

**CHECK AGAINST DELIVERY****OSCE PC address - 8 July 2010  
European Union Special Representative for the South Caucasus,  
Peter Semneby**

Since my last appearance before the OSCE Permanent Council in June 2009, the South Caucasus has continued to be a region characterised by volatility and instability. Secessionism, an unstable neighbourhood, and contradictory interests of powerful external actors make for a precarious mix. The process to consolidate democratic governance in the three countries also continues to be a difficult one. Given the high stakes involved and the EU's strategic interests in the region, there is a clear need for the international community to remain fully committed and engaged in this part of its neighbourhood, in particular in the field of conflict resolution. Let me first give an overview of my involvement in each one of the three countries, focusing on democracy issues, and then move on to the conflicts.

**DEMOCRACY IN THE SOUTH CAUCASUS**

Democracy and the rule of law have still to be consolidated in the countries of the region, despite some general progress in recent months. The 30 May local elections in Georgia demonstrated that notwithstanding progress in organizing elections in a transparent and professional manner, significant challenges remain, as identified by OSCE/ODIHR.

An absence of good faith political dialogue and a lack of trust between governing parties and opposition in the three countries continues to have a negative impact on the domestic environment throughout the region. I have also continued in my efforts to facilitate dialogue between government and opposition in Georgia and Armenia, and engaged in a dialogue on human rights and media issues, especially with the authorities in Armenia and Azerbaijan.

I continue to work and consult closely with the OSCE representatives in the region and on some media-related issues with the OSCE Representative on the Freedom of Media. On minority issues, I have regular exchanges with the OSCE High Commissioner on National Minorities. I have also worked with ODIHR on election-related issues.

**Armenia**

The continued focus of my engagement in Armenia has been regional co-operation, including Armenia's rapprochement with Turkey, Nagorno-Karabakh, democratic reforms, and the ongoing political stand-off following March 2008 election-related violence.

Following intensive involvement in support of dialogue after the last presidential election, we have continued to engage on facilitation of dialogue between the opposition and government and have explored new opportunities to find a formula for a political modus vivendi. I have continued to encourage the authorities to take further steps in order to reach closure following the political violence in March 2008. The presidential amnesty released most of those held, but several persons remain in detention linked to political activities. The authorities have so far missed an opportunity to bring closure to this sensitive issue.

Freedom of media remains a high priority in the dialogue with the authorities. Printed press is relatively free and varied, but of limited depth and diffusion, and pluralism in the broadcast media (especially TV) is still lacking. Parliament has recently adopted a broadcasting law aimed at regulating the ongoing transition to digital broadcasting; several leading NGOs have expressed concerns about the law and its shortcomings. I have also urged the government and legislators to further amend the legislation with the view to fully implementing all recommendations of the OSCE Representative on Freedom of the Media and the Council of Europe.

There is still cause for concern about reports of alleged abuse of power by law enforcement agencies. Despite authorised peaceful opposition rallies, the implementation of the Law on Freedom of Assembly is open to abuse by the police, as demonstrated during several incidents involving opposition rallies in central Yerevan.

## **Azerbaijan**

The focus of attention vis-à-vis Azerbaijan has been regional developments, Nagorno-Karabakh and Baku's relations with Georgia, Russia, Turkey, Iran and the Central Asian states. I have also addressed energy and energy security. I have closely followed areas such as electoral issues, human rights, good governance, rule of law, freedom of the media, and NGO work, and have raised these issues with government representatives.

With parliamentary elections scheduled for November 2010, pre-election preparations have begun. The sensitive period before the elections will require intensive involvement of the international community, notably the OSCE. Regular discussions are held with government representatives in order to improve electoral procedures including balanced electoral committees, registration of candidates and freedom of assembly. The last few months have highlighted problems with freedom of assembly since opposition parties and civil society activists are denied the right to hold meetings in Baku city centre.

Freedom of the media remains constrained, although a number of independent sources of information remain. These media outlets provide nuanced and cautious independent information and some enjoy a large audience. One of two journalists imprisoned has been released as a result of a presidential pardon after serving two thirds of his term. The other journalist, Eynulla Fatullayev, has received a decision from the ECtHR calling for his immediate release, but remains imprisoned since the government has yet to decide on the implementation of the ECtHR decision; he was sentenced on further charges this week.

Two high profile youth activists (Emin Milli and Adnan Hajizade), remain imprisoned. The EU has advocated for their release, but the verdict has not been changed and they await a Supreme Court decision in order to take their case to the ECtHR.

Although in 2009 restrictive amendments to the law on NGOs were eventually not adopted after numerous EU interventions, there have been more restrictive regulations introduced regarding the establishment of foreign NGOs, the work of foreigners, and financial reporting by NGOs.

## **Georgia**

In Georgia, I have continued to focus on two main areas: consultations with the authorities on engagement with the conflict regions and the domestic political situation, in particular the environment before and after the local elections on 30 May.

The local elections marked an improvement from previous elections, possibly because the stakes were lower and the issues were closer to the concerns of the voters than in the national elections in 2008. The Central Electoral Commission made efforts to address many of the previous concerns. Yet there remained widespread criticism of incumbents having an unfair advantage through the use of administrative resources of various kinds. The public service broadcaster was widely commended for its coverage of the election, but the overall media environment remained polarized. There remains a need for electoral reform, not least because the current Electoral Code has become unwieldy after many revisions.

One substantial political challenge in the coming period is the fact that the ruling party maintained full political control over all 63 local councils after the local elections, including Tbilisi and all other large cities, putting a considerable responsibility on the ruling party. The domestic political scene remains fragile and polarized. Therefore, the EU has emphasized that the partners should seek to strengthen the culture of dialogue between political actors, especially by trying to engage the non-parliamentary opposition parties in a mainstream

political discourse on electoral and constitutional reform issues, but also media freedom and independence of the judiciary.

## **CONFLICTS IN THE SOUTH CAUCASUS**

The unresolved conflicts in the South Caucasus are the primary threats to the region's stability since the status quo is inherently unstable and contains dangers of escalation. This was demonstrated by the August 2008 war in Georgia. The Nagorno-Karabakh conflict is of particular concern; there are recurring deadly incidents along the line of contact. The inherent logic and dynamic of the Nagorno-Karabakh conflict points to considerable dangers.

The protracted conflicts also undermine EU efforts to promote political reform and economic development in its Eastern neighbourhood. Closed borders between Armenia-Azerbaijan, and Armenia-Turkey severely hamper the region's full potential as does the absence of functional relations between Georgia and Russia. The closed borders also contribute to a charged political atmosphere, where the conflicts and their victims, in particular displaced persons, are often instrumentalised in the political struggles.

The conflicts in the region continue to require the EU to remain fully committed in its efforts to stabilise, manage, and resolve the conflicts. There remains a conflict potential in the region, for example in areas with large populations of ethnic minorities, which requires efforts to prevent conflict. There is a residual risk that the existing conflicts may again escalate out of control. We should also be aware of the possibility that developments in the immediate vicinity of the region, for example in Iran, could have profound security implications for the South Caucasus and our interests in this region. These efforts require sustained, high-level involvement from the EU, in particular given our strategic interests in the region.

### **Turkey - Armenia relations**

Although there is currently a deadlock in efforts to normalise relations and open the border, efforts from many directions have ensured that the process has merely been suspended, not rejected. The EU continues to support the process politically and is ready to offer technical support for its implementation, in particular on the rehabilitation of border crossings and border management. It is clear that the normalisation process and the opening of borders will contribute to stability in the region.

### **Nagorno-Karabakh (NK)**

The Nagorno-Karabakh conflict should be a cause for serious concern for us all. Despite OSCE-led efforts to find a settlement, the current situation has become more complex as a result of the Turkish-Armenian normalisation process. The continued reinforcement of the armed forces on both sides is also worrying, and lowers the threshold for offensive action and pre-emption.

Although the EU has currently no direct role in the peace talks, the EU's increased engagement in the region suggests that the EU could play a more assertive role. The EU can make practical and political contributions in support of conflict resolution and OSCE Minsk Group efforts.

The EU has also recently begun to fund projects promoting people-to-people contacts, media development, and public awareness in Armenia and Azerbaijan, including Nagorno-Karabakh. There is a particular need to work with the populations since there is a disconnect between the highest levels - those conducting negotiations - and the wider populations, which are still very much entrenched in their positions, relying on old enemy stereotypes.

### **Georgian conflict regions**

The EU has a central role in the conflict management and resolution efforts in Georgia. I will concentrate on those parts of the conflict resolution efforts where I have been particularly involved: the efforts to transform the conflicts through an engagement policy. This step was a natural one following the focus on security and immediate humanitarian concerns immediately

after the 2008 war, involving the deployment of the EU Monitoring Mission and the launching of the Geneva talks, which are co-chaired by the EU with the UN and the OSCE.

As part of the EU's policy of non-recognition and engagement with the separatist entities, which was adopted by the PSC in December 2009, I have visited Abkhazia and held consultations with de facto authorities. My advisor covering the conflict regions has also visited Abkhazia a number of times in recent months. The Abkhaz de facto authorities, willing to diversify their contacts, have welcomed an increased interest on the part of the EU.

Together with EU colleagues, I have engaged closely with the authorities and provided input on the Georgian government's so called "Strategy on the Occupied Territories" and its accompanying Action Plan. Close contacts are maintained with the Reintegration Minister on this issue in order to ensure that the Strategy and Action Plan are aligned with EU policy vis-à-vis the breakaway regions. The EU is particularly satisfied with the spirit of engagement and the commitment to peaceful conflict resolution contained in these documents, in particular the recently adopted Action Plan, and will seek to support individual activities and mechanisms that are in line with EU policy and priorities.

In particular, the EU is providing support for activities and projects designed to re-establish links across the administrative boundaries, in particular in Abkhazia. The isolation of Abkhazia and South Ossetia remains a problem, entrenching people in these regions in a siege mentality. Through its involvement, the EU envisages to promote joint interests and to empower people on both sides who have an interest in re-establishing and expanding contacts. As part of my contacts in Sukhumi and Tbilisi, I have supported the establishment of the proposed Liaison Mechanism for Abkhazia.

The IDP situation and the conditions for ethnic Georgians living in Abkhazia and South Ossetia remain serious concerns. Recent developments have shown that the criminality in the Gali district can escalate into heightened tensions. The EU has cooperated closely with the Council of Europe Commissioner for Human Rights, in particular on the release of persons detained in the conflict areas.

The situation in the conflict regions after the war and Russia's recognition continues to present a formidable obstacle to Georgian-Russian relations. Yet there have been some modest steps of a pragmatic nature, with the possibility of positive regional implications. In the past few months, I have travelled on two occasions through the newly re-opened Kazbegi–Upper Larsi border crossing point, which is also of importance for Armenian trade, in order to see first hand the situation on the Georgian-Russian border. The traffic flow remains very modest indeed. Through the EUSR Border Support Team, the EU is continuing to provide technical support to the Georgian Border Police, including on the sensitive Russian-Georgian border.

## **FUTURE PERSPECTIVES**

The situation in the South Caucasus remains fragile and unpredictable. The EU therefore needs to strengthen efforts related to security and regional cooperation with the purpose of transforming the conflicts. Conflict management and resolution efforts need to be complemented by an enhanced focus on conflict prevention.

Despite some improvements in the Georgian conflict areas, it is imperative to remain vigilant and impress upon all parties the importance of abiding by the commitments they have entered into. The full implementation of the Six point plan and implementing modalities by the Parties will be key for future stability.

Having established the parameters within which the EU engages with the separatist entities of Abkhazia and South Ossetia, our engagement should increase through more far-reaching measures, within the framework of remaining firm on our respect for Georgia's territorial integrity.

Whilst continuing to support OSCE Minsk Group efforts to find a solution to the Nagorno-Karabakh conflict, it is crucial that the EU adopts a more active role regarding this conflict, not least given increased EU interests and engagement in the region, coupled with recently launched projects aimed at rebuilding confidence.

The democratic reform agenda in the region is proceeding, but with difficulty; the EU will continue to urge governments that the Eastern Partnership can provide an incentive and a framework within which the countries can move towards a consolidation of their democracies.

These efforts will only be successful through concerted efforts of the international community. The role of the OSCE as a partner of choice for the EU in this regard remains central. Allow me a few words on an OSCE presence in Georgia. The EU has long advocated the continuation of an OSCE presence in Georgia. I would like to reiterate my high regard for the efforts last year of the Greek Chairmanship to realise this goal and the continued efforts this year under the current Kazakhstan Chairmanship. The EU regrets very much that this has thus far not proved possible. We continues to firmly believe that an OSCE monitoring presence in Georgia remains essential, in addition to the wide range of democratic reform issues which the OSCE carries out so successfully elsewhere, including in Baku and in Yerevan.

**ENDS**