

**FOREIGN MINISTER VARTAN OSKANIAN
presents
ARMENIA'S FOREIGN RELATIONS IN 2003
A SUMMARY**

14 January 2004

Summing up the results of the 2003, one may confidently state that it was a dynamic and productive year for Armenia's foreign relations. Our relations with the outside world were remarkably diverse in content and geography.

The presidential and parliamentary elections held in 2003 constituted another stage on the road to building democratic institutions and civil society. In the South Caucasus region, Armenia's domestic political stability and economic growth caused it to stand out. The country's reputation as that of a stable and reliable state and partner was reinforced. Armenia became a member of the World Trade Organization and was elected to the UN Economic and Social Council. Against the background of current developments in the South Caucasus, these achievements were quite tangible and will serve as a strong impetus for the implementation of our future foreign policy endeavors.

Overall, stability was maintained in the South Caucasus region as well. There were concerns due to the tension between Iran and the US (that appears to be subsiding,) as well as with the situation which arose following the results of the parliamentary elections in Georgia.

In terms of ensuring stability and international security, the attention of international politics in the last year focused on combating the threat of international terrorism and on non-proliferation of nuclear weapons. These issues formed the basis of the following developments of global significance:

- ?? The overthrow of the Iraqi regime by coalition forces and the establishment of a new authority,
- ?? Tension that arose in connection with demands made of some countries with regard to non-proliferation of nuclear weapons,
- ?? Current processes of conflict resolution in the Near East,
- ?? Stabilization of the situation in Afghanistan and the formation of a new administration.

Despite certain differences between superpowers as a result of serious global and regional developments and shifts, the international community's united stance in combating terrorism and the positive process of the ensuing dialogue were quite beneficial to our foreign policy of complementarity. Guided above all by the economic development and security interests of our country, in the last year we focused our efforts in the following key directions:

a) the global political domain

- Armenia's involvement in globally significant processes, particularly those related to combating terrorism,
- Armenia's involvement in the organizations of international significance,
- expansion of relations with the Russian Federation, the US, the EU and European countries – all engaged in regional processes, and ensuring Armenia's participation in European, Euro-Atlantic and post-Soviet integration structures.

b) the regional political domain

- furthering mutually friendly relations with our immediate neighbours – Georgia and Iran, regulating relations with Azerbaijan and Turkey, as well as reinforcing regional stability and expanding cooperation.

There were high level visits to quite a few countries, steps were taken to establish new ties and to raise existing levels of relations with various countries and give them new momentum.

IMMEDIATE NEIGHBOURS

We view **Armenia - Georgia** friendly relations as an essential factor of regional stability. For Armenia, the most important goals of bilateral relations are the furtherance of political dialogue and economic cooperation, the safe, stable and secure operation of transport routes via Georgia that connect Armenia to the outside world, stimulation of cultural and economic ties with Armenian community in Georgia.

In 2003, the President of Armenia made an official visit to Georgia, during which there was specific discussion of the settlement of Georgia's debt, provision in 2004 of concessional tariffs for transit of Armenian goods via Poti-Batumi-Sadakhlo route, the unloading in Georgian ports of Armenian goods carried by railway ferries, the reopening of raillines passing through Abkhazia, the demarcation of Armenian-Georgian borders. The Armenian party reaffirmed its readiness to participate, within the limits of its capacities, in the implementation of the Georgian government's 2002 - 2005 program for the social and economic development of Samtskhe-Javakheti region.

Georgia's Acting State Minister Zurab Zhvania visited Armenia at the end of the last year to discuss Armenian-Georgian relations.

On 4 January, Georgia held special presidential elections which resulted in a compelling victory for Mikhail Saakashvili. We welcome the newly elected authorities of Georgia and are ready to closely cooperate with them. We are confident that relations between our two countries will continue develop on the path that has been set.

Prior to a discussion of **Armenia – Iran** relations, I would like to remember the devastating earthquake that took place there at the end of last year and once more extend my condolences to the people of Iran. You know that Armenia immediately expressed its willingness to help the victims of the earthquake and sent a rescue team and medical supplies.

In 2003, friendly relations with Iran continued to develop consistently. Iran's Minister of Foreign Affairs and Minister of Science, Research and Technologies visited Armenia and our Minister of Energy visited Tehran. Cooperation agreements were signed in education, science and technology, and in energy. Economic cooperation programs were initiated between Iran's province of Eastern Azerbaijan and our Syunik region.

Bilateral relations continue to evolve around

- ?? energy,
- ?? increased trade,

?? establishment of new communication routes and development of the existing ones.

Negotiations on key economic cooperation projects continue – the construction of the Iran – Armenia gas pipeline, the Kajaran tunnel and the Arax river hydro power plant.

Armenia - Azerbaijan relations continue to revolve around the question of Nagorno Karabagh. Due to the presidential elections held in both countries last year, there was no expectation of progress in the settlement of the conflict.

The newly elected Azerbaijani president's stance on the Karabagh issue is not yet fully clear. The first get-acquainted meeting between the presidents of Armenia and Azerbaijan, held in Geneva near the end of the last year, can be considered promising in terms of a potential for continued dialogue.

As for other issues surrounding the formation of relations between Armenia and Azerbaijan and present opportunities, despite efforts by ourselves and by the international community, in 2003, Azerbaijan maintained its rigid rejectionist stance in terms of interaction with Armenia within the framework of regional cooperation program, justifying such stance by the Karabagh conflict.

Armenia - Turkey relations did not record any notable progress in 2003, but there is some change in the Turkish position. Despite the occasional harsh statements, nevertheless, the Turkish side does not link the normalization of bilateral relations as adamantly to the settlement of the Karabagh conflict as it did in the past. The regular meetings at the foreign ministers' level has taken the official bilateral contacts to a new level.

During 2003, Armenian-Turkish contacts also took place in the framework of international organizations (UNESCO, Council of Europe, Black Sea Economic Cooperation), as well as within non-governmental and public organizations.

We are determined to continuing, without any preconditions, with the process of establishing comprehensive relations with Turkey.

RUSSIA, US, EUROPEAN UNION

Russia and the US continue to bring their substantial involvement in ensuring stability and economic development in the South Caucasus. In 2003, our relations with these powers was maintained at a consistently positive pace, with economy and trade, and political-military cooperation identified as priorities.

The **Armenia - Russia** strategic cooperation is an important factor in our country's economic progress and guaranteed security. During the last year, our relations entered a new phase as we made significant headway in economic cooperation. This was due largely to a constant dialogue, intensified contacts at the highest levels, an official visit of the President to Moscow, and agreements reached between the presidents of the two countries at five other meetings. Armenia's National Assembly President, the Prime Minister, and the ministers of Defense and Foreign Affairs also visited Russia. In turn, the President of the Russian Federation Council, the Secretary of the Russian Security Council, the Russian Minister of Defense, the Mayor of Moscow and heads of various regions, as well as parliamentary groups visited Armenia.

Last year, Armenia transferred some of its assets to Russia in the framework of a debt settlement scheme based on corresponding agreements and protocols. Besides settling a considerable part of Armenia's debt, this move created new opportunities for investment in the national economy.

Between January and November last year, trade between our countries increased by 26 per cent compared to 2002. The potential of bilateral trade and economic relations is largely contingent on the existence of a direct connecting railway route. Hence the importance of reopening the railway through Abkhazia. At the same time, efforts are being made to secure Armenia's participation in the "North-South" transport corridor and the implementation of the "Port Caucasus" ferry route project.

In 2003, we signed agreements on military and technical cooperation in relation to provision of weapons and preferential supply terms.

Also in 2003, Armenia took steps aimed at improving the legal status of Armenians living in Russia and to help them surmount problems encountered as a result of new Russian legislation. An Armenian Consulate General opened in the Southern Federal Region of the RF, and three honorary consuls were accredited in Volgograd, Saratov and Vladivostok.

We also focused on maintaining and expanding the high level of Armenian - Russian cultural and educational relations. This last year marked the 100th anniversary of Aram Khachaturian. Moscow and other Russian cities hosted numerous events dedicated to this anniversary.

Armenia – US. During the last year, the US continued to actively participate in ensuring regional stability and economic development in the South Caucasus and consistently demonstrated its interest in the integration of the countries of the region into European structures. Armenia highly appreciates US efforts to implement programs on regional cooperation, strengthening of democracy and the development of a free market economy, provision of humanitarian and development assistance.

The Armenia – US Economic Task Force held two meetings during the year and another meeting was held in Yerevan within the framework of a strategic dialogue established between the two countries.

Some of the issues discussed by the Armenia-US Task Force were:

- ?? The utilization of US humanitarian and technical assistance by Armenia and maintaining the levels of such assistance,
- ?? Involving Armenia in the US Millennium Challenge Fund program,
- ?? Bilateral cooperation within the World Trade Organization, the World Bank and the International Monetary Fund,
- ?? Measures to increase the volume and diversity of trade

The Armenia-US Strategic Dialogue agenda included three fundamental directions:

- ?? Regional security issues
- ?? Bilateral political-military cooperation
- ?? Global security issues, such as export controls and non-proliferation, and combatting international terrorism

Last year, the US House of Representatives adopted a resolution on granting Armenia permanent normal trade regime. In 2004, it will go to the Senate and all prerequisites are there for it to be passed without any problem. This is serious progress in bilateral relations and will positively contribute to the final repeal of the Jackson - Vanik amendment that has adversely affected the development of trade and economic relations between our countries. In this context, the long-term objective of Armenia's foreign policy is to establish a free trade regime between Armenia and the US.

US military technical assistance to Armenia continued with primary emphasis on modernizing the communication capacity of Armenia's armed forces and training Armenian military officers at US military academies. Last year, the US maintained a balance in military technical funding provided to Armenia and Azerbaijan. An office for coordinating bilateral military cooperation was established at the US Embassy in Yerevan.

In the realm of political-military cooperation, the US has appreciated Armenia's role in combating international terrorism. The United States understood Armenia's balanced and reserved position on the Iraq issue. The US welcomed Armenia's offer to provide military doctors, sappers and transport towards the Iraqi reconstruction effort, as well as Armenia's decision to participate in an international peace-making operation in the Balkans in 2004.

Armenia – European Union. Armenia's integration in European structures continues to remain a priority of our foreign policy. This is demonstrated in our relations with the EU and with individual European countries. At the end of 2003, in meetings with the heads of EU institutions in Brussels, Armenia's President reaffirmed Armenia's commitment to reform the country's public life in accordance with European principles and standards – something that the EU leadership highly appreciated.

In March 2003, the EU came forward with the Wider Europe - New Neighbourhood Initiative, whereby, in order to encourage political and economic reforms by the new neighbors of the enlarged Europe, each country would be entitled to new privileged terms of cooperation with the EU in various sectors. For some countries, the opportunity of EU membership drew closer. The South Caucasus is not yet covered by this initiative, but the issue is on the agenda and the prerequisites are there that in the near future our region will be included in this important program. The EU Commissioner for Enlargement, G. Verheugen, is planning to visit Armenia and the region in 2004. A clearer EU policy on the South Caucasus may follow this visit.

Armenia sees its future as a full-fledged member of the European Union.

In 2003, sustained efforts continued per the Armenia-EU Partnership and Cooperation Agreement, through official institutional meetings.

High-level political dialogue also continued. In that context, last year an EU Troika delegation, headed by the Deputy Minister of Foreign Affairs of the EU Chair, Italy, visited Yerevan.

In 2003, the EU appointed a Finn diplomat Heiki Talvitie to the newly-created position of special representative to the South Caucasus. His mandate is quite comprehensive and covers political, economic and regional cooperation matters. In the short period since this appointment, the special representative has paid three visits to the region and initiated a dialogue of mutual interest.

Armenia continued its participation in regional programs sponsored by EU. In October 2003, Yerevan hosted TRACECA's 10-year Jubilee Intergovernmental Ministerial Conference. Armenia assumed next year's chairmanship of this program.

In the framework of the EU TACIS Program, the European Community provided Armenia 10 million EURO. A similar amount was allocated through the Food Security Program. The provision of EU financial grants to Armenia under Exceptional Financial Assistance package also continued.

In the last year, trade between Armenia and the EU registered a 38 percent growth over the previous year.

EUROPEAN COUNTRIES

The policy of European integration was also evident in Armenia's bilateral relations with European countries.

In 2003, Armenia's relations with Western European countries diversified, the agendas were broader and the extent of political contacts were expanded.

Armenia's earlier initiatives are being reciprocated. The most promising avenues of cooperation are being clarified, with an emphasis on support for investment and development programs. Culture, education and science became increasingly important areas of cooperation.

The President of Armenia visited the Federal Republic of Germany and France.

At the end of the year, the Foreign Minister had an landmark meeting with German Foreign Minister Joschka Fischer in Berlin, and he participated in a conference on the Southern Caucasus - Political Challenges and Development Perspectives.

During the last year, Armenia hosted high level parliamentary, government and municipality delegations from Great Britain, Germany, France, Sweden, Norway and Spain. Among these were the visits of Italian Deputy Foreign Minister Margherita Boniver, State Secretary of Norwegian Ministry of Foreign Affairs Kim Traavik, Secretary of the Holy See of Vatican for Relations with States (Foreign Minister) Archbishop Jean-Louis Tauran, Special Ambassador of German Foreign Ministry to Russia, Central Asia and Caucasus, Commissioner Norbert Baas.

Several important interstate and intergovernmental agreements were signed with the governments of Germany, the Swiss Confederation, Republic of Italy and Kingdom of Denmark.

At the end of the year, Yerevan hosted consultations between Armenian and UK foreign ministry representatives.

With France and Italy, there has been active cooperation at the level of local governments.

At the end of last year, the Swiss Parliament adopted a resolution in recognition of the Armenian Genocide.

During the last year, Armenia's relations with Central and Eastern European states also moved forward. A group of these countries (Poland, Czech Republic, Slovakia, Hungary, Slovenia, Latvia, Lithuania, Estonia), as well as Cyprus and Malta will become full EU members on May 1, 2004, and Romania and Bulgaria will join in 2007. The positive experience gained by these countries in the process of European integration may be successfully used by Armenia. Next year, some of these countries (Slovakia, Slovenia, Latvia, Lithuania, Estonia, Romania and Bulgaria) will also join NATO.

During 2003, Armenia's President visited Bulgaria and Romania, the Foreign Minister visited Cyprus, and Lithuania's President visited Armenia. In the framework of these visits, Armenian – Romanian and Armenian – Lithuanian business forums were organized. In October 2003, Armenia's Foreign Minister visited Croatia and Slovenia. This was the first visit of a senior Armenian official to either of these countries.

The first Polish Ambassador was accredited in Armenia, the Ambassador of Bosnia and Herzegovina (resident in Moscow) was also appointed.

CIS COUNTRIES

Armenia – Ukraine relations continue to remain important in view of the economic potential of this country, its strategic position at the intersection of transport routes, as well as its political weight.

In 2003, there was considerable progress in Armenian – Ukrainian trade and economic relations. After the first 9 months of last year, the volume of trade between the two countries increased by about 34 per cent. In this regard, Ukraine is Armenia's second largest partner in the CIS after Russia.

Last year, after an official visit by Armenia's Minister of Defense, Armenia and Ukraine began to cooperate in the areas of military education and technical equipment.

Efforts aimed at improved political cooperation with the Ukraine in the framework of international organizations also continued.

Cooperation programs between each country's regions are being developed by both countries.

An official visit by Armenia's Prime Minister to the Ukraine and Moldova is scheduled for February 2004. In the framework of these visits, the next meeting of the Armenian – Ukrainian Economic Intergovernmental Commission will take place.

2003 registered a serious progress in **Armenia – Belarus** trade relations, due to the cooperation agreements reached during meetings of high level government representatives, businessmen and government officials, and the accomplishments of Armenia – Belarus Intergovernmental Commission.

The Foreign Minister of Belarus visited Armenia, and Minister of Defense of Armenia paid a visit to Belarus. During these visits, the parties signed agreements on cooperation in economic and military domains.

Economic cooperation between the two countries also saw considerable progress. During the first 9 months of 2003, trade exchange soared by 61.6 per cent.

Armenia and Belarus began to implement agreements on Armenia importing Belarussian trucks and tractors, establishing an agricultural machinery repair and maintenance regional centre in Armenia.

With CIS member states in **Central Asia**, there were positive developments particularly in our cooperation with Tajikistan. Tajikistan's President visited Armenia and signed several agreements. Armenia's Foreign Minister also visited Tajikistan. During this visit, the parties reached an agreement on the establishment of a joint Armenian –Tajik interparliamentary cooperation commission, with the first session scheduled for 2004 in Yerevan. Agreement was also reached on organizing expos of Armenian and Tajik goods in Dushanbe and Yerevan.

Armenia consistently worked towards futhering economic cooperation and trade with Kazakhstan, Kyrgyzstan, Uzbekistan and Turkmenistan.

NEAR AND MIDDLE EAST

Relations with the countries of the Near and Middle East is important for us because of their geographic location, the effect of Middle Eastern developments on international politics, the strong role of these countries in the League of Arab States, the Organization of Islamic Conference and Organization of Non-Aligned Movement, as well as the existence there of large Armenian communities.

Due to the war in Iraq, as well as related events, it was not easy to try to activate and intensify relations with these countries in 2003. Several reciprocal visits had to be postponed and rescheduled.

The situation in and around **Iraq** continues to remain at the center of our attention. Armenia is prepared to participate in post-war reconstruction and extend a helping hand to the people of Iraq. We are planning to send sappers, medical doctors and transport engineers who will work jointly with international forces under coalition leadership in accordance with UN Security Council Resolution 1511.

In 2003, **Armenia - Egypt** relations revolved around implementation of agreements reached in 2002 at a session of the intergovernmental commission. Last year, 214 Armenian professionals from various fields received training in Cairo with funding from Egypt's TACIS Fund. There are also plans for cooperation in the healthcare sector.

Armenia puts great value on its friendly relations with **Syria**. In 2003, we were able to deepen our relations in the fields of education and agriculture.

Last year, there was a meeting of presidents of Armenia and **Lebanon** in Geneva, at the UN Information Society Summit. Areas of future cooperation will be discussed at a first meeting of Armenian – Lebanese Intergovernmental Economic Commission scheduled for 2004.

In 2003, Armenia - **United Arab Emirates** relations revolved around trade and economy, education, science and culture. We are working with the Abu Dhabi Development Fund to secure financing for social and economic development programs in Armenia.

A delegation of Armenia's Foreign Ministry visited **Kuwait, Oman and UAE**. We are working on the establishment of a legal framework of cooperation between Armenia and the Gulf countries.

In 2003, Armenia accredited non-resident ambassadors to some Gulf countries (Kuwait, Bahrain, Oman). The Kingdom of Kuwait and The Sultanate of Oman appointed their ambassadors to Armenia.

2003 saw positive movement in our relations with **Israel**, particularly in trade, education and culture. In order to strengthen our economic ties, the two countries agreed to establish a joint commission.

ASIA, OCEANIA AND AFRICA

Armenia's added foreign policy efforts in the regions of Asia, Oceania and Africa have to do with the economic potential and progress by the countries of this vast area.

Our relations with **China** were designed with the intention that they would be further developed and deepened. Last year, a member of the Communist Party Central Committee Political Bureau Lo Gan and Deputy Foreign Minister Li Gu Chan visited Armenia. Consultations between Foreign Ministry representatives of Armenia and China were held in Beijing.

Armenian – Chinese intergovernmental commission aims to fully engage the potential of our economic cooperation. Last year, the Yerevan meeting of the commission registered progress in financing an investment program of the joint “Chinarmenpren” venture on production of chloroprene rubber in China.

The Government of China provided a grant of 5 mln yuan to Armenia's agriculture sector. The Government of Armenia also received 13 automobiles, at a total value of 5 mln yuan, for official use.

We also cooperate in the fields of science and education. Negotiations were held on opening of a Chinese language chair at the Bryusov Institute of Foreign Languages. The Chinese side has already agreed to send to Armenia a Chinese language instructor.

The key event in **Armenia - India** relations during the last year was the state visit of Armenia's President to India. During this visit, the parties signed agreements on cooperation in economic, IT, military technical and other fields. During the visit, a Caucasus studies centre – the only one in the Asian region, was inaugurated.

The presidential visit was preceded by a visit to Armenia by Indian Minister of State Digvijay Singh and a reciprocal visit by Armenian Deputy Foreign Minister T. Markarian.

Armenia's Minister of Education and Science and the President of the National Academy of Sciences also visited India. India's Deputy Minister of Health visited Armenia.

India hosted an Armenian–Indian intergovernmental commission meeting and consultations of the foreign ministries.

The Government of India provided a grant of US \$5 mln towards the development of agriculture sector of Armenia.

During the last year, the number of Indian students studying at the Medical University in Yerevan increased.

Armenia – Japan. Although the Japanese government’s ODA foreign assistance program has been curtailed, Armenia managed to maintain the levels and pace of Japanese technical assistance to Armenia, and even reached an agreement on increasing such assistance. In the healthcare sector, too, a large assistance program is being implemented.

Negotiations are underway with corresponding authorities in Japan on setting up a Japanese language lab at the Oriental Studies Department of Yerevan State University and, effective September 2004, beginning a Japanese language training program.

Armenia is making efforts to establish relations and promote economic cooperation with other countries in the region, too. Last year, Armenia received Australian Immigration and National Minorities Minister, as well as the Special Envoy of the Prime Minister of Thailand. An Armenia – Korea business forum was recently held in Moscow.

Armenia established diplomatic relations with East Timor, Somali and Togo. Honorary Consuls of South Korea and Phillippines were appointed in Armenia.

In 2003, the Government of Armenia adopted a plan of action and a time-table for Armenia’s membership in the Asian Development Bank.

NORTH AND SOUTH AMERICA

In 2003, Armenia continued to work with the countries of the American continents.

With **Canada,** the government of Armenia and the Canadian International Development Agency are discussing cooperation programs in the fields of industrial development and agriculture. Contacts between legislators of both countries continued, and there were reciprocal visits by parliamentary delegations. In November 2003, the National Assembly of Quebec adopted a resolution on declaring 24 April as Genocide Memorial Day.

In 2003, we continued to work toward realizing the potential in cooperation with **Central and Latin American** countries. The Foreign Ministers of Argentina and Armenia met in New York, within the framework of the UN General Assembly. There are plans to establish a Yerevan office of the Argentine Chamber of Commerce.

Last year, the Minister of Agriculture and the Chairman of the Central Bank of Armenia visited **Brazil.** The legislature of the largest state of Brazil – Sao Paolo, adopted a resolution on a memorial day for the 1.5 million victims of the Armenian Genocide of 1915.

INTERNATIONAL ORGANIZATIONS

United Nations. Armenia's standing in the international community is noticeably related to the country's proactive engagement in the UN. Thus, the most notable achievement of 2003 was our election to the UN Economic and Social Council (ECOSOC). ECOSOC is one of the 6 main bodies of the UN and it coordinates the economic and social activities of the UN family. Serving as a forum for discussion of proposals on economic and social policies, ECOSOC plays an important role in promoting international cooperation for development and setting priorities for action. Armenia's membership term in ECOSOC is 2004 – 2006. Together with membership in other UN bodies, our involvement in the decision-making process is substantial enough to ensure that Armenia has ample opportunities to make a meaningful contribution.

In 2003, Armenia participated in the 58th session of the UN General Assembly, in the 10th Extraordinary Session, in the 59th session of the Human Rights Commission, in the 43rd session of the Planning and Coordination Committee.

Pursuant to UN Security Council Resolution 1373, Yerevan hosted a seminar dedicated to combating international terrorism.

The 32nd session of UNESCO, the UN's principal cultural body, adopted a resolution endorsing a regional "Caucasus" program co-authored by Armenia. A joint resolution was adopted to include in the UNESCO commemorative calendar proposals by member countries, whereby Armenia proposed commemoration of the 1600th anniversary of the creation of Armenian alphabet.

In cooperation with UNESCO, the following events were organized in 2003:

- International festival and conference on the occasion of Aram Khachaturian's 100th anniversary (this anniversary is included in the UNESCO commemorative calendar),
- Preparation of a computer database and a CD on Armenian architectural monuments,
- Creation of an integration centre for children with impaired hearing,
- Computer design training courses for artists and art workers,
- International conference on the role of "Sasna Tzrer" national epos in Armenian medieval culture.

Organization for Security and Cooperation in Europe (OSCE). In 2003, Armenia was actively involved in a broad spectrum of initiatives of European significance. This spectrum includes issues of security and stability, politics, freedom of media, political-military aspects of security, environment and economy, human rights, legislation and others.

Last year, the 11th Meeting of the OSCE Ministerial Council took place in Maastricht. The declaration and other documents adopted at the meeting reflected Armenia's approaches and positions.

The OSCE Chairman-in-Office, Foreign Minister of the Netherlands Jaap to Hoop Scheffer visited Armenia in the framework of his regional mission to learn about the problems of the region and the latest developments with regard to the settlement of regional conflicts.

The OSCE Office in Armenia coordinated international support towards the preparation of Armenia's Anti-Corruption Strategy and Plan of Action, adopted by the Government in 2003. The OSCE Office also supports the implementation of the strategy.

Armenia's cooperation with the **Council of Europe** is an intrinsic element of our European integration efforts. In 2003, our relations with the Council continued to revolve around political, legal, parliamentary and intergovernmental cooperation within the framework of fulfilling Armenia's obligations of membership.

During the last year, Armenia made considerable progress in fulfilling these obligations and thus raised its profile in the Council of Europe. In this context, one of the important steps was ratification of the 6th Protocol of the Human Rights Convention and abolition of the death penalty. In the framework of its commitments, Armenia also ratified other instruments, adopted important laws including those on mass media, alternative military service, and the Ombudsman. Specific agreements were reached with the Venice Commission on cooperation on constitutional reforms and amendment of the electoral law. A plan of action for reforms in the local governance sector was prepared jointly with a respective directorate of the Council of Europe. The Congress of Local and Regional Authorities of Europe commended this action in its report on local democracy in Armenia issued in November of last year.

In the beginning of 2003, the expanded bureau of the Council of Europe Ministerial Council discussed Armenia's and Azerbaijan's responsibilities in relation to the settlement of Karabagh conflict. The special representatives of both countries' presidents and the Minsk Group Co-chairs attended the bureau meeting. The Council of Europe Parliamentary Assembly is presently preparing a report on the Nagorno Karabagh conflict.

During the Strasbourg visit of the Deputy Speaker of Armenia's National Assembly, Armenia and the Council agreed on a new timetable for fulfillment of Armenia's membership obligations.

Armenia actively cooperates with the Council of Europe in combating corruption, and will shortly join the Group of States Against Corruption (GRECO).

Armenia continued to cooperate in culture, education and science, social security, urban development and other sectors. Steps were taken to continue a joint Council of Europe-European Commission program to carry out a whole spectrum of intergovernmental cooperation initiatives in the region aimed to ensure democracy, promote stability and prevent conflict in the South Caucasus.

Commonwealth of Independent States. In 2003 Armenia continued its active participation in CIS bodies, in meetings of the Council of CIS Heads of State, the council of heads of government, council of ministers of foreign affairs, and informal meetings of CIS Heads of State. A certain inertia in overall developments within the CIS framework was compensated for by cooperation of the member states in the economic domain and in the process of setting up appropriate institutions. Russia, the Ukraine, Belarus and Kazakhstan were particularly active in their efforts aimed to create a common economic space. Of interest to Armenia is the establishment of a Eurasian Economic Community with the participation of Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan, with the Ukraine and Moldova subsequently joining with observer status. Last year, Armenia also received observer status with the Community.

International Economic Organizations. One of our priorities is the strengthening of the economic dimension of Armenia's foreign policy, to be largely met by Armenia's

integration in international economic organizations. In this context, the most notable achievement in 2003 was our membership in the World Trade Organization (WTO). The Ministry of Foreign Affairs has always prioritized and relentlessly supported the process of accession.

Armenia emphasizes cooperation in the framework of the Black Sea Economic Cooperation (BSEC), the UN Food and Agriculture Organization (FAO), the UN Industrial Development Organization (UNIDO), UN Conference on Trade and Development (UNCTAD), UN Economic Commission for Europe (UN/ECE) and UN Economic Commission for Asia and the Pacific (UN/ESCAP), as well as the International Telecommunications Union (ITU).

Armenia assumed BSEC chairmanship between 1 November 2002 and 1 May 2003. During this term, Armenia's steps were directed towards consistent implementation of the BSEC economic agenda and contribution towards further development of BSEC to serve both Armenia's and other member countries' priorities and needs.

Yerevan hosted a concluding event of Armenia's BSEC chairmanship – the 8th Meeting of BSEC Council of Foreign Ministers, whereafter the chairmanship was transferred to Azerbaijan.

UN Food and Agriculture Organization (FAO) continued implementation of several programs and projects in Armenia. FAO office in Yerevan was the first FAO office in the South Caucasus. Discussions are underway to transform this office into a the Regional Office for CIS.

During 2003, Armenia continued implementation of an ESCAP project on globalization management in member states, aimed to facilitate integration of the countries of Central Asia, the Transcaucasus and Mongolia in globalization processes and help them benefit from their advantages.

UN ECE and UN ESCAP initiated a project on strengthening land transport connections between the countries of Europe and Asia. This project is of particular significance for Armenia especially in view of the fact that the country, unlike others in the region, has not yet acceded to several important agreements and conventions on transport.

Government Commissions on International Issues

The Commission on the Protection of the Rights of the Child, coordinated by the Ministry of Foreign Affairs, prepared and submitted to the cabinet a draft National Plan of Action for Protection of the Rights of the Child (2004-2015).

The Commission on Trafficking prepared and submitted to the cabinet a National Program and plan of action aimed at improving the current situation with trafficking and prevent its further deterioration by means of a set of ethical, social and legal levers. In parallel to the preparation of the Program, last year, Armenia ratified a Convention Against Transnational Organized Crime and protocols on Prevention, Prohibition and Punishment of Trade in Human Beings, Particularly Women and Children and Against Illegal Transportation of Migrants Through Surface, Sea or Air. Armenia signed optional protocols to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography and on the involvement of children in armed conflict. Article 132 of the

Armenian Criminal Code classifies 'trafficking in human beings' as a crime and calls for appropriate criminal liability.

Just one year after a Government Interagency Commission began to work on the problem, the US Government moved Armenia from the 3rd to the 2nd group of countries indicating that the country made a significant improvement in meeting the problem and there's no need for financial sanctions to be applied against it.

The combined efforts of a Government Commission and independent experts resulted in the preparation of a national report on the UN Millennium Development Goals.

Armenia has some arrears in terms of paying its contributions for membership in various international organizations. These unpaid dues resulted in suspension of Armenia's voting right in some of these organizations. We have managed to restore our voting right in the IAEA, IOM, UNESCO, FAO and are working on restoring Armenia's voting right in WHO and UNIDO.

SECURITY SYSTEMS

Collective Security Treaty Organization. Membership in CSTO is an important component of Armenia's security system. In 2003, the Collective Security Treaty transformed into an international regional organization, and Armenia participated in this transformation process. Issues of organizational structure and military cooperation were discussed last year at sessions of CSTO Council of Foreign Ministers, Council of Defense Ministers, and the Collective Security Council.

Secretary General of CSTO N. Bordyujia visited Armenia and held meetings with the President, Foreign Minister, Defense Minister, heads of the Interior, National Security and Emergency Situations agencies. The parties discussed issues of regional security, implementation of decisions of the Collective Security Council and military cooperation.

NATO/Partnership for Peace During the last years, Armenia consistently developed its relations with the North Atlantic Treaty Organization. Steps were taken to raise Armenia - NATO cooperation to a qualitatively new level.

Last year, the President of Armenia and the NATO Secretary General made reciprocal visits. Armenia participated in meetings of Foreign Ministers, Defense Ministers and Chiefs of Staff. Political dialogue on North Atlantic - Regional Security and Armenia - NATO cooperation issues at the level of Deputy Foreign Ministers and NATO Deputy Secretary-General, continued. The dialogue is ongoing and consistently enlarges in scope.

In the framework of the NATO PARP program, at NATO headquarters, the first meeting in took place with a 19+1 format. According to a program approved at the meeting, the forces and resources provided to Armenia (one peacekeeping battalion, National Centre for Demining and one battlefield) will be combined with the allied forces in line with one of the key objectives of the PARP program.

In 2003, Armenia joined the PfP Status of Forces Agreement (PfP SOFA), which regulates issues related to the conditions and status of allied or partner forces stationed in the Partnership region.

The issue of the integration of the Armenian peacekeeping platoon in the Greek battalion stationed in Kosovo and its participation, starting January 2004, in KFOR peacekeeping operation in the Balkans, was finally resolved.

The NATO Cooperative Best Effort-2003 exercise took place in Armenia and became an important event aimed at increasing mutual trust and promoting cooperation within the North Atlantic Treaty.

Overall, participating in the exercise were 19 NATO member and partner countries (three participated as observers). For the first time, a NATO exercise organized in one of the former Soviet Union countries, took place with Russia's participation. In spite of Armenia's readiness to host all countries of the region, Azerbaijan did not participate in the exercise. Turkey participated in an observer status, with 3 military officers.

In 2003, Chief of the Main Staff of the Armed Forces of Armenia and Armenia's Ambassador to NATO participated in Allied Action – 2003. This was the first visit of a senior military official of Armenia to Turkey.

The political dialogue with NATO and Armenia's participation in the Partnership become increasingly coordinated and targeted. The creation of combined forces will enable Armenia to make a contribution to NATO's peacekeeping endeavors.

Non-proliferation issues and exports control On September 24, 2003 the National Assembly of Armenia adopted a law on Dual Use Goods and Technologies and Control of Their Transit Through the Territory of Armenia. This law was drafted by the Ministry of Foreign Affairs. By adopting this law, Armenia joined the Kimberly process.

In terms of exports control, in 2003 we established a plan of cooperation with the US Nuclear Safety Agency. We continue our cooperation with the Industrial Safety Bureau of the US Department of Trade. The parties organized a joint workshop in Washington on the development of a legal and regulatory framework related to the newly adopted law.

Control of Conventional Weapons. Armenia continued carrying out regular program activities emanating from the requirements of the Agreement on Conventional Armed Forces in Europe and the Vienna Document of 1999.