vienna in this role has been successful: The setting up of the Vienna Centre for Disarmament and Non-Proliferation (VCDN) and a Vienna-based branch of the United Nations Office of Disarmament Affairs (UNODA) have further strengthened Vienna’s position as a competence centre for security issues. I am particularly glad that the founding treaty of the King Abdullah International Centre for Interreligious and Intercultural Dialogue was signed by my Spanish counterpart Trinidad Jiménez García-Herrera, the Saudi Arabian Foreign Minister Prince Saud Al-Faisal bin Abdulaziz Al Saud and by myself in October 2011. This
centre is the first stable, permanent platform for a dialogue between world religions and it is located in Vienna.

Culture is an essential factor in the international perception of Austria and thus an indispensable element of foreign policy. With the new International Cultural Policy Concept 2011, we have defined the goals of our international cultural activities for the coming years: In addition to showcasing the innovative-creative potential of Austrian cultural players, we above all want to support projects that contribute to fostering European integration according to the idea of Europe as “Unity in Diversity”. Furthermore, we want our cultural activities abroad to make a sustainable contribution to the global formation of trust and the keeping of peace by means of initiatives targeted at fostering the dialogue between cultures and religions. The establishment of the dialogue centre mentioned above reflects this commitment just as much as the annual forum of the UN dialogue platform “Alliance of Civilisations” that is to take place in 2013 and for which preparations are already in full swing. In November 2011, the Austrian application for a seat in the Executive Board of the United Nations Educational, Scientific and Cultural Organisation (UNESCO) prevailed against a number of strong candidates and with the highest number of votes ever achieved by any state. Our membership will last until 2015 and we intend to also use this forum to foster our emphasis on human rights and dialogue.

Austria’s image is also shaped by the approximately 500,000 Austrians living abroad. Their networks and associations are of great importance to the work of the embassies and consulates in situations of crisis and emergencies. To promote contact with our fellow Austrians abroad and to extend our range of services, we are also keen to use the potential provided by the new media. For instance, I was proud to present the first Smartphone application of the Federal Ministry for European and International Affairs that provides free-of-charge country-specific information and travelling advice and enables users to load the contact data of all Austrian embassies and consulates directly onto their mobile phone. With this innovative application, the Federal Ministry for European and International Affairs has established itself as a technological trendsetter in the public service.

Confronting global challenges requires holistic political approaches. This also applies to development policy. In order to be effective and efficient, development policy must be seen as a task that involves numerous political fields. In 2001, we therefore continued to highlight and intensify the multifaceted links between the economy, security and development. We also succeeded in continuing our commitment towards renewable energy and energy efficiency. In this context, two international meetings took place in Vienna in
April: the High Level Meeting of the EU-Africa Energy Partnership and the Global Forum on Sustainable Energy Development. Both events provided an international platform for fostering a future-orientated dialogue on the topic of energy.

A joint and concerted international approach is also essential when dealing with humanitarian disasters. The humanitarian catastrophe in the Horn of Africa required Austria’s solidarity with the affected region. Austria was quick to react with an emergency assistance package and increased its aid payments to 8.5 million euros in total over the following weeks, all of which were put at the disposal of international aid efforts.

Finally, I would like to express my gratitude and appreciation to the entire team of the Federal Ministry for European and International Affairs for their joint and successful efforts. I would like to thank State Secretary Dr. Wolfgang Waldner who joined our team in April 2011 and, in addition to a tightly packed schedule of bilateral and international meetings, is also responsible for the agendas of development cooperation. In conclusion, I wish to express my thanks and appreciation to Secretary-General Johannes Kyrle and all the employees at the Ministry as well as at the Austrian representations abroad for their tireless efforts and commitment in fulfilling the many tasks of the Federal Ministry for European and International Affairs, for the benefit of our country and of our fellow citizens.

Dr. Michael Spindelegger
Vice-Chancellor and Federal Minister for European and International Affairs
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1. Worldwide at Your Service – the Services Offered by the Federal Ministry for European and International Affairs for Austrians Living Abroad


The year began with two major crises that also brought severe consequences on a consular level. Within a matter of a few weeks, highly unexpected developments occurred in two very different regions of the world: unrest in the Arab world, where things had been static for a long time, and a nuclear disaster in the high-tech nation Japan. Within weeks, thousands of Austrians required assistance in coping with these events and in leaving the countries in question. All Austrians willing to leave the affected countries were able to do so, some travelling from remote areas under extremely difficult circumstances. Not a single Austrian was harmed during these crises and, as befits the idea of EU cooperation, citizens of other nations were also given assistance. In addition to these emergencies, numerous tragic events occurred, such as the terrorist attack on Moscow Airport in January with two Austrian victims and the many unforeseen cases where Austrians around the world needed rescue. The Federal Ministry for European and International Affairs was available to Austrians in need worldwide and around the clock.

1.1.1 Crisis prevention and crisis management

The consular dimension of the crises experienced in several countries made evident the increasing importance of crisis management within the range of responsibilities of the Federal Ministry for European and International Affairs and its representative agencies abroad. As a preventative measure to tackle critical developments abroad, an institutionalised cooperation between the Federal Ministry for European and International Affairs, the Ministry of the Interior and the Ministry of Defence and Sports exists under the auspices of the Federal Ministry for European and International Affairs. An important element within this crisis prevention plan is the dispatch of crisis support teams consisting of representatives of the Federal Ministry for European and International Affairs, the Ministry of the Interior and the Ministry of Defence and Sports under the overall authority of the Federal Ministry for European and International Affairs. Several years ago, fact-finding missions to potential critical regions were initiated. At the beginning of the year, these crisis support teams were deployed in Tunisia, Egypt and Libya. Their primary tasks were to support the Austrian embassies in the affected countries with providing assistance to the Austrians in the crisis regions and to take concrete measures to ensure the safe return of the team. In Egypt and
Libya, “Hercules” aircraft provided by the Austrian armed forces were used in cooperation with the Ministry of Defence to evacuate Austrians and other EU citizens. In total, 139 Austrians and numerous other persons, mostly EU citizens, were evacuated successfully.

After the Fukushima disaster, the Austrian Embassy was in ongoing contact with the Austrians present in Japan at the time and also established a presence at Tokyo Airport. In addition, the embassy set up a branch at the Honorary General Consulate in Osaka. To ensure accurate assessment of the safety risk, ABC defence experts from the Ministry of Defence and Sports took measurements during AUA flights, which showed no increase in radioactive radiation. In addition, the Ministry of the Interior dispatched support teams consisting of experts in the fields of security, logistics and radiation protection. In cooperation with the Ministry of Health, Austrians were also provided with potassium-iodide tablets. The travelling information provided on the homepage of the Federal Ministry for European and International Affairs was updated continuously.

Building on the measures that were taken on a national level, an increased exchange of information took place among the affected EU member states during the times of crisis. The EU member states and Switzerland exchanged information on the operative consular situation and specific measures as a general measure on an ongoing basis. The efforts on the part of the EU to coordinate crisis management in third countries were intensified, especially with regard to Emergency and Crisis Coordination Arrangements (CCA), the potential application of the solidarity clause, the consular role of the European External Action Service and civil defence measures.

On the basis of the experiences with crisis management that were made early in the year, the crisis management structures and crisis reaction processes at the Federal Ministry for European and International Affairs were critically evaluated and some improvements made. Measures included special training events for Ministry staff to prepare for crisis events, including a crisis simulation exercise, a renewed basis for the crisis prevention plans of the representative agencies, a fact-finding mission of the crisis intervention teams to Algeria and Morocco and the improvement of technological equipment by expanding the number of crisis deployment units for mobile use as well as the optimisation of information flows.

1.2 General Legal and Consular Issues

The main tasks of the Federal Ministry for European and International Affairs include services for Austrians abroad as well as for those Austrians who travel abroad for private or professional reasons and find themselves in an emergency. The resulting challenges have greatly increased both in terms of quality and quantity. The consequences of the political events in the Arab world and the disaster in Japan greatly exceeded the framework of the usual
General Legal and Consular Issues

consular scope of activities and required special measures for the protection of Austrians in situations of crisis and emergencies as well as a heightened amount of consular crisis management efforts. The basis of the assistance provided was established by Austrian representation authorities abroad. The Federal Ministry for European and International Affairs had to step up its consular efforts in many respects and, for the first time, dispatched dedicated crisis support teams to Tunisia, Egypt and Libya, consisting of officials from the Federal Ministry for European and International Affairs, the Ministry of the Interior and the Ministry of Defence. In addition to their usual daily routine, the Federal Ministry for European and International Affairs had to stock up its team to answer tens of thousands of around-the-clock calls relating to both of the major critical regions alone.

The consular availability of the Federal Ministry of European and International Affairs is ensured around the clock and worldwide at all representation authorities worldwide as well as the head office in Vienna. Large-scale crises aside, consular statistics in general show a trend towards a continuous increase in consular cases. Several representation authorities have registered an increase in cases by more than 500%. Representation authorities abroad fulfil official functions in assisting Austrians living abroad, for instance in the issue of documents and certifications, in cases of illness or accidents, for instance by organising transport home, but also by providing legal protection in cases of arrest and child abductions. They offer assistance with international adoptions and matters relating to social insurance and pensions.

In states where no Austrian representation authority exists, the local representation of another EU member state may intervene in urgent emergencies (EU consular cooperation and obligation to protection for EU citizens pursuant to Art. 23 TFEU). Austria also granted assistance to nationals of other EU member states, namely in connection with departure from areas of conflict in Egypt and Libya.

An amendment to the Consular Fees Act that entered into force on 1 January meant that expenses that arise to the representation authorities in connection with an official act must be replaced by the party in question even if the official act does not finally take place for reasons attributable to the party. When applying for passports or ID cards at Austrian Honorary Consulates abroad, an additional fee will be charged by the Honorary Consulate for the collection of biometric data. Consular fees for certifications and applications for a D visa were amended. Furthermore, the application for certification stamps provided by local authorities through the representation authorities became subject to a fee. In adjustment to the EU visa code new rules now apply on fee exemptions for visa applications.

The requirement to apply for a passport in person is a great problem for Austrians living abroad who are no longer able to travel due to age, illness or frailty but are required to have a valid identification document in their country of residence. Upon request by the Federal Ministry for European
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and International Affairs, an amendment to the Passport Act and pertaining Implementing Regulation entered into force on January 1 to permit exemptions from the requirement to apply for a passport in person at the responsible authority in strictly regulated exceptions.

1.2.1 Citizens’ Help Desk

The Citizens’ Help Desk operated by the Federal Ministry for European and International Affairs offers speedy, immediate and high-quality consular help for Austrian citizens both in routine and in emergency situations abroad in cooperation with the Austrian embassies and consulates (also see section 1.1.).

In 2011, Austrians took 8 million holiday trips abroad and 1.8 million business trips (source: Statistik Austria).

Assistance is provided by safety-orientated information on travel destinations on the website of the Federal Ministry of European and International Affairs on the one hand, by providing information over the telephone and in writing, and most recently, also by a new Smartphone application and via the social media. This travel information is updated on an ongoing basis in cooperation with the Austrian representation authorities abroad and the EU member states.

The travel information on the website of the Federal Ministry of European and International Affairs (www.aussenministerium.at) registered 177,000 hits during the revolutions in Tunisia and Egypt in the month of January and 1.4 million hits over the year in total. Telephone numbers 0 50 11-3775 and 0 50 11–3900 received up to 2,615 individual inquiries per month at peak times for travel and general information on visa issuance, international document procurement, certifications, contacts with authorities etc.

The Citizens’ Help Desk also provides concrete support in emergency situations both for individuals and during large-scale crises that require consular assistance. Under telephone number 0 50 11 50–4411 Ministry staff are available around the clock for consular emergencies.

The consequences of the political shifts in the Arab countries where numerous Austrian travellers happened to be present, especially in Egypt, Libya, Syria and Tunisia early in the year and the catastrophe in Japan that took place in March made evident the necessity of intense cooperation efforts when offering consular assistance, both with the responsible embassies, some of which had to be moved to other locations (Japan, Libya), with other Ministries, travel agents, airlines and businesses.

The increase in the number of international trips by Austrian citizens is also reflected in the use of consular support in the event of illness, accidents and deaths abroad. This also includes the number of cases of assistance to and
General Legal and Consular Issues

repatriation of psychologically unstable or mentally ill Austrian citizens as well as Austrian citizens without adequate health insurance coverage abroad. The mutual provision of information and cooperation of EU member states on a consular level was continued. On 14 December, the European Commission presented a proposal for a Council Directive on the consular protection of EU citizens abroad.

1.2.2 Assistance in civil law and penal proceedings

A total of 1,046 times, assistance was provided in legal aid cases with representations; however, neither being allowed to interfere directly in on-going proceedings nor to represent Austrian citizens with party status in cases under civil law.

At the end of the year, 294 Austrian citizens were detained in prisons abroad\(^1\), most of them (194) in Europe. Of this number, 96 were detained in Germany and 24 in Spain. 46 Austrians were in custody in Asia (18 of them in Thailand), 41 in Northern and Latin American countries and 8 in Africa. 91% of the prisoners are male and most of them are held because of drug-related offences (42% on average; in Northern and Latin American countries 61%).

The representation authorities regularly check that the prisoners are treated in accordance with national regulations, that these regulations comply with the minimum international standards and that the Austrian prisoners enjoy all the relief that they are entitled to according to existing regulations. The representation authorities performed 329 prison visits in total. Another important element of the assistance provided to Austrian prisoners abroad is the acceptance and forwarding of packages and small sums of money to the prisoners.

The Federal Ministry for European and International Affairs is also responsible for coordination between Ministries and the chairing of negotiations on international agreements regarding civil and criminal law. These mainly refer to readmissions, police cooperation, extraditions and service of process. Approximately 30 bilateral agreements in these areas were worked on (see Appendix 1, Country Information). The Convention on Police Cooperation in Southeast Europe entered into force on 10 October.

In cases of child abductions in countries that belong to the Hague Convention of Child Abduction, investigations are always carried out via the respective national central authority, in the case of Austria via the Federal Ministry of Justice. Upon request of the Federal Ministry of Justice, the FMEIA was able to provide assistance via the Austrian diplomatic representations.

\(^1\) Only those persons are statistically recorded who are reported to or enter into contact with the Austrian representation authorities.
In the numerous cases of child abductions that cannot be treated according to the Hague Convention on Child Abduction, the affected parents receive information, advice and support on an ongoing basis and in close cooperation with the Ombudsman Services for Children and Young People and the appropriate Protection Against Violence Centres, for instance women’s shelters and youth welfare authorities.

Child abductions are always an intense emotional strain for the persons concerned and often turn into lengthy processes; many of these – extremely numerous – cases drag on over several years. Despite the huge efforts made by the Federal Ministry of European and International Affairs, it was not always possible to reach a positive outcome.

Adoptions from countries that belong to the Hague Adoption Convention are completed on the basis of direct contact with the responsible national authorities. In Austria, these are the Federal Ministry of Justice and the provincial governments.

In cases of adoptions from countries that are not signatories to the Hague Adoption Convention, the Federal Ministry of European and International Affairs and the representation authorities are increasingly contacted directly by adoption applicants. Foreign adoption documents must be examined particularly thoroughly by the representation authorities in these cases. The fight against trafficking in humans and children is a top priority in this context.

1.3. Tourist- and Cross-Border Traffic

1.3.1. Visas

By 31 December 2011, Austrian citizens were able to enter 107 states without a visa including all neighbouring countries, Japan, Canada, the USA and many other countries in Africa, Asia and South America, with regular passports, including 41 countries with identity cards and 19 with passports expired for no longer than five years. Citizens of 126 countries require visas for entering Austria.

Entry visas to Austria were issued at 91 Austrian representation authorities. Schengen visas for entry into Austria were issued by representation authorities of states in their capacity as representative under the Schengen agreement at another 94 locations. In return, Austria in its capacity as representative under the Schengen agreement issued visas at 37 posts.

Citizens of Taiwan no longer required a visa as of 11 January. The EU visa facilitation agreement with Georgia that was signed in 2010 entered into force on 1 March.

Following the call for tender, a private company was authorised in June to accept visas on behalf of the locally responsible embassy at selected locations. The actual visa process, however, is still handled by the embassies.
Tourist- and Cross-Border Traffic

This option constitutes an additional service to the existing offer provided by Austrian representation authorities and their Schengen partners. In 2011, this service was put into operation at 31 locations worldwide. In total, visa applications may now be made at 216 locations worldwide, with more locations scheduled to initiate this service in 2012.

The Austrian representation authorities processed 305,000 visa applications, a decrease of 0.1% compared to the previous year. If this data is adjusted to reflect the visas issued in 2010 by the posts in Albania and Bosnia and Herzegovina, which now no longer require visas, the result shows an increase of 6% at all other representation authorities. For the most part, this increase may be attributed to the successful efforts of Österreich Werbung to attract new tourism target groups, in particular from the Arab world and from South-East Asia. The Arab Spring, on the other hand, had no significant effect on the issue of visas, with the exception of the temporary closure of the Austrian embassy in Tripoli. The increase would have been even more pronounced if there had not been an increase in multi-annual visas resulting from visa facilitation agreements, in particular with Russia and the Ukraine, but also with other European nations, which resulted in an overall reduction of visas issued.

Due to the EU Visa Code that entered into force on 5 April 2010, the representation agreements with the Schengen partners had to be revised.

2011 saw a continuation of the efforts to increase security, efficiency and service in visa management, continuing the implementation of the recommendations of the visa commission.

The step-by-step introduction of the EU Visa Information System (VIS) in North Africa began on 11 Oct. In coordination with the Schengen partners, the Austrian representation authorities in this region will issue exclusively biometric visa from this point onwards. For 2012, the EU is planning to extend the new processes to include the Gulf States, the Middle East and the rest of Africa.

As in previous years, the Foreign Ministry and the Ministry of Justice organised a joint visa workshop in June, giving consular staff the opportunity to exchange best-practice experiences and to further protect visa administration procedures from abuse.

In addition, a separate tool for Heads of Missions was introduced as part of a Heads of Mission visa workshop, targeted at monitoring visa administration and increasing tamper-resistance. The joint training and examination teams of the Federal Ministry for European and International Affairs and the Federal Ministry of the Interior further intensified their activities at the Austrian representations abroad and at headquarters. Inspection activities continued with verifications at offices in countries with high migration being managed in cooperation with the Federal Ministry of the Interior.
Close cooperation with the Federal Ministry of the Interior was also continued on the analysis of visa number development, current joint training in the consular field and the evaluation of visa administration at the representations, including implementation of measures.

Close and successful cooperation with the Austrian Chamber of Commerce and the Federation of Austrian Industry at a Round Table for the Tourism Industry and a Dialogue Forum on visas for business travellers were continued. Last but not least thanks to this cooperation, the tourism industry enjoyed a year of considerable growth in tourist numbers, particularly from countries requiring visas.

1.4. Austrian Citizens Living Abroad

The provision of support and services to Austrians abroad is among the core tasks of Austrian embassies and consulates (-general) abroad. In common with the dedicated website of the Federal Ministry for European and International Affairs for Austrians abroad (www.auslandsoesterreicherInnen.at), the Austrian embassies and consulates are an important link between Austrians abroad and their present or former home country. They are the first points of contact and service with regard to passport, citizenship and voting matters, further contact with authorities and consular protection, information about Austria, effective crisis preparedness and coordination, or with respect to facilitating and organising Austria-related events.

As there is no obligation for citizens to officially register permanent residence abroad, figures on Austrian citizens living abroad are often based on estimates. Verifiable figures do not reflect the actual number of Austrians residing abroad.

Currently, an estimated number of 500,000 Austrians live abroad. Four fifths of them live in Germany (243,000), Switzerland (50,000), the USA (27,000), Great Britain (22,000), South Africa (18,000), Australia and Spain (15,000 respectively). At the present time 328,542 Austrians living abroad are registered at an Austrian representation authority. 250,598 of them are registered to vote. By providing an up-to-date registration system, it is intended to increase the number of registered persons and the quality of the data provided.

To facilitate the official registration of Austrians living abroad with Austrian embassies and consulates an electronic online data submission and change facility has been available on the websites of the Federal Ministry for European and International Affairs and the representations since February 2008, allowing for an easier and faster first registration of Austrians abroad and later change of their contact data.

The number of “Austrians at heart” (persons not holding Austrian citizenship but feeling a particular attachment to Austria because of their former
Austrian citizenship, family connections or other reasons) can only be estimated and probably comprises several hundred thousand individuals.

1.4.1. Organisations representing Austrians abroad

Links between Austrians living abroad and their home country are maintained particularly through associations of Austrians abroad and other societies in foreign countries. Worldwide there are more than 400 such associations and societies in almost 60 countries, a list of which can be found on the dedicated website of the Federal Ministry for European and International Affairs – www.auslandsoesterreicher.at under “Kontakte” / “Vereinigungen”. Anyone interested can register with the “Austrians abroad network” on the dedicated website under “Austrians abroad”.

The Vienna-based Auslandsösterreicher-Weltbund (AÖWB), the World Federation of Austrians Abroad, is an umbrella organisation, interest group and service platform for Austrian associations abroad. Since 1 July 2004 Gustav Chlestil has been the President of the AÖWB, while Irmgard Helperstorfer holds the office of Secretary-General. The AÖWB has its own website – www.weltbund.at – and publishes the “ROT-WEISS-ROT” magazine. In September, an internet platform was also launched under www.austrians.org.

The AÖWB organises an annual meeting of Austrians living abroad, which was held this year in Vienna from 1 to 4 September.

FMEIA funding for the AÖWB totalled 200,000 euros in 2011.

Burgenländische Gemeinschaft is the umbrella organisation of all natives of Burgenland living abroad. Its aim is to maintain and deepen the ties of all natives of Burgenland worldwide with their home province. This goal is also pursued by its periodical magazine, “The Burgenländische Gemeinschaft”. Walter Dujmovits is President of the Burgenländische Gemeinschaft.

1.4.2. Support for Austrian citizens abroad

The Fund for the Support of Austrian Citizens Abroad, established in 1967, aims at assisting Austrians living abroad who find themselves in serious difficulties. The Federal Act on the Fund for Austrians Abroad, Federal Law Gazette I No. 67/2006, which came into force on 1 January 2007, widened the group of potential recipients of support. In 2011 the Fund, whose budget is financed by the Federal Ministry for European and International Affairs and the nine Federal Provinces at 50% each, provided assistance to more than 1,100 Austrians in need in 65 countries, paying out 650,000 euros in total using existing reserves. The Chairman of the Board of Trustees appointed by the Federal Government is retired Ambassador Markus Lutterotti; Josef Knapp is Managing Director.
The Foreign Ministry’s annual Christmas Campaign in support of Austrians in need abroad provided donations in cash and in kind totalling 71,400 euros to 562 Austrians in need in 57 countries worldwide.

For Austrians living abroad who are elderly or seriously ill and no longer able to care for themselves, the Foreign Ministry can arrange for repatriation including accommodation in a suitable institution in Austria. The requirements for such a return to Austria are that help from relatives or local relief organisations is impossible, the individual’s state of health allows them to travel and he/she agrees to repatriation for medical reasons. In 2011, four Austrians from three countries – Costa Rica, Germany and Spain – were repatriated to Austria and placed in the care of the Austrian social services.

1.4.3. Participation by Austrians abroad in political decision-making in Austria and the European Union

Since 1990, Austrians residing in other countries or temporarily staying abroad on election days have had the right to vote in Austrian parliamentary and presidential elections and to participate in nationwide referenda. Austrians abroad – as well as non-Austrian citizens of the European Union having their main residence in Austria – can also vote in elections for Austrian members of the European Parliament.

As of 1 July 2007, voting rights of Austrians abroad have been simplified substantially reducing active voting age to 16, whereas 18 is the passive voting age for both the National Council and the European Parliament. Postal voting is possible in Austria and abroad for anyone unable to cast their vote in a polling station on election day. A signed affidavit now suffices for casting one’s vote by postal voting. The Republic of Austria assumes the postal charges due for sending absentee ballots by normal mail from all parts of the world back to Austria. Moreover, Austrians abroad can order absentee ballots in advance for a period of ten years (“absentee ballot subscription”) and will automatically receive their absentee ballots for all nationwide elections during this period. Municipalities inform their registered voters abroad about upcoming elections and ex-officio deletions from the electoral roll.

Furthermore, under Federal Constitutional Law the Austrian Federal Provinces also have the right to give Austrians living abroad the opportunity to vote in elections to the regional parliaments of their former Federal Province of residence. So far, the Federal Provinces of Lower Austria, Tyrol and Vorarlberg provide this type of voting right for Austrians abroad.

The range of services for Austrians residing abroad is continuously extended. The latest improvements concerned election law, online registration and information on the internet adjusting provisions to current needs.

This mainly concerned simplifications in voting abroad introduced by virtue of the Voting Rights Amendment Act in 2009 and extended in 2010 by sim-
plifying postal voting. At the federal presidential elections in 2010, just as earlier at the EP elections in 2009, witnesses were thus no longer required, nor was it necessary to indicate the place and time of the affidavit on the voting card. The confidentiality of personal data was guaranteed through the new design of the voting card. As the Voting Rights Amendment Act 2011 specifies that voting cards must arrive at the Austrian district electoral authority on election day at the latest, all deadlines leading up to this point were adjusted accordingly. The length of time between the sending out of the voting cards and their return to the district electoral authority remains largely unchanged.

In general, Austrians living abroad have a hotline for questions regarding voting rights at their disposal and a dedicated voting information website with further details on the voting rights of Austrians residing abroad, including all required forms for download, was established at www.wahlinfo.aussenministerium.at.

Together with Austrian authorities, ministries, competence centres and researchers, the Foreign Ministry analyses and supports the development of additional ICT applications with a view to using them in communicating with Austrians abroad, in particular in the fields of eGovernment and involvement of citizens. New forms of communication (social media) are also increasingly being made use of.
2. Financial and Economic Crisis – Measures and Strategies

The debt crisis of the year 2011 has highlighted the structural defects of the Economic and Monetary Union even further. Markets in the euro area showed increasing nervousness and the recession risks multiplied in most of the euro zone and EU countries due to the high level of national debt. This development was intensified by the risks of an undercapitalised banking sector. From mid-2011, the focus on EU crisis management began to shift in the direction of government bonds and their risk premiums, caused by the increasing loss of trust due to a lack of concrete results of initiatives and decisions. Following Greece, Ireland and Portugal, the crisis widened to include large euro zone countries such as Spain and Italy, and thus the entire euro system. Several countries and banks in the euro area were affected by downgrading performed by the large rating agencies, Austria among them.

The answer of the EU and the euro zone was to implement the strategy for strengthening the Economic and Monetary Union by means of improved cooperation in the areas of economy and financial politics as well as strengthening fiscal discipline and competitiveness achieved by structural reforms. Priority topics at the European Council on 9 December thus included measures to strengthen the European economy (Growth Agenda) and the solidification of the architecture of the Economic and Monetary Union. In this vein, the heads of state and government of the euro area agreed on further intensifying their cooperation in terms of economic and financial policy in their declaration from 9 December, ultimately leading to a new “fiscal-political pact”, with the aim of implementing an improved national budget monitoring system and intensifying cooperation in terms of budget policy as well as strengthening coordination of economic policy in areas of common interest such as fiscal policy. There was a clear consensus on the continuation of structural reforms and efforts on budget consolidation to create the basis for a return to long-term, sustainable growth. In this vein, on 9 December the European Council also emphasised the necessity of creating jobs and of fighting unemployment, in particular among the young, by supporting small and medium-sized enterprises (SME) and selected areas of the common market. In addition, cooperation and crisis management with the Euro Group should be improved by means of “increased cooperation” and the expansion of the two European stability tools, the European Financial Stability Facility (EFSF) and the European Stability Mechanism (ESM). To support these measures, efforts to strengthen and stabilise the architecture of the European financial markets and their supervision were also continued (see also item 2.3.2).

The ultimate goal was a “complete package of measures” with approval of ESM and Fiscal Pact to be ratified at the spring summit on 1 and 2 March 2012. Following this, the focus will increasingly shift towards the Agenda
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for Growth and Employment in the EU, which was initiated in autumn, with structural reforms to promote growth and targeted measures to improve competitiveness by strengthening the single market and stimulating demand as well as by implementing measures to promote job growth in Europe, with an emphasis on youth employment.

In 2011, the following measures were taken:

– Measures to strengthen the architecture of European financial markets (stabilisation of European banks, contribution of the financial sector to the costs of the crisis, framework for crisis management, rating agencies)

– Support for the countries covered by the programme (Greece, Ireland and Portugal)

– Measures linked to Italy and Spain

– Reform of the Economic and Monetary Union: strengthening of cooperation in the fields of economic and financial policy and budgetary discipline: Economic Governance Packages (Six Pack, Two Pack); Fiscal Pact

– Joint effort in the consolidation of budgets

– Further development of the European stability tools: EFSF and ESM

– Strengthening of the institutional architecture of the euro area

– In support of all these measures, new governing instruments such as the European Semester, the EU2020 Strategy and the Euro Plus Pact were also implemented. In the medium term, the linking of the Europe 2020 Strategy with political governing instruments such as the European Semester and the Euro Plus Pact will lead to a further strengthening and coordination of economic and fiscal policy and discipline in selected areas among all member states of the European Union, such as competitiveness, employment, pensions, and sustainability in public finance.

– The above-mentioned instruments will thus facilitate the creation of new, sustainable jobs as envisaged by the European Growth Agenda.

The European debt crisis is primarily a crisis of confidence. On the basis of macro-economic data, for instance, Europe is clearly in a better position than the USA, and the national debt of the euro zone is also lower in comparison. The problem of debt reduction affects the whole world. Not only states, but also private households and businesses have relied heavily on credit in recent years. Accordingly, the total debt of all sectors in the euro zone lies at 280% of the total economic output. In the USA, this figure lies at 260%; in Japan, it is as high as 400%.
2.1. Strengthening the Architecture of the European Financial Markets and Supervision Mechanisms

2.1.1. Framework for crisis management

As part of the current financial crisis, a number of governments had to take emergency measures in order to stabilise their banks. Without these interventions, several banks would most likely have gone bankrupt. In this instance, governments acted on the basis of national legislation. In spring, the European Commission (EC) presented legislative proposals for an EU framework for crisis management in the financial sector. The goal is to create a comprehensive framework for crisis management for banks and investment firms.

2.1.2. Over-the-counter-trade with financial derivatives

In response to the financial crisis, the G20 nations decided to establish a regulatory framework for over-the-counter-trade (OTC) with financial derivatives by 2012 and to strive for standardisation. Against this background, the EU in October agreed on stricter rules for the trade with financial derivatives that takes place outside the stock exchanges. Despite the political resistance from the United Kingdom, a majority of the 27 EU member states agreed with the proposal for stronger regulation of over-the-counter-trade of derivative financial products (although the UK managed to ensure the concession that the EC would also work out a proposal for increased regulation of trade with financial derivatives at the stock exchanges). In future, financial and non-financial businesses that engage in large-scale over-the-counter-trade with derivatives will have to register these with data centres and manage the trade via central offices (“counterparties”). The agreement still needs the approval of the European Parliament, which is envisaged to take place in 2012.

2.1.3. Basel III

At their summit in Seoul, South Korea in November 2010, the heads of state and government of the world’s leading economic powers (G20) embarked on a course of increased supervision of banks, including higher contributions for risk prevention, summarised under Basel III. The basis of this course was a decision taken by the Basel Committee on Banking Supervision in 2010 with new recommendations on minimum equity requirements and the introduction of equity buffers to make banks more stable for events of crisis.

The Basel III recommendations should be seen as complementary to the Basel II recommendations that were issued in 2004 and have been implemented on EU level since 2007/2008. With Basel III, banks are required to
significantly increase their core capital. The core capital is then intended to absorb losses incurred during financial crises that may result from credit defaults or depreciations of investments. Basel III prescribes a future core capital ratio of 7% (core capital of minimum equity capital requirement 4.5%, plus core capital of capital conservation buffer of 2.5%). In addition, soft core capital to the amount of 1.5% and supplementary capital to the amount of 2% is required, resulting in a total equity capital requirement of 10.5%. This significantly raises the quota that was in place before the crisis. Requirements for other important stability key indicators were also tightened. From 2013, silent participations for banks that are treated as limited companies will no longer be considered part of their hard core capital. Silent participations that were granted as part of the state assistance schemes will continue to be considered part of the hard core capital until 2018.

The recommendations of Basel III will be implemented as EU directives in 2012. Also see the following section on “stabilisation of banks”.

2.1.4. Stabilisation of banks

A number of EU member states began to prepare national rescue programmes for banks as early as autumn 2008. In most countries, the duration of these packages has been extended, Austria among them.

At the summit of the heads of state and government of the euro area on 26 October, a number of measures targeted at structural reforms to increase the stability of the banks were decided upon, with the goal of ensuring the medium-term financing of banks and strengthening the quantity and quality of equity capital. Guarantee facilities were set up to prevent the inter-banking market from drying up and the credit restrictions associated with this development were established. In addition, the recapitalisation of banks was decided with a time limit for replenishing the core capital to a value of 9% by 20 June 2012. With these measures, the EU is in fact implementing the Basel III recommendations ahead of schedule. As a result of these measures, the European Banking Agency (EBA) has calculated an additional capital requirement of 100 billion euros for 71 systemic banks in Europe. In Austria, three systemically important banks are affected (Raiffeisen International, the Erste Bank Group and Österreichische Volksbanken AG), with likely capital requirements of approximately 2.9 billion euros.

In order to strengthen Austrian banking groups in the countries of Eastern, Central and Southeast Europe (CESEE), the Austrian Financial Markets Supervisory Authority (FMA) and the National Bank (OeNB) drew up new supervisory guidelines to strengthen the sustainability of Austrian banking groups in the CESEE countries, which were first introduced in November.

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2 The core equity capital quota refers to the ratio of a bank’s equity capital to its risk transactions, i.e. to credit granted and investments made.
The new guidelines are addressed to internationally active large banks that are subject to Austrian supervisory regulations – at this time, the Erste Group Bank, Raiffeisen-Zentralbank and Unicredit-Bank. The guidelines were drawn up following an intensive consultation process with the largest internationally active Austrian banks, the host and home country supervisory authorities, the European Commission, international financial institutions, politicians and rating agencies as part of the “Vienna Initiative 2.0”, with the goal of making the business models of large Austrian banks more sustainable in future. The sustainability package rests on three pillars: Building up risk-ad­quate capital buffers; prevention of boom-bust cycles in credit lending; preparation of recovery and handling plans for potential situations of crisis. These measures are intended to improve the equity capital basis and the refinancing structure of Austrian banking groups with regard to the implementation of the new Basel III regulations.

2.1.5. Contribution of the financial sector to crisis-induced costs

No consensus has been reached to date on an international level on the contribution that the financial sector will make to the crisis-induced costs, which cropped up on the agenda of various institution throughout 2011 (G20, International Monetary Fund – IMF, EU, Task Force on International Financial Transactions for Development).

Ten EU member states, Austria among them, have introduced a banking levy or are about to do so. On an EU level, there is a consensus that the introduction of a banking levy requires coordination to avoid double taxation issues. Furthermore, according to the provisions of the Governmental Programme 2008–13, Austria has shown itself in favour of a European-wide, coordinated Financial Transaction Tax (FTT), with various initiatives both on an international level (G20, International Monetary Fund) and among the European partners (such as ECOFIN and the European Council). In the long-term, it is hoped that these measures will bring about a more stable financial system, hinder speculation and make a contribution to the consolidation of debt-burdened national budgets. From an Austrian perspective, an FTT should also be proposed as part of the negotiations for the next Multi-Annual Financial Framework of the EU as a new resource for easing the burden of net pay­ers. The European Commission is also in favour of introducing an FTT from 2014 and presented comprehensive proposals for such a tax on 28 September in the 27 member states. In this, Austria was supported by Germany and France who are also in favour of the introduction of an FTT on a European scale.

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According to this proposal, an FTT should be levied on all transactions completed between financial institutions, as long as at least one transactional party is located in the European Union. The trade with shares and bonds would be taxed at a rate of 0.1% and the trade with derivatives at a rate of 0.01%. This would lead to an annual income of approximately 57 billion euros.
Support for the Programme Countries (Greece, Ireland, Portugal); Italy, Spain

and global level. However, a proposal made to this effect during the French G20 presidency at the summit on 3 and 4 November was rejected.

2.1.6. Rating agencies

In the wake of the global financial crisis, several weaknesses in the regulation of rating agencies also became apparent. Since 1 July, rating agencies in Europe are under the supervision of the new European Securities and Markets Authority (ESMA).

On 15 November, the European Commission presented its newly proposed directive on rating agencies. The current proposal largely aims at reducing the number of instances in which ratings are used and to improve the quality of rating procedures. It contains more stringent transparency regulations as well as liability mechanisms for any errors made by the agencies. Work on this proposal will be continued in 2012. The most recent suggestions are to be seen as complementary to the EU Regulation on Rating Agencies that entered into force in December 2010 and mostly focuses on the registration, management and supervision of rating agencies (in accordance with the decisions of the G20 summit in Washington in November 2008). The Basel Committee on Banking Supervision is currently working on effective proposals to reduce the dependency on rating agencies. Concrete proposals are expected for the first half of 2012.

2.2. Support for the Programme Countries (Greece, Ireland, Portugal); Italy, Spain

The so-called “programme countries” Greece (since May 2010), Ireland (since December 2010) and Portugal (since April 2011) have been committed to stringent economic adjustment programmes in exchange for the financial aid granted by the euro nations and the IMF. These programmes envisage a consolidation strategy, structural-political reform and measures for restructuring the banking sector. Their implementation is monitored by the financial aid providers – a “troika” consisting of the European Commission, the European Central Bank (ECT) and the IMF at three month-intervals.

2.2.1. Greece

After the first Greek rescue package of 2010 (110 billion euros, bilateral loans from the euro area member states, the Netherlands, Great Britain and the IMF) proved insufficient in the long run, a second package with measures for Greece was prepared at the summit of euro zone heads of state and government on 21 July, also involving the private sector and EFSF financing. The implementation of the programmes is monitored by a troika consisting
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of the EC, the ECB and the IMF at three month-intervals. The calculations from July – with a debt-cutting rate of 21% for private creditors – proved insufficient and had to be redone. The goal of the package presented at the Euro Summit from 26 October was a debt reduction of 120% of the GDP by 2020 and a participation of the private sector to the extent of 50% by means of extensive bond swapping measures starting in January 2012. Negotiations on the technical implementation of private sector involvement between the Institute for International Finance (IIIF) and Greece proved difficult and were still ongoing by the end of the year.

Since early September, a “Task Force on Greece” founded by the European Commission has been supporting the debt-choked country in the technical implementation of austerity and reform measures based on the adjustment programme drawn up by the EC, the ECB and the IMF.

2.2.2. Ireland, Portugal

Both countries are headed in the right direction: According to the decision of the EU Ministers of Finance in October 2010, Ireland has received EFSF loan assistance of 85 billion euros in total. Like all the other programme countries, Ireland, too, is monitored every three months by the troika. The last inspection took place in November and resulted in a positive evaluation of the country’s commitment to austerity and structural reforms.

Portugal also applied for financial aid due to a massive increase in refinancing costs as a consequence of the euro debt crisis in April. Together with EU and IMF representatives, an aid package of 78 billion euros was prepared.

Portugal also received praise for its austerity programme to combat the national debt during the last troika inspection in November. The continued success of the austerity course embarked upon by the government in Lisbon depends on the consistent implementation of far-reaching structural reforms.

2.2.3. Italy, Spain

At the summit on 26 October, the heads of state and government of the euro nations first formulated concrete demands for the Italian government, as the systemic euro debt crisis had spread to also affect Italy. These demands included a reduction of the national debt down to 113% of the GDP, a balanced budget by 2013 and the creation of a “debt brake” on a constitutional level. Furthermore, Italy volunteered for closer monitoring on the part of the IMF, which will assess its reform and austerity programme on a regular basis. In mid-November, Prime Minister Silvio Berlusconi yielded to the pressure of international financial donors and resigned, making way for an “expert government” committed to strict austerity measures and headed by new Prime Minister Mario Monti, a former EU Single Market Commissioner.
Spain was also requested to step up consolidation by its euro partners and also saw a change of government in December: The new Spanish government under Conservative Prime Minister Mariano Rajoy passed a comprehensive austerity and reform programme in December to get the country’s spiralling debt crisis under control.

2.3. Reform of the Economic and Monetary Union

2.3.1. Joint efforts in the consolidation of budgets

In July, all EU member states agreed on continuing the efforts associated with the growth strategy and on defining a limited number of main priorities that economic policy must pursue in the short-term to ensure sustainable growth. The EU Single Market has a key role in growth and employment and will be promoted further. On 23 October, the European Council agreed on twelve priority proposals made by the European Commission on strengthening the Single Market, which will be implemented by the end of 2012.

Policies to balance national budgets and promote structural reforms remain a priority; however, an increased focus is also placed on the strengthening of the single market and overall competitiveness. All member states of the euro zone committed themselves to the unconditional implementation of the budgetary targets envisaged in the Stability and Growth Pact as well as the country-specific recommendations as part of the first “European Semester” to improve competitiveness and tackle macro-economic imbalances. Public deficits should be reduced to under 3% by 2013 in all countries, with the exception of the programme countries.

2.3.2. Strengthening of cooperation in the fields of economic and financial policy and budgetary discipline: Economic Governance Package (“Six Pack”, “Two Pack”); Fiscal Pact

The EU and the euro zone nations have done a great deal to improve economic-political governance since May 2010.

– Economic Governance Package (“Six Pack”)

These six legislative acts aim at improving budgetary discipline in the member states and tightening the monitoring of economic policy in the individual member states. The “Six Pack” was approved by the EP following negotiations that had continued for over a year on 27 September. Formal approval by the EU Ministers of Finance was given within the ECOFIN forum on 4 October. The pact entered into force in mid-December. Four of the six legislative acts refer to the reform of the Stability and Growth Pact of the Union. Their goal is to ensure improved monitoring of budgetary policies in the individual member states, to introduce regulations for the national bud-
getary frameworks and to apply measures and sanctions to punish member states where regulations are not enforced and requirements not complied with. Such sanctions will affect member states that deviate from the path of adjustment that they must adhere to for reaching the medium-term budgetary goals. As part of the deficit procedures, sanctions would furthermore be applied at an earlier stage than has been the case so far. For instance, a defaulting member state could be requested to make a non-interest-bearing deposit of 0.2% of the GDP as soon as it is decided that the deficit procedure should be applied. To ensure that sanctions are triggered on a more “automatic” basis, the “Reverse Majority Rule” will apply. This means that the Commission proposal to impose a sanction shall be considered approved as long as the Council does not reject it with a qualified majority. The two other proposals that are part of the package aim at improved monitoring of economic policy in the individual member states on the basis of a mechanism for preventing and correcting macro-economic imbalances. As part of these regulations, an “Excessive Imbalance Procedure” can be applied which envisages the option of imposing financial sanctions on member states where “excessive imbalances” have been found to be present.

The reform also aims at ensuring that the targets of the budgetary coordination framework of the EU are reflected in the national budgetary frameworks. Among other mechanisms, this would be ensured by standardising the national accounts systems, statistics and forecast procedures and by the member states preparing multi-annual financial plans to ensure that the medium-term budgetary goals defined at EU level can be reached.

– Proposals for increased budgetary governance in the euro zone (“Two Pack”)

As a direct continuation of the legislative package for economic governance (“Six Pack”), the European Commission presented two more regulatory proposals for strengthening budgetary governance in the euro area on 23 November. These aim at improving ex-ante supervision and evaluation of the budgetary proposals of all euro zone countries and further strengthening the monitoring of those euro zone countries that have severe stability problems. Both regulations will be adjusted to reflect the results of Fiscal Pact negotiations.

With the first regulation (COM 2011, 821), member states would be obliged to present their draft budgets for the coming year to the EC and the Euro Group by 15 October, among other measures. The EC would then evaluate these drafts and make its views on them known by 30 November at the latest. Furthermore, an ongoing monitoring mechanism of the budgetary cycle for euro zone countries in the deficit procedure is suggested that would also entail reporting duties. The second draft regulation (COM 2011, 819) refers to euro zone countries that have already been granted financial aid or whose financial stability is severely impaired or threatened and whose economic and budgetary policy should be monitored more closely. In this context, the
European Stability Instruments: EFSF/EFSM, ESM

EC suggests among other measures a duty to report every quarter and an adjustment programme to restore a viable economic and financial situation on the part of the affected member states.

– Fiscal Pact (Treaty on Stability, Coordination and Governance of the Economic and Monetary Union)

On 9 December, the heads of state and government of the euro area agreed on further measures in the direction of a “fiscal union”, with additional measures to strengthen cooperation in terms of economic, budgetary and fiscal policy and for strengthening governance in the euro area by holding regular summits with participation of the ECB President.

As no agreement existed among the 27 EU member states with regard to the implementation of these goals in the way of amending EU Primary Law – the United Kingdom, for instance, refused to take part – the new regulations should either be implemented on the basis of Secondary Law as far as possible or as part of a separate “Fiscal Pact”, an international treaty between the 17 euro zone member states and other interested member states (“17Plus”). All EU member states could participate in the treaty. The goal is to complete contractual negotiations by the end of January 2012 and to ratify the treaty on 1 and 2 March 2012 during the meeting of the European Council. Following this, the Treaty will have to be ratified by the participating states. Within five years from the treaty entering into force, all necessary steps will be taken to incorporate the treaty in the legal framework of the European Union.

Among other factors, the Fiscal Pact will intensify cooperation in fiscal policy and budgetary monitoring, including possible sanctions and the introduction of “debt brakes” on a national level. The European Court of Justice will also play a role in enforcing compliance.

2.3.3. Governing instruments

The measures described above will be joined by new governing instruments such as the “European Semester”, the EU 2020 Strategy and the “Euro Plus Pact” to strengthen cooperation in economic policy, which will be applied both at EU and national level.

2.4. European Stability Instruments: EFSF/EFSM, ESM

On 11 March, the euro zone heads of state and government decided that the two stability instruments “European Financial Stability Facility” (EFSF) and its successor, the permanent “European Stability Mechanism” (ESM) should also be activated on the primary market. The ratification of the EFSF agreement and the ESM treaty by the euro zone Ministers of Finance took place on 21 June (EFSF) and 11 July (ESM) respectively.
However, on 21 July, faced with the real danger of a systemic expansion of the euro crisis, the euro zone heads of state and government decided to further improve the effectiveness of the EFSF and the ESM and to furnish them with new instruments and the associated conditions and obligations that would in future also entail activation on secondary markets as well as recapitalisation of financial institutions by providing loans to governments, also in non-programme states.

As the new instruments could not be integrated in the treaty texts for EFSF and ESM in their current form, they had to be adapted accordingly. Negotiations on these adaptations took place on a technical level within the framework of the “Task Force on Coordinated Action”; on a political level, they were negotiated within the extended euro zone framework (with non-euro zone member states as observers).

As the EFSF is a treaty between the 17 euro states that is governed by private law, the flexibilisation that was agreed upon on 21 July entered into force as soon as all 17 treaty nations had declared that all domestic procedures required by national law had been duly concluded. This was the case shortly before the European Council meeting in October.

The ESM-treaty must be ratified by the National Council. Austria will strive for speedy ratification of the ESM treaty to ensure that the treaty can enter into force by mid-2012. In March 2012, the maximum lending capacity of the ESM, which currently amounts to 500 billion euros, will be revised.

2.4.1. European Financial Stability Facility (EFSF)

The “European Financial Stability Facility” (EFSF) was founded in the wake of the Greek crisis and has its seat in Luxembourg. It is a special purpose entity that was set up for a limited period of time. Due to its excellent financial standing, it is able to borrow at favourable terms and put this money at the disposal of those euro states that are suffering from liquidity problems. The EFSF framework agreement entered into force on 15 July 2010. The obligation to assume guarantees initiated on 4 August 2010. German Klaus Regling was appointed its Chief Executive on 1 July 2010.

Initially, the participating euro states assumed guarantees of up to 440 billion euros on a pro-rata basis. Together with the European Financial Stabilisation Mechanism (EFSM) and the IMF, the EFSF is part of the temporary euro protection buffer with its preliminary total volume of up to 750 billion euros (EFSF: 440 billion euros; EFSM: 60 billion euros; IMF: 250 billion euros). The share of the participating countries is calculated according to an ECB formula (Austria: 2.78% or 12.5 billion euros in the form of guarantees).

On 10 March, the heads of state and government of the euro zone decided to increase the maximum guarantee level of the euro states from 440 billion euros to 780 billion euros as part of an overall crisis management concept,
thus ensuring an effective lending capacity of 440 billion euros. Following this amendment, the **Austrian share in the guarantee volume** increased to **21.6 billion euros** in total\(^4\). Furthermore, it was agreed that the EFSF would in exceptional future cases also be authorised to become active on the primary market for debt securities.

At the euro zone summit on 21 July, it was decided to furnish the EFSF and its successor, the ESM, with **additional instruments**. Among these are Contingent Credit Lines, the purchase of government bonds on “secondary markets” and the granting of loans for recapitalising the banks. These instruments are also intended for countries that do not use any of the loans granted within the framework of the rescue mechanism. The three EFSF **programme countries** Greece, Ireland and Portugal will, in addition to being able to borrow directly from the EFSF, also have the option of the EFSF participating in preliminary auctions of national debts (“Primary Market Purchases”).

### 2.4.2. EFSM (European Financial Stabilisation Mechanism)

The EFSM was set up jointly with the EFSF at a special meeting of the ECOFIN Council on 9 May 2010. The primary legal basis of the mechanism is art. 122, section 2 of the TFEU, which states that member states that are faced with difficulties due to extraordinary events may be granted financial support. The details are set out in a Council Regulation. On that basis, the EC is authorised to borrow up to **60 billion euros** in the name of the EU on the capital markets and to pass it on to euro countries that need rescuing. The **guarantee** for the capital market loans is assumed by the **EU budget**.

### 2.4.3. European Stability Mechanism (ESM)

The permanent “European Stability Mechanism” (**ESM**) was set up on the basis of art. 136, section 3 TFEU, added by the European Council on 25 March, as an international **organisation seated in Luxembourg** by means of a contract under international law. From **mid-2012**, the ESM will take over the tasks of the EFSF, set up on a temporary basis, and the community instrument EFSM. The primary goal of the organisation is to provide a framework for handling future debt crises in a way that ensures market transparency.

The ESM will also provide financial aid for the euro zone member states if required. Furthermore, both the ESM and the EFSF will be able to acquire debts both on the primary and secondary markets, in compliance with stringent conditions as well as being able to finance bank recapitalisations. Any access to financial aid measures is subject to stringent conditions and regula-

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\(^4\) In Austria, this EFSF adaptation was performed by increasing the liability limit in the Balance of Payments Stabilisation Act. Approved by the National Council on 20 September 2011.
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In this, the ESM and the Fiscal Pact (Treaty on Stability, Coordination and Governance of the Economic and Monetary Union) will complement each other. In providing stability aids, the ESM will also cooperate closely with the IMF.

The ESM has a maximum lending capacity of 500 billion euros and a total capital volume of 700 billion euros (80 billion paid-up capital; 620 billion callable capital). From mid-2012, 80 billion euros will be paid in cash in five instalments of the same amount. The difference of 620 billion euros will be available as guarantees and/or callable capital at any time. The Austrian share in the ESM is 2.783% (ECB formula). This results in an Austrian share of paid-in capital (cash) of 2.226 billion euros, to be paid in five annual instalments of 445.355 million euros each, starting in 2012. The Austrian share in the callable capital amounts to 17.3 billion euros.

2.5. The European Central Bank (ECB)

The European Central Bank has the clear task of maintaining price stability in the euro zone. With the spiralling of the euro debt crisis, the ECB has been increasingly pushed into the role of a crisis manager, which is certainly not what the original intention was. In spring 2010, the ECB initiated the purchase of Greek government bonds and in summer 2011 also began to acquire Italian and Spanish bonds. However, the purchasing of government bonds from nations with high debt levels is not uncontested. The ECB has always emphasised that these interventions are temporary in nature and will cease once the situation has relaxed somewhat. During the second half of the year, the ECB extended its strategy of purchasing government bonds of struggling euro states. By the end of 2011, the ECB was said to possess bonds amounting to a total volume of over 210 billion euros.

In addition, the ECB has helped the euro zone banks by means of three-year lending programmes amounting to 1,000 billion euros in total that the ECB has fed into the financial system. Since the ECB announced in early December that it would provide struggling banks with as much liquidity as needed in exchange for appropriate securities, the demand for short-term loans throughout the euro zone increased and the returns on Italian and Spanish government bonds sank down to comparably low levels.

The ECB thus continues to operate under huge pressure, but has nevertheless shown itself to be a European institution that is capable of acting quickly in an emergency.

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1) following stringent conditions as part of an economic reform and adjustment programme
2) if the overall stability of the euro zone is in danger
3) on the basis of a debt sustainability analysis performed by the EC/IMF/ECB. Compliance monitoring by a troika consisting of EC/IMF/ECB every three months.
2.6. The International Monetary Fund (IMF)

On 5 July, French Minister of Finance Christine Lagarde was appointed as the new head of the IMF. She succeeded Dominique Strauss-Kahn, who was forced to resign in mid-May. Lagarde only had one single competitor, the head of Mexico’s issuing bank, Agustin Carstens. The term of office is five years. Lagarde is the first woman to head the IMF.

For Europe, the IMF currently plays a vital role as the fund contributed billions to the rescue operations for Greece, Ireland and Portugal.

At their summit on 9 December, the 17 members of the euro zone and the other EU member states agreed to provide the IMF with additional funds of up to 200 billion euros in the form of bilateral loans. 150 billion euros of this money will come from the euro states, the remaining 50 billion euros from non-euro countries. An additional 350 billion euros for the planned increase of IMF funds by 500 billion euros in total will come from other countries. These additional IMF contributions are intended to make sure that the IMF has sufficient funds at its disposal to weather the crisis.

Non-euro zone nations such as the Czech Republic, Denmark, Poland and Sweden have already agreed to contribute to the IMF payments. The United Kingdom has declared that it would define its share of 25 billion euros at the beginning of 2012 within the framework of the next meeting of the G20 Finance Ministers.

In case of an increase, Austria’s share would amount to slightly more than 6 billion euros.

2.7. Worldwide Strategies Within the G20 Framework

Since the start of the crisis, the G20 – the group consisting of the world’s 19 most important industrial and emerging nations as well as the EU – has emerged as an important global forum for financial and economic issues. Under the French G20 Presidency until late November 2011, the following six priorities were defined: reform of the international monetary system, fight against excessive volatility of raw material prices, strengthening of the regulatory framework of financial markets, a programme for employment and strengthening the social dimension of globalisation, battle against corruption and promotion of the Development Agenda. In addition, France tried until the very last to mobilise its partners in favour of a global financial transaction tax; however, these efforts failed largely due to resistance coming from Britain and the US.

At the summit in Cannes on 3 and 4 November, the global economic situation and the euro zone crisis remained priorities. The official global agenda faded slightly into the background faced with the acute crisis. Important emerging economies such as China, India and Brazil showed increasing concern over
the effects of the European debt crisis on international trade. As the meeting took place shortly after the euro summit in October, the G20 welcomed the decisive stance of the euro zone to restore trust and financial stability. The G20 nations declared themselves willing to authorise additional funds for the IMF to fight the crisis and to mobilise these funds quickly if required.

National debt crises are not, however, a purely European problem. In the US, the political debate over debt reduction has flared up again, and Japan has long been fighting its exorbitant debt burden – more than 200% of the GDP. At the G20 summit in Toronto that took place two years ago, the G20 nations had agreed to halve new debts by 2013 and to stabilise overall debt by 2016. However, neither the US nor Japan have had any success to this effect so far.

Further areas of crisis that the G20 debated in Cannes were the global imbalances linked to turbulences on the global currency markets as well as financial market regulation. The greatest progress during the French presidency was made in the area of growth and strengthening of the IMF. The Action Plan for Growth and Employment was a core element of the Cannes summit.

On 1 December, Mexico took over the presidency of the G20. Topics that remain on the agenda are global economic development and structural reforms as the basis of growth and employment, the strengthening of the financial system, improvement of the international financial architecture, increased food safety and reduction of raw material price volatility, promotion of sustainable, green growth and the fight against climate change.
3. **Austria in the European Union**

3.1. **Austria in the Institutions of the European Union**

3.1.1. **Introduction**

Austria has both a seat and a vote in all the EU institutions. Through its membership in the Union Austria is fully involved in shaping the future development of the EU, and in doing so is able to take account of all specific issues that are of special importance for Austria. Austria makes full use of the say and the co-determination possibilities it has in the EU and does so with all the resources available to it – either by voting in the European Council, in the Council and its preparatory bodies, or through the Austrian EP members and Austrian representatives in other EU institutions.

The development of policy positions among the 27 member states within the framework of the Union proceeds from a no less significant domestic process of policy and position development within each of the member states. The Federal Government attaches great importance to the process of defining and agreeing on the Austrian position by making full use of all those consultation obligations and opportunities that are provided under the Federal Constitution, in particular in regard to Parliament, the federal provinces and the municipalities, special interest groups and the general public. This broadly based process – always in line with the development of integration – of establishing the national position ensures that Austrian interests are brought forward in an optimum manner and are advocated within the framework of the EU.

Against this background Austria has pursued a great number of specific Austrian policies and focal points of policy interest within the framework of the EU. By this means adoption was secured for the future oriented EU Strategy for the Danube Region and the Action Plan which forms a part of it, both of which were co-initiated by Austria. It was also thanks to Austrian efforts that the EU enlargement process is being continued for the Balkan states: Croatia has been able to successfully conclude its membership negotiations and Serbia has now achieved candidate status following long negotiations. Increased joint measures to put a stop to illegal migration and to improve security at weak points along the Community external borders have been discussed by the Justice and Home Affairs Council on the basis of a joint initiative of Austria and Hungary. In the scope of the discussion on the long-term financial framework 2014–2020, Austria together with a number of other member states made it clear that while the European Commission’s proposal represented a basis for negotiations, there was a clear need for some cuts to be made in the proposal, against the background of the national budget consolidation efforts that are currently being made. The efforts Austria has made at bi- and multilateral levels on respecting freedom of religion and protecting religious minorities have also been pursued at the EU level. Moreover working together with Italy it has also been possible to establish this issue as a focus of the European External Action Service.
Austria in the European Union

The Austrian Federal Government has also acted consistently to promote Austrian issues at EU sectoral councils level, in particular in the matters concerning citizen and consumer affairs. These include the areas of food (assuring autonomous national decision-making processes concerning the cultivation of genetically modified organisms/GMO) and in transport (preventing the universal introduction of excessively long and heavy road transportation trucks in the EU; the introduction of the euro toll for heavy trucks; facilitating cross-border prosecution of road traffic offences; promoting the development of the trans-European transport network), as also in the generation of energy (compulsory adoption of stress tests for nuclear power facilities; promoting radiation protection measures), the health service and health protection (introducing Austrian proposals for improving patient information; implementing patient mobility in the EU), environmental protection (waste material disposal for electrical and electronic devices; support for a comprehensive biodiversity agreement), safety at work (exposure to health and safety risks resulting from the harmful short-term effects of electromagnetic fields at the workplace), competitiveness (further development of the internal market; promoting SMEs; reducing bureaucracy; re-orientation of the Euratom framework research programme), agriculture (the future of GAP), fisheries policy (reforming the common fisheries policy). The Federal Government at the same time made every effort to influence and actively participate in Commission proposals during their emergence phase and also as a matter of course, when these were brought before the European Parliament.

The Treaty of Lisbon came into force on 1 December 2009, amending the existing EU treaties, bringing important changes to the institutional landscape of the EU and with this the need for adjustments to be made for Austria too: in particular parliamentary codetermination at European level was significantly strengthened, both through the extension of the legislative responsibilities of the EP as also through greater participation of the national parliaments in the law making and regulation of the EU. The instruments needed to make the external dealings of the EU more coherent and efficient were also created. The EU partners around the world now have their own permanent discussion and negotiation partners in the EU in the persons of the High Representative of the Union for Foreign Affairs and Security Policy (EU-HR) and the President of the European Council; a development which is intended to make international cooperation with the EU a much simpler process. An issue of central significance in the efforts to strengthen the global role of the EU is now taken on by the European External Action Service (EEAS), which was created under the Treaty of Lisbon and reports to the EU-HR.

The Treaty of Lisbon has furthermore opened up new opportunities for direct democratic participation with the introduction of the European Citizens’ Initiative for Union citizens. The European Citizens’ Initiative provides for the EC being required to prepare for legislative initiatives when at least one million Union citizens from at least seven member states petition with their
signatures for this to be done in areas they regard as priorities. The technical
and legislative requirements for this process need to be established in all the
EU member states in order to allow a first European Citizens’ Initiative to be
introduced as foreseen by 1 April 2012. In a number of EU member states
including Austria, the passing of an implementation act was first required
for this to be done.

A further obligation still to be implemented under the Treaty of Lisbon relates
to EU membership of the European Convention on Human Rights (ECHR).
This guarantees that legal acts of the Union may be examined for their com-
patibility with the ECHR in a hearing before the European Court of Human
Rights (EctHR). This membership will also provide the additional possibility
for making a direct complaint against the EU in areas of Union responsibil-
ity, as a supplement to the existing provisions for appeal to the EctHR against
member states. The negotiations involved in this with the Council of Europe
states will be led on the part of the Union by the EC. A first expert agreement
draft was presented in October to the Ministerial Committee of the European
Council, which will take up this issue in 2012.

Against the background of the national debt crisis, the European Council
provided for the establishing of a permanent stability mechanism on the sug-
gestion of the Belgian presidency as a supplement to art. 136 TFEU for a
simplified treaty amendment procedure under art. 48 (6) TEU at its session
on 16 and 17 of December 2010. Under the treaty amendment as resolved
by the European Council on 25 March, each member state using the euro
as its currency is empowered to establish an ongoing stability mechanism,
which, when required, may be called upon to assure the stability of the euro
zone. The provision of financial aid on this basis will be subject to stringent
content and form stipulations. The treaty amendment is to come into force
upon the agreement of all member states and in harmony with their relevant
regulations under constitutional law on 1 January 2013.

(For further measures on strengthening the stability of the Economic and
Monetary Union see section 2).

3.1.2. The Austrian Permanent Representation to the
European Union

The Austrian Permanent Representation to the EU is Austria’s direct point
of contact to the institutions of the Union. It represents Austria in the prepa-
ration for the legislative decision making processes at ambassadorial level
(Permanent Representatives Committee) and also in the working groups at
the specialist representatives level. Its task is to represent Austrian positions
in all bodies and vis-à-vis the EU institutions. All the federal ministries, the
contact points of the federal provinces as also the social partners and repre-
sentations of interests (the Austrian Economic Chamber, Austrian Federal
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Chamber of Labour, the Austrian Agricultural Chamber, Austrian Federation of Trade Unions, Austrian Association of Municipalities, the Association of Austrian Cities, Towns and Local Authorities, the Federation of Austrian Industry and the Austrian National Bank) maintain employees in the Permanent Representation.

The departments of the Permanent Representation form the interfaces between the delegating federal ministries and/or authorities and the EU institutions, the Council Presidency and the other member states. The preparatory work is carried out in the responsible Council working groups and in the other relevant committees, which together meet some 4,500 times per year. Austria is represented either by the officials of the Permanent Representation or by employees of the federal ministries.

Extending beyond the formal sessions, the employees of the Permanent Representation make every effort to bring Austrian interests to all phases of the law making processes through targeted use of the networks available to them. Further to this the Permanent Representation provides the Federal Government with reports, analyses and assessments as the basis for the shaping of Austrian EU positions.

A task of particular priority is also that of keeping the public informed in good time about the legislation plans of the Union, since the regulations and directives resolved at the European level with the contribution of the Austrian representatives have either a direct effect on, or must be implemented in national legislation. The Press Department at the Permanent Representation provides support in this context for the Austrian EU correspondents stationed in Brussels. In addition to the support provided for the media representatives, the Press Department employees also offer journalists expert briefings on current developments in the legislative processes during visits of Austrian government members to Brussels.

The important tasks of the Permanent Representation also include providing interested citizens with a direct insight into the work of the European institutions and of the Permanent Representation itself. Support was provided for 143 visitor groups (totalling 4026 persons) who were informed about the EU and the role of Austria in the EU in the course of 2011.

3.1.3. Austrians in the EU Institutions

Former Federal Minister Johannes Hahn has been a member of the EC since 10 February 2010. He has been entrusted in the Commission Barroso II with the area of regional policy, for which a significant portion of the Union budget is allocated.

Former Federal Minister Maria Berger has been a judge at the European Court of Justice (EuCJ) in Luxembourg since October 2009; she has been nominated for re-appointment until 2018. Josef Azizi has been a judge at the European
Court of First Instance (CFI) since January 1995 and his appointment has been extended until 2016.

The period in office of Gertrude Tumpel-Gugerell, a member of the executive board of the ECB since 2003, ended in May. Harald Wögerbauer took over as the Austrian member of the European Court of Auditors from long-serving member Herbert Weber on 1 April. Harald Wögerbauer is a member of the Chamber I “Protection and Preservation of Natural Resources”.

A total of 422 Austrians (187 women and 235 men) were employed in the EC in 2011, representing a share of 1.8% of EC personnel. A total of 16 Austrians were employed at the EuCJ (eight women and eight men, or 0.8% of the personnel). 74 Austrians (46 women and 28 men) were employed in the EP. The General Secretariat of the Council employs 25 Austrians (eight women and 17 men), i.e. 0.8% of the total personnel, the European Investment Bank (EIB) employs 32 Austrians (14 women and 18 men) and 14 Austrians (seven women and seven men) are employed at the Court of Auditors (CoA).

3.1.4.  The European Parliament

Austria has been represented by 19 instead 17 members of the EP since December. Another eleven EU member states have also been permitted to increase their representation with a specific number of additional EP members as of 1 December.

This upward adjustment to the number of MEP has been made to conform with the terms of the Treaty of Lisbon that foresees the introduction of a higher upper limit for the number of EP members in response to the recent EU accessions and demographic developments within the EU – the upper limit being 751 members of the EP. A maximum of 96 seats, but at least six seats are specified per member state, the sharing out of seats is done by the principle of degressive proportionality. As the Treaty of Lisbon did not come into force as intended on 1 January 2009, but virtually one year later on 1 December 2009, the last EP elections, in June 2009, were still held on the basis of the formerly applicable Treaty of Nice. This set an upper limit of 736 EP seats, with a minimum of 99 seats allocated for the EU member state with the highest population and a minimum of five seats for the smallest member state.

An intermediate ruling has been established in the course of an orderly contractual amendment procedure (amendment of Protocol No. 36) in order to permit a further adjustment to the intended and now applicable composition of the EP defined in the Treaty of Lisbon within the current EP legislative period, which continues until 2014, and an increase in the total number of EP members to 754 has been introduced on a temporary basis – limited to the end of the current EP legislative period in 2014. The Protocol amendment
came into force in all the EU member states on 1 December following conclusion of the ratification procedure.

Austria has gained two additional EP seats on the basis of the new distribution under the Treaty of Lisbon. As a result of the amendment to the European electoral rules it was already possible to take this development into account in Austria before the EP elections in June 2009, with the result that the two additional EP members Austria is entitled to could be established from the European election results in 2009.

A joint transparency register for the EC and the EP was introduced in June, bringing together the formerly separate lobby registers of the Commission and Parliament. Entry in this register is the prerequisite for the access of lobbyists to Parliament as was formerly the case with the EP list of interest representatives.

The President of the EP Jerzy Buzek made an official visit to Vienna on 7 and 8 July, during which he addressed the Main Committee of the National Council and thus made the first ever use of the speaker’s right that has been assigned to EP members in the Austrian Parliament. In addition to talks with the President of the Austrian National Council Barbara Prammer, Chancellor Werner Faymann and Vice-Chancellor and Foreign Minister Michael Spindelegger, President Buzek was also awarded the Dr. Alois Mock European Award for his services to European unification. During the course of a second visit to Vienna on 16 July, President Buzek participated in the funeral ceremonies for the long-serving member of the European Parliament Otto Habsburg honouring Habsburg’s service to Europe in his address.

3.1.5. The European Council

The European Council, which is comprised of the heads of state and government of the member states, is intended to provide the EU with “the impulses required for its development and to establish the general policy objectives and priorities for this”. A significant innovation of the Treaty of Lisbon was establishing the function of an elected President of the European Council. This person is to be elected by the European Council with a qualified majority vote for a two and a half year period and thus replaces the former rotating Presidency with its six-monthly cycle of changes. This measure is intended to ensure that the interests of the Union and its member states will be advised at the highest level and that the greatest possible continuity is guaranteed. Belgian Hermann Van Rompuy has held this office since 1 December 2009. He represents the EU at his level externally in matters of Common Foreign and Security Policy (CFSP).

In the course of 2011 five formal conferences and an extraordinary meeting of the European Council, together with an informal meeting of members of the European Council were held. In addition four separate summit meetings
of heads of state and government from the euro zone were held, in which the President of the European Council also took the chair.

Those EU member states that have introduced the euro as their currency resolved to provide an improved institutional framework for the euro zone on 26 October, with the objective of being able to better meet their obligations derived from the Economic and Monetary Union and also to be able to manage the common currency more effectively. In future euro summit meetings are to be convened regularly, but at least twice a year, and the preparatory bodies for the euro group meetings are also to be reinforced. These euro summit meetings are to be chaired in future by a president who will be chosen by the heads of state and government of the euro zone countries.

3.1.6. The Council

The Council of the EU (Council of Ministers) is comprised of the ministers of the member states, and there are different Council formations depending on the issues under discussion. The Council usually makes its decisions together with the EP on acts of law at European level and establishes together with the EP the multiannual financial budget framework and the annual budget for the Union. In contrast to the European Council, the principle of a changing chairperson selected on a six-monthly basis and rotating among the member states has been retained for the Council. It is only in the Council for “Foreign Affairs” that the High Representative of the Union for Foreign Affairs and Security Policy has been elected for five years instead of the rotational chair principle.

Hungary and Poland held the Council Presidency on a rotational basis in 2011. The eighteen month programme of the Council under the presidency of Poland, Denmark and Cyprus for the period to the end of 2012 was adopted in June.

A special role is played by the General Affairs Council, in which the foreign ministers or European affairs ministers of the member states are represented. This council coordinates the activities of the other Council formations, prepares for the European Council sessions and makes decisions of a horizontal significance.

During 2011 77 Council sessions were held in ten different Council formations in Brussels or Luxembourg.

3.1.7. The European Commission

The EC is currently comprised of 27 members. As a result of the Treaty of Lisbon the offices of the Commissioner for External Relations and the High Representative for the Common Foreign and Security Policy have been merged. Furthermore the policy areas in which the EC may be active have been extended.
The EC ensures the application of Union law under the control of the highest court in the Union; it has important coordinating, executive and administrative tasks, manages the Union budget and administers the programmes in the separate policy areas. Apart from a number of specific exceptions, the EC has the right of initiative in the proposal of drafts for legislative acts. In addition to the Common Foreign and Security Policy, the European Commission is responsible for the representation of the Union abroad.

Numerous EU Commissioners visited Austria in 2011. They participated in visitor programmes or took part in EU events and panel discussions in all parts of the country. There were a total of 60 visits to Austria by EU Commissioners in 2011, of these 37 were by the EU Commissioner for Regional Policy Johannes Hahn.

3.1.8. The Court of Justice of the European Union

The representation of Austria at the Court of Justice of the European Union is carried out by lawyers or legal representatives of the Austrian Federal Chancellery’s Constitutional Service. During 2011, Austrian courts initiated 21 new preliminary ruling procedures (referral to the Court of Justice of the European Union by a national court for the interpretation and application of Union law).

At the end of 2011, four legal proceedings were instituted against Austria for alleged infringements against Union law. These contractual infringement proceedings related to the implementation of the directives of the first railway package, a non-conforming implementation of the Data Protection Directive 95/46/EC, the linking of reduced public transport fares for students to family allowance payments, and the implementation and application of the directive in regard to an integrated avoidance and reduction of pollution (the IPPC Directive).

In six other hearings in 2011 the judgement of the Court was that Austria had infringed against Union law: these cases related to the introduction of a sectional driving prohibition (Tyrol), the requirement for a domestic taxation representative in the Real Estate Investment Act, the implementation of Directive 2007/2/EC for the creation of geodata infrastructure (INSPIRE), the allowing of tax deductions for research and development grants for facilities based in Austria only, the Austrian citizenship requirement for public notaries, and the application of the reduced value added tax rate in Directive 2006/112/EC (Directive on the VAT system) on the supply of some specific livestock, in particular, horses.

Four suits against Austria were withdrawn by the EC in 2011 (the rejected cases were in the context of the implementation of Directive 2008/68/EC on the inland transport of dangerous goods, the engagement in paid employment of persons from third countries studying in Austria, the purchase of agricultural land in Vorarlberg and the state aid proceedings for the Bank Burgenland).
3.1.9. The Committee of the Regions

The Committee of the Regions (CoR) is an advisory body and as such offers a forum for the representation of regional and local interests in the context of European integration. The Committee is comprised of a total of 344 representatives of the regional and local authorities of all 27 member states and prepares its positions in a total of six specialist commissions. Austria is represented with twelve members, with each of the federal provinces having a seat and the cities, towns and municipalities sharing three seats between them. The national Austrian delegation is currently comprised in totality of five provincial governors, the President of the Tyrolean Parliament Herwig Van Staa, the delegate of the Province of Salzburg for the Committee of the Regions Franz Schausberger, the member of Styrian provincial government Christian Buchmann, the Vice-Governor of Vorarlberg and three representatives of the Austrian Association of Municipalities and of the Association of Austrian Cities, Towns and Local Authorities. The CoR is currently in its fifth mandate period, which extends through the years 2010–2015.

3.1.10. The European Economic and Social Committee

The Economic and Social Committee is an advisory body, which binds special interest groups of the economy and social structures into the legislative process of the EU. The 344 members have an organisational division into groups representing employers, workers and “various interests”, furthermore they are divided into six working groups on a content basis. Austria is represented with twelve members, comprising delegates of the social contract partners and of the Austrian Consumer Protection Association.

3.1.11. The European External Action Service

Among the most important innovations brought by the Treaty of Lisbon is the European External Action Service EEAS directed by the EU-HR. EEAS took up the full scope of its work on 1 January after the founding legislative act came into force. It is comprised of officials who prior to the creation of the EEAS were employed by EC departments concerned with external relations and also by the General Secretariat of the Council together with employees of the diplomatic services of the member states, who return to the diplomatic services of their home countries following temporary employment in EEAS posts. It is planned that at least one third of all posts at all levels in the EEAS will be comprised of diplomatic personnel from the member states by 1 July 2013, and at least 60 percent of the posts are to be held by Union civil servants. The joint work done by employees from the EC, the General Secretariat of the Council and the diplomatic services of the member states at European level is intended to strengthen the spirit of cooperation and the coherency of all action in external matters at European level.
EEAS works for the EU-HR and supports her in her broad range of activities in the area of external relations; moreover it provides support for the President of the European Council and also for the EC and their presidents. It works together with the diplomatic services of the member states and with the General Secretariat of the Council and the EC departments, and it also offers purposeful support for other bodies and facilities of the Union, in particular for the EP.

Austria supports the development of EEAS since it will bring more coherency and forcefulness to the Common Foreign and Security Policy, for the promotion of which Austria is very active and committed. The role and influence of the EU as a player on the international scene will be continuously strengthened as a result of this new approach. Simultaneously Austria is no longer attending to its foreign and security policy interests exclusively on its own through bilateral courses, but is increasingly achieving these objectives through the EEAS and is implementing them with even more success as a result.

The previously existing structures in the EC and in the General Secretariat of the Council in the area of foreign relations and CFSP have now been brought together under a single roof with the introduction of the EEAS. The EEAS also comprises the over 140 long existing delegations of the European Community, which are now delegations of the Union, in third countries and at international organisations.

The Union delegations took over in several phases the local chair functions in all the departments in third countries on 1 January; these are functions which had formerly been delegated by rotation to the representatives of the member state with the current rotational presidency. In the case of Union delegations at international organisations, the new regulations must in many cases now be brought into conformity with the bylaws of the relevant organisation. This is also the case with the United Nations (UN). A resolution of the UN General Assembly was adopted on 3 May, giving representatives of the Union more extensive rights for the representation of the Union interests within the scope of the EU treaties. Further to this the EEAS took on the responsibility for the chairing of the Political and Security Committee (PSC) as also in a range of the Council working groups active in the area of external relations.

The EEAS has been developed on the principles of cost efficiency and budget neutrality. For this reason the EEAS has received virtually no additional personnel to that of its predecessor structures in the Commission and Council Secretariat, despite the fact that a number of additional responsibilities have been transferred to the EEAS through the presidency functions designated to it. By means of this procedure it has also been assured that there is no duplication of the tasks in the representations by the member states in third countries and in the international organisations through EEAS. The Treaty of Lisbon does not provide for any limitation in the responsibilities of the mem-

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The Role of the Austrian Parliament at European Level

The participatory rights of the Austrian National Council and Federal Council have been significantly expanded as a result of the Treaty of Lisbon. Following the coming into force of the Treaty and the necessary amendments to the Austrian Constitutional Law (art. 23c to 23k B-VG (Federal Constitutional Law)) on 1 August 2010, the implementation of changes in the rules

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of procedure for the National Council and in an “EU Information Act” was initiated during the course of 2011.

In the amendments to the Rules of Procedure Act for the National Council the instruments as foreseen in the Federal Constitutional Act, in particular the “reasoned opinions” in the scope of the subsidiarity check, “reporting” for the political dialogue with EU institutions, subsidiarity complaints before the EuCJ and also the “bridging clause” procedures (decisions for the introduction of a qualified majority or of the ordinary legislative procedure) were introduced at a simple legislative level. In an appendix to the Rules of Procedure Act, the “Distribution Statute EU”, regulations for dealing with and for the distribution of EU documents were determined. Furthermore the possibility was established for the scheduling of current discussions of EU questions in the specialist committees as also in EU inquiries. These instruments are new additions to the possibility of addressing reasoned statements to members of the Federal Government in accordance with Constitutional Law art. 23e that has been available since 1995.

The obligation to provide information incumbent on the Federal Government over and against the National Council and the Federal Council has been established in detail in the “EU Information Act”, an issue formerly covered merely by a voluntary and self-imposed obligation of the Federal Government. The “EU Database New” for Parliament that is to be created will be anchored in law, devised in a user-friendly manner and also be opened to the public to the greatest extent possible. Both laws will enter into force on 1 January 2012.

At 28 main committee sessions of the National Council and its permanent sub-committee for EU affairs as also at the plenary session and the EU committee of the Federal Council, the Austrian National Council and the Federal Council adopted a total of eleven statements of opinion in accordance with art. 23e B-VG, three committee observations under art. 23e B-VG, eight reports under art. 23f (4) 4 B-VG, plus a reasoned statement of opinion under art. 23g (1) B-VG in the course of 2011.

A reasoned statement of opinion was resolved in the plenary session of the Federal Council as a proposal for a regulation of the EP and the Council on a common European purchasing law on 1 December, whereby the plan under review was not regarded as being compatible with the subsidiarity principle.

The Formal Communications to Institutions of the EU adopted by the permanent sub-committee for EU affairs of the National Council and by the EU Committee of the Federal Council refer to the following issues:

- Towards a Single Market Act (NC 15 March)
- Energy 2020 (NC 15 March)
- Vaccination against bluetongue (FC 16 March)
- The use of air passenger data (NC 5 April)
• Fish and fisheries products of the Pacific region (NC 10 May)
• Residential homes loans (NC 4 July)
• Matrimonial property and property law for registered partnerships (NC 4 July)
• Bank accounts with basic payment functions (“basic account”) (NC 13 December)

Furthermore the main committee decided on a statement of opinion in reference to the subsequent European Council of 23 March, in which the Federal Chancellor was requested to agree to the planned supplement to art. 136 TFEU. On the occasion of this session of the European Council an “emergency committee” to § 31e (3) 3 Rules of Procedure Act NC convened.

The position statements of the permanent sub-committee for EU affairs of the National Council and of the EU committee of the Federal Council referred to the following EU plans:

• Accession of the EU to the ECHR (NC 18 January)
• Avoidance and correction of macro-economic imbalances (NC 18 January)
• The use of air passenger data (NC 5 April)
• Fish and fisheries products of the Pacific region (NC 10 May)
• The agreement on economic integration with Canada (FC, 10 May, NC 12 May)
• The common consolidated corporate tax base (NC 7 June)
• The taxation of energy products and electricity (NC 7 June)
• Residential homes loans (NC 4 July)
• The multi-annual financial framework for 2014–2020 (NC 27 September)

The following legally non binding committee findings directed to members of the Federal Government by the permanent sub-committee of the National Council and the EU committee of the Federal Council in issues relating to the European Union were adopted:

• Energy efficiency (FC 13 September)
• “Europe 2020”, multi-annual financial framework for 2014–2030, own resources system and inter-institutional agreement on budgetary matters (FC 5 October)
• The European globalisation fund (NC 13 December)

The participatory right of the federal provinces and municipalities established under 23d B-VG also includes the right of information and reasoned statements for their respective responsibilities, analogous to those given to the National Council and the Federal Council. A total of 25 common position statements and three unified statements of opinion from the federal prov-
inces were adopted within the scope of the EU regional participation procedure in accordance with art. 23d (2) B-VG during 2011.

The Austrian positions in the Permanent Representatives Committee are coordinated on a weekly basis in sessions chaired by the FMEIA. By this means a continuing involvement of the specialised ministerial departments, social contract partners, the Austrian National Bank, the Federation of Austrian Industry and also of the federal provinces and municipalities in the process of developing Austrian policy positions is ensured.

The individual ministerial departments have delivered reports to Parliament on the working programme and the legislation planned at EU level each year since November 2004. This allows in advance the provision of information to the members of the Austrian Parliament and their inclusion in the process of establishing a policy position.

3.3. The Involvement of Austria in the Policy Fields of the European Union

3.3.1. The internal policies of the European Union

3.3.1.1. The multi-annual financial framework 2014–2020

The EC published the “A Budget for Europe 2020” report on 29 June as a basis for the negotiations on the next multi-annual financial framework of the EU for the years 2014 to 2020.

The EC presented a plan in this for spending within the financial framework amounting to 1025 billion euros. Furthermore the EC proposed regulatory EU reserves of some 58 billion euros outside the financial framework. In addition to this would come a global climate and biodiversity fund, the development of which is foreseen but not yet endowed.

In the context of EU income (the EU own resources system) the EC proposed among other measures, the introduction of a financial transactions tax as a new source of own resources.

The work begun on the long-term financial framework 2014–2020 under the Polish Presidency was largely of an exploratory nature. This moreover against the background that the EC presented its detailed proposals for the individual programmes of the EU budget on a step-by-step basis and only by the end of the year.

Within the framework of the discussion in the Council to date Austria together with a number of other member states made it clear that while the EC proposal concerning the EU financial framework 2014–2020 represented a basis for negotiations, these would need to have significant cuts introduced when seen in the context of the major national budget consolidation efforts that are being made in the member states. The Austrian position on this issue
is that the payments and obligations of the EU budget ought to be stabilised at the current level. The European Commission proposal for the introduction of a financial transaction tax in the EU budget as an own income source was particularly welcomed by Austria.

3.3.1.2. Competition, taxation and approximation of laws

The international tax competition together with efforts to combat tax evasion and tax havens have been further tightened up since 2009 and have been given a strong focus within the scope of the EU. The issues from the “tax package” – comprised of the mutual assistance directive and the recovery directive, the directive on interest and anti fraud agreements with non-EU countries (Andorra, Liechtenstein, Monaco, San Marino and Switzerland) – are regularly on the ECOFIN agenda. Agreement has now been reached on the Mutual Assistance Directive 2010/24/EU and the Recovery Directive 2011/16/EU. An implementation regulation was discussed for the Mutual Assistance Directive (EU) no. 1189/2011 in 2011 and this was also adopted. A start has been made on the Mutual Assistance Directive (in particular by setting up a comitology committee – CACT – “Committee on administrative cooperation for taxation” together with working groups).

When following continued deliberations of the ECOFIN, the amendments to the interest directive were still not adopted – due in part to reservations from Austria and Luxembourg – the Hungarian and Polish presidencies sought to open a parallel procedure. Unity on the directive amendment continued to be sought at the EU internal level, while at the same time a mandate was issued to the EC to open negotiations with non-EU states in Europe on changes to the existing taxation of interest rules for the already (largely) agreed extension of the area of application. In a further step the presidency sought to introduce provisions of the mandates for the anti-fraud agreement to the mandates for updating the interest taxation agreement. Agreement has not been reached until now, however, either in respect to the mandate or to the amendment in the interest directive.

As early as 2009, Austria – in common with Luxembourg, Switzerland and Liechtenstein – saw itself compelled to loosen the stringency of its banking secrecy regulations in the scope of the mutual assistance procedures of external taxation authorities by accepting the new OECD standards, which refuse any appeal to banking confidentiality rules in the course of an information exchange “upon request”. The implementation is being carried out successively by adjusting over 80 bilateral double taxation agreements and agreements on the exchange of tax information. By the end of 2011 Austria had ratified 24 double taxation agreements and four agreements on the exchange of tax information in line with the new standard.

A central issue for Austria is the maintaining of the equal treatment of non-EU countries in Europe (Andorra, Liechtenstein, Monaco, San Marino and
Switzerland) and the EU member states. Transparency in taxation issues must not be allowed to focus solely on the abolition of banking confidentiality. The member states must ensure the seamless abolition of all anonymous investment forms both in the EU and also in third countries and also in dependent and associated areas, with the objective of achieving equality in competition for all.

3.3.1.3. Employment and social policy

Combating the effects of the financial and economic crisis on the employment markets and social systems was the priority focus in EU employment and social policy. The cohesion policy pursued, in particular by the European Social Fund (ESF), but also by the European Globalisation Fund (EGF) and the use to which this is put in combating the effects of the economic crisis on employment market policy were focal issues in these efforts. National reform plans were created together with measures in the area of the Euro Plus Package with the participation of Austria in the scope of the first European semester of the “EU 2020 Strategy”.

The following key items were discussed and decisions taken at the meetings of the Council for Employment, Social Policy, Health and Consumer Affairs (EPSCO) on 7 March, 19 May, 17 June, 3 October and 1 December: The Employment Policy Guidelines and the Employment Report were formally adopted. Austria took a highly active role in strengthening measures to counter youth unemployment at European level. A general alignment was aimed at for the amendment of the Regulations (EC) 883/2004 and 987/2009 for the coordination of the social security systems. The Council adopted measures resulting from this at its session on the EU frameworks for national Roma integration strategies in May. Progress reports were produced on the employment equality directive, the maternity protection directive and the electromagnetic fields directive, and in addition conclusions were reached on the following issues: the initiative on combating poverty and child poverty and promoting the well-being of children, youth employment, implementing of the European strategy for measures in support of people with disabilities 2010–2020, further development of an electronic data exchange system for improving administrative cooperation in the scope of migrant workers, the European initiative for the equality of the sexes, aging as an opportunity on the employment market, implementation of the Beijing Platform for Action with a focus on the compatibility of professional and family life.

The main issues dealt with at the informal EPSCO ministerial meeting on 17 and 18 January in Gödöllő and on 7 and 8 July in Sopot concerned the challenges to be faced in employment policy within the scope of consolidating the economy in Europe, the creation of more employment opportunities for young people and achieving solidarity between the generations. The first
The annual convention of the European Platform for Combating Poverty was held in Cracow on 17 and 18 October.

The focal issues of the European Year of Voluntary Activities promoting active citizenship (EYVA 2011) were: making the general public aware of this issue, the improvement of the framework conditions and strengthening the potentials available to organisers of voluntary activities (VA), recognition for VA and the informally acquired specialist and social competences that work of this kind promotes. The Federal Ministry of Labour, Social Affairs and Consumer Protection coordinates numerous activities, initiatives, projects and measures in the entire VA area. At EU level a series of conclusions have been adopted on the role of voluntary work in social policy. The Austrian Voluntary Activities Act that is currently in preparation, is intended to ensure the sustainability of the aims behind this European Year in Austria. Adopting a suggestion of the EC the Council declared 2012 to be the European Year of Active Ageing and Solidarity between Generations.

In the area of social security the important work that has been done on clarifying the interplay of EU social law with EU settlement rights, measures against the abuse of migrant workers and the development of an electronic data exchange system between the member states should be mentioned. Austria has taken on a leading role in each one of these issues (for example as one of the six test countries that is both developing and testing the electronic data exchange system). In the concluding report on the CIBELES Project (Convergence of Inspectorates Building a European Level Enforcement System) Austria and eight other member states provide the EC with suggestions for the improvement in administrative cooperation between national work inspectorate authorities and also for cross-border prosecution of criminal offences in the area of health and safety at work.

The Federal Ministry of Labour, Social Affairs and Consumer Protection represents Austria in the High Level Group of the EC on Corporate Social Responsibility (HLG-CSR) that was established in the year 2000. Information exchanges take place at the regular meetings on the development of the European CSR policy, on EU-subsidised projects with a CSR reference, and also on all CSR relevant activities in the member states. One of the focal areas in 2011 was the “EU strategy (2011–14) for social responsibility in companies (CSR)”.

3.3.1.4. Economic, social and territorial cohesion

The structural and cohesion policy is one of the central EU policy areas and with funding of 50 billion euros a year accounts for around one third of the total EU budget. Its objective is to reduce existing inequalities in the areas of prosperity, productivity and employment through the targeted promotion of economically weaker regions and thus to strengthen economic and social cohesion within the Union.
The future of the structural and cohesion policy is closely linked with the continuing negotiations on the EU budget for 2014–2020. The EC published its draft plans of a new legal framework for the EU cohesion policy after 2013 on 6 October. This was preceded by a broad public consultation process on the basis of the 5th Cohesion Report of November 2010. The objective of the cohesion policy and its priority alignment to less developed regions remains unchanged. The funding to be made available here – according to an EC proposal this will be a total of 376 billion euros – should in future be increased in the form of loans and guarantees (instead of subsidies) and it should also be employed on a more targeted basis (with systematic linking to the EU2020 strategy), while also being linked to more readily measurable results. Moreover it is proposed that when a state within the Common Strategic Framework (cSF) fails to achieve its targets under the “partnership contracts” with the EC which define these targets, the cohesion policy funding for these states can be suspended. The effectiveness in the use of the funding employed should be increased as a result of the simplification and harmonisation of the rules that apply to the various funds – the European Fund for Regional Development (ERDF), the European Social Fund (ESF), European Agricultural Fund for Rural Development (EAFRD), the Cohesion Fund and the Fisheries Fund (EFF). In future structural and cohesion policy should also be making a direct contribution to combating the financial and economic crisis. By reducing the national co-financing share (for example in the case of Greece) the funding from the structural funds should be more swiftly absorbed, and it should thus be possible to use these means more effectively to promote growth and employment.

Austria has also been a significant beneficiary from funding received in the scope of EU regional policy since its accession in 1995. In the period between 1995 and 2013 Austria will have received around 4.3 billion euros from the structural funds (ESF and ERDF) alone (1.46 billion euros of this in the funding period 2007–13). To this must be added another 4 billion euros of EU agricultural funding for rural development (EAFRD) in the period 2007–13. This replaces the former European Agricultural Guidance and Guarantee Fund (EAGGF), from which Austria received a total of 5.3 billion euros between 1995 and 2006.

Seen from the perspective of the current position in the negotiations, all regions of the EU will in principle remain eligible for funding even after 2013, and thus Austria will also continue to profit from EU funding even as one of the “more strongly developed regions” in Europe. The actual setup of the structural and cohesion policy, however, will be dependent to a significant extent on the results of the current negotiations centred on the

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next multi-annual financial framework – and in this context its effects on Austria’s regions cannot at present be foreseen in detail.

3.3.1.5. Internal market, free movement of goods, industry and tourism

Starting from the various efforts made by the EU to stimulate the internal market and in reference to the report on the “relaunch” of the internal market introduced by Mario Monti in May 2010, the Single Market Commissioner Michel Barnier presented the Single Market Act (SMA) in April that is intended to bring a new level of dynamism to this process. This Act proposes twelve key actions by means of which still existing barriers can be identified and dismantled and which are to be implemented by 2012, the 20th anniversary year of the internal market.

The EC has announced that it will continue its ambitious Smart Regulation Agenda (simplification programme; impact assessment; extension of the public consultation deadline from eight to twelve weeks; the administrative constraints reduction programme is set to end in 2012). A new emphasis has now been brought into this area with proposals for new laws on excepting small enterprises from future EU legislation and also with the “easier regime” applicable for SMEs in future.

The new financial support programme as proposed by the EC on 30 November provides for making access to financing easier and for promoting an entrepreneurial culture. The programmes for the Competitiveness of Enterprises and SMEs (COSME) for the period 2014–2020 (budget: 2.5 billion euros) is a financing instrument that is intended to ensure that the measures included in the current competitiveness and innovation programme (CIP) will be continued.

The specific target groups of the new programme are enterprises, and of these above all SMEs, which will benefit greatly from easier access to business financing; citizens, who intend to become self-employed and who are confronted with difficulties in establishing their company or developing their business; authorities in the member states, whose efforts to work out and implement effective economic policy reforms will receive a better level of support.

The focus of the programme for the competitiveness of enterprises and SMEs has been placed on financing instruments (such as an equity facility for investments in the growth phase via financial intermediaries in the form of equity capital to be paid back and aligned to commercial criteria – and largely in the form of venture capital) and also support for the globalisation of enterprises. Furthermore the programme is to be simplified – with the aim of ensuring that it will become easier for small enterprises to benefit from it.

Promoting entrepreneurial initiative: The development of entrepreneurial abilities and attitudes is an integral part of these measures, in particular in the context of young entrepreneurs, young people in general and women,
Austria in the European Union and also for making access to loans easier, in particular for entrepreneurs seeking to develop cross-border business activities. The programme aims to provide support for 39,000 enterprises each year. The financial framework for the implementation of the programme is some 2.5 billion euros, with 1.4 billion euros of this in the form of financial instruments. The remainder will be employed for financing the growth-oriented support services of the Enterprise Europe Network (EEN), for international industrial cooperation and entrepreneur training.

Tourism, a sector which has received its own statutory basis at EU level for the first time in the Treaty of Lisbon, is of enormous economic, employment policy and social significance and this not only for Austria, but for the entire EU. In its perception of the new competence “for supporting, coordinating or supplementing the measures implemented by the member states” the EC published the report “Europe – the world’s number 1 tourist destination: a new political framework for tourism in Europe” in June 2010. It proposes measures for promoting tourism in four focal areas: improving the competitiveness of tourism in Europe; supporting efforts to create sustainable, responsible and high quality tourism; consolidating the images and the effects Europe has as an entirety comprised of sustainable quality travel destinations; optimum use of the potential represented by EU policy measures and financing instruments for the development of tourism. An extensive action plan resulted from this, including short, medium and long-term initiatives, which the Commission continuously adjusts and implements on a step-by-step basis.

3.3.1.6. Free movement of persons, services and capital

The Services Directive (SD) was to be implemented in national law by the end of 2009. Following on from a mutual evaluation of the implementation of SD in the member states in 2010, the EC launched a comprehensive “performance check” on the application of the SD in 2011 (its interaction with other legislative acts such as e.g. the e-Commerce Directive, the Dispatch and the Recognition of Qualifications Directives), a process due for completion in 2012. The implementation of the SD in Austria was intended to be completed by mid February 2012 (with acceptance of the last remaining horizontal law at federal province level on 27 January 2012 in Vienna).

Studies have shown that the implementation of the SD in Austria will bring 10,000 new jobs, investment levels will be increased by 0.7% and labour productivity will be boosted by 1.2% over the medium term. The EC has predicted an EU-wide GNP growth from 0.6 to 1.5%. The service sector is already of enormous importance in Europe: Service industries in the EU now account for two thirds of the total creation of value and employment.

In EU internal trade, however, services only account for 20% of activity at present (= 5% of the EU-GNP). Only 8% European SMEs engage in cross-
border business. This means there is considerable potential for growth in this area. The service sector in Austria is the most important business sector, and it assures around 70% of all jobs and of value generation. Service exports virtually doubled in the decade 2000 to 2010 increasing from 24 billion to 41 billion euros (global). Three quarters of these exports (30 billion euros) went to the EU-27 in 2010. Exports exceeded imports by some 13 billion euros in 2010.

3.3.1.7. Agriculture and fisheries

The focal area in agriculture was the common agricultural policy (CAP) after 2013, the milk and quality packages and also the adjustments to the agricultural legislation to the Treaty of Lisbon and here above all the four CAP regulations (direct payments, rural development, common organisation of the markets, financing of CAP).

Starting from the repeated discussion in the Council on the basis of the Commission report on CAP after 2020, the report of the EP on the EC communication dating from 2010 and also on the results of public consultation, the EC presented its legislative suggestions for the future of CAP on 12 October. These have subsequently been dealt with in detail in the various bodies of the Council and also by the EP.

The legislative suggestions for the improvement of the position of milk producers in comparison with other market participants, compiled by the EC on the basis of the recommendations in the proposal of the High Level Group and presented in early December 2010, was dealt with at Council level under the Hungarian Presidency. Agreement was ultimately reached in early December, with this representing a good result from the Austrian perspective. Leading on from the 2009 discussions on the EC communication “quality policy for agricultural products”, negotiations on the legislative proposals have been going on since December 2010. Following very long drawn out debates on the subject of EU food aid for the needy in the Community it was finally possible to achieve a compromise in December. Under the terms of this agreement those member states that implement this programme, and also do so over the next two years – despite no longer having intervention reserves available – will still be able to provide food for the needy and this will be financed by the EU agricultural budget.

In the fisheries area, the main focus of work was on the multi-year plans for fisheries management systems (for the fish types Northern Hake, the Baltic Salmon and Atlantic Horse Mackerel) and for the reform of the common fisheries policy (CFP) including the reform of the common organisation of the fishery markets. The EC presented its proposals for the reform of the CFP on 13 July after a long consultation process. The most important elements of the reform package are a strict orientation to the catch limits in line with the scientific recommendations taking account of the so-called maximum
sustainable yield principle, the introduction of throw-back prohibitions and unloading prohibitions for the most important commercial fish types and also the development of multi-year stock management and re-stocking plans for other fish types. Austria supports the sustainable management of fish resources in EU waters and in particular demands the further development of domestic aquaculture. The **five EU-landlocked member states** including Austria, presented a **joint declaration on aquaculture** to the Commissioner in charge in February. The objective of this declaration was to ensure that the upcoming reform of the CFP would also take note of the needs and focal interests of the landlocked member states, in the context of freshwater aquaculture and freshwater fisheries.

The **consumer protection** regulations in the food sector were further strengthened by the adoption of the EU **regulation on the provision of food information to consumers**, which among other points requires the improved marking of specific ingredient contents, a minimal font size for the printed data, plus obligatory marking of the country of origin for meat products.

In respect to the EC proposal for the **possibility of limiting the cultivation of genetically modified organisms on the territory of each of the member states**, the EP agreed to the terms of the Council at the first reading – that the cultivation of genetically modified organisms in (GMO) should continue to be prohibited by the member states in future either for ecological reasons or socio-economic considerations.

### 3.3.1.8. Transport and trans-European networks

The Infrastructure, Telecommunications and Energy Council met twice under the Hungarian Presidency (31 March and 16 June) and again twice under the Polish Presidency (6 October and 12 and 13 December).

In full awareness of the significance of transport policy for the implementation of the objectives in the Europe 2020 strategy, the EC presented the **white paper** “Roadmap to a single European transport area – Towards a competitive and resource efficient transport system” on 14 March. This contains an account of the challenges faced by European transport policy, the vision of the Commission for a competitive and sustainable transport system by 2050 together with a strategy for its implementation. The white paper together with the energy efficiency plan and the roadmap for a low-carbon economy are the key supports for the resources efficiency flagship initiative. The main points here are the removal of obstacles to transport, the creation of a genuine internal market in the transport sector, the promotion of new technologies together with the introduction of real costing for all modes of transport and increased harmonisation in this context. The Austrian perspective is above all focused on the objectives of reducing CO₂ emissions and the shifting of road traffic to environmentally sounder rail and the waterway alternatives.
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The efforts involved in coordinating European neighbourhood policy and transport policy were continued. With this purpose in mind the EC presented its policy paper “The EU and its neighbouring regions: a new concept for cooperation in the area of transport” in which measures to ease the transport of passengers and goods and also to develop the infrastructure in the neighbouring EU countries are proposed, including the integration of transport markets in the EU and its neighbouring countries and the development of transport infrastructure in the EU neighbours.

The railways are among the most environmentally friendly modes of transport. The objective of EU transport policy of bringing more transport off the roads and onto the rails was continued. The basis for European railway legislation is the first railway package of 2001 comprised of three directives. The recasting of the first railway package for the creation of a unified European railway system against the background of the intensification of competition in the sector and stronger integration in the single market was intensively discussed. In the view of the EC there are inadequacies, a lack of clarity and some gaps to the legal framework in the package that must be corrected. The central objective is a railway transport market embedded in discrimination-free competition.

The EC proposal of expanding the mandate of the European Maritime Safety Agency (EMSA) was considered at the sessions of the Council of Transport Ministers. This agency, which was founded in 2002 and has its headquarters in Lisbon, is intended to contribute to achieving a uniform and effective safety standard for sea transport and to prevent pollution of the seas by Community vessels. The EC has advocated that EMSA should also tackle pollution from mobile oil platforms among a range of other activities.

Furthermore the conclusions of the Council proposals “The way ahead towards integrated and competitive EU inland waterway transport” for promoting and making full use of inland waterway transport were adopted.

In air transport the work done at EU level was dominated by the EU Directive on the “Emission Trading Scheme” (ETS), through which air transport will be included in the emissions trading scheme as of 1 January 2012. Under the terms of the ETS Directive the member states will auction all certificates for air transport that are not issued free of charge from 2012. Numerous non-EU member states are strictly against this directive and have described it as contrary to international law. The EuCJ ruled in a judgement of 21 December, however, that the inclusion of air transport in the European emissions trading system is neither an infringement against applicable customary international law nor against the relevant international agreements.

An agreement on cooperation between the EU and the International Civil Aviation Organisation (ICAO) for the improvement of information exchange and cooperation, for example in the areas of the environment and interoperability, was signed on 9 September.
The EC was empowered to begin air transport negotiations with Moldavia, Azerbaijan and Switzerland; at the EU-Brazil summit meeting a new EU air transport agreement was signed with Brazil.

3.3.1.9. Environment and energy

Environmental policy has developed into one of the major policy areas of the EU over the past few years. As a result of the continuing expansion of environmental policy activities at a European level a dense network of European legislation exists today covering the entire field of environmental protection (air, water, waste materials, biodiversity, chemicals, etc.).

The Environment Council meets four times a year with two additional informal meetings and deals with current and long-term EU environmental and climate issues.

The main item on the agenda of the meeting of the Council of Environment Ministers on 14 March was the results achieved at the World Climate Conference in Cancún of December 2010. Conclusions were adopted which reflected the results of Cancún, stressing the significance of their swift implementation and already outlining additional steps with an eye on the forthcoming COP 17 in Durban. Further to this, Austria presented the “plastic carrier bag” initiative, which is supported by numerous EU member states and the general measures it proposes are now being checked at Community level.

During the Environment Council session on 21 June measures for protecting water resources, for the biodiversity strategy and for establishing a competitive low-CO$_2$ economy by 2050 were adopted. Austria’s initiative demand for the right of self-determination in the areas of genetic engineering and the anti-nuclear power alliance were discussed.

The Council adopted preparation measures on 10 October for the World Climate Conference in Durban/South Africa and conclusions no the 7th environmental action plan (EAP), the Basle agreement on controlling the trans-boundary movement of hazardous wastes and their disposal and also on Rio+20. The Council called unanimously on the EC to ensure a presentation of the 7th environmental action plan at an early date.

The Environment Council meeting on 19 December was concerned primarily with the results of the World Climate Conference in Durban, which ended on 11 December. It was assessed as having been a success for the negotiations conducted by the EU and also as a significant step on the way to a worldwide climate agreement. A Durban package (the ”Durban Platform”) was adopted, comprising the development of a road map for a new, comprehensive and binding legal instrument to be concluded by 2015 at the latest and which is also to include increased climate protection measures for all countries of the world (also including China, the USA and India) from 2020, a landmark decision in regard to a second obligatory period for the Kyoto Protocol, the implementation of the Cancún agreements (in particular the adoption of the
implementation terms for the monitoring, reporting and verification (MRV) for climate protection measures and for the establishing of the "Adaptation Committee" and the "Climate Technology Centre and Network") and also permission for the "Green Climate Fund" and assuring the financing for its development and for an interim secretariat through to 2012. The objectives and the instruments were to be brought into concrete form before the next World Climate Conference of 2012 in Doha/Qatar.

Further Environment Council measures included the so-called sulphur directive, the proposals for a resource-saving Europe and for the biodiversity strategy.

3.3.1.10. Energy and trans-European networks

In the Treaty of Lisbon, the legal foundation for a common energy policy structured on the basis of shared responsibility and competence between the EU and the member states was created for the first time. The EU mandate in energy matters is defined in art. 194 TFEU and relates to the securing of a functional energy market, ensuring energy supply security in the Union, prompting energy efficiency and energy saving together with the development of new and renewable energy sources, and promoting the interconnection of the energy networks.

The efforts to devise an energy policy for Europe that have been initiated since 2007 and intensified as a consequence of the gas dispute between Russia and the Ukraine in 2009 follow the target triad of sustainability, supply security and competitiveness and were provided with decisive momentum as a result of the decisions of the European Council of 4 February. These key conclusions have set the course for the new energy architecture of the EU, in particular for the pursuit of an energy action plan 2011–2020 and for the renewal, upgrading and development of the energy infrastructure for 2020 and thereafter. In addition to the infrastructure, the completion of the internal market, boosting of energy efficiency, greater use of renewable energy and an optimally coordinated energy external policy were defined as the core areas of European energy policy.

The EC presented a series of legislative proposals during the first six months of the year, among others with an energy efficiency directive, obligatory measures such as the renovation of public buildings or the energy efficiency level as the criterion for public acquisitions in the context of achieving and regulating the 2020 objective of an efficiency increase of 20%. Furthermore the EC proposal for a trans-European infrastructure directive was presented. This comprised a new European planning approach with the objective of reducing the energy dependency of the EU: externally through a diversification of routes and sources, internally by the development of interconnections and the lining of renewable energy sources by super networks as a means of overcoming significant geographical distances and also with intelligent net-
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works for cushioning volatile feed-in requirements. Approval procedures are
to be made faster and more efficient. Simultaneously the EC also presented
financing proposals, including the creation of the “Connecting Europe” fund,
which foresees the earmarking of 9.1 billion euros for energy infrastructure
projects in the period 2014–2020.

An issue of special significance in all of this are priority energy corridors,
such as the southern gas corridor for the supply of natural gas from new
sources (Central Asia, the Caspian Sea region, the Middle East) following
new routes. In this context Austria has a particular commitment to pursuing
the Nabucco pipeline project, the legal framework of which was completed
with the signing of the technical project support contracts by the five transit
countries (Austria, Bulgaria, Romania, Turkey and Hungary), on 8 June in
Kayseri. In the Austrian view, the South Stream Pipeline for the supply of
gas from the traditional supplier country Russia via a new route – insofar as
this can be implemented – is a further important diversification project. Aus-
tria supports cross-border networks development as a matter of principle,
including the adaptation of pipelines for the reverse flow capacity of gas
and oil for the bridging of energy bottlenecks. Further to this, the Austrian
Alps have a special potential for the promotion of renewable energy sources
by permitting the storage of excess electricity from volatile sources by using
pumped-storage power plants and tapping these energy sources when to top
up generating capacities as required.

In autumn the EC also presented for the first time its proposals for a com-
prehensive strategy for the energy area in the EU external relations of the
EU. Improved coordination between the member states and the EC and also
the implementation of clearer priorities in regard to devising the future of
energy architecture is of central importance here. The external dimension
should also enable the EU to vigorously represent its positions externally in
an environment of constantly changing energy markets. A coherent concept
for the energy relationships, in particular also through partnerships with
key protagonists and along strategic corridors is envisaged. In the context
of strengthening the external components, an EC proposal for establishing a
mechanism for the exchange of information on energy agreements at inter-
governmental level, which would also assure conformity of the agreement
with the EU acquis, is also under negotiation. Important new ground has
been entered with the issuing of a mandate by the EU member states to the
EC for conducting trilateral negotiations with Azerbaijan and Turkmenistan
on the transit of gas via the Caspian Sea, in that the EU is now negotiat-
ing with a single voice through the EC. Austria welcomes the start of these
negotiations, since a Caspian gas pipeline is a significant prerequisite for the
direct supply of gas from Turkmenistan to Europe and is thus of decisive
importance in the context of the Nabucco project.

The paper presented by the EC in December proposing a road map for achiev-
ing a low-carbon European energy system by 2050 will continue to occupy the
EU in the coming year. This proposal assumes that the objective of reducing greenhouse emissions by 80% appears in principle to be possible by 2050, and that the tangible path to be followed in this direction will not be marked out by the limitations of technical feasibility, but by political will. Austria is of the opinion that the energy economic parameters have been changed worldwide as a result of the nuclear disaster at Fukushima. Austria thus decisively rejects any nuclear scenarios as road maps for a low carbon economy. (See section 15.5. for more on questions of EU policies in the area of nuclear security).

3.3.1.11. Consumer protection

Significant progress has been made in consumer protection at EU level by adoption of the Directive on Consumer Rights in October. The EC also presented additional consumer protection relevant legislation in the fourth quarter of the year: a proposal for a regulation on a common European purchasing law and also a proposal for a directive on alternative forms of consumer dispute resolution procedures and a resolution for online consumer dispute resolution procedures. It is planned that these intended actions, which are currently in the negotiation process and are priority proposals for the Single Market Act will be adopted by the end of 2012. A conclusion to the negotiations on the proposed directive for residential real estate loans is expected in the first half of 2012. The international conference on fraudulent market practices “Catch me if you can” organised by the Federal Ministry of Labour, Social Affairs and Consumer Protection (with participants from Germany, Switzerland, Liechtenstein, Hungary and the Netherlands) was held on 5 and 6 October.

3.3.1.12. The health sector

Legislative activities in the health sector concentrated on strengthening the rights of patients and drug safety. In this context the Directive on the Application of Patients’ Rights in Cross-border Health care (referred to as the “patients mobility directive”) was adopted – providing the possibility for patients to receive medical treatment when abroad in other EU states without having to encounter bureaucratic obstacles. Agreement on the proposal for a directive as regards the prevention of the entry into the legal supply chain of medicinal products which are falsified in relation to their identity, history or source together with the latest pharmacovigilance procedures represent a further improvement in drug safety and patient protection. The work carried out in the non-legislative area was primarily concerned with questions of child and adolescent health.

3.3.1.13. Education and youth

Education plays a central role in the Europe 2020 strategy. The Education Council thus adopted conclusions on the role of general and vocational edu-
cation in the EU2020 strategy in February. Council recommendations for **policy strategies for reducing the school dropout rate** were adopted in May. The member states were called upon to identify the main factors leading to early school leaving and school dropouts, to develop comprehensive national strategies in this context by 2012 and to assure these strategies are directed in particular at children and adolescents from disadvantaged families.

Investment in pre-school education brings a better return – in economic terms – than investments at any other development phase. It was for this reason that the education ministers attending the Council meeting in May adopted conclusions for **early childhood education and development**.

Mobility is a factor of special importance for increasing the employment capabilities and the intercultural awareness as well as for the creativity and the personal development of citizens. A significant focus against this background in 2011 was on the issue of the **mobility of young persons for learning purposes**. The recommendation made by the Council has the objective of increasing mobility, reducing mobility hindrances to a minimum and to encourage young people to decide in favour of a stay abroad. As basic prerequisite for this, the conclusions concerning **language skills for the promotion of mobility** were adopted at the education ministers council meeting in November. The Council also adopted the conclusions of a **benchmark for learning mobility** as a means of measuring the proportion of young people with learning experience abroad. An average of at least 20% of all university graduates in the EU should have completed a study or training phase abroad by 2020 and at least 6% of the 18–34 year olds should have completed a training phase abroad connected with their vocational training (including practical work) by 2020.

A further objective of educational cooperation at European level is to increase the participation of adults in lifelong learning. With this aim in view, the Council adopted a resolution in November for a renewal of the **agenda for adult learning**.

The Council adopted the conclusions on the **modernisation of university education** in order to ensure that university facilities will be able to fulfil their role as the strategic key facilities in the knowledge society in a more comprehensive manner. The conclusions – including reference to an important Austrian concern that mobility can also represent a challenge for educational systems that have to cope with a significant increase in their numbers of students – make specific pointers to focal areas in which the member states should do more for the achievement of common educational objectives. They also refer to the EU measures by means of which the member states – in close cooperation with the universities – can be supported in implementing modernisation policy.
The **EU lifelong learning programme** has enabled some 10,000 young people, students, teachers and adults to gain experience in another EU country by means of cross-border mobility, project partnerships and cooperation.

A budget increase was proposed for the area of general and vocational education in the EU2020 strategy for the multi-annual financial framework (2014–2020). The EC published the legislative proposal for the new education, youth and sport program “**Erasmus for all**” in November for negotiation in 2012.

The main content focus in the area of **youth activities was set** on youth participation and young people and the world at the Council meetings under the Hungarian and Polish Presidencies. A resolution on promoting new and more effective forms of participation for all young people in the democratic processes and life of Europe was adopted at the meeting on 19 May. The most important statement in this decision was that youth unemployment should be combated by involving young people in education, training and acquisition of non-formal learning experiences.

The Council adopted conclusions on the eastern dimension of youth participation and youth mobility on 28 November. The most important statement this contained was: The promotion of intercultural skills and youth mobility as the key to releasing the potential of young people in the context of achieving the goals of the EU 2020-strategy.

The EU YOUTH IN ACTION programme (2007–2013) makes the exchange of youth groups, European voluntary workers, youth trainers and youth multipliers possible and also allows for projects focused on the participation of young people and democracy: 3,600 of the 150,000 participants EU-wide are from Austria.

### 3.3.1.14. Research, technological development and space policy

The main issue on the agenda for the science and research ministers in the first half of the year were the negotiations on the **EURATOM framework research programme (EURATOM-FRP) for the years 2012 and 2013**.

Given the events in Fukushima in March, Austria demanded a re-orientation of the EU’s nuclear research towards safety research. Following intensive negotiations, the Council on 28 June adopted a general approach to the EURATOM-FRP. Austria specified in a statement for the minutes that it would attach the greatest importance to risk assessment, radiation protection, medical use and activities in the context of the non-proliferation treaty also in the autumn negotiations on the specific programmes of the EURATOM-FRP. The respective negotiations were concluded by the time of the Competitiveness Council session on 30 September. The adoption of the legislation package by the Council on 19 December depended on the financing of the **ITER** project (EU fusion research reactor) which was agreed upon between Council and EP on 1 December.
The second dominating research topic was preparatory consultations on the follow-up programme of the 7th EU Framework programme for research and technological development. The EU published a green paper on this issue in February. At the same time, it launched a public consultation process for the research promotion period 2014–2020 where all member states, the associated states and stakeholders from research and science are involved. Austria had already provided a discussion paper for the EC and the EU member states on this subject in December 2010. The EC worked through its proposal for the legislative package on the basis of this consultation and published it on 30 November. The proposed legislative package provides for bundling of the entire research and innovation provisions within the EU in a single programme. The title of this programme is “Horizon 2020 – The Framework Programme for Research and Innovation (2014–2020)”. The negotiations on the EC proposal were set to start under the Danish Presidency in the first half of 2012.

Based on art. 189 TFEU, the EU will be able to set the necessary measures for the implementation of the competences it shares with the member states; these measures can also take the form of a European space programme. The EC proposals and negotiations with the member states must be seen in the context of the financial framework 2014–2020 and in the context of developing a new space industry policy and the proposals that have been made for a follow-up programme to the 7th EU framework programme “Horizon 2020”.

The 7th EU framework programme comprises two areas in which it will be possible for enterprises in the member states to submit research projects: first, tender invitations for issue 9 “space”, and secondly, the possibility for financing research projects within the scope of the first operational activities of the European earth monitoring programme GMES (Global Monitoring for Environment and Security).

The prime objective of issue 9 is the development of a common European space policy of direct utility for the population and the increase of competitiveness of the European space industry. This will be achieved in close cooperation with the European Space Agency (ESA). A budget of 1.4 billion euros is available (2007–2013) for research and development plus accompanying support measures in this area in the 7th EU framework programme. The fifth tender invitation for the issue 9 “space” was made in 2011 in the scope of the 7th framework programme.

The EU set up the European earth monitoring programme under the title GMES and established the rules for implementing the first operative activities in the period from 2011 to 2013. The GMES operative programme is built on research in the scope of the 7th framework programme of the European Community for Research, Technological Development and Demonstration Activities (2007–2013) and the ESA programme for GMES space components. The first operative activities can comprise operative measures in the areas of service component, measures for supporting the acceptance of the
services by users, data access, supporting the in-situ data surveying work and the space component.

The Earth monitoring programme GMES comprises three components in which services are to be made available. One of these service components is intended to assure access to information for six areas (monitoring the atmosphere, monitoring climate change, disaster and crisis management, monitoring land and marine environment, security). A space component serves the assurance of satellite supported observation activities in the six areas as given above. Thirdly an *in-situ* component is intended to assure the monitoring activity carried out by air, sea and earth-based facilities in the six areas as given above.

The first tender was made in the scope of the first operational activities of GMES in 2011.

3.3.1.15. Creating an area of freedom, security and justice

The *Stockholm Programme* that was adopted by the European Council in December 2009 and also the action plan for its implementation in the years 2010–2014 provided a continued basis for EU policy in the areas of border controls, asylum and immigration, cooperation in justice covering civil and criminal proceedings as well as police cooperation.

As a reaction to the irregular migration flows resulting from the Arab Spring unrest, the EC published a communication on migration on 4 May, in which the further steps that will be required for devising a comprehensive and effective common border protection, asylum and migration policy were listed and updated. In June, the European Council affirmed that the achievement of freedom within a single space without internal borders must be defended, and called on the EC to make proposals for the improvement of the Schengen regulatory landscape as a means of encountering inadequacies in the external border protection of some individual member states and for dealing with an extraordinarily high level of migration pressure in an efficient manner. In response to this request, the Commission produced a revised proposal in September for a more powerful mechanism to use in the evaluation and monitoring of the application made of the Schengen acquis and a proposal in the context of joint regulations for the re-introduction of internal border controls in emergency situations. Initial orientation debates were held on these proposals under the Polish presidency, during which an improvement of the Schengen evaluation and monitoring mechanism and also the introduction of a safety mechanism for the event of continuing deficits in external border protection were welcomed in principle. Most member states, however, including Austria, demanded that the existing national competence be continued for decisions on a limited re-introduction of internal border controls.

In addition to the Arab Spring, Greece was having a continued effect on the European developments in the asylum and migration areas with serious def-
icities existing in its asylum system and in the securing of the Community external border to Turkey. With Austrian participation Greece was supported by the European external border protection agency FRONTEX among others within the framework of the "Operation Poseidon" and with the rapid deployment teams (RABITs) in dealing with illegal migration and securing the land border to Turkey. Help was also provided by asylum support teams from the European Asylum Support Office EASO. Despite a certain level of progress in the reform of the asylum system within the scope of the implementation of the "National Greek action plans for asylum reform and dealing with migration" Greece has de facto not been able to maintain all the basic legal standards in the asylum area, nor to provide an effective border control. From summer onwards a significant rise in the number of illegal migrants who were being apprehended was recorded, and these were above all persons in the hands of professional smugglers, who arrived in Austria via the Greco-Turkish land border and through the Balkan route. On the basis of a joint initiative of Austria and Hungary, which was also joined by the Netherlands, the strengthening of joint measures for putting a stop to illegal migration and improving the protection of the external borders at their weak points were repeatedly discussed in the Justice and Home Affairs Council during the second half of the year. The results of this Council debate are to be presented in a road map comprising tangible operative steps in the first half of 2012.

An important point for Austria in this context was that the new legal foundation for the external border protection agency FRONTEX was to come into force on 12 December, as a result of which a reinforcement of the operative capacities together with an increased obligation to maintain basic rights in the course of the Agency activities were established.

The Council made a decision on the full implementation of the Schengen acquis for Liechtenstein on 13 December. The Schengen area has thus comprised 26 states without internal border controls since 19 December. The required unanimity could not yet be obtained in the Council for accepting the decision on the full implementation of the Schengen acquis for Bulgaria and Romania. The European Council stressed, however, in a statement on 9 December that all the legal requirements for the acceptance of this decision were in place and called on the Council to accept this at the earliest opportunity.

The phased operational introduction of the visa information system (VIS) was started in October. More details about this can be found in section 1.3.1. Agreement was reached in June on the regulation for establishing an “Agency for the operational management of large-scale IT systems”, which is to begin its activities at the end of 2012 and which will be responsible for the operation of the Schengen Information System (SIS), of VIS and for EUROPAC (System for comparing the fingerprints of asylum seekers and a number of categories of illegal emigrants). A “back up” for this Agency based in Tallinn
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(headquarters) and in Strasbourg (technical location) is to be set up in Austria at St. Johann im Pongau.

The Council was able to achieve agreement on the introduction of a safeguard clause in the “Visas Regulation”, whereby in the event of continuing difficulties a separately reached visa-free travel agreement with a third state may be cancelled again in specific and defined circumstances.

A certain level of progress could be made during the year in regard to the objective of adopting a package of proposals for a Common European Asylum System (CEAS) by the end of 2012. The European Asylum Support Office (EASO) established in 2010 with its headquarters in Malta had taken up full operative activities by mid 2011. The revised version of the status directive, which aims above all at a harmonisation of asylum status and subsidiary protection granted, was adopted definitively in November and published in the EU Official Journal on 20 December. Political agreement was reached in December on reform of the Dublin II regulation which had long been blocked, and the result was a supplement on an early warning and evaluation mechanism. As a result of this prerequisite the EC declared that it would be prepared to present a proposal for allowing the access of law enforcement officers to EURODAC. A number of important questions were still open in the legislative procedure in respect to the revised proposals for the procedure and acceptance directive presented by the EC in June – above all those concerning access to the employment market, the material provisions to be made for asylum seekers together with certain other procedural aspects.

In the legal migration field the “single permit” directive was adopted. It foresees a single application procedure for a combined permit (”single permit”) to be issued to third-country nationals allowing them to live and work on the territory of a member state.

The EC presented a proposal for a directive on the use of air passenger name records (PNR Directive) in February for the purposes of preventing, detecting and prosecuting terrorist crimes and serious criminal acts, the purposefulness and details of which remain controversial, in particular in respect to the data protection aspects. The National Council issued a statement on the proposal on 5 April under the terms of art. 23e (3) Federal Constitution Act, which calls on the Federal Government to seek a revision of the proposal, explaining the necessity and the compatibility of the infringement of basic rights resulting from recording air passenger data. New EU agreements on the use and transfer of air passenger data (PNR agreements) were signed with Australia on 29 September and with the USA on 14 December. Negotiations on a general EU-US data protection framework agreement were started in spring.

In the area of criminal justice the directive for combating sexual abuse and sexual exploitation of children and child pornography came into force on 17 December. The directive on a European protection order was published.
in the EU Official Journal on 21 December and came into force twenty days later.

Furthermore the EP established its position in a first reading of the proposed directive on the right to information in criminal proceedings on 13 December. The Council reached agreement on a general line for the directive on illegal attacks against information systems in June. The Council also established general lines for the directive on the European criminal investigation regulation and for the directive on minimum standards for the rights and protection of victims of crime as also for the support of victims of crime on 14 December. A certain level of progress was achieved under the Polish Presidency in dealing with the directive on the right to legal advice in criminal proceedings and the right to communicate following arrest.

In the area of civil law, a general line was established by the Council on the operative portion of the regulation concerning the court of jurisdiction and the applicable law, the recognition and the execution of legal judgements and public certificates in inheritance matters and for the introduction of a European Certificate of Succession on 14 December; further work remains to be done on an exemption clause concerning the appointment and the tasks of an executor or will administrator ("administration") and on the fundamentals of a potential compromise for the contesting of gift bestowals ("claw back"). Policy guidelines for further work to be carried out on a number of central questions concerning the recognition and execution of foreign decisions were adopted under the Polish Presidency for the reform of the Brussels I regulation (recognition/execution of foreign judgements in civil and commercial cases). A first and highly controversial discussion took place in the Justice Council concerning a new proposal for a regulation on a common European purchasing law.

3.3.1.16. Culture

The arts and cultural affairs ministers met four times under the Hungarian and Polish EU Presidencies. In addition to the Council sessions on 19 May and 29 November in Brussels, informal meetings were also held in Gödöllő on 28 March and in Wroclaw on 9 September. The focus of work was on the EP and of the Council decision on the European Heritage Label, which was adopted on 16 November. The preparations for the appointment of a 13 member EU jury and for the application process are to start in 2012. The member states can submit their first nominations in 2013.

Five EU expert groups have been set up within the framework of the EU work plan for the culture and the arts 2011–2014 with members nominated by the Federal Ministry of Education, the Arts and Culture and working in the following fields: culture and regional development, the role of the public in the arts and arts facilities, museum collections, the mobility of artists and the mobility of information services.
The Culture Programme of the EU supports 308 institutions Europe-wide with 52 million euros in funding. A total of 15 Austrian cultural facilities received EU funding amounting to 5.6 million euros, representing a return rate of 463%. Looking ahead to the new programme generation, the EC presented its proposal for “Creative Europe” (2014–2020) on 23 November. This comprises the programmes “Culture” (2007–2013), “MEDIA” (2007–2013) and “MEDIA Mundus” (2011–2013) and is to introduce a new financing instrument for the creative economy. The budget estimate for this is 1.8 billion euros. The negotiations at Council level began in December.

3.3.2. The European Union’s External Relations

3.3.2.1. Common Foreign and Security Policy (CFSP) / Common Security and Defence Policy (CSDP)

Under the Common Foreign and Security Policy (CFSP) current foreign policy issues relevant to all EU Member States including the Common Security and Defence Policy (CSDP; see section 5.1.) are addressed at EU level. Among the central issues for the CFSP were the developments in North Africa and in the Gulf states, the search for a peace solution in the Near East, the humanitarian crisis and the security situation in the Horn of Africa, in the Sudan and in South Sudan, the situation in Côte d’Ivoire following the presidential elections and also the continuation of the stabilisation process in the Western Balkans, in particular the question of the international presence in Bosnia and Herzegovina and the dialogue between Serbia and Kosovo. The EU was involved in 13 civilian and military CSDP operations around the globe from the Western Balkans to the Middle East to Africa.

Decisions on CFSP issues require unanimity (with the possibility of constructive abstention) within the scope of the Council for External Relations based on the strategic guidelines of the European Council; moreover there are declarations on short-term political events issued by the High Representative of the Union for Foreign Affairs and Security Policy. These declarations are binding for the EU member states.

The Political and Security Committee PSC which is composed of member states representatives regularly keeps track of international external and security policy developments, monitors the implementation of the agreed policies and is the strategic leader in crisis management operations.

The Council adapted already existing sanctions or introduced new ones against international terrorist groups, Afghanistan, Egypt, Belarus, Côte d’Ivoire, Guinea, Iraq, Iran, Libya, Moldova, Myanmar (Burma), Zimbabwe, Somalia, South Sudan, Sudan, Syria, Tunisia and also the states of former Yugoslavia to promote their cooperation with ICTY.

Upon a proposal by the High Representative the Council can appoint EU Special Representatives (EUSRs). Currently mandates exist for Afghanistan, the
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African Union (AU), Bosnia and Herzegovina, the Horn of Africa, Kosovo, the southern Caucasus and the conflict in Georgia, the southern Mediterranean region, the Sudan and Central Asia.

The CFSP budget for 2011 totalled 326.6 million euros. The lion’s share of this funding was used in financing civilian crisis management operations, the activities of EUSRs and also in the promotion of disarmament and the non-proliferation of weapons of mass destruction.

3.3.2.2. The European Neighbourhood Policy

The European Neighbourhood Policy (ENP) covers Egypt, Algeria, Armenia, Azerbaijan, Belarus, Georgia, Israel, Jordan, Lebanon, Libya, Morocco, Moldova, Syria, Tunisia and the Ukraine as well as the Palestinian Authority. The EU has agreed to a special form of cooperation with Russia. The EU and its “key partner” Russia do not develop their “strategic partnership” within the framework of the ENP, but in arrangements for creating “Four Common Spaces”.

Cooperation under ENP is based on the existing bilateral associations or partnerships and cooperation agreements. Although Belarus, Libya and Syria are amongst the addressees of the ENP, they do not fully participate.

The ENP aims at integrating the participating neighbouring countries into a common area of peace, stability and prosperity with specific goals to be agreed in individual multi-annual action plans differentiated by each partner. The ENP countries shall not only fully exploit the potential of the respective association, partnership and cooperation agreements, but subject to adequate commitment, shall also be integrated into an ever closer relationship, which extending beyond the cooperation level also offers a substantial degree of economic and political integration.

The material focus of the action plans is on areas such as political dialogue and reform; trade, market and regulation reforms; cooperation on judicial issues and home affairs; transport, energy, information society and the environment as well as contacts between the civil societies.

The ENP measures and the strategic partnership with Russia are financed on the basis of a flexible and simultaneously uniform “European Neighbourhood and Partnership Instrument” (ENPI) for the period 2007–2013, which has replaced earlier support programmes such as Technical Assistance to the Commonwealth of Independent States (TACIS) and the MEDA programme (financial and technical measures to accompany the reform of economic and social structures in the framework of the Euro-Mediterranean partnership).

Within the scope of this ENPI financing instrument twinning programmes (administrative partnerships) and TAIEX (short-term deployment of experts) support the reform processes and also the establishment of institutions in
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the partner countries. The aim is to achieve coherence with EU policies and standards by providing know-how.

Austria as a highly active and successful twinning partner in Southeast Europe is also interested in a strong commitment to the European Neigh-
bourhood Policy. During 2011 two projects on the issues e-governance and the development of an energy regulator were implemented in Georgia, and
Tunisia was also brought in for the first time with an environmental project.

The Eastern Partnership includes a concentrated programme for institutional development funded with 173 million euros for the period 2011–2013. The
programme provides supplementary support for the partner countries for compliance with the conditions and obligations derived from the future
association agreements.

The relations with the countries of the Eastern Neighbourhood (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) have been further de-
veloped through implementation of the Eastern Partnership concept that was established in 2009. Progress was achieved here in particular in the continu-
ing negotiations on association agreements by means of which a greater level of mutual opening, a phased integration in the EU economic space and an
approach to European standards and norms is to be made. The negotiations on an association agreement with the Ukraine could be virtually concluded.
This was the most important result of the 15th summit meeting between the EU and the Ukraine in Kiev on 19 December. Negotiations on a deepening
of relations with the partner country Belarus are not possible at present as a result of the political situation in the country.

Promoting the mobility of citizens and also liberalisation in the issuing of visas within a secure environment are further important aspects of the Eastern
Partnership. The EU is working step-by-step on the objective of a complete abolition of visa obligations for some individual partner countries, insofar as
the prerequisites for an effectively controlled and secured mobility are given. A visa facilitation agreement and a readmission agreement with Georgia to
cover the issue of persons residing without authorisation came into force of 1
March. Similar agreements are also to be concluded with Armenia, Azerbai-
jan and Belarus. Action plans for the phased achievement of visa-free travel
with the Ukraine and Moldova have been implemented.

A summit meeting on the Eastern Partnership was held in Warsaw on 29 and
30 September. The heads of state and government of the EU and the partner
countries confirmed in a joint declaration the objectives of the Prague Sum-
mit of 2009 and agreed on a determined continuation of the implementation
steps.

The High Representative of the Union and the EC published a joint commu-
niqué “A new response to a changing neighbourhood” on 23 May, in which
they presented suggestions for a future orientation of the ENP against the
background of the revolutionary political change in the Southern Neighbour-
The events of the Arab Spring had brought a series of new challenges for the ENP. In order to prepare the EU better for these changed framework conditions the High Representative of the Union and the EC issued a communiqué on the establishment of a “Partnership for democracy and shared prosperity with the Southern Mediterranean region” on 8 March. This foresees a series of measures in various sectors for intensifying the support given to Mediterranean neighbours. The joint communiqué “An answer to a neighbourhood in change”, in which suggestions for future orientation were developed, followed on 23 May. This document summarised the planned support measures into six areas (political cooperation, support for civil society, economic aid, strengthening trade relations, sector-related cooperation, migration and mobility) and in this context also suggested the setting of priorities and the provision of additional financing by 2013. On the basis of this joint communication, the Council resolved on a monitoring of the ENP as a consequence of these changes and their implications on 20 June. The Council spoke out in favour of a new approach for the ENP in this resolution, to the terms of which EU support should be devised on a stronger and more efficient basis tailored to the needs of its partners. The principles of differentiation and conditionality are to take important roles in the re-shaping of the cooperation. Under these terms the partner countries that could show the greatest progress in development and in establishing democracy and the rule of law would also receive more support from the EU.

This approach was then put into tangible form with the adoption of the SPRING Programme by the EC on 27 September. This would first provide Egypt, Jordan, Morocco and Tunisia with financial support (350 million euros) for the development of democratic institutions and also for sustainable and socially just growth and economic development during 2011 and 2012. In addition, the European Investment Bank (EIB) committed itself to making 1 billion euros available in additional funds as loans for the region.

The Council appointed the Spanish diplomat Bernardino Leon as the EU Special Representative for the Southern Mediterranean region on 18 July. His mandate is to foster high-level dialogue with the partner countries, to assure the coherence and coordination of EU policy and to promote democracy and respect for human rights. The High Representative of the Union created the instrument of the Task Force for the Southern Mediterranean Region as a means of strengthening the dialogue process with the partner countries and for identifying together their priorities for EU support. The first Task Force meeting with Tunisia took place in Tunis on 28 and 29 September.
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A high-level conference on the Southern Neighbour Countries was organised under the Polish Presidency in Warsaw on 1 and 2 December, in which EU support and the transformation experience of the East European EU member states were discussed against the background of the political change in the Southern Mediterranean Region.

3.3.2.3. EFTA/EEA and relations to non-EU countries of Western Europe

The European Free Trade Association (EFTA) was originally established as a counterbalance to the European Communities. Now, some fifty years after its foundation, it also includes the non-EU countries of Switzerland, Norway, Iceland and Liechtenstein. EFTA pursues the goal of promoting economic cooperation while simultaneously maintaining full freedom of political action of the member states.

Aiming at integrating the EFTA states into the common market, the European Economic Area (EEA) was created between the member states and the EU on the one hand and – currently – Iceland, Norway and Liechtenstein on the other. The core elements of the EEA agreement are the “four freedoms”: free movement of goods, services, capital and persons. The EEA is also subject to additional protocols and measures. Agricultural and fishery products, indirect taxes and common foreign trade policy are excluded from the EEA on principle. With the conclusion of the EU accession negotiations taken up in July 2010, Iceland will leave EFTA but as EU member remain a member of the EEA.

The relationship between the EU and Switzerland is subject to bilateral agreements (Bilaterals I and II). Bilaterals I comprise seven specific agreements controlling mainly the mutual opening of the markets. The nine agreements of Bilaterals II control the relations beyond economic affairs and pave the way for close cooperation between the EU and Switzerland in matters of justice, police, asylum and migration. Under Bilaterals II, Switzerland is also part of the Schengen area. A working group has been established to ensure even higher legal certainty and more efficient cooperation in future and to probe ways of achieving a more institutionalised cooperation between the EU and Switzerland.

3.3.2.4. EU-Russia

The EU and Russia entertain a strategic partnership to be designed in “Four Common Spaces” (economy, homeland security, external security, research, education and culture). Parallel negotiations are under way on a new EU-Russia Framework Agreement that will replace the current partnership and cooperation agreement.

Russia’s main interests in its relations with the EU are visa exemption, energy partnership, and European security. Both EU-Russia summits were a success:
At the 27th Summit on 9 and 10 June in Nizhny Novgorod, the implementation of the modernisation partnership launched in 2010 as well as international topics were discussed. The modernisation partnership is expected to open new options for mutual investment in innovations.

At the 28th Summit on 14 and 5 December in Brussels, it was confirmed that the years of joint efforts for Russia’s accession to the WTO had been brought to a successful conclusion. The EU and Russia agreed on a list of “common steps” to be implemented with a view to visa exemption, including measures concerning document security, border checks and migration.

3.3.2.5. Transatlantic relations

3.3.2.5.1. The USA

The USA and EU still agree on the importance of the transatlantic relations as a means of achieving substantial progress, even as other actors on the global political scene are gaining more importance (China, India, Brazil, and others). The EU-US Summit was held in Washington on 28 November in the presence of the President of the European Council, Herman Van Rompuy, the President of the European Commission, Jose Manuel Durao Barroso, and US President Barack Obama. The central elements of the deliberations were international policy (Arab Spring, Syria, peace process in the Middle East, Iran, Afghanistan, etc.) and the state of the economy on both sides of the Atlantic. It was decided to establish a high-level working group for jobs and economic growth under a shared EU-US chair to make full use of the potential of in-depth transatlantic cooperation in business and in order to deepen the strong bilateral trade relations even further. First concrete results and measures are expected by mid-2012.

Also on 28 November, the EU-US Energy Summit was held, where the USA was represented by Secretary of State Hillary Clinton and Secretary of Energy Steven Chu. At this summit, synergies for mastering current geopolitical and energy-political challenges were explored, and an agreement was reached on continuing and deepening the cooperation in terms of sustainable and clean technologies. Cooperation will focus on energy efficiency, smart grids (including research on power storage), e-mobility, nuclear safety and continued research in nuclear fusion.

A high-level meeting of the Transatlantic Economic Council (TEC) was held on 29 November, also in Washington. The EU and the USA are each other’s principal trading partners with direct positive effects on the respective labour markets. In the year under review, concrete progress was made with regard to improving cooperation in electric vehicles, deepening research cooperation, establishing shared principles of regulation and mutual recognition of trade partner programmes to facilitate imports.
3.3.2.5.2. Canada

The institutionalised dialogue between the EU and Canada is based on the Framework Agreement for Commercial and Economic Co-operation (1976), the Declaration on Transatlantic Relations (1990), the Joint Political Declaration and Action Plan (1996) as well as the 2004 EU-Canada Partnership Agenda. Numerous working and expert meetings at civil servant and political levels constitute the foundations for the dialogue between the EU and Canada. Sensitive issues between the EU and Canada include the critical attitude of the EU to oil sand mining, seal hunting and Canada’s reluctance in matters of climate protection.

The negotiations on a comprehensive Economic and Trade Agreement (CETA) are making good progress. The atmosphere at the nine CETA negotiation rounds so far has been good and constructive. Conclusion of negotiations is planned for 2012.

A separate negotiating process conducted simultaneously to the CETA talks aims at updating the Framework Agreement for Commercial and Economic Cooperation concluded 34 years ago. Conclusion of negotiations of a new EU-Canada Framework Agreement is also planned for 2012.

3.3.2.6. EU-Asia

3.3.2.6.1. ASEM

The Asia Europe Meeting, ASEM was initiated at the first Euro-Asian Summit in March 1996 in Bangkok. It plays an important role as a forum for dialogue between the EU and Asia. The tenth meeting of ASEM ministers of international affairs was held in Gödöllő on 6 and 7 June focusing on nuclear safety, combating terrorism, non-proliferation, the fight against poverty, the effects of the global economic crisis and climate change. Also on the agenda of all ASEM meetings was the open issue of future applications for membership. The discussion was triggered by the application of Switzerland, Norway and Bangladesh.

The Asia-Europe Foundation (ASEF), with headquarters in Singapore, is the only permanent institution within ASEM. It pursues the promotion of relations between the ASEM states primarily in culture and science.

3.3.2.6.2. Japan

Humanitarian aid of the EU and its member states in the wake of the events of 11 March (earthquake, tsunami and nuclear incident) brought about a deepening of the relations between Japan and the EU. Japan is interested in a free trade agreement with the EU. Following a decision taken at the EU-Japan Summit on 28 May, preliminary talks about such an agreement and a comprehensive cooperation agreement have been initiated.
3.3.2.6.3. China

Diplomatic relations between the EU and China date back to 1975. Negotiations about a partnership and cooperation agreement began in 2007. The President of the European Council, Herman Van Rompuy, visited China from 15 to 18 May. EU High Representative Catherine Ashton met with the State Councillor of the People’s Republic of China, Dai Bingguo during the Strategic Dialogue between the EU and China on 12 May. She also visited China on 24 and 25 October. (The 15th EU-China Summit planned for 25 October in Tianjin had to be postponed to February 2012). Various events were organised in Europe and China in 2011 celebrating the EU-China Year of Youth. After the EU-China Human Rights Dialogue at the end of June in Beijing, the dialogue scheduled for the second half of 2011 was cancelled by China.

3.3.2.6.4. India

The EU is India’s biggest trade and investment partner. The efforts aimed at deepening relations to the EU revolved again around the negotiations of a free trade agreement that were taken up in 2007. A conclusion to these negotiations is expected for 2012. In 1994, a cooperation agreement was signed; and India has been one of the EU’s strategic partners since 2004. Regular summits, such as meetings at commissioner, ministerial and expert level, are held to deepen cooperation in a variety of areas. The 12th EU-India Summit will be held on 10 February 2012.

3.3.2.6.5. Central Asia

Die Strategy for Central Asia adopted in 2007 is an important basis for increased commitment of the EU and its member states in the region as a whole and the five Central Asian countries. The EU has defined seven focal areas and three regional initiatives to improve stability and security in the region, to fight poverty and to intensify regional cooperation. EU support for the 2007–2013 financial period was 750 million euros. The EU and its member states are among the biggest donors in Central Asia.

Maintaining stability and safety in the neighbourhood or immediate vicinity to Afghanistan is a major challenge in this region. The EU programmes Border Management in Central Asia (BOMCA) and Central Asia Drug Action Programme (CADAP), that are geared at long-term cooperation, thus meet with a highly positive response. The Central Asia Border Security Initiative (CABSI) under the patronage of the Federal Ministry of the Interior and the European Commission is a joint platform and clearing office for the numerous bilateral, regional and multilateral border security projects in Central Asia. The high-level CABSI conference in Dushanbe on 13 and 15 March was organised by the Federal Ministry of the Interior.

The energy sector is a central area of cooperation between the EU and Central Asia. The EU strongly supports the NABUCCO project with a view to diver-
sifying energy sources and markets. Partnership and cooperation agreements have been concluded with nearly all countries of Central Asia. Human rights dialogues with the individual countries were continued. The annual meeting of EU Ministers of International Affairs and their colleagues from Central Asian countries was held in Tashkent on 7 April.

3.3.2.7 EU-Africa

After the third Africa-EU Summit in November 2010, the implementation of the revised Joint Africa-EU Strategic Partnership began, including a new action plan for the period 2011–2013. In March, the EU adopted a Strategy for Security and Development in the Sahel that is expected to contribute to an economically stable and socially safe environment in the states of the Sahel. The strategy can also be seen as the EU’s response to the precarious security situation in the Sahel region.

In November, the EU adopted a Strategy for the Horn of Africa. The strategy takes the complex political developments in this region into account and covers the most important objectives of the EU in the region, i.e. support of the population in achieving lasting peace, stability, security, growth and responsible governance. Following on from this strategy, a Special EU Representative for the Horn of Africa was appointed in December. The Special Representative for Sudan continued her work.

The EU also has long-term partnerships with the African states (and other states of the African, Caribbean and Pacific Group) based on the Cotonou Agreement. The negotiations about economic partnership agreements with African regional organisations were continued and are expected to trigger reform processes in the ACP states concerned, to promote development and combat poverty.

The PSC, the Council on Foreign Relations and the Council on Development were consistently concerned with African issues. At nine of a total of ten meetings, the Council on Foreign Relations dealt with issues concerning Sub-Saharan Africa, mainly the situation in the Horn of Africa, the developments in Côte d'Ivoire, Sudan and the Sahel. Other topics were Zimbabwe, Somalia and the role of South Africa as a strategic partner of the EU.

The EU is represented in many countries of the world with EU delegations, and also in Africa. These delegations increasingly play the role of liaison points for member states that have only a small network of representations in Africa.

3.3.2.8 EU-LAC

The relations between the EU and Latin America and the Caribbean (LAC) are organised in the form of an institutionalised dialogue and summit meetings of the EU member states with all 33 states of Latin America and the
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Caribbean. The EU-LAC summit meetings define the strategic direction for the further development of the relations. Six such meetings have been held since 1999.

The main topics of the year 2011 were the ones initiated at the EU-LAC summit in Madrid in 2010. These include the establishment of the EULAC Foundation, the continuation of negotiations on an association agreement with the South-American Common Market (ECOSUR), the next steps regarding the EU-Central America Agreement and the multi-party agreement of the EU with Peru and Columbia and the implementation of the Action Plan adopted at the 2010 EU-LAC summit. The next EU-LAC summit will be held in Chile in January 2013.

The Hamburg-based EU-LAC Foundation took up its activities on 7 November. President of the Foundation is the former EU Commissioner and retired Austrian Federal Minister Benita Ferrero-Waldner; she is supported by an Executive Director. The Foundation’s main task is the promotion of institutional cooperation between the EU and the region of Latin America and the Caribbean.

The EU holds regular meetings with MERCOSUR (with Argentina, Brazil, Paraguay and Uruguay as full members), Central America, the Andean Community, Brazil, Mexico and Chile.

The close relations between the EU and the LAC region are also reflected in a wide array of contractual relations, including association agreements with Mexico (2000) and Chile (2002) and strategic partnerships with Brazil (2007) and Mexico (2008). The fifth EU-Brazil summit was held in Brussels on 4 October.

3.3.2.9. Development cooperation and humanitarian assistance

Please refer to sections 10.3 and 14.3.1.

3.3.3. Enlargement of the European Union

The enlargement process was again dominated by the principles of the “renewed consensus on enlargement” laid down in December 2006. This strategy adopted by the European Council is based on the premise of considering the Union’s absorption capacity. It stresses the importance of consolidating existing commitments and the necessity of compliance with a fair and determined conditionality.

The example of Croatia has illustrated the sustainability of this concept: Six years after starting accession negotiations, Croatia successfully concluded them at the end of June 2011.

The following were defined to be the main challenges of the enlargement agenda in the annual “enlargement package” approved by the European
Commission on 12 October (including the enlargement strategy and progress reports for the individual countries): the improvement of the rule of law and strengthening of public administration, asserting the rights of freedom of opinion and the press, continuation of intensified regional cooperation in the Western Balkans, and ensuring sustainable economic recovery.

Starting from the experience gained in the accession negotiations with Croatia, the Council upon the recommendation of the European Commission decided to pay even more attention to the areas of justice, home affairs and fundamental rights in future negotiations. The relevant negotiation chapters will be started earlier in future in the light of the stringent requirements that accession candidates must fulfil.

The Instrument for Pre-Accession Assistance (IPA) supports the candidate countries of Croatia, Macedonia, Montenegro and Turkey as well as the potential accession candidates Albania, Bosnia and Herzegovina, Kosovo and Serbia in their approach to the EU with financial funds to the amount of 11.5 billion euros for the 2007–2013 period.

Austria provided concrete support during the pre-accession process with its participation in regional cooperation and in the form of EU twinning partnerships to strengthen public administration. In 2011, Austria was particularly committed to energy and the environment with a geographic focus on Croatia where three projects were organised. One project was carried out each in Bosnia and Herzegovina, Kosovo, Macedonia and Montenegro. The budget volume for these projects was approximately 7.6 million euros.

The effects of the international economic crisis significantly slowed down the pace of reforms in the countries of the Western Balkans, and the EU is therefore intent on keeping up the current enlargement process by creating incentives for political and economic reforms. Particular importance was given to developing structures of public administration and the rule of law, which is reflected in a higher number of projects tendered in these fields.

### 3.3.3.1. Croatia, Turkey and Iceland

Croatia reached the final phase of accession negotiations. The complexity of the final seven chapters of negotiations that were still open, however, made it seem uncertain by when the goal of accession would be obtained. This referred mainly to the chapter on justice system and fundamental rights (chapter 23), which includes numerous conclusion criteria and where the fight against corruption and organised crime plays a central role. Vice-Chancellor and Foreign Minister Michael Spindelegger together with his Slovak colleague Mikulas Dzurinda paid a visit to Zagreb on 26 April to support and encourage Croatia. The two foreign ministers met with the President, the Prime Minister and the Foreign Minister of Croatia. Following this visit, the two Ministers from Austria and Slovakia addressed a letter to the European Commission expressing their expectation and confidence that Croatia would
soon be able to meet any open requirements and that accession negotiations could therefore be concluded by June at the latest. After deliberations among the member states, that were difficult in parts, it was agreed to continue monitoring the implementation of commitments under chapter 23 up until the time of accession. Thus the way for concluding the negotiations had been paved; the final chapters were closed at the accession conference on 30 June. The accession treaty was signed on 9 December at the Meeting of the European Council in Brussels. Federal Chancellor Werner Faymann signed the treaty on behalf of Austria. Scheduled date for accession is 1 July 2013.

In the context of the EU’s relations to Turkey, the EU was faced with the question as to how to acknowledge the role of the country as an important regional player and national economy with the negotiation process on hold. There was no progress made towards normalisation in the bilateral relations between Turkey and the EU member state Cyprus. The Additional Protocol to the Association Agreement (Ankara Protocol) has still not been implemented; consequently the customs union with the EU, established in 1995, has still not been extended to all states that joined the Union in 2004. Thus the decision taken by the EU Foreign Ministers on 11 December 2006 to completely suspend the negotiations in eight chapters related thereto and not to reach a provisional conclusion in any of the other chapters remains unchanged. Neither has another of the remaining chapters been opened since 2010. The Council approved of the Commission’s proposal to draft a “positive agenda” to treat issues of mutual interest, such as political reforms, foreign policy, energy or trade outside the accession context.

In the framework of accession negotiations with Iceland that were officially opened in 2010, the first accession conference was held on 27 June; four of 35 chapters were opened and two were preliminary closed. Thanks to further progress as many as eleven chapters were opened and eight closed on a provisional basis by year end. Even though the country’s membership in the European Economic Area (EWR) and the resulting harmonisation of legislation in many areas will allow for swift progress of the negotiations, there are still fundamental issues to be solved. These include certain expectations of Iceland concerning special solutions in the fields of agriculture and fishery and – to some extent related to this – the considerable uncertainty in regard to the approval of the Icelandic population for accession.

3.3.3.2. The European perspective of the Western Balkans

In its enlargement strategy and progress reports of 12 October, the European Commission discerned large differences between the individual Balkan countries. It did however identify the still unaltered challenges in justice and fundamental rights as the common denominator. The Commission therefore presented an approach – approved by the Council – of priority treatment of these issues during future accession negotiations and/or to monitor them
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continuously in parallel to the other items on the negotiation agenda. This approach is expected to facilitate achievement of the respective benchmarks by the conclusion of the negotiations. The European perspective of these countries again proved to be a major drive for reforms aimed at stabilising and developing the Western Balkans, and Austria lends its full support to it.

Stabilisation and association agreements (SAA), intended to strengthen bilateral, political and economic ties between the EU and the region and to pave the way for further reforms, have been concluded with Macedonia (effective 1 April 2004), Croatia (effective 1 February 2005), Albania (effective 1 April 2009) and Montenegro (effective 1 May 2010). Agreements with Bosnia and Herzegovina and Serbia have already been executed; interim agreements apply until their coming into force following ratification of all member states.

As in 2009 and 2010, the European Commission proposed to the Council to take up accession negotiations with Macedonia (candidate status since 2005). Such a decision needs to be taken unanimously. Unanimity failed again because of the objection of Greece which insists on an agreement in the Greece-Macedonian naming dispute as a prerequisite for approval. Greece fears that the name “Macedonia” could lead to territorial claims to the region in Northern Greece of the same name. Discussions headed by UN Special Representative Matthew Nimetz have not produced any result so far.

The European Commission’s opinion on Montenegro (candidate status since 16 December 2010) states that accession negotiations should be taken up given the progress made in some key areas. The Council agreed to this proposal in December on condition that negotiations should not be taken up before June 2012 and that particular attention be paid to the remaining challenges in justice, organised crime and corruption.

The report on Albania did not award candidate status due to continued severe deficiencies, especially in terms of the political criteria. Accession negotiations can only be taken up after substantial improvements in twelve of the key areas defined in the 2010 opinion of the EC (all of them concerning political criteria).

The arrest of Ratko Mladić and Goran Hadžić in June and July, respectively, plus the considerable reform progress made candidate status for Serbia seem to be within reach. The recommendation of the EC was generally positive but linked to some expectations for the dialogue between Belgrade and Pristina that was taken up in summer. In view of the escalating conflict about border checks in North Kosovo, dominated by Serbia, the Council postponed the decision. In the course of the conflict, Austrian KFOR soldiers were injured. Vice-Chancellor and Foreign Minister Michael Spindelegger proposed a compromise and suggested to grant Serbia candidate status on a trial basis.

Far-reaching inclusion of Kosovo in the stabilisation and association process meets with the resistance of EU member countries that do not recognise Kosovo. The expert opinion of the International Court of Justice, which con-
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firmed the legality of the declaration of independence of Kosovo, induced Belgrade to show readiness for dialogue which brought certain positive results in technical issues.

In Bosnia and Herzegovina, the process of rapprochement to EU structures stagnated almost entirely. Enactment of essential reforms such as constitutional reform, implementation of the ECHR “Sejdić-Finci” decision, judicial reform, government aid and census law, agreement on the national budgets for 2011 and 2012, etc. was still pending. The SAA with Bosnia and Herzegovina has been signed, but not yet ratified by all EU member countries as compliance with some provisions is still outstanding. The appointment of Peter Sørensen to EU Special Representative and head of the EU delegation shifted the issues of reconfiguration of the international presence (Office of the High Representative / EUSR EU Delegation) and consolidation of European presence into the focus of attention.

Visa-free entry to the EU has been possible for citizens of Macedonia, Serbia and Montenegro since 19 December 2009 and since 16 December 2010 for citizens of Albania and Bosnia and Herzegovina holding biometric passports. As the number of asylum seekers sometimes increased by leaps and bounds in some EU member states, a monitoring mechanism has been installed that allows for immediate intervention if required. Currently a protective clause in the relevant regulation is being discussed providing for temporary suspension of visa-free entry in such cases.

The procedural with regard to Kosovo in this context was under discussion. Individualised road maps defined a variety of technical requirements to be met in the four spheres of document security, illegal migration and readmission, public order and safety as well as external relations and fundamental rights; the prospect of a visa dialogue was raised should developments continue to be positive.

3.3.4. Danube Strategy

Cross-border cooperation between the regions in a wide range of fields is gaining greater importance. Firstly because this caters to identical needs, and secondly because growth potential and cooperation can be leveraged on a regional level. Starting from the traditional commitment and interest of Austria in Central and Southeast Europe, Austria succeeded in increasingly sensitising the European Commission and the EU as a whole to the opportunities and challenges of the Danube area in the scope of an initiative launched jointly by Austria and Romania. Eight EU members – Austria, Bulgaria, Germany, Romania, Slovakia, Slovenia, the Czech Republic and Hungary – are located in the Danube region, as well as six states that are not or not yet members of the EU – Croatia, Serbia, Montenegro, Bosnia and Herzegovina, Moldova and Ukraine. In total, these countries have some 120 million inhabitants. The Danube Strategy is intended to avail itself of already
existing initiatives and institutions and to create far-reaching synergies in the Danube area.

Following comprehensive preparation and consultations, the European Commission together with the states in the Danube region drafted a future-oriented EU Strategy for the Danube Region and a respective concrete Plan of Action. Following involvement of the Council, the EP and other EU bodies, the Strategy was adopted at the summit of heads of states and governments in June under the Hungarian Presidency.

The four pillars of the Action Plan cover eleven priority areas. Austrian institutions coordinate the priority areas “improvement of mobility and multimodality – inland waterways” (together with Romania), “investment in people and qualifications” (together with Moldova), “improvement of institutional capacity and cooperation” (together with Slovenia). Concrete implementation of the Strategy began with the national Austrian kick-off event on 4 July. The steering groups formed for each priority work on specific objectives, actions and projects. The EC is expected to submit a first implementation report describing current and future projects to the Council by December 2012.

Vice-Chancellor and Foreign Minister Michael Spindelegger and the Romanian Foreign Minister Teodor Baconschi organised a meeting of the foreign ministers of the participating countries in Bucharest in November in the course of which the political support and backing of the Strategy were affirmed.

3.4. **Information on Europe**

Please refer to section 17.3.
4. Challenges and Developments on Five Continents

4.1. Europe

4.1.1. Austria’s neighbourhood

4.1.1.1. South Tyrol

In Austrian foreign policy South Tyrol continues to be of special relevance. The Federal Government complies with its protection function for South Tyrol as laid down in the Treaty of Paris of 5 September 1946. It is demonstrated by a continuous supportive interest for South Tyrol’s autonomy developments and general events as well as in regular meetings between the competent politicians from Vienna, Innsbruck and Bolzano. Developments show that the autonomy can also be regarded as a joint asset of all three language groups in South Tyrol (German, Italian, Ladin) to be preserved and dynamically enhanced. Austria enjoys highly amicable and neighbourly relations with Italy. On a European level, South Tyrol’s autonomy has a model function for solving minority conflicts. Austria’s and Italy’s joint membership of the European Union has created additional ties also benefiting South Tyrol.

In 2011, the South Tyrolean People’s Party (SVP) delegates in the Parliament in Rome continued to operate independently and decided on their voting policy on a case-to-case basis, in accordance with the decree issued by the presiding committee of the SVP. For instance, the SVP voted against austerity measures in December, despite supporting the Monti government in principle and being willing to make a contribution towards restoring the Italian national budget. The vote was based on the SVP’s conviction that the austerity package violates the Milan Accords that regulate the financial relations between the federal state and the region as well as the Autonomous Province of Bolzano-South Tyrol and the Province of Trentino, thus also violating South Tyrolean autonomy. For this reason, the austerity package is currently being contested by South Tyrol in the constitutional court.

No essential progress was made on the toponomastics issue, i.e. the issuing of a law on local place names pursuant to § 101 Autonomy Statute. Regarding the issue of signposts of the Alpine Association, Governor Luis Durnwalder and Minister of the Regions Rafaele Fitto were able to agree on more than 1,400 of the 1,500 disputed signs. Governor Luis Durnwalder presented Rome with a list containing justifications for the remaining 80 names just a few days before the end of the Berlusconi government. The Monti government did not engage with the issue during 2011.

In January, Minister of Culture Sandro Bondi granted the South Tyrolean government a free hand in handling fascist relics and monuments. For instance, a documentation centre will be constructed below the victory monument in Bolzano. The project was drawn up by an expert commission and approved by the Minister of Cultural Artefacts shortly before the end of the year. Fur-
Europe

There was an active exchange of visits between Austria and South Tyrol on all levels: On 23 February, Federal Minister Michael Spindelegger met Governor Luis Durnwalder in Bolzano. On 30 March, Governor Günther Platter attended the joint session of the state parliaments of South Tyrol, Tyrol, and Trentino in Merano. On 25 May, Regional Councillor for Education and Culture Sabina Kasslatter Mur visited Federal Minister Claudia Schmied. Federal President Heinz Fischer met Governor Luis Durnwalder in Bressanone on 10 June. Together with Councillor Richard Theiner, Durnwalder returned the visit in Vienna on 30 June, meeting Federal President Heinz Fischer, Vice-Chancellor, and Federal Minister Michael Spindelegger and Governor Günther Platter. Styrian Governor Franz Voves visited Governor Luis Durnwalder in Bolzano on 23 August. On 13 October, Governor Günther Platter attended the first meeting of the EGTC bodies at Schloss Tirol together with Governor Luis Durnwalder and the Governor of Trentino, Lorenzo Dellai. FPÖ chairperson and party head Heinz Christian Strache met Governor Luis Durnwalder in Bolzano on 11 November. On 16 November, an SVP delegation consisting of SVP chairman Richard Theiner, head of the SVP faction in the Roman parliament Siegfried Brugger and head of the SVP faction in the South Tyrolean parliament Elmar Pichler-Rolle met for talks with the parliamentary parties in Vienna. President of the National Council Barbara Prammer met with the SVP women’s movement at Brenner Mountain on 21 November.

South Tyrol’s regional budget totalled 5.225 billion euros in 2011. Economic growth in 2011 was 1.5%, the inflation rate 2.9%. Exports from South Tyrol increased in 2011. Unemployment was at 3.1%.
4.1.1.2. Austria’s neighbours

4.1.1.2.1. Germany

In the “Super Election Year” 2011, state parliaments were elected in no less than seven German Länder. While elections in Hamburg, Baden-Württemberg and Berlin led to a change of state governments or at least a significant shift in power relations, the political landscape in Sachsen-Anhalt, Rhineland-Palatinate, Bremen and Mecklenburg-West Pomerania remained largely unchanged.

Multilateralism has a particularly high status in German foreign policy. On 1 January, Germany’s two-year stint as a non-permanent member of the United Nations Security Council (UN SC) commenced. In the UN SC, Germany is working to promote peace, disarmament, climate protection and development aid.

The EU and NATO both play key roles in implementing German foreign policy. Germany is engaged in numerous military and civil peace-building missions abroad. As a leading economic power, Germany is an important member of the G7/8 and G20.

Austria's political, economic and social bilateral relations with Germany are unique of their kind due to a multitude of close neighbourly ties on all levels (federal, provincial, municipal).

Germany’s decision to gradually pull out from nuclear power, made in the wake of the Fukushima nuclear disaster, indicates a significant movement towards the Austrian standpoint on nuclear policy.

Germany is Austria's most important economic partner. High import and export rates as well as direct investments reflect the close economic ties between the two countries. Germany is the most important investor in Austria. Vice versa, Germany is the most important target country of Austrian direct investments. The two countries have particularly close ties also in the tourism sector, where Germany has traditionally held a unique position as the most important country of origin of tourists in Austria.

4.1.1.2.2. Italy

Austria’s excellent bilateral relations with Italy rely on a solid foundation of shared history, neighbourly relations and EU membership. The year 2011 was characterised by the celebrations to commemorate the 150-year anniversary of the declaration of the Kingdom of Italy on 17 March 1861. On the Day of the Republic, the traditional national holiday on 2 June, Italian president Giorgio Napolitano invited many heads of state of friendly nations to Rome. Federal president Heinz Fischer attended the celebrations on behalf of Austria.

The biggest challenge in 2011 was the increasing pressure that the international financial markets put on Italy from the second half of the year, also
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due to the high level of national debt (approx. 120% of the GDP). Despite the adoption of two comprehensive austerity packages in July and September, the risk premiums for Italian government bonds reached a critical level after the summer. After confidence that the Berlusconi government would be able to implement the required reforms had dwindled, Prime Minister Berlusconi announced that he was stepping down on 12 November. Consequently, President Giorgio Napolitano appointed independent former EU Commissioner Mario Monti to set up an expert government. The new cabinet was sworn in on 16 November. The government is being supported by all parties, with the exception of Umberto Bossi’s “Lega Nord” and Antonio di Pietro’s “Italia dei Valori”.

As early as December, the Monti government passed a third consolidation package that entered into force on 28 December. A radical pension reform and the balancing of the national budget by 2013 are intended to restore Italy’s creditworthiness on an international level.

Soon after his inauguration, new Italian Foreign Minister Giulio Terzi di Sant’Agata emphasised the continuity of Italian foreign policy. The top priority remains cooperation within the EU, which Italy as a founding member is particularly committed to. In addition to supporting increased coordination of economic policies as well as in CFSP and matters relating to immigration and asylum issues, Italy is also working to promote EU expansion to include the Balkan states and Turkey.

Italy also regards regional cooperation within the setting of the Central European Initiative (CEI) and the Adriatic-Ionian Initiative (AII) as essential vehicles for supporting the nations of the Western Balkans in their pre-accession process and also pushes for the drawing up of an Adriatic-Ionian strategy on EU level by 2014.

Other areas of emphasis are the Mediterranean from North Africa to the Middle East, transatlantic relations and multi-lateral cooperation.

The Italian deployment in Libya constituted a particular challenge: Italy contributed by putting up military bases, several war ships and war planes. The bilateral friendship treaty from 2008, one of the basic elements of Italy’s economic engagement in Libya and bilateral cooperation in combating illegal immigration, was suspended at the beginning of the hostilities and was reactivated during the visit to Rome of the head of Libya’s interim national council, Abdul Jalil.

Another area of emphasis of Italian foreign policy is the protection of human rights. Like Austria, Italy was elected as a member of the UN Human Rights Council (HRC) for the period of 2011–2014.

Another event that was highly relevant from the Austrian perspective was the referendum on nuclear policy that was held on 12 and 13 June. Across party lines, 95% of Italians – 25 million in total, the absolute majority of all
those entitled to vote – voted **against the planned reintroduction of nuclear energy in Italy**.

### 4.1.1.2.3. Liechtenstein

Duke Hans Adam II of Liechtenstein has been Liechtenstein’s **head of state** since 1989. Since August 2004, the affairs of state are being handled by Crown Prince Alois of Liechtenstein. According to the country’s constitution, the **government** is a collegial body consisting of the head of government and four ministers. The country’s two political parties, **Vaterländische Union (VU)** and **Fortschrittliche Bürgerpartei (FBP)** together form the coalition government.

As a member of the UN, the OSCE, the Council of Europe, the WTO, the EFTA and EEA, Liechtenstein pursues a **foreign policy** that focuses on preserving its sovereignty, free access to European and non-European markets and the deepening of relations with its neighbour states.

In March 2009, Liechtenstein acknowledged the current OECD standard on information exchange on fiscal issues to consolidate the Principality’s position as a **financial hub**. Reforms were initiated to ensure a sufficient measure of information exchange and legal certainty, safeguarding banking secrecy and positioning Liechtenstein as a renowned financial centre. Liechtenstein was accordingly dropped from the OECD’s “grey list” in November 2009. The OECD Global Forum on Transparency and Exchange of Information for Tax Purposes expressly emphasised Liechtenstein’s progress in implementing the international administrative assistance standards in its country report 2011 (Peer Review, Phase 1).

On 19 December 2011, Liechtenstein joined the Schengen area.

**Austria and Liechtenstein** have a tradition of close and excellent relations in all spheres of public life with regular mutual visits between the two countries. Each day almost 7,000 people commute from Austria to Liechtenstein, more than 2,000 Austrians live in the Principality.

### 4.1.1.2.4. Switzerland

Switzerland held **parliamentary elections** on 23 October to elect the 200 seats in the National Council and 45 of the 46 seats in the Council of States. While the right-wing, conservative SVP emerged as the strongest party in the National Council, the CVP remained victorious in the Council of States, which is elected on a cantonal basis.

The parliamentary elections were followed by the election of the seven members of the Swiss Federal Council (government) for the period of 2011–2015. The Federal Council now consists of two members each of SP and FDP, one member of the CVP, one member of the SVP and one member of the BDP. The annually rotating **Presidency**, assumed in 2011 by Foreign Minister
Micheline Calmy-Rey (SP), will pass to Minister of Finance Eveline Widmer-Schlumpf (BPD) in 2012.

In its foreign policy, Switzerland has traditionally focused on neutrality and external trade policy. Switzerland continues to focus primarily on relations with the EU and large third countries, like the US and the so-called BRIC countries as well as on global issues of peace policy and development.

Within the framework of the UN, Switzerland has primarily striven for the creation of the Human Rights Council, the UN reform and the adoption of an international mechanism relating to small arms and light weapons. In its peace policy, Switzerland is particularly keen to act as a mediator and to provide Good Services for settling conflicts peacefully.

Its bilateral relations with Austria are characterised by a close-knit network of treaties, cooperation in many areas and a vivid exchange of visits on all levels. At present approximately 60,000 Austrians permanently reside in Switzerland and roughly 7,000 commute on a regular basis. Switzerland is Austria’s third-largest trading partner and an important recipient of Austrian services. With 1,700 Swiss companies active in Austria, the Swiss economy is strongly presented. Vice versa, approximately 300 Austrian companies have offices in Switzerland.

4.1.1.2.5. Slovakia

Austria has traditionally been an important economic partner for Slovakia. After the Netherlands and Germany, Austria ranks third among foreign investors in Slovakia. As a neighbouring country, Slovakia is becoming increasingly significant as an export market and a reliable partner for the internationalisation of Austrian companies.

The expansion of the bilateral transport infrastructure remains a priority, in particular along the border section of the Morava River, where no bridge exists as yet that could be used for road traffic. On 25 September, the launch ceremony for the start of construction of a bridge for cyclists and pedestrians across the Morava River took place on the Slovakian shore. The bridge is scheduled to be opened at the end of the first half of 2012.

With regard to the planned construction of a new nuclear power plant in Jaslovské Bohunice and the resuming of construction work for reactors 3 and 4 at the nuclear power station in Mochovce, Austria has repeatedly emphasised its legitimate security interest.

The Slovak presidency of the Viségrad Group (1 July 2010 until 30 June 2011) saw the 20th anniversary of the regional cooperation forum on 15 February. In addition to the heads of state of the V4 countries, Federal Chancellor Werner Faymann, German Chancellor Angela Merkel and Ukrainian Ministerial President Mykola Asarow also attended the summit meeting in Bratislava.
On 11 October, a referendum on the European Financial Stability Facility (EFSF) that was linked to a vote of confidence brought down the government of Prime Minister Iveta Radičová. Despite intensive efforts on the part of the Prime Minister, it proved impossible to gain a majority in favour of the euro rescue package among the four right-of-centre parties that form the coalition (SDKU, SaS, KDH, Most). Parliament was only able to vote in favour of the EFSF with the votes of the large opposition party Smer. Parliament has scheduled new elections for 10 March 2012.

4.1.1.2.6. Slovenia

On 24 June, Slovenia celebrated the 20th anniversary of its independence. President Heinz Fischer attended the official celebrations in Ljubljana on behalf of Austria.

In the town sign issue in Carinthia that has been causing controversy for decades, an agreement was reached on 26 April to set up bilingual town signs in 164 villages. A memorandum signed by State Secretary Josef Ostermayer, Carinthian Governor Gerhard Dörfler and the representatives of the three associations representing the Slovene-speaking minorities constitutes a historic compromise. On 6 July, the amendment to the Ethnic Groups Act of 1976, including the constitutional regulations on topography and official languages, was adopted with the consensus of all political parties in the Austrian National Council. No problems occurred during the subsequent setting up of bilingual town signs in Carinthia, which shows that they are also being accepted by the majority of the population.

By resolving the town sign dispute in Carinthia, Austria has taken an important step to fulfil its obligations as set out in the Austrian State Treaty. The Austrian wish to see the 86 German-speaking ethnic minorities in Slovenia officially recognised and furnished with collective rights remains a topic in bilateral talks.

Both Austria and Slovenia are decidedly in favour of EU accession of the countries of the Western Balkans due to their similar interests in Southeast Europe. Recently, a number of promising initiatives for closer cooperation have developed. A prime example is the quadrilateral dialogue (together with Switzerland and Liechtenstein) on consular and visa issues as well as Human Rights.

Economic relations have a particularly important status in the relationship between the two nations. With a share of 48%, Austria remains the largest foreign investor in Slovenia. Slovenian citizens also remain the most important per-capita purchasers of Austrian products (1,100 euros per capita).

After the failure of the left-of-centre coalition of Prime Minister Borut Pahor, early elections were held on 4 December. The biggest surprise was the good result achieved by the newly founded party “Positive Slovenia”, headed by Zoran Janković, Mayor of Ljubljana. Running counter to all forecasts, the
Europe

party became the strongest force ahead of the Slovenian Democratic Party (SDS) of former Prime Minister Janez Janša.

4.1.1.2.7. Czech Republic

Overall, sensitive subjects such as the Beneš decrees or the rigid adherence to nuclear power of the Czech Republic have faded somewhat into the background while positive joint interests are being emphasised by both sides.

With regard to the expansion of the **Temelín nuclear power station** by two reactor blocks, a transnational Environmental Impact Assessment (EIA) procedure in which Austria is also involved is currently in progress. The official EIA consultations commenced in January and were completed with a second round in May. Austria has expressly stated its interest in an official hearing being held in Austria as part of the EIA process.

On municipal level, relations were strengthened by means of intensified cross-border cooperation between the Czech districts and the provinces of Lower Austria, Upper Austria and Vienna in the context of the three existing Euregio zones. With regard to cooperation among the Ministries of the Interior, the police cooperation centre in Drasenhofen and “mixed patrol” initiatives stand out as successful examples.

For Austria, the Czech Republic is the fourth most important trading partner in terms of trade volume after Germany, Italy, Switzerland and only just ahead of China. The Czech Republic is also Austria’s largest export market in Central and Eastern Europe. The **Permanent Conference of Austrian and Czech Historians (SKÖTH)** that was set up in 2009 continued its work to promote a coming to terms with the shared history of the two countries.

With the decease of former Czech President Václav Havel and former Ambassador in Vienna Jiří Gruša, who was head of the Diplomatic Academy from 2005–2009, Austria also lost two Czech personages who had greatly contributed to the bilateral dialogue.

4.1.1.2.8. Hungary

During the Hungarian **EU presidency** in the first half of the year, several issues were successfully resolved that were also of great importance for Austria, for instance the conclusion of the EU accession negotiations with Croatia and the adoption of the Strategy for the Danube Region in the Council meeting on 24 June.

Internally, the Orbán government that had achieved a comfortable two-third majority in the parliamentary election of 2010 was able to continue its transformation of the country along national-conservative lines; however, several legislative measures (Media Act, new constitution, Act on Dual Citizenship) met with criticism and concern from Europe and the US.
Economic policies implemented by the Hungarian government to manage the financial and economic problems of the country (bank taxes, crisis taxes, most recently the Act on Currency Loan Repayments) that are also affecting Austrian investors caused some irritation in the bilateral relationship.

Austria remains the third-largest investor in Hungary. With more than 13% of the total foreign investment and a total volume of over 7 billion Euro, Austria is a key player on the Hungarian market.

An excellent example of a constructive joint initiative is the cleaning up of the Raab River. On 22 October, Federal Minister Nikolaus Berlakovich and Hungarian Minister of Agriculture Sándor Fazekas signed a memorandum to the effect that the programme of the Raab Task Force that was set up specifically in 2007 had been completed to the satisfaction of both countries.

The close and amicable relationship between Austria and Hungary is reflected in numerous bilateral cooperation initiatives and was also apparent in the joined segment at Pannonhalma as part of the Ambassadors’ Conference of the two countries.

On 10 October, President Pál Schmitt visited Vienna and attended the anniversary concert that was held in St. Stephen’s cathedral to mark the occasion of the 55th anniversary of the Hungarian uprising in 1956 and the help provided by Austria in this context for 180,000 Hungarian refugees.

4.1.1.3. Southeast Europe/Western Balkans

4.1.1.3.1. Albania

The controversies on the level of domestic politics that had first begun in the second half of 2009 and continued throughout 2010 came dangerously close to escalating at the beginning of the year. On 21 January, rioting occurred during a large-scale demonstration in Tirana that was organised by the opposition, culminating in four fatalities among the protesters.

The countrywide local elections that were held in early May took place without incidents and in an orderly manner. The socialist opposition succeeded in winning the majority of the cities for its cause, while the governing coalition headed by the Democratic Party retained its majority in the countryside. In Tirana, however, the gap between the incumbent Mayor and head of the Socialist Party, Edi Rama, and his challenger, former Minister of the Interior and Foreign Minister Lulzim Basha, was so small that heated arguments took place within the Central Election Committee as well as in the wake of the decision of the Electoral College that was consulted in the final instance. After the Electoral College had decreed that the votes should be recounted, it announced at the end of July that Basha had won by a margin of 93 votes.

Since the opening of the parliamentary season after the summer break, the tension between the governing coalition and the opposition seems to have eased somewhat, although the relationship remains fragile. The opposition
terminated its parliamentary boycott and both sides were able to agree on a joint approach in several urgent reform projects.

Although this improved domestic climate was recognised by the EU, the progress report published by the European Commission on 12 October did not differ greatly from last year’s, as had been expected. Once again, candidate status was not recommended and thus not conveyed by the European Council in December due to the stand-off in the country’s domestic politics.

Relations with Austria are excellent and Austria is one of the top investors in Albania.

4.1.1.3.2. Bosnia and Herzegovina

Although European-Atlantic integration remains the top priority for the country’s foreign policy, the progress that was made during the previous year (EU visa liberalisation and conditional admission to the NATO Membership Action Plan) stalled somewhat in 2011. The end of the year also saw the end of the two-year membership in the UN SC.

On the level of domestic politics, Bosnia and Herzegovina (BiH) wrestled with the difficult task of forming governments on the level of the individual states. In the Federation of Bosnia and Herzegovina, the Bosnian-Croatian majority parties are still voicing doubts on the legal formation of the entity governments, despite the intervention of the High Representative (HR). The political climate continues to be characterised by stagnation and increasingly nationalist rhetoric that threatens to undermine the state, preventing important reform projects that are urgently required to improve the fragile economic situation and promote EU and NATO convergence as well as the closing of the office of the High Representative (OHR).

The EU military mission for the stabilisation of Bosnia and Herzegovina, EUFOR Althea, was continued with approximately 1,700 troops, with Austria providing 350 troops, making it the mission’s number one in terms of troop size. In November, it was decided to extend the executive mandate by another year and to reduce the mission volume. The conversion of the operation into a non-executive mission for counselling and supporting the forces of Bosnia and Herzegovina will only take place once the further political development of the country would make such a step feasible. Major General Bernhard Bair, who had headed the mission since December 2009, was replaced on 6 December by Major General Robert Brieger, putting yet another Austrian at the head of the EUFOR Althea mission. In addition to its contribution to EUFOR Austria in 2011 also provided one company for a German-led battalion as part of the so-called operational reserve forces consisting of two battalions standing ready in their home countries so as to be able to quickly join the EUFOR Althea or NATO-led troops of the multinational Kosovo peace mission in Kosovo (KFOR).
The EU Police Mission in Bosnia and Herzegovina (EUPM), first commenced at the beginning of 2003, also supports the stabilisation of the country. The main goals of the Mission are to build up an efficient, multi-ethnic police structure based on the principles of the rule of law and the fight against organised crime. Austria contributed up to three officials for this Mission. At the end of the year, the fade-out process of the mission, scheduled to be completed by 30 June 2012, was initiated. From that point onwards, the individual mission tasks will be handled by a dedicated team in the office of the EU Special Representative and Head of the EU Delegation on the one hand and a police cooperation project as part of the EU Instrument for Pre-Accession Assistance on the other.

Since 2009, Austria has also been providing the EU Special Representative for Bosnia and Herzegovina with Ambassador Valentin Inzko, who in September handed over his additional function as EU Special Representative (EUSP) to the Head of the EU Delegation to reflect the Council decision to strengthen EU presence in the region.

In his capacity of High Representative, Ambassador Valentin Inzko informed the UN SC on the situation in the country, which was mostly characterised by political stagnation, on 9 May and 15 November. On 16 November, the UN SC extended the mandate of EUFOR Althea by another year with Resolution 2019 (2011).

Austria’s position as the largest foreign investor and important trading partner in Bosnia-Herzegovina promotes Austria’s high profile in terms of economic policy.

4.1.1.3.3. Kosovo

Ever since Kosovo gained its independence in 2008, it has been caught up in the tension field that results from the country’s efforts to gain international recognition during a phase of transformation which is essential for building up the rule of law, a functioning market economy and a multi-ethnic society. In terms of foreign policy, the goal remains to bring about step-by-step EU convergence by means of contractual relations and steps towards visa liberalisation. The non-recognition of the national sovereignty of Kosovo by five EU member states and the low level of acceptance of the Kosovar central government in Northern Kosovo, which is primarily Serbian, and the “parallel structures” in place in that region significantly hamper this goal.

The technical dialogue with Belgrade that took place under EU guidance yielded some success in areas such as free movement, civil register and the recognition of diplomas. However, there was also some friction that led to the interruption of the dialogue (for details, see item 4.1.1.3.7.).

The repeated elections held in some districts in December 2010 and January 2011 that were made necessary by irregularities led to a change of the government coalition under Prime Minister Hashim Thaçi. Following a decision of
the constitutional court which ruled that the parliamentary election of Behgjet Pacolli as the new President of the Republic of Kosovo on 22 February was unconstitutional, the resulting constitutional crisis was overcome by the appointment of Atifete Jahjaga as the new President on 7 April. Her appointment initiated a stabilisation process at institutional level that has continued ever since.

In the light of the country’s limited sovereignty, the International Civilian Office (ICO) has a special status and is endowed with broad executive competences to implement the Ahtisaari Plan. Dutch diplomat Pieter Feith as International Civilian Representative (ICR) closely cooperates with the Kosovar government while as EU Special Representative (EUSR) he also represents European interests. In June, Italian diplomat and EAD member Fernando Gentilini was appointed Interim EU Special Representative in Kosovo. The European Union Rule of Law Mission in Kosovo (EULEX), headed by French General Xavier Bout de Marnhac, supports the Kosovo authorities in the continued build-up of a police, judicial and customs structures and, with its planned size of up to 3,400 mission staff, is the largest civilian CSDP Mission to date. With diplomat Thomas Mühlmann, Austria has provided the chief-of-staff of the mission, in addition to up to 32 experts mainly from the police and judiciary sector.

The civilian United Nations Interim Administration Mission Kosovo (UNMIK) that was created by UN Security Council Resolution 1244 (1999) has minimised its presence by transferring competences to the Kosovar institutions, but still represents Kosovo in some international forums and continues its activities mainly in North Kosovo.

The OSCE mission that has been headed by Austrian diplomat Ambassador Werner Almhofer since October 2008 is the largest OSCE presence with 600 members and focuses on the building up of democratic institutions, human rights and local autonomy.

The military presence KFOR, also set up by UN SC Resolution 1244 (1999), in which Austria is the largest non-NATO troop provider with approximately 600 troops, also constitutes an important factor in the safeguarding of security and stability in the region.

In February, May, August and November, the UN SC held public debates in which representatives of Serbia and Kosovo also participated on the basis of the quarterly reports of the UN Secretary General on the UN mission in Kosovo (UNMIK) to discuss the situation in the country. Due to the tense situation at the border stations between Serbia and Kosovo, the UN SC received additional information on the situation on 15 September from Edmond Mulet, Assistant Secretary-General for Peacekeeping Operations, and then convened for a non-public session.

Austria has excellent bilateral relations with Kosovo and is continuously expanding its trade relations. Development cooperation plays an essential role in the relations between the two countries.
4.1.1.3.4. Croatia

Following the parliamentary elections on 4 December, the coalition government headed by Prime Minister Jadranka Kosor (HDZ-Croatian Democratic Union) was replaced by a left-of-centre coalition (“Kukuriku”), which had received the absolute majority of votes and is headed by new Prime Minister Zoran Milanović (SDP, Social Democratic Party of Croatia). Improving regional relations (“reconciliation”) especially with Serbia as well as Bosnia and Herzegovina remains a primary concern for both governments.

EU accession negotiations, ongoing since 2005, were concluded on 30 June. At the same time, pre-accession monitoring in the areas of competitiveness, judiciary and fundamental rights as well as judiciary, freedom and security was decided upon. After the approval of the European Council and the Parliament, the accession treaty with Croatia was signed on 9 December.

In December, it was decided to close down the OSCE office in Zagreb for monitoring the war criminal trials in Croatia and progress on the open issues in connection with residential properties and refugee residence rights. At the same time, a follow-up mechanism for supporting Croatian NGOs during the continued critical monitoring of these areas was put in place.

The bilateral relations between Croatia and Austria are traditionally close. Austria is the largest foreign investor in Croatia, ahead of the Netherlands, Germany and Hungary.

4.1.1.3.5. Macedonia

During the fist half of the year, the political landscape in Macedonia was dominated by the early parliamentary elections that took place on 5 June. The electoral process was assessed positively. The government, which no longer holds a two-third majority in parliament, was once again formed between the VMRO-DPMNE (Inner Macedonian Revolutionary Organisation – Democratic Party for Macedonian Unity), which remains the party with the largest number of votes, and the ethnic Albanian party DUI (Democratic Union for Integration) as well as a few splinter groups.

The new government has been in office since mid-July and has declared European and Atlantic integration the primary goal of Macedonian foreign policy. Within NATO and EU, however, the attitude prevailed that NATO membership and/or the initiation of accession talks with the EU would not be possible as long as the name dispute with Greece remains unresolved. Negotiations on this matter came to a halt after the appointment of the new Greek government.

Even though the European Commission’s Progress Report for 2010 recommended the start of accession talks with the EU, the decision on a date was postponed by the European Council to the first half of 2012.
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Due to the early parliamentary elections, the census that was scheduled for April had to be delayed until early October. As several incidences had occurred within the census committee, largely due to ethnic-political differences, the census was terminated early by a parliamentary decree and declared invalid.

Macedonia’s bilateral relations with its neighbours – except for Greece – are largely satisfactory. The ratification of bilateral agreements, primarily in the areas of movement of persons and goods, business and police cooperation has further intensified cooperation initiatives.

Macedonia and Austria have traditionally maintained good and intensive bilateral relations, which were also reflected in several high-ranking visits.

4.1.1.3.6. Montenegro

Montenegro’s new government, elected at the start of the year under Prime Minister Igor Luksić, handled this year’s economic crises relatively well and was able to make essential and visible progress on the country’s road towards Euro-Atlantic integration.

After the tasks listed in seven key priority areas by the European Commission in its statement on the country’s accession progress from 2010 had been largely fulfilled, Montenegro was given a concrete start date (June 2012) for accession negotiations at the European Council on 9 December, conditional upon the fulfilment of additional requirements mostly relating to the battle against organised crime and corruption. With the measures and planned legislation proposed by the government for the key areas of judiciary reform, strengthening of administrative capacities, reform of electoral law with the goal of participation of ethnic minorities, non-discrimination and combat of organised crime and corruption, Montenegro was given a modern-day regulatory framework that is currently being implemented step by step. Montenegro became the 156th member of the WTO on 17 December, which successively resolved yet another question essential for integration after years of negotiations.

The successful implementation of the annually issued reform requirements contained in the NATO Membership Action Plan from 2009 and the country’s contribution of relatively large numbers of troops to international missions (especially in Afghanistan) have once again been positively assessed by the NATO partners. In addition to Euro-Atlantic integration, stability factors in the region include constructive neighbourhood and regional policies as well as active multilateralism, all of them cornerstones of Montenegrin foreign policy. However, despite an increasing willingness to cooperate on a regional level and mutual high-profile visits and gestures, relations with Serbia that have been strained since the declaration of independence in 2006 and the recognition of Kosovo in 2008, remain ambivalent.

Austria and Montenegro have warm bilateral relations based on mutual trust.
4.1.1.3.7. Serbia

With the continuation of the reform plan (especially in the area of legislative and institutional reforms), the country remained focused on its priority target of EU rapprochement. The arrest of the last two suspected war criminals that are to be on trial at the International Criminal Tribunal for Former Yugoslavia (ICTY), Ratko Mladić (arrested on 26 May) and Goran Hadžić (arrested on 20 July), Serbia has extradited all accused Serbian war criminals to the ICTY, thus fulfilling one of the main criteria for EU candidate status.

The technical dialogue that is taking place under EU mediation between government representatives of Kosovo and Serbia commenced on 8 March. It is intended to improve mutual relations and bring about solutions for practical cooperation issues. The status question is to remain untouched in the dialogue. After several negotiation rounds, concrete results have already been achieved in the fields of free travel, civil register, recognition of diplomas and customs stamps. However, there was also some intermittent friction that repeatedly caused interruptions to the dialogue. For instance, the Kosovar government decided to implement an import ban for Serbian goods as a retaliatory measure to the Serbian embargo. The Kosovar-Albanian policemen that were deployed at the border stations in Northern Kosovo to implement the Kosovar embargo in turn incensed the Serbians in Northern Kosovo, who retaliated with street blockages and violent attacks.

The report of the European Commission on the progress made by Serbia that was published on 12 October contained a positive evaluation of the reforms that have been implemented and the arrest of the last two ICTY defendants and recommended that candidate status be conferred, under the condition that the dialogue continues and the agreements that have already been concluded are implemented. The dialogue was continued accordingly; however, developments were overshadowed by violent incidents in Northern Kosovo, during which two Austrian KFOR soldiers were severely wounded and two slightly injured on 28 November. On 9 December, the European Council commissioned the EU Council with monitoring and confirming the ongoing commitment on the part of Serbia to fulfil its obligations. On the basis of this monitoring process, the Council and the European Council will take a final joint decision on the conferring of candidate status in February/March 2012.

The Restitution Act was approved by the Serbian parliament on 26 September and entered into force on 6 October. It regulates the terms of restitution of property that was seized after 9 March 1945 (inauguration of the first Communist government of Yugoslavia). The exclusion of relatives of occupational troops on Serbian territory during WWII and their descendants that is contained in the Restitution Act is defused somewhat by the new Serbian Rehabilitation Act (in force since 15 December).

Bilateral relations between Serbia and Austria are excellent. Austria is the largest foreign investor in Serbia.
4.1.2. Turkey

At the parliamentary elections in June, the moderate Islamic “Progress and Justice Party” (AKP) that was in power at the time achieved 49.83% of votes (327 of 550 parliamentary seats), making it the first party in Turkish history to achieve an absolute majority three times in a row. The second-largest party is the “Republican People’s Party” (CHP; 135 seats). Third came the “Nationalist Movement” (NHP) with 51 seats. Additional MPs, 29 of them from the pro-Kurdish Peace and Democracy Party (BDP), relented after an initial boycott and took their seats as independent MPs.

For several years, central topics of Turkish domestic policy have been the rights of minorities, the relation between state and religion and the role and status of the military within the national organisational structure. Currently, a constitutional reform is being drafted. There remains a great need for reform in the areas of religious freedom, freedom of the media and rule of law.

Turkish foreign policy is also influenced by its special geo-strategic position at the interface between the Middle East, Central Asia and Europe, making it multi-polar in nature. The special relations between Turkey and the nations of the Caucasus and Central Asia are also founded upon linguistic and cultural similarities. Turkey has a bridging function between the energy reserves of the region and the European energy markets, making it particularly relevant also for energy security. Due to the customs union with the EU that was set up in 1995, Turkey is closely linked to Europe in economic terms, with the EU being by far the largest trading partner. Furthermore, as a NATO member, Turkey is also closely integrated in Western European structures.

In recent years, Turkey has succeeded in normalising and intensifying relations with the Islamic-Arab world in the Middle East and in Africa. Several attempts at mediation, however, remained unsuccessful due to the deteriorating relationship with Israel (“Mavi Marmara affair”). Especially since the beginning of the Arab Spring, Turkey has contributed to the re-orientation process these states are undergoing and is eager to play a leading role on a regional level.

On the Balkans, Turkey is also showing an intensification of its foreign political efforts. With 800 Turkish troops and civilians, the country is contributing to the peace missions in Bosnia and Herzegovina as well as in Kosovo. In recent years, Turkey has also attempted to bring about a reconciliation of the former conflicting parties in Bosnia and Herzegovina.

In recent years, Turkey has experienced annual economic growth levels of 9% on average. “Tiger Cities” such as Kayseri, Kony and Gaziantep in Inner Anatolia play a particularly important role in this economic development. As the sixteenth-largest national economy in the world and the sixth-largest European national economy, Turkey is also a G20 member.

Economic relations between Austria and Turkey have developed in a highly positive direction in recent years. In 2009 and 2010, Austria was the larg-
est foreign investor, with the energy sector holding a particularly important position. In 2011, Austria was the partner nation of the International Trade Fair in Izmir, the largest trade fair in Turkey. The event constituted the largest display of Austrian economic players in Turkey to date.

4.1.3. Cyprus

The mandate for the UN peace-keeping troops in Cyprus (UNFICYP) was extended by the UN SC on 13 June with Resolution 1986 (2011) and on 14 December with Resolution 2026 (2011). This was preceded by non-public UN SC sessions with the nations that provide troops, Austria among them. Austria contributes up to four staff officers. In the Resolutions, the UN SC welcomes the progress made in negotiations to overcome the division of the island and especially honours the efforts made by the UN Secretary General during his meetings with the two community leaders near New York on 31 October.

4.1.4. Russia

Domestic politics in Russia have been characterised by the parliamentary and presidential elections. At the party conference of the governing party “United Russia” on 24 September, it was announced that Prime Minister Vladimir Putin would once again run for office at the presidential elections on 4 March, while President Dmitrij Medvedev would head the party list of “United Russia” at the parliamentary elections on 4 December 2011 and would act as Prime Minister in case of Putin’s re-election. This means that the duumvirate that commenced with Medvedev’s inauguration as Russia’s President on 7 May 2008 and the subsequent appointment of Putin as head of government will be continued with reversed roles.

At the parliamentary elections on 4 December, “United Russia” was able to defend its position as the strongest party and secure the absolute majority of mandates. With approximately 49.5% of votes, however, it clearly lagged behind the result of the last parliamentary elections in 2007. Accusations of manipulation after the election triggered off the largest protests in Russia since the breakdown of the Soviet Union. The elections were also criticised by the observers from ODIHR, OSCE and the European Council for lack of fairness during the election campaign and irregularities in the counting of votes. The refusal to register parties was also named as a factor that distorted the political competition in favour of the governing party in the run-up to the election. However, the technical implementation of the elections was assessed positively.

In some regions of the North Caucasus, the situation remains tense, and the conflict frequently spills over onto the Russian core country. At a suicide
attack on Moscow’s Domodedovo Airport on 24 January, 37 persons died, an Austrian citizen among them.

The Russian economy developed in a stable direction throughout the year. Especially the high oil price and rising domestic demand had positive effects. The 18-year negotiation process of Russian (WTO) membership was successfully concluded. Under Swiss mediation, an agreement was reached with Georgia that had threatened to block Russian WTO membership due to conflicts surrounding the two renegade territories of South Ossetia and Abkhazia, which meant that the WTO members were able to give Russia’s accession green light on 10 November. The formal decision on Russian WTO accession was taken as part of the WTO ministerial conference in Geneva on 15 December. Following ratification by the Duma, Russia is scheduled to become a WTO member in the first half of 2012.

In relations between the EU and Russia, substantial progress was made at the two EU-Russia Summits that took place on 10 June in Nizhny Novgorod and in Brussels on 14 and 15 December (also see item 3.3.2.4).

At the same time, Russia continued its efforts for integration in the Eurasian region. For instance, a treaty on the establishment of a free-trade zone was signed on 18 October as part of a meeting of the Council of Heads of Government of CIS states by eight nations (Russia, Belarus, Kazakhstan, Ukraine, Moldova, Kyrgyzstan, Armenia, Tajikistan). The treaty is intended to set up a new foundation for trade and economic relations within the CIS. In Moscow on 18 November, the Presidents of Russia, Belarus and Kazakhstan signed a declaration on the further promotion of (economic) integration between their countries. The ultimate goal of these efforts is the establishment of a Eurasian economic union. With these efforts, the three nations are expanding on the customs union that is already in place. The plan is that in early January 2012, the customs union will be extended into a joint economic area with free movement of goods, services and capital. Over time, the economic policies of the participating countries will also become increasingly coordinated and visa and migration regulations be standardised. The ultimate Eurasian Economic Union is scheduled to be realised in 2015 and is also open to other countries.

In recent years, relations between Austria and Russia have been characterised by a quick succession of high-ranking visits. Austrian-Russian trade has been experiencing an extremely dynamic development since 2000.

4.1.5. Eastern European Countries

4.1.5.1. Ukraine

After the election victory of President Viktor Yanukovych in 2010, the Party of Regions (PoR) has consolidated its power basis throughout the country in 2011. In strategic areas, leading positions were re-filled and high offices
given to persons from within the President’s circle of trust. A comprehensive, revenue-neutral tax reform has also entered into force. A pension reform that entails an increase of the state pension age was also adopted.

Following the overwhelming approval of a new law for parliamentary elections, the parliamentary elections scheduled for October 2012 will once again be held on the basis of a mixed election system, similar to the years prior to the Orange Revolution (election of half of the 450 seats by direct mandates).

Announcements made by the government of a strengthening of regional autonomous administration have so far not been followed by any concrete actions. On the contrary, the trend seems to go in the direction of increased administrative centralisation. The official government stance in favour of an independent judiciary and the rule of law as well as the commitment to promote reforms in these areas have so far had little concrete impact.

Criminal investigations against numerous former members of government and high-ranking functionaries of the opposition have been initiated. The first trial of former Prime Minister Julija Tymoshenko on 11 October ended with her being found guilty in the first instance (seven years in prison plus three years withdrawal of the passive right to vote and a fine of more than 180 million US Dollars due to her allegedly exceeding her authority when signing a gas supply treaty with Russia in January 2009). The trial was severely criticised by international observers. Tymoshenko’s guilty verdict, the initiation of eight further criminal investigation procedures immediately afterwards and the confirmation of the verdict in the first instance on 23 December again met with severe criticism.

The basis of the relations between the Ukraine and the EU is formed by the Partnership and Cooperation Agreement (PCA) from 1998, the EU-Ukraine Action Plan that was adopted in February 2005 as part of the European Neighbourhood Policy (ENP) and membership in the European Energy Community. Negotiations on an Association Agreement between the EU and the Ukraine are as good as concluded.

Relations with Russia were dominated by the unsuccessful efforts on the part of Ukraine to negotiate a new gas supply treaty. Despite the discount agreed in Kharkiv in April 2010 (in return for the extension of the lease of the Russian Black Sea fleet until 2042), the calculated gas prices have by now reached a level that is higher than that in Western Europe. In turn, Russia has lately stepped up the pressure on the Ukraine to join the customs union with Russia, Kazakhstan and Belarus and for Gazprom to take a share in the Ukrainian gas transit system.

Bilateral relations between Austria and the Ukraine are close and friendly and – despite the difference in size between the two countries – are characterised by a very strong Austrian presence in the Ukraine. Austria is among the largest foreign investors in Ukraine.
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4.1.5.2. Moldova

Up to now, the domestic situation in Moldova has centred around futile efforts to elect a president. Furthermore, Moldova is trying to rekindle the dialogue in the Transnistria issue.

Moldova is among the poorest countries in Europe and is faced with severe economic problems. Despite the good economic growth rates and the reforms according to the “Economic Recovery and Stabilisation Programme 2009–2011”, almost 30% of the population live below the poverty line and many Moldovans continue to emigrate.

Since the end of 2010, incumbent Parliamentary President Marian Lupu has been acting as interim State President. Efforts to bring about an electoral decision on the office of President on 18 November and again on 16 December failed due to the required constitutional majority of MPs. A referendum on a change to the constitution with the goal of simplifying the presidential election process is scheduled for April 2012.

The Moldovan government (“Alliance for European Integration” AEI) which has been in power since 30 December 2010 and consists of a three-party coalition headed by Prime Minister Vlad Filat continues with its basic orientation towards the EU. Moldova has been in negotiations about an Association Agreement with the EU since January 2010.

The international partners, especially the EU and the development partners of Moldova, are eager to support the country during the implementation of the reforms. The EU in particular has massively extended its aid to Moldova within the framework of the European Neighbourhood Policy (ENP). During the period 2007–2010, Moldova received 209.7 million euros from ENPI funds that have been increased as part of the “Eastern Partnership” initiative. 273 million euros have been earmarked for the period 2011–13.

After an almost six-year interruption, an official 5+2 meeting to discuss the Transnistria issue took place in Vilnius from 30 November until 1 December. The so-called “5+2” format (five participants: Moldova and Transnistria as conflict partners; Russia, Ukraine and OSCE as “facilitators”; EU and USA as observers) is the internationally recognised body that was set up to resolve the Transnistria conflict. Ongoing differences between the conflicting parties had so far prevented formal sessions and the group had only been able to meet informally. The fact that negotiations have been resumed is interpreted as an encouraging sign.

The EU Border Assistance Mission to Moldova and Ukraine (EUBAM) that was set up on 30 November 2005 continues to work successfully. In November, the mission mandate was extended until 30 November 2015.

Bilateral relations with Austria are close and friendly and have intensified greatly in recent years. Since 2004, Moldova has been one of the priority countries of Austrian Development Cooperation.
4.1.5.3. **Belarus**

Relations between Belarus and the West/EU remained tense throughout the year. Due to the ongoing harsh repression of the opposition and peaceful protesters after the presidential election in December 2010, the EU on 31 January once again imposed travel restrictions and account access blocks against President Alexander Lukashenko as well as against more 130 persons from within or close to the regime. Over the course of the year, the list was extended to include 210 persons. An embargo against weapons and objects that may be used for internal repression was also imposed. Similar to the EU, the US has also imposed sanctions against Belarus. Although Belarus is one of the founding members of the initiative, it has cancelled its attendance of the EU Summit of the Eastern Partnership in Poland on 30 September. As the reason for its non-attendance, Belarus cited the “unprecedented discrimination” against the Belarusian delegation that was reflected in the fact that President Alexander Lukashenko was not invited.

Since the beginning of the year, the Belarusian economy has been confronted with a strongly increasing foreign trade deficit, the related dwindling of currency reserves and a massive rise in inflation (more than 100% for the overall year). The reasons behind this development were partly to do with the increasing prices for raw material imports: in January, the price for Russian natural gas deliveries increased from 184 to 220 USD per 1,000 cubic metres. Other factors include the increased import rates for consumption goods that were stimulated in particular by the significant increase in social spending and wages of government workers that was adopted during the lead-up to the presidential elections in December 2010. In several steps, the Belarusian National Bank significantly devalued the Belarusian rouble (by more than 50% compared to the US Dollar on 24 May alone). The loss of external value of the Belarusian rouble led to a significant increase of imports and subsequently to a palpable decrease in the standard of living for the population.

Belarus received economic and financial support from the Eurasian Economic Union (**EurAsEc**), which granted Belarus several loans. Russia also provided financial support for Belarus. In return, Belarus sold shares in Belarusian companies to Russian buyers (most importantly, gas pipeline operator Beltransgas was acquired by Russia’s Gazprom).

4.1.6. **South Caucasus**

As part of the Austrian efforts to bring about peaceful solutions to the conflicts raging in South Caucasus, the Federal Ministry of European and International Affairs invited representatives of the religious communities and the civil society for a conference on “Role and Responsibility of Religious Communities and Civil Society for Conflict Resolution in South Caucasus” in Vienna on 19 September. Austria is also striving to deepen its relations with
the states of South Caucasus by means of transnational cultural projects such as “Caucasus Captures”.

4.1.6.1. Armenia

Armenia celebrated the 20th anniversary of its independence. The beginning of the year saw several protest demonstrations take place, aimed in particular against the country’s social and economic policy and demanding a more decisive oppositional approach. In the spring, regulations on the right to assembly were relaxed and the opposition was permitted to hold demonstrations. Furthermore, the government promised to investigate the violent events that occurred after the last presidential elections in 2008 and to release three opposition activists who had been arrested in the aftermath. In autumn, more demonstrations took place that demanded a peaceful power shift by means of early parliamentary and presidential elections. The protests were peaceful throughout. However, the opposition reports that there were attempts at intimidation on the part of the police and that the protesters were prevented from reaching the capital on the day of the demonstration.

The good bilateral relations between Armenia and Austria were reflected in 2011 with the opening of an Austrian Honorary Consulate in Yerevan as well as increased cooperation in the areas of culture and science. In foreign policy, the focus remained on South Caucasus, which since 2011 has also been reflected in increased development cooperation in Armenia.

4.1.6.2. Azerbaijan

Azerbaijan celebrated the 20th anniversary of the restitution of the republic. In the Nagorno-Karabakh conflict, the last trilateral meeting between the presidents of Azerbaijan, Armenia and Russia in Kazan did not produce the hoped-for significant progress in negotiations. The OSCE Minsk Group continued its mediation efforts. The new EU Special Representative for South Caucasus and the Crisis in Georgia, Philippe Lefort, took office in September. The “Arab Spring” stimulated the opposition to attempt several demonstrations, which, however, remained low in scale.

Azerbaijan’s economic growth (based on the natural oil and gas industry) slowed down somewhat but was still at 3.4%. Azerbaijan is destined to become one of the most important natural gas suppliers to the EU (beside Russia, Algeria and Norway) as soon as the required transport capacities will have been completed. Azerbaijan has assured the EU in writing that natural gas from Azerbaijan will be supplied to the European energy market via the southern gas corridor. Several pipeline consortia are competing for the contract to transport the gas and/or create the required facilities within this corridor, the Austrian-led Nabucco consortium among them.

The friendly bilateral relations between Austria and Azerbaijan culminated in the official visit of President Heinz Fischer to Baku on 11 and 12 October.
4.1.6.3. Georgia

Georgia celebrated the 20th anniversary of its independence.

Early in the year, the opposition in Georgia held protest demonstrations that met with extensive violence on the part of the police, also claiming a fatality.

In the two renegade territories of Abkhazia and South Ossetia, “presidential elections” were held; however, they remained unrecognised by the large majority of states of the international community. In Abkhazia, former “Vice President” Alexander Ankwab won the elections on 26 August that were held early due to the sudden death of Abkhazia’s President of many years, Bagapsh, with approximately 55% of votes. In South Ossetia, opposition candidate Alla Dziohyeva won the run-off ballot on 27 November. However, the Supreme Court of South Ossetia annulled this result just two days later due to alleged manipulation attempts on the part of Dezhioyeva and scheduled new elections for 25 March 2012. Following this verdict by the Supreme Court, the situation became increasingly tense, with Dzioyeva’s followers holding protests on the main square of Tskhinvali.

Neither Georgia nor the EU recognise the elections and emphasise Georgia’s sovereignty and territorial integrity.

On 1 March, the EU Visa Facilitation Agreement with Georgia entered into force, together with the Readmission Agreement.

Following the conflict between Georgia and Russia over the Georgian province of South Ossetia that had broken out in August 2008, it was agreed to send an EU observer mission to Georgia (EUMM Georgia). In addition to monitoring the withdrawal of troops, the Mission’s mandate also covers monitoring the return of the people displaced by the conflict to their former homes and compliance with human rights by all the parties in the Mission’s territory. An approximate total of 200 observers are deployed under this mission, including three members of the Foreign Ministry officials and five members of the Austrian armed forces.

Austria has substantially increased its development cooperation in South Caucasus and sent an expert to Tiflis in November who will prepare the establishment of an ADA Coordination Office by 2013. Austrian trade exports to Georgia have been developing in a highly dynamic manner.

4.2. Africa and the African Union

4.2.1. General developments

The African continent experienced pronounced political changes. The North African countries were under the spell of the political upheavals of the “Arab Spring” as it is called. In Tunisia, Egypt and Libya, revolutions carried by the people led to the toppling of those in power, while in Morocco reforms and elections were held by the King and the government. Far-reaching changes
were also apparent south of the Sahara. After a referendum on South Sudanese independence early in the year, the region seceded from Sudan in July, thus constituting the 54th state on the African continent. In Côte d’Ivoire, President Alassane Ouattara, who was elected in November 2010, succeeded his predecessor with international aid after a bloody power struggle that lasted for months. A lack of rain caused a drought in the Horn of Africa and, as a consequence, a famine of dramatic proportions. The year also saw a further increase of piracy, both along the Somali coast and stretches of the Western African coast. In Nigeria, internal tensions increased between the mostly Muslim northern parts of the country and the predominantly Christian south, causing ongoing bloodshed.

In 2011, the conflicts on the African continent once again made up the lion’s share of the work of the UN SC. At the centre of this work were the UN contributions to protect the civil population in the aftermath of the revolution in Libya and the conflict in Côte d’Ivoire, peace-keeping and consolidation efforts in Sudan and South Sudan, in the Horn of Africa, in Western Africa and around the Great Lakes.

4.2.2. Developments in the regions

4.2.2.1. Northern Africa (Maghreb)

4.2.2.1.1. Tunisia

The “Arab Spring” had its seeds in Tunisia. The self-immolation of a young vegetable trader first triggered off widespread protest on 4 January, leading to the flight of President Zine El Abidine Ben Ali on 14 January after 23 years in power. The following months were characterised by ongoing protests that led to several reshuffles within the interim governments.

On 23 October, just nine months after President Ben Ali had been overthrown, the first free elections were held in a peaceful, transparent manner. One of the tasks of the new Constituent Assembly that holds a one-year mandate is to draw up a new constitution. The clear winner of the election was the moderately Islamist En-Nahda party, which after the election agreed to form a government of national unity together with two secular parties with a Social Democrat slant, namely the Congres pour la République (CPR) and the Ettakatl (FDTL – Forum démocratique pour le travail et les libertés). In December, human rights expert Moncef Marzouki was elected Interim President. Marzouki appointed Hamadi Jebali, Secretary General of the En-Nahda party, Interim Prime Minister.

4.2.2.1.2. Egypt

The events in Tunisia also encouraged Egypt, the Arab country with the largest population, to initiate massive protests against the authoritarian regime of Hosni Mubarak, who had been trying to pave the way for the succession
of his son, Gamal Mubarak. After violent attempts of the security forces and paid helpers of the regime at crushing the protests and ongoing demands for the President to step down, the army assumed the responsibility of keeping public order and protecting the right to demonstrate. The continuing mass protests at historic Tahrir Square in Cairo and the loss of the support of the military led the President to step down on 11 February and the military to assume executive power.

By means of a referendum, constitutional changes to prepare for new parliamentary and presidential elections were adopted as early as March. The short period of time until the parliamentary elections were concluded in three rounds from November 2011 until January 2012 favoured the largest and most organised oppositional groups, the Muslim Brotherhood and the Salafists, while the less organised civil groups had neither the experience nor the funds to campaign successfully for their specific programmes on a countrywide basis. After the former President’s National Democratic Party had been outlawed, liberal-secular parties constituted the only political alternatives; however, in the elections they proved unable to break the dominance of the Islamist parties that have a strong religious slant.

The protest against the old regime had constituted a shared goal for the country’s civil society, across social borders and religious groups. However, the lack of security resulting from the political upheaval caused tourism to slump as well as investments in the productive sector to run dry. After the fall of Mubarak, different political ideas of what the new Egypt should be like emerged very quickly and the tensions between the Muslim majority of the population and the Coptic minority escalated in violent attacks.

The first large-scale challenge for the newly elected parliament will be to draw up a constitution that is able to provide political stability and prepare the ground for economic recovery and social peace.

4.2.2.1.3. Morocco

In Morocco, King Mohammed VI reacted directly to the developments of the “Arab Spring” and initiated constitutional changes that delegated some responsibility to the elected government. Early parliamentary elections on 25 November saw the first coming into power of the moderate Islamist “Justice and Development Party” that formed a coalition with secular parties close to the regime, headed by Prime Minister Abdelilah Benkirane.

4.2.2.1.4. Libya

In Libya, the process of overthrowing the Gaddafi regime wore on for over six months. The UN SC authorised an air embargo and military measures for the protection of the civil population. According to Libyan figures, the violent clashes between the regime and the opposition claimed more than 25,000 fatalities and 50,000 wounded.
After the killing of former dictator Gaddafi near Sirte on 20 October, the official victory over the Gaddafi regime was announced in Sirte on 23 October by the Chairman of Libya’s National Transitional Council, Mustafa Abdul Jalil.

On 22 November, Ministerial President Abdul Raheem al-Keeb announced the formation of the transitional government which has the task of leading the country towards a new constitution and free elections. The formation of a new transitional government was an important step towards a democratic Libya. For the transitional government, the major challenge will be to assume control over all armed groups and initiate a truly inclusive political process.

On 26 February, the UN SC unanimously adopted Resolution 1970 (2011), which was also presented to the Chief Prosecutor of the International Court of Justice (“Situation in Libya since 15 February 2011“). The Resolution contains an import and export embargo for weapons, account blocks and travel restrictions against Muammar Gaddafi, his closest relations and other leading personalities of the regime. On 17 March, the UN SC adopted Resolution 1973 (2011) for the protection of civilians and civilian population centres, the establishment of an air embargo in Libyan air space and the authorisation to realise this by all means necessary. In addition, measures to enforce the weapons embargo contained in Resolution 1970 (2011), a flight embargo for commercial Libyan planes and the freezing of assets of the Libyan authorities were also decided. The circle of persons affected by travel restrictions and the freezing of accounts was extended. Brazil, China, Germany, India and the Russian Federation abstained from voting. The establishment of a UN support mission in Libya on the basis of UN SC Resolution 2009 (2911), (UNSMIL), was decided unanimously on 16 September. SRSG Ian Martin was appointed head of the mission. This Resolution also provides for a slackening of financial sanctions against oil companies. On 27 October, the UN SC decided with Resolution 2016 (2011) to abolish the air embargo by 31 October and to end the mandate for measures to protect civilians. In Resolution 2017 (2011) from 31 October, the UN SC called upon the Libyan authorities to comply with all required measurements for the non-proliferation of portable missile launchers and all Libyan responsibilities in the area of non-proliferation, including those related to the destruction of chemical weapons. The USMIL mandate was restricted to three months at first but was extended on 2 December with UN SC Resolution 2022 (2011) until 16 March 2012. In addition, UNSMIL was given the task of supporting the Libyan authorities with non-proliferation, especially with regard to preventing the proliferation of portable missile launchers.

In answer to the crisis in Libya, the EU military operation EUFOR Libya was set up on the basis of a Council decision on 1 April. The operation is intended to provide assistance with safeguarding the freedom of movement and evacuating displaced persons as well as providing support for humanitarian organisations using specific skills. The operation was only intended to be launched in case the United Nations Office for the Coordination of
Humanitarian Affairs (UN OCHA) would request assistance. As the UN did not require this assistance, EUFOR Libya was formally discontinued on 10 November.

4.2.2.2. Horn of Africa and East Africa

4.2.2.2.1. Eritrea

No progress was made in the border conflict between Eritrea and Ethiopia and only few positive developments were noted in the border conflict with Djibouti. Two years after the imposing sanctions against Eritrea according to UN SC Resolution 1907 (2009), the UN SC adopted UN SC Resolution 2023 (2011) on 5 December in response to the Eritrean support of armed opposition groups in Somalia (Russia and China abstained from voting). UN SC Resolution 2023 (2011) condemns both the Eritrean violation of UN SC Resolution 1907 (2009) and that of the sanctions against Somalia, imposes measures to improve compliance with the existing sanctions and asks Eritrea to initiate a dialogue with Djibouti on the border conflict. The adoption of the Resolution constitutes the UN SC’s response to the call made by the Intergovernmental Authority on Development (IGAD) on 7 July and the report of the Monitoring Group for Somalia/Eritrea from 18 July. The mandate of the Monitoring Group was extended by another twelve months on the basis of UN SC Resolution 2002 (2011).

4.2.2.2.2. Sudan and South Sudan

The developments in Sudan were characterised by the secession of South Sudan in July. In response to the resulting loss of a substantial part of the income from the natural oil business, the Sudanese parliament adopted a programme to cut costs in the public sector and to promote the future diversification of the Sudanese economy. Especially during the second half of the year, armed conflicts between rebel groups and government troops in West Darfur as well as in the provinces of Blue Nile and South Kordofan that border with South Sudan became increasingly frequent. Thousands of civilians were affected by the clashes, were displaced internally or fled into the neighbouring states due to a lack of protection, among others also to South Sudan. International aid organisations were denied access by Sudan to the suffering population in the affected provinces. The question of the Abyei territory that is claimed both by Sudan and South Sudan also remains unresolved. After attempts on the part of Sudan to claim Abyei for itself using military means, both states agreed on demilitarisation and the stationing of UN troops as part of the United Nations Interim Security Force for Abyei (UNISFA). With regard to Darfur, a certain amount of progress was made by the ratification of the relevant agreement by the rebel group Liberation and Justice Movement (LJM) as part of the Doha Peace Process, also thanks to the efforts of UN/AU Chief Mediator Djibril Bassole.
On 2 December, Chief Prosecutor of the International Court of Justice, Luis Moreno-Ocampo, filed for an arrest warrant of the current Sudanese Minister of Defence, Abdelrahim Mohamed Hussein, for crimes against humanity and war crimes in Darfur.

The referendum on the independence of South Sudan took place from 9–15 January as part of the implementation process of the comprehensive peace treaty (CPA) between Khartoum and Juba. The result was recognised by Khartoum on 7 February. Six months later, on 9 July, South Sudan formally declared its independence as Africa’s youngest, 54th state, with a transitional constitution entering into force. Many of the questions resulting from South Sudanese independence have so far remained unsolved; in particular the division of income from the oil business industry and the status of Abyei. Ethnic tensions and bloody unrest in the province of Jonglei claimed hundreds of lives. Approximately 26,000 persons have been displaced.

In the conclusions of the Council meeting of the EU Foreign Ministers from 20 June, i.e. shortly before South Sudanese independence, it was stated that the EU would “strive to win both Sudan and South Sudan for the ideas of democratic leadership, respect for human rights and a peaceful, prosperous future for the entire Sudanese population.”

The situation in Sudan and South Sudan also played a central role in UN SC deliberations. On 14 July, South Sudan became a member of the UN. With South Sudanese independence, the UN mission in Sudan (UNMIS) that was established in March 2005 to implement the CPA, was faded out and, with the adoption of UN SC Resolution 1996 (2011) on 8 July, UNMISS was established as the new UN peace-keeping mission to South Sudan. The UNMISS mandate includes the consolidation of peace and security and the creation of framework conditions for the Republic of South Sudan, with the goal of strengthening the capacities of the South Sudanese government. The mandate also provides for support of the government in Juba to protect the civilian population. In this context, UNMISS supported the South Sudanese army at the turn of the year when violent clashes once again occurred in Juba between the ethnic groups of Lou Nuer and Murle, with the Lou Nuer attacking the Murle in the region surrounding the city of Pibor.

In response to the invasion of the Abyei region by Sudanese troops and the resulting displacement of tens of thousands of people, a move that the UN SC had condemned in its Presidential Statement from 3 June, the UN SC also set up the United Nations Interim Security Force for Abyei (UNISFA). The mandate is based on an agreement between North and South Sudan and aims for the demilitarisation of the region that was almost fully occupied by the Sudanese army on 21 May, provides support in the de-mining process and also facilitates the provision of humanitarian aid and the safeguarding of security in Abyei. Furthermore, chapter VIII of the UN Statutes authorises the UNISFA to take the “measurements required” for protecting UNISFA and other UN staff and the civilian population from immediate vio-
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The UNISFA mandate was extended by UN SC Resolution 2024 (2011) from 14 December to include support for the border control mechanism and extended in duration by another five months by UN SC Resolution 2032 (2011) from 22 December. As part of the UN SC briefing in December, Under-Secretary-General for Peacekeeping Operations Herve Ladsous also had to report that neither Sudan nor South Sudan had recalled their troops from the region, in violation of the agreement from 20 June.

Violent attacks and clashes between the South Sudanese Army and the SPLA as well as the splinter groups in the affinity of these armies occurred repeatedly and led to displacements and a deterioration of the humanitarian situation as a result of the lack of border demarcations between Sudan and South Sudan in the South Sudanese provinces of Upper Nile State and Unity State and the Sudanese provinces of South Kordofan and Blue Nile State. In numerous letters to the UN SC and their declarations on the occasion of the SC briefing by the Secretariat, representatives of Sudan and South Sudan blamed each other for the violence.

The situation in Darfur also remained a source of anxiety. The mandate of the United Nations Hybrid operation in Darfur (UNAMID) was extended by another twelve months on 29 July with UN SC Resolution 2003 (2011). Following the adoption of the Doha Document for Peace in Darfur (DDPD) and an interactive dialogue of the UN SC with the Foreign Minister of Qatar on 22 June, the UN SC demanded in a press release from 23 June that the conflicting parties conclude a comprehensive peace treaty on the basis of the DDPD. On 11 October and 8 November, the UN SC released press statements on fatal attacks on UNAMID. On 15 December, the UN SC was briefed on the Darfur situation by the Chief Prosecutor of the International Court of Justice according to UN SC Resolution 1593 (2005).

4.2.2.2.3. Somalia

In Somalia, the dominant event of the year was the adoption of a comprehensive Road Map by the Somali transitional government with an eye to an end of the transitional period. This was achieved in agreement with the Kampala agreement from 9 June and the subsequent developments for its implementation. The Road Map lists those priorities where measures must be concluded by 20 August 2012, the end of the transitional period. Priority concerns include security, constitutional reform and elections, reconciliation and good governance. The road map was adopted in a consultative meeting in Mogadishu from 4–6 September involving the heads of the transitional institutions (President, Prime Minister, Speaker of Parliament), the highest representatives of the semi-autonomous regions of Puntland and Galmudug, representatives of the Ahlu Sunna Wal Jama group that is associated with the Transitional Federal Government and many representatives of regional organisations as well as the international community.
On 30 September, the UN SC adopted Resolution 2010 (2011) to extend the mandate of the Mission of the African Union in Somalia (AMISOM) until 31 October 2012. Furthermore, in Resolution 2010 the UN SC expressed its concerns regarding the deteriorating humanitarian situation in Somalia and the effects of drought and famine while also welcoming the adoption of the road map for Somalia in September and the improved security situation in Mogadishu. In Resolution 2010, the UN SC also asks the AU to increase the number of AMISOM troops to the maximum authorised number of 12,000. To strengthen and extend the anti-piracy measures off the Somali coast, the UN SC also adopted Resolutions 2015 (2011) and 2020 (2011) on 24 October and 22 November respectively. The UN SC had already adopted Resolution 1976 (2011) to strengthen the efforts to combat piracy off the Somali coast on 11 April.

The main tasks of EU NAVFOR Somalia (Operation “Atalanta”) are escorting vessels of the UN World Food Programme (WFP) destined for Somalia and particularly threatened cargo ships as well as patrolling waters under particular risk from pirate attacks. Considering the increasing threat to cargo vessels at the Horn of Africa the UN Security Council in several Resolutions created the basis for international naval forces to proceed against pirates in Somali waters. Since October 2008 the EU has been successfully contributing to deterring and curbing piracy at the Horn of Africa. Persons apprehended under the EU NAVFOR Somalia operations and suspected of piracy have been extradited to the third countries of Kenya and the Seychelles for further criminal prosecution. A similar agreement with Kenya was terminated by Kenya in 2010. Currently the EU is negotiating another extradition agreement with Mauritius. Austria is not actively involved in this operation.

Since 2010, the EU has been supporting training for soldiers from the Somali army under the EUTM Somalia training mission. Once their training is completed they are intended to support the transitional government in reforming the security sector. This CSDP mission is run in close coordination with other international actors such as the Somali government and AMISOM. Austria is not actively involved in this operation.

After increasingly frequent attacks on Kenyan territory by the radical Islam Al-Shabaab militia operating from Somalia, Kenya on 15 October initiated the military operation “Linda Nchi” (defence of the nation) in South Somalia, thus introducing a new dimension to the changing power structure in the region.

In contrast to the rest of the country, Somaliland has achieved a certain level of stability and democratic maturity, with a functioning legislative and executive sector. Following the entering into force of a law for the admission of more than three political parties, the country’s political landscape visibly expanded as several new parties were formed.
4.2.2.2.4. Ethiopia

The foreign policy of Ethiopia is characterised by the country’s view of itself as a regional power at the politically highly sensitive Horn of Africa. The participation of Ethiopian Blue Berets in UNISFA in the deeply troubled Sudanese province of Abyei should also be seen in this light.

Due to a lack of rain, Ethiopia, just like Somalia, Djibouti, Uganda and Kenya, was affected by large-scale drought and famine, which the UN World Food Programme estimates to affect approximately 13 million people. Austria supported Ethiopia and other countries in the region with 8.57 million euros in total.

Ethiopia’s shift in international policy interests from traditional Western donors to the BRIC countries (Brazil, Russia, India, China) continued. Amongst other reasons this development also was the result of the “National Growth and Transformation Plan” first presented by the Ethiopian Government in August planning to convert Ethiopia into a middle income country and oriented towards export markets as well as foreign investors (including China, India, South Korea).

4.2.2.2.5. Kenya

Following the euphoric welcoming of the new constitution in Kenya that was adopted in August and constituted the culmination of discussions and negotiations that had lasted almost two decades, a certain disenchantment was felt during the implementation process. The constitution requires reforms of the executive, legislative and judiciary sectors as well as of electoral structures, thus challenging established power structures and causing tension within the government.

With regard to the bringing of charges against six prominent Kenyans on the part of the International Court of Justice, among them Deputy Prime Minister Uhuru Kenyatta and Cabinet Minister and Head of the Civil Service Francis Muthaura, one of the closest confidants of President Mwai Kibaki, hearings on the confirmation of the charges took place in September to determine whether sufficient evidence is available to justify a trial.

4.2.2.2.6. Djibouti

In Djibouti, presidential elections on 8 April saw the re-election of incumbent President Ismael Omar Guelleh for a third term in with 80% of the votes. In 2010, a constitutional amendment was adopted that allowed him to run for a third term. However, the elections were preceded by mass protests of young people and oppositional forces against the President’s running for office.
4.2.2.2.7. Seychelles

Presidential elections were held in the Seychelles from 19–21 May. Incumbent President James Alix Michel emerged as the winner. From 29 September until 1 October, early elections of the National Assembly took place that also ended in an unambiguous victory for the incumbent party of President Michel. Reform measures to further liberalise the economy were continued. Such measures have already successfully opened up the island state for investors from Europe and the Gulf states, in particular in the fields of tourism and real estate.

4.2.2.3. Southern Africa

4.2.2.3.1. South Africa

In South Africa, local elections took place on 18 May that weakened the predominance of the ANC. President Jacob Zuma initiated another government reshuffle and exchanged ministers that were accused of serious corruption. Membership in the UN SC meant that greater attention was paid to South Africa, in particular in the context of the situations in Côte d’Ivoire, Libya and most recently Syria. Foreign policy remained focused on Africa, with South African politicians acting as mediators especially in Zimbabwe, Madagascar, Côte d’Ivoire, Sudan and Libya. South Africa also set up maritime patrols in the Madagascar Strait to combat piracy in the Indian Ocean.

Despite some internal criticism, South Africa also showed itself willing to extend a loan to the government of Swaziland. Swaziland had reached a point where it was receiving hardly any money from international financial organisations or bilateral donors and was faced with a severe liquidity crisis. However, South Africa tied the loan to the condition of a political opening process in Swaziland, which caused the country to refuse to sign the loan agreement.

4.2.2.3.2. Madagascar

In Madagascar, the High Transitional Authority under Andry Rajoelina, which is not recognised by the international community, formed a new government on 22 November that is intended to facilitate a return to constitutional order. In response, the international community has begun to normalise its relations with Madagascar.

4.2.2.3.3. Malawi

In Malawi, the local elections scheduled to take place in April were once again postponed, this time until 2014. Supply bottlenecks caused demonstrations and violence in July, claiming several lives. A comprehensive government reshuffle took place in response to these events.
4.2.2.3.4. Zambia

Following the presidential elections in Zambia that were held in September, a peaceful transfer of power took place during which President Rupiah Banda, in office since 2008, handed over power to his main opponent Michael Sata who had emerged victorious from the election. The numerous observers of the election, several Austrians among them, judged the election process as having been by and large in order.

4.2.2.3.5. Zimbabwe

The unity government in Zimbabwe continued its work but was unable to achieve significant progress in the implementation of the Political Agreement that was adopted in 2009 and also envisages the drawing up of a new constitution. Political life in Zimbabwe continues to be characterised by pronounced polarisation and human rights issues. Despite the difficult political situation, the country is registering a certain economic upturn.

4.2.2.4. Great Lakes Region

4.2.2.4.1. Democratic Republic of the Congo

In the DR Congo, presidential and parliamentary elections took place on 28 November, which, however, were severely criticised by renowned international election monitoring missions (first and foremost those of the EU and the Carter Center). Nevertheless, the final result that sets up incumbent Joseph Kabila for a second term in office was confirmed by the country’s Supreme Court and Kabila was sworn in for a second term on 20 December. Kabila’s main opponent, Etienne Tshisekedi, refused to accept the result, declared himself President and also swore an “official oath” on 23 December. Tshisekedi called upon his followers to initiate peaceful protests against the election result; however, these were nipped in the bud by the executive forces that remained loyal to Kabila.

With Resolution 1991 (2011) from 28 June, the mandate of the UN Stabilisation Mission in the DR Congo (MONUSCO) was extended until 30 June 2012. In accordance with Resolution 2021 (2011) from 29 November, the sanctions against DR Congo were also extended by another twelve months. The UN SC adopted a Press Statement on the November elections on 2 December, condemning the violence that had occurred in several parts of the country and asking all candidates and their followers to refrain from acts of violence, provocation and incitement to violence before and after the publication of the election results.

The EUSEC RD Congo mission was first launched in 2005 and supports the reform of the armed forces of the Democratic Republic of the Congo at headquarters in Kinshasa and on command level in the regions and provinces, e. g. through a systematic count and registration of all members of the mili-
In addition to EUSEC RD Congo, the EU has also been running the **EUPOL RD Congo** police mission in the Democratic Republic of the Congo since 2007. Its aim is to provide advice and support to the government of the Democratic Republic of the Congo in reforming the national police forces and improving cooperation between the police and the judicial authorities. Austria is not involved in this mission.

### 4.2.2.4.2. Uganda

Presidential and parliamentary elections were held in **Uganda** on 18 February, resulting in the re-election of incumbent Yoweri Museveni with 68% of votes. The candidate of the oppositional Inter-Party Coalition, Kizza Besigye, came second with 26% of votes. All other candidates remained below the 2% mark. The parties of the opposition, however, first and foremost the Inter-Party Coalition led by Kizza Besigye, called the election a shambles and accused the government of vote buying, ballot stuffing and intimidation.

In the wake of the election, the opposition repeatedly mobilised protests against the government and rising prices in the country, which were dissolved by the security forces, sometimes brutally. Numerous people died or were wounded during the protests and several opposition leaders were arrested, first and foremost Kizza Besigye.

### 4.2.2.4.3. Burundi

**Burundi** once again failed to establish a dialogue between the government and the opposition, which had boycotted the most recent elections in 2010. These, however, had been assessed as free and fair by international observers. The opposition demanded a share in the power within the state and thus a loosening of the existing constitutional order, which was rejected by the government. The calls of the international community for a general dialogue to improve the political climate in the country without loosening the constitutional order was rejected by both sides. This resulted in increasingly frequent violent clashes that claimed the lives of many.

With Resolution 2027 (2011) from 20 December, the UN SC extended the mandate of the UN Office in Burundi (**BNUB**) until 15 February 2013. The UN SC expressed its deep anxiety with regard to the ongoing human rights violations in Burundi and called upon the government of the country to take all necessary steps for the prevention of further human rights violations and to take measures to ensure that those responsible for such violations could be swiftly brought to justice.
4.2.2.5. West Africa

The mandate of the United Nations Office for West Africa (UNOWA) with headquarters in Dakar/Senegal was extended on the basis of a correspondence between the UN SG (S/2010/660 from 14 December 2010) and the President of the UN SC (S/2010/661 from 20 December 2010) for another three-year period (until 31 December 2013). It is the main task of UNOWA to promote UN contributions to peace and security in the West-African sub-region. Austria has been participating in UNOWA since 2006 by stationing a member of the Austrian army in the office of the military advisor. On 5 April, it was decided to extend Austrian participation by also providing the Deputy Military Representative until 30 April 2012.

4.2.2.5.1. Senegal

The political debate in Senegal was dominated by the presidential elections in February 2012. The announcement that incumbent President Abdoulaye Wade would run again for office and the precarious situation of the energy sector with repeated blackouts caused intense, sometimes violent protests in Dakar and other cities from the middle of the year. Especially the candidacy of President Wade was disputed due to an ambiguous constitutional regulation. One person died in the course of the clashes between followers of the opposition and government parties.

4.2.2.5.2. Mali

Mali was already dominated by the extensive election coming up on 29 April 2012 (presidential, parliamentary and local elections). After the end of his second term in office, President Amadou Toumani Touré no longer wished to run for office, in accordance with the constitution. In March, President Touré assembled a new government, consisting mostly of technocrats, but also of members of oppositional parties. Its main tasks are the organisation and completion of the election as well as the provision of support for the President in implementing his constitutional reform project that is intended to be subject of a referendum at the same time as the elections will be held.

The appointment of the former Head of National Security, Soumeylou Boubeye Maiga, as the new Foreign Minister was interpreted as a clear signal from President Touré that he would now take more decisive measures to combat the danger posed to the region by “Al Qaeda in Islamic Maghreb” (AQIM). To step up cooperation against AQIM, the countries in the region granted each other the mutual right to prosecute across borders, which was exercised in particular by the Mauritanian army to launch operations on Mali territory.

In November, AQIM, which normally operates in the northern parts of Mali that are difficult to access, launched its first activities south of the Niger River (kidnapping of two French citizens in Hombori). Immediately afterwards,
three more Europeans were kidnapped in the centre of Timbuktu and a German tourist was killed. The number of persons being held hostage by AQIM and its associated groups has thus increased to twelve, dealing another blow to the already suffering tourism industry. The situation is worsened by the return of many soldiers that were previously deployed in Libya and smuggled a large number of weapons into Mali.

4.2.2.5.3. Mauritania

In response to the measures taken by Mauritania and its efforts to combat terrorist activities and AQIM even on Mali territory, AQIM leaders have declared Mauritania the enemy and announced that attacks on the country would follow. A planned attack on the presidential palace in Nouakchott was prevented.

4.2.2.5.4. Burkina Faso

President Blaise Compaore who had been re-elected at the presidential elections on 21 November 2010 with 80.1% of votes in the first ballot was confronted with a wave of demonstrations and violent protests during the first half of the year. The death of a student in police custody was followed by protests by high school and university students and triggered violent demonstrations by other groups of the population. The situation deteriorated further after mutinies of several army units that were brutally crushed in June. 500 soldiers were discharged in the wake of the mutinies. In April, President Compaore had assembled a new government under Luc Adolphe Tiao.

4.2.2.5.5. Guinea

In Guinea, a coup to overthrow President Alpha Conde, only just elected in a run-off ballot on 7 November 2010, was attempted on 19 July. The presidential villa was hit by a rocket; however, President Conde was unharmed. While the exact background details are still hazy, it has been firmly established that the attack was carried out by members of the army. Following the attack, 38 people were arrested. President Conde had also accused Senegal of being the starting point for the attempted coup, which caused temporary tension between the two states. The parliamentary elections, originally scheduled for early December, were postponed at short notice after the opposition had voiced its criticism of this date and of the electoral committee in autumn.

4.2.2.5.6. Guinea-Bissau

Lasting stabilisation in Guinea-Bissau proved elusive. After a relatively calm phase following the failed coup on 1 April 2010, Navy Chief of Staff Bubo Na Tchuto performed a coup against the government and General Chief of Staff Antonio Indjai. However, the attempt ended in the arrest of Na Tchuto and
other members of the military. At the time, President Malam Bacai Sanha was receiving medical treatment abroad. These developments emphasised the urgency of a reform of the security sector, which, however, is hampered by the conflict of interest between the regional organisation ECOWAS and the community of Portuguese-speaking nations, first and foremost Angola.

With Resolution 2030 (2011) from 21 December, the UN SC extended the mandate of the Integrated Peace-Building Office in Guinea-Bissau (UNIOGBIS) until 28 February 2013. UNIOGBIS is intended to support Guinea-Bissau on political dialogue, efficient fight of impunity and a comprehensive reform of the security sector and promote the work of the Peacebuilding Commission (PBC) in Guinea-Bissau. UN SC Resolution 2030 (2011) expressly calls for the members of the army of Guinea-Bissau to respect constitutional order, rule of law and human rights and to refrain from any interference in political affairs.

4.2.2.5.7. Côte d’Ivoire

Côte d’Ivoire saw an escalation of the battles that have been raging ever since the presidential elections on 28 November, following the final failure of the mediation attempts on the part of the AU in March. With military support provided by UNOCI and the French unit “Licorne”, armed units loyal to elected President Alassane Ouattara succeeded in arresting ousted President Laurent Gbagbo and his closest entourage on 11 April. President Ouattara was ceremoniously inaugurated on 21 May. A national investigation committee was set up to prosecute the most serious crimes of the second civil war in the country. In addition, a Truth and Reconciliation Commission modelled on South Africa was established. At the end of November, Laurent Gbagbo was extradited to the International Court of Justice (ICJ) in The Hague.

It is estimated that the civil war claimed at least 3,000 lives and left as many as 500,000 internally displaced persons and 200,000 refugees. The security situation in the country, in particular outside the capital of Abidjan, remained precarious, largely due to the great number of weapons in circulation and the integration of the armed forces loyal to Gbagbo. In contrast, the parliamentary elections of 11 December remained peaceful overall. With a turnout of 36%, the party of President Ouattara (Rassemblement des Republicains) emerged as the strongest party with 127 of 254 seats. The party of former President Gbagbo boycotted the elections.

SC Resolution 1975 (2011) from 30 March condemned the violence in Côte d’Ivoire, called for former President Gbagbo to step down and imposed targeted sanctions against him and his closest clan. In addition, the Resolution confirmed the mandate of the UN Mission in Côte d’Ivoire (UNOCI) for the protection of the civilian population. After more than 200 civilians had sought shelter at the UNOCI headquarters in Abidjan in early April, UNOCI troops played an important part in the successful arrest of President Gbagbo.
against the will of his armed forces on 11 April. Alassane Ouattara was inaugurated as President of Côte d’Ivoire in May. The UNOCI mandate was extended by SC Resolutions 1981 (2011) from 13 May and SC Resolution 2000 (2011) from 27 July respectively.

4.2.2.5.8. Liberia

The political situation in Liberia was dominated by increasingly pronounced polarisation in the lead-up to the presidential and parliamentary elections. Incumbent President and Peace Nobel Prize winner Ellen Johnson-Sirleaf emerged victorious from the second ballot on 8 November.

The trial of former President Charles Taylor before the Special Court for Sierra Leone was continued as the last ongoing trial in The Hague.

With UN SC Resolution 2008 (2011) from 16 June, the mandate of the UN Mission in Liberia (UNMIL) was extended until 30 September 2012. With a view to the presidential and parliamentary elections in October, the supporting role of the mission was reinforced. Resolutions 1981 (2011) from 13 May and Resolution 1992 (2011) from 29 June concern the issue of cooperation (temporary assignment of troops and equipment) between UNMIL and the UN Mission in Côte d’Ivoire (UNOCI). Resolutions 1975 (2011) from 30 March and 1980 (2011) from 28 April further underline the effects (refugees and mercenaries) of the conflict in Côte d’Ivoire on the border regions of Liberia. The sanctions against Liberia and the mandate of the expert group were extended by another twelve months with Resolution 2025 (2011) from 14 December.

4.2.2.5.9. Sierra Leone

In the lead-up to the elections that are scheduled for late 2012, Sierra Leone experienced violent clashes between followers of the government party and the opposition in the autumn. In general, the government is accused of systematic discrimination of the ethnic groups in the South in favour of those in the North.

On 14 September, the UN SC extended the mandate of the Integrated United Nations Integrated Peacebuilding Office in Sierra Leone (UNIPSIL) with Resolution 2005 (2011) until 15 September 2012. On 12 September, head of UNIPSIL von der Schulenburg presented the 7th report of the General Secretary on UNIPSIL before the UN SC and praised the progress made in peace consolidation in Sierra Leone over the past nine years.

4.2.2.5.10. Gambia

In Gambia, President Yahya Jammeh, in office since 1994, was re-elected on 24 November. However, observers stated that the conditions for free, fair and transparent elections had not been met.
4.2.2.5.11. Cape Verde

At the parliamentary elections in Cape Verde on 6 February, the party of incumbent Prime Minister Jose Maria Neves achieved an absolute majority for the third time running. The new government will continue the modernisation course that the country has embarked upon. The high turnout and the presidential elections that took place in August, ending in the victory of the candidate of the civil opposition party, Jorge Carlos Fonseca, were seen as proof of stable democracy in the country. The positive political and economic dynamics in Cape Verde are also strengthened by the special partnership with the EU.

4.2.2.5.12. Nigeria

Northern Nigeria saw increasingly frequent unrest between its different ethnic and religious groups, resulting from a multitude of complex and interlinked factors that have been exacerbated by historic errors, political manipulation and ethnic and religious rivalries. Counteractivities include initiatives for peace consolidation on a communal level and efforts to improve public finance administration. In addition, militant Islamist sects that openly reject the state are becoming increasingly active. Official representatives, moderate Muslims and most recently also Christian institutions are the targets of attacks, having caused many Christians to leave the North of the country. Failure of the state to secure public order and insufficient conflict Resolution mechanisms also play a role, as do the economic downturn and widespread youth unemployment. The situation is serious and could, if allowed to deteriorate further, have negative effects on national cohesion in Nigeria.

The presidential elections in April stand out as the freest, fairest elections in the history of the country. During the election campaign and after the announcement of the result, many cities in the North of the country experienced heavy rioting, claiming at least 800 lives.

4.2.2.5.13. Gabon

In Gabon, President Ali Bongo who had won the presidential elections in 2009 following the 40-year reign of his father, was able to consolidate his power and initiate economic and administrative reforms.

4.2.2.5.14. Ghana

With economic growth rates of approximately 20% of its GDP, Ghana in 2011 was the fastest-growing national economy in the world. Half of this increase is the result of the country’s oil production that was launched in December 2010. Due to its abundant natural resources, the country is in a fortuitous economic position and has a good macro-economic perspective.
Africa and the African Union

4.2.2.5.15. Niger

Niger concluded its transformation process with parliamentary and presidential elections. President Mahamadou Issoufou, newly elected in March, has been striving to make up for lost time in the development process of this extremely poor country and to establish measures to combat recurring famine. Terrorist attacks carried out by AQIM also affected the country that is already faced with a high level of insecurity caused by the smuggling of weapons in the wake of the events in Libya, in addition to having had to integrate 250,000 returnees since March.

4.2.2.5.16. Central African Republic

With Resolution 2031 (2011) from 21 December, the UN SC has extended the mandate of the United Nations Peacebuilding Office in the Central African Republic (BINUCA) until 31 January 2013. Resolution 2031 (2011) calls upon the Central African Republic to ensure that freedom of speech and assembly and the rule of law are fully respected and welcomes the progress that the Central African Republic has made with disarmament and demobilisation of former combatants in the Northwest of the country.

4.2.2.5.17. Piracy at the Gulf of Guinea

Following a debate on the subject from 19 October, the UN SC adopted Resolution 2018 (2011) on piracy at the Gulf of Guinea on 31 October. Resolution 2018 (2011) condemns the acts of piracy and armed assaults off the coast of the countries adjoining the Gulf of Guinea and welcomes the planned regional summit on the development of a comprehensive strategy to combat piracy by regional organisations ECOWAS, the Economic Community of Central African States (ECCAS) and the Gulf of Guinea Commission (GGC). In addition, the member states of these regional organisations are encouraged to take anti-piracy measures such as bilateral and regional maritime patrols in compliance with international maritime law and to cooperate in the prosecution of arrested pirates and their backers.

4.2.2.6. Western Sahara

The Personal Envoy of the UN SG to the Western Sahara, Christopher Ross, continued his efforts for a resumption of peace talks between Morocco and the Polisario. Representatives of Algeria and Mauritania also participated in three rounds of informal party talks outside New York. The mandate of the United Nations Mission for the Referendum in Western Sahara (MINURSO) was extended by twelve months by SC Resolution 1979 (2011) from 27 April. Austria participated in this mission by sending two military observers. In the Resolution, the UN SC for the first time also responds to the human rights dimension: With reference to the importance of improving the human rights
situation in Western Sahara and the camps in Tindouf, the parties were called upon to work with the international community in “developing and implementing independent, credible measures to ensure that human rights are fully respected”.

4.2.3. Regional integration issues

Equatorial Guinea held the Presidency of the African Union (AU). The summit in Malabo from 30 June until 1 July was overshadowed by the political upheaval in Libya. The most important topics that the AU and the AU Peace and Security Council discussed were the situation in Côte d’Ivoire and Sudan, the secession of South Sudan, the ongoing AU mission in Somalia (AMISOM), and the humanitarian disaster at the Horn of Africa.

At the summit of the Southern African Development Community (SADC) that took place in Luanda/Angola in August, Angola took over the one-year presidency while South Africa assumed the presidency of the Organ on Politics, Defence and Security Cooperation. For the duration of the Angolan presidency, the emphasis will lie on deepening economic cooperation and extending the infrastructure.

The role of the SADC as a mediator between the government and the opposition in Zimbabwe, first laid down in the Global Political Agreement from 2009, was reconfirmed. The SADC also strove to restore constitutional order in Madagascar after the coup in 2009 and was able to achieve some progress in this field. To reinforce its efforts at mediation, special summits were held in Windhoek/Namibia and Sandton/Johannesburg/South Africa.

The Economic Community Of West African States (ECOWAS) attended to the preparation of the presidential elections in Liberia and the question of how to best rekindle negotiations with the EU for an economic partnership agreement that had reached an impasse. Furthermore, the ECOWAS Council of Minister agreed on closer cooperation in the aviation sector and set up a time schedule for the formation of the new ECOWAS Commission for 2012.

In June, the second three-party summit between the regional organisations SADC, COMESA (Common Market for Eastern and Southern Africa) and EAC (East African Community) took place that instigated negotiations on an integrated common market.

4.3. America

4.3.1. USA

4.3.1.1. General developments

On a domestic level, 2011 was characterised by the conflicts between President Barack Obama and the Democrat majority in the Senate on the one
hand and the Republican majority in the House of Representatives on the other. The mid-term elections 2010 resulted in a strong power shift towards the Republicans both in Congress (House of Representatives, Senate) and on the level of the individual states. This power shift largely paralysed the legislative process within Congress. The elections of 2012 began to cast their shadow, resulting in both parties stubbornly clinging to their positions and significantly lowering their willingness to compromise. As a result of the polarised positions of the two parties, the government proved unable to instigate comprehensive reforms in 2011, especially compared to previous terms.

The main focus of the domestic debate was on the economic situation, persistently high unemployment levels and, in this context, also the current budget situation and US debt policy. Although the overall economic situation and unemployment figures improved somewhat during the 3rd quarter, economic growth remained moderate. Persistently high unemployment levels and the positive reduction of private debt, in particular with regard to the real estate crisis, weakened the traditionally strong domestic demand.

While the Republican-dominated House of Representatives pushed for drastic budget cuts, the Democrats sought to also balance the budget deficit through revenue increases. A possible compromise of budget cuts paired with revenue increases failed several times, also due to the deep-seated resistance of the Republicans against any tax increases that is emphasised by the “Tea Party Movement”.

In April, a shutdown of government offices was prevented at the last minute by an all-party compromise, which, however, ruled out any tax increases. High-ranking negotiations in the early summer on a long-term, comprehensive solution of the debt problem in which President Obama also participated remained futile due to a lack of willingness to compromise, mainly on the part of the Republicans. In July, the debate on the US debt ceiling that must be increased by Congress should the situation arise, led to the passing of a law that provides for the establishment of a bipartisan and bicameral commission for investigating additional cost-cutting opportunities. As the work of the commission failed in November, once again due to the apparently irreconcilable differences of opinion between the two parties, drastic cost-cutting measures will automatically take effect in January 2013, primarily in the areas of social and military spending.

In September, President Obama presented a bill to support job creation (“American Jobs Act”) in a speech before both chambers of Congress. However, only small parts of the programme were adopted due to strong Republican resistance both in the Senate and in the House of Representatives, and only on a temporary basis. In terms of economic policy, the final adoption of the Free Trade Treaties with South Korea, Columbia and Panama which somewhat atypically were carried through on a bipartisan basis had a positive effect.
President Obama’s efforts for *climate protection legislation* remained futile due to resistance within Congress. There is little hope that national climate protection legislation will be adopted before the elections in 2012. What remains are initiatives by individual states (including California) and regional climate protection programmes.

In its *foreign policy*, the Obama administration continued to focus on *diplomacy, dialogue* and *international cooperation*. However, conservative criticism of Obama’s willingness to make provisions for the deficits accumulated by US politics in the past and his slightly more nuanced attitude towards the idea of “American Exceptionalism” continued unabated. During 2011, *US foreign policy* was dominated by the coming to terms with the changed political and strategic situation in *North Africa* and the *Middle East* in the context of the “*Arab Spring*”. The US played a key role in facilitating the transitional processes and budding democratic structures in several countries in the region. The military missions in *Libya* that did not require the deployment of ground troops and incurred no military losses were celebrated as a huge success and positive example of international cooperation by the administration.

The *assassination of Osama Bin Laden* in May constituted an important success in the fight against terrorism and further weakening of Al-Qaeda for President Obama. However, the circumstances of the mission placed a further strain on bilateral relations with Pakistan that had been tense even before the event.

In December, the last US troops left *Iraq* according to schedule. With the departure of US troops from Iraq, President Obama fulfilled a central promise of his election campaign. With regard to *Afghanistan*, the first troops were withdrawn towards the end of the year (10,000); another 33,000 are scheduled to be withdrawn in 2012. Further troop withdrawals will take place in accordance with the strategy of leaving full responsibility for the security situation to the Afghan government by 2014. The main goals of US commitment in the region remain the elimination of Al-Qaeda and other terrorist groups, the battle against insurgents, the training of Afghan security forces and support in building up the country and its institutions. The administration adopted a sharper tone in its dealings with *Iran* and, in response to pressure from Congress, also extended its regime of bilateral sanctions.

With an extensive tour of Asia in November, President Obama re-emphasised the *Asian-Pacific focus* of US foreign policy. As part of a speech given in Australia in November, President Obama emphasised the role of the US as a Pacific power and the economic potential of this region. The visit of Secretary of State Hillary Clinton to *Burma* in December constituted a shift of US policy in Burma.

Despite President Obama’s announcement shortly after he came into office to shut down the *Guantanamo prison* within one year it still has not been
closed. This is the consequence of complex legal problems as well as massive resistance mainly from Republican politicians. At present there is no tangible schedule for a shut-down. According to Secretary of State Hillary Clinton the **US human rights agenda** towards third countries continues to be based on “principled pragmatism”.

In 2011, **43 persons were executed** in the US; i.e. three fewer than in 2010. In December a total of 3,251 inmates were on death row (i.e. 10 fewer than in 2010).

### 4.3.1.2. Bilateral relations between Austria and the US

Bilateral relations between Austria and the US continued to develop in a positive manner throughout 2011. In addition to regular diplomatic visits, the excellent cooperation in multilateral bodies (UN, HRC) deserves to be mentioned. Vienna as the seat of the UN and OSCE has developed into an important hub for incoming and outgoing visits in this context.

In addition to political cooperation, multiple possibilities for cooperation have also emerged in the field of science. The Austrian **Office of Science and Technology (OST)** of the Austrian Embassy in Washington not only looks after an interdisciplinary network of scientists, but also supports cooperation among scientific institutions. The **Austrian Marshall Plan Foundation** continues to support successful cooperation projects with numerous US partner universities. The **Center for Austrian Culture and Commerce (Center Austria)** at the **University of New Orleans** continued its highly successful interdisciplinary programme in 2011 and welcomed more than 100 Austrian students to New Orleans. Ongoing contacts to the top universities of Harvard, Princeton, Yale, Columbia, MIT, New York University, City University New York were intensified during 2011 with the involvement of Austrian students and the provision of lectures given by renowned Austrian politicians and scientists (for instance State Secretary Andreas Schieder, President of the Austrian Chamber of Commerce Christoph Leitl, Governor Ewald Nowotny). Numerous events organised by all Austrian service departments in the US helped to represent **Austria** as an **active political force** and important economic factor in **Central Europe** as well as in the **Danube region** and on the **Balkans**.

Establishing new and expanding existing **positive, future-orientated relations with the Jewish community** – Jewish organisations as well as the Jewish civil society and religious organisations – is a central goal of the Austrian representative authorities in the US. Due to the density of available organisations, these activities are centred around the Austrian General Consulate in New York, in whose area of jurisdiction the World Jewish Congress, the American Jewish Committee, the Conference of Presidents of Major Jewish American Organizations, the Anti-Defamation League and B’nai B’rith have their headquarters. Close cooperation also exists with the Holocaust Muse-
ums, especially those in Washington and Los Angeles that welcome Austrian memorial service volunteers. The English-language online newsletter “Jewish News from Austria” of the Austrian Press and Information Service is now published as a blog on an ongoing basis. In addition to relevant translated press articles from the Austrian media, the website www.jewishnews.at also provides information and links on all aspects of Jewish life in Austria as well as activities and institutions in connection with the process of coming to terms with the holocaust, remembrance and current restitution issues. The dialogue with the Young Leaders of the American Jewish Committee (AJC, ACCESS-DC) that was initiated by the Embassy in 2010 was successfully continued and deepened. In July, a joint event of the Embassy and AJC-ACCESS took place on the occasion of the European Maccabi Games. Social and legal support for those Austrians who fled to the US after the Anschluss in 1938 to escape National-Socialist persecution remains an important task. The US administration continues to observe the implementation of the comprehensive restitution and compensation measures to which Austria committed itself in the Washington Agreement of 2001 with great interest. The US welcome Austrian efforts in the context of the restitution of art works, the payment of social benefits to holocaust survivors in need and Austria’s role in the “Task Force for International Cooperation on Holocaust Education, Remembrance and Research” and its important contribution to the preparation and follow-up of the Prague Holocaust Conference 2009.

The Cultural Forums in New York and Washington have established themselves as renowned centres for the ongoing presentation of contemporary Austrian art and culture in their host country. In March, six European cultural institutions founded the UNIC Cluster Washington, which by now has 20 members, is part of the EUNIC Global Network and has already presented 6 events with a focus on Europe. In addition to conventional content, cross-cultural issues such as environmental protection, migration, integration of migrants, inter-cultural dialogue and linguistic diversity were also addressed.

The Press and Information Service of the Austrian Embassy continues to look after its communication portfolio for the new media (Facebook, Twitter, Flickr) in addition to existing publications. The website of the information service and the Austrian Embassy in Washington, www.austria.org, remains one of the most frequently visited pages providing information on Austria in the US.

Information from and on Austria is also provided by the quarterly publication “Austrian Information” that was first published by the Press and Information Service in 1948. At present, the newly designed print version has a circulation of 11,000. In addition to up-to-date information from the areas of politics, economy, environment and culture, the publication talks about relations between Austria and the US as well as about Austrians who have been successful in the United States. The publication also presents and discusses the main areas of emphasis of Austrian foreign policy.
America

During the last quarter, an Austrian-American exchange programme for journalists, first initiated by the “International Center for Journalists” and the Austrian Journalism Training Association in 2007, took place for the fifth time.

4.3.2. Canada

4.3.2.1. General developments

The parliamentary elections that took place on 2 May led to significant changes of the Canadian political landscape. After five years as a minority government, the Conservative Party under Prime Minister Stephen Harper was able to reclaim its absolute majority with 167 mandates. The surprising runner-up was the left-of-centre New Democratic Party under the charismatic leadership of Jack Layton who died in August, having led the party to “official opposition” status. The biggest losers of the elections were the Liberals who received the worst result in their history, and the Bloc Québécois who was almost completely crushed. For the first time ever, the Green Party was able to achieve a mandate in the Canadian federal parliament.

The act of governing, in particular the enforcement of legislative proposals, thus became a great deal easier for the Conservatives. Cornerstones of the Harper government are the strengthening of the Canadian economy and sovereignty.

The Canadian economy recovered more swiftly than expected from the effects of the international financial crisis. The GDP increased by 2.5%. Towards the end of the year, the unemployment rate was almost identical to that of the previous year with 7.4%.

In the budget that was presented in March, the Harper government announced a mixture of growth impulses and cost-cutting measures. On the one hand, measures to stimulate economic growth were continued on a somewhat reduced scale; on the other, expenses were cut to allow a step-by-step return to a balanced budget.

In new Foreign Minister John Baird, the Prime Minister has a close ally. Following the overall government line, priorities of Canadian foreign policy include security/sovereignty (close relations with traditional allies, focus on “hard security”, a more determined Arctic policy, a leading role in the NATO mission to Libya), a diversification of economic relations (primarily by means of Free Trade Treaties, e.g. CETA with the EU) and the strengthening of freedom and democracy (human rights, rule of law, protection of religious minorities).

4.3.2.2. Bilateral relations between Austria and Canada

Bilateral relations between Austria and Canada are free from problems and friction. The economic, cultural and “people-to-people” exchange is quite
intense. Canada is Austria’s fifth-largest export market overseas. Austria has a positive image as a nation of culture and is strongly represented in particular in the field of classical music. Every year, 90,000 Canadian tourists travel to Austria. Around 5,000 passport-holding Austrians live in Canada, in addition to around 70,000 “Austrians at heart”. Austrian consular work in Canada focuses on questions relating to citizenship, passport issuance, document procurement, visas and assistance with residence permits. Austrian companies have just over 100 locations in Canada. Canadian companies have approximately 40 locations in Austria.

4.3.3. Latin America and the Caribbean

4.3.3.1. General developments

In Latin American and the Caribbean, presidential and parliamentary elections in 2011 took place in Haiti, presidential and congressional elections were held in Peru, gubernatorial, regional and local elections were held in Mexico, presidential, congressional, local and “PARLACEN” elections took place in Guatemala, presidential elections in Argentina, regional elections in Colombia, presidential and parliamentary elections in Nicaragua, parliamentary elections in Guyana and parliamentary elections in St. Lucia.

Efforts for regional integration in Latin America and the Caribbean continued. On 2 and 3 December, the founding summit of the Community of Latin American and Caribbean States (CELAC) took place in Caracas. The Caracas Declaration was adopted unanimously and defines CELAC as an organisation for the promotion of political, economic, social and cultural integration. Chile has assumed the pro tempore Presidency for 2012.

In recent years, the region has shown remarkable resilience in the face of the global economic and financial crisis, thanks to structural reforms and a well-ordered banking sector. In 2011, the region once again experienced above-average economic growth in a global comparison. Numerous countries adopted measures to strengthen industrial competitiveness. In addition to economic growth, the economic upswing has also helped consolidate the national budgets.

The 200th anniversary of the beginning of the independence movements (“Bicentenario”) in El Salvador, Paraguay and Uruguay was celebrated with numerous events.

4.3.3.2. Developments in the individual countries

4.3.3.2.1. Argentina

Presidential elections in October resulted in the re-election of Argentina’s President Cristina Fernandez de Kirchner with 54% of votes. Her political movement also obtained the majority in both chambers of Congress.
4.3.3.2.2. Bolivia

**Bolivia** adopted a number of laws for the implementation of the new constitution on the basis of a “representative, participative and communitarian democracy” that also include important elements reflecting indigenous values.

4.3.3.2.3. Brazil

Overall, the government of **Brazil**, headed by President Dilma Rousseff who was elected in October 2010 continued the course of her predecessor, in particular with regard to economic developments. The main areas of emphasis of the government include the fight against poverty and for a fairer distribution of wealth as well as large-scale investment plans, in particular with regards to transport infrastructure, also with a view to the high-profile sporting events scheduled for the coming years (FIFA Football World Championship 2014, Olympic Games 2016). Brazilian foreign policy is characterised by a high level of continuity. Active commitment to regional integration (**MERCOSUR**, **UNASUR**), the strengthening of the role and the independent profile of the country on an international level as well as South-South cooperation remain areas of emphasis. In addition to G20, important forums for Brazilian engagement on an international level are the groups **IBSA** (India, Brazil, South Africa) and **BRICS** (Brazil, Russia, India, China, South Africa). Brazil also played a key part in the climate conference held in Durban.

4.3.3.2.4. Chile

**Chile** has assumed an important regional coordinating role with the pro tempore Presidency of the Community of Latin American and Caribbean States (**CELAC**) and the organisation of the next EU-LAC summit in Santiago de Chile. Domestic politics were characterised by student protests demanding an affordable education system.

4.3.3.2.5. Guatemala

In **Guatemala**, former General Otto Perez Molina emerged as the clear winner of the presidential run-off on 6 November, while the congressional elections on 11 September resulted in a balance between the right-wing parties and the left-of-centre platform. At the municipal elections on 11 September, the left-of-centre parties were able to claim the majority of mayoral offices.

4.3.3.2.6. Haiti

**Haiti** remained in the throes of the disastrous earthquake that took place in January 2010. The reconstruction of the country continued throughout 2011. In May, newly elected President Michel Martelly took up office.
On the occasion of the inauguration of President Michel Martelly on 14 May, the UN SC called upon political players in the country to resolve remaining election disputes by legal means to ensure that the election results would reflect the will of voters. The new Special Representative of the Secretary-General in Haiti, Mariano Fernandez, who had taken over this role from Edmond Mulet on 31 May, reported on the reconstruction progress to the UN SC on 16 September. Against this background, the UN SC decided not only to extend the mandate of the UN Stabilisation Mission in Haiti (MINUSTAH) by one year on the basis of UN SC Resolution 2012 (2011) on 15 October, while simultaneously reducing the mission that had been increased in terms of staff in January 2010 to speed up the aid and reconstruction process by 1600 troops and 1150 police officers.

4.3.3.2.7. Honduras

In Honduras, the normalisation process continued following the lifting of the OAS suspension on 1 June (originally imposed in June 2009 after the military intervention and flight into exile of President Zelaya).

4.3.3.2.8. Colombia

Developments in Colombia were characterised by the new political style of President Juan Manuel Santos, elected on 20 June. His national unity government was able to rely on a broad majority in parliament. In terms of political content, the policy of “Democratic Security” of President Alvaro Uribe Vélez were developed further into a policy of “Democratic Prosperity”. The Victims and Land Restitution Law (“Ley de Victimas y Restitución de Tierras”) for victims of the domestic conflict and the restitution of land to displaced persons was signed in the presence of UN Secretary General Ban Ki-moon on 10 June.

4.3.3.2.9. Cuba

In Cuba, the Conference of the Communist Party (PCC) in April and the National Assembly in December approved of the government’s course towards economic reform that has enabled the privatisation of several trades and liberalisation of small business. Following the mediation of the Catholic church, more political prisoners were released, almost all of whom went into exile in Spain. Relations with the EU continued to be determined by the Common Position from 1996.

4.3.3.2.10. Mexico

In Mexico, Preside Felipe Calderon continued his unabated battle against the drug cartels. The economic recovery process continued. With regards to human rights, progress was made in terms of legislation as part of a consti-
tutional change: all provisions of the international human rights agreements that were ratified by Mexico were given constitutional status.

4.3.3.2.11. Nicaragua

In Nicaragua, Daniel Ortega achieved a victory of more than 62% in the presidential elections on 6 November; however, the elections were disputed in terms of constitutional law. The parliamentary elections resulted in a 62-seat majority in the 92-seat congress for the incumbent FSLN.

4.3.3.2.12. Costa Rica

In the border conflict in the region of the San Juan River between Nicaragua and Costa Rica, the International Court of Justice arrived at a provisional verdict on 8 March that was recognised by the two adversaries and rules that troops be withdrawn from the island of Calero.

4.3.3.2.13. Peru

On 28 July, newly elected Head of State and Government, Ollant Humala Tasso, was inaugurated in Peru. Cornerstones of his programme are economic growth and social inclusion. Extended measures to fight poverty, broad social programmes and infrastructural investments are all part of this approach.

4.3.3.2.14. Venezuela

Venezuela was confronted with the aftermath of the global economic crisis, which aggravated social tensions. Domestically, Venezuela during the second part of the year was characterised by the illness of President Chavez, who has already announced that he would run for office again in the presidential elections of 2012.

4.3.3.3. Bilateral relations between Austria and the countries of Latin America and the Caribbean

Since the fourth EU-LAC Summit that took place in Vienna in 2006, bilateral relations between Austria and the region have developed continuously. The high-ranking mutual exchange of visits has increased even more in volume. Austria maintains good, friendly relations with the states of the region. The Austrian economy also benefits from the growing economic relevance of the Latin American and Caribbean region that is characterised by solid financial structures and, most importantly, enormous wealth in terms of resources. In particular, export rates to most of the nations in the region have rocketed. The Austrian industry has proven to be extremely competitive, in particular in the energy sector. The excellent cooperation in the areas of science and
research that exists with many states of the region constitutes a solid foundation for the maintenance of sustainable, long-term relations.

4.4. Asia

4.4.1. General developments

The political upheaval of the so-called “Arab Spring” that originated in North Africa also spilled over to several Arab nations in Asia, namely Syria, Yemen and Bahrain. While in Yemen, attempts at mediation by the Gulf Cooperation Council succeeded in bringing about a relinquishment of power on the part of President Saleh, Syria is trying to crush the protests by violent means.

In the Middle East conflict, the efforts of the international community centered on reopening negotiations. The international Middle East quartet presented a proposal in September on how a lasting solution to the conflict has been raging for decades could possibly be found by the end of 2012. The Palestinian Liberation Organisation (PLO) applied for full Palestinian membership on the occasion of the general debate of the UN General Assembly. The application was intended to point out the shared responsibility of the international community for the lack of progress made in the peace process.

Once again, Iran in 2011 failed to allay the doubts of the international community with regards to the exclusively civil and peaceful character of its nuclear programme. The Resolution of the Board of Governors of the International Atomic Energy Agency (IAEA) on 18 November called upon Tehran to intensify its dialogue with the IAEA to urgently clarify all unresolved issues and to grant full access to the IAEA inspectors. The EU prepared to tighten sanctions against Iran following a Council Resolution on 1 December to force the country to relent in the nuclear issue.

Demographically, the continent is gaining increasing importance: Approximately 60% of the world’s population live in Asia; about half of them in China and India. Many of the world’s largest cities and metropolitan regions are located in Asia.

The countries of South and East Asia have weathered the global economic and financial crisis that has been raging since 2008 comparatively well. Despite great setbacks in their economic output, many countries, led by China and India, were able to achieve considerable growth rates.

The political architecture of the region and ongoing integration efforts have brought about constructive dynamics. ASEAN (Association of South East Asian Nations) is at the centre of this development, but plans for the creation of an East Asian community and recent movements within the Trans-Pacific Partnership (TPP) have been met with great interest.

Faced with the geo-political situation in Central Asia, the preservation of stability and security is a particular challenge for the countries that share
borders with Afghanistan or are located in its immediate vicinity. Lavish celebrations of the 20th anniversary of independence took place in all five Central Asian nations in 2011 (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan).

4.4.2. Developments in the regions

4.4.2.1. Near and Middle East

4.4.2.1.1. Israel/Palestinian territory, Middle East peace process

President Barack Obama’s optimistic statement made before the UN General Assembly in September 2010 that Palestine would be welcomed as a new UN member at the general debate of the General Assembly in 2011 could not be upheld. Direct talks between the two parties failed due to demands that to date remain unfulfilled, for instance a settlement freeze on the part of Israel and the recognition of Israel as a Jewish state by the Palestinians.

The EU undertook efforts on a bilateral level as well as within the context of the quartet (UN, EU, USA, Russia) to rekindle negotiations between the two adversaries. In September, as part of the United Nations general debate, the quartet presented a proposal on the basis of which a peace agreement could be drawn up by the end of 2012.

A Palestinian initiative to bring about a Resolution in the UN SC on 18 February that would condemn Israeli settlement activities failed even with 14 votes in favour due to the US.

Against this background of halting progress with negotiations, the Palestinian Liberation Organisation intensified its efforts to promote the recognition of Palestine with the borders of 1967 and with East Jerusalem as its capital. After a wave of recognitions, especially from Central and South American countries, Palestine applied for UN membership on 23 September. The World Bank, the International Monetary Fund and the United Nations Office of the Special Coordinator had previously agreed that the “Palestinian authority had already crossed the threshold of functioning statehood in the most important sectors”. In accordance with article 4 of the UN statutes, the UN SC and the UN GA must decide on the acceptance of new members. The application was accordingly forwarded to the UN SC and the Security Council Committee on Admission of New Members. In its report from 11 November, the committee concluded that no unanimous recommendation on the application could be given. While some members of the Security Council were of the opinion that Palestine has all the elements of a state (people, territory, sovereign power of state) and fulfils all requirements for UN membership, others believed that the Palestinian Authority lacks effective power of state and is not sufficiently able to maintain relations with other states.

However, Palestine was admitted as a full member to UNESCO in late October. Together with ten other EU states, Austria voted in favour of Palestinian
accession and informed the Palestinian President during his official visit that the Palestinian representation authority in Vienna was to gain recognition as the “Embassy of the Representation of Palestine”, without this being linked to the official recognition of statehood.

The dramatic changes in the Arab world, mostly in Egypt and Syria, had direct and indirect consequences for the Israeli/Palestinian conflict.

The downfall of President Hosni Mubarak’s regime meant that Egypt stepped up its efforts at mediation and the crisis of the Syrian regime caused Hamas to lose some essential backing. Concrete results were achieved in two cases: After being held hostage for more than five years, Israeli soldier Gilad Shalit was freed in exchange for 1,000 Palestinian prisoners and the border crossing Rafah between the Gaza strip and Egypt was partially opened.

Efforts at mediation on the part of Egypt led to an agreement in principle between the main Palestinian political camps, Fatah and Hamas; however, the agreement has so far not produced any tangible results. The “Cairo Reconciliation Agreement” envisages the formation of a unity government, elections to be held in May 2012 and the admission of Hamas to the Association of the Palestinian Liberation Organisation. However, none of these plans have been implemented so far.

The EU continues to orientate its Middle East policy on the positions of principle that are contained in the Council conclusions from December 2009 and 2010 and uses its political weight to bring about the realisation of the two-state solution together with its partners in the international Middle East quartet and as envisaged in the declaration of the quartet mentioned earlier.

In November 2005 the EU on the basis of an agreement between the Palestinian Authority and the Israeli Government had set up a mission to support border controls at the border crossing point of Rafah between the Gaza Strip and Egypt (EU BAM Rafah). Due to security concerns from the Israeli side, the border crossing has remained shut since the end of 2006, with the exception of a few days at irregular intervals. For this reason, the mission is largely inactive at this point and staff was reduced accordingly. However, should the border crossing be reopened, staff numbers may be increased quickly to ensure that the mission is fully operable within a short period. Prior to the closing down of the border crossing, Austria had participated in EU BAM Rafah with one customs expert. When the border crossing point will reopen, the operation can quickly be relaunched with an Austrian participation of up to four customs officials and up to two police officers.

The EU Police Mission in the Palestinian Territories (EUPOL COPPS) established at the beginning of 2006 supports Palestinian civilian police in the development of viable and effective police structures as defined by international standards. Austria also supported the mission with up to two police staff.
4.4.2.1.2. Lebanon

Despite regular Israeli violations of the Lebanese air space as well as of the ceasefire line, the situation within the mission area of the United Nations Interim Force in Lebanon (UNIFIL) remained largely stable. However, UNIFIL itself was the target of number of bombing attacks along its supply line. The UN SC condemned the attacks in press statements.

With the unanimous adoption of Resolution 1904 (2011) on 31 August, the UN SC extended the UNIFIL mandate by another year until 31 August 2012. As part of this Resolution, the UN SC expressed its deep concern about the serious incidences along the ceasefire line from 15 May and 1 August. On 15 May, seven civilians who had participated in a demonstration of Palestinian refugees and penetrated as far as the Israeli fence along the ceasefire line had been shot by the Israeli army. On 1 August, an exchange of fire took place between Lebanese and Israeli soldiers near Wazzani.

The Special Envoy of the UN SG for the Implementation of the Resolution 1559 (2004), Terje Rød-Larsen, twice briefed the UN SC on relevant developments. The Resolution requested all foreign troops to withdraw from Lebanon and all active militia in Lebanon to disarm. The Lebanese Government was also promised support in extending control over the entire national territory. At the end of September, the mandate of Michael Williams as the UN Special Coordinate for Lebanon ended. No successor had been appointed by the end of the year. Austria participates since November 2011 with up to 160 staff.

4.4.2.1.3. Syria

With a Press Statement that condemns the assaults on the diplomatic representations of France and the US, the UN SC on 12 July was able to agree for the first time on a reaction to events in Syria. In a Presidential Statement from 3 August, the UN SC condemned the widespread human rights violations and the violence of the Syrian authorities against civilians, calling upon all parties to show utmost restraint. The Syrian authorities were called upon to ensure unhampered humanitarian access to the affected areas and to cooperate with the UN High Commissioner for Human Rights. On 4 October, a draft Resolution of the EU member states was rejected in the UN SC. Germany, France, Great Britain and Portugal had called for a condemnation of the violent attempts taken by the Syrian authorities to crush the protests, but failed due to China’s and Russia’s veto. Brazil, India, Lebanon and South Africa abstained from voting. On 23 December, the UN SC issued a Press Statement condemning the terror attacks of Damascus.

The mandate of the UN Disengagement Observer Force on the Golan Heights (UNDOF) was extended by six months respectively by Resolution 1994 and Resolution 2028 (2011), in total until 30 June 2012. Austria continued to participate in UNDOF with up to 378 soldiers. In the context of the two mandate
extensions, the UN SC expressed its deep concerns about the events in the UNDOF mission area from 15 May and 5 June, which were interpreted as serious risks to the ceasefire between Israel and Syria. The Israeli army had opened fire on protesters who had been trying to break through the ceasefire line during protests of Palestinian refugees, monitored by the Syrian authorities.

4.4.2.1.4. Iraq

US forces were withdrawn from Iraq at the end of the year after a period of almost nine years. While the security situation had relaxed somewhat during the year, it deteriorated sharply immediately after the withdrawal of US troops. Since then, there has been an increase in the number of suicide attacks and an eruption of power struggles in domestic politics.

The Head of the United Nations Assistance Mission for Iraq (UNAMI) briefed the UN SC three times about the situation in the country. Special Representative of the Secretary General, (SRSG) Ad Melkert, was replaced by Martin Kobler. On the occasion of the expiry of privileges and immunities as well as the International Advisory and Monitoring Board for the Iraq Development Fund (DFI), the UN SC in a Press Statement from 30 June welcomed the regained autonomy of Iraq over the DFI, whose competences were transferred to the Iraq Committee of Financial Experts. In this context, the UN SC underlined its expectations that Iraq would continue to honour its obligations for compensation payments to Kuwait.

The mandate of the UN SG’s High-Level Coordinator, Gennady Tarasov to investigate the fate of missing Kuwaiti nationals and third-country citizens as well as the returning of Kuwaiti assets was extended on 28 June and on 15 December by six months respectively. On 28 July, the UN SC extended the UNAMI mandate until 31 July with the unanimous adoption of Resolution 2001 (2011).

At the request of the Iraqi Government, in July 2005 the EU launched the EU Integrated Rule of Law Mission for Iraq (EÜJUST LEX) with the aim of contributing to the establishment of a modern police and judicial apparatus in Iraq complying with modern Western standards for the rule of law and the respect of human rights by organising courses for high level Iraqi experts from the police, criminal justice and the penal system. Austria supported the European Union’s mission from the very beginning by occasionally sending lecturers from the police and the judicial system, provided that such courses were held outside of Iraq. During the period under report no such mission took place.

4.4.2.1.5. Iran

Iran saw an increase in executions and human rights violations as well as a deterioration of the position of religious minorities.
Austria has always advocated the respecting of human rights in Iran. In this vein, Vice-Chancellor and Minister Michael Spindelegger in 2011 repeatedly called for the respecting of religious freedom in Iran, for instance in connection with the ongoing persecution of Baha’i, Christians and members of other religions, as well as for the abolishment of the death penalty. These issues are brought up at every opportunity.

Iran is one of 58 states worldwide that continue to hold on to the death penalty. In 2010, 252 persons were executed according to official figures. According to the annual report for 2012 of human rights organisation Human Rights Watch, more than 400 executions took place in 2011. In terms of the absolute number of executions, Iran thus ranks second after the People’s Republic of China. The high number of children and adolescents younger than 18 who have received the death penalty is also worrying. Execution as a punishment for crimes committed by persons younger than 18 violates international law. According to HRW, three children were executed in 2011, one of them in public. More than one hundred adolescents who have received the death penalty are currently awaiting their execution.

On 14 February 2011, the two opposition leaders Mir Hossein Mussavi and Mehdi Karroubi as well as their wives were placed under house arrest without charges and without a proper trial. With the exception of Mrs. Karroubi, the parties remain under house arrest to this day. National and international media are also subject to far-reaching control mechanisms. Journalists are arrested without reason or find that their families are being threatened. Their names are not registered in any prison lists, preventing their families from finding out how they are. In addition, the Iranian authorities are pushing Internet censorship forward.

Prison tactics are said to include torture and rape, partly to extract confessions. According to Amnesty International, the human rights violations that are committed usually have no consequences for the security staff.

On 29 November, dozens of Iranians stormed the British embassy in Tehran without legal consequences for the perpetrators, in spite of the fact that Iran has ratified the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomats.

Iran’s reaction to announcements of further sanctions against Iran from the European Union and the US in late 2011 was to threaten a blockade of the Hormuz Strait. However, the threat was not carried out after the US had stated that it would not tolerate a closure of the Hormuz Strait and would use military means if required.

With regard to Iran’s nuclear programme, the IAEA Board of Governors Resolution from 18 November called for Tehran to intensify its dialogue with the IAEA and to provide full access to IAEA inspectors. Iran was given until March 2012 to answer all outstanding questions in the nuclear conflict.
Challenges and Developments on Five Continents

The EU prepared to tighten autonomous sanctions against Iran following a Council Resolution on 1 December to force the country to relent in the nuclear issue. According to the Council conclusions, such additional measures would affect the Iranian financial sector, the transport sector and the energy sector as well as targeting the Iranian Revolutionary Guards.

Ambassador Nestor Osorio, Chairman of the Sanctions Committee that was set up by UN SC Resolution 1737, briefed the UN SC in March, June, September and December on the implementation of sanctions imposed on Iran. Following the quarterly briefing, the UN SC members discussed the Iranian nuclear programme from the perspective of non-proliferation in a public session. The only concrete measure of the UN SC was the extension of the mandate of the expert group on the basis of Resolution 1984 (2011). At the vote on 9 June, only Lebanon abstained from voting, with all other UN SC members voting in favour of the Resolution. The expert group supports the UN SC and the 1737 Committee in monitoring the implementation of the sanction regime.

4.4.2.2. Arab peninsula

The states of the Arab peninsula were affected by the protest movement of the “Arab Spring” to different extents. While the situation remained comparatively stable following an increase in social benefits in Saudi Arabia, the United Arab Emirates, Qatar, Kuwait and Oman, Bahrain and Yemen experienced violent unrest. The challenge lies in developing credible political reform programmes that take into account the legitimate demand for more political participation.

In Bahrain, the “Bahrain Independent Commission of Inquiry” that was set up by the King presented its report on 23 November on the violent clashes between protesters and security forces back in February that claimed more than 40 lives. The King agreed to take the Commission’s recommendations into account.

In Yemen, President Saleh signed an agreement negotiated by the Gulf Cooperation Council with the opposition to transfer power on 23 November following mass protests that had been raging since the beginning of the year, claiming hundreds of lives. As a first step towards the reform process, an interim government was sworn in on 10 December. Presidential elections are schedule for 21 February 2012.

Special Advisor to the Secretary General on Yemen Jamal Benomar from April onwards reported regularly to the UN SC on his efforts to settle the political crisis and the humanitarian and security situation in Yemen that had deteriorated sharply following the crisis. On 24 June, the UN SC for the first time agreed on a Press Statement to support the efforts of the Gulf Cooperation Council (GCR) to bring about a political transition process. In its Resolution 2014 (2011) from 21 October, the UN SC condemned the severe
human rights violations of the Yemen authorities and emphasised that all parties responsible must be brought to justice. At the same time, the speedy ratification and implementation of the GCR initiative were referred to as essential for an inclusive and ordered political transition process. The message also constituted the keynote of additional Press Statements following the ratification of the GCR initiative by President Abdullah Saleh and the inauguration of the national unity government.

4.4.2.3. Afghanistan

Despite the unstable security situation in large parts of Afghanistan, the withdrawal of international troops has begun. Several provinces were placed within the responsibility of the government in Kabul. The Taliban carried out numerous suicide attacks on important targets. On 5 December, the 10th anniversary of the first Bonn Conference, the International Afghanistan Conference was held in Bonn. The international community has committed itself to continuing support for Afghanistan also after the withdrawal of international troops beyond the year 2014. It is assumed that by 2014, Afghanistan will be capable of administering its own affairs and handling its own security.

In March, July, September and December, the UN SC convened for quarterly public debates to discuss the situation in Afghanistan on the basis of the reports provided by Special Envoy Staffan de Mistura. His designated successor, Jan Kubiš, was already present at the last debate in December. On 22 March, the mandate of the UN Assistance Mission in Afghanistan (UNAMA) was extended by another year on the basis of Resolution 1974 (2011). The mandate of the International Security Assistance Force (ISAF) was extended by another year with Resolution 2011 (2011) from 12 October. Austria participated in this mission by sending three staff officers. In a Presidential Statement from 19 December, the UN SC welcomed the Bonn and Istanbul conferences and stated that the transition process until the end of 2014 would also entail the assumption of leadership responsibility by the Afghan government.

The aim of the EU police mission in Afghanistan (EUPOL Afghanistan) in operation since June 2007 is to support the Afghan Government in the establishment of its own civilian police apparatus complying with international standards. Austria has supported this mission since October by sending up to five police officers.

4.4.2.4 Central Asia

4.4.2.4.1. Kazakhstan

At the early presidential elections in Kazakhstan on 3 April, incumbent Nursultan Nasarbayev was elected for a fifth term. Kazakhstan, up to now
the most stable country in Central Asia, was shaken by a most unusual eruption of violence in 2011: Aktobe, Astana, Aktau, Taraz and Almaty witnessed suicide attacks, bombing attacks and armed conflicts between security forces and presumed extremists, claiming approximately 30 lives. An oil workers’ strike that had been going on for months escalated during the celebrations of independence on 16 December in Schanaosen and Shetpe (Province of Mangystau), resulting in 16 casualties and more than 70 injured. The EU, US, UN, OSCE etc. all appealed to Kazakhstan to instigate independent, transparent investigations of the violence and to resolve the oil workers’ strike through negotiations.

With the entering into force of the Single Customs Code between Russia, Kazakhstan and Belarus on 1 July, border checks were abolished. The implementation of the Single Economic Area between the three states is scheduled to commence on 1 January 2012. On 18 November, the Presidents of the three countries of the customs union sealed the treaty on the establishment of a Eurasian Economic Union by 2015.

The economy of Kazakhstan once again experienced growth rates of 7%, mostly due to the revenue increase resulting from oil exports, and continued its programme of diversification and modernisation.

On 12 October, the first negotiation round on an extended partnership and cooperation agreement between the EU and Kazakhstan took place in Astana. Commissioner Öttinger attended the IV Kazenergy Forum in Astana on 5 October.

The excellent bilateral relations between Austria and Kazakhstan are reflected in a continuous, regular exchange of visits and an increase in trade between the two countries that has been going for several years.

4.4.2.4.2. Kyrgyzstan

The situation in Kyrgyzstan has calmed down somewhat after the overthrowing of the Bakiyev regime and the bloody unrest between Kyrgyz and Uzbeks in 2010; however it is still not entirely stable. An international investigation committee headed by Finnish delegate Kimmo Kiljunen came to the conclusion that the reasons for the excessive violence stemmed from the power vacuum that had briefly developed and the political rivalries prevalent in the south of the country as well as weak state structures and executive organs in the south, political fanaticism and the influence of criminal elements. On 30 October, Almazbek Atambayev, until then Prime Minister, was elected President with a majority of 62.52% of the votes. He succeeded interim President Roza Otunbajewa. Certain defects were observed during the elections; however, they were assessed as free and peaceful overall. Faced with the treat of a vote of no confidence, Speaker of Parliament Achmatbek Keldibekov resigned on 14 December. His successor, Assilbek Zheenbekov, was inaugurated on 21 December. After the Social Democratic party of Kyrgyzstan with-
drew from the coalition government on 2 December, a four-party coalition government headed by Prime Minister Omurbek Babanov was inaugurated on 23 December. Despite its difficult starting position, the Kyrgyz economy once again registered growth rates. The EU gave the green light to budget assistance for Kyrgyzstan amounting to 30 million euros, to be paid during 2012 and 2013. Furthermore, the EU granted Kyrgyzstan 7 million euros for social projects in 2011.

4.4.2.4.3. Tajikistan

**Tajikistan** is among the countries with the most plentiful water supply worldwide and has 55% of the water reserves of Central Asia. However, due to a lack of investment, only 10% are actually being used. The completion of the hydropower plant in Rogun (3,600 MW), which was begun during Soviet times, is thus of primary importance for Tajikistan. However, the project meets with strong resistance from Uzbekistan, which fears negative effects for its water-intensive agriculture. Following a request by Tajikistan, the World Bank is currently conducting a study on the profitability and possible risks of this large-scale project. The 1,300km border with Afghanistan that is difficult to patrol and the battle against drug trafficking remain great challenges for Tajikistan. Tajikistan fears that the ISAF withdrawal from Afghanistan in 2014 may also have a destabilising effect on Tajikistan and is thus particularly keen to improve the economic and social situation in Afghanistan. Tajikistan is among the poorest countries in the world and highly dependant on development aid. The country never really recovered from the civil war that ended in 1997. A lack of reforms has also prevented the country’s sustainable development. Tajikistan receives the biggest share of the EU funds earmarked for Central Asia. EU activities in Tajikistan focus on social and health care, the development of a market economy and the improvement of public finance administration. Furthermore, Tajikistan participates in numerous regional EU programmes in Central Asia.

A highlight of the excellent bilateral relations with Austria was the working visit of Tajik President Emomali Rachmon to Austria in June.

4.4.2.4.4. Turkmenistan

Turkmenistan remains a closed country that sees only few reform initiatives. For the presidential elections that are scheduled for February 2012, ten further candidates were nominated in addition to the incumbent President. However, their chances are considered minute.

According to the estimates of a British energy certification agency, Turkmen natural gas reserves amount to approximately 24 trillion cubic metres. This would mean that** Turkmenistan** has the world’s second-largest natural gas reserves. However, the infrastructure for producing and transporting gas is yet to be put in place. In November, Turkmenistan and China agreed on an
increase of the annual gas supply volume to China from 40 billion cubic metres per year to 60 billion cubic metres per year. However, Turkmenistan remains interested in diversifying its exports markets further: Negotiations on the construction of the TAPI pipeline (Turkmenistan – Afghanistan – Pakistan – India) are under way. Turkmenistan also sees Europe as a potential partner. In September, the EC received the mandate for opening negotiations between the EU, Azerbaijan and Turkmenistan on the construction of a trans-Caspian gas pipeline system.

A highlight of the excellent bilateral relations with Austria was the working visit of President Heinz Fischer on 13 October.

4.4.2.4.5. Uzbekistan

Although Uzbekistan remains characterised by a fairly strong orientation towards Russia, especially in an economic sense, concrete steps to open up new markets have also been taken. In this, the EU and China play particularly important parts, especially as Uzbekistan is an important gas transit nation in Central Asia, making it an interesting energy cooperation partner. In addition to the visit of President Karimov to Beijing in April, where he signed an agreement on investment protection and economic cooperation, Uzbekistan is also increasingly opening itself up towards the EU. On 24 January, President Karimov met EC President Jose Manuel Barroso in Brussels. It was Karimov’s first visit to Brussels since 1996. Talks centred around the establishment of an EU delegation in Tashkent and a Memorandum of Understanding on cooperation in the energy sector as well as the ratification of a Declaration of Intent on the implementation of the National Indicative Programme 2011–2013

The EU has criticised the human rights situation in Uzbekistan, with the Uzbek side at least going as far as acknowledging that the country has certain problems in this regard. However, improvements are slow to progress.

Bilateral relations between Austria and Uzbekistan are good and Uzbekistan has a great interest in Austrian investments and cooperation initiatives with Austria, in particular in the areas of education and science.

4.4.2.5. Northeast Asia

4.4.2.5.1. People’s Republic of China

The People’s Republic of China celebrated the 90th anniversary of the foundation of the Chinese Communist Party. On 14 March, the plenum of the National People’s Congress adopted the twelfth five-year plan, outlining all priorities of economic and social policy until 2015. Priorities include a reduction of China’s dependency on exports and increase domestic consumption, an increase of the tertiary sector in the GDP and “greener” and more sustainable growth over the next years than previously.
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The foreign policy of the People’s Republic of China mainly aims to preserve and restore national unity and secure the Chinese modernisation process externally. Through its permanent seat on the United Nations Security Council China is constantly part of the decision-making process on questions of international security. China takes a multi-polar approach to the world and views itself as a leading advocate of developing countries. Safeguarding the country’s supply of scarce raw materials and energy sources is a main motivation of Chinese foreign policy. In 2011, free maritime traffic in the South Chinese Sea remained of special relevance for Chinese foreign policy. China has intensified its efforts to internationalise its currency and has concluded agreements with Japan and other important trading partners to use the respective countries’ currency for export trade.

The détente with Taiwan, first initiated in 2008, has helped significantly improve the political situation along the Taiwan Strait. Since then, 15 bilateral agreements have been signed, including a basic agreement of a free trade treaty. The most prominent sign that relations between China and Taiwan have improved are the over three million visitors from mainland China who visited Taiwan in 2011.

4.4.2.5.2. Japan

Japan experienced an earthquake and subsequent tsunami on 11 March, leaving more than 15,000 dead and more than 3,000 missing. The situation was made even worse by the reactor incident in the Fukushima nuclear power station immediately after the disaster. For measures taken by Austria in the wake of the disaster, see section 1.1.1. The most important transport and infrastructural networks were soon up and running; however, the actual restoration process will continue for a long time to come due to the immense scale of the task and the enormous costs associated with it. Japan’s industrial production suffered a 3.5% setback: however, overall, the economy was hit less hard by the disaster than had been expected. Downtimes and safety checks performed at nuclear power stations caused a drastic increase of energy imports, one of the reasons for Japan’s first foreign trade balance deficit in more than thirty years.

The strategic partnership with the US continues to be the cornerstone of Japanese foreign policy. Consolidating the position in the Asian region and denuclearising the Korean peninsula as well as non-proliferation and the fight against terrorism are further foreign policy focuses. Consolidating bilateral relations with China is also of great importance. Japan is also keen to improve cooperation with the Republic of Korea and the Russian Federation.

Japan is an advocate of UN reform, with the gaining of a permanent seat on the UN SC remaining a top priority of Japanese foreign policy. The new government headed by Prime Minister Yoshihiko Noda is interested in strengthening relations with the ASEAN states and in establishing a multilateral
institutional structure in the Asian-Pacific region. At the APEC summit in November, Japan announced that it would initiate consultations on involvement in the Trans-Pacific Partnership (TPP).

4.4.2.5.3. Republic of Korea

The situation on the Korean peninsula remained tense. The Republic of Korea’s foreign policy activities focused on security policy crisis management on the peninsula and the respective relations with the regional powers, mainly the US, China and Japan. The free trade agreement between the EU and the Republic of Korea entered into force on a provisional basis on 1 July. A free trade agreement with the US was finally adopted by the South Korean National Assembly after a prolonged period of hesitation.

4.4.2.5.4. Democratic People’s Republic of Korea (DPRK)

In the Democratic People’s Republic of Korea, Kim Jong-Il, Secretary General of the Korean Workers’ Party, Chairman of the National Defence Committee and Commander-in-Chief of the army, died of heart failure in 2011. After the funeral, his son, Kim-Jong-Un, was proclaimed leader of the party, the military and the people. Despite some positive signals, the six-party-talks (Republic of Korea, Democratic People’s Republic of Korea, China, Japan, Russia and the US) were not resumed in 2011.

Against the background of the ongoing tensions on the Korean peninsula, the UN SC extended the mandate of the expert group by one year with Resolution 1985 (2011), which supports the monitoring of the sanctions in place against the DPRK. After the publication of a report drawn up by the expert group and including recommendations had failed in May due to disagreements within the UN SC, the Resolution also aims to improve the reporting mechanism.

4.4.2.5.5. Mongolia

As a result of the continuous expansion of its mining sector, Mongolia registered one of the highest economic growth rates worldwide. The moratorium on the death penalty remained in place. The EU and Mongolia prepared the ratification of the partnership and cooperation agreement that constitutes the basis for relations over the coming years. On 28 October, Mongolia applied for OSCE membership and assumed the Presidency in the Community of Democracies in July.

4.4.2.6. South and Southeast Asia

4.4.2.6.1. Pakistan

Although some progress was made in fighting terrorism in Pakistan, several bloody attacks took place. The fight against terrorism swallowed the lion’s
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share of the available funds and energies, which meant that the country’s large-scale economic and social problems could not be tackled. Osama-bin-Laden was killed by American special forces on 2 May. In September, large parts of Pakistan were once again devastated by the monsoon rains. National and international aid and rehabilitation measures still continue.

The détente process between India and Pakistan, strained for decades because of the Kashmir issue, deteriorated after the terrorist attacks of Islamist groups on Indian targets and ground to a complete halt after the attack on the financial centre of Mumbai in late November 2008. Bilateral relations have improved somewhat, at least on an atmospheric level, after a meeting between the two Prime Ministers in April 2010 at the SAARC summit in Thimphu and a further meeting on the occasion of the Cricket World Cup in March. Diplomatic visits have increased in frequency and the bilateral trade and visa regime has been liberalised in parts. India supported Pakistan’s successful application for a non-permanent seat in the UN SC, while Pakistan agreed to grant India Most Favoured Nation Status within the WTO framework. A meeting between the two Prime Ministers during the SAARC summit in Male reflected this improved atmosphere, but also highlighted the tensions between Pakistan and Afghanistan.

4.4.2.6.2. India

The focus of Indian foreign policy remained on strengthening relations with its neighbours. As a regional superpower in South Asia, India – increasingly competing with China – tries to stabilise the crisis-shaken neighbours of Nepal, to extend its relations with Bangladesh and Myanmar, in particular with regard to economic and security cooperation, to encourage Sri Lanka to find a political solution to its internal ethnic conflict and to cooperate with the Maldives in the fight against piracy in the Indian Ocean. Furthermore, India has strengthened its foreign policy profile as a non-permanent UN SC member in 2011/2012 and as a leading emerging country within international forums such as the G-20, BRICS (Brazil, Russia, India, China, South Africa), IBSA (India, Brazil, South Africa) and SAARC. India is striving for close partnership with the US mainly in the joint fight against terrorism and civilian nuclear cooperation.

4.4.2.6.3. Bangladesh

In Bangladesh, the leftist Awami League under Sheikh Hasina wages a stern war on corruption and started to investigate the war crimes committed during and after the war of independence against Pakistan at the beginning of the Seventies and to hold the perpetrators responsible. Domestically, the climate remained characterised by the conflict between the Awami League and the oppositional Nationalist Party. Unlike the Islamist-nationalist government that preceded it, the Hasina government makes a point of its pro-Indian
approach, which is also reflected in the increased frequency of high-level visits (Prime Minister Sheikh Hasina visited India in 2010 and Prime Minister Manmohan Singh returned the visit in September 2011).

4.4.2.6.4. Bhutan

The Kingdom of Bhutan continued the King’s “Gross National Happiness” government programme. In foreign policy, the country is strongly focused on India, by far its prime partner also economically, particularly for water power.

4.4.2.6.5. Nepal

The political situation in Nepal remains unstable and the peace process has ground to a halt. Baburam Bhattarai from the Unified Communist Party of Nepal (Maoist), headed by party chairman Pushpa Kamal Dahal “Prachanda”, took the reins on 29 August as the third Prime Minister to assume power in 2011. The young republic’s most important tasks remain unsolved: the drawing up of a constitution, integration and rehabilitation of former rebel fighter, promotion of a satisfactory division of power across all parties, a satisfactory form of government and a federal state structure.

At the end of the United Nations Political Mission in Nepal (UNMIN), which also included two Austrian military observers, the UN SC was informed on 5 January by Karin Landgren in her function as Mission Director and Representative of the Secretary General on the peace process in the country. In a Presidential Statement of the UN SC from 14 January, one day before the end of the mission, the UN SC affirmed its support for the peace process and called upon all parties to step up efforts to implement the peace treaties and to resolve outstanding questions.

4.4.2.6.6. Sri Lanka

After the military victory by the government over the separatist Liberation Tigers by Tamil Eelam (LTTE) in May 2009, Sri Lanka still faces the difficult challenge of finding a political solution to the decade-old conflict between the Tamil minority and the Singhalese majority population. The government is defending itself against international criticism of its army, which is accused of severe human rights violations during the final phase of the civil war (“Darusman Report”). The report from 16 December of the Commission of Inquiry on Lessons Learned and Reconciliation – LLRC that was appointed by President Rajapaksa absolved the political and military leadership of Sri Lanka from all responsibility for violations of humanitarian international law; at the same time, the report calls upon the government to promote national reconciliation and to implement numerous constitutional laws that would grant greater rights to the Tamils. With 1 September, Presi-
dent let the emergency laws expire that were issued in 2005 and 2006 respectively and grant far-reaching powers to the executive.

4.4.2.6.7. Maldives

In the Maldives, President Mohammed Nasheed still tried to advance the democratic opening of the Muslim island state after thirty years of sole rule by President Maumoon Abdul Gayoom. At the 17th SAARC summit on 10 and 11 November (Addu Atoll/ Maldives), the Maldives took over the Presidency of SAARC and are now stepping up their efforts to position themselves as a relevant force in the South Asian region.

4.4.2.6.8. Thailand

The domestic situation in Thailand has visibly relaxed compared to the previous year. The elections on 3 July ended in an absolute majority for the oppositional Pheu-Thai party under Yingluck Shinawatra, sister of overthrown former Prime Minister Takshin Shinawatra, while the Democratic Party that had previously been in power only received 30 percent of the votes. The social-political conflicts caused by the political crisis of recent years continued under the new leadership but receded into the background after the disastrous floods in September, when Thailand had to cope with the biggest natural disaster in its modern history. More than four million people became direct or indirect victims of the floods. In addition to the aftermath of the flooding and the ongoing crisis in domestic politics, problems in the three southern provinces that have a Muslim majority remained the greatest challenges to the Royal Thai government.

4.4.2.6.9. Cambodia

The second case of the court jointly established in 2006 by the UN and Cambodia to prosecute crimes committed by the Red Khmer was opened in the summer. However, investigations of case three and four were partially terminated, causing international criticism and a great deal of controversy regarding the rights of the court of justice. From 28 November until 2 December, Phnom Penh hosted the 11th Conference of the Signatory States of the Ottawa Convention (Anti-Personnel Mines).

4.4.2.6.10. Myanmar

In Myanmar, the new government headed by President Thein Sein embarked on political and economic reforms in November 2010. Trade unions were readmitted, the right to strike was reintroduced, a National Human Rights Committee was appointed and numerous political prisoners were released. The house arrest for opposition leader and Peace Nobel Prize winner Aung San Suu Kyi was lifted shortly after the elections in the autumn of 2010. Since
the middle of the year, regular meetings have been taking place between her and the President. Her party, the NDL (National League for Democracy) was officially readmitted and Aung San Suu Kyi will also run for office in the by-elections in the spring of 2012. The country that for decades had been completely cut off from the rest of the world has welcomed numerous state visitors since the summer, among them Secretary of State Hillary Clinton and the French and British Foreign Ministers, all of whom attested to the strong willingness for reform in the country. At the same time, the military retained its significant influence on the two houses of parliament, the House of Representatives and the House of Nationalities, as written down in the country’s constitution of 2008.

4.4.2.6.11. Malaysia

Despite persistent rumours to this effect, Malaysia did not hold early elections. The controversial mass demonstrations of the NGO platform BERSIH (“clean”) 2.0 for fairer electoral rights in Kuala Lumpur on 9 July, in which representatives of all ethnic groups participated, remained peaceful despite some clumsy handling on the part of the government. Prime Minister Najib’s former competitor within his own party, Anwar Ibrahim, leader of the opposition coalition Pakatan Rakyat, was cleared on 9 January 2012 of sodomy charges that had been the subject of a trial spanning several years and was subject to heavy international criticism. Despite the effects of the crisis in Japan, the economy grew by a remarkable 4.4%.

4.4.2.6.12. Indonesia

Indonesia has managed to consolidate its democracy since the end of the authoritarian regime of long-term President Suharto in 1998, with media freedom being exemplary in the regional context. Indonesia was hardly affected by the global financial and economic crisis; the positive economic development was the result of a booming stock exchange and an economic growth rate of approx. 6.5%.

4.4.2.6.13. Timor-Leste

Timor-Leste – also thanks to the United Nations Integrated Mission in Timor-Leste (UNMIT) established since 2006 and with the Australian-New Zealand international peace-keeping force – has seen further consolidation. The local police are gradually assuming security tasks in the country. With a view to the end of the UNMIT mandate in 2012 and the impending parliamentary and presidential elections, the political future of Timor-Leste has been the subject of intense discussions.
4.4.2.6.14. Philippines

In the Philippines, the policy of the Aquino government was characterised by the implementation of the anti-corruption and anti-poverty plans that were announced in the electoral campaign in 2010. Economic growth stimulation is an important factor in achieving this goal. A programme to promote public investments in the infrastructure has also been initiated. The government also invested much energy in initiating and continuing the peace process for the still unresolved internal conflicts with Muslim and Communist separatist groups (MILF, Moro Islamic Liberation Front and NPA, “New People’s Army”).

4.4.2.6.15. Vietnam

In Vietnam, the XI National Party Congress of the Communist Party from 12–19 January set the political and personal scene for the next five years. The Party Congress focused on continuity, with an emphasis on stability and economic growth. Nguyen Phu Trong became new Secretary General and Truong Tan Sang, member of the politbureau, became new President of State. Prime Minister Nguyen Tan Dung was confirmed in his office. Following the conclusion of negotiations on the partnership and cooperation agreement with the EU, the road was paved for initiating negotiations on a free trade treaty. In terms of foreign and security policy, Vietnam continues to strive for deepened relations with the US and also India, also due to the situation in the South China Sea. Despite the economic crisis, Vietnam achieved growth rates of almost 5% in the past year.

4.4.3. Regional organisations

The ten ASEAN member states (Brunei, Indonesia, Cambodia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) met in Bali from 14–19 November for the 19th ASEAN Summit. The long-term goal of ASEAN is the creation of a community with three pillars (politics/security, economy and socio-cultural issues), with the economic community to be realised as early as 2015.

The EU plans to join ASEAN’s Treaty of Amity and Cooperation in Southeast Asia (TAC) by the next meeting of EU-ASEAN foreign ministers in Brunei Darussalam in April 2012. Since preliminary negotiations for a Free Trade Agreement with ASEAN have failed, the EU has initiated negotiations on bilateral free-trade agreements with Singapore and Malaysia and has plans for further agreements with other countries in the region. Negotiations are progressing well. The basic goal of a Free Trade Agreement with ASEAN remains unaffected.

Indonesia had the rotating Presidency of ASEAN in 2011 and will pass it on to Cambodia in 2012.
Thanks to the close economic contacts of many ASEAN countries with China, Japan and the Republic of Korea further integration levels ASEAN+3 and the East Asia Summit (EAS) have developed in parallel. The US and Russia were officially invited to participate in EAS; the EU has so far not been invited.

The eight-state South Asian Association for Regional Cooperation (SAARC) held its 17th Summit at the Addu Atoll/Maldives on 10 and 11 November. The EU participates as observer.

4.5. Australia and Oceania

4.5.1. Australia

The minority government of Prime Minister Julia Gillard held firm despite the difficult parliamentary situation and bad poll results for the Labour Party. The most important success achieved by the government was the passing of a law on the introduction of a CO2 emissions tax.

Highlights of foreign policy included the visit of US President Barack Obama, during which extended military cooperation between Australia and the US was agreed upon, and the meeting of the Commonwealth Heads of State and Government that took place in Perth in October and in which Queen Elizabeth II also participated as Queen of Australia.

On the occasion of the visit to Australia of EU High Representative Catherine Ashton in October, negotiations were launched on a new framework agreement on the relations between the EU and Australia.

4.5.2. New Zealand

The incumbent National Party achieved a clear victory in the elections in November. Prime Minister John Key thus decided to continue with the coalition as it was. The economy remained a focus of government activities, especially in view of the financial consequences of the disastrous earthquake in Christchurch in February. At the end of August, new Governor General Sir Jerry Mateparae took up office. He is the second member of the Maori ethnic group to hold this position.

In October, EU High Representative Catherine Ashton and New Zealand’s Foreign Minister Murray McCully expressed their intention of initiating negotiations on a bilateral framework agreement.

In 2011, New Zealand hosted two large-scale events: the meeting of the Pacific Islands Forum (PIF) and the Rugby World Championship that culminated in the victory of the New Zealand team.
4.5.3. Oceania

This year's Pacific Island Forum (PIF) that took place in Auckland in September marked the 40th anniversary of the foundation of this organisation. The forum was given special importance due to the attendance of UN Secretary General Ban Ki-moon. The attendance of EC President Jose Manuel Durao Barroso also underlined the growing EU engagement in this strategically important region.

A transfer of power took place in Papua New Guinea. Its Prime Minister of many years, Sir Michael Somare, also hailed as the “Father of Independence”, was replaced by Peter O’Neill.

Efforts for Fiji’s return to democracy and rule of law were continued. Elections are scheduled for 2014. The Regional Assistance Mission to Solomon Islands (RAMSI) under Australian leadership is continued. Progress was also made with projects resulting from the Austrian-Italian regional cooperation programme to promote the use of renewable energies in several Pacific states.
5. **Security Policy dimension**

5.1. **Common Security and Defence Policy (CSDP)**

When the Treaty of Lisbon came into force on 1 December 2009, the term “European Security and Defence Policy” (ESDP) was replaced by the new name “Common Security and Defence Policy” (CSDP). And it is still integrating part of CFSP (see item 3.3.2.1.). The Treaty of Lisbon also provides for enlarging the CSDP by introducing an assistance clause for the EU member states, expanding the Petersberg missions as they are called, improving the cooperation in the European Defence Agency, the option of establishing permanent structured cooperation in the military field, strengthening the role of the High Representative of the Union for Foreign Affairs and Security Policy, and – albeit not regulated in the CFSP framework but still closely connected to it – the introduction of a solidarity clause applying to the EU member states. However, no concrete steps for implementing the Permanent Structured Cooperation have been taken to date. As far as the implementation of the solidarity clause is concerned, there have been first consultations in the EU bodies. A joint proposal of the EC and EU High Representative Catherine Ashton is intended for presentation in 2012.

5.1.1. **Ongoing cooperation to manage the crisis**

For the individual operations please refer to the country chapters in section 4.

5.1.2. **Expanding the civil and military capacities for crisis management**

The civilian and military “Headline Goals 2010” that define the ambitions of the EU in civilian and military international crisis management were demanded by the European Council at the end of 2010 until further notice. Based on the experience gained in implementing the military Headline Goals, the Council decided in December to continue the process of developing skills both in the civilian and the military field. Against the background of tight defence budgets in particular, the common use of defence resources (“Pooling and Sharing”) has been enforced. The European Defence Agency is to play an active role in this process. Austria’s focus is mainly on regional cooperation with its partners in Central Europe (the Czech Republic, Slovakia, Hungary, Slovenia and Croatia); concrete areas of cooperation have been identified that will be presented at EU level in the spring of 2012.

The **concept of readily available battle groups** plays a major role in this context. Based on a semi-annual rotation scheme, two of these battle groups, each comprising some 1,500 people, will be available for deployment within five to 15 days at short notice. In the first six months, Austria was part of
a battle group led by the Netherlands and will take over the logistic management of a battle group managed by Germany in the second half of 2012. In addition, troops from the Czech Republic, Ireland and the third states of Croatia and Macedonia will be involved in this battle group. To increase the deployment capability of the battle groups – so far they have not been used – a series of measures were discussed in autumn, such as extending the six-months stand-by phase, embedding civilian elements and reforming the financing scheme. In practical terms of crisis management, the EU must take into account that a variety of international organisations are involved in various fields in the mission areas. This calls for more intense cooperation and division of tasks following the principle of comparative advantages between the EU and other organisations, such as in particular the United Nations (UN), the North Atlantic Treaty organisation (NATO; see section 5.3.), the Organisation for Security and Cooperation in Europe (OSCE), the Council of Europe (CoE) and the African Union (AU) (“comprehensive approach”).

The Joint Declaration on Cooperation between the EU and UN in crisis management (2007) provides for close coordination between the organisations in conflict prevention, mediation, securing of peace and consolidation of peace. Implementation of the Declaration is pushed ahead in regular meetings of the two organisations. The experience of CSDP and UN missions in the same region (e.g. DR Congo, Chad, Kosovo) has shown that efficient and well-functioning cooperation between the EU and the UN is of major importance for preserving international peace and security. Furthermore, the EU fully supports the New Horizon initiative on reforming UN peacekeeping operations that was launched by the UN Secretariat in 2009. Based on the working paper entitled “EU-UN Cooperation in Crisis Management – Actions to Enhance EU, CSDP Support to UN Peacekeeping”, concrete measures to improve the EU contributions to UN peacekeeping missions in the framework of the CSDP were discussed in the PSC in autumn. Cooperation between EU and NATO was continued. Under the Berlin Plus agreement, the CSDP operation EUFOR Althea was carried out in Bosnia and Herzegovina having recourse to facilities and capacities of NATO. EU and NATO are both involved in crisis management missions in Afghanistan and Kosovo; the EU with civilian capacities and NATO performing military tasks. Close coordination between the EU Atlanta operation and the NATO operation Ocean Shield was organised in the sea around the Horn of Africa, to fight the pirates off the coast of Somalia. The development of military capacities of the EU is also coordinated closely with NATO that counts 21 EU states among its members. Thus it is ensured that the requirements that EU and NATO place on the military forces of the member states are compatible and/or complementary. Cooperation between the EU and the OSCE is particularly close in terms of activities in the Western Balkans and the states of the European Neighbourhood Policy, where both organisations support the development and strengthening of democratic institutions under the rule of law. Cooperation between the EU and the AU in terms of security policy is based on the Joint Africa-EU
Security Policy dimension

Strategy adopted at the EU-Africa Summit in Lisbon in December 2007 and on the peace and security partnership it contains that has been implemented since 2008.

5.2. OSCE

5.2.1. The OSCE on its way towards becoming a comprehensive security community

The Astana Commemorative Declaration was adopted at the summit of the Organisation for Security and Cooperation in Europe (OSCE) on 1 and 2 December 2010. Under the Lithuanian OSCE chairmanship, several meetings of the informal V to V-Dialogue (Vienna to Vilnius), comprising all three OSCE dimensions, were held in 2011 to probe common approaches to establishing a comprehensive security community in the whole OSCE area step-by-step, partly involving the civil societies. The still unsettled conflicts in the OSCE area (Nagorno-Karabakh, Transnistria, Georgia) and different assessments of the importance of the human dimension within the OSCE have made it difficult to achieve concrete results.

At the OSCE Ministerial Council Meeting in Vilnius (on 6 and 7 December), however, it was possible to adopt a first resolution on improving the OSCE competence in the conflict cycle, involving – among other measures – a strengthening of the mediation support in the OSCE conflict prevention centre. Other positive developments in this respect are decisions on strengthening the partnerships and the readiness to accept new partners, on increasing the support for Afghanistan by including the ecological-economic and human dimension, and on improving the coordination and coherence of the OSCE efforts taken to counter-act transnational threats by creating a dedicated department in the Secretariat for this purpose. While no resolution was taken to accept Mongolia as the 57th member state of the OSCE, the ground was prepared for this in Vilnius.

5.2.2. Regional issues and field activities

The OSCE maintains 17 field operations in Southeast Europe and the Community of Independent States (CIS) requiring the major share of its budget (60%) and staff resources. Austria deployed 26 civilian experts to more than half of these field operations, with the majority of them in Southeast Europe. At the end of the year the Permanent Council agreed on an extension of all OSCE missions. The closure of the Minsk office demanded already at the end of 2010 (blocked by Belarus) was made formal in 2011, and the closure of the OSCE office in Zagreb was also unanimously agreed at the end of the year. The Kosovo mandate is still being automatically extended on a monthly basis subject to objections from a participating country. Ireland takes over the
OSCE

OSCE chairmanship on 1 January 2012. In project financing, Austria focused on countries that required urgent support in the consolidation of democratic structures, human rights and rule of law. Austria also supports individual activities in the political-military as well as economic and environmental dimension to pay tribute to the balance of the three dimensions. In the area of border management, Austria continued to contribute to projects in the Central Asian region in direct connection with international stabilisation efforts in Afghanistan.

5.2.2.1. Southeast Europe

The biggest of the OSCE field operations continued to be in Southeast Europe, with missions in Albania, Bosnia and Herzegovina, Kosovo, Croatia, Macedonia, Montenegro and Serbia. As the general situation in Southeast Europe stabilised, the two largest missions in Kosovo and in Bosnia and Herzegovina were further reduced in personnel and budget, also with a view to the long-term intention to shift the focus of the field operations. The decision on closing the OSCE office in Zagreb was taken unanimously at the end of 2011. The still unsettled issue of legal prosecution of war criminals is to be managed further by Croatian non-governmental organisations under the direction of the ODIHR. The OSCE field operations are an important contribution to developing democratic structures that comply with the rule of law and to developing and consolidating multi-ethnic societies in Southeast Europe; the OSCE’s role is increasingly moving towards monitoring and provision of counselling to the local administrative and political structures. In cooperation with the EU and other international actors, the OSCE covers numerous tasks that are indispensable in the rapprochement process of these countries to Euro-Atlantic structures.

5.2.2.2. Moldova/Transnistria

The conflict in Transnistria that has been simmering for twenty years has still not been resolved. The internationally recognised “5+2 Format” (5: Moldova, Transnistria, OSCE, Russia and Ukraine as the facilitators + 2: EU and the USA as observers) held informal meetings, as in the previous year, to probe the option of resuming formal meetings. In December, shortly before the OSCE Ministerial Council Meeting, a formal meeting of this kind was held in Vilnius, which can be seen as a first important step towards solving the conflict. The main objective of the OSCE mission in Moldova is the support for a permanent, political solution to the Transnistria conflict. The mission deals mainly with the issues of human rights, democratisation, freedom of the media and in particular the fight against human trafficking, and the implementation of confidence-building measures. As was the case at the Astana summit before it, the OSCE summit in Vilnius also failed to reach an agreement on an explicit declaration on the situation in Moldova/Transnisi-
Security Policy dimension

tria – this time against the background of tensions between Russia and the Western OSCE countries with regard to the third dimension (observation of elections and human rights).

5.2.2.3. Belarus

The OSCE office in Minsk was active in all three dimensions of the OSCE, focussing mainly on project management in the areas of economy and environment, development of democratic institutions, rule of law and civil society. It was mainly its work in the human dimension that caused a closure of the office by the Belarus authorities who wished to put an end to its work in the third dimension of the OSCE. This step was announced on 31 December 2010, taken in 2011 and supported by Russia in line with its position of always stressing the importance of the host country’s agreement. The Lithuanian OSCE chairmanship, as well as EU High Representative Catherine Ashton and US Foreign Secretary Hilary Clinton expressed their regrets about this step. Bilateral consultations brought no results. At the same time, Belarus is interested in further technical cooperation with the OSCE in individual project areas, especially in the field of trafficking in human beings. Activation of the “Moscow mechanism” was initiated by 14 Western OSCE countries in April. A re-opening of the office in Belarus – demanded by a large number of OSCE countries – is improbable.

5.2.2.4. Ukraine

Against the background of the lawsuit against Yulia Tymoshenko that was dominating the headlines and ended with a prison sentence for the former Prime Minister, Ukraine is preparing for OSCE chairmanship in 2013. The mission in Ukraine comprises an office of a project coordinator that cooperates closely with local authorities in projects dedicated to economic promotion, fight against human trafficking, democratisation and promotion of the civil society. The office of the project coordinator is involved in all three dimensions of the OSCE. The OSCE made several recommendations with regard to a reform of Ukrainian electoral rights in 2011. One of the current priorities of the office is the administrative and technical preparation of the parliamentary elections planned for autumn 2012.

5.2.2.5. South Caucasus

The large majority of OSCE states continued to call for a substantial, comprehensive role of the organisation in the whole of Georgia and re-establishment of an OSCE mission. The Russian Federation, however, continued to insist on a mandate complying with the unilateral recognition of Abkhazia and South Ossetia by the Russian Federation, which was, however, unacceptable for the vast majority of the OSCE states. The role of the OSCE was therefore
again reduced to that of a co-chair at the Geneva Talks. The informal support of the OSCE chairmanship in issues of gas and water supply between South Ossetia and the rest of Georgia continued. The OSCE offices in Armenia and Azerbaijan supported the two countries in meeting their OSCE obligations in all three dimensions. The focus here was mainly on democritisation (constitutional reform, reform of the electoral system), rule of law, good governance, freedom of the media and freedom of assembly, as well as support for the civil society. The Permanent Council was repeatedly faced with problems concerning the freedom of the media, including electronic media, in Azerbaijan. The Minsk Group, under the joint chairmanship of the USA, France and the Russian Federation, continued to pursue a political solution for the Nagorno-Karabakh conflict. The personal representative of the OSCE chair is responsible for the technical aspects of conflict resolution and development of confidence-building measures along the ceasefire line. The Vienna-based High-Level Planning Group adapted proposals for the possible establishment of a multinational OSCE peacekeeping operation. The meetings between the presidents and foreign ministers were continued. At the Ministerial Council meeting in Vilnius, a joint declaration of the co-chair of the Minsk Group and Armenia and Azerbaijan was adopted that mentions a peaceful solution by negotiation as the only option of conflict resolution and reconciliation. In addition, the demand has been raised once again to define mechanisms for the investigation of violations of the armistice and basic principles of conflict solution. Despite all this, the situation along the ceasefire line continued to be tense, in particular due to the deployment of snipers on both sides. Failure to achieve any progress in the Nagorno-Karabakh issue triggered an increasingly frosty attitude on the part of Azerbaijan in particular together with increasing scepticism about the intended establishment of an OSCE-wide security community.

5.2.2.6. Central Asia

In the Central Asian countries, the OSCE is one of the most important international actors, particularly after Kazakhstan became the first Central Asian country to take the OSCE chair in 2010. The OSCE field missions in the region were concentrated on the support for governments by providing expertise in the rule of law, building pluralistic societies, respect for human rights, democratic media policy, and anti-corruption measures. The OSCE was also involved in a number of training and education activities. The OSCE Academy in Bishkek, which receives financial support also from Austria, deserves special mention in this respect.

In Kazakhstan, the focus of the OSCE mission was on activities in the law reform process, border management and the fight against human trafficking. During the presidential elections in Kyrgyzstan in October, the OSCE Centre in Bishkek played a coordinating and supporting role. The international Community Security Initiative aiming to push ahead the police reform in
particular was successfully continued. Another priority of this field mission is border management, and mainly the development of local capacities.

The OSCE work in Tajikistan is dedicated mainly to developing an effective border management system along the border to Afghanistan. Because of its geographic location, Austria is able to provide special expertise on mountainous border management at high altitudes; and personnel and financial support was provided for projects in Kyrgyzstan and Tajikistan in this respect. Freedom of the media in Central Asia continues to be an increasingly important topic for the OSCE. At the end of November, the Central Asian Media Conference was held in Dushanbe (Tajikistan). In Uzbekistan and Turkmenistan, the cooperation between the OSCE and the local authorities was again very limited in scope.

5.2.3. Election observation

One of the primary tasks of the Warsaw-based Office for Democratic Institutions and Human Rights, ODIHR, is support in the holding of democratic elections. It provides technical support in the definition and implementation of electoral right provisions and organises election monitoring missions. The ODIHR organised observations of elections at general governmental level in 17 participating countries. Austria was involved in the ODIHR election monitoring activities by deploying a total of 21 short-term observers and six long-term observers for the elections in Albania, Kazakhstan, Kyrgyzstan, Macedonia and Russia. The mandate of Ambassador Janez Lenarcis (Slovenia), the Director of the ODIHR, was extended by three more years effective 1 July.

5.2.4. The human dimension of the OSCE

The human dimension is a core element of the OSCE’s activities aiming at the respect for human rights and the promotion of democracy and rule of law. The operative institution of the OSCE in this respect is the Warsaw-based Office for Democratic Institutions and Human Rights (ODIHR).

ODIHR activities include the promotion of democratic elections (see section 5.2.3.), the development of democratic structures, human rights, tolerance, non-discrimination and rule of law. The Office plays an internationally acclaimed leading role in the field of election monitoring. Another central task of ODIHR is the monitoring of compliance with the obligations of the human dimension. The annual Implementation Meeting on the Human dimension was held in Warsaw from 26 September to 7 October. The three Supplementary Human Dimension Meetings held annually in Vienna were dedicated to the following topics: national human rights institutions (14 and 15 April), the call for pluralism in the new media (7 and 8 July), and prevention of racism, xenophobia and hate crimes through educational and
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awareness-raising initiatives (10 and 11 November). The topic of the annual Seminar on the Human Dimension was the role of political parties in the political process (Warsaw, 18–20 May). The ODIHR activities met with great media response, such as the ODIHR observer mission from April to August at the court proceedings against 41 regime critics in Minsk/Belarus who had been imprisoned after protests in December 2010. The criticism expressed by the ODIHR election observers about the Duma elections in Russia in December, where severe irregularities were found, also created massive waves. The special representatives appointed by the Chair to implement the OSCE work with regard to tolerance were: Rabbi Andrew Baker (USA, in charge of efforts to combat anti-Semitism), Adil Akhmetov (Kazakhstan, responsible for combating intolerance and discrimination against Muslims), and Massimo Introvigne (Italy, in charge of combating racism, xenophobia and discrimination, including intolerance against and discrimination of Christians and members of other religions). Maria Grazia Giammarinaro (Italy) continued her work as special representative of the chair-in-office for the fight against human trafficking, and Wendy Patten was again in charge of gender issues. Former Norwegian Foreign Minister Knut Vollebæk continued his work as High Commissioner for National Minorities. His task is to identify ethnic tensions that might pose a threat to peace, stability or good relations between OSCE countries and search for solutions. Since 2010, Dunja Mijatovic has been the OSCE Representative for Freedom of the Media. She is responsible for monitoring media development in the member states and reporting severe infringements against OSCE principles and duties related to freedom of opinion and of the media. The media representative is increasingly demanding freedom of opinion in digital media such as the Internet.

At the OSCE Ministerial Council Meeting in Vilnius in December, no agreement was reached on draft decisions in priority areas of Austria’s and the EU’s efforts, such as safety of journalists, pluralism in new media and intolerance and discrimination in public discourse. Austria continues to increase its efforts in its support for freedom of the media, freedom of assembly and democratic elections, the prevention of hate crimes and the protection of religious minorities.

5.2.5. The security policy dimension of the OSCE

In addition to political and military issues that are discussed in the weekly meetings of the Forum for Security Cooperation, more and more time has been allotted to deliberations about transnational threats and issues of comprehensive border protection, human trafficking, protection of information infrastructure and police cooperation – topics that are on the agenda of the Security Committee.

The annual Security Review Conference in Vienna was held from 29 June to 1 July and attended by NATO Secretary General Anders Fogh Rasmussen. As
a response to the events in the Arab world, a special meeting of OSCE cooperation partners was organised dedicated to possible OSCE contributions to the development of democratic security sectors by means of OSCE projects or through the OSCE Code of Conduct on political and military aspects of security. On 24 and 25 May, a high-level Military Doctrine Seminar was held in Vienna (the first of this kind since 2006).

In its role of coordinator, Austria supported efforts geared at improving the application of the Code of Conduct on Political-Military Aspects of Security and co-financed a seminar on this topic in Odessa (6 and 7 July). In addition, Austria provided a financial contribution to OSCE projects for the destruction of cluster munitions in Georgia and the disposal of missile fuel in Moldova. After the talks about the Treaty on Conventional Armed Forces in Europe had failed and after the NATO states had decided that they no longer wished to fully comply with their information obligations, the OSCE efforts for modernising the Vienna Document on confidence and security-building measures gained increasing importance. On 30 November, the Vienna Document 2011 was adopted in the Forum for Security Cooperation, bringing about a first – albeit modest – success regarding the updating of the Vienna Document. Together with other states, Austria also advocated the reduction of threshold values for the notification of certain military activities and measures for risk mitigation and will continue to do so.

At the Ministerial Council in Vilnius, a resolution was taken on establishing OSCE-wide national contact points for the implementation of UN SC Resolution 1540 (2004) on Non-Proliferation of Weapons of Mass Destruction. Draft resolutions supported by the USA, EU and Austria calling for a strategic framework of police activities and the establishment of a working group to define confidence and security-building measures in the field of information technology (cyber security) failed due to the relentless attitude of Azerbaijan and the Russian Federation. Efforts to this end will, however, be continued in the framework of the Security Committee. It was decided that a dedicated department for transnational threats be installed that will make it easier for the OSCE Secretariat to respond to the changing security needs in future.

5.2.6. The economic and environmental dimension of the OSCE

The OSCE’s economic and environmental dimension was dominated by the topics chosen by the Lithuanian chair for the Economic and Environmental Forum 2011, i.e. energy security and transport. Based on the work in the Forum, the OSCE Council of Ministers adopted a decision with regard to transport which will take the work in this area to a further level. The Chair also succeeded in achieving a Ministerial Council decision on equal opportunities for women in the economic sphere, increasing the organisation’s profile with regard to equal rights. October saw the first conference in Vienna
where the work done in the second OSCE dimension was subjected to a successful **review**. This appraisal is to be continued following the example of the procedure adopted for the human dimension. At a more general level, the Lithuanian chair also achieved a decision aiming to **boost the effectiveness** of work in the second dimension. In future, special attention is to be paid to the security-relevant aspect of increasing effectiveness in the interaction with the other dimensions. Under the Irish chair in 2012, the focus will mainly be on the contributions of good governance to security and stability.

### 5.2.7. Parliamentary Assembly of the OSCE

The OSCE Parliamentary Assembly with its headquarters in Copenhagen and a branch office in Vienna since 2002, has 320 members of parliament from 56 participating countries. The **20th Annual Assembly** was held in Belgrade from 6 to 10 July on the issue of “Strengthening the Efficiency and Effectiveness of the OSCE”. The Belgrade Declaration was adopted at the conference, covering recommendations for parliamentary improvements in the participating states, resolutions on the human rights situation in Belarus, on cyber security, freedom of the Internet, human trafficking and nuclear safety. Petros Efthymiou (Greece) continued to serve as the President of the Parliamentary Assembly in 2011. The winter meeting, held every year in Vienna since 2002, took place on 24 and 25 February. It was dedicated to the situation in Northern Africa and the Middle East (Arab Spring). Among the people who attended was the Special Representative for Mediterranean Affairs, Alcee Hastings (USA).

### 5.3. North Atlantic Treaty Organisation (NATO)

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

Austria has been a member of the PfP since 1995 and of the EAPC, the forum for cooperation between the NATO and the partner states in the political and security field, since 1997.

In 2001, Austria deployed more than 600 soldiers (some 150 of them of the operative reserve force), i.e. the largest contingent of a partner state in the framework of the NATO-led peace mission in Kosovo (KFOR). This made Austria the third largest KFOR troops provider. Austria also provided three trainers for the training of the Kosovo Security Force (KSF) as part of the Military Civil Advisory Division. In June 2009, gradual downsizing of the KFOR forces began. At the end of 2011, the force level was 6,200 people, plus some 700 members of the operative reserve forces who were deployed to Kosovo in the course of the unrest in Northern Kosovo in the summer. Since 2010, the
prime responsibility for the protection of nine religious and cultural sites has been transferred step-by-step from KFOR to the Kosovar police.

Austria was also represented by three staff officers at the headquarters of the NATO-led International Security Assistance Force (ISAF) in Afghanistan. The main task of this peacekeeping operation authorised by the UN is the support of the Afghan government in the establishment and protection of homeland security and human rights, the delivery of humanitarian relief supplies, controlled return of refugees and reconstruction assistance. Responsibility for security is gradually being transferred from the ISAF to the Afghan security authorities and should be concluded by 2013; after 2013, the country is, however, still to be supported by NATO-led assistance. The ISAF troops currently have some 120,000 people.

At the meeting of Foreign Ministers of NATO on 14 and 15 April in Berlin, the NATO member states endorsed a reform package for NATO partnership policy, which is to facilitate, among other issues, closer involvement of the troop-providing partners in the control of NATO-led operations, as well as substance-based cooperation beyond existing partnership formats.

On 7 and 8 November, the Foreign Ministers of NATO met in Brussels, where the KFOR, ISAF, the relations between NATO and Russia and the preparation of the NATO summit in May 2012 were discussed.

The NATO operation in Libya, Operation Unified Protector (OUP), taken over by NATO from the “Coalition of the Willing” at the end of March, was completed at the end of October after Security Council Resolution 1973 (2011) had been adopted. Austria was not involved in that operation.

On 3 and 4 November a high-level delegation of NATO experts held a meeting on Cyber Defence/ Cyber Security in Vienna, with the aim of creating awareness for the new, global security threats, such as cyber attacks, and of identifying concrete options of cooperation with various Austrian bodies. The topics discussed included the alignment of crisis management, the exchange of classified reports and experience, and joint projects and practices. This was the first visit of a high-level NATO Cyber Defence delegation in a partner state.

In the framework of the EAPC, Austria advocated the implementation of UN SC resolutions 1325 (2000) on women, peace and security and 1894 (2009) on the protection of civilians in armed conflicts. Austria also played an active role in the deliberations about developments in the Balkans, the EU NATO cooperation, NATO partnerships and the new threats to security.

In 2011, Austria participated in the following Trust Fund Projects of the Partnership for Peace (PfP): destruction of small arms and light weapons; man-portable air defence systems and ammunition in the Ukraine; destruction of residual explosives in Jordan; creating alternative livelihoods for former members of the military in Serbia; developing training programmes to promote the fight against corruption in the defence sector.
6. Austria in other European bodies

6.1. Council of Europe

6.1.1. Political developments

2011 saw a continuation of the reform process that was launched at the Council of Europe (CoE) when Secretary General Thorbjørn Jagland took up office. The process of reforms aims at rendering the oldest European regional organisation, founded as early as 1949, more politically relevant, efficient and visible. After a new budgeting system had been introduced in 2010 and programme drafting and budgeting had been combined, the Ministers Deputies Committee (MDC) formally confirmed the priorities of the Secretary General for the work of the CoE in April. The focus will be on human rights, rule of law and democracy. By year-end, the reform of the Secretariat and the intergovernmental structure of the Council of Europe was largely concluded: The number of steering committees – reporting to the Committee of Ministers and staffed with experts of the ministries in charge – was reduced from 23 to 16 and the number of subordinate bodies from 28 to 6. The internal structures of the Secretariat have been downsized, leaving it more powerful, so that both the leading bodies and the structure of the Secretariat have been widely adjusted to the priorities of the Council of Europe. These measures are expected to lead to increased efficiency and better coordination and focus on contents.

The substantive work of the organisation was also reflected in the new prioritisation and was again focused on the core issues: The 121st Meeting of the Committee of Ministers was held in Istanbul under the Turkish Presidency (November 2010 to May 2011). At this meeting – where Austria was represented by State Secretary Wolfgang Waldner – the Izmir Declaration on the Reform of the European Court for Human Rights (ECHR) was endorsed and a Convention on Combating and Preventing Violence against Women was signed by Austria and twelve other member states. The events in the Middle East (“Arab Spring”) dominated the period of the Turkish Presidency. Even though the Council of Europe in its capacity as a European organisation has no direct mandate for activities in this region, its expertise in the fields of human rights, democracy and rule of law can be helpful for the individual states in their rapprochement to European standards if desired. This approach was confirmed by the Committee of Ministers in Istanbul and first activities have already been launched.

The main topics of the Ukrainian Presidency (May to November 2011) were issues of local and regional democracy and children’s rights. At the end of May a conference on children’s rights was held in Kiev illustrating the importance of a holistic approach to preventing violence against children and dealing with European standards of protection in this field.
The reform of the European Court for Human Rights (ECTHR) was continued (see section 9.4.); so was the accession of the EU to the European Convention on Human Rights (EHRC), where progress was achieved thanks to the accession agreement between the EU and the member states of the CoE, but which has not yet been finalised.

In October, the CoE Convention against Counterfeiting of Medicinal Products, adopted by the Committee of Ministers in 2010 and developed under Austrian chairmanship, was submitted for implementation. The Convention will provide better protection of European citizens from threats that counterfeit medication poses on human health. Since October, the Convention has been signed by Austria and twelve other CoE members and Israel.

The Conference “Our Internet – Our Rights, Our Freedoms: Towards the Council of Europe Strategy on Internet Governance 2012–2015” was held in Vienna in November. The conference was organised by the Austrian Foreign Ministry and the Council of Europe and focused on the comprehensive CoE strategy on Internet governance that is currently being drafted. The topic was discussed with a multi-stakeholder approach by representatives from politics, science, the Internet industry, the civil society and the ministries in charge.

The United Kingdom took over the Presidency of the Committee of Ministers in November holding it until May 2012.

6.1.2. Relations with other international organisations

Relations between the CoE and the EU are still governed by the Memorandum of Understanding signed by the two organisations in 2007. It provides the institutional framework for increased cooperation in areas of shared interest, such as democracy, human rights, rule of law, culture and education. The Memorandum confirmed the Council of Europe’s role as an institution of reference in matters of democracy, human rights and rule of law. The close cooperation of the CoE with the EU was further intensified. In addition to regular exchange of information between the CoE Secretariat and the European Commission about ongoing activities and projects at civil servant level, the CoE also has a permanent office in Brussels, and the EU – represented by a delegation in Strasbourg – attends the meetings of the Council of Europe. Particular emphasis in the cooperation between EU and CoE is placed on jointly developed and co-financed programmes for Southeast European and Eastern European countries providing for in-depth promotion of human rights, rule of law and democracy. In 2011, a total of 42 joint programmes were implemented accounting for a major share of the programme activities of the Council of Europe. The EU is thus by far the biggest voluntary contributor to CoE projects. On the political level, there are frequent contacts between the Secretary General of the Council of Europe and members of the European Commission, as well as high-level meetings attended by the Presidency of
the CoE Committee of Ministers and the Secretary General of the Council of Europe, the High Representative of the European Union for Foreign Affairs and Security Policy and the Vice-President of the European Commission. Cooperation with the EU’s Vienna-based Agency for Fundamental Rights is excellent. Both institutions mutually inform each other on planned activities and act in close coordination. The Council of Europe is involved in two of four platforms of the Eastern Partnership (democracy, good governance and stability as well as contacts between people) in the framework of the European Neighbourhood Policy.

Cooperation between the Council of Europe and the OSCE takes place in the institutional setting of what are known as the “2+2” meetings (presidents and secretaries general) and at the level of various working groups. The last 2+2 meeting was held in New York on 21 September. Cooperation between the Council of Europe and the OSCE was continued in Coordination Group meetings in March and October 2011. The four principal areas of cooperation are the fight against terrorism, protection of national minorities, combating trafficking of human beings, and promoting tolerance and non-discrimination. The Council of Europe has liaison offices with the OSCE and other international organisations in Vienna, with the OSCE Office for Democratic Institutions and Human Rights in Warsaw and with the international organisations in Geneva.

6.1.3. Human rights

Please refer to section 9.4.

6.1.4. Monitoring the compliance of member state obligations

One of the principal instruments of the Council of Europe is the monitoring of member states’ compliance with their obligations in terms of human rights, pluralistic democracy, freedom of opinion and information, to which they agreed by acceding to the Council of Europe or to specific Council of Europe Conventions.

The Monitoring Committee of the Parliamentary Assembly monitors compliance with obligations that the member states agreed to because of their accession to the Council of Europe, up to the time these obligations have been fully honoured. The following ten states are currently subject to these monitoring activities: Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Moldova, Montenegro, Russia, Serbia and Ukraine. Post-monitoring-dialogues are led with four further states (Bulgaria, Monaco, Macedonia and Turkey) with regard to strengthening their democratic institutions. Moreover, the Committee publishes biannual country reports and recommendations adopted by the Plenary Meeting of the Parliamentary Assembly.
Monitoring by the Committee of Ministers is also based on commitments resulting from accession proceedings (as is the case with Armenia, Azerbaijan, Bosnia and Herzegovina, Montenegro and Serbia). Monitoring can also be based on commitments imposed on the respective member states after their accession due to specific problems (Georgia, Moldova and Ukraine), and it can be related to specific topics. The process is always confidential, flexible and extends over a long period of time.

Monitoring of the national implementation of ECHR decisions by the Committee of Ministers is based on Article 46 of the EHRC and its 11th amending protocol in four annual sessions lasting several days.

The Secretariat draws up quarterly reports on Bosnia and Herzegovina, Serbia and Montenegro that are submitted to the Committee of Ministers, as well as reports on Georgia every six months. Moldova is in fact also being monitored in the framework of assessment. The Council of Europe offices in Baku, Belgrade, Chişinău, Yerevan, Podgorica, Pristina, Sarajevo, Skopje, Tbilisi and Tirana issue reports about the development in the respective countries almost monthly. The consequences of the war between Georgia and the Russian Federation in August 2008 also figure prominently on the Council of Europe’s agenda, and the Council focuses largely on trying to contribute to an improvement of the human rights situation in the affected territories. These activities particularly focus on the work of the Human Rights Commissioner, the Anti-Torture Committee and specific aid projects offering support for traumatised children.

Specific monitoring covers a wide variety of aspects and relates to commitments resulting from accession of the member states to specific conventions of the Council of Europe. The European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment, where all CoE states are members, carries out periodical or ad-hoc inspections of national prisons, police stations and locked psychiatric wards. The Group of States against Corruption (GRECO) was established with the aim of triggering reforms of national legislation through mutual evaluation and group pressure to comply with Council of Europe standards on corruption. GRECO is also open to non-members and had 49 members during the reporting period (all CoE member states, Belarus and the USA). An expert committee (GRETA) monitors fulfilment of the Convention on Action against Human Trafficking. The advisory body of the Framework Convention for the Protection of National Minorities evaluates implementation of the commitments of the Convention at national level. The advisory body issued an opinion on the implementation of the Convention in Austria for the third time. The report was based on a report submitted by Austria and on a visit of the advisory body to Austria. Austria also submitted a report on the implementation of the European Charter for Regional and Minority Languages in 2011. A delegation of the expert committee visited Austria for this purpose from 7 to 9 March 2011. The respective monitoring cycles will be concluded in 2012.
with the adoption of a resolution and/or recommendations by the Committee of Ministers. The **European Commission against Racism and Intolerance (ECRI)** pursues its tasks mainly in the form of country reviews, discussion of specific topics and cooperation with the civil society.

The **European Commissioner for Human Rights**, Thomas Hammarberg, who took up office in 2006, paid visits to Albania, Armenia, Georgia, Ireland, Italy, Lithuania, Malta, Poland, the Russian Federation, Serbia, Slovakia, Spain, Hungary and Ukraine. His reports and comments both on country-specific and topical developments contribute to consulting and boosting the awareness of human rights in the member states. When he attended the OSCE conference on “Media Diversity in the New Media” on 7 and 8 July in Vienna he also took the opportunity to contact the Austrian ombudsmen.

### 6.1.5. Aid programmes

In addition to defining standards and monitoring, the Council of Europe mainly supports the countries of Southeast Europe and the Caucasus as well as Russia in implementing the goals of the Council of Europe. Aid programmes range from promotion of human rights, realisation of a pluralistic democracy and the rule of law, creating awareness of shared cultural identity in its full scope, to consolidating Europe’s democratic stability by promoting political, legislative, and constitutional reforms and the search for solutions to the problems that European societies face, including discrimination of minorities, drugs and organised crime. Add to this predominantly EU-financed, but jointly implemented “joint projects” also concentrating on these countries and priorities.

### 6.1.6. The institutions of the Council of Europe

#### 6.1.6.1. The Committee of Ministers

The Committee of Ministers is the highest decision-making body of the Council of Europe and consists of the Foreign Ministers of the 47 member states and their Permanent Representatives (“Delegate Ministers”). The Presidency rotates on a six-month basis and the Committee convenes once a year at ministerial level. Delegate Ministers convene weekly for meetings not only focusing on debates but particularly taking decisions prepared in the numerous topic-related committees staffed by representatives from the respective Austrian ministries and representations in Strasbourg.

#### 6.1.6.2. The Parliamentary Assembly

The Parliamentary Assembly (PACE) comprises 318 members of the national parliaments and 318 deputies in five political groups: the Socialist Group
(SOC), the European People’s Party (EPP/CD), the Alliance of Liberals and Democrats for Europe (ALDE), the European Democrats Group (EDG) and the Group of the Unified European Left (UEL). 23 members are independent. Austria has six members and six substitute members delegated by the National Council and the Federal Council (see Annex VI.6.). The Parliamentary Assembly convenes four times a year for one week each in a plenary meeting and periodically in committees. It addresses the Committee of Ministers, national governments, parliaments or political parties in resolutions, recommendations, opinions and guidelines. The Assembly also fulfils monitoring and election observer tasks. Mevlüt Çavuşoğlu (Turkey, AK Party) acted as its president in 2011.

6.1.6.3. The Congress of Local and Regional Authorities of Europe

The Congress of Local and Regional Authorities of the Council of Europe (established in 1957) became an advisory body of the Council of Europe in 1994. Its 318 members convene twice a year for one week in Strasbourg. The Congress makes recommendations to the Committee of Ministers in issues of urban and municipal democracy, environmental protection, disaster management and social cohesion. In Austria these tasks are covered by the Associations of Towns and Municipalities, the hub between the Austrian federal provinces, and the ministries. The Congress of Local and Regional Authorities of the Council of Europe plays an important role particularly in monitoring and promoting municipal and regional democracy and in the monitoring of regional and local elections. In its monitoring activities, it also observes the member states’ compliance with their commitments. As far as Southeast Europe is concerned, the Congress offers projects of the stability pact (development and strengthening democracy on a local level), as well as programmes for developing municipal and regional democracy for the riparian states on the southern Mediterranean coast. Keith Withmore from the United Kingdom serves as its President. The head of the Austrian delegation, President of the Tyrolean Parliament Herwig van Staa, is President of the Chamber of the Regions. Austrian Andreas Kiefer is Secretary General of the Congress of Local and Regional Authorities.

6.1.6.4. The Secretary General

The Secretary General is elected for a term of five years by the Parliamentary Assembly of the Council of Europe upon recommendation of the Committee of Ministers. He defines the strategic orientation of the organisation’s agenda and its budget. He is also responsible of the Council of Europe Secretariat employing some 2,100 people. Currently former Norwegian President of Parliament, Prime and Foreign Minister Thorbjørn Jagland is Secretary General of the Council of Europe.
6.1.7. The Council of Europe and Austria

Austria is highly committed to its work in the Council of Europe. So far, Austria has provided three Secretaries General, two PACE Presidents and one President of the Congress of Local and Regional Authorities. In total, about twenty Austrians are employed with the Council of Europe with higher positions including the Secretary General of the Congress of Local and Regional Authorities, the head of two departments at the ECHR, the Chief of Protocol, the head of department at the Secretariat of the Congress and one head of department at the Anti-Torture Convention secretariat. Austria is especially involved in the preservation of the highest human rights standards in the context of the ECHR reform, including defence of the right of individual recourse, human rights issues, in particular freedom of opinion and the media, and issues of Internet governance, and the monitoring of countries in Southeast Europe and the Black Sea area. Austria’s Permanent Representative at the Council of Europe acted as the chair of the Liaison Committee to the ECHR and as the Thematic Coordinator of the Committee of Ministers on Information Policy. The Representation also provides information about the objectives and tasks of the Council of Europe to interested Austrians.

Since 2001, Elisabeth Steiner has been the Austrian judge at the ECHR; Gerald Schöpfer is member of the European Commission against Racism and Intolerance (ECRI); Julia Kozma is member of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT).

6.2. Central European Initiative

True to the motto “Regional Cooperation for European Integration”, the Central European Initiative (CEI) comprising 18 states focuses on closer cooperation between its member states from Central, Eastern and Southeast Europe. Austrian diplomat Ambassador Gerhard Pfanzelter has been Secretary General of the CEI since 2009.

During its annual meeting at the organisation’s headquarters in Trieste in June, the CEI foreign ministers under Serbian chairmanship welcomed what is known as the Budva Process that aims at achieving greater visibility for the organisation, tying it more closely to the EU (among others via the Danube Strategy) and establishing the CEI as a bridgehead between the macro-regions of the Baltics-Danube Area/Black Sea-Adriatic.

The summit meeting of the heads of government of the CEI countries in Belgrade in November was dedicated to “Fresh Thinking for Competitive Economy in the CEI” and reflected on this topic against the background of the global economic and financial crisis. In December, the CEI was accepted as an observer at the UN General Assembly.
Austria is the second largest contributor to the CEI budget behind Italy, and supports the organisation mainly in its know-how exchange programme established in 2004. The programme promotes the know-how transfer between EU and non-EU member countries of the CEI.

In addition to several experts meetings, the annual meeting of the Parliamentary Assembly was held in Belgrade from 9 to 11 November. In October, the Ministers of Science and Technology convened in October in Trieste.

### 6.3. Alpine Convention

Austria has been a member of the Alpine Convention since its establishment in 1991 besides the other Alpine States of Germany, France, Italy, Liechtenstein, Monaco, Switzerland and Slovenia.

The eleventh meeting of the Alpine Conference (the decision-making body of the Alpine Convention, which convenes regularly) was held in Brdo pri Kranju/Slovenia on 8 and 9 March. The main emphasis was on the implementation of the Environmental Agreement, designed as a Framework Agreement, the implementation of the Action Plan on Climate Change in the Alps, the report on “Rural Development and Innovation” and the reports of the working groups and platforms of the Alpine Convention. Other items on the agenda referred to the future working mode of the Alpine Convention and its positioning, for example in the debate about a macro-region and administrative issues of the Convention (shift of the Secretary General’s mandate).

The adoption of the Declaration of the Alpine Convention concerning the future process for a possible establishment of an Alpine macro-region and the adoption of the Austrian proposal on establishing a new “Mountain Agriculture” platform were of particular relevance from the Austrian point of view.

Following on from Slovenia, Switzerland will now hold the chair of the Convention for the next two years.

### 6.4. Danube Commission

The Danube Commission (DC), an international organisation of the Danube countries with headquarters in Budapest, is in charge of controlling shipping on the river Danube.

Work on implementing the Integrated European Action Programme for Inland Waterway Transport (NAIADES) began in 2008 under the Platina project coordinated by Austria and was successfully continued in 2011.

The Danube Commission passed a recommendation that its member countries apply the “Basic Provisions for Navigation on the Danube” (DFND) that are aligned to the European Code for Inland Waterways (CEVNI), rev. 4, as
from 1 January 2012. Since implementation on time was impossible for the majority of the member countries, the Danube Commission recommends implementation by 1 January 2013 at the latest.

The Danube Commission was also involved in the drafting of the Danube Strategy adopted by the European Council on 24 June. It provided strategic concepts on navigation policy on the Danube and a list of project proposals (priorities) taking all member countries of the Danube Commission into account.

The reform process of the Danube Commission has still not been completed (open drafting/putting into force of a revised legal basis, the revised Belgrade Convention); this was the topic of general discussion at the DC and also on the agenda of a meeting of the Preparatory Committee on 21 November. Ambassador Dimitar Ikonomov/Bulgaria is the new President of the Commission and was elected for three years.
7. The United Nations, its Specialised and Associate Organisations

7.1. The Year in Brief

The year 2011 was characterised by epoch-making geopolitical upheaval, particularly in the Arab world ("Arab Spring"), which naturally also affected the agenda of the United Nations (UN). UN Secretary General (SG UN) Ban Ki-moon addressed the leaders in the region at a very early point in the development urging them to listen to their peoples. Over the course of the year, the UN played a central role in the restructuring of Libya and together with other international actors was involved, among other, in Egypt, Tunisia, Yemen and Syria. After a successful referendum for independence in January, South Sudan was admitted as the 193rd member of the UN in July. Environment, climate and energy remained a top priority of the UN’s agenda; the global relevance of these topics was once again demonstrated by the Fukushima Daaichi nuclear disaster in Japan in March.

In the first year after the end of its membership in the Security Council, Austria concentrated its efforts on its traditional focus areas: protection of human rights, promotion of the rule of law, protection of the civilian population in armed conflicts (including particular protection of children and women) and issues of disarmament. On 20 May, Austria was for the first time elected member of the UN Human Rights Council by a large majority in the General Assembly. On 2 November, Austria – again by a large majority of votes – was elected member of the UNESCO Executive Board.

In May, 180 member states voted in favour of an improvement of the EU’s status at the UN to approach the rights of the EU as an organisation and its diplomatic representation on site to those of the member states. It became apparent in the course of the year, however, that the implementation of these measures is disputed in some areas in terms of interpretation and that further efforts on the part of the EU will be needed to consolidate its status at the UN.

7.2. The General Assembly

7.2.1. Organisational issues

The General Debate of the 66th General Assembly was held in New York from 21 to 27 September. The Austrian delegation was headed by Federal President Heinz Fischer, Federal Chancellor Werner Faymann and Vice-Chancellor and Foreign Minister Michael Spindelegger. The debate was on “The role of mediation in the settlement of disputes by peaceful means”.

On 19 September, a high-level meeting of the UN General Assembly on “Prevention and control of non-communicable illnesses” was held where Federal President Heinz Fischer made a statement. Austrian Federal President Heinz
Fischer attended a high-level meeting on Libya on 20 September, where he also delivered a statement, and he also attended the private sector forum of the UN on “Sustainable energy for all”. In the afternoon of the same day, Austrian President Heinz Fischer took over the co-chair of the high-level plenary meeting of the UN GA on “Desertification, soil erosion and drought” and acted as the facilitator of one of the two interactive panel discussions.

On the sidelines of the General Debate, UN Secretary General Ban Ki-moon invited to a high-level meeting on nuclear safety on 22 September; Vice-Chancellor and Foreign Minister Michael Spindelegger attended the meeting and delivered a statement. Also on 22 September, a meeting between the EU and the USA was held, as well as the traditional Transatlantic Dinner hosted by US Secretary of State Hillary Clinton. Vice-Chancellor and Foreign Minister Michael Spindelegger attended both events. On 23 September, Vice-Chancellor and Foreign Minister Michael Spindelegger delivered a speech at the “Conference on Facilitating the Entry into Force of the Comprehensive Nuclear-Test-Ban Treaty (CTBT)”. Afterwards he attended the meeting of the friends of the “Alliance of Civilisations” at minister level, again holding a speech. On 24 September, Vice-Chancellor and Foreign Minister Michael Spindelegger attended the “Mini Summit on the Humanitarian Crisis in the Horn of Africa” upon the invitation of UN SG Ban Ki-moon where he delivered a statement.

In his address at the UN General Assembly on 24 September, Vice-Chancellor and Foreign Minister Michael Spindelegger referred to the Arab Spring and called for support for this difficult transition process. He declared that Austria was ready to contribute its share. Vice-Chancellor and Foreign Minister Michael Spindelegger also said that the Middle East peace process must not be forgotten over the developments in the Arab world, and that the negotiations should aim at a long-term solution with two states co-existing side by side in a secure and peaceful neighbourhood with mutually accepted borders. There was no alternative but the return to direct negotiations between Israel and Palestine that should be resumed forthwith. He further stated that Austria would continue its committed involvement in the region. As an example he referred to the Austrian troop contingent of 160 people who would start their service at the UN Interim Force in Lebanon (UNIFIL) in November.

In his speech, Vice-Chancellor and Foreign Minister Michael Spindelegger fully advocated the proposal of reaching universal access to modern energy supply services that had been tabled by UN Secretary General Ban Ki-Moon. Austria supported the objective of doubling the improvement rate of energy efficiency and the share of renewable energies in the global energy mix by 2030. In concluding, Vice-Chancellor and Foreign Minister Michael Spindelegger presented the priorities of Austria’s three-year membership in the UN Human Rights Council.

During the Minister Week, Federal President Heinz Fischer, Chancellor Werner Faymann and Vice-Chancellor and Foreign Minister Michael Spindegger held numerous bilateral talks.
7.2.2. Political issues

7.2.2.1. Middle East

As far as the 19 annual Middle East resolutions of the 66th UN General Assembly were concerned, the EU agreed on a common position, with the exception of the resolutions on the “Syrian Golan”, the “Committee on the exercise of the inalienable rights of the Palestinian people” and on the “Division of Palestinian rights of the Secretariat”. Malta and Cyprus as members of the Committee supported the last two resolutions contrary to the other, abstaining, EU member states. Cyprus also voted in favour of the resolution on the “Syrian Golan”, while the other EU member states abstained. The EU introduced a resolution on “Aid for the Palestinian population”; this was the only Middle East resolution adopted unanimously by all UN-Member States. The EU also supported the successor resolution to the previous year’s resolution re-submitted by Lebanon on the “Oil spill off the Lebanese coast”.

7.2.2.2. Disarmament and international security

In the last year of a three-year working cycle, recommendations on achieving the goal of nuclear disarmament and non-proliferation of nuclear weapons were made at the Conference of the UN Disarmament Commission (UNDC) from 4 to 21 April in New York. The conference further discussed elements of a draft declaration on the 2010 decade, the fourth disarmament decade, as well as practical, confidence-building measures in the field of conventional weapons. As in the previous years, the deliberations did not produce any result due to diverging positions.

The first meeting of government experts in the framework of the UN Action Programme on Small Arms and Light Weapons was held in New York from 9 to 13 May. The topics on the agenda included the international tracing tool, in particular with regard to marking, book-keeping and tracing of small arms and light weapons. The deliberations at expert level were recorded in a summary of the Chairman and concluded with the consensual adoption of a report.

Preparatory committees from 28 February to 4 March and 11 to 15 July in New York took important steps for the successful preparation of an arms trade treaty at the diplomatic conference planned for summer 2012. The presentation of a draft for chairmanship with elements of a treaty was particularly important in this context. A debate of the General Assembly was held from 27 to 29 July to revitalise the disarmament system; the debate had been demanded by Austria and nearly 50 other delegations. The central topic of the discussion was again the blockade of the Geneva Disarmament Conference (CD). The poor working methods as well as the lack of political will for substantial disarmament negotiations in the framework of the UN were said to be the root cause of the blockade.
The meeting of the **First Committee** of the UN GA (Disarmament and International Security) from 30 September to 31 October was more dynamic than in the years before, which was largely due to a resolution initiative of Austria, Mexico and Norway on pushing ahead with multilateral disarmament negotiations. Other delegations, too, especially Canada and Russia, sought to revitalise the Geneva Conference on Disarmament by submitting concrete proposals. Given the rigid stance adopted by several delegations, the time had not yet come for far-reaching deliberations, but the issue will remain a central item of future UN discussions. On the sidelines of the First Committee, Austria organised an event on the promotion of the Central African Convention on the Control of Small Arms and Light Weapons in cooperation with the UN Office for Disarmament Affairs.

### 7.2.3. Economic, development and environmental issues

The central elements of work of the **Second Committee** of the UN General Assembly (Economic and Social Committee) were the discussion relating to the preparation of the UN Conference on Sustainable Development (Rio+20; Rio de Janeiro, 20 to 22 June 2012), the follow-up of the Mauritius Strategy for the implementation of the Action Programme for Sustainable Development of Small Island Developing States (**SIDS**), the promotion of modern and renewable forms of energy, the review of the implementation of the findings of the Second UN Conference on Human Settlement and Sustainable Urban Development (**Habitat II**) and the preparation of the follow-up conference **Habitat III** in the year 2016, the stepping up of efforts of the international community in the fight against poverty, as well as the follow-up of the 4th UN Conference on the Least Developed Countries (**UN-LDC IV**) in Istanbul in May. Austria actively contributed to the work of the Second Committee and supported a number of resolutions by co-submitting them. Austria made a contribution to increasing transparency, efficiency and accountability of public administration with its successful submission of a resolution on strengthening the independence of supreme audit institutions.

Important topics in the context of environment and sustainability were the protection of woodlands and the fight against desertification. The UN General Assembly declared the year 2011 the International Year of Forests. A series of events, coordinated by the UN Forum on Forests in cooperation with the UN Agricultural Organisation (**FAO**), created awareness of the necessary preservation and sustainable farming of all types of forests for the benefit of today’s and future generations. At a high-level meeting of the Forum on Forests on 2 and 3 February, a Ministerial Declaration on the protection of forests that had been negotiated under Austrian chairmanship was consensually adopted. Desertification, soil erosion and drought were the topics of a high-level plenary meeting of the GA on 20 September. The Austrian delegation was headed by Federal President Heinz Fischer, who also served as the facilitator of one of the two interactive panel discussions of the conference.
The Fourth Conference on the Least Developed Countries (UN-LDC IV) was held in Istanbul from 9 to 13 May. On 13 May, the Istanbul Programme of Action (IPoA) was adopted, defining further activities of the international community on developing the least developed countries over the next ten years. Austria was represented at this conference by a delegation led by State Secretary Wolfgang Waldner and together with the UN Capital Development Fund organised a highly acclaimed side event on “Promoting Women’s Economic Empowerment through Financial Inclusion and Agricultural Development”.

The impact of contagious and non-contagious diseases on the achievement of the UN Millennium Development Goals (MDGs) was another point of focus. At a special meeting on AIDS from 8 to 10 June, the General Assembly adopted a political declaration containing new goals up until 2015. The international community agreed, in particular, to strive for elimination of the mother-to-child transmission by then and to reduce the share of sexual transmission of AIDS by fifty percent. On 19 and 20 September, a high-level plenary meeting on the health threats caused by non-communicable diseases and their effects on development was held. The GA adopted a declaration that illustrates the development policy dimension of the problem and commits states to take steps to promote health, prevention and to strengthen their health-care systems. Austria was represented at this conference by Federal President Heinz Fischer.

7.2.4. Human Rights

Please refer to section 9.2.

7.2.5. International Drug Control

The Vienna-based United Nations Office on Drugs and Crime (UNODC) coordinates all drug-relevant activities of the UN, supports states in their compliance with the Drug Convention and is responsible for planning and executing programmes for the fight against drugs. Austria continued to support the efforts of the UN and UNODC to promote international cooperation on the basis of a balanced approach taking into account aspects of human rights. Austria provided voluntary contributions to the financing of numerous international projects and programmes for the fight against drugs.

The UN Commission on Narcotic Drugs (CND), convening annually in Vienna, is the lead agency for implementing UN drug policy. At the 54th Conference of the CND held in Vienna from 21 to 25 March, the UN member states underlined the importance of the UNODC’s work in the field of international drug policy. On the occasion of the 50th Anniversary of the UN Narcotic Drugs Convention 1961, reference was made to the Political Decla-
ration and the Action Plan 2009. The UN member states are called upon to commit themselves to fulfilling the goals defined in the political declaration and the action plan by 2019. A total of 16 resolutions on various issues, such as the prevention of drug consumption and reduction of the drugs on offer, were tabled at the conference. As in previous years, Austria particularly supported activities geared at reducing the demand for drugs.

In autumn, Austria contributed actively to the negotiations of the Resolution on International Cooperation Against the Global Drug Problem in the Third Committee (Social, Humanitarian and Cultural Affairs) of the UN General Assembly. The Resolution was again adopted by consensus by the General Assembly.

7.2.6. International Crime Prevention

Austria continued to provide important support for UNODC and UN activities in the area of international crime prevention and made voluntary contributions to the financing of numerous UNODC projects and programmes.

On the occasion of the 20th session of the UN Commission on Crime Prevention and Criminal Justice (CCPCJ), held in Vienna from 11 to 15 May, the compliance with the UN member states’ commitments in this field was reviewed. The Commission addressed issues of terrorism, child protection on the Internet, computer crimes and corruption. A total of 16 resolutions on different topics were adopted, including computer crime and child protection. A resolution on the technical assistance for implementing the international conventions to counter terrorism was submitted upon the initiative of Austria together with the EU. The special thematic discussion this year was on the protection of children from sexual abuse and exploitation in the digital age, and Austria actively participated in the discussion. Austria also supported a side event on interreligious spiritual care in prisons that was attended by high-ranking representatives from various religions, among them Austrian Cardinal Christoph Schönborn. The Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse entered into force on 1 June in Austria.

Austria actively contributed to the negotiations at the UN General Assembly in autumn on the resolution to strengthen the UN programme for crime prevention and criminal justice in the third UN GA Committee, particularly its capacity for technical cooperation. Among other issues, Austria advocated the recognition of the UN GA’s efforts to develop a holistic approach for the fight against transnational, organised crime and drug trafficking. The resolution was adopted by consensus by the UN GA in December.

At UN level Austria was particularly committed to ensuring a coherent and global approach to the prevention and combating of terrorism (see item 7.2.12.3.). Austria is host country and one of the biggest voluntary contribu-
The United Nations, its Specialised and Associate Organisations

tors of the Terrorism Prevention Branch (TPB) of UNODC in Vienna. To date, the TPB has supported more than 150 states in their implementation of UN legal instruments to combat terrorism. It provides technical assistance to the UN member states for their legal commitments for the fight against terrorism. On 16 and 17 March, an UNODC symposium was held on “Taking Stock and Defining the Way Forward: Strengthening the Response to Terrorism by Addressing Connections with Related Criminal Activities”. Austria provided a major part of the funds required for organising this conference.

The fight against corruption at international level is gaining importance. The Fourth session of the Conference of the States Parties to the United Nations Convention against Corruption (UNCAC) was held in Marrakech/Morocco from 24 to 28 October. Its main focus was on the implementation of the convention and the UN member states’ commitments under the UNCAC Review Mechanism. Several resolutions on items such as asset recovery and cooperation with non-governmental organisations were adopted at the conference. The activities of the International Anti-Corruption Academy IACA, headquartered in Laxenburg/Lower Austria, were repeatedly appreciated by the international representatives of states.

The agreement on establishing the International Anti-Corruption Academy as an international organisation (IACA) with its headquarters in Laxenburg came into force on 8 March. The agreement was established at the initiative of Austria. By the end of the year, 24 states and two international organisations submitted the ratification and/or accession documents to this agreement that had been signed by 51 states. On 10 October Austria signed the headquarters agreement with the IACA. Austria offered key support to IACA’s gradually taking up its activities as a post-secondary training institution and independent centre of excellence for anti-corruption issues. First training seminars have already been held, as well as an International Anti-Corruption Summer Academy from 30 June to 9 July. Preparations of a regular academic agenda are being pushed ahead. The academic programme is to start in 2012.

7.2.7. Social policy

The main topic of the 49th meeting of the Commission for Social Development (CSocD) in New York from 9 to 18 February was the fight against poverty linked to social integration and full employment. The CSocD adopted five resolutions on the review of the Madrid International Plan of Action on Ageing, the promotion of people with disabilities, mainstreaming of handicaps in the development agenda, the social dimension of the New Partnership for Africa’s Development (NEPAD), guidelines and programmes for youth, and on the preparation of the 20th anniversary of the International Year of the Family. All resolutions on social issues discussed by the Third Committee (such as youth, social integration and social development) were adopted by the UN General Assembly by consensus in December. Austria led
the EU negotiations concerning the resolution on ageing that provides for measures for more far-reaching implementation of the Madrid International Plan of Action on Ageing. This is the first time that contractual states of international human rights conventions have been recommended to address the situation of old people in their reports to the convention bodies. In April and August two meetings of a working group established in 2010 were held that discussed the options of improving the protection of human rights of the elderly; this working group is going to continue its work also in 2012.

7.2.8. International women’s issues
Please refer to item 9.2.3.

7.2.9. Humanitarian issues
For general humanitarian issues in the framework of the UN please refer to section 10.2.

The Central Emergency Response Fund (CERF) was endowed with 456 million US dollars, thus achieving a new high exceeding the annual budget target despite lower forecasts. At a high-level conference on 16 December, the voluntary contributions for 2012 remained below the 2011 level. Austria announced that it would contribute EUR 200,000. With Uruguay and Niger now contributing, the total number of UN donor countries has increased to 126.

The resolutions on issues adopted by consensus in the UN GA plenary related to the safety of humanitarian personnel, the coordination of humanitarian aid, the humanitarian assistance cooperation in natural disasters and the use of military and civil defence assets as a response to natural disasters. Plenary resolutions with regional focus referred to the floods in Central America, the drought in the Horn of Africa, support of survivors of the genocide in Rwanda, and support of the Palestinian people – all of them adopted by consensus. The EU as one of the key actors in humanitarian issues again played a central role in the negotiations about the resolutions.

7.2.10. Peaceful use of outer space
On the occasion of the 50th anniversary of the mission of Russian cosmonaut Yuri Gagarin, the UN General Assembly declared the 12th of April the “International Day of Human Space Flight”. The 54th session of the United Nations Committee on the Peaceful Uses of Outer Space (COPUOS) from 1 to 10 June in Vienna was also dominated by this anniversary and the 50th anniversary of the Committee. Austria continued to support the UN Platform for Space-Based Information for Disaster Management and Emergency Response
(UNSPIDER) of the Vienna-based Office for Outer Space Affairs (OOSA) and financed a technical consulting programme for small island states. The annual Space Symposium in Graz from 13 to 16 September was dedicated to the challenges encountered in implementing small satellite programmes.

### 7.2.11. Administrative and budgetary issues

The ordinary UN budget for the period 2012–2013 was the main topic of the Fifth Committee of the General Assembly (Administrative and Budget). The budget was finally agreed after extended negotiations on 24 December and fixed at 5,152 billion US dollars and staffing of 10,336 people. This meant the second cutback of the ordinary budget in the history of the UN by 5% compared to the funds approved for the two-year budget 2010–2011. The agreed reduction is expected to facilitate sufficient flexibility for UN Secretary General Ban Ki-moon in reforming the management of the United Nations. The UN GA was required to find options of halting the continued increase of the UN budget especially with regard to automatic inflation adjustment and exchange rate risk. Eight new posts were installed at UNODC in Vienna and continuation of the structure of the Office of Internal Oversight Services has been ensured (OIOS). An increase of capacities was achieved for the office of the ombudsman for the 1267 Committee who was established by the UN SC in December 2009 with significant support of Austria. The Austrian contribution to the ordinary UN budget for 2011 was approx. 20 million US dollars.

The annual budget earmarked for peacekeeping missions (PKM) from July 2010 to June 2011 was 7.05 billion US dollars, i.e. some 700 million less than for the period 2009–2010. In addition to the PKM budget, a one-time bonus payment to the countries deploying troops was agreed after difficult negotiations. The bonus amounts to 85 million US dollars. It was also agreed that an expert group be established that will deal with the issue of troop reimbursement. The Fifth Committee finally achieved an agreement – after years of negotiations – on the repayment of a major part of the credit balance from completed peacekeeping missions.

### 7.2.12. International law

The focus of the Sixth Committee of the UN GA (International Law) was on debates about the report of the International Law Commission (ILC) including the annual International Law Week, on rule of law, measures to eliminate international terrorism and the new system of UN-internal judicature. The Sixth Committee also dealt with issues of universal jurisdiction, nationality in the case of succession of states, the annual report of the UN Commission on International Trade Law (UNCITRAL) and the responsibility of UN employees and experts acting on commission of the UN under criminal law.
7.2.12.1. International Law Week
At the International Law Week – established following an Austrian proposal – legal consultants of the UN members convened from 24 to 28 October to discuss issues of international law in the Sixth Committee. The discussion revolved around the report of the International Law Commission on current issues of international law including the responsibility of international organisations, effects of armed conflicts on treaties, protection of people in disasters, expulsions of third-country nationals, penal impunity of foreign state representatives, mandatory extraditions or penal prosecution and treaties in the course of time. An interactive dialogue between the legal consultants and the special rapporteurs of the ILC was held as part of the Austrian-Swedish initiative for revitalising the Sixth Committee. Austria was the chair at the interactive dialogue. The EU/US Dialogue, initiated when Austria held the EU presidency, with US law expert Harold Koh was continued.

7.2.12.2. Rule of Law
In April a GA debate on the “Rule of Law and Global Challenges” was held, attended by Vice-Chancellor and Federal Minister Michael Spindelegger who delivered the opening speech. Discussions in the Sixth Committee focused on the rule of law and transitional justice in conflict and post-conflict situations. GA resolution 66/102 covers the modalities of the high-level meeting on “The rule of law at the national and international levels” to be held on 24 September 2012 at the Ministerial Week of the 67th UN General Assembly. The Secretary General of the UN was asked to prepare a report in preparation of this meeting.

7.2.12.3. Measures to eliminate international terrorism
The discussion was again on open issues relating to drafting a comprehensive agreement on international terrorism and holding a high-level conference on this topic. As no progress is made concerning such an agreement, negotiations will – pursuant to GA resolution 66/105 – only be resumed during the 67th General Assembly at working group level. The member states are called upon to double their efforts in this respect.

The General Assembly also adopted resolutions on establishing the UN Centre for the fight against terrorism and terror attacks on people protected under international law.

7.2.12.4. Internal administration of justice at the United Nations
The Sixth Committee adopted rules of conduct for the judges of the UN Dispute Tribunal and the Appeals Tribunal as well as changes of the rules of procedure of the Appeals Tribunal. In informal consultations, Austria, as a venue of UN organisations, again demanded an improvement of the legal situation of UN staff without official personnel status.
7.2.12.5. Scope of application and application of the principle of universal jurisdiction

In the discussion about universal jurisdiction, its anchoring in current international law and its relevance in the fight against impunity was reiterated. Questions of its application and a possible politicisation were also discussed. The discussion will be continued at the 67th UN General Assembly on the basis of a report of Secretary General Ban Ki-moon and an informal working paper drafted by a working group.

7.2.12.6. Nationality of natural persons in the context of succession of states

The General Assembly highlighted the importance of the article drafted by the ILC in its resolution 66/92 and decided to only deal with this issue again when a case arises and a state calls for support in this respect.

7.2.12.7. Miscellaneous

As one of the venues of the United Nations Commission on International Trade Law (UNCITRAL), Austria coordinated the annual resolutions about UNCITRAL’s work.

The General Assembly also adopted resolutions on the prosecution under criminal law of UN employees and experts acting upon commission of the UN, the law of cross-border aquifers, reports of the Charter and Host Country Committee, the UN Programme of Assistance in the Teaching, Study, Dissemination and Wider Appreciation of International Law, and the granting of observer status at the UN GA to some intergovernmental international organisations, such as the Central European Initiative (CEI) and the International Organisation for Renewable Energies (IRENA).

The Presidents of the International Court of Justice (ICJ), the International Criminal Court (ICC) and the International Criminal Tribunal for Former Yugoslavia (ICTY) and for Rwanda (ICTR) presented their annual reports to the General Assembly.

The UN General Assembly adopted the annual maritime law and fisheries resolutions.

7.3. The UN Security Council

7.3.1. Cross-sectional topics

7.3.1.1. The reform debate

Discussions on reforming the UN Security Council have now been continuing for several years, and the debate was also extended through 2011 in the
form of inter-governmental negotiations. The basis of discussion was a text of the chairman of the inter-governmental negotiations on the SC reform describing all positions of the UN member states on the five core elements of the reform (categories of membership, veto issue, number of members in an enlarged UN SC, as well as working methods of the SC and relations between SC and GA). As the member states did not agree on a revised form of the negotiating text, and since a G4 (Japan, Germany, Brazil, India) initiative – in the form of a draft resolution of the General Assembly planning to enlarge the Security Council also by permanent members – met with great disapproval, negotiations have ceased to progress. A new negotiation cycle was started at the 66th session of the UN General Assembly. Positions are still highly diverging, especially with regard to the expansion by new permanent members; consequently, it has so far been impossible to gather momentum for actual progress.

7.3.1.2. Protection of civilians in armed conflicts

In February, the topics of women, peace and security, children and armed conflicts, as well as protection of civilians in armed conflicts were on the agenda of private consultations of the Security Council. This was the first time that these topics were discussed in a comprehensive manner. Special Representative of the Secretary General for Children and Armed Conflict, Radhika Coomaraswamy (SRSG) and Special Representative of the Secretary General on Sexual Violence in Conflict, Margot Wallström, made inputs to the Security Council. In May and November, open debates on the protection of the civilian population in armed conflicts were held at the Security Council. This issue was one of the priorities of Austria’s work during its membership in the Security Council in 2009/2010. Both debates were influenced by differences within the UN SC about the NATO operation in Libya, authorised by SC resolution 1973 (2011), and the inactivity of the UN SC in the face of the severe human rights violations and attacks on civilians in Syria. In its statements, Austria stressed the role of the Security Council in the fight against impunity referring to SC resolution 1894 (2009) adopted under Austrian presidency in 2009. It called upon the Security Council to make use of all means available to respond to the severe human rights violations and to apply international humanitarian law. Austria welcomed the efforts of the UN Secretariat to improve the capacities of the peacekeeping missions for the protection of civilians and demanded better training of the Blue Berets in this respect.

7.3.1.3. Women, peace and security – Fighting sexual violence in conflicts

In April, Executive Director of UN Women, Under-Secretary General (USG) Michelle Bachelet, reported about the efforts of implementing SC resolution 1325 (2000). Special Representative of the Secretary General on Sexual
Violence in Conflict, Margot Wallström, informed the UN SC in April about the situation in Libya, Côte d’Ivoire and the Democratic Republic of Congo and the progress in implementing the “Monitoring, Analysis and Reporting Arrangements” for cases of conflict-related sexual violence provided for in SC resolution 1960 (2010). Austria participated in the open debate of the UN SC on women, peace and security in October that was organised under the Nigerian presidency. At the conference, a declaration of the presidency was adopted. While the European and/or Western members of the UN SC supported concrete progress in the implementation of SC resolution 1325 (2000), other members were more sceptical, for example with regard to the indicators developed by the UN SG for measuring the implementation of the resolution. In its statement, Austria emphasised the important contribution of Arab women to the political transition processes, welcomed the performance of the UN system and presented the Austrian efforts concerning implementation of SC resolution 1325 (2000). In the Declaration of the Presidency, the Security Council appreciated the role of UN Women, acknowledged the necessity of systematic consideration of women, peace and security in its work and reiterated its intention to carry out a high-level review of the progress made in the implementation of the resolution in 2015.

### 7.3.1.4. Children and armed conflicts

The annual open debate at the UN Security council on children and armed conflicts, where the UN SC was, among other things, informed by the SRSG for Children and Armed Conflict, took place in July under the presidency of Germany. SC resolution 1988 (2011) adopted in the course of the debate extended the existing monitoring and reporting mechanism of the UN SC for the protection of children in armed conflicts to attacks on schools and hospitals and their staff, thus making it possible to include parties to the conflict performing such assaults in the “black lists” of the Security Council. Austria welcomed the enlarging of this mechanism in its statement and supported the decided action against parties to the conflict violating the rights of children, among others in the framework of the sanctions scheme of the Security Council. Austria also supported direct contacts of the UN with non-governmental actors to protect children in armed conflicts and emphasised the importance of the respective training of the Blue Berets.

### 7.3.1.5. Al-Qaeda/Taliban Sanctions Committee

After the end of its membership in the Security Council, Austria continued to advocate the strengthening of the rule of law in the UN SC, and especially fair proceedings and effective legal protection in the sanctions committees of the UN SC. Austria joined the informal group of like-minded states on targeted sanctions at the beginning of the year. In the spring of 2011, Austria contributed to a paper with proposals prepared by the group of like-minded
states providing for further improvement of legal protection in the 1267 sanctions regime (Al-Qaeda/Taliban). The paper was submitted to the UN SC in April. The two resolutions 1988 (2011) and 1989 (2011) were adopted by the SC on 17 June. This brought about a separation of the former Al-Qaeda/Taliban sanctions committee into the 1267/1989 Sanctions Committee (Al-Qaeda) and the 1988 Sanctions Committee (Taliban). As concerns the Al-Qaeda Sanctions Committee, resolution 1989 (2011) called for an extension of the mandate of the Office of the Ombudsperson by a further 18 months; it also included provisions on strengthening the mandate referring to some proposals of the paper submitted by the like-minded states. At the semi-annual joint briefing of the UN SC by the Chairs of the 1267/1989, 1373 and 1540 Committees on 14 November, the improvements effected by UN SC resolution 1989 (2011) were welcomed by numerous members of the Security Council as well as in statements of the EU and the like-minded states. At the request of the Ombudsperson, negotiations began on an agreement between the United Nations and Austria about the transmission of confidential information to the Ombudsperson that is expected to be finalised in 2012.

7.3.2. Peacekeeping missions

More than 120,000 troops, police and civil experts were deployed in UN peacekeeping operations (PKO) at the turn of 2011/2012. The year 2011 was again characterised by scarcity of personnel, material and financial resources of PKOs on the one hand and by the growing complexity of mandates of multi-dimensional PKOs on the other.

The UNOCI troops were faced with a particular challenge in the Republic of Côte d’Ivoire at the beginning of the year. They had to deal with violent clashes following the second round of the presidential elections on 28 November 2010 and the protection of civilians in this conflict. The independence of South Sudan on 9 July was accompanied by the end of the UNMIS and the adoption of SC resolution 1996 to establish UNMISS as a PKO in South Sudan on 8 July. On 27 June, the Security Council adopted resolution 1990 and decided to establish UNISFA in the light of violent disputes in the region of Abyei.

Austria stepped up its commitment in the UN PKOs significantly last year; since November an Austrian logistics unit of up to 160 people (154 as at 1 January 2012) has been deployed with UNIFIL in Lebanon. With another 380 troops employed with UNDOF on the Golan Heights and military observers at UNTSO (seven military observers) in the Middle East, MINURSO (two military observers), UNOWA in Western Africa (one member of the military) and UNFICYP in Cyprus, Austria has 549 troops (as at: 30 November 2011) deployed with PKOs and ranks 34th among the 115 countries providing UN troops (the fourth largest personnel contributor among the EU member states). The mandate of UNDOF was extended by resolution 1994 (2011) on
30 June: Against the background of incidents along the ceasefire line in May and June, the resolution provides for a review of the operative capacities of the mission. On 21 December the mandate was again extended by resolution 2028 (2011), and the Security Council urged the UN Secretary General to immediately implement the recommendations of this review. The recommendations aim mainly at improvements in equipment and protection of the troop as well as the infrastructure of the mission.

In August, an open debate on the PKOs was held at the Security Council and a Statement of the Presidency was adopted stressing the necessity for improving communication between the UN SC, troop contributing countries (TCCs), police contributing countries (PCCs), the Secretariat and other relevant actors. Dominating issues – not only in this debate – were the adequate provision of resources of PKOs and the cooperation between the UN and regional organisations. To be able to utilise scarce resources better, the option of more intense cooperation between the missions (following the example of UNOCI and UNMIL in 2011 offering support prior to and after elections) was discussed both at the Security Council (in the working group on PKOs) and the debate in the Fourth Committee of the UN General Assembly.

Negotiations at the Special Committee on Peacekeeping Operations were very difficult and dominated by the issue of troop costs (more precisely the amount of reimbursement to the TCCs). The annual report was only adopted on 9 May concluding the Special Committee. The states of the NAM (Non-Aligned Movement), accounting for the largest TCCs, demanded an increase of the refund instalments for troop costs; the EU referred to the process established by GA resolution 63/285 on monitoring the reimbursement instalments for troop costs and the responsibility of the Fifth Committee. The agreement finally reached by decisions taken in the Fifth Committee includes a single payment of a lump sum to TCCs plus the establishment of a Senior Advisory Group which is to provide consulting to the UN SG in terms of troop costs and other relevant issues of peacekeeping operations. The focus of the UN Secretariat in the Special Committee on Peacekeeping Operations is in general on continuing the implementation of the proposals made in the New Horizon document in 2009 referring to conceptual development of peacekeeping and optimised structures for PKO performance. Austria successfully advocated the implementation of SC resolution 1894 (2009) for the protection of the civilian population in armed conflict, for gender aspects, the protection of children as well as improved exchange of information and cooperation between the UN and the troop providers.

7.3.3. Geographic issues

For the geographic issues of the UN Security Council please refer to the items on the individual countries in section 4.
7.4. The Peacebuilding Commission

The Peacebuilding Commission (PBC) was set up as a joint sub-institution of the UN General Assembly and the UN Security Council in 2005 and thus has a special position in the UN system. The main task of the PBC is to bridge the gap that may emerge between the end of a PKO and the taking effect of development cooperation (DC), thus preventing a state from relapsing into new conflicts.

The PBC completed its fifth session period on 31 December and adopted its fifth annual report. The report is mainly dedicated to the execution of recommendations of the Commission’s 2010 review process that is expected to increase the effectiveness of the PBC’s work. The annual report 2011 notes progress in terms of deepening and widening the cooperation between the PBC and other central players in the UN system, such as the Security Council and ECOSOC. One of the central issues concerning the implementation of its recommendations in 2012 will be to make the assessment of the actual work and achievements of the PBC and its country-specific formations in the field easier.

On 23 February, Guinea was included as the sixth country on the PBC agenda in addition to Burundi, Sierra Leone, Guinea-Bissau, the Central African Republic and Liberia. Austria has been a member of the country-specific formation for Sierra Leone since July 2009. The work of this country-specific formation is mainly focused on strengthening the state structures and providing support in the preparation for the elections scheduled for the last quarter of 2012.

7.5. The Economic and Social Council

7.5.1. General

The annual meeting of the Economic and Social Council (ECOSOC) was held in Geneva from 4 to 29 July. The high-level part of the meeting was dedicated to the importance of training and education for achievement of the UN Millennium Development Goals (MDGs). An action-oriented ministerial declaration was adopted in this context. Following up on the 2010 high-level meeting, the participants evaluated the progress made in gender equality and strengthening the position of women. Additional focal areas of the meeting were the financing of development, the impact of the global financial and economic crisis on development, the operative development activities of the UN and the humanitarian situation in the Horn of Africa. The ECOSOC adopted resolutions on fighting HIV/AIDS, access to modern information and communication technologies and on the effect of climate change, and it dealt with the reports of all ECOSOC expert committees, regional commissions and expert groups.
7.5.2. The United Nations Economic Commission for Europe (UNECE)

The United Nations Economic Commission for Europe (UNECE) is one of the five regional commissions of the UN based in Geneva and refers to the whole of Europe plus all successor states of the former Soviet Union, as well as Canada, the USA and Israel. The organisation aims at promoting economic cooperation between the member states by defining standards and technical cooperation in the fields of transport, environment, energy, trade and statistics. Austria’s input to UNECE refers mainly to energy-efficient residential buildings, ageing societies, the Trans-European road and rail projects and environmental matters. The discussions at the 64th meeting of the Commission in March centred around economic integration and cooperation with a focus on transport, infrastructure and energy. Executive Secretary Ján Kubiš was appointed new Special Representative of the Secretary General of the UN for the UN Assistance Mission in Afghanistan (UNAMA) and will leave UNECE in 2012.

7.6. The International Court of Justice

The International Court of Justice (ICJ) in The Hague is the only one of the six organs of the United Nations to be based outside New York. Since the first trial in the year 1947, the ICJ has dealt with some 152 cases and 15 cases are currently pending.

In April, the ICJ declared itself not competent in the issue of application of the International Convention on Eliminating all Forms of Racial Discrimination (Georgia vs. the Russian Federation). Also in April, the Court declared that it would not be dealing with the lawsuit filed by Belgium against Switzerland with regard to the interpretation of the Lugano Convention on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters. In December, the ICJ ruled in the “name dispute” between Greece and Macedonia that Greece had violated Article 11 (1) of the Interim Agreement of 1995 by preventing Macedonia from joining NATO.

Two new cases were brought before the International Court of Justice: In May, Cambodia addressed the ICJ asking for interpretation of the Court’s ruling from 1962 on the Temple of Preah Vihear in the border area between Cambodia and Thailand. In July, the ICJ passed provisional measures. In December, Nicaragua informed the ICJ about a violation of its sovereignty by Costa Rica and environmental damage caused on its territory.

In May, the ICJ passed provisional measures in the legal dispute between Costa Rica and Nicaragua pending since November 2010. In September, the German suit against Italy for violation of state immunity because of admitting reparation claims in connection with WWII was heard at the ICJ. In this case, Greece was admitted for side intervention.
7.7. **UN Specialised Agencies and Associated Organisations**

7.7.1. **UN Food and Agriculture Organisation (FAO)**

The 37th FAO Conference, the highest decision-making body, was held in Rome from 25 June to 2 July 2011. The two central events were the appointment of a new Director General and the agreement on a new budget. After a term of 18 years, the acting Director General Jacques Diouf was no longer available for office. Six candidates from Brazil, Spain, Indonesia, Iraq, Iran and – as candidate from Austria – former EU Commissioner and Former Austrian Minister Franz Fischler stood for the term from 1 January 2012 to 31 July 2015. After the first ballot, José Graziano da Silva won the run-off. He took up office on 2 January 2012. After days of negotiating, the Conference agreed on increasing the core budget for the 2012–2013 biennium by 1.4 percent compared to the previous biennium.

The organisation’s founding day, 16 October, is the annual World Nutrition Day. To mark the date, high-ranking representatives, such as Michelle Bachelet, UN Women Executive Director and former President of Chile, met in Rome for a meeting to create awareness of the urgency of the fight against hunger and the key role women can play in it. Representatives of the host country of Italy referred to the 60th anniversary of moving the FAO to Rome. In Austria, the traditional panel discussion at the “Radiokulturhaus” was held to mark the World Nutrition Day. A summary of the discussion on “Who feeds the world” was broadcast on Austrian radio.

The celebrations of the World Nutrition Day in Rome stood at the beginning of the 37th session of the Committee on World Food Security attended by the governments represented in the FAO and numerous civil organisations. At this meeting, 75% of the text of the “Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security” were negotiated. Adoption is planned for the 38th session in October 2012. Three round tables were dedicated to “Price volatility”, “Gender, food security and nutrition” and “How to increase food security and small holder-sensitive investments in agriculture”: An agreement on the key items and the time schedule of the Global Strategic Framework (planned to be adopted in October 2012) was reached, and Yaya Olaniran was elected new Committee chairman for next two years.

7.7.2. **International Labour Organisation (ILO)**

Austria’s full voting membership of the Governing Body of the International Labour Organisation (ILO) during the 2008–2011 period allowed it to cooperate more fully in the organisation during the first six months of 2011. Austria currently attends the meetings of the governing body as an observer.
but can make itself heard in important regional groups, such as the Group of Industrialised Market Economies or the EU. As in the previous year, the fight against the economic crisis and the fragile recovery on the labour markets were the dominating topics. ILO continued to be involved in the G20 process, especially with regard to issues of employment; Director General Juan Somavia attended the G20 summits. At the 100th International Labour Conference (ILC), Convention no. 189 on decent work for domestic workers and supplementary Recommendation (no. 201) on domestic workers were adopted; thanks to an Austrian initiative, the latter also focuses on diplomatic households. Agreement was also achieved with regard to negotiating an ILO recommendation on global basic social protection at the ILC 2012. Director General Somavia will retire from his office early on 30 September 2012. A modern, transparent election procedure including hearings has been defined for the election of the new Director General in 2012.

Austria ratified ILO Convention no. 187 on labour protection promotion. The Austrian Government reported to Parliament about ILO Recommendation no. 197 concerning the promotion of labour protection.

7.7.3. International Telecommunication Union (ITU)

The International Telecommunication Union, ITU, is a specialised agency of the UN with its headquarters in Geneva. Representatives from governments and industry jointly coordinate the construction and operation of telecommunication networks and services, the use of the radio frequency range and the satellite orbit in particular.

The ITU Telecom World, a high-level networking trade show for the exchange of information and opinions in the telecommunication sector was held in Geneva from 24 to 27 October.

“The Internet as a catalyst for change: Access, development, freedoms and innovation” was the title of the sixth Internet Governance Forum, IGF, in Nairobi from 27 to 30 September. The Forum had been initiated at the World Summit on the Information Society (WSIS) 2005 to step up cooperation in the administration of the Internet and to promote and facilitate the dialogue about Internet administration. The next ITU World Radiocommunication Conference, WRC-12, will be held in Geneva from 23 January to 17 February 2012.

7.7.4. International Fund for Agricultural Development (IFAD)

The central task of the International Fund for Agricultural Development (IFAD) domiciled in Rome is the fight against poverty in rural areas and an increase in the production of foodstuffs. IFAD mobilises the necessary resources for granting loans at very favourable terms and non-repayable subsidies to support the poorest people living in rural areas of developing countries. Key elements of this strategy are access to microcredits, adapted tech-
nologies, fair markets, basic infrastructure, health services and basic school education. The aim is to better integrate small farmers and small agricultural enterprises into the value generation chains. To this end, the focus is on profit orientation and cooperation with the private sector. In the course of the past few years, IFAD provided financing to some 860 programmes and projects totalling 12.6 billion US dollars. IFAD services are part of the financing scheme of multilateral development aid and supplement the loans granted by the World Bank Group and regional development banks.

Austria is a founding member of IFAD and to date has contributed approx. 40 million euros to the institution’s capital.

7.7.5. **International Civil Aviation Organisation (ICAO)**

The International Civil Aviation Organisation, a specialised UN agency with its headquarters in Montreal, is concerned with the promotion of safe and orderly development of international civil aviation in terms of aviation safety, security, economy, environment and the law.

In November, Christian Schleifer was the first Austrian to be appointed President of the ICAO Air Navigation Commission, ANC. His appointment was unanimous.

The 4th ICAN (Air Services Negotiation) Conference with more than 300 representatives from 68 countries took place in Mumbai/India from 17 to 22 October. The Conference also serves as a platform for bilateral meetings and negotiations of air traffic issues.

One topic at the 194th ICAO Council session in October and November was the European emissions trading concept as it also applies to all third countries with airlines flying to and from the EU. A resolution was adopted, based on a paper of 26 non-EU countries (Delhi Declaration), declaring the EU emissions trading system to be against international law. This resolution, however, is without legally binding effect. On 21 December the EU Court of Justice declared that the EU-ETS coming into force on 1 January 2012 was neither violating international law nor pertinent international agreements.


The UN Educational, Scientific and Cultural Organisation (UNESCO), founded in 1945, is a specialised UN agency with its headquarters in Paris. It pursues the promotion of international cooperation in education, science, culture and communication/information to preserve peace and the security of the international community.

The 36th General Conference of UNESCO was held from 25 October to 10 November. State Secretary Wolfgang Waldner was the leader of the Aus-
At the General Conference, Austria was appointed member of the UNESCO Executive Board with an overwhelming majority of votes (170 of 181 votes); it was the first re-appointment since 1999. This is the highest token of approval received by a country since the foundation of the organisation. Austria’s membership in the IFAP (Information for All Programme) was extended for another four years. Austria is also represented in other UNESCO bodies: MAB (Man and the Biosphere), IGBC (bioethics), MOST (Management of Social Transformations) and in the Committee for the Protection of Cultural Property in Armed Conflict.

At the General Conference the application of Palestine for full membership was adopted with the necessary two-thirds majority (107 of 121 votes cast, with Austria also voting for full membership). UNESCO is thus the first UN organisation to accept Palestine as a full member. The new members South Sudan and Palestine bring the number of UNESCO members up to 195.

According to national laws dating from the 1990s, the USA is not able to contribute to the budget of an organisation that accepts Palestine as a full member. Consequently, the US announced the immediate discontinuation of payments to UNESCO after the positive vote on Palestine’s membership. The USA is by far the biggest contributor covering 22% of the regular UNESCO budget. To balance the deficits caused by the lack of US contributions, Director General Irina Bokova established an emergency fund for additional contributions of member states, partner institutions and the private sector.

The General Conference adopted the new biennial programme for 2012–2013 with nominal zero growth to the amount of 653 million US dollars.

The priorities of the UNESCO programme relate to UNESCO’s contribution to achieving the Millennium Development Goals in Education (Education for All) and the cross-sectional topics of Africa and gender equality. Other key areas of the new programme are science and technology in developing countries, the role of the cultural sector in the development process, freedom of the media (including the protection of journalists), and dialogues on promoting intercultural and interreligious tolerance.

Two highlights of the year were the meeting of the World Heritage Committee in Paris in July, and the meeting of the Committee on Safeguarding the Intangible Cultural Heritage on Bali in November. 25 new sites were included in the world heritage list on the occasion of the 35th session of the World Heritage Committee. The list now covers 936 sites, among them the “prehistoric pile dwellings around the Alps”, the application for which was filed by Austria, France, Germany, Italy, Switzerland and Slovenia.

7.7.7. World Health Organisation (WHO)

The 64th session of the World Health Assembly in Geneva between 16 and 24 May was dominated by reform efforts of the WHO and the related bud-
get plan for the next two years. The work of the WHO member states was focused mainly on the preparation of the UN Summit on the Prevention and Control of Non-Communicable Diseases in September in New York. Another field of priority was the consolidation of health-care systems. Negotiations on the framework agreement for emergency planning in the event of pandemic influenza were successfully concluded. The financial constraints of WHO against the background of the general decline in voluntary contributions were a major concern.

The 61st meeting of the WHO Regional Committee for Europe in Baku from 12 to 15 September was dedicated to consultations about a new European health policy, “Health 2020”, and its future role as a general framework or guideline for the member states on their way towards more health, wealth and equality of opportunities. Head of the Austrian delegation was the head of the Public Health Services and Medical Affairs Department at the Ministry of Health, Pamela Rendi Wagner. Action plans were adopted with regard to non-communicable diseases, alcohol, HIV/AIDS, medication-resistant tuberculosis and resistance to antibiotics accounting for the major part of the disease burden in the European region.

7.7.8. International Atomic Energy Agency (IAEA)

The International Atomic Energy Agency (IAEA) founded in 1957 and based in Vienna is an autonomous organisation within the UN system. Its main task is the global promotion of the peaceful use of nuclear energy and the verification of compliance with the Non-Proliferation Treaty (NPT). The dominating issue in 2011 was the remediation work after the Fukushima nuclear disaster in Japan following the disastrous earthquake and tsunami on 11 March. The accident again illustrated the risks of nuclear reactors. At the same time, improvement of the international cooperation in the containment of the disaster was achieved. In June, an IAEA Ministerial Conference on nuclear safety was held where Vice-Chancellor and Foreign Minister Michael Spindelegger demanded comprehensive improvements to the safety of nuclear power plants and suggested a change of thinking for energy policy. At the General Conference of the IAEA in Vienna from 19 to 23 September, a post-Fukushima action plan was adopted. In March, the IAEA Board of Governors adopted another resolution on elements of a multilateral approach to the nuclear fuel cycle at the initiative of the United Kingdom. In June, the Board of Governors adopted a resolution on the information of the UN Security Council with regard to the non-declared nuclear power programme of Syria. Monitoring of the nuclear programme of Iran was continued, and in November information material on possible military aspects of the Iranian nuclear programme was submitted to the Board of Governors. The Board adopted a resolution with an overwhelming majority demanding the full cooperation of Iran with the IAEA. At the same time, success was achieved in getting the
other countries of the Middle and Far East to participate in the IAEA Forum where experiences made in nuclear-weapon-free zones were discussed that are of relevance for the creation of such a zone in the Middle East.

7.7.9. **World Tourism Organisation (UNWTO)**

The World Tourism Organisation (UNWTO) based in Madrid is the leading international tourism organisation serving as a global forum for tourism policy, exchange of tourism expertise and statistics. It has 155 full members and seven associated members. Austria has been a full member since 1975; from 1995 to 2007, Austria was a member in the Programme Committee where it held the chair from 1999 to 2007. The 52nd session of the UNWTO Commission for Europe was held in Katowice on 14 April; the 53rd session preparing the General Assembly in Gyeongiu/Republic of Korea was held on 9 October. The 19th General Assembly convened in Gyeongiu/Republic of Korea from 8 to 14 October. Discussions and resolutions centred on the plans to reform the organisation, the budget and the programme for the 2012–2013 biennium, as well as on the trends to be expected in tourism and tourism strategies of the member countries.

7.7.10. **Universal Postal Union (UPU)**

The Universal Postal Union (French Union postale universelle, UPU), with headquarters in Bern, Switzerland, is the second oldest international organisation (founded in 1874) after the ITU. Austria is a founding member. The organisation controls international postal operations and makes recommendations on improving postal services. The World Postal Congress convenes every five years and deals with the strategic orientation of the organisation’s work. The next World Postal Congress will be held from 24 September to 15 October 2012 in Doha/Qatar and include, among others, elections to the bodies and executive posts of the organisation.

7.7.11. **World Meteorological Organisation (WMO)**

The World Meteorological Organisation (WMO) was founded in 1950 and became part of the UN in 1951. It coordinates and supports the global development of a meteorological and hydrological measuring and observation network. In May of the period under review, Michel Jarraud from France was re-elected as Secretary General for a third term. In June, the 16th Meteorological World Congress decided to establish a Global Framework for Climate-Related Services (GFCS) with the aim of making access to climate-related information easier and consequently improving the precision of forecasts for climate change and disaster protection.
7.7.12. International Maritime Organisation

The International Maritime Organisation (IMO), a specialised agency of the UN domiciled in London, has 170 members. Austria joined the IMO in 1975. The 27th General Assembly of the IMO was held in London from 21 to 30 November. The members of the Council for the 2012–2013 period were appointed (among others the EU members Belgium, Denmark, Malta and Cyprus), and a high-level action and strategic plan for the organisation as well as the 2012–2013 budget and revised codes and directives were adopted. The Assembly also confirmed the election of Koji Sekimizu appointed by the IMO Council to new IMO Secretary General for four years (2012–2016). Of all the 27 resolutions adopted, the resolution on piracy and armed robbery against ships in the waters of Somalia was of particular relevance.

In 2011, the “International Day of the Seafarer” was celebrated for the first time (in future it will always be on 25 June) to honour the achievements and contribution of seafarers to international trade and the global economy.

7.7.13. Excursus: International Organisation for Migration (IOM)

The International Organisation for Migration (IOM) was founded in 1951 and celebrated its 60th anniversary in 2011. It currently has 127 members and employs some 6,900 people worldwide. Due to its world-spanning network of offices, the IOM is a cooperation partner of Austria that enables commitment in regions where Austria does not have the respective infrastructure. Together with the IOM, Austria organised a series of projects relating to the voluntary return of refugees and the fight against human trafficking. In the course of internal restructuring, the IOM established a Regional Office for Eastern and Southeast Europe and Central Asia in Vienna. The IOM Office in Vienna is also a national point of contact to Austria of the European Migration Network (established by the EC in 2003) and cooperates closely with the Austrian institutions concerned.

In December, Austria took over the chair of the IOM Council for one year. One of the tasks will be the preparation of the high-level dialogue on migration to be held in the year 2014. The IOM is not a specialised agency of the UN.
8. Austria as the Seat of International Organisations and Institutions

Several international organisations are domiciled in Austria, which makes our country a hub for the promotion of peace, safety and security and sustainable development. In addition to New York, Geneva and Nairobi, Vienna is one of the four major office sites of the UN Secretariat.

During the Cold War, Austria already served as a platform for international dialogue thanks to its geopolitical location and its neutrality. When the Vienna International Centre (or UNO City) was opened in 1979, the city’s role as a venue for exchange gained increasing impetus.

The International Atomic Energy Agency (IAEA) was the first UN organisation to take up office in Vienna in 1957. With its 2,400 employees it is the biggest UN organisation residing in Vienna. Yukiya Amano (Japan) has been its Secretary General since 2009.

Vienna is also a centre of the United Nations’ efforts to fight crime, drug abuse and terrorism. Since 2010, Yuri Fedotov (Russian Federation) has served as the Executive Secretary of the Vienna-based United Nations Office on Drugs and Crime (UNODC). He is also Under-Secretary General and Director General of the United Nations Office at Vienna (UNOV).

Another specialised agency residing in Vienna is the United Nations Industrial Development Organisation (UNIDO) founded in 1966 and managed by Kandeh K. Yumkella (Sierra Leone). It is the only organisation within the UN system providing technical assistance, consulting and mediation as well as research and study programmes to promote industrialisation of third world countries and the reform countries of Central and Eastern Europe that should be as gentle on the environment as possible. It also promotes the industrial cooperation between developing and industrialised countries.

Since 1997, the Preparatory Commission of the Comprehensive Nuclear-Test-Ban Treaty Organisation (CTBTO) headed by Executive Secretary Tibor Toth (Hungary) has been working in Vienna. It is linked to a high-tech international data centre.

Vienna is host to various other international organisations residing outside the Vienna International Centre (VIC), such as the Organisation for Security and Co-operation in Europe (OSCE) with Secretary General Lamberto Zannier (Italy) that is mainly concerned with questions of stability and security in Europe. Over the past decade, the OSCE has developed into an operative organisation that is also active in the field.

In 1965, OPEC (the Organisation of the Petroleum Exporting Countries) founded in 1960 in Baghdad, opened its seat in Vienna. The task of this inter-governmental organisation for the coordination of its members’ petrol policies is to achieve fair and stable prices for petrol producers and ensure reliable, economic supplies to consumer nations. Its bodies are the Confere-
ence of Petrol Ministers, the Board of Governors and a Secretariat with a Secretary General appointed by the Conference. The current Secretary General is Abdalla Salem El-Badri (Libya).

In 1976, OPEC members established the OPEC Fund for International Development (OFID) to provide financial support for developing countries to enhance their social and economic progress. The current Director General of the Fund is Suleiman Jasir Al-Herbish (Saudi-Arabia).

The European Union Agency for Fundamental Rights, FRA is also domiciled in Vienna. Morten Kjaerum from Denmark has been its Director since 2008. The International Organisation for Migration (IOM) that fights for humane and organised migration and promotes international cooperation in this field established an additional Regional Office in Vienna in 2011. The office is dedicated to Southeast Europe, Eastern Europe and Central Asia.

Thanks to Austria’s reputation for its high commitment in disarmament matters, some further important institutions in the field of disarmament and non-proliferation of nuclear weapons have recently been established in Vienna. In February 2011 the Vienna Center for Disarmament and Non-Proliferation (VCDNP) was opened with Austrian support, and in November the UN Office for Disarmament Affairs (UNODA) took up its work in Vienna. These institutions are proof of Austria’s commitment in the area of international safety and disarmament.

The appreciation of Austria as a venue of international organisations is also reflected in the International Anti-Corruption Academy (IACA) opened in Laxenburg in 2011, and in the International King Abdullah Bin Abdulaziz Centre for Interreligious and Intercultural Dialogue in Vienna.

The role of Vienna as host city to international agencies is underlined by the recent opening of the International Peace Institute (IPI) and of liaison offices of three organisations of the World Bank Group (International Bank for Reconstruction and Development – IBRD, Multilateral Investment Guarantee Agency MIGA, International Finance Corporation – IFC), in addition to the Centre for Financial Reporting Reform (CFFR) opened in 2007.
9. International Protection of Human Rights

9.1. Introduction

On 20 May, the UN General Assembly (UN GA) elected Austria to the UN Human Rights Council (HRC) until the end of 2014. This is the first time that Austria has been a member of the highest-level human rights body of the United Nations. Furthermore, an Austrian also holds the post of Vice-President of the Human Rights Council until the end of 2012.

After the successful Austrian membership in the UN Security Council from 2009 to 2010, the membership in the Human Rights Council provides the opportunity to achieve long-term effects in the multilateral treatment of Austria’s focal areas of work and to raise the country’s international profile further. The worldwide compliance with international human rights standards is of central concern to Austria. The specific priority areas of Austria’s work are: the protection of freedom of religion and conscience, the protection of religious minorities, the promotion of freedom of the media, protection of journalists, the promotion of the rights of children and their protection from violence and exploitation. Austria intends to launch concrete initiatives in these areas over the next few years in the Human Rights Council and the UN General Assembly and also to apply itself accordingly in the EU, the UN Alliance of Civilisations, the OSCE and the Council of Europe.

Apart from this, the traditional priority areas with regard to human rights will be developed further; these include a strengthening of human rights of people and groups deserving special protection (minorities, internally displaced persons) and women, strengthening the rule of law in international relations and the fight against impunity. Austria also advocates the abolition of capital punishment and fights against human trafficking. An issue of particular concern in all these efforts is the strengthening of civil society. The implementation and distribution of humanitarian international law is a key element in Austria’s foreign policy.

In January of the year, the Human Rights Council reviewed the human rights situation in Austria in the course of its Universal Periodic Review (UPR). Austria established a dedicated UPR steering group with representatives from civil society for the implementation process.

9.2. Human Rights at the United Nations

9.2.1. The Human Rights Council

The HRC was founded in 2006 as the successor body to the UN Human Rights Commission. The task of the 47-member Council is the promotion of human rights protection worldwide; to this end it holds a minimum of three regular sessions in Geneva each year. Austria’s membership in the HRC began on 19
June, after having participated as an active observer in the March and June session.

One of the major innovations of the HRC compared to its predecessor organisation is the regular **Universal Periodic Review of the human rights situation in all UN member states** carried out every four years. The **Austrian National Report** was drawn up by the human rights coordinators with input also coming from the departments in charge and the federal provinces. On 26 January, Vice-Chancellor and Foreign Minister Michael Spindelegger presented the Austrian National Report at the HRC. Austria received a total of 161 recommendations from other states, with 131 recommendations adopted and 30 declined by Austria. The Independent Expert for Cultural Rights, Farida Shaheed, visited Austria from 4 to 15 April. Her meetings revolved mainly around the right of participation in cultural life and access to cultural heritage.

On the occasion of the first **review of the work of the HRC** performed by the HRC and the UN General Assembly, Austria and other Western states advocated an increase in the efficiency and effectiveness of this institution that is of key relevance for the global protection of human rights. Proposals were submitted in particular for the improvement of timely and effective handling of concrete human rights crises. One consequence of the review was an adjustment of the HRC session cycle to the calendar year.

Austria pro-actively supported the **treatment of urgent country situations** by the HRC and the convention of the four **special sessions** in the year 2011. Confronted by the blatant human rights violations committed by the Gaddafi regime, the HRC convened a special session on the situation in **Libya** on the initiative of the EU at the end of February. As an outcome of this session, the HRC established a commission for the review of human rights violations and recommended the UN GA to suspend Libya’s membership in the HRC. The General Assembly complied with this proposal forthwith. In addition, the High Commissioner for Human Rights was asked to submit periodical reports about the human rights situation in Libya to the HRC.

The continued violations of human rights in **Syria** were the subject of three special sessions; all three of them supported by Austria. The first special session in April demanded investigations to be carried out by the Office of the High Commissioner. In August, the HRC condemned the continued, severe and systematic human rights violations committed by Syrian leaders and established an independent Commission of Inquiry. In early December, another special session convened on the initiative of the EU, and pressure on the Syrian government was increased further. The HRC installed a special rapporteur for Syria to document the situation after the work of the Commission of Inquiry is concluded.

Various initiatives taken during the regular sessions were also marked by the continued tension in the **Arab world and North Africa**. The Commissions
of Inquiry on Libya and Syria presented their reports about crimes against humanity in both countries to the HRC in June and in September. A supra-regional statement and a resolution on Yemen were adopted condemning the unacceptable, excessive acts of violence committed by the security forces in this country.

The 16th regular session of the HRC in March was opened with a high-level segment, where Austria was represented by Vice-Chancellor Foreign Minister Michael Spindelegger. In addition to a meeting with the High Commissioner for Human Rights, the Vice-Chancellor opened an exhibition of Austrian photographer Lukas Hüller in Geneva, who staged the universal declaration of human rights in large formats with children and young people.

In view of the alarming human rights situation in Iran, the mandate of a special rapporteur was established at the session in March; the mandate is supported by Austria, and Austria applied itself to achieving a permit for the special rapporteur to enter Iran to execute his mandate.

The mandates for the Democratic People’s Republic of Korea and Burma/Myanmar were extended by one year. Detailed country resolutions were passed on Tunisia, Côte d’Ivoire, the Democratic Republic of Congo and Burundi.

Several thematic resolutions were adopted by consensus, such as the EU initiative on freedom of religion and conscience and an initiative of the Organisation of Islamic States on the same topic where the disputed concept of the defamation of religions was dropped for the first time. Other adopted resolutions include those on the prevention of torture, on the situation of victims of terrorism, the rights of children and people with disabilities, as well as several resolutions on occupied Palestine territories, among others on the demand addressed to the UN General Assembly to deal with the Goldstone Report on the Gaza conflict and to attend to the incident with the Gaza flotilla.

Austria successfully continued its initiative of many years for the rights of members of ethnic, religious and linguistic minorities. A resolution adopted in this sphere extended the mandate of the Independent Expert on Minority Issues by another three years (see section 9.6.5 on the topic). Austria also organised two informal panel discussions on the rights of imprisoned women and on the situation of internally displaced persons.

At the 17th regular session of the HRC in June, the EU, together with a supra-regional coalition of states, succeeded for the first time in carrying a resolution that strongly condemned the human rights situation in Belarus. The HRC adopted country resolutions on the situation in Haiti, Burundi, Somalia, Kyrgyzstan and the Côte d’Ivoire for which an independent expert was installed.

Furthermore, the HRC adopted a first resolution on the human rights of the lesbian, gay, bisexual and transgender community (LGBT). The text submit-
by South-Africa condemns discrimination on the grounds of sexual orientation and gender identity. Other thematic initiatives of special interest were the adoption of a 3rd Optional Protocol to the Convention of the Rights of the Child. Based on this initiative, which received substantial support from Austria, the right of individual recourse was established, as well as an initiative for the effective protection of women from violence and the establishment of a working group on economy and human rights.

The 18th regular session of the HRC was the successful prelude to Austria’s membership in the Human Rights Council. State Secretary Wolfgang Waldner outlined the focal topics of Austria in his speech and opened an exhibition on the priority subject of children’s rights dealing with the situation of children of imprisoned parents. The traditional Austrian initiative on human rights in the criminal justice system with a focus on the juvenile justice system was adopted by consensus, and for the first time the minimum age of twelve years was laid down in a UN resolution. An Austrian initiative on organising panel discussions about the protection of minorities on the occasion of the 20th anniversary of the UN Declaration on Minorities in March 2012 was also adopted by consensus. Austria was part of a core group supporting the creation of a new mandate for coming to terms with the past and transition justice, and it organised an informal panel discussion on the rights of domestic workers.

The mandate of the special rapporteur for Sudan was extended and a mandate for South Sudan established. Consensus resolutions were adopted on Haiti, Burundi, Cambodia and Yemen. As negotiations about the Middle East were taking place simultaneously in the General Assembly in New York, it was for the first time that the HRC did not take any new initiatives in this respect. Several initiatives on racism were to some extent only adopted by consensus. An initiative of Cuba, Pakistan and others aiming for stricter control of the High Commissioner for Human Rights was successfully averted.

9.2.2. The General Assembly

The Third Committee of the 66th Session of the United Nations General Assembly (UN GA) negotiated and adopted 63 resolutions on human rights and social issues. Successes from an EU perspective were the adoption of a new resolution on the human rights situation in Syria, the traditional EU initiatives on the human rights situation in Myanmar, the Democratic People’s Republic of Korea and the EU-supported Canadian resolution on Iran, each with better voting results than in the previous years. The adoption by consensus of the EU-proposed resolution on religious intolerance was yet another success; so too was a new initiative by the Organisation of the Islamic Conference (OIC) dropping the disputed concept of the defamation of religions. Substantial and atmospheric improvement of the negotiations concerning the resolution on racism was made possible by a constructive-
minded approach of the main parties submitting the resolution, i.e. G77/ South-Africa. The EU jointly abstained in the vote about the text.

The adoption by consensus of the resolution about the rights of the child, however, was only achieved with difficulty. This resolution that is traditionally submitted by the EU and the Group of Latin-American states was focused on children with disabilities this year. A new resolution initiative of Thailand on improving the coordination of UN actors for the protection of children had negative effects. This needed to be seen as a proposal directed against the Special Representatives of the UN Secretary General for Children in Armed Conflict and against the background of a reproach about alleged overstepping of the mandate by UN representatives.

The procedural controversy concerning the EU’s rank on the list of speakers in the discussions of the Third Committee also caused some tension. CARICOM and the African and parts of the Asian Group insisted that the EU should only be allowed to speak after member states represented by country groups (i.e. in fact always only as the last group). This situation was overcome by ad-hoc arrangements, but generally it remained unresolved.

**Austria** submitted a resolution on **minority rights** that was adopted by consensus with a substantially stronger text and received the support of 69 countries from all regions (please refer to item 9.6.5 on this topic). Austria was also actively involved in EU negotiations and in informal consultations directing special attention to both the EU initiatives and country resolutions as well as the resolutions on children’s rights, women, internally displaced persons, freedom of religion, defenders of human rights, human rights and terrorism, torture, racism, drugs and prevention of crime. In addition to the EU declaration, Austria contributed a national declaration on social development (presented by the Austrian youth delegate). Austria was also involved in the interactive dialogues with the Special Representative of the Secretary General for Children in Armed Conflict, the Special Representative of the Secretary General for Violence against Children and the special rapporteurs on freedom of religion, internally displaced persons and freedom of opinion.

The EU together with a cross-regional group of countries organised an event on violence against lesbian, gay, bisexual and transgender persons. This topic remained disputed in the Third Committee.

### 9.2.3. The Commission on the Status of Women

The 55th session of the **Commission on the Status of Women (CSW)** in New York from 22 February to 4 March was dedicated to “Access and participation of women and girls to/in education, training, science and technology, including the promotion of women’s equal access to full employment and decent work”. The conclusions on this topic were only adopted after difficult negotiations that mainly challenged the consensus on the term “gender”.

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Three resolutions on gender equality, strengthening of the role of women and girls in measures and strategies for climatic change and HIV/AIDS, as well as on the situation of Palestine women were adopted. Austria pro-actively participated in the debate and in EU-internal and informal negotiations. Austria together with Germany and Switzerland organised an event on “Effective tools to reduce the wage gap between men and women in companies” and supported an NGO event on “Mentoring as a tool for strengthening NGO women in the Commission on the Status of Women”.

9.3. Human Rights in the European Union

9.3.1. The Human Rights Policy of the European Union

The objectives of the Common Foreign and Security Policy (CFSP) of the European Union include according to article 21 Treaty of Lisbon the development and consolidation of democracy and the rule of law, as well as respect of human rights and fundamental freedoms. Questions of EU human rights policy within the EU are the subject of the Council Working Party on Fundamental Rights, Citizens Rights and Free Movement of Persons (FREMP). Issues of EU human rights policy vis-à-vis third countries are handled by the EU Directors of Human Rights in the Human Rights Working Group in the External Action Service (COHOM) in cooperation with Council working groups with geographic focus. Austria continued its commitment for better integration of human rights in all EU policy agendas, and in particular for an effective coordination between COHOM and FREMP to ensure consistent EU human rights policy in internal and external relations of the EU.

A new EU Human Rights Strategy for CFSP has been drafted as a direct outcome of the efforts undertaken to consolidate EU human rights policy. A joint communication of the European Commission to the European Parliament and the Council, “Human Rights and Democracy at the Heart of EU External Action – Towards a More Effective Approach”, was adopted by the Commission on 12 December and presented to the EP and the Council by EU High Representative Catherine Ashton. The new strategy is intended to step up the effectiveness and coherence of the EU as a global force for human rights. Yet another step in the same direction is the development of country-specific human rights strategies that are currently being drafted and should be concluded by 2012.

The European Union Guidelines on Human Rights apply to eight areas of human rights; they are intended to facilitate the most efficient approach possible in particularly important matters. These guidelines comprise a catalogue of measures for the EU’s permanent involvement towards third countries in matters of capital punishment, torture and other cruel, inhumane and degrading treatment or punishment, protection and promotion of the rights of the child, human rights dialogues with third countries, protection of chil-
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dren in armed conflict, protection and promotion of human rights defenders, protection and promotion of the rights of the child, guidelines on fighting violence against women, and humanitarian international law. Furthermore an Action Plan for Freedom of Religion and Conscience and a tool kit for the promotion and protection of lesbian, gay, bisexual and transgender persons (LGBT) were adopted. Austria promotes the full-scale implementation and further development of the guidelines and is actively involved in redrafting the guidelines on the protection and promotion of the rights of the child. In the COHOM, Austria is an active member of the working groups on freedom of religion and conscience, the right of the child, fighting violence against women and the implementation of resolution 1325 (2000) of the UN Security Council on Women, Peace and Security.

The implementation of concrete projects and programmes in EU human rights policy is achieved mainly by the European Instrument for Democracy and Human Rights (EIDHR). The work of EIDHR is managed by a Committee for Human Rights and Democratisation under the leadership of the European Commission; the Committee held its eighth session on 2 December 2011. Another concrete contribution to boosting democracy worldwide are the EU election observer missions that were launched in the year 2000. As in previous years, approximately 30 Austrians participated in all nine EU election observer missions in Niger, Chad, Uganda, Nigeria, Peru, Zambia, Tunisia, Nicaragua and the Democratic Republic of Congo.

The Lisbon Treaty made the Charter of Fundamental Rights of the European Union binding for the EU and created the obligation to join the European Convention on Human Rights (ECHR). Negotiations to this end began in 2010 and were continued in 2011 to ensure the earliest possible accession.

The European Union Agency for Fundamental Rights (FRA) based in Vienna provides consulting to the European Commission, the Council, the member states and the bodies of the Union. The headquarters agreement between Austria and the FRA entered into force on 1 January. Austria campaigns for strengthening the role of the FRA and cooperates closely with it. In addition to regular consulting of EU institutions on draft laws, the FRA published studies on migrants in irregular situations, violence against women, the protection from discrimination against people with mental health problems, human rights education at Holocaust memorial sites, minority protection, discrimination at the workplace, homophobia, anti-Semitism and access to justice. On 21 and 22 November, the Fundamental Rights Conference of FRA was held in Warsaw under the title “Dignity and Rights of Irregular Migrants”.

9.3.2. Structured human rights dialogues

As described above, the EU applies its own guidelines for human rights dialogues with third countries and determines different forms of dialogue for this
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purpose: i.e. structured human rights dialogues, ad-hoc dialogues, dialogues with groups of states and expert meetings with like-minded states in the run-up to major human rights events. The EU entertains structured human rights dialogues with more than 30 states, with the topics, problems and options of cooperation being defined on a case-by-case basis. Minority rights, women’s rights, capital punishment, freedom of religion and conscience, democratisation, rule of law, children’s rights and development of civil society are the topics most frequently addressed. In all of these dialogues, the EU strives to involve the civil societies, for example in preparatory meetings prior to such dialogues. The dialogues take place alternately in the EU and the respective partner state.

In 2011, the EU held human rights dialogues with the African Union, Chile, China, Georgia, India, Indonesia, Kazakhstan, Kyrgyzstan, Columbia, Mexico, Moldova, Tajikistan, Turkmenistan and Uzbekistan. The 30th EU-China Human Rights Dialogue was held on 16 June, this time in Beijing. In addition to some individual human rights cases, the EU addressed in particular the disappearances of persons and arbitrary detentions. Minority rights, racism and conditions of detention were also discussed. It was agreed that expert seminars are to be held again with participants from the academic field, non-governmental organisations (NGOs) and representatives of the EU and China. As in 2010, only one human rights dialogue was held in 2011 as China did not accept a date for a second round.

The EU-Iran Human Rights Dialogue came to a halt after the fourth round in June 2004. In 2006, under the Austrian Presidency of the Council, efforts were made to resume the dialogue which failed over the worrying human rights situation in Iran. The human rights situation was also criticised in a resolution of the 66th UN GA co-sponsored by Austria. The numerous infringements of human rights were regularly addressed by Austria in contacts with the Iranian government.

9.4. Human Rights at the Council of Europe

In addition to specific Agreements of the Council of Europe (such as on the prevention of torture, fight against human trafficking and protection of minorities, see item 6.1.4.), the European Human Rights Convention (EHRC) and the European Court for Human Rights (ECHR) are the main pillars of the human rights protection system of the Council of Europe. The growing number of member states in the Council of Europe (from 23 in 1989 to a present 47) as well as a broader PR effect of the human rights system produced a clear increase in the number of complaints. Total individual complaints increased from approx. 4,000 in 1989 to some 74,000 in 2011, the great majority of these, however, proved to be inadmissible. 151,200 cases were pending by year-end. For years, efforts have been undertaken to counter this development. Protocol 14 to the Convention for the Protection of Human
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Rights and Fundamental Freedoms was drawn up with the aim of reforming the internal procedures at the Court. When Russia – the last country to do so – had ratified the Protocol it entered into force on 1 June 2010 and has already produced first results. On 26 and 27 April, the Turkish Presidency of the Council of Europe organised a conference at ministerial level in Izmir to continue the reform process initiative by Switzerland – going beyond the 14th Protocol. The conference adopted a political declaration and a plan for action directed towards long and short-term reform steps on a national level and on the level of the Committee of Ministers and the ECHR. Austria attaches great importance to avoiding impairment of the current system of protection by the reform efforts. Austria applied itself to ensuring the right of individual recourse also in future, and together with a group of like-minded states, it fended off an initiative of introducing court fees for the submission of complaints.

9.5. Human Rights at the OSCE

Please refer to section 5.2.4.

9.6. Austria’s Human Rights Priorities

9.6.1. Freedom of religion and protection of religious minorities

Austria has stepped up its commitment for freedom of religion and the protection of religious minorities both on bilateral and multilateral level as a response to the worldwide increase of violence and discrimination against religious minorities.

Austria has made this issue a priority of its work at the UN Human Rights Council and addresses it both in country-specific and topical debates and initiatives of the HRC. In its work in this field, Austria deliberately chooses a partnership approach and applies its experience and contacts from the intercultural dialogue. At the 16th session of the HRC from 28 February to 25 March, a special focus was placed on the situation of members of religious minorities in the resolution on freedom of religion and conscience that is traditionally sponsored by the EU. This initiative of Austria and Italy condemned any acts of violence against religious minorities and demanded tolerance and dialogue. Austria supports the independent mandate of the UN Special Rapporteur on Freedom of Religion or Belief, held by German professor Heiner Bielefeldt since 2010. The Austrian concern of increased commitment of the EU for better protection of religious minorities worldwide – raised together with Italy at the end of December 2010 at the EU Council – was written down in the conclusions of the Council of 21 February, according to which the freedom of religion and the protection of religious minori-
Austria’s Human Rights Priorities

ties is to be handled as a focal issue by the European External Action Service. In the framework of the EU task force for freedom of religion, which had been established at the initiative of Austria and is actively supported by Austria, concrete initiatives for action are developed to promote the protection of the freedom of religion and the protection of religious minorities. These initiatives are based on regular reports submitted by the EU delegations on the status quo of freedom of religion in the world.

Austria also supports initiatives for the protection of religious minorities and the freedom of religion at OSCE level and the level of the Council of Europe. On 11 and 12 September, an OSCE conference on measures against intolerance and religiously motivated hate crimes against Christians was held in Rome, attended by Austria.

9.6.2.  Human rights of children

The priorities of Austria’s foreign policy include the promotion and protection of the rights of children. In following on from its focus as a non-standing member of the UN Security Council from 2009 to 2010, Austria placed the promotion of the rights of the child and the protection of children from violence and exploitation on the list of its priorities during its membership in the UN Human Rights Council from 2011–2014. The resolution on human rights in the justice system, which was submitted by Austria in September, focused on the observation of legal standards in juvenile criminal proceedings and penal system and called upon states not to prosecute children under the age of 12 and not to criminalise victims of the trafficking in children on account of their status. The initiative was supported by 66 states from all regions and was adopted by consensus.

Also at the HRC, Austria advocated the drafting of a Third Optional Protocol to the Convention of the Rights of the Child facilitating individual recourse to the UN Committee on the Rights of the Child. The draft version of the optional protocol was completed by a working group of the HRC in February and was adopted by consensus by the General Assembly in December.

Austria participated actively in the annual open debate of the UN Security Council (UN SC) on children in armed conflicts (see item 7.3.1), and in the follow-up meeting to the Paris conference “Free children from war” (2007) in the framework of the general debate at the UN.

Austria also supported the United Nations’ efforts to increase the capacities of their PKOs and political missions in the context of children’s rights. As an example of its commitment, Austria provided financial support to the development of a UN-internal guideline for the work of experts in children’s rights in the course of UN missions. The Austrian Federal Foreign Ministry organises regular training on the rights of children and women for soldiers before they are deployed abroad.
The **Austrian Development Cooperation (ADC)** also targets the rights of children. The respective activities include training in modern social work, reintegration, consulting and sensitisation for child abuse, exploitation and human trafficking. In Albania and Serbia, the ADC supports safety networks and measures against child trafficking and cyber crime as well as child protection centres and courses for social workers. In Moldova, another focal country, the Austrian Development Cooperation finances a Caritas centre for children and young people in distress dealing with reintegration, and in Kosovo it provides financing for a protection from domestic violence project.

### 9.6.3. Human rights of women

Strengthening the rights of women is one of the priorities of Austria's human rights policy and includes the promotion of measures for combating violence against women and for the active integration of women into peace processes.

In April, the negotiations on the new **Convention on Preventing and Combating Violence Against Women and Domestic Violence of the Council of Europe (CAHVIO)** were successfully concluded with a high-profile Austrian input. The Convention was signed by Austrian State Secretary Wolfgang Waldner in Istanbul on 11 May. It is the first legally binding international instrument in this field providing a comprehensive framework for the prevention of violence, the protection of victims and the combat of impunity of violence against women; it also covers sensitive topics such as genital mutilation and forced marriages. Meanwhile, it has been signed by 18 states. It is also open to non-member states of the Council of Europe and enters into force after ratification by ten states.

At EU level, Austria is a member of the EU Task Force on Violence against Women and applies itself to the comprehensive implementation of the EU guidelines on combating violence against women adopted in December 2008. As a token of its support of the system-wide campaign of the UN GA for combating violence against women, Austria continued its contributions towards the Anti-Violence Fund of the United Nations.

On 11 April, Federal Minister Michael Spindelegger paid a visit to the newly established **UN Women** agency in New York where the former UN units concerned with gender issues are now combined and met with Executive Director Michelle Bachelet. To support UN Women, the deployment of an Austrian Junior Professional Officer (JPO) to the office of the Executive Director was prepared, who will take up her job in early 2012.

On the occasion of the tenth anniversary of the adoption of Resolution 1325 (2000) of the UN SC on Women, Peace and Security in October 2010, Austria announced several initiatives. In this context, the **Austrian National Action Plan (NAP) on Resolution 1325** was revised for the first time in an inter-ministerial working group with the support of representatives from civil society.
Besides all this, Austria supported a project of UN Women on assisting the implementation of Resolution 1325 applying the indicators developed for that purpose. In its role of member of the EU Task Force 1325, Austria also applied itself to the implementation of this SC resolution.

The involvement of women in political processes – in particular also during the Arab Spring – was promoted, among others, by support granted to a project of UN Women on fostering political participation of women in the democratic transition process in Egypt. Support of the Gender Directorate of the African Union was continued.

Special Envoy on International Women’s Issues at the Federal Ministry for European and International Affairs, former Federal Minister and member of the National Council Ursula Plassnik, advocated, in particular, an equal and effective involvement of women in the democratisation processes in the Arab world and demanded the end of structural violence against women in this context as well as the prosecution of crimes committed against women.

The promotion of women’s rights was also on the agenda of the annual meeting of the HRC Minority Forum, initiated and co-financed by Austria, in Geneva on 29 and 30 November. The session was dedicated to the rights of female members of minorities and their recourse to law (please refer to item 9.6.5.).

9.6.4. Freedom of the media and protection of journalists

Against the background of the increasing number of targeted violence against journalists worldwide and the problem of widespread impunity in this matter, Austria made it a key concern of its membership in the UN Human Rights Council to improve the protection of journalists and defend the freedom of the press and the media. In a start-off for this Austrian commitment, the Foreign Ministry in cooperation with the International Press Institute (IPI) organised a high-level experts meeting on “Safety of Journalists: Towards a more effective international protection framework” in Vienna on 23 November. Representatives from states, international organisations and civil society discussed ways and means of improving the safety of journalists worldwide, in particular within the framework of the United Nations and other international organisations. The event was chaired by State Secretary Wolfgang Waldner. The findings of the conference in Vienna were summarised in a publicly accessible document and will be incorporated in various activities of the Human Rights council. The objective is the development of a far-reaching, supra-regional coalition and the submission of a resolution on the protection of journalists at the HRC that is to place this issue firmly on the international human rights agenda.

In addition to all of these activities, Austria was continuously involved in initiatives on improving the protection of journalists in the framework of the
OSCE and in working out a UN action plan on protecting journalists in the framework of UNESCO.

Austria also contributed to the international discussion of the effects of the Internet on human rights and its applicability “online” through its active participation in the Internet Governance Forum in Nairobi from 27–30 September, the London Conference on Cyberspace on 1 and 2 November, and the Freedom Online conference in The Hague on 8 and 9 December, aiming at intensified cooperation at an international level to protect freedom of expression. An important impetus in this respect originated from Austria: the Council of Europe conference on Our Internet – Our Rights, Our Freedoms on 24 and 25 November in Vienna (see section 9.4.).

9.6.5. Protection of minorities

The protection of the rights of ethnic, religious and linguistic minorities is of great concern to Austria. On 24 March, the resolution initiative traditionally taken by Austria in this matter was adopted by consensus by the 16th regular session of the HRC. The key element of the resolution is the extension of the mandate of the Independent Expert on Minority Issues for another three years. At the beginning of August, the new Independent Expert on Minority Issues, Rita Izsak from Hungary took up office, following US-American Gay McDougall who had held the post since 2005.

Austria underlined its commitment in the field of minority protection by submitting a decision on the protection of minorities at the 18th regular session of the HRC. The text supported by a total of 66 states from all regions of the world stipulates the organisation of a panel discussion on the global protection of minorities on the occasion of the 20th anniversary of the UN Declaration on Minorities at the 20th regular HRC session in March 2012. The effective promotion of the Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities was also the topic of the resolution submitted by Austria at the Third Committee of the 66th UN General Assembly. The resolution was adopted by consensus and co-sponsored by 69 countries from all regions. With this resolution, the Independent Expert on Minority Issues is for the first time given the possibility to report annually to the General Assembly.

A Forum on Minority Issues was established at the initiative of Austria. The Forum convenes annually in Geneva and is to specify measures for the further implementation of the Declaration of Minorities adopted by the UN General Assembly in 1992. The fourth session of the Forum on 29 and 30 November was dedicated to “Women and Minorities” and was chaired by Graciela Dixon, former President of the Constitutional Court of Panama. Discussions revolved mainly around the participation of women in politics and the economy, the important role of school education for female members of minorities, and violence against women who are members of minorities. The
more than 500 participants included representatives from states and international organisations, NGOs, experts on minority issues and numerous representatives from minorities. The Independent Expert on Minority Issues Rita Iszak will report about the recommendations worked out at the Forum in her first annual report to the HRC in March 2012.

9.6.6. Human Rights Education

Human Rights Education should explain the rights and fundamental freedoms to people and heighten the awareness of state authorities about the importance of respecting human rights and the obligation to do so. In the manual on human rights education “Understanding Human Rights”, Austria provides a tool that is used in numerous countries and regions. To date, the manual has been translated into 15 languages, reaching a major part of the world’s population. The third revised and updated English edition will be published in spring 2012; a new edition in Arabic is currently being planned. Other training material is available on the website of the European Training and Research Centre for Human Rights and Democracy (ETC) in Graz.

Austria also declared human rights education a key task in its work as a member of the UNESCO Executive Committee and supports initiatives to ensure the acquisition of knowledge about human rights and mechanisms for their protection.

On 19 December, the UN General Assembly adopted the Declaration on Human Rights Education and Training that had been worked out in a two-year process by the HRR and adopted by consensus at its 16th regular session by in March. The Declaration is not legally binding, but the adoption is an important first step for human rights education.

The current second phase (2010–2014) of the UN World Programme for Human Rights Education focuses on human rights education at universities, training programmes for teachers, the public services, police and the military.

9.6.7 International humanitarian law

Please refer to section 10.4.

9.6.8 The fight against trafficking in human beings

Human trafficking is a severe violation of the most fundamental human rights. According to reports of the United Nations, 2.4 million people fall victim to human trafficking every year. In Europe alone, there are 140,000 cases annually. And in the majority of cases it is women and children who are affected. Trafficking in “people as goods” is one of the largest branches
of organised crime worldwide with a ranking next to the trafficking in drugs and weapons. The United Nations estimates the annual profits to amount to 32 billion dollars.

Because of its location in the centre of Europe, Austria is particularly concerned as a transit and destination country. Experience has shown that human trafficking for the purpose of sexual exploitation, exploitation of domestic workers in manner like slavery and trafficking in children are very widespread.

Austria is a signatory of all relevant international legal instruments against human trafficking, especially the supplementary protocol to prevent, suppress and punish trafficking in persons, particularly women and children, the UN Convention on Transnational Organised Crime (2005) and the Convention of the Council of Europe Against Human Trafficking (2006) and strives to implement its respective international obligations. In this context, Austria continued its intensive cooperation with international organisations, such as the United Nations Office on Drugs and Crime based in Vienna (UNODC), the Organisation for Security and Cooperation in Europe (OSCE) and the International Organisation for Migration (IOM).

In 2011, Austria was one of the first European states to be evaluated by the expert group of the Council of Europe – the Group of experts on action against trafficking in human beings (GRETA). The report about Austria and the recommendations of the expert group were adopted by the Committee of Signatories on 26 September. The group of experts assessed the Austrian measures to fight human trafficking as generally positive. According to the group’s recommendations, more activities are needed that are geared at protecting victims of child trafficking and fighting against human trafficking for the purpose of labour exploitation. On 15 April, Directive 2011/36 of the European Parliament and the Council on Preventing and Combating Trafficking in Human Beings and the Protection of its Victims came into force. Austrian legislation corresponds largely to this Directive that is to be implemented within two years.

The Task Force on Human Trafficking established by the FMEIA in 2004 and chaired by the National Coordinator for Combating Human Trafficking, Ambassador Elisabeth Tichy-Fisslberger, Head of Department at the FMEIA, continued its activities for implementing the National Action Plan against Human Trafficking 2009–2011. All state offices and non-government organisations work together closely in this task force that centres its measures on prevention, victim protection, criminal prosecution as well as regional, national and international coordination and cooperation. Austrian-wide coordination for drafting the third National Action Plan against Human Trafficking 2012–2014 was completed in December.

In the context of prevention and creation of awareness, the FMEIA organised the annual public event against human trafficking at the Vienna Diplomatic
The International Criminal Court

Academy on 17 October on the occasion of the EU Anti-Trafficking-Day 2011. The event was opened by State Secretary Wolfgang Waldner, Federal Ministers Gabriele Heinisch-Hosek and Rudolf Hundstorfer and State Secretary Sebastian Kurz. The exhibition “Human Trafficking – Slavery in the 21st Century” organised under the direction of the FMEIA is primarily addressed to Austrian school pupils and was shown during the “Days of Action – Civic Education” (27 April to 16 May) at Austrian schools.

All Austrian representations abroad, especially in risk countries, were asked to actively take preventive action against human trafficking, among others by distributing information brochures. In the framework of Austrian development aid, Austria supported potential victims of human trafficking in the countries of origin, for example with projects organised by the IOM and UNODC in West Africa and Southeast Europe.

To increase the protection of household workers of diplomats accredited to Austria or of international officials, the Foreign Ministry together with the other ministries in charge and victim protection organisations developed a series of control measures to prevent abuse. Austria is playing a leading international role this context.

9.7. The International Criminal Court

The International Criminal Court (ICC) in The Hague is a permanent and independent court created by the Rome Statute (RS) of 1998. Its jurisdiction covers genocide, crimes against humanity and war crimes provided that they were committed after the Rome Statute was enacted on 1 July 2002 on the territory of or by a national of a member state. The UN Security Council can submit a situation to the ICC even if the country concerned is not a member. The Rome Statute, with at present 120 member states, establishes a complementary jurisdiction of the ICC, i.e. applicable only if the states primarily responsible for judging crimes either are not willing or else are not in a position to investigate and prosecute these crimes.

Currently seven such situations are pending before the ICC: Uganda, Democratic Republic of the Congo, Central African Republic, Kenya, Darfur/ Sudan (by referral through SC-Resolution 1593 (2005)), and – new since 2011 – Libya (since 26 February; by referral through SC Resolution 1970 (2011)) and Côte d’Ivoire (since 3 October; opening proprio motu). The arrest warrant issued on 4 March 2009 by the ICC against Sudanese President Al Bashir, the first ever against an incumbent head of state, has not been executed to date. On 2 December, the chief prosecutor of the ICC also demanded an arrest warrant against Sudanese Minister of Defence Abdelrahim Mohamed Hussein. On 27 June, the ICC issued arrest warrants against Libyan revolutionary leader Muammar Gaddafi, his son Saif Al-Islam Gaddafi and head of the secret service of Libya Abdullah Al-Senussi. The proceedings against Muammar Gaddafi were stopped after his death on 20 October 2011. The former President
of Côte d’Ivoire, Laurent Gbagbo, charged with crimes against humanity was transferred to the ICC on 30 November.

Ambassador Tiina Intelman (Estonia) was unanimously elected new President of the Assembly of State Parties of the International Criminal Court at the 10th session of the Assembly of State Parties of the ICC; deputy chief prosecutor of the ICC, Fatou Bensouda (Gambia) was elected the successor to chief prosecutor Moreno Ocampo. Her appointment was unanimous too. Bensouda will take up office in July 2012.

Austria has traditionally been a supporter of the ICC. It was the first state to conclude an agreement with the Court on the enforcement of prison sentences and initiated negotiations with the ICC about concluding an agreement on witness protection. Currently an amendment to the Criminal Code is worked out to include the crimes punished under the Rome Statute. At the Review Conference of the Rome Statute held in Kampala, Uganda, in June 2010 changes of the Rome Statute were adopted by consensus (definition of the act of aggression and extension of the catalogue of crimes of war); the ratification of these changes is being worked on.
10. Humanitarian Affairs

10.1. Austria’s Humanitarian Aid and Disaster Relief

10.1.1. Bilateral humanitarian aid

Austrian bilateral humanitarian aid is financed and managed by the Austrian Development Agency (ADA) and by various ministries, including the Federal Ministry of the Interior, the Federal Ministry of Agriculture, Forestry, Environment and Water Management and the Federal Ministry of Defence and Sports, as well as by the federal provinces, municipalities and other public bodies.

Bilateral aid is provided to both chronic crisis areas and acute disasters. In 2011, acute cases included the humanitarian crisis after the uprising in Libya and the devastating earthquake and tsunami disaster in Japan. Funds of the Foreign Disaster Relief Fund endowed with 5 million euros were made available to handle these unforeseen disasters. In addition to the humanitarian crises in Libya and Japan, substantial funds from the Foreign Disaster Relief Fund were also allocated to the drought and famine in the Horn of Africa/Somalia. These funds were provided to both international humanitarian organisations and Austrian NGOs.

In 2011, the ADA managed 3.7 million euros for bilateral humanitarian aid. Bilateral humanitarian aid of other ADA donors, including the humanitarian aid for international disasters coordinated by the Ministry of the Interior, amounted to 10.1 million euros in 2011.

10.1.1.1. International disaster relief

Austria provided international disaster relief in response to requests for assistance under the EU mechanism in direct coordination with the European Commission/Monitoring and Information Centre (MIC): After the uprising/civil unrest in Libya in February of the year, Austria via the Austrian Red Cross and the International Federation of Red Cross and Red Crescent Societies provided blankets, water tanks, kitchen sets and hygiene kits using funds of the Federal Ministry of the Interior. After the disastrous earthquake and tsunami in Japan in March, Austria supported the people in Japan with the help of the Austrian Red Cross and funds from the Disaster Relief Fund and provided blankets and water tanks. In addition to this, six EU experts and two United Nations Disaster Assessment and Coordination (UNDAC) members were offered via MIC, but this offer was not accepted. After the explosion of the ammunition storage and power failures in Cyprus in July, two representatives of the Ministry of Defence and Sports were deployed to Cyprus. Following the flood catastrophe in Pakistan in August/September, Austria and the logistics services of the Austrian Red Cross supported the people affected with water treatment substances for sterilising drinking
water and also provided winter-proof family-sized tents. In October, blankets, basic supplies for emergency shelter, hygiene kits and kitchen sets were made available to the families and children affected by the floods in El Salvador. When an earthquake hit Turkey in October, Austria deployed EU experts there and provided winter-proof family-sized tents and tent-heating units. Effluent pumps, watertight transport backpacks and inspection lamps/search lights were made available from the means of the Disaster Relief Fund of the Federal Ministry of the Interior after the floods in Thailand in November. Austria also provided bilateral support to the Royal Thai Police. After the tropic storm and floods on the Philippines in December, Austria provided water treatment tablets.

10.1.2. Austria’s multilateral humanitarian relief

10.1.2.1. Austrian food aid

The Federal Ministry of Agriculture, Forestry, Environment and Water Management is responsible for the execution of the international food aid agreement dating from 1999. Target countries were selected in cooperation with the Federal Ministry for European and International Affairs and ADA. In the year 2011, the focus was on assistance to the UN World Food Programme for drought victims in the Horn of Africa. Further support was provided to FAO projects in Kyrgyzstan, Madagascar, Sri Lanka, Niger, Nepal and Burundi.

10.1.2.2. International Committee of the Red Cross and International Federation of Red Cross and Red Crescent Societies

The International Committee of the Red Cross (ICRC) operated in more than 80 countries and as such provided an important contribution to alleviating humanitarian suffering together with the International Federation of the Red Cross and Red Crescent Societies (IFRC). Austria supported the operative work of the ICRC in the Horn of Africa/Somalia and provided a contribution to the ICRC headquarters budget.

10.2. Humanitarian Aid in the Framework of the United Nations

10.2.1. Office for the Coordination of Humanitarian Affairs

The Office for the Coordination of Humanitarian Affairs (OCHA) is responsible for developing UN humanitarian policies, their promotion vis-à-vis other UN agencies and for the international coordination of humanitarian aid and disaster relief. It has headquarters in Geneva and New York as well as a network of field and regional offices. Only about 11% of OCHA’s funding needs are covered by the regular UN budget with the remainder coming from...
voluntary contributions of the Member States including Austria. Austria’s admission to the OCHA Donor Support Group, the central global steering instrument for humanitarian help was finalised last year and offers Austria a range of opportunities to increase its visibility.

Austria provided financial funds from the Foreign Disaster Relief Fund to OCHA to fight the drought and famine in the Horn of Africa/Somalia. Austria also organised a working meeting with OCHA representatives in Vienna.

### 10.2.2. Office of the UN High Commissioner for Refugees

The UN High Commissioner for Refugees (UNHCR) is one of the largest relief organisations in the UN and operates on all continents. Former Portuguese Prime Minister Antonio Gutierrez as UN High Commissioner for Refugees is head of the UNHCR and was re-elected for a second term in 2010.

Austria supported the UNHCR with an unspecific core contribution, and provided financial support for UNHCR activities during the civil unrest in Libya and the drought and famine in the Horn of Africa/Somalia.

### 10.2.3. World Food Programme of the United Nations

The UN World Food Programme (WFP) is the biggest humanitarian organisation of the UN. The Austrian Ministry of Agriculture, Forestry, Environment and Water Management provided financial support to projects helping the victims of the drought and famine disaster in the Horn of Africa.

### 10.2.4. United Nations Relief and Works Agency for Palestinian Refugees in the Near East

As in recent years, Austria provided a core contribution to the UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA) for projects on the West Bank and in the Gaza Strip. ADA also provided financial support to the health programme of UNRWA.

### 10.2.5. Central Emergency Response Fund of the United Nations

The reformed Central Emergency Response Fund (CERF), approved by the UN General Assembly in December 2005, took up operation in March 2006. It represents a central UN humanitarian reform project and a considerable improvement compared to the “flash appeal” systems funded by the member states only after a disaster or crisis has occurred. The CERF is a standby fund to provide victims of natural disasters and armed conflict with early
and reliable humanitarian aid (also see item 7.2.9). **Austria** provided a core contribution to the CERF.

### 10.3. Humanitarian Aid in the Framework of the European Union

**Austria** also contributed to worldwide humanitarian relief via the EC Humanitarian Aid Office (**ECHO**) that has a budget of approximately 1 billion euros. The major part of ECHO's humanitarian help was dedicated to the Horn of Africa/Somalia in 2011.

### 10.4. International Humanitarian Law

From 27 November to 1 December, the 37th Conference of the International Red Cross and Red Crescent was held in Geneva, and **Austria** was represented by a delegation including members of the FMEIA (head of the delegation Ambassador Helmut Tichy, head of the international law department of FMEIA), the Ministry of the Interior and the Ministry of Defence and Sports, as well as members of the Austrian Red Cross (Secretary General Wolfgang Kopetzky and others).

The government representatives, in part together with the Austrian Red Cross, registered ten Austrian projects for the time until the next Red Cross Conference in 2015. These projects refer, among others, to cluster ammunition, anti-personnel mines, migration, disaster prevention, the dissemination of international humanitarian law among the younger generation, the organisation of seminars on international humanitarian law and the 150th anniversary of the Geneva Convention. Austria also supported the Swiss initiatives on the compliance mechanism of international humanitarian law and the International Commission of Inquiry.

**Austria** emphasised the importance of protecting journalists in the plenary debate on strengthening international humanitarian law, and referred to the work done in Austria to take up specific provisions relating to crimes against international law in the Austrian Criminal Code. Austria also underlined its conviction that the standards of the Convention on Cluster Munitions must be maintained and welcomed the resolution on abolishing nuclear weapons that had been adopted by the Council of Delegates of the Federation, as well as the work of the Federation on pertinent guidelines and model laws for disaster protection.

One of the main results of the conference was that the International Committee of the Red Cross (**ICRC**) was given the mandate to work out options and recommendations for the treatment of imprisoned persons during armed conflicts and better mechanisms for the observation of international humanitarian law.
The members of the International Commission of Inquiry were elected in Bern on 9 December. As a signatory of the Geneva Convention, Austria was entitled to cast its vote.

Secretary General for Foreign Affairs, Ambassador Johannes Kyrle, had a working meeting with the President of the ICRC, Jakob Kellenberger, in Geneva on 6 December.
11. **Multilateral Economic Policy**

11.1. **World Trade Organisation (WTO)**

The prime activities of WTO in 2011 in multilateral trade policy continued to be the negotiations under the Doha Development Agenda (DDA). Based on the conclusions of the G20 summit in Seoul/Republic of Korea in November 2010, yet another attempt was made in the first half of 2011 to achieve a breakthrough in the negotiations that have now lasted for ten years.

By Easter, however, no significant progress had been reached in the key issues under debate. Therefore – and also with a view to the 8th Ministerial Conference in December – WTO Director General Pascal Lamy decided to aim for results to be achieved at least in part areas of the DDA by year-end, such as measures for the least developed countries, LDC, or a new agreement on trade facilitation. However, even such a “Doha light” approach failed to achieve consensus.

The main reason for the lack of progress was once again the fact that the USA and the biggest threshold countries, above all China, were not able to agree on their respective contributions to the market access for industrial goods. The USA demands more far-reaching concessions in the light of economic conditions that have changed compared to 2001, while China, India and Brazil insist on the development dimension of the DDA.

Autumn was dedicated to preparing the 8th Ministerial Conference of the WTO, held from 15 to 17 December in Geneva. In the end, a moderately positive result was ensured – at low ambition level, but with an LDC focus. As concerns the DDA, a consensus-based version was agreed that will be the starting point for further WTO work as from 2012.

In other WTO areas, more visible success was achieved. The accession of Russia, Montenegro and the two LDCs Vanuatu and Samoa helped to demonstrate the attractiveness and credibility of the institution and brought the number of WTO members up to 157 countries. Further accessions are planned for 2012, for example that of Serbia.

The third “Aid for Trade” (AfT) Global Review took place in July, during a regular high-profile conference that goes along with the AfT initiative launched by the 6th WTO Ministerial Conference in Hong Kong in 2005 and disengaged from the Doha Round. Assessment of AfT activities carried out so far was generally positive; even so the donor countries placed a higher focus on result-driven checks. The receiving countries, on the other hand, continue to stress how important it is to maintain the level of financial support, even against the background of continued economic difficulties in the industrialised countries.
11.2. Organisation for Economic Cooperation and Development (OECD)

11.2.1. 50 years OECD

The OECD, founded in 1961 as the successor organisation to the Organisation for European Economic Cooperation (OEEC) and the Marshall Plan for European recovery, celebrated its 50th anniversary at the annual Council session in May. Celebrations were put under the motto “Better Policies for Better Lives”. Austria was represented by Federal Chancellor Werner Faymann. The key items on the agenda of the Council were employment, green growth and a new concept for development. Based on this the OECD is preparing a new and comprehensive development strategy in the form of a central, horizontal project.

OECD Secretary General Angel Gurria attended a symposium organised by the Austrian Chancellery and the Austrian Central Bank on 11 July on “50 years OECD – 50 years Austria in the OECD”. In the run-up to this public event, the OECD review report on Austria was presented, focusing in 2011 on Austrian health-care policy.

11.2.2. Economic and financial policy

The OECD’s role in economic and financial policy focused once again on the “comparative advantage” of this organisation, i.e. structural policy. As far as outlooks were concerned, OECD forecasts of the economic situation hardly deviated from those of the IMF or the EC. It is largely agreed that the industrialised countries are still facing difficult economic conditions, marked by weak global demand, excessive public and private indebtedness, partly under-capitalised banks, continuously high global imbalance of trade balances, high unemployment rates and national income disparities that are growing by tendency.

In terms of political measures, the OECD recommended a step-by-step stabilisation of public finances and additional fiscal stimuli, however on condition that the credibility of fiscal policies must not be impaired by these measures that should be accompanied by the necessary structural policies as identified by the OECD.

11.2.3. International fiscal policy

In 2009, the international pressure to enhance fiscal transparency and reduce tax avoidance through international fiscal arbitrage or tax evasion increased, resulting in the establishment of the Global Forum on Transparency and Exchange of Information for Tax Purposes in 2010. The Forum is administered by the OECD. More than one third of the peer reviews conducted by the
Forum have been concluded. Austria qualified for the second of two review phases in 2011. In the OECD Informal Task Force on Tax and Development, Austria mainly supported the obligation of multi-national companies to report on their fiscal payments made in the individual countries (country-by-country reporting).

11.2.4. **Investment**

The OECD Ministerial Council Meeting on 25 and 26 May also agreed on a revision of the guidelines for multinational enterprises that had been negotiated under the direction of the OECD Investment Committee currently chaired by Austria (Manfred Schekulin, Federal Ministry of Economy, Family and Youth). Key elements of the revision are the introduction of a due diligence approach, consolidation of the human rights provisions and the national contact points in charge of respective proceedings.

11.2.5. **Social Affairs**

The economic, financial and euro crisis persisted in the year 2011 and caused a slump and/or slow-down of business activities in a large number of OECD countries and consequently massive problems for labour, employment and social systems.

The Ministerial Meeting on Social Policy took place against this very background in May and analysed the problems from a comprehensive angle and in differentiated manner. The communiqué of the Ministerial Council specifies the fight against poverty and the establishment of appropriate and stable social systems as the necessary measures to be taken and demands transfer policies and strong growth rates for quality jobs. The ministerial communiqué also refers to the wage imbalances that had existed already before the crisis but became more severe during the crisis. Another reference was to the importance of transfer policies especially in times of economic upswing. In December, a new study on inequality was published. The title “Divided We Stand – Why Inequalities Keep Rising” underlines that increasing inequalities are not only a temporary phenomenon.

11.2.6. **Agriculture and price volatility**

Against the background of the volatility of the agricultural markets, the OECD concluded that several factors contributed to an increase of agricultural prices and that a bundle of measures would be required to stem negative effects. The G20 commissioned the OECD to draw up a report on price volatility. The report was compiled together with the FAO and eight other international organisations. Some of the policy recommendations in the
report, such as the establishment of an agricultural market information system, AMIS, are already being implemented.

Given this world-wide development, the OECD tackled relevant partial aspects of price volatility in several publications and events: A newly established Network Food Chain concentrates on issues of market transparency. The Global Forum on Agriculture 2011 was also concerned with issues of improving agricultural market information. Price volatility was also the subject of a report drawn up together with the FAO that provides an outlook on agriculture up to the year 2020. The OECD agricultural bodies determined a further possible approach to reducing price volatility in the future OECD focus on “productivity in the agricultural sector”.

11.2.7. Global relations

The Founding Convention of 1961 already defined economic development also in non-member states to be one of the objectives of the organisation. Current Secretary General Angel Gurria attaches high priority to intensified cooperation with non-members given that the world economy is becoming increasingly integrated and challenges are global. Also against the background that the gross national product of the OECD countries has continuously decreased compared to the world-wide GNP: 50 years ago, the OECD countries achieved 80% of the global GNP while their share today is only 50%. The opening of the Committee and other OECD bodies to the BRICS states – Brazil, Russia, India, China, South Africa – has become the leading principle of OECD global relations.

Accession negotiations with Russia were continued in 2011; and the successful conclusion of accession negotiations with the WTO should serve to accelerate the negotiations with the OECD.

The OECD also contributed to the work of the G20: especially in the fields of bribery and corruption, price volatility, development policy, employment and social affairs, environment and energy, water scarcity, reforms of the financial sector, growth, international monetary system, trade and investment, financing of SMEs and taxes.

On a regional level, the OECD sought to develop the MENA programme further after the Arab Spring. MENA is intended to help the countries in the Middle East and Africa to improve the investment climate in their countries as well as the development of governance. This OECD initiative is greatly welcomed in the target countries. In terms of governance, the initiative focuses on the structures of public administration that were shattered by the unrest and tries to work out guidelines to rebuild them and adjust them to the requirements of newly forming societies. Activities are geared at a functioning public sector and the fight against corruption.
As far as OECD activities in South-East Europe are concerned, a Ministerial Council meeting was organised to mark the transfer of the Austrian-Serbian chair of the South East Europe Investment Committee to the Regional Cooperation Council (RCC) based in Sarajevo. On this occasion the OECD presented the brochure “OECD Investment Compact for South East Europe – A Decade of Partnership for Prosperity and Stability” created for this purpose. Further regional initiatives are carried out in Caucasus and Central Asia, Latin America and Western Africa.

**11.2.8. Statistics and “Measuring Well-Being”**

Two years after the Stiglitz-Sen-Fitoussi report on the measurement of economic performance and social progress, the “How’s Life? Measuring well-being” publication was issued in October under the Better Life Initiative of the OECD. The report is intended to contribute to the development of new, improved indicators for the measurement of well-being and social progress, oriented along material living conditions, quality of life and sustainability. The aim is to stabilise a country in the long-term and strengthen sustainable growth of national economies. The aspects considered in this report are income, job, living situation, health, work-life balance, education or social relations.

**11.3. International Energy Agency (IEA)**

The most defining external events for the work of the IEA were the nuclear disaster in Fukushima, Japan, for one and the Arab Spring. The petroleum supply of IEA member states was mainly influenced by the military conflicts in Libya.

Both events triggered a more intensive discussion of the role of renewable energies for the future global energy supply. While the basic necessity of a diversification of energy sources is undisputed both with regard to energy security and climate change, the role of nuclear power in the future energy mix of member states remains a controversial issue.

From June to September, the statutory petrol emergency reserves were mobilised for the third time in the IEA’s history under a “collective action” according to the IEA founding treaty; markets were granted access to nearly 60 million barrels oil. The unanimous decision was justified with imminent supply bottlenecks during the summer season. However, only the twelve largest IEA member states (measured by the IEA total energy consumption) were involved in the provision of emergency stocks.

On 1 September, Maria von der Hoeven took up office as the new Executive Director of IEA.
The IEA Ministerial Meeting on 18 and 19 October was held under the motto “Our Energy Future: Secure, Sustainable and Together”. The conclusions stress the central role of energy security, diversification of energy sources, sustainability aspects and cooperation with third countries and private economy. In addition to the IEA members, the meeting was attended by representatives of the two accession candidates Estonia (application filed in August) and Chile, as well as China, Russia, India, Indonesia, Brazil, South Africa and Mexico.

11.4. International Financial Institutions

11.4.1. The International Monetary Fund (IMF)

The IMF’s mandate is to support global economic development by creating stable monetary conditions and hence the basis for sustainable economic development. The IMF is also to support countries that are facing temporary payment balance difficulties in stabilising their economies.

The work of the IMF is characterised by the currently fragile economic development worldwide. The most pressing objective of the IMF is the stabilisation of national economies faced with economic problems; it does so by granting support for their balances of payments. Against this background, adequate funding of the IMF and a comprehensive structural reform of the IMG governance are currently being developed.

Following the Governors’ decision of December 2010, the IMF is to introduce a far-reaching governance and quota reform that is to be implemented by the IMF annual meeting in 2012. The reform revolves around doubling the IMF quota to approx. 476.8 billion special drawing rights (SDR). Austria will also increase its quota in this framework, with the Austrian share set to decline from the current 0.887% to 0.825%, since a quota increase is linked to a shift of quota shares from the industrialised countries to the disadvantaged emerging national economies. To be able to master the increased demand for support of balances of payments, the New Arrangements to Borrow (NAB) were increased to 67.5 billion SDR.

At the G20 summit in Cannes, the G20 ministers confirmed their intention to preserve and/or strengthen the systemic role of the IMF and to provide it with sufficient funds for crisis management. On 9 December, as a response to the demands of the G20, the EU heads of state and government decided on a further increase of IMF funds by 200 billion euros. The euro zone is to contribute about 150 million euros.

In addition to the quota reform, a far-reaching governance reform has been initiated. Europe will vacate two of its seats in the Executive Directory of the IMF to the benefit of the emerging national economies by 2012. In return, considerations to reduce the number of Executive Directors from 24 to 20 have been dropped. And there will be no nominated Executive Directors in
future – the Executive Directors of the five biggest IMF member states will also be elected. Austria will implement the legal amendments required for the governance reform in early 2012.

Within the framework of the annual Article IV Consultations where the IMF assesses the situation of the individual nationalities, Austria received the recommendation to restore sustainability of its public finances as soon as possible as this would be the only way to create sufficient fiscal leeway to respond to future shocks in an appropriate manner. The concrete demand is that Austria pursue an ambitious consolidation approach as from 2012.

11.4.2. Multilateral Development Banks

The work of the Multilateral Development Banks (MDBs, i.e. World Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, Asian Development Bank, African Development Bank) was characterised by heightened efforts to push the fight against global poverty ahead to achieve the UN Millennium Goals. These efforts were impeded by the effects of the financial and economic crises and the worsening economic outlook in the second half of the year, as well as by a new increase of food prices, growing challenges of global climate change and a higher frequency of natural disasters. The upheaval in North Africa (Arab Spring) also posed new challenges to the MDBs.

In the financial and economic crisis of 2008–9, the MDBs had already played an important anti-cyclical role in crisis management and soon increased their lending volumes significantly, which called for capital increases (between 50% and 200%) by the share owners, i.e. the international community of states. These were decided in 2010, and Austria also contributed its share. In 2011, these capital increases were made by obtaining the legal authorisation and drawing the capital shares. The “soft” (i.e. concessional) funds of the MDB are of key importance in crisis management and also for reaching the Millennium Development Goals for the poorest developing countries, as they provide favourable financing with long maturities and high concessionary elements. In 2011, the negotiations concluded at the end of 2010 on restocking the International Development Association (IDA) of the World Bank, the most important of these funds, and the African Development Fund were put into practice with the Austrian Act on Contributions to International Financial Institutions 2011. Under this law, Austria’s contributions – in line with its relative economic performance – follow the principle of international burden sharing. For the first time, the IDA established a global crisis response window to facilitate swift and effective response to particularly severe international economic crises and natural disasters in the poorest developing countries. In September, negotiations on restocking the Asian Development Fund were taken up that are expected to be concluded in March 2012.
The economic and social development in Eastern and South-East Europe is of particular concern to Austria for historic reasons and on grounds of foreign policy and trade. Our representatives in the MDBs applied themselves to this issue again in 2011. **Austria** not only advocated in the respective electoral groups and directorates that the World Bank Group and the European Bank for Reconstruction and Development (**EBRD**) continue to play an active and significant role in this region that suffers particularly from the economic and financial crisis, it also co-financed a number of technical assistance programmes in this region, including the work of the Vienna Center for Financial Sector Advisory Services of the World Bank, established 2011 in Vienna.

At its annual meeting in Astana in May, the EBRD decided on a general expansion of its operating territory to the southern and eastern Mediterranean as a response to the political upheaval in North Africa and the urgently required boost to employment-intensive growth for this region. Egypt and Morocco already hold shares; Tunisia and Jordan still have to follow to be entitled to take out loans of the Bank as countries of operation. This requires an amendment of the articles of association that will have to be ratified by all countries and which can take a considerable period of time. To speed up the start of the operations, a three-phase plan has been drawn up. Under this plan, the EBRD may engage in technical assistance and political dialogue even before the co-financed cooperation funds have been fully ratified. In a second phase, investment and equity operations can be financed through special funds, and in the third phase, when the member and operational status has been (unanimously) decided and ratified, regular operations can finally be carried out.

Another central element of the MDBs’ work in 2011 was the implementation of measures to modernise and reform these institutions. These measures had been decided in the course of the capital increase. They refer to the strategic orientation, the reform of governance structures, measures to strengthen financial clout, adjustment of financing tools and a reform of business models as well as a more pronounced focus on results and result measurement. Another central issue in 2011 was the economic dimension of gender equality and its impact on development. This year’s World Development Report of the World Bank was dedicated to precisely this topic.
12. **Global Disarmament, Arms Control and Non-Proliferation of Weapons of Mass Destruction and their Means of Delivery**

It is the declared goal of Austrian foreign policy to strengthen and develop the system of global disarmament, arms control and non-proliferation of weapons of mass destruction and their means of delivery. **Austria** was able to make significant input on reviving the disarmament mechanisms and on issues of cluster munitions, especially at the UN level.

The Federal Ministry for European and International Affairs is supported in matters of disarmament and arms control by military consultants of the Federal Ministry of Defence and Sports at the representation offices at the United Nations in New York and Geneva (planned as from 2012) and The Hague and receives regular support from delegation members of the Ministry of Defence and Sports in disarmament conferences.

12.1. **Arms Control and Non-Proliferation of Weapons of Mass Destruction**

12.1.1. **Treaty on the Non-Proliferation of Nuclear Weapons**

The **Treaty on the Non-Proliferation of Nuclear Weapons (NPT)** of 1970 is the international legal basis of the nuclear regime and a pillar of nuclear non-proliferation. 189 states are party to the Treaty. The Treaty commits its members – except for the five states with nuclear arms recognised in the NPT – to renounce nuclear weapons while at the same time also stipulating the right to the peaceful use of nuclear energy. The five nuclear powers China, France, Russia, the United Kingdom and the USA commit themselves to nuclear disarmament and the full elimination of nuclear weapons. India, Israel and Pakistan are the only countries outside the NPT. While the Democratic People's Republic of Korea had declared in 2003 that it was leaving the Treaty, the decision has not been recognised internationally. Member states convene once every five years for review conferences to evaluate the status quo of NPT implementation.

Following the successful 2010 review conference, the adopted action plan must now be implemented. Priority issue of **Austria** in this respect is progress in nuclear disarmament. The Disarmament Action plan was negotiated with significant Austrian input in 2010. One of the key items on the 2011 agenda was the search for a facilitator and venue for the conference to be convened by the UN SC in 2012 to discuss the establishment of a zone free from nuclear weapons and other weapons of mass destruction in the Middle East. Finland took on this difficult task. Jaakko Laajava, Under-Secretary of State in the Finnish Foreign Ministry, will be the facilitator and prepare this conference.
12.1.2. Comprehensive Nuclear Test-Ban Treaty

The Comprehensive Nuclear Test-Ban Treaty (CTBT) provides for a ban on all nuclear explosions. Since the draft treaty was accepted by the UN General Assembly in 1996, 182 states have signed and 156 states have ratified the CTBT, (as at 13 January 2012), including Austria. The Treaty has not entered into force, as it has not yet been ratified by all of the 44 priority countries listed in Annex 2. The Parliament of Indonesia agreed on a ratification of the Treaty on 6 December, which brings the number of priority states yet to ratify down to eight. At the Conference on Facilitating Entry into Force of the CTBT (Article XIV Conference) in New York on 23 September, Vice-Chancellor and Foreign Minister Michael Spindelegger praised the – albeit slow – progress of ratification and emphasised the scientific achievements and civil relevance of the CTBT.

The Provisional Technical Secretariat (PTS) of the Preparatory Commission for the Organisation of the Treaty for the Comprehensive Nuclear Test Ban (CTBT PrepCom) has had its headquarters in Vienna since March 1997. It is mainly concerned with the development of the International Monitoring System (IMS) stipulated in the CTBT, with 337 monitoring units worldwide (321 monitoring stations, 16 radionuclide laboratories) and an international data centre in Vienna. Seismic data gathered via the IMS are regularly forwarded to a tsunami early warning system giving importance to the work of the CTBT PrepCom also beyond the sphere of nuclear non-proliferation. After the nuclear reactor accident in Fukushima, Japan, in March the data of the radiological measurement stations of the IMS were used as a basis for planning emergency measures. Vice-Chancellor Minister Michael Spindelegger repeatedly stressed how important it is to include representatives from science and research in the use and design of the IMS for civil purposes and praised the efforts of the PTS to build up respective capacities in the member countries.

12.1.3. Geneva Disarmament Conference

The Geneva Conference on Disarmament (CD) founded in 1979 is the multilateral forum designed by the UN to negotiate disarmament treaties. For 14 years, the 65 member states (since 1996 including Austria) have ineffectively been striving to overcome the divergence as regards political and content issues of disarmament matters and the resulting blockage of substantial negotiations. 2011 saw no agreement either on the start of negotiations about nuclear disarmament, the Fissile Material Cut-off Treaty (FMCT), negative security guarantees and the Prevention of an Arms Race in Outer Space (PAROS). The objection of Pakistan to the FMCT negotiations should be mentioned here in particular. Following the high-level meeting on the blockade of the CD in September 2010, that had been initiated by the UN Secretary General, the UN General Assembly decided in the autumn of 2010
to put the issue of revitalisation of the CD on its agenda. After failure to agree on a working programme in the first two session periods of the CD in 2011, a special session of the UN GA was held on this topic at an initiative of Austria that received support from fifty states.

**Austria** together with Mexico and Norway presented a resolution initiative in the Disarmament Committee of the UN General Assembly to push ahead multilateral disarmament negotiations. The aim was to transfer negotiations on relevant disarmament issues to the General Assembly as long as the CD is blocked and as long as no progress can be made due to the restrictive procedural rules of the CD. While the draft resolution was not put to vote in the 2011 session of the General Assembly, it still contributed a lot to making the efforts to revitalise disarmament efforts more dynamic. **Austria** will pursue this initiative further as a consequence.

### 12.1.4. Chemical Weapons Convention

The Chemical Weapons Convention (**CWK**) entered into force in 1997. It includes a ban on all chemical weapons and demands their gradual destruction. With now 188 member states, the Convention approaches its goal of universal application. Important progress has been made on the destruction of existing arsenals by seven owner states: Nearly 70% of the declared category 1 and nearly 60% of the category 2 arms stocks have already been destroyed. Albania, the Republic of Korea and India have completed destruction. The other owner states requested an extension of the deadline that had originally been scheduled for 2007 until 29 April 2012. The decision was made to extend the term for destruction at the 16th Session of the Conference of the States Parties to the Chemical Weapons Convention (28 November to 2 December), as the Russian Federation, the USA, Iraq and Libya are for various reasons currently not able to keep the deadline of 29 April 2012. Thus the owner states have been given the possibility to destroy their chemical weapons stocks under international control. The USA have already destroyed more than 90% of their stocks and forecast the completion of destruction for the year 2021.

Ahmet Üzümcü (Turkey) has been Director General of the Organisation for the Prohibition of Chemical Weapons (**OPCW**) in The Hague since July 2010. The EU intends to continue its support of the OPCW.

**Austria** was a member of the OPCW Executive Council until May 2010. According to the current rotation regime, Austria will return to this steering committee for another two years in May 2019.

### 12.1.5. Biological and Toxin Weapons Convention

The Convention of the year 1972 comprises a prohibition of the development, production and stockpiling of biological weapons and toxin weapons
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(BTWC). The BTWC currently has been joined by 165 member states and 12 signatories (as at 13 January 2012). At the seventh review meeting (5–22 December in Geneva), the intersessional programme for the period until the next review conference in 2016 was determined. The annual meetings of experts and contracting states focus on measures to increase biosecurity and monitoring, training and exchange of experience. No agreement has been reached on establishing a special verification regime for the BTWC.

12.1.6. Ballistic missiles

The Hague Code of Conduct against Ballistic Missile Proliferation (HCoC) is the only normative tool for the non-proliferation of ballistic missiles and cruise missiles. With the accession of the Central African Republic, the Republic of Congo and Singapore, it has been signed by 134 states (as at 13 January 2012). Austria serves as the HCoC Immediate Central Office (Executive Secretariat) and is the liaison office for exchange of any information under this mechanism. Confidence building measures including notification of upcoming missile launches are at the centre of this politically binding, multilateral agreement. Ten conferences of subscribing states have been held in Vienna since the HCoC entered into force; the most recent one under Romanian chairmanship on 2 and 3 June. An electronic version of the Imminent Central Office is also available.

12.2. Arms Control and Non-Proliferation of Weapons in the Field of Conventional Weapons

The protection of civilians in armed conflict is one of the core topics of Austrian foreign policy. Austria’s long-standing commitment to fight mines and cluster munitions is a particularly important humanitarian contribution, since these weapons pose an acute threat to civilians and cause innumerable victims even decades after the end of an armed conflict.

12.2.1. Anti-personnel mines

The Anti-Personnel Mine Ban Convention (Ottawa Convention) was adopted in 1997, entered into force in 1999 and has been signed by 159 members so far (as at 13 January 2012). As one of the leading countries in the Ottawa process, Austria is committed to the prohibition of use, stockpiling, production and transfer of anti-personnel mines and to their destruction. Support for the international implementation of the Convention was continued in 2011. Even though the cancellation of the Austrian Mine Action Programme dating back to 1999 came into effect on 31 December, Austria was still able to continue its financial support for mine clearing projects and the help and
rehabilitation of victims. A total of 2 million euros was spent on projects in Afghanistan, Laos, Cambodia, the Lebanon, Libya and Eastern Africa (Somalia and Ethiopia) and in the Balkans (Bosnia).

The Ottawa Convention is one of the most successful tools of international humanitarian law and disarmament. Twelve years after its coming into force, the use and production of anti-personnel mines have been significantly limited; trade has ceased nearly completely. Considerable stocks have already been destroyed and large territories have been cleared of mines. The number of new victims has been markedly reduced to nearly 4,200 in 2010 (1,155 of them fatalities).

Help for mine victims under the Cartagena Action Plan will remain one of the core issues of the Convention, with a major challenge being the economic and social re-integration of the victims and their relatives. Austria again displayed its particular commitment to helping victims at the 11th conference of subscribing states in Phnom Penh/Cambodia (28 November to 2 December 2011).

12.2.2. Cluster munitions

The Convention on Cluster Munitions (CCM) entered into force after the 30th ratification at the beginning of August 2010. As at 10 January 2012, 67 states of 111 signatories have ratified the CCM. The Convention is the most important disarmament treaty since the Ottawa Convention of 1997 and constitutes an important development of international humanitarian law. It provides for a categorical prohibition of the use, development, production, stockpiling and transfer of cluster munitions that cause unacceptable suffering for civilians. New trend-setting standards are set for victim assistance, not least thanks to Austria's committed efforts.

The second Meeting of State Parties of the Convention on Cluster Munitions was held in Beirut/Lebanon from 12 to 16 September with high participation of heads of state and representatives of the civil society. The unanimously adopted documents, including the Beirut Declaration and the operative Action Plan, define very far-reaching specifications for implementation of the contractual obligations. The focus is on the destruction of cluster munitions stocks and on help for victims. Austria, chairing the Committee for Victims Assistance, continues to take a lead in this field of action.

In the framework of the 4th Review Conference of the UN Convention on Certain Conventional Weapons (CCCW, 14–25 November in Geneva), Austria successfully prevented an erosion of standards of international humanitarian law achieved through the Convention on Cluster Munitions: In 2006, a draft Protocol VI on cluster munitions for the CCCW was worked out that is supported by the main owner states of cluster munitions. An adoption of this draft would have meant a re-legitimation of cluster munitions that
are stigmatised under the Convention on Cluster Munitions, which would have represented a major step backwards for international humanitarian law. Following a joint initiative of Austria, Norway and Mexico, supported by as many as 50 states, the International Committee of the Red Cross and the UN humanitarian organisations, the adoption of this draft protocol was prevented and the high standard of international humanitarian law of the Convention on Cluster Munitions preserved.

12.2.3. Small arms and light weapons

About 500,000 people fall victims to small arms and light weapons (SALW) every year; reason enough to call them the real weapons of mass destruction. Their destabilising effect is directly related to the rise in internal conflicts and the high levels of crime and violence persisting even after conflicts have ended. Austria advocates the curbing of these fatal consequences in the competent UN and other multilateral forums. In 2012, the issue will be on the agenda of the review conference on the implementation of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects. It will also be discussed in the negotiations on an Arms Trade Treaty (ATT).

12.3. Export Control Regimes

12.3.1. Multilateral export control

The five control regimes aim to prevent sensitive technology and know-how from falling into the hands of states that could use them for military purposes. This objective is pursued through the coordination of national export control schemes. The principal instruments are lists with relevant goods and substances as well as guidelines regarding export to non-member-states. Austria is a member of all five regimes. In Austria, the rules are implemented mainly within the scope of the Foreign Trade Act 2011.

As far as the nuclear sphere is concerned, there are two Vienna-based institutions: the Zangger Committee (ZC with 38 members) and the Nuclear Suppliers Group (NSG with 46 members). These bodies maintain logs of sensitive nuclear goods and equipment with the aim of preventing uranium enrichment and plutonium processing for non-peaceful purposes. At the NSG Plenary Meeting on 23 and 24 June in Noordwijk/the Netherlands, a consensus about tightening the export guidelines for sensitive goods and technology for enriching and reprocessing was achieved.

The 41-member Australia Group (AG) aims to ensure (through export controls) that certain products do not contribute to the development of chemical and biological weapons. The 34-member Missile Technology Control Regime
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(MTCR) controls the proliferation of nuclear weapon missile technology (missiles with control systems and cruise missiles).

The objective of the 1997 Wassenaar Arrangement (WA), with its Secretariat in Vienna, is to prevent a destabilising accumulation of conventional weapons and dual use goods and technologies. This aim is pursued by coordinating national export controls and ensuring increased transparency. The 40 participating states particularly stressed the necessity of a substantial and informed exchange of views on regional analyses in connection with the verification of a potentially destabilising accumulation of conventional weapons in certain destinations and regions. Another issue of debate, in addition to the analysis of current and future threats to regional or international security and stability, was the adaptation of the existing control lists and guidelines to technological progress, market trends and developments in the international security sector. After completion of a silent procedure, Mexico acceded to the WA as its 41st member state. The applications for accession of Iceland and Cyprus failed because of objections from two countries.

12.3.2. Arms Trade Treaty

The negative effects of irresponsible arms trade on stability, security and human rights, but also on sustainable economic and development policies, are undisputed. It has thus been a major concern both for Austria and all EU member states over a period of many years to set up internationally coordinated action in the form of a binding Arms Trade Treaty, ATT. With convening an international conference in July 2012, a specific schedule for drafting an arms trade treaty was defined. Principal elements of a future agreement have been discussed since 2010 in a preparatory committee. Austria advocated – both on EU and UN level – the respect for human rights and humanitarian international law as the key parameters of an arms trade treaty and demands that the work of civil society be given due appreciation. To promote further discussions in the run-up to the preparation in March 2011, Austria as a sponsor supported the organisation of a symposium in Boston/USA, where possible elements of an ATT involving the civil society were discussed. Austria took one of the chairs of the symposium and as such underlined its continued commitment to setting up the ATT.

12.3.3. National export controls

In Austria, the Foreign Trade Act 2011 (since October 2011, following the former Export Trade Act 2005) and the War Material Act constitute the legal basis for the export of conventional weapons. War materials subject to approval are specified in the Foreign Trade Act 2011 and the EU Military Goods List, by the second Export Trade Directive 2011 plus annexes, and the War Material Ordinance.
Export Control Regimes

Austria is also obliged to adhere to the **Common Position defining common rules governing the control of exports of military technology and equipment** of December 2008. This legally binding Common Position contributes in significant manner to a harmonisation of national export regimes and implementation measures and has a positive effect on the EU’s position in the ATT process.
13. Austrian Development Cooperation

13.1. Introduction

Combating poverty in developing countries, securing peace and human security, preserving our environment and protecting natural resources – these are the key objectives of Austrian Development Cooperation (ADC) as laid down in the respective Act on Development Cooperation. The fundamental principles of ADC are: the partner countries’ right to select their own development agenda, consideration for cultural and social conditions, equality between women and men, and respect for the needs of children and people with disabilities.

The Foreign Ministry fulfils the role of coordinator in development cooperation. The Ministry also defines the strategic orientation of the ADC and hence the three-year programme of Austrian development policy that is adopted by the Government. The Austrian Development Agency (ADA) implements the bilateral development cooperation programmes and projects in the partner countries.

As a member of the EU, OECD, UN and the World Bank Group, Austria proactively contributes to international development policy. In the year 2011, Austria was involved in the strategic new orientation of EU development policy and played an active role in the comprehensive consultation process that led to the European Commission’s Agenda for Change.

After the future-oriented Paris Declaration on Aid Effectiveness of 2005, a first stocktaking took place in Accra (Ghana) in 2008. The findings were included in an Action Plan with clear recommendations for further action. The 2011 conference in Busan saw another stocktaking; views and opinions on improving development cooperation were exchanged. One concept is the involvement of upcoming donor countries in new partnerships.

13.1.1. Budget for development cooperation

According to preliminary data reported to the OECD Development Assistance Committee (DAC), public development aid amounted to 796 million euros or 0.27% of the gross national income (GNI). This is a drop of 116 million euros compared to the previous year.

13.1.2. Policy coherence

In Austria, development policy objectives are a part of the general policy pursued by the state – a principle that is laid down in Article 1 (5) of the Federal Development Cooperation Act. In 2011, development policy coherence was pushed ahead mainly in the field of security and development. Conflict prevention, crisis management, consolidation of peace and the devel-
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Development of state structures call for cooperation between governmental and non-governmental players and representatives from foreign, development and security policy. On 4 October, the Council of Ministers adopted the Strategic Guidelines on Security and Development that contain specifications of policy coherence in fragile situations, i.e. situations threatened by armed conflict. It is accompanied by an implementation matrix up to the year 2015.

In 2011, a process to remodel the three-year programme of Austrian development policy was launched with the aim of turning it into a de facto multi-annual strategy for the future. With increased political coherence in mind, this is being developed in close cooperation with those Austrian partners who have flexible development funds available or deal with policy topics that are of relevance for development cooperation.

State Secretary Wolfgang Waldner opened the first development policy jour fixe, the new central networking hub for actors of Austrian development policy, on 5 October. Another jour fixe was held on 16 December.

Austria is also a regular participant in the EU and OECD networks for policy coherence.

13.1.3. Topics and sectors

The prime objective of ADC is the reduction of poverty worldwide in all its dimensions. Eradication of poverty efforts aim at helping to empower people to develop their economic skills and articulate their political interests, to satisfy basic human needs and to ensure social security under consideration of socio-cultural factors. The focus is on the support of vulnerable groups of the population in partner countries and the promotion of disadvantaged regions. These basic objectives are defined in written form in the guidelines on the reduction of poverty and are based, among others, on the poverty data available and methods on poverty measurement of ADC.

The majority of the poor are found in rural areas characterised by the absence of basic infrastructures, difficult access to essential supplies and public services, as well as insufficient participation in political decision-making processes. Interventions in the field of rural development are geared at improving the living conditions and the prospects in life among the rural population as well as food security in the partner countries. Food prices continued to rise once more in early 2011, leading not only to social unrest, but – in combination with political instability and drought – to a new famine in the Horn of Africa. When the challenge of handling such situations arises, the focus is not merely on short-term solutions to ensure survival but also on long-term measures for socially just and ecologically sustainable rural development.

ADC supports decentralisation processes in the partner countries by participating in national programmes or supporting them through complementary interventions on a decentralised level. Measures to develop the capacity of
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all players, to empower the people to participate in political decisions and to use the social capital to the best possible effect are decisive for the reduction of social and regional disparities.

The development of capacity as a determining factor of development was pursued further in 2011 and the Capacity Development manual was completed. The challenges of practical implementation were discussed and the support of capacity development in exchange with Austrian NGOs was also on the agenda.

Activities with regard to governance & human rights revolved mainly around the systematic integration of ADA work and putting it into practice. The manual Good Governance, an instruction for good governance in ADA, was completed and will be published in 2012. The ADA contributed to the National Plan of Action for People with Disabilities and set up a working group – in addition to continuing specific projects to promote the rights of people with disabilities – that is to identify potential optimisation opportunities for including people with disabilities as cross-sectional topic into ADC. Work on the recommendations to fight corruption was continued; they, too, will be published in 2012. A working group for the optimisation of anti-corruption efforts of non-governmental organisations was established together with Transparency International.

One focal issue in terms of peacekeeping and conflict prevention was that of fragile states and the implementation of the OECD DAC Principles for International Involvement in Fragile States and Situations (INCAF) in ADC. The “Fragility task force” at the ADA continued its work; a workshop on this topic was held in Kosovo, and respective input was made to country programmes and ADC projects. Contributions were made to the revision of the second National Action Plan (NAP) for the implementation of UN SC resolution 1325 (2000) and of NAP 2012–2014 on combating human trafficking in the framework of the interministerial task force. The manual “Peacekeeping and Conflict Prevention, Guidance for Action” was published and the interministerial strategic guideline on “Security and Development” was adopted by the Council of Ministers.

Public finances and administration: Austria contributed its position concerning the future budget support at the EU level, stressing the importance of good governance in partner countries and enhanced risk management for budget support. The recommendation for operative management of basket funding and budget support within the ADC was concluded. Complementary activities for an increased use of executive organisations of partner countries included the continued cooperation with the International Organisation of Supreme Audit Institutions (INTOSAI) and support for the implementation of the UN anti-corruption convention. Specific reform projects in public administration and finances were launched in Albania and Armenia.
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Gender equality and empowerment of disadvantaged women are fundamental principles of ADC. The ADA organised advanced staff training in matters of gender mainstreaming in Austria and at the coordination offices abroad. Particular attention was given to the implementation of the EU Action Plan on Gender in Development Cooperation 2010–2015 adopted in 2010; the first comprehensive report on this Plan was drawn up in 2011. Apart from that, input was made to effectuate and revise the National Action Plan on implementing UN SC resolution 1325 (2000). A more intensive cooperation with UN Women in Southeast Europe was achieved in the context of gender budgeting.

In the education and science sector, ADC focuses on vocational training and university education. In 2010, the university cooperation programme APPEAR was launched that allows for multi-annual partnerships between universities and/or research institutions in priority countries of ADC South and Austria. The goal here is again to strengthen capacities at a large scale. In the two calls carried out so far, eleven academic partnerships were selected for promotion from 57 applications. They all started in 2011. The countries of Southeast Europe were supported in their integration into the European Higher Education Area and Research Area and the reform of vocational training in cooperation with the Federal Ministry for Science and Research.

Strengthening the field of infrastructure, particularly in the sectors of water and sustainable energy, was further pursued.

Austria continued its work as a member of the Troika in the Africa Working Group (AWG) of the EU Water Initiative (EUWI) and was able to contribute significantly to harmonising the interventions of all European actors. The revision of European water policy and its implementation strategy is currently being prepared based on an EU Council decision of May 2010. Austria is going to continue its activities in this process. Cooperation between ADA and the Ministry of Finance in the water sector was expanded and given effect in the contribution to the African water facility of the African Development Bank and the World Bank’s Water and Sanitation Programme, ADC entered into cooperation for water resource management with the Global Water Partnership (GWP) and the International Union for Conservation of Nature (IUCN).

The sustainable energy sector included poverty and development-relevant activities focusing on the use of locally available renewable energy sources of maximum energy efficiency. The Energy Centre of West Africa ECREEE continued to develop the capacities of institutions and ministries with regard to renewable energy and energy efficiency and worked on improving the access to modern, affordable and healthy forms of energy. The SOLtrain programme expedited capacity development for engineers and officials in four countries of southern Africa, and organised 70 solar thermal pilot plants in social institutions such as schools, hospitals and orphanages. In the priority country of
Bhutan, hydropower and electrification of the rural areas have been developed with Austrian support, know-how and funding since the 1990s.

The “green economy” was made a priority issue in the environment sector against the background of the UN Sustainability Conference in Rio de Janeiro in June 2012 (Rio+12). The annual meeting of the Poverty Environment Partnership PEP held at the invitation of ADA in Vienna in February was dedicated to the topic of the green economy. The drought in Eastern Africa underlined that the urgency of climate change remains unaltered and that sustainable adjustment measures are called for. An important area in terms of cooperation with ministries and other organisations was – as in 2010 – the operationalisation of the environment and development platform to implement the strategic “Environment and Development” guideline of ADC.

In the economy and development sector, the focus was again on the three pillars of intervention: Improvement of framework conditions for private businesses to show commitment; strengthening the private sector in the partner countries; and involving Austrian and/or European business into the ADC. ADC is a member of the Private Infrastructure Development Group (PIDG), a donor group for the mobilisation of private investment in African infrastructure. With their contributions of 460 million US dollars since 2002, PIDG donors have mobilised 18.4 billion US dollars of private infrastructure investments in the poorer developing countries. It is estimated that these projects – once established and taken into operation – will provide infrastructural services for up to 96 million people and improve the service quality for another 53 million people. A regional accounting and reporting reform programme (REPARIS) in Southeast Europe was continued at the Vienna-based office of the World Bank in the framework of its strategic partnership with ADC. Economic partnerships with Austrian companies were developed further in 2001. 81 economic partnerships have been concluded since ADA was first established. The major portion of the projects, i.e. 61%, are carried out in Southeast Europe. Africa accounts for 23%, Asia for 8% and Latin America for another 8%. Economic partnerships have a considerable leverage effect: Subsidies totalling 17.1 million euros generated projects worth 47 million euros.

13.1.4. Evaluation

Under the task-sharing agreement, the Federal Ministry for European and International Affairs is responsible for selecting and defining topics for strategic evaluations, while ADA is responsible for their operative control. Strategic evaluations usually cover ADC topics, sectors, instruments or country strategies but not individual projects. Calls for tender of the strategic evaluations are published under the Austrian Federal Tendering Act and carried out by organisations or companies selected as best bidders on the basis of an expert assessment of their material-methodological concepts and commissioned with the execution of the respective evaluation.
The evaluation of the Paris Declaration - Uganda Study was completed in 2011. The joint evaluation of the commitment of civil society in political dialogue with Denmark and Sweden and the evaluation of ADC gender policy 2004–2011 were taken up. Numerous plans to put the findings of previous evaluations into practice were continued. In addition, first talks were held on ways of implementing the evaluation of the Paris Declaration - Headquarters Study that had been presented in January.

The progress made in implementing the ADA evaluation was regularly updated.

At the international level, the FMEIA and the Austrian Development Agency contributed to the respective EU institutions and networks, the OECD Development Committee Assistance (DAC), and the group of German language evaluation services (DACH), which now includes Austria, Belgium, the Netherlands and Switzerland.

13.2. Bilateral Development Cooperation

13.2.1. Geographic focus

13.2.1.1. Key region Central America

Austrian Development Cooperation supports the process of economic and social integration in Central America on the basis of its Regional Strategy for Central America 2009–2013. The strategy includes programmes to improve the framework conditions for small commercial and farming enterprises, and to enable marginalised groups of the population to claim their human rights. The focus is on the particularly disadvantaged border regions of the countries. Together with the European Union and Finland, ADC promotes the use of renewable energy under the Energy and Environment Partnership with Central America.

The activities of ADC in Nicaragua follow the country strategy for Nicaragua 2011–2013 and are related to programmes in the productive sector (geared at value generation chains and rise in agricultural output) and the health-care sector. The special focus here was again on the two poorest regions along the Atlantic coast of the country. ADC also contributed to the basket funding of priority areas in the implementation of the national health strategy. The successful cooperation with NGOs and economic partners was continued.

Since early 2011, all bilateral programmes with Nicaragua, as well as the regional programmes with the Central-American SICA (Central American Integration System) institution are organised together with local partner organisations to achieve sustainability. It was also discussed and initiated that local institutions or other donors take over some programmes. The closure of the coordination office in Managua is planned for mid-2012.
Cooperation in the **Caribbean region** which is particularly prone to natural disasters, is to be continued for the medium-term. In 2011, ADC focused on strengthening capacities in the field of renewable energies and on disaster management against the background of climatic change (on CARICOM level in particular).

### 13.2.1.2. Key region West Africa

In 2011, the priorities in **West Africa** were again energy and conflict prevention. Through ADA, **Austria** is active in the control and steering bodies (the Technical Committee and the Executive Board) of the Regional Centre for Renewable Energy and Energy Efficiency of **ECOWAS** with headquarters in Cape Verde that was founded in 2010. A first call for proposals for projects in the region was made in 2011 and met with great interest. Some 160 project concepts from 15 countries in the region were submitted, with about 60 applications being followed up. In the field of conflict prevention, cooperation with the **GPPAC** (Global Partnership for Prevention of Armed Conflict) was taken up to promote and better network the regional early warning and early response systems of ECOWAS and to enhance the networking of organisations of civil society.

Based on the 6-year bilateral cooperation agreement concluded in 2008 between Austria and **Burkina Faso**, Austria supported rural development, vocational training, promotion of crafts and the development of small and micro-enterprises. In addition to supporting the drafting and implementation of national sector policies in the areas listed above, Austria concentrated its systemic and highly integrated approach on the province of Boucle de Mouhoun.

Following the closure of the DC coordination office in **Cape Verde** and the conclusion of bilateral projects, Austria took part in the joint monitoring of sectoral budget assistance in the environmental field. Progress in implementing the national environmental action plan and dedicated use of funds was confirmed. The Austrian Ministry of Finance signed a Memorandum of Understanding on a soft loan in 2010; the financing requests submitted under this MoU were handled by the Finance Ministry, FMEIA and ADA drawing on the experience of years of bilateral development cooperation.

### 13.2.1.3. Key region East Africa

**Austria** is mainly committed to cooperation on a regional level in the fields of business and development, science and research and cooperation with NGOs. An UNCTAD programme was supported that builds up a regional network of associations for the promotion of green farming in East Africa.

In the priority country of **Ethiopia**, Austria was mainly involved in rural development/food security and health-care. There were also interventions in the fields of renewable energies, gender, science and research. ADC con-
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dtributes to the funding of a national multi-donor programme for the improvement of national services in the health-care, education, agricultural and water supply sectors.

A five-year regional strategy was developed in line with the national poverty mitigation programme for the priority country of **Uganda**. ADC continued its involvement in the areas of water supply and settlement hygiene, law, justice and peace; and supplemented it by grant, study and science programmes. Special attention is paid to the redevelopment of the northern areas of the country that have been shattered by the civil war.

**13.2.1.4. Key region Southern Africa**

A priority area of ADC work in **Southern Africa** was access to land and land use which is of key importance for direct reduction of poverty. In the field of governance, special attention is given to the promotion of the civil society, which is also able to express and claim interests of disadvantaged population groups within society and vis-à-vis politicians. ADC promotes the rule of law and security in the region by offering protection of women and children who are victims of domestic violence or human trafficking. This work follows the Austrian Action Plan on Combating Human Trafficking and the EU Gender Action Plan and its EU Guidelines on violence against women and girls. In the field of infrastructure, ADC promotes access to affordable energy services in the Southern African Development Community (**SADC**). The promotion of pilot and demonstration projects for the use of hardly used national resources of renewable energy aims to establish a long-term low-carbon energy system.

The Austrian commitment is part of the regional development strategy and planning of the EC and the EU member states and coordinated with the **SADC**. Austria is a recognised international cooperation partner (**ICP**) of **SADC** contributing to the implementation of the Regional Indicative Strategic Development Plan (**RISDP**) and the Strategic Indicative Plan for the Organ on Peace and Security (**SIPO**).

The country strategy 2009–2013 for the priority country **Mozambique** is based on the current Mozambican government programme and plan for the fight against poverty, former PARPA II and currently **PARP 2011–2014**. As agreed with the government of Mozambique, the province of Sofala remains an ADC priority region. The relevant activities are directed at promoting national decentralisation efforts with the thematic focus being placed on rural drinking water supply, sanitation, smallholder agriculture and improvement of local administration. The country strategy is implemented in cooperation with the Mozambican government, and particularly with the sub-national authorities of the Sofala province government.

In Mozambique, ADC makes available both sector budget support and general budget support. Sector budget support goes to the budget of Mozambique’s Ministry of Agriculture and its National Agricultural Strategy.
In the context of Austria’s membership in the UN Human Rights council, initiatives and micro-projects are supported that help to promote human rights, the media, and security and peace in general. In the context of the economic prosperity of Mozambique, increasing attention is now being paid together with other Austrian players, to promoting economic cooperation.

13.2.1.5. Key region Himalayas Hindu Kush
ADC supports common goals of the region such as sustainable management of pasture land, diversification of income, and the protection of natural resources and energy efficiency at the international Centre for Integrated Mountain Development (ICIMOD). The programme was also used for scientific cooperation with academics from Nepal.

The 2010–2013 country strategy for Bhutan is the basis for continued cooperation. In Bhutan, ADC concentrates on energy, tourism and governance. In the energy sector, technical assistance was provided for the government of Bhutan as principal for the Dagachhu hydro-power plant as well as rural electrification in Phobjikha. A funding agreement for 5.8 million euros was signed to this effect in Vienna in October. In tourism, the focus was on completing the training hotel and Royal Institute for Tourism and Hospitality; it was officially opened in October. Syllabus development plus counselling for teaching staff and management were continued. Governance cooperation with other donors, supporting the decentralisation process and strengthening the capacities of the local governments, was continued. Some high-level delegations from Bhutan from the fields of business, finance, and justice paid visits to Austria. The training and advanced training of Bhutanese skilled labour in Austria was continued.

13.2.1.6. Palestinian territories
The criteria for the selection of the programmes and projects are their compliance with the Palestinian Reform and Development Plan 2011–2013 and regard for both parts of the Palestinian Territories, i.e. the Gaza Strip and the West Bank. ADC involvement focused on the areas of health, water/sewage and humanitarian aid. ADC programmes are coordinated with the relevant ministries and other bilateral donors and implemented largely through the European Commission and international organisations as well as Palestinian ministries. Cooperation with UNRWA and scientific cooperation programmes were continued.

13.2.1.7. Key region Southeast Europe
An element of prime concern in the cooperation with Southeast European countries in 2011 was again the approach to and/or the integration in EU structures. The sector and content focus was on economy and development,
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education, environment, water and energy, as well as enhancement of governance, the rule of law and empowerment of civil societies. Bilateral Austrian development cooperation is withdrawing from Southeast Europe/Western Balkans with the exception of Kosovo. Following the closure of the ADA Coordination Office in Podgorica and Skopje in summer 2010, the offices in Sarajevo, Belgrade and Tirana will also be closed by the end of 2012. Respective exit strategies have been drawn up for Bosnia and Herzegovina, Serbia and Albania.

ADC supported the priority country of Albania mainly in the fields of water and sanitation, vocational training, regional development and integration of marginalised social groups. Austria is a lead donor in terms of water projects. In the cross-sectional areas of governance and gender equality impetus focused on the integrated planning system, gender focal points and gender responsive budgeting. In the context of Indirect Centralised Management, ICM, EU funds were used. ADC continued to play an essential role in donor coordination and/or support of the One-UN Initiative. An exit strategy for ADC’s withdrawal from Albania is being prepared.

Cooperation with the priority country of Macedonia revolved mainly around the economy and development and also the environment. Activities in the cross-sectional areas of governance/human rights are to contribute visibly to sustainable and socially balanced development and consequently also to the mitigation of poverty. The country strategy 2010–2012 is the programme basis for the withdrawal of bilateral ADC from Macedonia that began in 2010.

Cooperation in the priority country of Kosovo was based on the country programme 2008–2011. Funding was mainly provided to the development of the private sector and rural development/regional development (focusing on the greater Suhareka area). In the field of university education, additional measures for 2012 and beyond have been initiated, starting from earlier ADC activities in this sector. ADC cross-cutting issues in Kosovo are inter-ethnic cooperation/conflict prevention and gender.

13.2.1.8. Eastern Europe and Central Asia

Since early 2011, the Austrian involvement in South Caucasus has been undergoing a re-design. Austria is now concentrating on agriculture and forestry based on bilateral programmes for Armenia and Georgia. The interventions in rural development are aimed at improving the general conditions in order to increase local value generation and intensify trade and investment. These interventions help to fight poverty, especially in the border regions.

In November, an ADA “antenna” office was established in Tiflis that will be turned into a fully fledged ADA coordination office by 2013. Bilateral country strategies with Armenia and Georgia will be fully developed by mid-2012. In 2011, a budget volume of 2.3 million euros was spent on the region. The minimum budget for 2012 and 2013 is 2 million euros per year. In Belarus,
Ukraine and Central Asia support was granted mainly to NGO co-financing projects in the social sphere.

The principal goal in the priority country of Moldova is the creation of life perspectives in rural areas, particularly through the improvement of water supply and sewage treatment. Tendering for a major project financed by ADC, GDC and EU is under way. Another objective is vocational training (taking labour-market requirements into account) and the promotion of agricultural vocational colleges. Other areas include the support for return and integration for voluntary returnees and the EU-oriented strengthening of public administration.

13.2.2. NGO co-financing

Non-governmental organisations (NGOs) are important partners of ADC. NGO co-financing includes planned projects based on NGO initiatives and funded both from their own budgets as well as from ADC funds. Any work is based on the “Guideline of NGO cooperation in ADC”.

Eleven Austrian NGOs have framework programme contracts with a total contract volume of approx. 20 million euros for three years and carried out important initiatives in the fields of education, training, rural development and health.

Personnel development cooperation carried out a successful skilled labour programme. 18 projects in developing countries in Southern and Southeast Europe, Eastern Europe, the Caucasus and Central Asia were approved as part of individual NGO projects. Nine micro projects of Austrian NGOs were co-financed. 10 new subsidy agreements have been concluded for the coming years in addition to current EU co-financing projects.

The NGO Cooperation International department participated in the “Structured Dialogue” of the European Commission, with the aim of developing strategies for improved cooperation with civil society organisations (CSOs) to enhance the effectiveness of development cooperation. Another key area of work was the preparation of the High Level Forum IV (HLF) in Busan where CSOs were to be confirmed as independent actors of development cooperation. The principles of democratic responsibility and a strengthening of the human rights perspective were also anchored in the HLF at this Forum. The NGO department supported two international projects on increasing the effectiveness of DC and facilitated the participation of representatives from developing countries in the HLF.

13.3. Multilateral Development Cooperation

The development policy efforts of the international community and the UN centred on the implementation of the UN Millennium Development Goals.
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(MDGs) and on the debate on the importance of universal access to modern energy services for sustainable social and economic development.

13.3.1. The European Union

The EU (member states and European Commission) is the biggest donor of international development assistance. Austria’s financial contribution to the EU’s development cooperation is one of the biggest individual items of the country’s public development aid. In 2011, Austria contributed 232 million euros to development cooperation in the framework of the EU budget and the European Development Fund (EDF), i.e. approx. 29% of Austria’s total public development spending.

The dominating topic on EU level was the discussion about the strategic orientation of EU development policy after 2014 when the new EU budget cycle begins. In November 2010, the European Commission presented a green paper with concrete questions concerning the future of EU development policy and initiated a public consultation process. More than 200 organisations, regional authorities, partner countries and private persons participated in this process via the Internet. The EU member states contributed to this discussion on the level of ministerial councils and working groups of the Council. Department VII (Development Cooperation) of the FMEIA organised a consultation process in Austria in order to prepare the Austrian position in this matter. Representatives of other ministries, NGOs, lobbies, science etc. were involved in the consultations. The findings of the discussion rounds were then included in the extensive statement from Austria in the green paper. Austria advocates a greater focus on broad and sustainable growth to achieve a lasting reduction of poverty and to reach the MDGs. The shared objectives, principles and values laid down in the EU Consensus on Development Policy (2005) are to remain the basis for future EU development policy. Austria welcomes the European Commission proposal to focus on three central fields of action: access to renewable energy, climate change and biodiversity, and food security. All these fields are core issues of ADC. Austria is of the opinion that Policy Coherence for Development (PCD) should feature more prominently to avoid any negative effects of other EU policies on development cooperation. As far as the implementation of future EU development policy is concerned, Austria advocates a more pronounced differentiation of cooperation with individual groups of countries (focus of classic DC on the least developed countries, other forms of cooperation with the emerging economic powers, etc.). Austria also advocates that the EU programmes decided by various EU Council conclusions be really put into practice.

The outcome of the consultation process was the Agenda for Change of the European Commission that will serve as the basis for respective Council conclusions.
Another content focus was the discussion of a better **harmonised EU approach to budget support**. Practical experience of the past few years has shown that the European Commission and some member states have reached very different political assessments, e.g. after difficult elections, and drawn different consequences with regard to budget support. Some ordered the discontinuation of general budget support, others continued it. Austria was a member in the expert groups and very actively contributed to this discussion in detailed written statements. In November, the European Commission submitted a statement on budget support that will be the basis for Council conclusions. Austria is in favour of the proposal to check more precisely in future whether a country lives up to the required fundamental values of the EU (human rights, democracy, rule of law, etc.) in order to be entitled to receive the support.

The third topic of strategic importance was the launch of the discussion about the contents of the **external tools of the EU in the new budget cycle 2014–2020**.

During the first half of the year the **Hungarian Presidency** placed specific focus on access to water and sanitation. This initiative received great support from ADC which shares the view of water and sanitation as a priority sector. The central concern of the **Polish Presidency** in the second half of the year was Central Asia and the Eastern dimension, as well as democracy and human rights. Both topics were at the centre of attention of the European Development Days held in Warsaw on 15 and 16 December.

From the beginning of the year, the EU worked towards its **common position** for the **High-Level Forum on Aid Effectiveness** (Busan/South Korea, 29 November to 1 December). The common approach of the EU at international conferences once again proved its worth in Busan.

The **structural changes in EU development cooperation**, resulting from the support received from the High Representative of the Union for Foreign Affairs and Security Policy and the foundation of the EAD, were visible but are still far from being complete. There is still need for clarification and improvement as regards the division of labour between EAD and the Commission. The European Commission also saw restructuring: the Directorate General Development merged with Europe Aid (in charge of operative implementation) and is now referred to as Directorate General “Development and Cooperation – Europe Aid”.

### 13.3.2. The United Nations

Success in many areas was achieved in terms of the MDGs 2015: Achievement of MDG 1 (eradication of poverty) seems to be feasible despite significant setbacks after the economic downturn in 2008 and 2009, which were further aggravated by the food and energy crisis. Expectations refer to a reduction of
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the global poverty rate below 15 percent by 2015. Some of the poorest countries, especially in Sub-Saharan Africa, have made major progress in the field of education (MDG2). Child mortality (MDG 4) was brought down thanks to targeted interventions. Investment in the prevention and treatment of HIV/AIDS have made encouraging results possible; higher spending and stepping up the fight against malaria brought down the malaria mortality rate (MDG6). Despite initial successes with regard to gender equality and empowerment of women (MDG 3) and improvement of maternal health (MDG 5), there is still enormous need to catch up in these fields. Whether all MDGs can be reached by the target deadline of 2015 is still questionable and at risk. Countries with medium income have generally better chances to reach the MDGs, whereas the opportunities of LDCs and LLDCs are minute, with Africa south of the Sahara and Oceania being at a particular disadvantage.

**Access to modern and sustainable energy services** will be decisive for successful social and economic development. Austria thus supports the campaign of the UN Secretary General for universal access to energy by 2030 (while increasing energy efficiency by 40% at the same time, and bringing the share of renewable energy in the total energy mix up by 30%) and puts its focus mainly on the UN General Assembly’s efforts to strengthen global, regional and national initiatives to enable access to energy and renewable energy for the poorest and to increase energy efficiency. This especially against the background of the UN GA decision of 2010 to declare the year 2012 the International Year of Sustainable Energy for All. The initiative “Sustainable Energy for All” (SE4ALL) launched by the UN Secretary General in September is of particular importance in this context: The Secretary General is aiming at gaining more say for the UN in international macro-economic cooperation and for energy to play a central role in the definition of development goals beyond 2015. To put this initiative into practice, the UN Secretary General established the High-Level Group on Sustainable Energy for All in September.

Austria supported the objectives of the UN Development Programme (UNDP) that are included in the strategic plan for the 2008–2013 period, especially with regard to democracy promotion, with approx. 5.3 million euros. This includes contributions to the thematic funds “Democracy Promotion” (500,000 euros) and a voluntary contribution to the IVth High-Level Forum on Aid Effectiveness (Busan/South Korea, 29 November – 1 December). Austria also supported the implementation of the UN pilot initiative **Delivering as One** in the framework of the UN reform process in Albania with a voluntary contribution of 176,000 euros.

The mandate of the UN Capital Development Fund (UNCDF) is the reduction of poverty in the 48 least development countries (LDCs) by granting micro-credits and supporting local development. Austria supported the 2011 UNCDF work with a 1 million euros contribution to the core budget, which makes our country the **fourth largest donor to the fund.**
The United Nations Children’s Fund (UNICEF) is implementing the medium-term strategic plan for the years 2006–2013. Austria is fighting for the protection of children from violence and exploitation in the framework of the UNICEF Executive Board. UNICEF activities were supported with a core contribution of 1.45 million euros and two concrete projects in Kosovo (to the amount of 790,000 euros) on good governance and monitoring of children’s rights.

The United Nations Population Fund (UNFPA) is a comparatively small, decentralised programme and organises projects for the control of demographic development. The fund plays an important role in the central issue of reproductive health with regard to both the fight against HIV/AIDS and the improvement of the situation of girls and women, as well as in the fight against maternal mortality. Austria’s contribution to the UNFPA core budget was 600,000 euros in 2011; a voluntary contribution went to the thematic fund for the promotion of maternal health.

13.3.3. OECD/DAC

Austria is one of 24 members of the OECD Development Assistance Committee, DAC, that is mainly concerned with defining quality specifications for development cooperation of its members, recording their development cooperation performance (“Official Development Assistance” – ODA), and reviewing quality and quantity of this performance by other members of the committee.

The high point of the DAC working year was the 4th High Level Forum on Aid Effectiveness from 29 November to 1 December in Busan/South Korea where the implementation of the Paris Declaration on Aid Effectiveness since 2005 was reviewed. The Forum also discussed the future role and relevance of development cooperation beyond 2015 (target deadline of the MDGs).

Austria’s delegation in Busan was headed by State Secretary Wolfgang Waldner. Other members of the delegation included the chair woman of the subcommittee of the foreign policy committee: Development Cooperation, MoP Petra Bayr, representatives from the Foreign and the Finance Ministry, ADA and ARGE Globale Verantwortung.

13.3.4. Assignments of young Austrians

Young Austrian university graduates can gather first experience in development policy in the UN professional service for a limited period of two years (Junior Professional Officer – JPO). The Federal Ministry for European and International Affairs provides the funding for the costs of this programme.

A total of 12 junior graduates worked in UN development policy organisations including UNDP, UNICEF, UNFPA, UNIFEM, UNDCF or UNIDO and
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in the UN Secretariat at the respective headquarters in New York, Vienna, Brussels or the external representation network (Macedonia, Kosovo, Egypt, Rwanda, Sierra-Leone, Laos, Guyana).

The European Commission programme for training “Junior Experts in Delegation” gives young Austrian graduates the opportunity to work for a maximum of one to two years in the European Commission delegations. The Federal Ministry for European and International Affairs and the European Commission share the costs of these assignments. Two Austrians worked at the EU delegations in Algeria and in the Philippines.
14. Global Environmental and Sustainability Policy

Our environment and sustainable development are becoming the most dominant topics in the international context. The annual world climate summit, international agreements on biodiversity and other topics, the environmental summit on sustainable development (Rio+20 in 2012) draw people’s awareness on the responsibility of the international community. The definition of sustainable development according to the report of the Brundtland Commission is as follows: “Sustainable development is the kind of development that meets the needs of the present without compromising the ability of future generations to meet their own needs. In essence, sustainable development is a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations.” This definition of fairness between the generations is an element of all international environmental agreements reached after the Brundtland Commission.

14.1. Preparation of Rio+20

The Earth Summit, the UN Conference for Environment and Development in Rio de Janeiro in the year 1992 was a milestone in international environmental policy. In addition to various agreements (climate protection, biodiversity, deserts, hazardous chemicals), the mission of sustainable development was adopted at this conference. In 2011, comprehensive preliminary analyses were carried out in the run-up to the 20th anniversary of the Earth Summit to be celebrated with the UN Conference on Sustainable Development (UNCSD) 2012 or “Rio+20” for short) which will also be held in Rio de Janeiro from 20–22 June 2012. Commitments made in 1992 (Millennium Development Goals, MDG 2000, Johannesburg Goals 2002) will be confirmed at the Rio+20 summit, their achievement reviewed and additional focal areas defined. On 30 October, the EU wrote a comment including road map to the two focal topics “Green economy in the context of sustainable development and poverty eradication (GESDPE)” and “The institutional framework for sustainable development”. Austria’s focus at the Rio+20 Conference will be on green economy, as it offers the possibility to discuss the energy issue, create green jobs and sustainable investment and innovation sources.

In addition to the formal preparation, UN Secretary General also convened a High Level Panel on Global Sustainability (chair: Finnish President Tarja Halonen and South-African President Jacob Zuma). This high-level body is to develop future-oriented ideas and present a final report in early 2012.
14.2. Sustainable Development in the OECD

The OECD Council did not extend the mandate of the Annual Meeting of Sustainable Development Experts (AMSDE) established in 2004. At the same time, the Council confirmed that the OECD will continue to deal with various aspects of sustainable development, among other areas also in the context of the OECD Green Growth Strategy. The OECD Secretary General was commissioned to submit to the Council a detailed and comprehensive proposal as to how sustainable development should be enshrined at content and institutional level in the OECD after the dissolution of the AMSDE at the end of 2011.

Austria is in favour of continuing and strengthening sustainability at all levels, in all organisations and forums, and therefore welcomes the intention of the OECD to pursue sustainable development as the overall objective and implement it both within the organisation and in the member states. Since 2009, Austria has been actively involved in the debate about this question and pushed ahead the work on the sustainability impact assessment of policies and programmes at OECD and member-state levels. Austria is of the opinion that it is essential that the elements of sustainable development are made part of the overall policy of the OECD, an organisation that thinks ahead, so that long-term solutions for the current challenges can be developed.

14.3. The United Nations Environmental Programme

The United Nations Environmental Programme (UNEP) adopted its work programme for 2012–2013 at the last Governing Council Meeting in February. Under this programme, UNEP will be active in six areas:

– climate change,
– natural disasters and conflicts,
– management of ecosystems,
– international environmental governance,
– harmful substances and hazardous waste,
– sustainable use of raw materials and sustainable consumption and production.

UNEP works in the normative field by providing accurate scientific data to decision-makers worldwide. Based on these data, reasonable decisions can be taken. On the other hand, UNEP also implements concrete projects at country level, mainly together with the UNDP. Due to the difficult economic situation, UNEP failed to reach its budget objectives in the past few years and was forced to reduce its projects and significantly cut back its personnel.
In the preparation of the Rio+ Summit to be held in June 2012, the future role of UNEP in the framework of an international architecture for sustainable development was discussed. In 2010, two conferences were held on this topic, one in Nairobi and one in Helsinki. A final decision will only be taken at Rio+20 in 2012. Apart from that, UNEP’s input to Rio+20 will relate to green economy.

14.4. Global Environmental Protection Agreements

The 16th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC, COP 17/ CMP 7) was held in Durban/South Africa from 29 November to 10 December.

The final document – “Durban Platform” (or Durban package) – contains

– a time schedule for a global climate protection agreement proposed by the EU climate diplomacy. The convention is to be negotiated until 2015 and should be binding for all parties as from 2020,

– a second period of commitment under the Kyoto Protocol (final and concrete clarification only after the next UN Climate Conference in Qatar),

– agreement on implementation of the Green Climate Fund, and

– implementation of certain measures of the Cancun Agreements (Centre for Technical Cooperation, Adaptation Committee).

The goals of the second commitment period under the Kyoto Protocol and the tools of global climate financing (Green Climate Fund) are to be specified by the next World Climate Conference in Doha/Qatar in 2012.

The result was particularly positive for Austria and the EU, as pressure could be built up through successful EU negotiations (alliance with the least developed countries and island states) and because the main goals of Austria and the EU, namely Kyoto II and a time schedule for a global climate protection agreement, were pushed through.

From 25 to 29 April, the Parties to the Stockholm Convention on Persistent Organic Pollutants held their 5th conference discussing the disputed chemical “endosulfan” and its control, including exceptions for certain harvests, and its alternatives. Other topics were the compliance mechanisms of the convention, reporting, the work programme as well as technical support and financing.

The 5th Conference of the Parties to the Convention on Environmental Impact Assessment in a Transboundary Context and the 1st Conference of the Protocol on Strategic Environmental Assessment in a Transboundary Context in Geneva from 20 to 23 June dealt with the reports of the ministers and heads of delegation, the work of the working groups, the new work schedule and budget, and with decisions about new roles in the bodies of the Convention.
From 29 June to 1 July, the 4th Conference of the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters was held in Chisinau/Moldova. The accession of non-UN/ECE states was discussed, the schedule of work for 2008–2011, and the preparation of the new work programme for 2012–2014.

The 63rd annual meeting of the International Whaling Commission of the International Convention for the Regulation of Whaling was held in St. Helier/United Kingdom from 11 to 14 July focused on the future of the Whaling Commission and on overcoming the differences between whale protecting and whale catching states. Austria favoured comprehensive protection of all whale and dolphin species, the prohibition of any type of international trade in whale meat and whale products, the stop of research methods that are deadly for whales and new protection reserves.

The first IPBES Plenary Meeting (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services; formally established by the 65th UN GA 2010) was held from 3 to 7 October in Nairobi. Austria is party to the Convention on Biodiversity (1992) and the Cartagena (2000) and Nagoya (2010) Protocols for the preservation of biodiversity, sustainable use of its elements and balanced and just distribution of the benefits resulting from the use of genetic resources. The first meeting of the scientific advisory body was mainly concerned with formal issues (headquarters, rules of procedure, work programme). The EU and Austria supported the establishment of the IPBES and called for urgent operationalisation of the platform and for a simple and effective structure.

The UN Convention to Combat Desertification (UNCCD) is increasingly attending to the problems of soil deterioration and the resulting loss of options of self-supply of the people in disadvantaged regions. The influence of desertification, soil degradation and drought on the reduction of poverty, food security and other global goals was the central topic at the tenth conference of the parties to the Convention held in Changwon/South Korea from 10 to 21 October. It was also agreed to restructure the bodies of the Convention. The Austrian coordinator for the Convention was appointed as the representative of Western Europe and Vice-President of the Convention at the COP Bureau for a further two year-period.

Austria is party to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal. The parties to the Convention held their tenth meeting in Cartagena/Columbia from 17 to 21 October. The world-wide implementation of high standards in handling hazardous wastes and measures of waste reduction are of key importance for sustainable economy. In the past, Austria has always striven to develop the Convention further and to give it more clout. These efforts will be continued in cooperation with other EU countries. The tenth meeting discussed guidelines on harmonising the international application of hazard criteria for waste and on environmentally-friendly waste treatment, the continuation
of the synergy process to enhance cooperation and coordination with the Stockholm and Rotterdam Convention.

The ninth Conference of the Vienna Convention for the Protection of the Ozone Layer and the 23rd meeting of the parties to the Montreal Protocol on Substances that Deplete the Ozone Layer, held from 21 to 25 November in Bali, discussed measures to destroy ozone-depleting substances, the exit from the production of CFS, replenishment of the multilateral fund, inclusion and possible limitation of HCFCs in the Montreal Protocol.

The 10th meeting of the parties to the Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention) was held from 20–25 November in Bergen/Norway. Items on the agenda were the implementation of the agreement and the change of the annexes.

14.5. Sustainable Energy for All

Please refer to section 14.3.2.

14.6. Nuclear safety

Austria continues to defend its unwavering position against nuclear energy in the best of its abilities, both in bilateral relations and in the framework of international organisations. According to the Austrian position, nuclear energy neither constitutes a sustainable form of energy supply nor a viable option for fighting climate change. Austria maintains that the model is neither low in carbon nor economically viable if the entire fuel cycle (with the costs of the globally unresolved problem of permanent disposal only estimated) and the expense of construction, operation and finally decommissioning of nuclear power plants are taken into account.

Austria continues to advocate the departure from nuclear energy vis-à-vis its partners. This goal was again discussed in numerous bilateral and international discussions and interventions on the political and expert level. The reactor disaster of Fukushima (11 March) underlined the relevance and urgency of this matter in a tragic way. While our neighbouring countries of Switzerland, Italy and above all Germany witnessed a departure from this form of energy that took different shapes but was at all events very much welcomed by the people, the issue of reviewing and increasing reactor safety of existing plants has become a central issue of European and international cooperation.

On a multilateral level, the International Atomic Energy Agency (IAEA) organised a conference in June dedicated to the disaster of Fukushima and nuclear safety, was well as a series of other high-level meetings. The UN responded to Fukushima by holding a special meeting on nuclear safety at the General Assembly in New York. The tangible outcome of the post-
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Fukushima process is a Plan of Action of the IAEA; in the negotiations of this plan, **Austria** defended its central concern of raising international safety standards and implementing them fully. Austria also demanded improvements of transparency, such as more frequent and stricter inspections and the publication of their results. The Austrian representatives called for binding liability rules that protect the victims of disasters without any time or monetary limitation. Although the Plan of Action does not meet all demands of Austria, it can still be seen as a step in the right direction.

Starting from an Austrian initiative, the European Council of 24 and 25 March requested that EU-wide comprehensive risk and safety assessments be carried out with a view to re-assessing the safety reserves of nuclear power plants (“stress tests” as they are called) in the ENSREG (European Nuclear Safety Regulator Group). All fourteen EU member states operating nuclear power plants, plus Lithuania, participate in the stress tests. Switzerland and Ukraine, neighbours of the EU have also agreed to the stress tests. The examination of nuclear power safety covers three main areas: natural disasters, loss of the control functions and power supply and the way of procedure in the event of severe accidents. A second sphere of action refers to man-made incidents, such as terror attacks, air crashes and cyber attacks, which are the responsibility of security and military forces. As far as the specification of stress tests is concerned, Austria was successful in demanding the inclusion of air crashes, the participation of independent experts in the peer reviews, and the transparency principle including involvement of the public. The final results of the stress tests will be available in June 2012. In the framework of the EU, efforts to create high and legally binding safety standards for nuclear power plants were continued. The negotiations of a guideline for the disposal of spent fuel elements and radioactive waste that had been taken up in November 2010 were concluded in July.

At EURATOM level, **Austria** strongly opposes the use of Community funds to promote nuclear energy. This position was upheld in the negotiations of the framework research programme 2013/2014. Besides, the performance of the Instrument for Nuclear Safety Cooperation, INSC, is consistently monitored. Negotiations about a new issue for the next financial framework were opened.

The safety dialogue with neighbours operating or planning nuclear power stations was continued. Expert meetings as part of the bilateral nuclear information agreements were held with Germany, Slovakia, the Czech Republic, Hungary, Slovenia, Switzerland, Poland and Belarus.

Regarding the NPP at Temelín, Czech Republic, **Austria** continues to aim for full implementation of the Brussels Accords (conclusions of the Melk Process). The research projects to clarify seismic issues recommended by the mixed parliamentary committee are run in cooperation with the Czech partners. As regards the expansion of Temelín by two additional reactors and the expansion of the Mochovce nuclear power plant in the Slovak Repub-
lic, Austria continues to make use of all available rights of involvement and influence under the environmental impact assessment and at all political levels.
15. International Cultural Policy

15.1. Objectives and Priorities

Austria's image in the world is to a large extent defined by culture. International cultural policy is therefore geared at setting the perfect stage for this image. In its international cultural policy, the Foreign Ministry presents Austria as an innovative and creative country of great cultural and scientific wealth that is deeply rooted in its history. The presentation of contemporary aspects of culture and science is a particular priority of international cultural policy. Austria with its rich heritage wants to be perceived as a future-oriented country.

However, the achievements of Austrian foreign cultural policy go far beyond that. Initiatives with regard to the dialogue of cultures and religions contribute to long-term global confidence building and peacekeeping. The involvement of Austrian international cultural policy in cultural projects of the EU on a partnership basis is an active contribution to the further development of European integration and helps to strengthen European awareness.

The network of international cultural policy has a bridging function to facilitate the participation of Austrian artists in the international cultural dialogue. Austria’s traditional reputation as a “superpower of the arts” is underlined by the network of international cultural policy with its six cultural fora, 81 embassies (24 of them with cultural fora), ten consulates general, 61 Austrian libraries, nine Österreich Institutes and specialised offices in Lviv, Sarajevo and Washington D.C.

The International Cultural Meeting 2011 was dedicated to the topic “Crisis calls for creativity – International cultural policy in times of change”. The conference held in the grand Museum for Applied Art | Contemporary Art in Vienna created a bridge between theory and applied art in the all-encompassing field of international culture. Besides the focal topic on this day (morning and afternoon session) there was the keynote speech delivered by Vice-Chancellor and Foreign Minister Michael Spindelegger, working groups on various issues, and panel discussions. Jan Truszczyński, Director General of the European Commission for Education and Culture, gave a widely regarded speech. At the meeting, the International Cultural Policy Concept 2011 was presented, which follows on from the concept of 2011 but is more focused in the meaning of more pronounced target orientation. The concept lists a series of measures to be taken to achieve success of international cultural policy in the years to come.

International cultural policy needs clear-cut priorities. These priorities of international cultural policy are defined for a multi-annual planning period both in terms of geography and contents and controlled via the annual cultural budgets allocated to the embassies and consulates general. The geographic focus of Austria’s international cultural policy corresponded to the
geographic focus of Austrian foreign policy: the **Danube region, Black Sea region** and **Western Balkans**.

The cultural, political, economic and personal ties that have developed in the **Danube region** over centuries are a strong foundation for future joint development. The EU Strategy for the Danube region underpins the importance of this key region that is of central importance for Europe in the 21st century. Cross-border cooperation of eight EU member states and six other European countries offers the unique opportunity of new ways of cooperation in politics and business, culture, science and education, information and communication.

In March, during the Hungarian EU Presidency, the creation of a Danube Culture Cluster was at the focus of a highly promising joint initiative of the Foreign Ministry and the Hungarian Cultural Institute in Vienna. The **Danube Culture Cluster** was launched at a conference at the Vienna Museums-Quartier to exploit the creative reservoir of the cultural and creative scene of the Danube region. The arts in the region that are presented in a variety of exhibitions and festivals have become a special attraction for tourists. The Danube Culture Cluster is expected to serve as a platform for existing and future cooperation in the arts and culture in the Danube region and as a hub of information and services. The weaving of a network of institutes of culture and education and of creative artists along the Danube that lives up to the quality criteria is an important contribution to the creation of a “Danube brand” that can also be marketed globally.

The regions of former Galicia and Bukovina play a key role in the rapprochement of Ukraine to Europe. There is a tight cultural network of bilateral relations between Austria and Ukraine. This was one of the reasons for the regional conference on “Bukovina as a European Region – Meeting Place of Cultures” held in May and organised together with the OeAD Cooperation Office Lviv and the region of Chernivtsi. The meeting tried to find possible ways of expanding the cooperation between the Ukrainian and Romanian Bukovina region with the support of the good offices of Austria. It was attended by Ukrainian, Romanian and Austrian experts.

At the **European Forum Wachau** in the Göttweig Monastery, a first cultural working group was held on “The Danube region: Space for the Arts and Creative Industry” that provided important impetus for cultural projects involving the river Danube.

Austria attaches great importance to the **Black Sea area**, one of the key regions of the future. In line with EU programmes, such as the Cultural Agenda, the Black Sea Synergy, the Eastern Partnership and the Danube Strategy, a specific **Black Sea Focus** has been developed to contribute to continued and comprehensive stabilisation of the region in the spirit of democracy, rule of law and wealth. The guiding principles in this effort are socio-economic and human development, the promotion of knowledge and innovation, the use
Objectives and Priorities

of human capital, a more strongly enabled civil society and the consolidation of good governance. Meetings, conferences, festivals, exhibitions, readings, concerts and scholarships make it possible to pursue policies utilising culture and the rich diversity of artistic creation. This was the reason for a conference organised by the Vienna Institute for Parliamentarism and Democracy Questions, the Municipality of Vienna, the Federal Ministry of Education, the Arts and Culture/KulturKontakt Austria, and other partners in Odessa in May that dealt with issues of democratic culture, freedom of the media, political participation, unsullied administration and rule of law.

The Talking about Borders drama competition initiated by Christian Papke and held in various Southeast European countries with support from the Austrian P.E.N. Club was continued in Bulgaria. Petrana Zlateva won the 2011 award for her play An Unmusical Moment which was staged as a reading in the Bulgarian Institute of Culture – Haus Wittgenstein.

Arts and culture help to preserve peace and promote stability and security in the sense of shared European goals. The Traduki translation programme is one of the outstanding projects for the third geographic focus region, the Western Balkans. Traduki is a joint project of the Austrian Foreign Ministry, KulturKontakt Austria, Pro Helvetia, the German Federal Foreign Office, the Goethe-Institute, the S. Fischer foundation and the Slovene Book Agency. The project was launched in 2008 and aims to promote mutual translations of fiction and non-fiction from German and the languages of Southeast Europe in the Danube and Black Sea regions and the Balkans and vice versa, as well as from one language of the region to another. The project is seen as a contribution to dialogue and getting to know each other better. The Ministry of Culture of the Republic of Croatia joined the network in October 2011.

The most exceptional literature project of Traduki last year certainly was the publication of a two-volume Serbian-Kosovar anthology that was presented at the Leipzig Book Fair, in Pristina in April and shortly afterwards in Belgrade. The book project was also presented in Vienna in June at an event organised by Traduki, KulturKontakt Austria and the Foreign Ministry.

Anniversaries should not only be an end in themselves but means to an end – in this case to achieve the objectives of international cultural policy. The priority contents in 2011 were China (40 years bilateral relations with Austria), Slovenia, Croatia and Macedonia (20 years independence) as well as the 200th birthday of composer Franz Liszt and the 100th anniversary of Gustav Mahler’s death.

On the occasion of the 150th birthday and 100th death-day of Gustav Mahler, the FMEIA supported several projects that presented Austria on the international stage as a country able to interpret tradition in ever changing ways. A Gustav Mahler travelling exhibition was organised in cooperation with the Vienna State Opera (curators: Peter Blaha and Therese Gassner), the Austrian National Library, the Austrian Theatre Museum and the Museum of Art His-
International Cultural Policy

tory Vienna and shown at Austrian representations worldwide. The exhibition covers the time in Mahler’s life when he was director of the Vienna Opera (1897–1907) and provides an insight into the life and artistic work of the world famous composer and conductor.

On the occasion of the 200th birthday of Franz Liszt, the exhibition “Vivat Liszt – Liszt Tour d’Europe” was presented at the Cultural Fora of Bratislava, Zagreb, Budapest and London and others. The exhibition was the outcome of a symposium held by eu-artnetwork in Burgenland in 2010 on the topic of “hear the light ... see the sound”. 28 international artists took part in this symposium. The exhibitions were accompanied by musical performances.

40 years of bilateral relations between Austria and China were the suitable background for more pronounced cultural-political presence in China. Here are just a few highlights of the varied and rich offer of cultural events: Symposium and exhibition “Hans Kelsen and his influence on the East-Asian Civilisation” at the famous Renmin Law School in Beijing (organised in cooperation with Vienna University, Kiel University and Hans Kelsen Institute Vienna), the “Damage” exhibition of Xenia Hausner at the Shanghai Art Museum, and the participation of Ars Electronica Linz in the International Media Art Exhibition Beijing. Another highlight in the cultural exchange between China and Austria was the great Willy Eisenschitz (Willy Eisenschitz, 1889–1974, born in Vienna) exhibition “From Sezession to Expressionism” at the National Art Museum of China in Beijing with exhibits from Belvedere Vienna, the Lentos Museum Linz and mainly from the “Schutz” Eisenschitz collection Vienna.

Turku started into its year as European Capital of Culture on 15 January. The Austrian Embassy in Helsinki contributed to the presentation of the “Lichtwechsel” project and the exhibition “Capital of Culture River Pavilion” (architectural project/Titusz Tarnai, Peter Jellitsch, Christian Tonko Aino Korvensyrja). Austria was also strongly presented at Tallinn during its year as Capital of Culture, among others with its “Austria Days”.

Austrian culture is primarily associated with music, but also with its major contribution to the fine arts and literature. While outstanding achievements in these fields continue to be appreciated and presented, international cultural policy is going to put dance and architecture more into the limelight in the years to come.

The priority area of architecture, and in particular the professional use of natural materials and ecologically sustainable building methods, was given a stage in the FMEIA travelling exhibition “Form & Energy” (Stiller/Karpfinger). The exhibition met with excellent response abroad and was most recently shown at the renowned Chinese University of Hong Kong; the first time it was shown to a wide audience in Asia. Another highlight was the first comprehensive exhibition of contemporary Austrian art under the title “Austria Davaj” in Moscow, illustrating the current creative potential of Aus-
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tria in the arts, architecture and design at a very high level. In cooperation
with the Museum of Applied Arts in Vienna, the Cultural Forum of Moscow
and the Federal Ministry of Education, the Arts and Culture, the exhibition
was opened in the presence of Federal President Heinz Fischer and Minister
Claudia Schmied at the MUAR architectural museum in Moscow.

As the role of modern dance is gaining more and more international atten-
tion, dance was defined as a priority area for the year 2011. A cooperation
project was agreed with “Tanzquartier Wien” and a publication about modern
dance in Austria was commissioned; support was granted to performances
of Austrian dancers and dance companies, such as Editta Braun Company,
Willi Dorner, Dominik Grünbühel and “Superamas” at festivals.

Since 2009 the FMEIA has been cooperating with MuseumsQuartier Vienna
as part of the freiraum quartier21 INTERNATIONAL project in the exhibition sector. This new event series aims at increasingly presenting international exhibitions and projects from the priority areas of fashion, design and digital culture. The project was successfully continued in 2011 with the fashion exhibition “Get in the Haze” and the PlayFace InterCult-Media Art project.

Fashion design from Central Europe was at the focus at the Platform Kultur Mitteleuropa under Austrian Presidency. In November, the NOT FASHION ALONE event took place in Warsaw, with young designers from the platform countries of Austria, the Czech Republic, Slovakia, Hungary and Poland. Austria was represented by the designer duo Diptych (Valerie Lange / Alexandra Zedtwitz).

The vast range of FMEIA travelling exhibitions was greatly appreciated at
the cultural fora, embassies and consulates; in particular the Form & Energy architectural exhibition mentioned above, the Gustav Mahler and Vienna exhibition and the exhibitions on Austrian architecture and design of Walter Zednicek.

The focus in the field of literature and theatre was also on the presentation
of contemporary works and productions. Readings cover the largest section
of literature activities. To name but a few of Austrian writers who invited to
readings of their work: Xaver Bayer, Zdenka Becker, Clemens Berger, Thomas Brunsteiner, Seher Cakir, Michael Donhauser, Thomas Glavinic, Andrea Grill, Sabine Gruber, Elfriede Hammerl, Nobert Gstrein, Alois Hotschnig, Anna Kim, Markus Köhle, Hanno Millesi, Richard Obermayr, Ewald Palme
shofer, Martin Prinz, Julya Rabinowich, Angelika Reitzer, Verena Rossbacher, Robert Schindel, Günther Stingl, Bernhard Strobel, Jutta Treiber, Vladimir Vertlib and Renate Wels.

The Austrian cultural fora and embassies also support publications and projects of literary science in the cultural events they organised. At the Gothenburg book fair “Bok&Bibliotek” (22–25 September) under the title “Three countries – one language: Germany-Austria-Switzerland”, Bettina Balaka,
The theatre category included the support of Austrian authors, such as Elfriede Jelinek in Chile, and Austrian performances at theatre festivals in various countries. Support was granted not only to the classic playwrights’ theatre, but also to other forms of production, including performance art, puppet theatre and theatre for children.

In the field of music, the Federal Ministry supported numerous projects around the world to mark the 200th birthday of Franz Liszt (22 October 1811) and the 150th anniversary of Gustav Mahler’s death (18 May 1911). The key element of these events was to illustrate the important role that the composers play in musical history and their impact on modernism. The anniversary events to honour Franz Liszt, who is seen as particularly “European” were organised in close cooperation with Hungary. Lectures on Liszt and concerts of his music were also given in cooperation with the Raiding Liszt Festival in the USA and Japan. Projects presenting Austrian music of the 20th and 21st century, including what is known as “exile music” still enjoy high priority.

The two-year New Austrian Sound of Music (NASOM) action programme for young musical talents that had been launched in 2005 was continued. With all these efforts the Federal Ministry for European and International Affairs ensures that artists from all musical genres who are selected by expert bodies receive support for their performances abroad.

To support innovative projects with cultural-policy content and to anchor the objectives of Austrian foreign policy and international cultural policy in the public awareness, funding in the form of subsidies is provided for cultural projects at home and abroad. Funds amounting to 384,000 euros were provided for a total of 75 projects in the artistic, cultural and scientific spheres. Here are a few of the wide range of projects that received subsidies:

In the musical field: the foreign tours of the Gustav Mahler Youth Orchestra, the performances abroad of Klangforum Wien, the trials of Vienna Jeunesse Orchestra for the European Union Youth Orchestra or the International Summer Academy of the Mozarteum Salzburg.

As every year, numerous theatre projects received subsidies, including the Vienna Volkstheater project “Die Besten aus dem Osten, Folge 8: Türkei” and the “Mitteleuropäische Theaterkarussell” of Theater Brett in Wien. Film: Festivals such as “this human world”, the human rights film festival, “Crossing Europe” film festival in Linz, “Vienna Independent Shorts” or “EU XXL Film Forum” in Vienna.

Meetings and conferences: Meetings of the Institute for the Danube Region and Central Europe, the international symposium on “1700 years of edict of toleration of the Emperors of Carnuntum” of the “Art Carnuntum” association, or the Yiddish autumn of culture of the Jewish Institute for Adult Education.
In addition, the FMEIA supported the participation of delegations of students from the universities of Vienna, Graz and Innsbruck in international law competitions as well as various cultural associations and institutions at home and abroad, and numerous publications by contributing to the costs of printing.

It should also be mentioned that financial support was granted to a series of memorial trips to Holocaust sites, such as the one organised by the “March of Remembrance and Hope” society, or the Young Austrian Trade Unionists or the IM-MER society.

Another priority of international cultural policy is the **Intercultural and Interfaith Dialogue** (in particular the preparation of the fifth annual forum of the Alliance of Civilisations to be held in Vienna in 2013) and the human rights (in connection with Austria’s membership in the UN Human Rights Council from 2011 to 2014).

The importance of education and culture for the development of states, for the social change in ever more complex modern societies, and the role of science in finding solutions to global problems such as climate change or the supply of renewable energy is one of the central items on the agenda of UNESCO, the United Nations Educational, Scientific and Cultural Organisation. Austria was successful in its candidature for one of the free seats on the Executive Board and will be represented in this 58-person executive body of the international organisation until 2015. 170 of the 181 votes cast mean the highest number of votes of approval ever reached by an election to the Executive Board in the history of this organisation. Austria is a member of UNESCO since 1948 and was represented in the Executive Board twice in the past (1972–1976 and 1995–1999).

**15.2. Bilateral Agreements in the Fields of Culture and Science**

Much progress was achieved in terms of cultural and scientific agreements. Minister of Culture Claudia Schmied signed the trilateral agreement between the Government of the Federal Republic of Germany, the Government of the Republic of Austria and the Government of the Swiss Confederation about cooperation in the field of film in Berlin on 11 February. This came into force on 23 June. The Memorandum of Understanding covering cultural, scientific and educational cooperation between the Government of the State of Israel and the Government of the Republic of Austria for the years 2011–2014 was signed in Vienna on 31 March. The 2nd meeting of the Austrian-Macedonian Mixed Committee for Science and Technology was held on 13 April in Skopje. Following negotiations in Moscow and Vienna, the agreement between the Austrian Government and the Government of the Russian Federation on scientific-technical cooperation was signed by Federal Minister Reinhold
Mitterlehner on the occasion of President Heinz Fischer’s visit in Moscow on 19 May. Afterwards, the agreement was submitted to Parliament for approval.

The Austrian-Polish Mixed Commission for cooperation in the arts, science and education met in Warsaw on 16 and 17 June and adopted a working programme for the years 2011 to 2013. The first meeting of the Austrian-Montenegrin Mixed Commission for science and technology took place in Vienna on 24 June. The cultural exchange programme between the Republic of Austria and the People’s Republic of China for the years 2012–2015 was negotiated in Beijing on 12 July; State Secretary Wolfgang Waldner signed the agreement on 31 October. The cultural agreement with Macedonia entered into force on 1 August. A film agreement with Spain was approved by the Ministerial Council on 23 August. Following written negotiations, the implementation of the scientific-technical agreement with Albania was approved by the Ministerial Council on 13 September. The twelfth meeting of the Austrian-Hungarian Mixed Commission based on the cultural agreement between the two countries was held on 25 October. The cultural talks with Switzerland took place on 9 November. The fourth meeting on the agreement between Austria and Romania about cooperation in science and technology was held in Bucharest in 30 November. The XVIth programme of cultural work with Italy was negotiated in writing. Negotiations with Ukraine and Qatar on concluding cultural agreements were also conducted in writing.

15.3. Austria Libraries

The Austria Libraries abroad are well-established platforms of intercultural dialogue looking back on more than 20 years of success. Founded in 1989, they play an essential part in overcoming the mental East-West divide of Europe. Most of them are located in Central, Eastern and Southeast Europe, but also in the Caucasus, in the Black Sea region and in Central Asia. After an Austria Library had been set up at the national Arabaev University Bishek/Kyrgyzstan, it was officially opened as the second Austrian Library in Central Asia by Ambassador Martin Eichtinger and Head of Department Elisabeth Freismuth/Federal Ministry for Science and Research on 13 April. The Secretary General for Foreign Affairs, Johannes Kyrle, opened the 61st Austria Library at the University of Rijeka/Croatia on 23 September; the Library there is a symbol of the historically close cultural and scientific relations between Austria and Croatia.

Since these libraries are linked to universities and national libraries, the Austria Libraries are very popular with students and teachers from academic fields, but also with the general public. In addition to their role as Austria’s science satellites abroad, they are increasingly becoming hubs of information and cultural exchange that carry out cultural and scientific events in cooperation with embassies and cultural fora. They constitute an indispensable part of international cultural policy providing important and lasting impetus
to sharing and promoting the broad diversity of Austrian culture and intellectual life abroad – not only in Central Europe.

The network of Austria Libraries abroad currently includes 61 libraries in 28 countries. In addition to classic library operations they organise some 800 events visited by more than 259,000 people per year. More than 145,000 people visit the Austria Libraries every year; the collections have grown to approx. 367,000 books, 4,500 sound carriers, 1,700 CD-ROMs, 3,550 videos and 2,780 DVDs.

The database of Austrian literature in translations (international austriaca) accessible via the web portal of the Austria Libraries (www.oesterreich-bibliotheken.at) includes more than 13,000 titles. The translations produced in connection with Austria Libraries frequently win translation awards of the Federal Ministry of Education, the Arts and Culture, as well as distinctions in the host countries.

The Austria Libraries at Departments of German Studies abroad are often managed by lecturers of the Österreichischer Austauschdienst (OeAD), who are greatly valued by the directors of the Austria Libraries as networkers of the Austrian cultural, educational and scientific work. Austria Libraries also provide exams and certificates for the Austrian Language Diploma.

“Austria Days” are organised in the framework of long-standing cooperation with the “Culture and Language” department of the Federal Ministry of Education, the Arts and Culture. These Austria Days are held at selected venues abroad, organised together with local institutions and focus on special Austrian topics. Programme and organisation are managed together with “Culture and Language” and the local cooperation partners. The short seminars are part of training of German teachers abroad.

The IVth Biennial Meeting “Chancen kultureller Netzwerke” (Opportunities for cultural networks) of directors and academic supervisors of Austria Libraries abroad was held in cooperation with the Austrian Academy of Sciences on 7 November. Publications from areas associated with the Austria Libraries that are published in the LIT series “Transkulturelle Forschungen an den Österreich-Bibliotheken im Ausland” (Transcultural Research at the Austria Libraries abroad) were presented at this event. The series “Forschungen zur Geschichte des österreichischen Auswärtigen Dienstes” (Researching the history of Austrian Foreign Service) was founded in October 2010. The series of the LIT publishers so far includes a book on the Austrian relations to and presence in states of the Black Sea Region as a priority of Austrian foreign policy (Turkey and Ukraine) and a book on the diplomatic relations between Austria and the USA, published to mark the 90th anniversary of diplomatic relations between the two countries. This series of books was also presented at the Austrian Academy of Sciences in November.

The Austria Libraries were also involved in the “Österreich liest. Treffpunkt Bibliothek” campaign with more than half a million visitors at home and
abroad; an event which attracted an enthusiastic response from the co-organisers abroad.

Festive events, symposia, lectures, exhibitions and concerts were organised to celebrate the anniversaries of Austria Libraries in Krakow (25 years), Sofia (20 years) and Riga (10 years); representatives from politics and science from the host countries attended these events.

The locations of the Austria Libraries in Chernivtsi/Ukraine and Nizhny Novgorod/Russia were improved.

In addition to the Austria Libraries abroad, book donations were made to university departments of German studies and social sciences all over the world to Finland, Great Britain, Ireland, Japan, Italy, Canada, Korea, Morocco, Poland, Portugal, South Africa, the Czech Republic and Turkey. The focus here was again on contemporary Austrian arts.

15.4. Science, Education and Language

15.4.1. Austrian professorships and centres of Austrian studies abroad

These university departments, mainly in Europe and North America as well as in Israel, are tasked with initiating, deepening and supporting studies on Austria and specific European topics in the host country and inspire academic and scientific work including publications on the respective subjects. Regular cooperation between the chairs and study centres with embassies, consulates and cultural fora provides important contributions to achieving these goals. The chairs promote the integration of Austria into the international network of science and culture through interlinking with local as well as Austrian institutions.

15.4.2. Scholarships and mobility programmes for universities

OeAD-GmbH is in charge of managing scholarship schemes and various mobility programmes, such as Erasmus and bilateral scholarship schemes, development cooperation programmes as well as the scientific-technical cooperation. OeAD-GmbH also serves as a partner of the FMEIA, with the Ministry assuming the tasks of coordination and information both for the representations abroad as well as for foreign representations in Austria.

15.4.3. Language

Österreich-Institut GmbH was founded in 1997 to organise German language courses, to support and promote German language teaching abroad along with cooperation with national and international organisations to develop
Multilateral Cooperation in Science and Technology

German language courses further that are so important for Austrian international cultural policy and that had been offered until that time by the Cultural Institutes. The headquarters are located in Vienna. Austria Institutes have been established in Belgrade, Wroclaw, Brno, Budapest, Krakow, Ljubljana, Bratislava, Rome and Warsaw. All Austria Institutes define themselves as centres for promoting the study and development of the Austrian variety of the German language. The Austrian German Language Diploma (ÖSD) is an examination system for German as a foreign and second language for adolescents and adult students of the German language at home and abroad. The examination system is modelled on the basis of international framework guidelines and offers the possibility of having German language skills certified on several levels. Lecturers and language assistants are selected and placed by OeAD-GmbH. DaF (Deutsch as Fremdsprache/German as a foreign language) interns are chosen and supported by the German as a Foreign Language chair at Vienna University, while OeAD-GmbH takes care of administrative matters. Lecturers are deployed in approx. 120 countries, language assistants in ten countries, with DaF internship posts in approx. 45 states. Numerous cultural events are organised in cooperation with the Austrian representation offices abroad.

15.5. Multilateral Cooperation in Science and Technology

Austria continued its particular focus on multilateral scientific-technical cooperation within and outside Europe to consolidate its role as a high-tech venue. Austria contributed to programmes such as the European Cooperation in Science and Technology (COST) in Brussels, the European Organisation for Nuclear Research (CERN) in Geneva (Israel was the first non-European country to become an associated CERN member in October, with a view to subsequent full membership), the European Space Agency (ESA) in Paris and the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT) in Darmstadt. In the latter, Austria is represented by the Ministry for European and International Affairs jointly with the Ministry for Transport, Innovation and Technology and the Ministry of Science and Research. Moreover, international affairs are also on the agenda of the European Molecular Biology Conference (EMBC) in Heidelberg, the International Institute for Applied Systems Analysis (IIASA) in Laxenburg, the European Centre for Medium-Range Weather Forecasts (ECMWF) in Reading/United Kingdom and the European Space Policy Institute (ESPI) in Vienna.

Stepping up the networking of activities of the international scientific institutions domiciled in Austria is of particular relevance. Austria has been a member of COST since 1971. The 35 member states (plus Israel as a cooperation state) engage in scientific-technical cooperation in the area of pre-competition research. The focus is on the sciences, i.e. chemistry, nano-sciences and interdisciplinary research. Austria considers the participation of third
countries to be of particular importance. Involvement of scientists from the Western Balkan countries has been facilitated through the financing of a special COST Fund. Austria cooperates with the European Space Agency (ESA) whose Convention allows for a selective participation in ESA programmes with guaranteed return of investment. These ESA programme participations are a good starting point for application-oriented industrial volume production. Austria is, for example, through ESA involved in the construction of the European navigation and positioning system **GALILEO** and the future European satellite-based global environmental and security system **(GMES)**.

### 15.6. International Cultural Policy in the European Union

The decisive international basis for EU cultural policy is the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions to which the European Community acceded in 2006 and which came into force on 18 March 2007.

The current EU Work Plan for Culture (2011–2014) refers to cultural diversity, intercultural dialogue and the culture in the external relations of the Union, defining these areas as explicit EU priorities.

In 2010, the Council of the EU decided to hold joint informal meetings of the directors general of the cultural and foreign ministries to develop a strategic cultural concept for external EU relations. These meetings were held from 22 to 24 June in Pecs/Hungary and under the Polish Presidency in Lublin from 12 to 15 October.

The EP adopted a resolution on the cultural dimensions of EU external policy on 12 May. The central element of this resolution is the demand that culture play a more important role in EU diplomacy to promote human rights, democracy and development in third countries. The MoEP ask the European Commission to present concrete measures for the role of culture in EU external relations in the green paper and to set up a dedicated Directorate General for Culture in the EAD.

The role of the national cultural institutes of the EU, **EUNIC** (European Union National Institutes for Culture) as partners of EU institutions has been given considerably more weight. EAD and EU delegations in non-EU countries were requested by the European Parliament to cooperate with networks such as EUNIC in developing their resources and expertise in the field of culture so that they could draw from their experience as autonomous link between the member states and cultural mediation organisations.

EUNIC was founded as an informal network in 2007 and re-constituted as a society in 2011. 30 National Institutes for Culture from 26 EU member states are members of EUNIC. 60 countries worldwide have EUNIC Clusters that act as networks for cooperation between the local EU Cultural Institutes, including the Austrian cultural fora and/or embassies. The central task of
EUNIC was the intercultural dialogue with China and the developments in the context of the Arab Spring which were on the agenda of a special regional meeting of the clusters in the Arab world on 14 and 15 September in Rabat/Morocco. The European Commission launched an EU project for stepping up cultural cooperation under special consideration of human rights in Egypt after the revolution.

The EU initiated a cultural support programme for the countries of the ACP region to strengthen the role of the arts and culture in development. The programme fosters culture as a factor of business in these countries by promoting cultural production and the sale of cultural goods. The EU also finances a project initiated by UNESCO on strengthening the administrative bodies of cultural policy in developing countries.

15.7. Intercultural and Interfaith Dialogue

15.7.1. Austria’s contribution to intensifying dialogue

The inner-European and global developments of recent years underline the necessity of dialogue between and with the major world religions; something that Austria had already initiated three decades ago. At the same time it became clear that dialogue strategies must go far beyond support for interfaith dialogue, also encompassing migration and integration issues as well as the central political challenges of democracy, rule of law, compliance with fundamental and human rights and the promotion of social and cultural diversity. Dialogue thus is an important instrument for “diversity management” and sustainable conflict prevention and solution. Austria is interested in a comprehensive dialogue of cultures and religions,mainly in the context of the development of Islam in Europe and with European lifestyles. Dialogue activities with Muslim-majority societies predominantly in Asia, the Arab world and Turkey particularly focus on the increased involvement of women, their participation in society and politics and the integration of young people.

From 5–10 March, the FMEIA in cooperation with the Turkish Presidency of Religious Affairs (Diyanet) and ATIB (Turkish-Islamic Union for Cultural and Social Cooperation in Austria), the Austrian Integration Fund and the University of Vienna organised the third Applied Geography and Culture Training for Turkish Religious Representatives. With this annual training course, imams are prepared for their service at ATIB mosque associations. It comprises lectures, seminars and excursions with the aim of familiarising religious representatives with history, politics, the legal system, society and counselling institutions in Austria. The focus in 2011 was on women, family and education and the intercultural dialogue in Austria and Europe.

In 2011, this Austrian Studies course was extended to include voluntary women’s representatives in Austrian mosque associations (29 October to
16 December) and **dialogue officers for intercultural and interfaith cooperation** (2 November to 16 December). The event was organised in cooperation with the Islamic congregation in Austria whose new President, Fuat Sanac, took part in the closing event and diploma award ceremony on 16 December.

The third **Austrian-Indonesian Dialogue Symposium** on “Religious Pluralism, Freedom of Religion – Responsibilities of State, Society and Religious Communities” was held in Vienna and Salzburg from 6–10 June. This dialogue meeting was prepared by the FMEIA in cooperation with the Foreign Ministry of Indonesia, and Vienna and Salzburg Universities. 32 experts from Indonesia and Austria, including high-ranking officials of various religious communities attended the meeting.

On 19 September, the conference on **Role and Responsibility of Religious Communities and Civil Society for Conflict Resolution in South Caucasus** was held at the Foreign Ministry in the framework of its Black Sea Focus. Facilitator of the event was the former EU Special Representative for South Caucasus, Ambassador Peter Semneby. Representatives of FMEIA, ADA, Council of Europe and OSCE together with religious representatives from Armenia, Azerbaijan and Georgia and representatives from the civil society discussed possible approaches to peaceful conflict solution. A central issue was the constructive and effective role that congregations can play to foster mutual respect and dialogue. Education was singled out to be an important factor.

On 21 September, a panel discussion on **Jewish, Muslim and Christian Perspectives on Combating Discrimination and Promoting Inclusion** was held at the Diplomatic Academy. It was part of a visit of 18 young executives of the Anti-Defamation League to Austria. Together with representatives from the Jewish, Muslim and Christian faith, methods were explored how the young generation could be mobilised in the fight against any type of discrimination and segregation. Interfaith dialogue contributing to respect for each other was said to be of special importance in this context.

On 13 October, the Foreign Ministers of Austria, Saudi-Arabia and Spain signed the agreement on **founding the King Abdullah Bin Abdulaziz Centre for Interreligious and Intercultural Dialogue**. The Centre serves as a permanent platform for the dialogue between religious communities and ideologies. Conferences, seminars and advanced training projects are expected to trigger and support communication, understanding and concrete cooperation between people of different cultural and religious identities. The Centre is subject to the Universal Declaration of Human Rights of the UN and the promotion and observance of the fundamental rights of freedom and liberties.

### 15.7.2. Anna Lindh Foundation (ALF)

The Anna Lindh Foundation for Dialogue between Cultures (ALF), domiciled in Alexandria/Egypt, is responsible for a “Network of Networks” amongst the
43 member states of the Euro-Mediterranean Partnership, thus adding cultural and civil society elements to the political objectives of the Union for the Mediterranean (also refer to section 3.3.2.2.). The Austrian ALF network for the purpose of the “Dialogue of Cultures” is coordinated by the FMEIA and currently has 55 members from different parts of the Austrian civil society.

The highlight of this year’s activities was a joint project of the Austrian Anna Lindh network entitled: “Egypt in Transition – Ready for Democracy?”. Egyptian political activists, academics and representatives of civil society discussed the events and possible consequences of the 25th January-Revolution in Egypt at a public event on 7 June at the Diplomatic Academy in Vienna. Renowned Balkans and transition expert Vladimir Gligorov was one of the participants in the discussion on democratic challenges of transition facing the region. The initiative was part of the “Believe in Dialogue – Act for Citizenship” campaign of ALF, launched as an immediate response to the events in North Africa and the Arab world. One of the co-organisers of the discussion was the Austrian Institute for International Affairs (OIIIP).

During the demonstrations at the beginning of the year, the headquarters of the Anna Lindh Foundation in Alexandria had to be evacuated for a brief period, but it resumed its activities already in mid-February and adapted the programme to the new conditions to be able to provide swift assistance to the civil societies in the region (focusing on Tunisia and Egypt). By end of the year, Libya was granted observer status with the prospect of soon becoming the 44th member of the Anna Lindh Foundation.

15.7.3. ASEM interfaith dialogue

Interfaith dialogue at the Asia-Europe Meeting (ASEM), the only direct communication platform between the European and Asian states, is of particular importance. Austria provides both material as well as personnel support for the ASEM Dialogue conference alternating annually between Europe and Asia. In 2011, Austria again was co-sponsor of this dialogue conference held in Manila/Philippines on 13 and 14 October.

15.8. International Holocaust-Task Force (ITF) – International Network for Education, Remembrance and Research

The Task Force for International Cooperation on Holocaust Education, Remembrance and Research (ITF), an international institution with permanent secretariat in Berlin, was founded in 1998 on a Swedish initiative. The aim of this international network is the promotion of Holocaust education and research, instigating remembrance on a national as well as international level. It can avail itself of the expertise of renowned international scientists.
Austria was admitted into the ITF in 2001; during the memorial year 2008 it held the Network's presidency and has since been a central actor in the task force. The reform process launched under the Austrian presidency were continued under the Dutch presidency in 2011: In addition to progress made with regard to the rules of procedure, the reporting system for member states and the working programme, the agreement reached at the autumn plenary meeting in The Hague (28 November to 1 December) about changing the name to International Holocaust Remembrance Organization (IHRO) deserves special mention. The name change will take effect when Belgium takes over the presidency in March 2012. Daniel Libeskind is to design the new logo. Priority is to be granted to research on sites of killing that are threatened by destruction. All working groups will be involved in this programme.

The Austrian delegation is led by the FMEIA and the National Fund of the Republic of Austria. Austrian government representatives as well as experts from the Austrian Academy of Sciences, the National Fund, the Documentation Archive of the Austrian resistance movement as well as the “_erin-nern.at_” organisation contribute to the working groups. Austrian projects in the fields of Holocaust education, awareness building and research enjoy an excellent standing in the ITF.

**15.9. Prague Holocaust Restitution Process**

The European Shoah Legacy Institute (ESLI) was founded in 2009 in the wake of the Prague Holocaust Era Assets Conference (HEAC); Austria is represented in the Institute’s Advisory Council. The ESLI is an international research institution and voluntary forum for states, Holocaust survivor representative organisations and NGOs for promoting various aspects of coming to terms with NS past, in particular the restitution of Jewish property and support for Holocaust survivors.

Under the mandate of the Theresienstadt Declaration the states adopting it agreed on international guidelines for the restitution of and compensation for real estate expropriated by the NS regime in Prague on 9 June 2010.

In the year under review, Jaroslav Šonka was appointed new Director of the Institute. With the active participation of Austria, intensive consultations of the interested countries took place with the aim of organising a conference for implementation in 2012.
15.10. Future Fund of the Republic of Austria

The Future Fund of the Republic of Austria was established at the end of 2005 as a fund consuming the residual funds of the Fund for Reconciliation, Peace and Cooperation that had been established in 2000 and closed on 31 December 2005. The tasks of the Future Fund include the promotion of projects serving the interests and memory of victims of the Nazi regime, the reminder of threats caused by totalitarian systems and regimes of violence, and the promotion of respect for human rights and mutual tolerance in these fields. Another item on its agenda is scientific research in this context. The management of residual funds and the handling of tasks of the Reconciliation Fund was concluded at the end of 2010.

On 10 January, a new board was constituted. Former Executive President of the Vienna Education Board, Kurt Scholz, was appointed President of the Fund and former President of the Upper House of Austrian Parliament, Herwig Hösele, was appointed Secretary General of the Future Fund.

The FMEIA provides technical and administrative support. The Future Fund, the Federal Ministry of European and International Affairs, and the individual representations cooperate closely in many of the international projects of the Fund. One example is the redesign of the exhibition at the Austrian memorial site in the former Auschwitz-Birkenau concentration camp, and the education initiative on Holocaust and genocide prevention of the Salzburg Global Seminar.
16. Media and Information

16.1. PR, New Media, Web Presence

Informing the public about its tasks and activities and the foreign and European policies is a priority for the FMEIA. The Ministry uses various channels of information, including the new social media for reaching Austrian citizens in the most effective manner possible.

The video reports of Vice-Chancellor and Federal Minister Michael Spindelegger and State Secretary Wolfgang Waldner are an example of the fast information provision that is available for interested Austrians. Immediately after EU minister meetings, the public is informed about the most important developments and the position held by Austria. These video reports are published on the website of the FMEIA and on its own Youtube channel.

The Federal Ministry of European and International Affair was also the first Austrian ministry to open a twitter account at the beginning of 2011 and can be followed at @Minoritenplatz8. Twitter is yet another way to share information about its activities and provides topical information on travels, for example, quickly. Two more twitter accounts have been opened at @wolfgangwaldner and @teamHSTS.

The FMEIA considers it important to continuously provide the latest travel information for nearly 200 countries so that travellers can learn about their destinations and the security situation there or other important aspects. The Internet websites of the Federal Ministry of European and International Affairs are called up more than 3.6 million times per years, which makes more than 300,000 on average per month. The FMEIA always strives to improve the barrier-free character of its website.

The Ministry has availed itself of the latest technological developments and offers a smart phone application for download so that the necessary travel information can be retrieved anywhere anytime. This application was downloaded more than 32,000 times in 2011. It also provides information as to what to do when documents are lost, or when you fall ill abroad or for other emergencies, and it includes the telephone numbers of all Austrian ambassadors and consulates worldwide. A GPS functionality directs you to the nearest Austrian representation office if necessary.

An Open House Day again offered thousands of interested citizens an opportunity to visit the Ministry and obtain first-hand information about its work and activities.

The FMEIA considers it an important task to inform young people about current issues of foreign and European policy; in 2011 some 600 school pupils from all parts of Austria visited the Ministry. In addition to general presentations, they also received more specialised, in-depth information on topics requested by the individual schools.
16.2. Media Work

Informing the public via TV, radio, print and other media about crises, consular services for Austrians in need abroad, and about developments in European and international policy is an important element of the Ministry’s work. At peak times far more than 100 media requests are handled each day.

In addition to the press conferences of Vice-Chancellor and Foreign Minister Michael Spindelegger and State Secretary Wolfgang Waldner during high-level diplomatic visits abroad, background information briefings on important issues are also organised to ensure an optimum service for Austrian and foreign journalists. Furthermore full support for the press is assured at conferences and other events.

16.3. Dialogue about Europe

In the autumn of 2009 the Federal Ministry of Foreign and European Affairs launched the Dialogue of Europe Tour of Federal Minister Spindelegger; a platform for discussing European issues, opportunities and possibilities with Austrian citizens. The Dialogue Tour was continued with great success. One such event was held at the Danube University of Krems on 14 April 2011, attended by 300 interested citizens. Another followed on 28 April at the Europahaus in Klagenfurt. At these dialogue events, the above-average interest of Austrians in the EU was as apparent as the need for additional information. The Dialogue Tour will be continued in 2012.

Vice-Chancellor and Foreign Minister Michael Spindelegger held a keynote speech at the University of Graz on 4 May, and on 6 December he hosted a conference on Europe (“A New Course for Europe) at the Palais Niederösterreich in Vienna. German Minister of Finance Wolfgang Schäuble and Austrian Federal Ministers Maria Fekter and Reinhold Mitterlehner took part in the discussion. On 21 December, Vice-Chancellor and Federal Minister Michael Spindelegger visited his former grammar school in Mödling and engaged pupils in a discussion about Europe.

Another initiative to spread information about Europe is the “The EU and You” (Die EU und Du – eine Erfolgsgeschichte mit Zukunft) exhibition. The travelling exhibition was developed by the representation of the European Commission in Austria, the Austrian Society for European Policy and the FMEIA to familiarise young people with the history, presence and the future of the European Union. It has been shown at numerous schools since 2008.

About 170 young diplomats, students and other groups from Austria and other countries also visited the Ministry.

The FMEIA organised the 11th Girls Day offering specific information about job opportunities for young women.
In 2011 it was shown at nearly 40 schools, reaching out to more than 5,000 pupils.

There were also many visits of pupils at the Ministry, and at the request of the pupils, the staff of the Ministry was always pleased to hold presentations on EU topics.

Experts of the Foreign Ministry were invited to various other information events to hold presentations or lectures.

16.4. The Municipal Councillors for European Affairs Initiative

In early 2010, Minister Michael Spindelegger and the representation office of the European Commission in Vienna launched the initiative “Europa fängt in den Gemeinden an” (Europe begins in the local authorities) that aims at nominating persons in as many communities and municipalities as possible who are willing to act as central contacts for EU issues. It is, after all, the mayors and municipal councillors who are often the first people addressed by Austrians who have concrete questions about Europe or want a direct contact point at local and regional level for other issues. Currently more than 200 mayors and municipal councillors from all federal provinces and all political parties are involved in this initiative.

The service offered by the FMEIA for these contact persons includes a central liaison officer for “Municipal Councillors for European Affairs” at the Ministry, an e-mail information system with brief facts about current EU issues and seminars as well as trips to Brussels. Trainings seminars were held in St. Pölten (16 and 17 June), Linz (6 and 7 October) and Schladming (10 and 11 November). The seminars dealt with a wide range of issues, presented by numerous speakers and covered both general and regional topics of EU relevance, such as EU subsidies for cities and communities, and others. 25 Municipal Councillors for European Affairs went on an information trip to Brussels from 25 to 27 May. They visited the permanent representation of Austria at the EU, the liaison offices of the federal provinces, the offices of the association of Austrian cities, towns and local authorities. They met with Austrian MEPs and other Austrians working at EU institutions.

The training courses and the trips to Brussels were funded from EU funds (European Partnership).

A first, highly successful, interim assessment of this initiative was made at the annual assembly of the Municipal Councillors for European Affairs at St. Florian Monastery on 13 May, which was also attended by Vice-Chancellor and Federal Minister Michael Spindelegger.
16.5. Publications

In line with its goal of providing the public with the broadest possible information available the FMEIA issues publications on various issues. One such source of information is the yearly Foreign and European Policy Report in which Vice-Chancellor and Federal Minister Michael Spindelegger informs the Austrian Parliament and the public about all aspects of the Foreign Ministry’s work and the developments in foreign and European policy during the year under review. This report is published both as a book and as an electronic version on the website of the Foreign Ministry in German and English. Additional publications in 2011 were a presentation of Austria’s membership in the UN Security Council 2009/2010 and of its successful application for the UN Human Rights Council.

16.6. Press Officers’ Meeting

The Federal Ministry of European and Foreign Affairs organises an annual press officers’ meeting to pay tribute to the importance of PR and media work done at embassies, consulates and cultural fora. At the 2011 event, lectures were held, ideas were exchanged and a special media training focusing on TV interviews was offered.
17. The Austrian Foreign Service

17.1. Introduction

The issues dominating the “Administrative Affairs and Infrastructure” section were budget cuts and a hiring freeze, while living up to the challenge of providing the best HR and infrastructural service in a year of consular crises.

The upheavals, that were to some extent violent, and the military conflicts during what is known as the “Arab Spring”, together with the devastating tsunami in Japan called for extraordinary action: Security measures were increased – which included the purchase of safe vehicles for the embassies in Libya, Syria, Pakistan and Nigeria; emergency teams were deployed to the crisis regions to support Austrians on site and to organise evacuations; two embassies (Tripoli and Tokyo) had to be evacuated and foreign offices (Djerba and Osaka) had to be installed.

At the same time, the year 2011 also put the budget management of the FMEIA to the test: After years of stable budgets, available funds were seriously reduced for the first time. A budget of nominally 13 million euros less than in the previous year had to suffice while increases outside the Ministry’s sphere of influence (e.g. crisis management, wage negotiations, high rent increases especially in Asia or Africa) needed to be covered by making cuts in other areas. Spending had to be cut back by 30 million euros in total to be able to stay within budget.

In human resources terms, the objectives could only be reached through a personnel hiring freeze. In the Administration and Infrastructure section at the headquarters in Vienna costs were saved by curtailing the expenses for business trips, the protocol department, service and maintenance agreements. In other countries, the savings potential was examined with each representative office and then utilised; and the gradual restructuring of Austrian representations abroad that had begun in 2009/2010 was continued. The Austrian Embassies in Oman and Zimbabwe and the Consulate General in Zurich were closed.

The real estate property of Austrian missions abroad was a priority target of the austerity measures: Rent was re-negotiated in several cities (in Brussels, Athens and Manila, for example), and buildings that are not ideally used have been put up for sale. Efforts to implement co-location projects with other EU member states were continued.

Some projects for location optimisation had to be postponed for security reasons (North Africa and Middle East) or could not be concluded because of complex situations in the host states, as was the case in Beijing, for example.

To ensure efficient real estate management for the future, a property database with the inclusion of all property owned by the Foreign Ministry was set up and this will also contribute to optimisation of energy use.
The future-oriented course of austerity and cut-back measures and strict budgetary discipline made it possible to stay within the 2011 budget despite an unforeseen increase in international compulsory contributions caused by higher spending of peacekeeping operations of the United Nations.

Despite the tight budget, the Foreign Ministry strove to invest in future-oriented areas and in its human resource by re-channelling funds. These sustainable projects included the opening of the Austrian Green Embassy in Jakarta, investment in IT security, pilot projects for making administration more flexible, and priority initiatives in advanced training, preventive health care and safety at missions abroad. The legal situation of family members abroad was improved thanks to a pilot agreement with the USA on access to the labour market. The public service act amendment adopted by the Austrian Parliament at the end of 2011 finally laid down in law the annual adjustment of salaries earned abroad, something that the Ministry’s employees had been striving for many years.

17.2. Human Resource

**Staffing levels at the FMEIA in 2011 by career scheme and gender**

<table>
<thead>
<tr>
<th>Career scheme</th>
<th>Men</th>
<th>Women</th>
<th>Total</th>
<th>Women (in%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Austria</td>
<td>Abroad</td>
<td>Austria</td>
<td>Abroad</td>
</tr>
<tr>
<td>Diplomatic staff (A1/v1, A/a)</td>
<td>132</td>
<td>156</td>
<td>64</td>
<td>82</td>
</tr>
<tr>
<td>Consular/administrative staff (A2/v2, B/b)</td>
<td>44</td>
<td>87</td>
<td>66</td>
<td>41</td>
</tr>
<tr>
<td>Technical staff (A3/v3, C/c)</td>
<td>95</td>
<td>106</td>
<td>125</td>
<td>206</td>
</tr>
<tr>
<td>Qualified support and office staff (A4/A5/v4, D/dm, P2/P3/p2/p3, h2/h3)</td>
<td>15</td>
<td>0</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Auxiliary service (A7/v5, E7e, p4/p5, h4/h5)</td>
<td>15</td>
<td>0</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>IT specialists</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>635</strong></td>
<td><strong>590</strong></td>
<td><strong>1,225</strong></td>
<td><strong>48.2</strong></td>
</tr>
</tbody>
</table>
As far as employees with disabilities are concerned, the FMEIA exceeded the compulsory number of 50 by 2 persons as at 31 December 2011.

No selection processes were carried out in 2011.

The employees in the diplomatic missions abroad were supported by 677 local employees (as at 31 December 2011) who are employed under the employment legislation of the respective host countries.

The Ministry offers administrative trainees the possibility of a limited one-year internship in Austria as a start into their working lives. From 1 January to 31 December, a total of 67 people did their administrative training in Employment Group v1.

Since autumn 2009, seven apprentices are trained to become “administrative assistants” (3 men/4 women).

The average retirement age of public servants at the FMEIA was 63.5 years in 2011 (women: 65 years, men: 63 years). In the past ten years the average retirement age of BMEIA officials has always been 60+ and as such has been above the federal average (2011: 60.42 years).

Six employees from BMEIA changed to EAD in 2011.
17.3. The Foreign Ministry’s Budget

The federal budget estimate for 2011 was 427.1 million euros, broken down into approx. 62.792 million euros for head office expenses, 168.917 million euros for Austrian representations abroad, 6.437 million euros for cultural projects and activities, 1.713 million euros for international conferences, 97.829 million euros for contributions to international organisations and 89.412 million euros for the Austrian Development Agency GmbH and the Foreign Disaster Relief Fund.

<table>
<thead>
<tr>
<th>Year</th>
<th>FMEIA budget</th>
<th>Share of FMEIA budget in%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>299,775</td>
<td>0.50%</td>
</tr>
<tr>
<td>2003</td>
<td>307,000</td>
<td>0.50%</td>
</tr>
<tr>
<td>2004</td>
<td>340,928</td>
<td>0.54%</td>
</tr>
<tr>
<td>2005</td>
<td>380,000</td>
<td>0.59%</td>
</tr>
<tr>
<td>2006</td>
<td>388,000</td>
<td>0.59%</td>
</tr>
<tr>
<td>2007</td>
<td>388,109</td>
<td>0.56%</td>
</tr>
<tr>
<td>2008</td>
<td>388,087</td>
<td>0.56%</td>
</tr>
<tr>
<td>2009</td>
<td>435,675</td>
<td>0.56%</td>
</tr>
<tr>
<td>2010</td>
<td>440,902</td>
<td>0.62%</td>
</tr>
<tr>
<td>2011</td>
<td>427,100</td>
<td>0.61%</td>
</tr>
</tbody>
</table>
17.4. Worldwide Infrastructure

17.4.1. Real estate management and construction projects

The FMEIA uses properties located in more than 80 countries as embassies, consular offices, cultural forums, missions to international organisations in order to fulfil its foreign policy agenda. These premises include historic buildings such as those in London, Paris and Rome as well as modern properties such as the premises in Jakarta, Berlin and New York. A team of facility management specialists is in charge of the necessary acquisitions, sales, leases, construction projects, conversion and renovation activities and also evaluates the premises. The most important criteria in assessing and evaluating these facilities are functionality, safety and security, as well as cost effectiveness, with ecological sustainability also being of increasing importance in this context.

Given the tight austerity measures of the Federal Ministry, the real estate management group contributes an important share to cost savings. In addition to selling properties that are no longer needed, they also pursue the ongoing optimisation of existing buildings. Rent costs were reduced in 2011, thanks to renegotiations of contracts, for example in Brussels. To maintain a network of missions abroad that can be financed in a sustainable manner, targeted investment is planned and made in freehold property at important locations.

In addition to accommodating institutions of the Republic of Austria abroad, closer cooperation with EU and Schengen partners, including Switzerland, the Czech Republic and Hungary enables the Ministry to benefit from synergy effects. The co-location strategy aims at better utilisation of the space in existing property and the shared use and/or operation of premises together with other countries.

The development of a real property database (LIDA) was continued with a view to optimising property management. The database is also a contribution to the administrative reform efforts of the Federal Government. All FMEIA property abroad is precisely listed in LIDA, and it is expected that it will ensure predictive and targeted management. Positive effects are expected for energy data recording and control mechanisms to increase the efficiency of use.

17.4.1.1 Ecological and green buildings abroad

The Federal Ministry for European and Foreign Affairs tries to be a role model in terms of sustainability and efficient energy use. The first low-energy embassy (“Green Embassy”) in South-East Asia was opened in Jakarta. This “Austria branded” prestige project is an excellent example of sustainable architectural design and environmental engineering. CNN International covered the green embassy concept in a documentary, yet another proof of the importance of this concept.
The next step in this direction is the planning of a green embassy in **Bangkok** that will be located on the current embassy premises. In this case, the aim is to create traditional local architectural design with the smallest possible technical support.

In 2011, several sites in Africa were equipped with solar systems in the course of the renovation of building services, and further projects with high energy saving factors are planned for 2012. In countries with many hours of sunshine per year, photovoltaic systems will be installed together with solar water-heating systems. In addition to energy generation, a crisis-resistant supply of telecommunication systems of embassies is ensured.

Ongoing modernisation of building services and efficient monitoring by means of the new LIDA property database aim at a **positive energy and CO2 household** of the FMEIA. Data were recorded worldwide for this purpose in 2011.

### 17.4.2. IT

The most important information and communication technology (ICT) projects 2011 were:

- **ELISA** – The project involved the upgrade of the ICT infrastructure and the introduction of an information management system (IMS) at properties of representations abroad. It was concluded in the first quarter of 2011. All objectives of the project were achieved, most importantly high user acceptance and increased efficiency based on integrated electronic processing of files.

- **WAN2011** – New data lines were installed to connect the representations abroad to the headquarters, and bandwidths were in some cases significantly increased (while costs were saved at the same time). New functionalities, such as voice encryption or direct, automated transfer of upgrades (replacing the CDs previously used) have become possible thanks to this new network.

- A new **server and storage infrastructure** was implemented for the systems at the head offices. A **VDI** (Virtual Desktop Infrastructure) concept to improve ICT security has been introduced, which paved the ground for cloud technology and “green IT”. The new technologies help to reduce energy consumption in the medium run.

- New technological systems were introduced to meet the latest specifications of the EU for **visa**. Biometric data (finger prints) have already been scanned and processed at the embassies of Cairo, Tunis, Algiers and Rabat.
17.4.3. Information and knowledge management

The Foreign Ministry was the first Austrian ministry to introduce the Electronic Filing System ELAK in 1995, and by 1999 all organisational units of the ministry were included in the system.

The Federal Computing Centre, the Austrian State Archive and the Ministry developed a procedure for sighting, sorting and archiving the electronic files from the year 1999, that had reached the end of the compulsory filing period, in the Austrian State Archive.

Sighting is done to reduce the number of files of a given year and to ensure that the procedures and decisions of the Federal Ministry for European and Foreign Affairs are comprehensible in later years.

As knowledge management in public administration is gaining more and more importance, the Office of the Federal Chancellery installed a working group that is going to define the objectives and tasks of knowledge management in public services.

At the FMEIA the following areas have been specified for knowledge management:

- **ELBA** (Electronic Basic Information Foreign Policy) ensures up-to-date country information for the ministry staff.
- **PEDAS** (Personnel Data System) is an HR database for efficient HR management at the FMEIA.
- The **FIPS** database (Fully Integrated Personal System) always shows the current organisational structure of the FMEIA.
- **HAD** (Handbuch für den auswärtigen Dienst or Manual for Foreign Action Service) and regulations for the work in the head offices can be called up on the Intranet.
- Provision of external information databases (**RDB**, foreign on-line news agencies) and dailies in electronic form.
- The book stock of the Foreign Policy Library is continuously expanded and was 102,400 books and magazines at the end of 2011.
- The Cultural Fora managed by the Foreign Policy Library increased their stocks as well and integrated their holdings into the general catalogue of scientific libraries in the German-speaking territories (**ALEPH**). As from 2011, magazine articles have been entered in ALEPH that are only available at the Foreign Policy Library.
17.5. Austrian Representations Abroad – Honorary Consulates

Diplomatic and other missions of FMEIA as at 31 Dec. 2011

<table>
<thead>
<tr>
<th>Mission Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bilateral Embassies</td>
<td>81</td>
</tr>
<tr>
<td>Permanent Representations at international organisations</td>
<td>5</td>
</tr>
<tr>
<td>Consulates-General</td>
<td>10</td>
</tr>
<tr>
<td>Independent cultural fora</td>
<td>6</td>
</tr>
<tr>
<td>Other Austrian Representations abroad</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>103</td>
</tr>
</tbody>
</table>

With regard to the budget and austerity measures adopted by the Federal Government, the network of Austrian representations abroad was adjusted after in-depth evaluation and based on objective criteria (including the number of consular services for Austrians abroad, the intensity of the exchange of political visits, trade volume, and domestic direct investments). In 2011, the diplomatic missions in Muscat (July), Harare (December) and Zurich (September) were closed. At the same time, a pilot project in cooperation with the Austrian Economic Chamber was carried out and a shared office opened in Doha (Qatar).

In addition to the offices abroad that fall directly under the remit of the FMEIA, Austria in its worldwide presence can also avail itself of the Austrian Development Agency (ADA) managing Austrian development cooperation activities with eleven coordination offices worldwide. Add to this the Austria Institutes (AI) that have been running German language courses at nine locations outside of Austria since 1997, as well as other representations (e.g. OECD representation in Paris) not under the remit of the FMEIA.

Approx. 280 Honorary Consulates provide valuable support and contribute to the work of the Austrian Foreign Service around the world. Honorary Consuls, who are eminent figures with close ties to Austria, work for Austria on an honorary basis and also provide the necessary infrastructure to offer consular services. Thanks to their commitment and dedication, they extend the network of Austria’s international consular presence and contribute to the promotion of economic and cultural relations between Austria and the respective host country.
# 17.7. Austrian Representations Abroad and their Directors

<table>
<thead>
<tr>
<th>Country</th>
<th>Location</th>
<th>Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALBANIA</td>
<td>AE Tirana</td>
<td>Mag. Florian RAUNIG</td>
</tr>
<tr>
<td>ALGERIA</td>
<td>AE Algiers</td>
<td>Mag. Aloisia WÖRGETTER</td>
</tr>
<tr>
<td>ARGENTINA</td>
<td>AE Buenos Aires</td>
<td>DDR. Robert ZISCHG</td>
</tr>
<tr>
<td>ARMENIA, GEORGIA, UZBEKISTAN</td>
<td>AE for Armenia, Georgia, Uzbekistan (domiciled in Vienna)</td>
<td>Mag. Dr. Michael POSTL</td>
</tr>
<tr>
<td>AUSTRALIA</td>
<td>AE Canberra</td>
<td>Dr. Hanns PORIAS</td>
</tr>
<tr>
<td>AZERBAIJAN</td>
<td>AE Baku</td>
<td>Mag. Sylvia MEIER-KAJBIC</td>
</tr>
<tr>
<td>BELGIUM</td>
<td>AE Brussels*</td>
<td>Dr. Karl SCHRAMMEK</td>
</tr>
<tr>
<td>BOSNIA and HERZEGOVINA</td>
<td>AE SARAJEVO</td>
<td>Mag. Dr. Donatus KÖCK</td>
</tr>
<tr>
<td>BRAZIL</td>
<td>AE Brasilia</td>
<td>Dr. Hans Peter GLANZER</td>
</tr>
<tr>
<td>BULGARIA</td>
<td>AE Sofia</td>
<td>Mag. Gerhard REIWEGER</td>
</tr>
<tr>
<td>CANADA</td>
<td>AE Ottawa*</td>
<td>Mag. Werner BRAND-STETTER</td>
</tr>
<tr>
<td>CHILE</td>
<td>AE Santiago de Chile</td>
<td>Mag. Dorothea AUER**</td>
</tr>
<tr>
<td>CHINA</td>
<td>AE Beijing*</td>
<td>Mag. Dr. Irene GINER-REICHL**</td>
</tr>
<tr>
<td></td>
<td>CG Hongkong</td>
<td>Mag. Gerhard MAYNNDARDT</td>
</tr>
<tr>
<td></td>
<td>CG Shanghai</td>
<td>Michael HEINZ</td>
</tr>
<tr>
<td>COLOMBIA</td>
<td>AE Bogotá</td>
<td>Dr. Andreas LIEBMAN-HOLZMANN</td>
</tr>
<tr>
<td>CROATIA</td>
<td>AE Zagreb*</td>
<td>Mag. Andrea IKIC-BÖHM</td>
</tr>
<tr>
<td>CUBA</td>
<td>AE Havana</td>
<td>Mag. Andreas RENDL</td>
</tr>
<tr>
<td>CYPRUS</td>
<td>AE Nicosia</td>
<td>Mag. Martin WEISS</td>
</tr>
<tr>
<td>CZECH REPUBLIC</td>
<td>AE Prague*</td>
<td>Dr. Ferdinand TRAUTT-MANNSDORFF</td>
</tr>
<tr>
<td>DENMARK</td>
<td>AE Copenhagen</td>
<td>Mag. Dr. Daniel KRUMHOLZ</td>
</tr>
</tbody>
</table>

*Bilateral embassies including cultural fora

**designated
### Austrian Representations Abroad – Honorary Consulates

<table>
<thead>
<tr>
<th>Region</th>
<th>Location</th>
<th>Honorary Consul/Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>AE Cairo*</td>
<td>Dr. Thomas NADER</td>
</tr>
<tr>
<td></td>
<td>Sudan, Eritrea</td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td>AE Tallinn</td>
<td>Mag. Renate KOBLER</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>AE Addis Ababa</td>
<td>MMag. Dr. Gudrun GRAF</td>
</tr>
<tr>
<td></td>
<td>Djibuti, Congo, Uganda, South Sudan</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>AE Helsinki</td>
<td>Dr. Margit WÄSTFELT</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>AE Paris*</td>
<td>Dr. Ursula Plassnik</td>
</tr>
<tr>
<td></td>
<td>CG Strasbourg</td>
<td>Mag. Wolfgang Strohmayer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>AE Berlin*</td>
<td>Dr. Ralph SCHIEDE</td>
</tr>
<tr>
<td></td>
<td>CG Munich</td>
<td>Dr. Ingrid PECH</td>
</tr>
<tr>
<td>Great Britain and</td>
<td>AE London</td>
<td>Dr. Emil BRIX</td>
</tr>
<tr>
<td>Northern Ireland and</td>
<td>CF London</td>
<td>Mag. Peter MIKL</td>
</tr>
<tr>
<td>Channel Islands and Isle of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Man</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>AE Athens</td>
<td>Dr. Michael LINHART</td>
</tr>
<tr>
<td>Holy See</td>
<td>AE Holy See</td>
<td>Dr. Alfons KLOSS</td>
</tr>
<tr>
<td></td>
<td>San Marino, Sovereign</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Military Order of Malta</td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td>AE Budapest</td>
<td>Dr. Michael Zimmermann</td>
</tr>
<tr>
<td></td>
<td>CF Budapest</td>
<td>Dr. Elisabeth Kornfeind</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>AE New Delhi*</td>
<td>Dr. Ferdinand MAULTASCHL</td>
</tr>
<tr>
<td></td>
<td>Bangladesh, Bhutan,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maldives, Nepal, Sri Lanka</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>AE Jakarta</td>
<td>Dr. Andreas Karabaczeck**</td>
</tr>
<tr>
<td></td>
<td>Singapore, East Timor</td>
<td></td>
</tr>
<tr>
<td>Iran</td>
<td>AE Teheran*</td>
<td>Dr. Thomas BUCHSBAUM</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td>AE Dublin</td>
<td>Dr. Walter Hagg</td>
</tr>
<tr>
<td>Israel</td>
<td>AE Tel Aviv*</td>
<td>Dr. Franz Kuglitsch</td>
</tr>
<tr>
<td>Italy</td>
<td>AE Rome</td>
<td>Dr. Christian Berlakovits</td>
</tr>
<tr>
<td></td>
<td>CF Rome</td>
<td>Mag. Christoph Meran</td>
</tr>
<tr>
<td></td>
<td>CG Milan*</td>
<td>Mag. Sigrid Berka</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>AE Tokyo*</td>
<td>vacant</td>
</tr>
<tr>
<td>Jordan</td>
<td>AE Amman</td>
<td>Mag. Astrid Harz</td>
</tr>
<tr>
<td></td>
<td>Iraq</td>
<td></td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>AE Astana</td>
<td>Mag. Ursula Fahringer</td>
</tr>
<tr>
<td></td>
<td>Kyrgyzstan, Tajikistan, Turkmenistan</td>
<td></td>
</tr>
</tbody>
</table>

*Bilateral embassies including cultural fora

** designated
<table>
<thead>
<tr>
<th>Country</th>
<th>City</th>
<th>Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>KENYA</td>
<td>AE Nairobi</td>
<td>Mag. Christian HASENBIHELCHER</td>
</tr>
<tr>
<td>Burundi, Comoros, DR Congo, Rwanda, Seychelles, Somalia, Tanzania, Zambia, Malawi</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KOREA</td>
<td>AE Seoul</td>
<td>Dr. Josef MÜLLNER</td>
</tr>
<tr>
<td>KOSOVO</td>
<td>AE Pristina</td>
<td>Dr. Johannes BRIEGER</td>
</tr>
<tr>
<td>KUWAIT</td>
<td>AE Kuwait</td>
<td>Mag. Marian WRBA</td>
</tr>
<tr>
<td>Bahrain</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LATVIA</td>
<td>AE Riga</td>
<td>Dr. Stefan PEHRINGER</td>
</tr>
<tr>
<td>LEBANON</td>
<td>AE Beirut</td>
<td>Dr. Eva Maria ZIEGLER</td>
</tr>
<tr>
<td>LIBYA</td>
<td>AE Tripoli</td>
<td>Mag. Franz HÖRLBERGER</td>
</tr>
<tr>
<td>LITHUANIA</td>
<td>AE Vilnius</td>
<td>Dr. Helmut KOLLER</td>
</tr>
<tr>
<td>LUXEMBOURG</td>
<td>AE Luxembourg</td>
<td>DR. Thomas OBERREITER</td>
</tr>
<tr>
<td>MACEDONIA</td>
<td>AE Skopje</td>
<td>Dr. Thomas Michael BAIER</td>
</tr>
<tr>
<td>MALAYSIA</td>
<td>AE Kuala Lumpur</td>
<td>Mag. Andrea WICKE</td>
</tr>
<tr>
<td>Brunei Darussalam</td>
<td></td>
<td></td>
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<td>MALTA</td>
<td>AE Valletta</td>
<td>DDr. Petra SCHNEEBAUER</td>
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<tr>
<td>MEXICO</td>
<td>AE Mexico*</td>
<td>Mag. DR. Alfred LÄNGLE</td>
</tr>
<tr>
<td>Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua</td>
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<td></td>
</tr>
<tr>
<td>MONTENEGRO</td>
<td>AE Podgorica</td>
<td>Mag. Martin PAMMER</td>
</tr>
<tr>
<td>MOROCCO</td>
<td>AE Rabat</td>
<td>Dr. Wolfgang ANGERHOLZER</td>
</tr>
<tr>
<td>Mauretania</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NETHERLANDS</td>
<td>AE The Hague</td>
<td>Dr. Wolfgang PAUL</td>
</tr>
<tr>
<td>NIGERIA</td>
<td>AE Abuja</td>
<td>Mag. Dr. Stefan SCHOLZ</td>
</tr>
<tr>
<td>Equatorial Guinea, Benin, Gabon, Ghana, Cameroon, Togo, Chad, Sao Tome and Principe, Central African Republic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NORWAY</td>
<td>AE Oslo</td>
<td>Dr. Thomas WUNDER-BALDINGER**</td>
</tr>
<tr>
<td>PAKISTAN</td>
<td>AE Islamabad</td>
<td>Mag. Axel WECH</td>
</tr>
<tr>
<td>Afghanistan</td>
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</tr>
<tr>
<td>PERU</td>
<td>AE Lima</td>
<td>Dr. Andreas MELAN</td>
</tr>
<tr>
<td>Bolivia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHILLIPINES</td>
<td>AW Manila</td>
<td>Mag. Wilhelm DONKO</td>
</tr>
<tr>
<td>Palau</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Bilateral embassies including cultural fora
** designated
Austrian Representations Abroad – Honorary Consulates

POLAND
AE Warsaw
CF Warsaw
CG Krakow*
Mag. Dr. Herbert KRAUSS
Mag. Ulla KRAUSS-NUSS-BAUMER
Mag. Christophe CESKA

PORTUGAL
AE Lisbon
Cap Verde
Mag. Bernhard WRABETZ

QATAR
AE Doha
Mag. Roland HAUSER**
(domiciled in Vienna)

ROMANIA
AE Bucharest*
DR. Michael SCHWARZ-INGER

RUSSIA
AE Moscow*
Dr. Margot KLESTIL-LÖFFLER

SAUDI-ARABIA
AE Riyadh
Dr. Johannes WIMMER

SENEGAL
AE Dakar
Dr. Gerhard DEISS
Burkina Faso, Côte d’Ivoire,
Gambia, Guinea, Guinea-
Bissau, Liberia, Mali, Sierra
Leone

SERBIA
AE Belgrade*
Dr. Clemens KOJA

SLOVAKIA
AE Bratislava*
Dr. Markus WUKETICH

SLOVENIA
AE Ljubljana*
Dr. Erwin KUBESCH

SOUTH AFRICA
AE Pretoria
Mag. Otto DITZ
Botswana, Lesotho, Madagas-
car, Mauritius, Namibia, Swa-
ziland, Zimbabwe, Mozam-
bique, Angola

SPAIN
AE Madrid*
Dr. Rudolf LENNKH
Andorra

SWEDEN
AE Stockholm
Mag. Dr. Ulrike TILLY

SWITZERLAND
AE Bern*
Mag. Jürgen MEINDL

SYRIA
AE Damascus
Dr. Maria KUNZ

THAILAND
AE Bangkok
Mag. Dr. Johannes PETERLIK
Cambodia, Laos, Myanmar

TUNISIA
AE Tunis
Dr. Johann FRÖHLICH

TURKEY
AE Ankara
Dr. Klaus WÖLFER**
CG Istanbul
Paul JENEWEIN
CF Istanbul
Mag. Doris DANLER

UKRAINE
AE Kiev*
Mag Wolf-Dietrich HEIM

UNITED ARAB EMIRATES
AE Abu Dhabi
Dr. Julius LAURITSCH

*Bilateral embassies including cultural fora
** designated
The Austrian Foreign Service

UNITED STATES OF AMERICA

Bahamas

AE Washington*  Dr. Hans Peter MANZ
CG Chicago  Mag. Thomas SCHNÖLL
CG Los Angeles  Mag. Karin PROIDL
CG New York  Dr. Ernst-Peter BREZOVSKY
CF New York  Mag. Andreas STADLER

VENEZUELA

Antigua and Barbuda, Barbados, Dominica, Dominican Republic, Grenada, Guyana, Haiti, St. Vincent and the Grenadines St. Lucia, St. Kitts and Nevis, Trinidad and Tobago

AE Caracas  Mag. Thomas SCHULLER-GÖTZBURG

VIETNAM  AE Hanoi  Dr. Georg HEINDL

Liechtenstein AE Liechtenstein (domiciled in Vienna)
Permanent representative to the UN in New York  Mag. Dr. Arthur WINKLER-HERMADEN**
Permanent representation to the United Nations Office and the Specialised Agencies in Geneva  Dr. Martin SAJDIK**
Permanent representative to the UN IAEA and UNIDO and CTBTO in Vienna  Dr. Christian STROHAL
Permanent representative to the EU in Brussels  Mag. Walter GRAHAMMER
Permanent representative to the Council of Europe in Strasbourg  Dr. Thomas HAJNOCZI
Permanent representative to the OSCE in Vienna  Mag. Christine MOSER
Permanent representative to the UNESCO in Paris  Dr. Ursula PLASSNIK
Permanent representative to the OPCW in The Hague  Dr. Wolfgang PAUL
Permanent representative to NATO in Brussels  Dr. Karl SCHRAMEK
Permanent representative to the Danube Commission in Budapest  Dr. Michael ZIMMERMANN
Permanent representative to the OMT in Madrid  Dr. Rudolf LENNKH
Permanent representative to UNEP and HABITAT in Nairobi  Mag. Christian HASENBI-CHLER

Austrian Embassy Chișinău (Moldova)  Coordination office of the Austrian Development Agency (ADA)

AE Singapore (Singapore)  Office of the Trade Senator (Austrian Economic Chamber)

*Bilateral embassies including cultural fora
** designated
Consulate General Guangzhou (China)  
Branch Office of the Trade Senator (Austrian Economic Chamber)

CG Sao Paulo (Brazil)  
Office of the Trade Senator (Austrian Economic Chamber)

Permanent representative to the WTO in Geneva  
reports to the Federal Ministry of Economy, Family and Youth

Permanent representative to the FAO in Rome  
reports to the Federal Ministry of Agriculture, Forestry, Environment and Water Management

Permanent representative to the OECD in Paris  
reports to the Federal Chancellery

as at: 31 Dec. 2011
* Bilateral embassies including cultural fora
** designated

17.8. Excursus: The Diplomatic Academy Vienna

**Diplomatic Academy Vienna**

The Diplomatic Academy of Vienna (DA) was founded by Empress Maria Theresia as the “Oriental Academy” and is the oldest diplomatic academy in Europe. During WWII it was closed and re-opened in 1964 under its contemporary name as an institute of post-gradual education; in 1996 it was withdrawn from federal administration both in terms of organisation and finances. In the 2011/12 academic year, a total of **160 students from 48 countries** were enrolled at the DA.

<table>
<thead>
<tr>
<th>Course of studies</th>
<th>Number of students</th>
<th>of whom Austrians</th>
</tr>
</thead>
<tbody>
<tr>
<td>47th Diploma course</td>
<td>31 (successful graduates)</td>
<td>20</td>
</tr>
<tr>
<td>48th Diploma course</td>
<td>28 (successful graduates)</td>
<td>13</td>
</tr>
<tr>
<td>14th MAIS course</td>
<td>37 (successful graduates)</td>
<td>18</td>
</tr>
<tr>
<td>15th MAIS course</td>
<td>47</td>
<td>15</td>
</tr>
<tr>
<td>16th MAIS course</td>
<td>62</td>
<td>16</td>
</tr>
<tr>
<td>3rd ETIA course</td>
<td>18 (successful graduates)</td>
<td>4</td>
</tr>
</tbody>
</table>
Special focus courses were held in the course of the programme for **Diplomatic training and advanced training** (Executive Training Programme); target group: diplomats and other members of public services from the following countries and or country groups: East and Southeast Europe, South Caucasus, Kazakhstan, Africa and the Middle East. The Diplomatic Academy also organised training courses as part of the basic training for the FMEIA; training modules for diplomats and administrative staff in Serbia and Montenegro and other seminars, such as for the Energy Community Secretariat.

56 participants from 25 countries attended the **Summer Course for German Language and Austrian Studies. Summer schools** were organised for the European Studies Institute of MGIMO University (Moscow) and the Free University of Brussels.

**Conferences:** Some 100 public events were held at the DA, including lectures and panel discussions with the Vice-President of Columbia, the Ministers of Foreign Affairs of Armenia and Kosovo and the Vice-President of the European Commission. Conferences were held on such varied topics as “The Evolution of Diplomacy – Since the Vienna Convention on Diplomatic Relations and the Reopening of the Diplomatic Academy by Bruno Kreisky in 1964”, the Vienna Summit of 1961, the fight against human trafficking and the Common Security and Defence Policy of the European Union after the Treaty of Lisbon. The Milton-Wolf Seminar on Media and Diplomacy dealt with “Picking up the Pieces: Fragmented Sovereignties and Emerging Information Flows”, and the annual seminar of the International Peace Institute was dedicated to “Coping with crisis in Europe and Central Asia: Adapting to new threats and challenges”. In addition to all these activities, the DA together with the Future Fund of the Republic of Austria launched “Workshop Talks” as they are called.

The 39th Meeting of the **International Forum on Diplomatic Training** (a meeting of directors of diplomatic academies and similar training institutes chaired by the DA and the Georgetown University, Washington DC) was held in September at the invitation of the Fletcher School of Tufts University in Boston, USA. 95 people from more than 50 countries attended the meeting.

Publications in 2011 included the **Annual Report of the Diplomatic Academy of Vienna** and a **Favorita Paper** on “Academics Meet UN-Practitioners: An Encounter in Vienna”.

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18. Selected Documents

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18.1. Vice-Chancellor and Federal Minister
Dr Michael Spindelegger
Speech before the Foreign Policy and United Nations
Association of Austria, “Austrian foreign policy –
Where we stand in an age of upheaval”, Vienna,
Parliament, 22 November 2011

Dear Mr President, dear Fritz,
My honoured predecessors,
Your Excellencies,
Dear Wolfgang,
Ladies and Gentlemen,

The state of permanent and ongoing change is part of our existence. It often generates uncertainty and tempts us to withdraw into our own shell.

This desire to ignore, to retreat into our own safe, small world where we think we can regulate our own affairs, may at first sight appear understandable, but it leads us astray.

For instance, as regards the all-prevailing topic of these days, the “euro crisis”, we keep hearing the demand that we should leave the euro behind, that others should be excluded. These demands are not only wrong, they are even dangerous!

It would be a serious error to believe that we could escape the debt crisis overnight if only Greece and perhaps a few other euro countries were to leave the common currency – or if, conversely, we Austrians were to seek our salvation in the schilling or even in a “northern euro”.

For, if the last few months have made anything clear at all, it is that we are highly networked with each other, indeed highly reliant on each other. In the Europe of today, the concerns of Ireland are also the concerns of Slovakia, the concerns of Greece the concerns of Austria, the concerns of Spain are the concerns of the Netherlands. More than ever it is clear that our responsibility does not end at the national borders!

In the same way as we require our Greek and Italian friends to present credible reform plans and to implement them consistently, we too must do our homework here in Austria. This includes doing everything to get our own budget policies back in order. Against the background of the domestic policy debates of the last few days, I would like to insist emphatically that nothing will prevent the establishment of a debt ceiling in the Federal Constitution.
as we have proposed. The debt ceiling is not a placebo, but rather a constitutional law requirement that all present and future governments will have to comply with. It does not replace the necessary structural reforms such as in the health system, in the field of early retirement or cost drivers such as the Austrian Railways, but it again creates scope for investments in the future. The opposition now has the opportunity to prove that it is capable of assuming responsibility for the state as a whole and not merely thinking in party political categories.

The crisis that we in the European Union are experiencing at the moment cannot be overcome by means of sensationalist measures. It requires perseverance and staying power. And it needs a long-term strategy for a common – strengthened – Europe. I set out my ideas on this last week at a speech at the London School of Economics. We need nothing less than a change of direction in Europe. We need more Europe in economic policies, not less. And this should be achieved, if necessary, by means of an amendment of the Treaty that would also include the transfer of specific sovereign and fiscal powers to European level, and at the centre of which will be the European Commission as governing body.

By more Europe I do not, however, mean a one-way street to Brussels. Europe functions at its best if it is part of our lives and thoughts at all levels. For this reason, we must also examine what regulatory content is better located at the national level: the major strategy statements at European level, their detailed implementation in the member states. The national parliaments are a part of this common European thought and action. We must all make the Union something that can be grasped and experienced once again.

Ladies and gentlemen,

Although the euro crisis is the topic of the moment, I want today to deliberately look beyond the European horizon. For, euro crisis or not, the world does not stand still. It continues to turn, and as might be said in the light of the developments in the Arab region for instance, even faster than we had expected.

Rigidity from shock and navel-gazing will not advance us at all. This applies both to economic and European policies and to foreign policies. We must adjust to the changing conditions and face the new challenges, keeping our eyes beyond the horizon and on the big picture. The world is changing rapidly, in particular outside Europe. We must not miss this development but must engage with it and be amongst the forces that shape it.

As an individual state, we will be able to achieve less than within the EU. Alone, we are of hardly any significance in the global context, but as a group we are not only perceived but we are also better able to represent our common interests on the world stage. The same applies to foreign policies as applies to overcoming the economic crisis: we need more Europe and not
In this respect, clear expectations are made of the EU – not only on the part of our citizens but also on the part of the international community. The Middle East, in particular the recognition of Palestine, and Iran, to mention but two examples, require a common European response.

To this end, however, we must increasingly speak with one voice. 27 member states that each put forward a different opinion will produce a European cacophony – with the result that we will no longer be taken seriously or listened to in the international context.

No one, not even the largest EU countries, can today effectively represent their national interests in an increasingly globalised world by themselves. The environment has changed too dramatically. The centres of power and growth are increasingly shifting away from the Western world. While we are struggling with financial, economic and debt crises, the threshold countries such as the “BRICS countries” (Brazil, Russia, India, China, South Africa) are making enviable progress. The economic and geostrategic importance of these countries continues to increase, accompanied by an increased desire to participate in shaping international policies.

The European side is therefore challenged to refocus itself and to bundle its forces. The EU has reacted by beginning to develop a specific dialogue with these new strategic partners alongside that with our long-established transatlantic friends. This must be further consolidated. For it is only by acting in union and coherently that we will be able to achieve the weight needed for recognition as a serious partner by these increasingly self-confident actors in the international arena.

Through the Treaty of Lisbon, the EU gave itself its own External Action Service, the development of which is actively supported by Austria.

Many will now ask where Austrian foreign policy remains in all this. In the long term is there any need whatsoever for a Foreign Ministry and our diplomatic missions?

Ladies and gentlemen, the answer to this is a clear “Yes”. Even in the future, no one will be able to take over the role of representing our most fundamental national interests. This ranges from securing Austria’s international position and the role of Vienna as home to international organisations, through our neighbourhood policies and our cultural work abroad to the enforcement of our economic interests and the protection of our citizens abroad. This is not the purpose for which the EEAS was designed. It has neither the powers nor the resources to fulfil these tasks, which the national foreign services deal with every day.

In foreign policy terms, the EEAS can merely represent the sum of the opinions from the various capitals. With this in mind, we must actively contribute to the decision-making process in Brussels. However, we can only form our own opinions if we are in possession of appropriate information. One of the most important sources of independent information, particularly from
the point of view of Austria’s interests, is our own network of representatives with its focus on our own interests. It is only by making competent contributions that we can ensure that we will be heard appropriately within the opinion-formation process in the Union. And rest assured, Austria’s voice will be heard, for instance with respect to the Balkans, the Danube region strategy or in the Arab world – precisely where we are pursuing a proactive single-minded and clear foreign policy, where we have developed and continue to develop a profile acknowledged by our partners. This includes our neighbouring region of Southeast Europe.

Ladies and gentlemen,

Our active involvement in the Western Balkans is a core component of our foreign policy in the light of our close political, economic, historical, cultural and above all human connections. Bringing this region into the EU is thus for us the most important instrument in our foreign policy repertoire. For us, EU membership for the region as a whole is not merely empty lip service but rather the logical continuation of our own interest policy. We are therefore acting consistently and continuously as an attorney and advocate for the region both bilaterally and within the framework of the EU.

In a few days, Croatia will sign its Treaty of Accession to the European Union at the European Council in Brussels. We have emphatically supported this over the years – starting from Alois Mock, who worked hard for the recognition of Croatia’s independence, to Wolfgang Schüssel and Ursula Plassnik. For me, it is therefore also personally a particular occasion for delight. It will also emphasise the fact that the accession prospects for the countries of the Western Balkans are a reality within reach. The Croatian example shows that sustained reforms and social policy transformations on the one hand and the maintenance of prospects of EU membership on the other hand ultimately lead to a concrete result, membership of the EU family.

At this session of the European Council in December, other important decisions are to be made. Austria is attending this summit with a clear statement. It is our view that Serbia should be given the status of a membership candidate and that the EU should commence membership negotiations with Montenegro. Montenegro should be rewarded for its efforts. Honest efforts are to be recognised. I do not think much of the idea of thinking up new obstacles at the last moment. The EU must keep its part of the deal.

In October, I was in Belgrade in order to underline Austria’s support for Serbia’s status as an EU candidate. However, I also expressed my expectation that Serbia would make concrete progress in the dialogue with Pristina. Good neighbourly relationships are, after all, the core of the European idea of unification. There must not be any “frozen conflict” on European soil. Belgrade and Pristina must be made fully aware that the European Union has no intention to import unsolved regional trouble spots. At the same time,
therefore, I also emphatically support a European perspective for Kosovo. From our point of view, it is no contradiction to act as a consistent political advocate for both Serbia and Kosovo – on the contrary.

And a word on Macedonia. The EU Commission has already recommended three times that membership negotiations should be commenced with Macedonia, and each time the resolution was blocked because of a 20-year-old dispute with the neighbour about the country’s name. This situation is completely irrational and makes a laughing stock of the entire European Balkan policies. The EU should finally keep to its word and commence negotiations on the understanding that the question of the name will be solved by the time they reach a conclusion.

Ladies and gentlemen,

The peace project that is the EU will only be complete once it has been extended to the whole of Southeast Europe. I am convinced that the example of Croatia will act as a spur for the region as a whole. Bosnia and Herzegovina, for instance, where unfortunately in recent times there has been more standstill than progress, will, following Croatia’s accession to the EU, have a direct border with the EU, the EU will thus be “within touching distance”. I am convinced that this will be a stimulus for the country finally to get its act together and pursue efforts at reform in order to participate in the benefits, as the successful example of visa liberalisation has shown. With the will to collaborate and to compromise and with substantial support from the EU, the other countries of the region will hopefully soon also follow Croatia’s example, to their own benefit as well as to ours. The guarantee of peace, stability and development in the Balkans extends even as far as us. It is also in our most fundamental interest that the reform driver – the prospect of EU membership – does not start to run out of steam.

Our commitment in the Balkans emphasises our willingness to support and encourage the development potential in Eastern and Southeast Europe. Austria’s expertise in this region is highly appreciated by our partners both within and outside the EU. Driven by our conviction that, with our know-how and our experience, we are able to make a contribution to the Danube region, Austria together with Romania launched an initiative in 2009 for increased collaboration and coordination in this region at European level. In the meantime, the strategy for the Danube region has become a common European core project that, particularly in the economic crisis, opens up new opportunities for the partner countries by bundling interests and the common cross-border planning of investments and projects.

We regard the foreign policy focus on the Black Sea region and the Caucasus as the logical continuation of our initiative for the Danube region. This region, at the point of interface between Europe and Asia, is acquiring increasing political and economic significance. The region is also of essence
for the long term stability of Europe from the strategic point of view. Against this background, and despite the austerity programme that we must pursue at the Foreign Ministry, I established an Austrian Embassy in Baku last year, following an embassy in Kazakhstan in 2007. In July, Vienna was host to the WEF Regional Forum for Central Asia, which attracted a high level of interest.

This foreign policy focus on the broader Black Sea region also presents important opportunities for Austrian enterprises, not least in the strategic field of energy, a field so decisive for our future competitiveness.

The intensification of the EU’s relationships with our Eastern neighbours is also a particular concern for Austria. The last summit of the Eastern Partnership at the end of September in Warsaw sent a clear signal of the intention to further strengthen our relationships. However, for Austria it is also clear that democracy and the rule of law are the values on which the Eastern Partnership is based, and that accordingly progress can only be achieved to the extent that these common values are respected and complied with.

Ladies and gentlemen,

Another very important partner for Austria in this region is Turkey. In the public eye and in media reporting, the relationships between the EU/Austria and Turkey are frequently reduced to the membership negotiations with the EU. I regard this as a mistake. Turkey is a very important partner for us and for Europe irrespective of the membership negotiations and their as yet uncertain outcome.

This applies on the one hand to the economy, where Turkey is already closely integrated in the European structures through the customs union and the increasing flow of investments. Particularly in the field of energy security, Turkey is a key country for us and an indispensable partner for the success of the Nabucco pipeline project. At the same time, there are also numerous points of contact in the field of foreign policy that advocate a close collaboration with Turkey.

Austria, the EU and Turkey for instance have a strong common interest in the stability and prosperity of the Balkans and in the developments in the Middle East and the southern Mediterranean – both regions being of decisive importance for Europe’s security. The Middle East has once again shifted to the focus of public attention just recently. In this region, Austria is traditionally a highly esteemed interlocutor, as was confirmed to me again during my visit last week to Iraq.

Particularly with respect to the Middle East, Austria has repeatedly shown that we are by no means merely onlookers in international politics, but rather make an active contribution to the discussion, pursuing our own convictions. For instance, on the question of the application by the Palestinian
National Authority for membership of UNESCO, Austria adopted a clear position and supported membership.

Allow me to use this opportunity to make a comment. It is amazing: at times, Austria is accused by some of having a foreign policy without a profile, of being only all too willing to hide within the group of EU member states. Whenever Austria then adopts a clear position, it is precisely the same critics who appear horrified and start objecting again. So what do they really want? For one thing is clear – the Austrian position concerning the Palestinian National Authority’s UNESCO application could not have been a surprise to anyone who is familiar with the issue. The two-state solution is the declared objective of the Middle East peace process. How is this solution supposed to work, however, if one of the two sides is even denied partial legal capacity in questions of education and culture?

The UNESCO vote was certainly not a highlight of European foreign policy, since despite long efforts it proved impossible to achieve a common EU approach. It is therefore all the more necessary for the EU member states once again to act in concert and stand firmly behind the High Representative Catherine Ashton as our representative in the Middle East Quartet. In this respect, I hope that the UNESCO vote will be interpreted as an alarm call for the bogged-down peace process. At the end of November, the Middle East Quartet submitted a roadmap for the return to the negotiation table, which provides for the conclusion of an agreement by the end of next year. The High Representative Lady Ashton is indefatigably attempting to determine, together with the other Quartet partners, where there might be possibilities for progress in these negotiations.

Both sides, Israelis and Palestinians, bear responsibility for a peaceful future for their own young generations. We call upon the leaderships of both sides to finally abandon short-term political considerations to the benefit of a long-term peace solution.

Ladies and gentlemen,

One of the most significant political developments in the world in the past few years has grabbed our full attention over the past few days and months: the dramatic upheavals and transformation processes in the countries of the Arab world. As the recent demonstrations in Cairo show, the changes in the “Arab Spring” have by no means reached their conclusion. Their ramifications will continue to concern us for a long time, and their potential geo-strategic effects are still not clear. The success of the political and economic transformation process in this region is of huge importance for Europe. If the transition to democracy and the rule of law succeeds in Tunisia and Egypt, this will set an example for the entire region. In Libya, following the end of the Gaddafi regime, an inclusive political process with the aim of an all-encompassing reconciliation between all social groups must also take place,
as I insisted during my recent visit to Tripoli. In Syria, pressure must be increased on the Assad regime in order to achieve the handover of power and the start of a democratic transition.

The transition process that is about to start in North Africa is a huge challenge to the countries involved, but also a responsibility that concerns us all. At issue are our southern neighbours’ peace, stability, democracy and compliance with human rights. The EU’s ability to intervene constructively as a foreign and security policy actor will also be measured against the extent to which we succeed in supporting the transformation process in coordination with other actors such as the UN and the OSCE, and in assuming an active role.

Ladies and gentlemen,

The world around us is not a region of peace, freedom and the rule of law. Trouble spots and a wide variety of threats demand security policy responses and the deployment of civil or military missions. In this way, we also secure our own security. Only active participation in the joint security and defence policy, in particular in operations in our neighbourhood such as the Balkans, the Caucasus or in the Middle East, can achieve this effect.

A head-in-the-sand policy and a free-rider mentality according to the motto “It’s not our business” would be short-sighted and naive and would be diametrically in conflict with Austria’s interests.

Austria will therefore be active as long as is necessary in Bosnia and Herzegovina, as well as in Kosovo, the Golan Heights, in the Lebanon or even in Georgia. We must not reduce our efforts to motivate the ministries involved to remain active despite the austerity programme in force – not least for the benefit of all Austrians.

Ladies and gentlemen,

Austria is a country that out of tradition thinks and acts strongly in a multilateral context. This may be due to historical experiences or to our country’s geostrategic position. Austria regards multilateral action as a decisive element for international peace in which precisely small countries like Austria are called upon to contribute their experience and their convictions.

This is expressed inter-alia by the fact that Austria regularly stands as candidate for seats in multilateral bodies. The successes that Austria achieves with the same regularity are an expression of our country’s repute and the trust placed in us. This applies to the UN Security Council, of which we were a member from 2009 to 2010, and to which we were elected in the very first round, and to our recent election to the UNESCO Executive Board, an election in which we achieved the largest number of votes ever. Austria’s election to the Human Rights Council in May 2011 with 177 out of 181 votes at the UN General Assembly clearly showed the esteem in which Austria is
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held at the UN for our consistent commitment in the field of human rights and for our willingness to cooperate and enter into dialogue.

The global enforcement and protection of human rights are core concerns of Austrian foreign policy. The UN Human Rights Council has a much more central role than one might imagine, as has been shown for instance in the cases of Libya and Syria: in both instances, the Council rapidly and clearly adopted a position and set up investigation committees to address human rights violations and submit concrete proposals to deal with them.

Our membership in the next three years until the end of 2014 will be used in order to take concrete steps to improve the human rights situation around the world. We will apply our efforts to ensuring that human rights problems are always addressed whenever necessary and not only when it is easy. A strong and effective Human Rights Council must unambiguously condemn infringements of human rights, stand up for the victims and contribute to ensuring that those responsible are called to account.

However, we also wanted to achieve concrete progress in a number of focal fields. These are the protection of freedom of religion and religious minorities, the encouragement of media freedom and the protection of journalists, and support for the rights of children and their protection against violence and exploitation.

It is in particular protection against religious intolerance and violence against religious minorities – not least Christians, 70% of people who are persecuted worldwide for their religious views are Christians – that is a matter close to my heart, and one that I often address on my visits abroad, most recently last week in Iraq. Here we can call upon our many years of experience and contacts from the intercultural and interreligious dialogue. The establishment of the Centre for Interreligious and Intercultural Dialogue in Vienna and the holding of the summit meeting of the Alliance of Civilisations in Vienna in 2013 are the logical continuation of this tradition.

Ladies and gentlemen,

We also used our membership of the UN Security Council, which ended a little less than a year ago, to place our own thematic accents in the fields of the rule of law, international humanitarian law and the protection of the civilian population in armed conflicts. In addition, we were able to consolidate Austria’s position as a “hub for peace”, and on this point I should like to refer to the Dürnstein discussions on the West Sahara conflict, the Afghanistan Implementation Colloquium in Baden and the Sudan discussions in Vienna and Baden.

Austria can rightly be proud of being home to numerous multilateral institutions, including not only the OSCE and OPEC but above all of course the UN, the IAEA and the European Union Agency for Fundamental Rights. In the last two years, we have moreover succeeded in further upgrading Vienna
as a city of headquarters with the arrival of new international organisations. The International Anticorruption Agency IACA, the Vienna Centre for Disarmament and Non-Proliferation, the Bureau of the International Peace Institute, the Liaison Office of the UN Office for Disarmament and most recently the Dialogue Centre are the most important examples.

We have focussed discussions on a broad and comprehensive concept of security; thanks to the organisations that are based here, Vienna has developed into an international “security hub”, ranging from nuclear security to the indispensable dialogue between cultures and religions.

Ladies and gentlemen,

One of the topics that will continue to increase in importance in the future and to which we must therefore pay even greater attention is **disarmament and the non-proliferation of weapons**. This is one of the fields in which Austria has been able to develop a strong profile over the last few years.

Progress, particularly in the field of nuclear disarmament and non-proliferation, is not only of outstanding importance for world peace and international security, but also constitutes the basis for any sustained development. For this reason, we are applying all our efforts to ensuring that the **multilateral disarmament forums** work and achieve tangible success.

This applies for instance to the **Nuclear Non-Proliferation Treaty**, the first preparatory conference for which will take place in Vienna in May 2012. The NPT Action Plan from 2010, which shows Austria’s hand, must now be implemented: the keywords are Iran and North Korea. It also concerns the entry into effect of the Comprehensive Test Ban Treaty (CTBT), whose organisation is likewise based in Vienna. Finally, it also involves the revival of the Geneva Disarmament Conference, which we support energetically.

In this context, a **clear word is needed on Iran**. The situation is becoming increasingly serious. The most recent news about the Iranian nuclear programme are alarming. **The international pressure on Iran must in any event be maintained.** Iran must urgently regain the international confidence that it has lost. The mere fact that the option of a military attack is once again being discussed increasingly in public should sound the alarm bells.

A further particular concern of mine is the strengthening and further development of **international humanitarian law**. This is in direct connection with our priority of protecting the civilian population in armed conflicts. Here, too, we are amongst the most active countries. Our commitment in the last 15 years to the topics of antipersonnel mines and cluster munitions achieved considerable progress through the Ottawa and Oslo Conventions, with Austria playing a decisive role in the texts of these conventions, which have led to these inhumane weapons systems being proscribed internationally. However, they are continually under attack. Thus at present there are a number of countries that are undermining the strict prohibition on cluster munitions by
means of parallel multilateral negotiations. In common with countries of the same opinion such as Norway and Mexico, we are strongly and decisively opposed to such a retrograde step.

Ladies and gentlemen,

Finally, I should like to return to the starting point of my comments – everything is changing, everything is in motion. Globalisation is advancing inexorably, and the global village is getting smaller by the day. Austria cannot seal itself off and batten down the hatches. On the contrary, it must become involved worldwide in order to secure and extend its standard of living and its security.

Successfully meeting the ever-new challenges and finding answers to new questions need friends and partners, in Austria, the EU and the international community as a whole.

It is ensuring this and making Austria fit for the future that I see as my responsibility and function in Austria’s foreign policies.

18.2. Vice-Chancellor and Federal Minister
Dr. Michael Spindelegger
Speech on Europe at the London School of Economics and Political Science “The Crisis in the EU and the Euro-Zone – Austria’s Response”, London, 10 October 2011

Introduction

I am delighted to have the opportunity to address friends of the London School of Economics (LSE) and friends of the Austrian Society here today. It is a great honour for me to speak at this university, one of the leading academic institutions in the UK and the world, in particular in social sciences and economic research. The LSE is always ranked among the top universities worldwide. This shows the dedication of its students, professors and management.

It is very impressive to have a look on the statistics: 9,000 students from over 140 countries, speaking 100 different languages – a real microcosm of London and the world. No wonder, that this university has not only produced heads of states and governments, but it can also look back to an impressive list of Nobel Prize winners. And I’m sure that many names will follow.

One of the distinguished winners of a Nobel Prize and lecturer and professor (1931–1950) at the LSE was the Austrian Friedrich von Hayek. He won the Nobel Prize in 1974 in Economic Sciences, together with Gunnar Myrdal from Sweden.
Hayek is an important representative of the so-called Austrian School of Political Economy. His work gives us a better understanding of economic and financial systems, about causes of crisis and about possible solutions.

During the recent and still ongoing financial and economic crisis, the thinking of men like Hayek has played an important role in discussions and debates of how to solve the current difficulties and problems and how to build a more sustainable model of economic development. We can draw important lessons for today’s challenges from that.

This leads me to the topic of my lecture: The Crisis in the EU and Euro-Zone – Austria’s Response. How has my country dealt with the crisis so far?

The most recent report of the International Monetary Fund (IMF) of 6th September concludes that Austria has dealt with the crisis well and that recovery is on firm grounds. With a rebound in external demand and sound fundamentals, the Austrian economy recovered rapidly from the 2009 recession. Private consumption and employment held up well during the downturn.

When external demand – especially from Germany – picked up, the stage was set for a swift recovery; GDP growth reached 2.1 percent in 2010, with a marked acceleration in the second half of the year. Strong growth performance is estimated to continue in 2011, but prospects for 2012 have dimmed. At only slightly over 4 per cent, unemployment is among the lowest in Europe. The current account registered a surplus of 2.7 percent of GDP in 2010, reflecting the competitiveness of the economy especially in the services sector. So everything is all right? Not entirely.

The fiscal deficit widened from 0.9 percent in 2007 to 4.6 percent of GDP in 2010. However, the economic recovery and a combination of tax increases and expenditure cuts will bring the deficit down to around 2 percent in the medium term.

But the main problem is structural reform, or rather … the lack of it. IMF, OECD and the European Commission criticise a lack of ambition and recommend improvements in three main areas: early retirement, health care and subsidies.

Early retirement

The employment rate of older workers in Austria is still well below the EU average. Altogether 72% of all new pensions in 2010 were granted before the statutory retirement age, 65, was reached. This poses a heavy burden on those who continue to work. Additional pension costs will be very high from 2020 onwards, when the “baby boom” generation retires.

Another cost-driver of the current systems is the existence of separate pension schemes for civil servants at state and municipal level. While at the cen-
Central Government level pensions of civil servants are by now fully harmonised with the private sector, similar reforms at the state level are still not there yet.

Health care
Let us now have a closer look to the health care system. Austria dedicates very large public resources to health and the share of total health spending in GDP is among the highest in the OECD. 16 percent of total general Government spending is for health.

However, maintaining the high level and quality of public health care will be a major challenge in the future, when a still higher share of older people will need more health care services.

Hospital planning must be carried out on a nationwide scale to optimize size, degree of specialization, and distribution of hospitals across Austria's territory.

Public subsidies
Austria spends around 6 percent of GDP on subsidies and capital transfers, about 3.5 percent more than the euro area average. More than a third of it is disbursed to the Austrian Railways. A comparison with the Swiss Railways suggests that there is scope for rationalisation in the operational business. With respect to pensions, the low average effective retirement age of Austrian Railway employees – which is about 54 – indicates potential savings from utilization of older workers, for example by transferring them to other posts coupled with necessary retraining. This would be better than sending them into early retirement.

The Government has taken initiative to create a “transparency database” to improve the situation with regard to subsidies. If successful, this initiative could be the first step to a comprehensive stock-taking and evaluation of all programmes and for setting clear priorities in the future.

In view of the fragile global outlook and the vulnerabilities in the euro area my general conclusion is the following: Important challenges remain. Reducing the debt burden and enhancing structural reforms must top the policy agenda for the period ahead.

Let us have a look at the euro summit of 26 October 2011. Were the decisions adequate to the seriousness of the situation?
Generally, member states are required to strictly observe fiscal stability. The compliance with the rules and regulations will be increasingly monitored in the months to come.

Member states will be required to engage in measures aimed at stability and growth. This is of particular importance for Spain and Italy. Spain has already implemented far reaching measures especially in the banking sector.
Italy has so far only undertaken isolated measures with a temporary nature as can be seen in the draft budget for 2012.

Indeed, the Italian Government has decided upon a comprehensive reform-package just before the euro summit. The package will be subject to discussions with EU partners.

Without a clear picture of the binding nature and the timetable of implementation investors will not be ready to start buying sovereign bonds again. The fact that – as an outcome of the recent G-20 summit in Cannes – the IMF is called upon monitoring the implementation of the reform measures is important.

Let me now turn to Greece.

The political situation in Greece permitting, the country will benefit from the disbursement of the 6th tranche of the EU/IMF support programme. In order to ensure debt sustainability, a second support program, this time using the EFSF, will be set up. It will include a Private Sector Involvement (PSI), which is more substantial than that of 21st July. In order to achieve a sustainable debt ratio of 120 percent of GNP the so-called haircut has to be at the magnitude of 50%.

The mechanisms for the monitoring of the implementation of the Greek programme will be strengthened. The euro summit reaffirmed the Greek ownership of the scheme and that full implementation is the responsibility of the Greek authorities.

As far as our general approach to private sector involvement in the euro area is concerned, the euro summit reiterated that Greece requires an exceptional and unique solution.

Are the measures agreed upon by the euro summit good enough?

This is the crucial question. We have taken unprecedented steps to combat the effects of the world-wide financial crises. I think it is fair to say that the measures agreed upon by the euro summit reflect our strong determination to do whatever is required to overcome the present difficulties and take the necessary steps for the completion of our economic and monetary union.

This policy, however, can probably be maintained over a period of several years. So what should come next? I think more needs to be done in order to supplement the monetary union with a fiscal union and eventually a truly political union.

In other words: We need more Europe, not less. And this, if need be, through an amendment of the Treaty: This would mean transferring important sovereign responsibilities and fiscal powers to the European level.

During the course of the last months we have witnessed a number of valuable contributions to the ongoing discussion on strengthening economic con-
vergence and fiscal discipline within the Euro-member states. France and Germany proposed to strengthen further the governance of the euro area, in line with existing treaties. A Dutch proposal aimed at addressing the issue of budgetary discipline by establishing an independent EU budget authority to supervise budgetary discipline. The interim report to be presented by Herman Van Rompuy in December will be a further key document in discussing deeper integration steps within the euro zone.

Today we find ourselves in a dramatic situation and it is clear that the future of the euro is at stake. It is important to develop a long term strategy. We are aware that Treaty changes will not contribute to immediate problem solving. Nevertheless, we must develop a long-lasting plan which would allow us to act quicker and more decisively.

In this case I believe that the European Commission should have the leading role and we should follow the Community method which has served us well in the past; it should not be replaced by an ad-hoc mechanism where a very limited number of bigger member states decide on others behalf.

Austria has been traditionally a strong advocate of the Community method, in which the European Commission plays a central role in initiating legislative procedures and also in taking member states to court for failing to implement decisions.

We therefore noted with caution the intergovernmental approach of certain member states whose views might differ when it comes to discussing a common solution to overcome the crisis. As a matter of fact only the Commission will be able to act beyond the immediate interests of individual member states.

We believe that the European Parliament as an elected body should be fully involved in the legislative process. It goes without saying that this also means that competences are transferred to the Community level.

Through the Lisbon Treaty we have made a considerable step forward when it comes to better and faster decision making through more qualified majority voting. I think we should not shy away from using the full potential of this Treaty and even go a step further, if necessary.

The Lisbon Treaty amended the founding treaties of the Union. It also altered the rules on decision-making in the Union. The treaty has expanded the use of qualified majority-voting in the Council and has made decision-making faster and more efficient.

The Treaty of Lisbon has strengthened the role of the European Parliament and national parliaments and has created new opportunities for citizens to have their voices heard. The European Parliament is provided with broader powers regarding EU legislation.
We need to continue our efforts to allow EU decision making processes to be as efficient and transparent as possible.

**Such a step could include streamlining some of our institutions where we could go away from the principle that each member state must be represented in every institution, for example the Commission or the Court of Audit.**

I believe that the lessons learned from the crisis should trigger the desire for more sound integration, more confidence and more joint ambitions and that this will bring about the readiness to deviate from the principle of equal representation of EU member states in all EU institutions at all times. But I underline: first we have to make sure that confidence and trust in the EU, its institutions and its member states is there. We have to work actively on that.

**We have to make sure that we do not lose the peoples of Europe along the way. Therefore we should strengthen direct democracy in the EU through practicing petitions for a referendum at the European level.**

The Treaty of Lisbon lays down the principle that “the institutions shall maintain an open, transparent and regular dialogue with civil society”. Dialogue with and participation of the public on European issues is not only politically recommended but constitutes a citizen’s right which is still to be implemented to its full extent, amongst others by the new instrument of a citizen initiative. The governments of the EU member states will have to make sure that the legal framework for launching a citizen’s initiative will be implemented soon. This will enhance democracy and increase legitimacy in the functioning of the Union.

**Where is the issue of enlargement in all of this?**

The economic crisis in Europe has led to a certain **enlargement fatigue**. Enlargement is not popular among our populations, neither in Austria. But we should not forget that the unification of our continent is not yet complete. The integration of the Western Balkans into the EU is not only a firm commitment all of our countries have made, it is also in our own self-interest.

We will not have stability and security for ourselves as long as Southeast Europe does not reform the way we expect it to. Development in our direct neighbourhood will enhance all of our economic opportunities as well. The best tool we have at our hand is enlargement with strict conditional-ity. We need and expect well-prepared candidate countries. And the criteria are admittedly getting firmer. But they should serve the purpose and not be used to build up hurdles in effect impossible to overcome. We should also exploit the competition aspect more. The regatta principle should be strictly applied; progress should be purely merits-based.
For us living in the European Union and experiencing its weaknesses it is often surprising how big the appeal to become an EU member still is. Nevertheless, from an Austrian point of view, we should not overburden our populations but apply a step-by-step approach. Let’s finish our job in the Western Balkans first and bind other aspirant countries with tailor-made agreements to the EU, not giving any false hopes or promises we are not able to keep in the future.

**And what about the EU common foreign policy?**

I am convinced that in the foreign policy field we need also more Europe and not less. We have to speak with one voice. 27 member states all having a different opinion can only lead to our disadvantage. As a result, we will not be taken seriously, none of us. This will weaken us all. More coherence is thus in all of our interests.

None of the EU member states, not even the biggest, has the weight in the international arena to realise its interests by itself. Those who do not believe this are either living in a romanticized past or are closing their eyes towards the realities of an ever more globalized world. Splitting up our individual potential only makes us weak. If we Europeans want to play a role in the future we have to act united.

Unfortunately, the EU has presented itself very poorly recently. Let’s take the example of the Palestinian membership request in UNESCO. Austria always maintained the primacy of a common position, until the very end, and decided only to take position once it was clear that consensus was no longer an option. Certain member states have early and unfortunately publicly taken position in one or in the other direction and were then unwilling to compromise. Under these circumstances it was impossible for the High Representative to broker a common position. This is not a question of the treaties but simply of political will. The same holds true for undermining the possibilities for joint EU statements given by the High Representative. If we do not give her the tools we will not be able to build anything common.

The result is that Europe is marginalising itself. We are not going to be taken seriously by our overseas partners.

This can become very dangerous in future cases. Let’s take the Iranian nuclear question. So far, with the combination of openness for a diplomatic solution, manifested in the E3+3 negotiation track, and a unified front in putting pressure on Iran through sanctions Europe has presented itself as a serious actor. Just imagine if we were to fall into the trap of division here as well.

Many think that building consensus among 27 is too difficult. I can only argue that creating a common policy does not only make us stronger but also creates a sense of ownership of all member states. Therefore, I strongly warn of the wish of some to simplify procedures by favouring decision-making in special “clubs”. This policy is doomed to fail. Certain leadership is welcome
but without inclusion of all member states, including the medium and small, the implementation of this policy is put into question from the outset.

Thank you.

18.3. Vice-Chancellor and Federal Minister
Dr. Michael Spindelegger
Speech at the festive celebration of 20 years Austrian Society for European Politics, Vienna, 28 November 2011

Dear Mr. President,
Your Excellencies,
Ladies and Gentlemen,

I would like to thank President Liebscher most warmly for the invitation and for giving me the opportunity to address the audience at this festive event.

This celebration is most appropriate to congratulate the Austrian Society for European Politics on its 20th anniversary. I would like to express our gratitude to the Society and all the people working for it for their valuable work.

And I am particularly happy to see the founding father and Honorary President of the Society, former Federal Minister Peter Jankowitsch here today, as well as representatives of all the institutions that support the Austrian Society for European Politics.

The input I receive from the Austrian Society for European Politics for my work as minister of European Affairs is very important and refers mainly to information and PR work in EU matters. The Society pursues its objectives with great energy, organising studies, surveys and information events to name but a few of its activities. The direct contact with the public, and in particular schools and students, is of great concern to them.

It seems to be a difficult feat in our country to collect facts about the work of the European Union and to discuss and communicate them in a factual manner without embellishing anything and also addressing any shortcomings. And here it must be said that much information on this issue has been communicated in an emotionally charged and distorted way, in particular over the past few years.

EU communication is also a difficult task, however, in terms of its contents. The topics are often complex and controversial and – to be quite plain – some issues are truly difficult to explain.

I would like to thank the Austrian Society for European Politics for the ongoing dialogue it offers and for the valuable information it provides. We, the Ministry of European and International Affairs, and the Austrian Society for European Politics cooperate closely: With the “Die EU und DU” travelling
exhibition, for example, we together with the representation of the Commis-
sion have reached thousands of school pupils in Austria. Experts at my min-
istry are involved in events and discussions or advanced training seminars
for teachers organised by the Austrian Society for European Politics. And we
look forward to continuing our cooperation with you.

Ladies and gentlemen,

Austria has been a member of the European Union for nearly 17 years now.
These 17 years have been highly dynamic in terms of the political develop-
ment of our country and our continent. 12 additional members have now
joined the EU. The majority of them countries of the former Eastern Block,
and several of these direct neighbours of Austria. Today, they are equal part-
ers in Europe. The borders are open. And the Austrian economy, in particu-
lar, profits enormously from these developments.

These 17 years saw three substantial changes of the European constituent
instruments (the Treaties of Amsterdam, Nice and Lisbon). We introduced
the euro, expanded the Schengen area – extending it to third countries such
as Switzerland, and reshaped our cooperation in justice and home affairs
beyond national borders. The common external relations policy has been
improved. – And I could continue this list with many more bullet points.

These developments demanded a lot of understanding and readiness to
adapt on the part of the Austrian people. For some of them, we have gone too
far too quickly.

Our wish is to take the fears of these people and their uncertainty seriously
and include these aspects in our action. At the same time I can say: Yes, we
have taken courageous and foresighted decisions for our country. During its
successful EU Presidencies (in 1998 and 2006), Austria demonstrated that
we must not shy away from comparison with larger member states. Today,
Austria is stronger, more stable and more self-conscious than it was in the
middle of the nineties. And this is precisely what our people expect from
politics.

Ladies and gentlemen,

We are again faced with major challenges:

A global financial and debt crisis has cast a dark spell over the European
Union and its member states. The euro zone is grappling with serious prob-
lems. Not a single day passes without bad tidings from rating agencies and
stock exchanges. The European Union is struggling to find its role in the
world.

There are even demands to leave the Union or to exclude some members.
It would, however, be a serious fallacy to believe that the debt crisis would
simply vanish over night if the euro zone and thus the EU were divided into
Selected Documents

groups, and if we Austrians were to seek our salvation in our old currency, the schilling. These demands are wrong and dangerous!

I believe that after the new challenges of the past few months we will have to work out new solutions to cope with them. It is up to us to act and take landmark decisions.

In addition to a consistent course of consolidation we also have to plan for the presence and for the future, which includes doing everything in our power to straighten out our national budget policy ... to some extent by taking drastic action. We proposed anchoring debt ceiling in the Constitution, and I am convinced that this is the only possible way to achieve consolidation.

At the European level, too, the time is right to take stock and to make the necessary forward looking decisions for the future. I am convinced that we have to develop the European Union further now to be able to respond better and more swiftly to similar crises in future.

We need a change of direction, a new course in European economic policy where the European Commission is again firmly rooted as the leading entity at its very centre.

A lot has already been done. We have prepared the ground with the creation of the European Stability Mechanism (ESM), the growth strategy, the consolidation of coordination in terms of economic policy and by providing more clout to the stability and growth package.

In my understanding, the “more Europe” that we need is no one-way street. Europe functions at its best if it is part of our lives and thoughts at all levels. For this reason, we must also examine what regulatory content is better located at the national level: the major strategy statements at European level, their detailed implementation in the member states. In some areas, the EU will certainly have to be able to relinquish some responsibility. The Treaty of Lisbon offers the necessary tools to do that.

What future-oriented decisions will have to be taken to emerge from the crisis strengthened and secured?

What I mean in concrete terms is:

First, we need to strengthen the Community method.

I am strictly against a presidency of some member states that want to take decisions on behalf and for all the others. We must remain a union with equal member states and common legal grounds.

Austria has always been a convinced advocate of the Community method with the European Commission playing a central role, as it is the only body to see the bigger picture beyond national interests. It was thus a wise decision of the founding fathers of Europe to provide the Commission with the
initiative monopoly in European legislation. Or to put it simply: The Commission is most probably our most important ally in Europe.

Second, we need leaner EU bodies.

There is no doubt that member states will have to be able to contribute their share to shaping the EU and its policies also in future. The member countries are the masters of the treaties. They can contribute via the Council, the European Parliament and other bodies and agencies. However, this principle must not automatically imply representation of all member states in all EU bodies. The principle of 1 commissioner per member state will soon reach its limits given the number of 27 member states – and soon 28 when Croatia will join.

I put the issue to discussion whether 28 equal “ministers” in the EU can contribute to making policy more streamlined, more efficient and more coherent. The same applies, of course, for all other bodies.

Third, we need more efficient EU bodies.

The Treaty of Lisbon brought about a significant streamlining of EU procedures. Unanimity and special provisions are an exception today. I say that very clearly: It is important to have the option of exceptions. However, an exception must never be an absolute stop sign. Nobody forbids us to act in concert here. And we should avail ourselves of this option also in future.

Yes, this may mean a renunciation of sovereignty in technical terms. However, this will be in the interests of Austria if we get more security and stability in return.

Fourth, we must not fear amendments to the treaty if they are necessary.

Against the background of the dramatic situation of the current crisis, it does not come as a surprise that the discussion about a possible change of treaty is taking on an increasingly important role.

The idea alone reminds many of the nearly 10 years of drafting the Lisbon Treaty and at first the idea of putting the Treaty up for change seems daunting. I, too, believe that this option should be very carefully examined and that a change should only be made if it proves to be expedient.

A change of the Treaty is no substitute for current crisis management. However, I also think it would be negligent not to subject our common legal grounds to a dynamic adjustment process. I am not thinking of a total change of the EU Treaty – this change has already been achieved with the Treaty of Lisbon – but rather of a targeted reform.

In the concrete case, a change would refer to entrenching the obligations of the member states under budgetary law more deeply and to creating the right
of control for the EU in the event of permanent violations of these obligations.

It is about preventing crises – such as the current one – right from the onset and about applying corrective action at an early stage for stumbling states. What we would get in return is more security and stability.

This is of particular relevance with regard to the current deliberations of creating what is known as stability bonds or euro bonds.

The Austrian position on this is clear: One day, such bonds may represent an added value for all euro countries, but they certainly do not today. I regard the deliberations of the Commission to be an interesting and ambitious contribution to the discussion that probably rather has the effect of a “carrot” for further reforms in those countries that would profit from such bonds and for a further consolidation of the economic and currency union.

However, the establishment of such common bonds can only be the end of the process. And we have not reached the end yet.

From today’s perspective, I can say that stricter conditions for compliance with the provisions of the economic and currency unions would be in our national interest and a benefit for Austria.

Fifth, we need to strengthen the EU’s external profile.

I am saying that in my capacity as Minister of European and International Affairs:

The system we live in is becoming increasingly intricate. The world has become smaller. From an Austrian point of view it is considerably more efficient to face international developments together than to do so alone.

It is therefore in our interest that all EU member states join forces and speak with one voice, both vis-à-vis third countries and international organisations. This will not only lend more substance to our shared convictions in the fields of human rights or climate protection, for example, it will also strengthen our position in trade or in issues of security and defence.

27 member states representing differing opinions will lead to a European cacophony as we have seen; as a result, we will not be taken seriously in the international context and nobody will listen to us.

Sixth, one more point: We have to do better in conveying what Europe stands for – not only for freedoms, but also for security.

The European integration project has changed our continent fundamentally, as no other political project before. The coexistence of our countries has been completely reshaped, and the every-day lives of our citizens are marked by the possibilities that the EU offers.
Let us just think of the tremendous change and improvement that the creation of the internal market and the guarantee of the four freedoms have brought for our lives – free movement of people, free movement of goods, free movement of services and capital. Many live and use these freedoms daily.

Add to this the freedoms the introduction of the euro has brought for us Austrians. All this has now become rooted in every-day life.

The point that the Union warrants peace for Europe is frequently dismissed as being obsolete. I do not share this view: Peace is by no means a matter of course, not even today; just go back a few years in the history of our neighbours in the Balkans.

The peace concept of Europe, however, is much broader in my mind. Peace as we understand it today is much more than a mere truce. I understand it mainly in the meaning of economic and social peace in Europe. The Union has to guarantee this economic and social peace, too, and we can guarantee it far better together than we ever could individually.

I believe, Europe has reached a point where we must build upon the undisputedly great achievements of the internal market and its four freedoms. At the same time we have to work on ensuring four securities for our citizens in addition to the four freedoms:

In my mind, these four European securities are:

First, stability, also and in particular in terms of economy and currency.

Second, prosperity ensured by a dynamic economic and working environment.

Third, sustainability ensured by treating our environment responsibly, beyond national borders.

Fourth, peace ensured by a powerful EU that protects its people and guarantees peace.

Ladies and gentlemen,

At the end of my speech I would like to come back to my initial statement about the necessity of fact-based information work.

According to the Eurobarometer survey 2011, the confidence of the Austrian population in the EU has risen recently (by 6%).

In Austria, the EU is mainly expected to play a more pronounced role in the regulation and monitoring of the global financial market. And yet, we know that the EU approval rate is far below the value at the date of Austria’s joining the EU.

The Federal Government is aware of the scepticism of many Austrians towards the European project. Austrians are sceptical in many other areas, this is nothing to be afraid of.
However, if we want to continue our positive pro-Europe course towards “more Europe”, we will need to explain and present our intentions even better.

This is why we cooperate with many Austrian partners, and in particular the Austrian Society for European Politics, the social partners, the delegation of the Commission and many others to ensure pro-active information work.

Direct contacts are of particular importance in this respect, such as my tours through Austria where I listen to our citizens’ concerns, but also the gradual establishment of Europe Committees in the Parliaments of our Provinces, the network of municipal councillors dedicated to EU issues and the cooperation with schools.

The Treaty of Lisbon has brought with it more closeness to citizens, transparency and the possibility for the people of Europe to have a say and participating in the shaping of their Europe. These possibilities have, however, not yet fully unfolded in practice. It is therefore very important to me that our citizens are given the possibility to form a well-informed factual opinion on EU issues, and fully utilise their options of participation.

I experience the great interest in factual information and dialogue about EU issues daily. The Austrian Society for European Politics contributes a highly valuable input in this matter and I would like to thank you most sincerely for that.

Thank you very much for your attention.

18.4. Vice-Chancellor and Federal Minister
Dr. Michael Spindelegger, Address delivered at the “Ein neuer Kurs für Europa” event
Vienna, 7 December 2011

Esteemed Minister of Finance Dr. Wolfgang Schäuble, dear government colleague, Minister Reinhold Mitterlehner, Ladies and Gentlemen,

It is a great honour to welcome Dr. Wolfgang Schäuble here among us today. Let me welcome you again most warmly. Your presence gives us the opportunity to look beyond the fence and discuss European issues, and we are happy to take this opportunity.

The timing is perfect since we are now confronted with urgent questions about the direction and the future of Europe. Will there still be positive rating in future for the euro area, will there ever be an upward turn again, or will development only be downward in future? These are the questions that we are discussing today. Please allow me to give you some impetus at the beginning of our discussion.
Ladies and gentlemen,

Let me start with the question about the underlying reason of this debts and confidence crisis. When we consider what the people in Austria and other countries of the European Union associate with Europe today, then this thinking covers many individual aspects of our every-day life.

The range of goods on offer is more diversified than ever before thanks to the internal market. We all pay with one currency, the euro. In the Schengen area we can move freely within our external borders. We all experience being regarded much more as Europeans whenever we are outside of Europe, instead of being seen as persons from one of the member states.

This every-day experience is pleasant and shows that integration has worked. However, what we also see is that in times of crisis there are always prophets ready to enter the stage who declare that we are nearing the abyss, that the crisis would feed a downward spiral and that there is no future for the European Union.

Such a negative approach will of course instil fear in those who experience Europe in their every-day lives. We are noticing a crisis of confidence as a result. People are afraid that the institutions of the European Union are no longer able to take the decisions that are necessary for an upswing. We must take these concerns seriously. At the same time, we have to admit that the structures as they are at the moment do have some “design weaknesses” and that it is no simple matter to quickly provide the right answers to the questions.

Allow me to say a few words on these weak points in the design of the economic and currency union. The criteria for participation in the currency union are clearly defined. We are all familiar with them: The 3-percent rule for the deficit per year, the 60-percent rule for total indebtedness. But who has really fulfilled these criteria? Let us take a look at Europe with a focus on its triple A countries. Most of them are a long way from keeping to these criteria. One reason is that past crises have made it impossible, but also because nobody has taken them seriously for want of sanctions. There were no sanctions because nobody had ever imagined that the criteria would at some point not be fulfilled. Pragmatism and countermeasures may also have become a matter of course to some small extent and we did not observe in due time what we had established as a rule for all of us.

Every Austrian knows that taking out a loan and not paying back the redemption instalments will have consequences. Where are the comparable consequences in Europe? Is it not – in fact – a weak point in the design of the union that the consequences and sanctions have never been sufficiently defined and thus leaving us to face these major problems of the present?

Let me share a few thoughts with you about the concrete crisis management and the forward-looking decisions that need to be taken for the future of the
Union. How can we ensure cohesion in future given that it has already been so difficult up to now?

First, I believe that all members of the euro area, and in particular those member states that aim to become part of it, must sit down together to define the new set of rules. I must also admit that I cannot understand why even those countries that declared right from the onset that they do not intend to become part of this euro area are invited to discuss the new policy. We are making things very difficult for ourselves if we want to maintain and redesign the future structures for the euro area with all the 27 member states, when there are some among them who do not share the same idea.

Second, I believe that the president of the euro summit will play a very particular role. He or she will first of all need to ensure that future euro countries are fully involved in the decision making. They must all be given a clear sense – even though only in future – that they will also have to fulfil criteria.

Third, I believe that the European Commission will have to play an essential role also in future. The Commissioners have an obligation towards the community. They may come from member states, but they do not represent their countries; it is their task to think of the Union as a whole. Therefore the European Commission needs to be strengthened.

Let me illustrate this with an example: A Commissioner for competition has far-reaching responsibilities today. This person can interfere with legal transactions and – if necessary – is even entitled to stop them. What rights does a Commissioner for the currency have? Where are his or her responsibilities – it is, after all, a common currency and the Commissioner should play a key role. I think this fact proves that we will need to redesign the role of the currency commissioner.

And I would like to make a fourth proposal. The European Parliament is faced with much more of an integrating role in this context than it plays today. We must involve the Parliament to a much greater extent. Not so much to take quick decisions for crisis management but to ensure integration, i.e. the cohesion of the 27 countries at parliamentary level. This is a central task for the European Parliament.

Ladies and gentlemen,

Let me now come to the second topic of my speech, the crisis management measures. I believe that not enough reference is made these days to what has already been done. And that is quite a lot. Swift action was taken in Europe because of the crisis, the EFSF or euro rescue fund has been established. Whenever the European Council took decisions in these past months, the response of the financial markets was positive, at least for a few months. Now this rhythm has been reduced to three weeks. However, the European Financial Stability Facility as a tool as such was a good idea. And we are planning the ESM, the European Stability Mechanism which still needs to be
enshrined in the Treaty and be put into practice. The issue of how to define sanctions in the ESM and how to get the private sector involved is being discussed. However, we will have to complete this design task soon in order for the financial markets to know how this will work in future.

The crisis also very clearly shows how closely national and European challenges are intertwined with each other. But let me get one thing straight: Believing that Europe will solve the crisis for us is believing in fairy tales. The crisis starts in every member state itself especially in those that incur indebtedness far exceeding the threshold that we have defined together. The 60% threshold was defined for a reason. In Austria, we have now reached 74%. You should always start with yourself before criticising others. We have taken countermeasures over the past few years. This was the right and good thing to do. However, we did not correct these countermeasures this year when economic growth began. We must not make the same mistake as in the past, i.e. to spend money. Therefore we have no alternative but the debt ceiling. Over the next few years, up to 2020, we will have to bring our indebtedness back down to 60%. And I have absolutely no sympathy if opposition parties make demands as if this was a time for party political games. Thinking only about your own back yard and how to buy yet another three garden gnomes for it, and to completely ignore the problem for Austria is simply not the right way forward. The right way is to enshrine a brake on debt in the Constitution and to do so now.

The debt ceiling is the outside packaging, the content will be intensively debated next year. We have only indicated the first big problems and I am convinced that if we look at the relevant opinion polls we will find that the majority of Austrians are in favour of us taking these steps.

Ladies and gentlemen,

In this final section I would like to refer to the forward-looking decisions for the future of Europe, because we must not look at the Europe of the future only from the perspective of today’s crisis.

This would mean leaving the stage to the current problem without looking beyond the fence and considering the big picture of European development. We often hear the demand - especially in the European context - that we should “extinguish the fire instead of building houses”. Yes, I believe that the fire must be extinguished, but houses need to be built too. And we have still to draft the layout plans for the ones we need. I do not approve of putting these plans back.

We are faced with a general problem, i.e. to change or not to change the Treaty. I think we are all well advised in the current situation not to go to the European Council in Brussels with ready-made conclusions but to be open, open for a good solution now and for the years to come. The solution for the
future can only be a stability union. And we must focus on contractual structures that will make this possible.

Today we live a union based on four basic freedoms. We are all familiar with them. I believe that in future, four securities will have to be added to the four freedoms. Four securities that demonstrate to our citizens that we work on the things that they are most interested in:

Stability: We will win back our citizens’ trust if we succeed in ensuring stability.

Prosperity: We in Europe are certainly the continent that has to defend the most. And we know how difficult this is. Perhaps we should also discuss to some extent what prosperity actually is. I believe that it is much more than only material wealth.

Sustainability: A security that needs to be ensured for the future. Who is leading the discussions in Durban where at this very moment a major conference on our environment is being held to develop our concepts for the future? Who is it that opts for sustainability? It needs to be us, us Europeans and Austrians in particular.

And of course, the security of peace: This has shifted out of focus now with discussions revolving primarily about the financial sector. However, the peace perspective is not something we can take for granted. We will have to make it a security of the European Union.

Let us only look around us. The Arab Spring – which is now turning into a late autumn – has not stopped at the borders of the countries where it broke out. We have to look at the security perspective, also on our own doorstep. That is why the issue of peace is a central perspective.

Ladies and gentlemen,

While talking about the development of the European Union, I would also like to refer to the Community Method that needs to be strengthened. The Community Method means that within the European Union we move towards a solution together. The effect on the outside world would be fatal if we were to be represented by a body where only a few member states are represented. What we need is to leverage the strength of the 27, the strength of the market. We are a power with 500 million people, a power that must not be underestimated.

A power also in our external relations. We also have something to offer. I notice that in international policy where the European External Action Service is taking on new dimensions. We must become aware of these strengths, by leaving our nation state philosophy behind and by seeing the common ground of the 27 instead as one option for the future.

We need to make the Union’s bodies leaner and more efficient. There are several cases where we need to consider how to make the institutions more
efficient. The Treaty of Lisbon has already prepared the ground in several aspects. Procedures have been trimmed and their efficiency has been improved. And yet, there is more that needs to be done.

I am convinced that we will need to focus much more on the issue of efficiency. Any national interest has to be put aside. In terms of making procedures simpler we should ask ourselves if unanimity always really makes sense. In cross-border police cooperation that is still subject to unanimity I do not see any reason why decisions should not be taken according to the majority principle in future. If we get more security in return then this would certainly be in the interest of our citizens.

Or when I think of the size of the Commission. Europe has 27 member states, and soon we will be 28 with Croatia. Here too we will reach the limits of what is still feasible.

We should discuss the principle of one commissioner per member state. I think that we should make sure that the brightest minds are sent to the Commission, yet not necessarily one from each country but – perhaps – following a rotation principle where all members are equally considered.

And we must contemplate how we can ensure more citizen involvement. The union of the future can only be a union of the citizens. Hence I believe that we need to opt for a Europe that underlines these future-oriented dimensions. Each crisis also has an inherent aspect of incredible opportunity. We have this opportunity now. We need a union that offers freedoms but also securities. We need a strong Europe that is aware of its power.

And it will begin at the moment when it begins in our minds.

Thank you very much for your attention.
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