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SUB-COMMITTEE ON
FUTURE SECURITY AND DEFENCE CAPABILITIES
AND THE SUB-COMMITTEE ON DEMOCRATIC
GOVERNANCE

JOINT VISIT TO ARMENIA AND GEORGIA

SECRETARIAT REPORT

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I. INTRODUCTION

1. Twenty members of the Sub-committee on Future Security and Defence Capabilities and the Sub-committee on Democratic Governance visited Armenia and Georgia on 12-16 June 2006. Led by Vahit Erdem (Turkey) and Tchetin Kazak (Bulgaria), the delegation met with parliamentary and governmental officials, military commanders, as well as representatives of the international community and civil society. The delegation also visited the Adjara region of Georgia and met with local officials.

2. Both countries are developing their relations with Euro-Atlantic institutions. They also share a number of common concerns and threats, including the so-called frozen conflicts, energy security, corruption, and organized crime. Armenia and Georgia, however, have very different foreign policy objectives and strategies. Georgia has stated clearly its ambition to become a full-fledged member of the Euro-Atlantic community, while Armenia favours maintaining a balance between the Euro-Atlantic community and Russia.

II. ARMENIA

3. The delegation was particularly interested in the future direction of the country's relations with Euro-Atlantic institutions. The unresolved conflict in Nagorno-Karabakh, Armenia's relations with Turkey, defence and security sector reform, as well as the state of democratic reforms in the country, were the other main issues of discussion.

4. Armenia's foreign policy is based on maintaining a balance between their ambitions to be part of the wider European community and their close relationship with Russia. Government representatives and members of parliament repeatedly addressed this theme of "complementarity". They see no reason why Armenia should be put in the position of making choices that will alienate their partners. As Vardan Oskanyan, the Minister of Foreign Affairs, explained, a small country such as Armenia with only two open borders must maintain flexibility in its foreign relations. Several members of the delegation questioned this position, noting that this appears difficult to sustain and that a policy of complementarity is simply a euphemism for indecisiveness, but Armenian officials maintained that complementarity is a sound basis for the conduct of the country's foreign affairs.

5. Armenian officials were clear in their intention to move toward integration into European institutions. They emphasized that they understand that Armenia is not yet ready to be considered for EU membership, but that they have long-term ambitions for closer integration. Membership of NATO however is not on the agenda. Discussions with several speakers revealed that Armenia seems to be more interested in the benefits of the integration process, including a dialogue on values and the achievements of certain standards, rather than in the final goal of membership. This position reflects a consensus between the major political parties in Armenia, as well as in the public opinion.

6. Several Armenian officials also discussed the tense relationship with Turkey. The Minister of Foreign Affairs emphasized his desire to see a pragmatic relationship develop with Turkey and believed that the two countries should deal with their relationship separately from that of other complex issues such as Armenia's relationship with Azerbaijan. Some Armenian members of parliament were less inclined to take this view and regarded Turkey as a potential security threat.

7. Regardless, it is clear that Armenia's relationship with Turkey turns on several points of conflict. One is historical, related to the controversy over the culpability for the massive number of deaths among Armenians during the final years of the Ottoman Empire, but the other two relate to the border between the two countries and the ongoing conflict between Armenia and Azerbaijan over the Nagorno-Karabakh region. The meetings in Armenia demonstrated that all of those issues remain extremely sensitive and show little indication of being resolved in the foreseeable future.

8. The delegation also enquired about Armenia's relations with Iran. Both countries developed good relations and recently signed an agreement for the construction of a gas pipeline, which would allow Armenia to reduce its dependency on Russian gas. Foreign diplomats raised concerns regarding Armenia's relationship with Iran in the context of the current crisis regarding Iran's nuclear program. But they note that Iran is a lifeline for Armenia serving as one of its two open borders. As long as the borders with Turkey and Azerbaijan remain closed, Iran will remain an important link to the outside world for this land-locked country.

9. The Nagorno-Karabakh conflict featured prominently in the discussions with Armenian officials. Many expressed hope that some progress could be made with the recent meetings of the presidents of Armenia and Azerbaijan in Rambouillet, France and in Bucharest, Romania, but those meetings did not move the two toward a solution. Varuzhan Nersessian, Head of the OSCE Division in the Ministry of Foreign Affairs of Armenia explained that because of political and electoral cycles, 2006 represented a window of opportunity for negotiations. However a number of outstanding issues remain. In particular, there was still no agreement as to how best to reconcile the well-established principles of territorial integrity on the one hand and that of self-determination on the other. Mr Nersessian insisted that creating an atmosphere of confidence and trust was crucial to the success of the negotiation process. The current state of negotiations, however, does not leave much room for optimism for significant progress in the near future.

10. The delegation met with, Michael Harutyunyan Chief of Staff of the Armenian Armed Forces. He outlined the history of Armenia's cooperation with NATO and its current activities in defence reform. Armenia began a program of cooperation with NATO in 2000 and has intensified its engagement since then. It entered the PARP in 2002 and has gone through several iterations of the process since then. Another milestone in Armenia's cooperation with NATO was hosting a military exercise in 2004. In December 2005 NATO accepted Armenia's plan for defence reform. Armenia has been working steadily since then to implement its defence reforms including creating an interagency commission to oversee the military. A national security strategy is under development and will be submitted to the parliament for its consideration in the coming year. Once the strategy is approved, the military will begin implementation in 2008.

11. Armenia is already taking steps to make its military more compatible with NATO and is participating in NATO operations. Armenia has created a demining centre and has deployed forces to Kosovo with the Greek contingent. Armenia aims to have one brigade at NATO standards by 2010. The Chief of Staff emphasized the willingness of Armenia to cooperate with NATO and underlined the many bilateral programs it has with NATO members, particularly Greece and the United States.

12. Questions focused on Armenia's defence expenditures, the structure of the military, its relationship with Russia and the accountability of the military to parliament. The Chief of Staff noted that Armenia spends approximately 3 percent of GDP on defence and the military is a mix of conscripts and professionals, although some units are entirely professional. The total size of the armed forces is 44,000. The military is accountable to parliament and the Chief of Staff noted that he has been called on to testify in parliament and answer questions about defence expenditures. As with other Armenian officials, he emphasized that the relationship with Russia does not affect Armenia's ability or willingness to cooperate with NATO.

13. Armenia's emergency management services have also undergone a major transformation. Edik Barseghyan, Head of the Emergency Management Administration (EMA), presented to the delegation the main steps of the transition from the Soviet era civil defence services placed under the authority of the Ministry of Defence to the current agency, demilitarized, staffed with civilians and under the authority of the Prime Minister. However, in several cases, the EMA acts jointly with the armed forces and the Ministry of Defence, which remains responsible for civil defence, including the evacuation of populations in case of emergency.

14. The EMA oversees and coordinates all rescue services in the country. It also runs an academy and a regional training centre, which Armenia would like to see specialize in the management of nuclear accidents. Several partnerships link the EMA with sister administrations in the region, including in the framework the Organization of the Black Sea Economic Cooperation or the Commonwealth of Independent States. Programs may also be developed with NATO as part of Armenia's IPAP. However, Mr Barseghyan acknowledged that the current structure was far from perfect. The EMA was still under-equipped and dealing with the heritage of the Soviet era. Yet, risks run high, since Armenia finds itself in a disaster-prone area.

15. The delegation received contrasting briefings about the state of democracy in Armenia. Although government officials focused on Armenia's achievements, many NGO representatives highlighted the flaws in implementation of democratic reforms. As one NGO representative stated, Armenia was at a crucial moment in its history, where it must choose between "managed democracy" and "real democracy". Several other NGO representatives underlined that this was a time of transition for Armenia. Tigran Torosyan, Speaker of the Armenian Parliament, also acknowledged the lack of maturity of Armenia's political system, which tainted relations between majority and opposition parties, as well as between political parties and NGOs.

16. According to many NGO representatives, freedom of the media provides a good example of the ambiguity of the situation in Armenia. Overall, media legislation is in conformity with democratic standards. However, it was implementation of this legislation that provided room for governmental interference. Moreover, on the one hand, print media enjoy extensive freedom in their activities, but they only reach a limited audience. On the other hand, electronic media is the main source of information, but it is submitted to various direct and indirect restrictions, including in particular strict rules for the attribution of licenses and issues relating to ownership of media outlets. Self-censorship is also widespread.

17. The parliamentary elections in 2007 will represent a crucial test and give a precious indication as to the country's future orientations. Many NGO representatives criticized the absence of any investigation into alleged violations in previous elections. However, Mr Torosyan assured that judicial proceedings were in place for examining electoral complaints. Moreover, draft amendments to the electoral code were currently under consideration and would follow the recommendations of the Venice Commission of the Council of Europe.

18. At present, support for the regime remains important and both the opposition and the civil society are weak and divided. Some NGO representatives expressed concerns about the increasing role of oligarchs in political life. Others also voiced criticism and disillusionment at the role of the international community in support of democratic processes in Armenia. They called upon the international community to hold Armenian authorities to account and impose respect by Armenia of its commitments. The negotiations over Nagorno-Karabakh should not provide an excuse for a lax attitude towards human rights violations in Armenia.

19. The delegation also met with Armenian government officials charged with eliminating official corruption. They recognize the drain that pervasive corruption poses on society and discussed measures to control the problem. An anti-corruption commission has been created with the

Prime Minister as the chair, and a new civil service model is being implemented where positions are awarded to professional civil servants based on qualifications rather than political connections.

20. NGO representatives, however, also had negative comments about the efforts of the government to attack corruption in Armenian society. They underlined that in this area as in others, policies looked good on paper, but implementation was the real challenge. Moreover, involvement of the civil society in decision-making had only been marginal.

21. Energy is a major concern for Armenia, which is relatively isolated in the region and only has limited domestic resources. Armen Movsisyan, Minister of Energy, outlined the main challenges and issues of Armenia's energy policy. Armenia's production of electricity currently covers domestic needs. However consumption increases by 10% a year, which has forced the country into a policy of modernization and diversification. The emphasis remains on hydro-energy, which represents 25% of the country's production. The other main sources are two thermal plants and one nuclear power plant. Armenia is also building wind turbines, which for now represent only a minimal fraction of the overall production. The Medzamor nuclear power plant, which had raised safety concerns in the international community, should be closed by 2016 and replaced by a new facility capable of producing ten times as much power.

22. Armenia is completely dependent on imports for its oil consumption and does not have any refineries. However the most important challenge for Armenia is gas dependency. According to various estimates, Armenia's dependency on Russia for its gas supplies ranges from 80% to almost 100%. The gas pipeline between Iran and Armenia, which should be completed by the end of 2006, may allow Armenia to reduce this dependency somewhat.

III. GEORGIA

23. The delegation was particularly interested in Georgia's achievements since the Rose Revolution and the country's progress towards Euro-Atlantic integration. It also looked at Georgia's broader foreign policy priorities, as well as recent developments regarding the unresolved conflicts in Abkhazia and South Ossetia.

24. The consolidation of democratic institutions is certainly one of the main achievements of the Rose Revolution. Although the current Constitution establishes a presidential system, the Parliament enjoys considerable leverage and influence. Nevertheless, the delegation expressed concerns at the overwhelming weight of the governing coalition and the protection of the rights of the opposition. Nino Burjanadze, Chairperson of the Georgian Parliament, reassured the delegation on this point, explaining that several mechanisms existed to guarantee a fair representation and participation of the opposition in Parliament. She regretted however that the opposition had chosen a strategy of confrontation and was still boycotting parliamentary activities.

25. Upcoming local elections in the fall were presented by several speakers as an important moment for Georgia. Giorgi Barmamidze, State Minister for European and Euro-Atlantic Integration, expressed hope that these elections provide a showcase of self-governance which could later facilitate negotiations with Abkhazia and South Ossetia about their own status. However, foreign diplomats view the upcoming elections with some concern. Important issues still remain to be solved, including the preparation of voter lists and the setting of a precise date. The voting system, which combines proportional and majority rule, is also said to be far from ideal.

26. Mr Baramidze briefed the delegation on the progress Georgia has made since 2003, noting that it was nearly a failed state three years ago. He outlined the reform process including efforts to increase the effectiveness of the police force. The police force has been cut in half and salaries have doubled for the remaining officers. This has reduced the incentive for corrupt behaviour and the public shows increasing trust in law enforcement officials. There has also been a massive increase in government expenditures - approximately a five-fold increase since 2003. In part this is financed by a cut of 30 percent of the government workforce, but increased tax revenues from a growing economy are also a factor. GDP grew by more than 9 percent last year and is projected to be 11 percent in 2006. Mr Baramidze attributed much of this growth to the economic policies of the government, which are designed to create favourable conditions for foreign investment and minimize government interference in the private sector.

27. Several foreign diplomats, however, were critical of the direction of the country in recent months. They are concerned about what they see as retrograde motion after the initial wave of reforms in the wake of the Rose Revolution, noting the lack of an independent judiciary and effective opposition to the government. Non-Governmental Organizations such as the Georgian Young Lawyers Association and Article 42 echo many of those sentiments and confront the government on a regular basis on those issues. Georgian officials acknowledge many of those problems, but note that there is only so much that can be done at any one time. Regardless, it is important to note the concerns and maintain pressure and support for ongoing reforms so that progress continues.

28. The Chairman of the Border Protection Department, Badri Bitsadze, discussed the changes in the border control policy of Georgia. He emphasized that Georgia has completely overhauled the border protection service to replace the Soviet model that Georgia maintained until a few years ago. As such, the Border Protection Service is now a police force and separate from the military. Mr Bitsadze also emphasized the need to build a better-paid and equipped force. The Department has recently embarked on a program to double the size of the force actually patrolling the borders while significantly increasing salaries. This was accomplished by reducing administrative staff. So although the force is approximately half the size it was only a few years ago, the number of border protection police in the field has increased.

29. The reintegration of Adjara is generally considered as another major achievement of Mr Saakashvili's government. The delegation was able to witness the transformations underway in this region and meet with representatives of the local administration. It was clear from the delegation's visit that the Georgian government wishes to present Adjara as a showcase of the benefits of the Rose Revolution and of the government's policy of regional development. In their view, this success story should provide an incentive and a model for the future reintegration of the two remaining breakaway regions of Abkhazia and South Ossetia.

30. Adjara provides a fertile ground for rooting this success story. Its economy is robust, relying on tourism and trade, particularly thanks to the major Black Sea port of Batumi. Since the reintegration of Adjara, Georgian authorities have invested considerably in reconstruction and infrastructure development. Foreign investments have also assisted in the renaissance of Adjara. Politically, Adjara benefits from a status of autonomy, with its own self-governing institutions and own budget. However, part of the NGO community questions the actual level of autonomy that this status permits and calls for further-reaching self-administration arrangements.

31. The withdrawal of Russian troops from the military base in Batumi is another important issue in Adjara. In accordance with an agreement signed by the Russian and Georgian governments in March 2006, the Batumi base, together with other Russian military bases and facilities in Georgia, should be closed by 2008. Georgian authorities assured the delegation that the withdrawal was underway according to the planned schedule.

32. The delegation also visited the new military base at Senaki near the Black Sea coast. It is newly constructed with several buildings still under construction. Although the delegation could not observe any exercises as the brigade was in training in a different location, they did meet with base officers and tour the facility. It is designed to house 3,000 troops, and the facility is in line with bases in NATO member states. The base is home to the battalion currently serving in Iraq. Although it is impossible to assess a military based on such a brief visit, the base does show a commitment on the part of the Georgian government to create a facility capable of maintaining a brigade in conditions similar to that found in bases in NATO member countries.

33. Georgia's ambition to become a full-fledged member of the Euro-Atlantic community was a major theme of discussions. Gela Bezhuashvili, Minister of Foreign Affairs of Georgia, stated that Euro-Atlantic integration was Georgia's foreign policy priority. NATO integration would allow Georgia to consolidate the model of democracy it has developed and is promoting in the region, through such forums as the Community of Democratic Choice or the Black Sea - Baltic Sea summit in Vilnius in May this year.

34. Mr Baramidze also underlined Georgia's contribution to Euro-Atlantic security. He recalled Georgia's contribution to international peacekeeping operations in Kosovo, Afghanistan, and Iraq. Georgia also provides a gateway to the strategically important region of Central Asia and to its energy resources.

35. Romualds Razuks, NATO Liaison Officer for the South Caucasus, briefed the delegation on the evolution of NATO's partnerships with the three countries of the South Caucasus, Armenia, Azerbaijan and Georgia. He emphasized the defence institution building aspect of NATO's engagement in the region. NATO has moved on from promoting democratic values to assisting the countries of the region in establishing the foundations for modern democracies with civilian control of the armed forces. As such, programs to assist in legislative oversight of the armed forces and implementing transparent budgeting processes are increasingly important. The IPAP also gives some direction to reforms in personnel management, resource management and generally establishing an affordable and sustainable defence strategy.

36. Of the three countries of the South Caucasus, Georgia is the most advanced in the implementation of its IPAP. The March 2006 full assessment has been very positive, highlighting the tremendous progress achieved by Georgia since the Rose Revolution. Mr Razuks noted that Georgia has established full civilian control over the Ministry of Defence.

37. Georgia now hopes to reach the next level of integration into NATO with the adoption of Intensified Dialogue (ID). According to Mr Razuks, NATO member states had agreed in principle to grant ID to Georgia, however, there was still no consensus on a precise timeline. In this context, several Georgian officials underlined the importance of the support demonstrated by the NATO Parliamentary Assembly with the adoption of a resolution on Georgia-NATO relations at the Paris Spring Session. Support for NATO membership reportedly runs high among the Georgian population, ranging between 75-85% according to several officials.

38. Mr Razuks also lauded progress by Azerbaijan and Armenia. An interim assessment of Azerbaijan's IPAP, completed in February 2006, was generally positive, while pinpointing several areas that required further reforms. Armenian authorities had also proved very diligent in the initial implementation phase of the IPAP. The priority now is the adoption of the National Security Strategy and the demilitarization of the Ministry of Defence.

39. In contrast to Georgia's strong focus on NATO integration, membership in the European Union is considered a long-term prospect. Mr Baramidze and Mr Bezhuashvili both insisted that Georgia was far from ready for membership in the EU and that the upcoming adoption of an action plan for the European Neighbourhood Policy represents the extent of their current ambitions.

40. Another priority of Georgia's foreign policy is the development of regional cooperation. Mr Bezhuashvili underlined Georgia's role in promoting a Black Sea identity and regional cooperation frameworks. A good example was the recent evolution of the GUAM (Georgia, Ukraine, Azerbaijan, Moldova) grouping into the Organization for Democracy and Economic Development (ODED). This transformation reflected the four countries' determination to enhance dialogue and cooperation on energy issues and democratic reforms, but also on terrorism, separatism and unresolved conflicts. In this context, Georgia is ready to play a proactive role in energy security. It is also prepared to act as mediator in the conflict between Armenia and Azerbaijan.

41. Relations with Russia still provide an important source of tension. Bones of contention include, among others, Russia's role in the frozen conflicts, the issue of Russian military bases in Georgia, Russia's economic boycotts of Georgian products, and energy issues. However, both Mr Bezhuashvili and Mr Baramidze insisted that Georgia favoured the pursuit of a dialogue on values and interests with Russia.

42. Georgian officials repeatedly assured the delegation of their commitment to a peaceful resolution of conflicts. Ms Burjanadze underlined that the restoration of the territorial integrity of Georgia remains a top priority for the current administration. Georgian officials and representatives from NATO agreed that the Abkhazia and South Ossetia conflicts have different roots and require different responses.

43. Georgian officials also voiced their dissatisfaction with current negotiation frameworks and peacekeeping arrangements. This dissatisfaction was reflected in the resolutions adopted by the Georgian parliament calling for a withdrawal of Russian peacekeepers in the breakaway regions, which some foreign diplomats lauded as relatively moderate. Georgian officials instead call for an international peacekeeping presence in the region.

44. The role of NATO in relation to the unresolved conflicts in Abkhazia and South Ossetia was also discussed in several meetings. Mr Razuks made it clear that NATO did not aspire to a role in the negotiation process, but that it would be ready to assist in any post-settlement arrangement. Georgian officials insisted for their part that the resolution of conflicts should not be considered as a pre-condition for membership in NATO. According to them, this would mean granting a veto power to Russia because Russia has tremendous influence over those two regions and can prevent a resolution as long as it is in their interest to block Georgia's integration into Euro-Atlantic institutions.

IV. CONCLUSION

45. Both Armenia and Georgia face some similar challenges as small states going through the process of transition from post-Soviet states to functioning democracies. Despite this broad similarity, the two have developed very different foreign policy strategies for furthering their national interests. Armenia has opted to balance its relationship between west and east, while Georgia has clearly made a choice to join NATO as soon as possible. As their interests and approaches to NATO differ, so must NATO's approach to them. It is in the interest of all concerned that NATO maintain a flexible approach to the region, offering assistance based on the needs and desires of the individual countries without becoming embroiled in the conflicts that fragment the area. NATO should maintain consistent emphasis on the reform process in all the countries of the South Caucasus, and help them develop in a manner that would enable their further integration into Euro-Atlantic structures over the long term.