



U.S. DEPARTMENT of STATE

U.S. Policy and the Organization for Security Cooperation in Europe

**Report to the Congress
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This report, submitted pursuant to Section 5 of the "Act to Establish a Commission on Security and Cooperation in Europe" (22 U.S.C. 3005), as amended by Section 226 of the "Foreign Relations Authorization Act for FY 2003" (P.L. 107-228), outlines U.S. policies advanced and implemented through the Organization for Security and Cooperation in Europe (OSCE) in 2003.

The OSCE is a unique organization that brings together 55 nations to further democracy, peace and stability in Europe and North America. The OSCE's signature strength is its comprehensive approach to security, which recognizes that human rights, economic and environmental issues are as important as political-military ones. Conflict prevention, crisis management and post-conflict rehabilitation all fall within the OSCE's mandate. Among the OSCE's most important assets are its 17 field missions on the front lines of democracy and human rights in the Balkans and the former Soviet Union.

U.S. Interests in the OSCE

U.S. participation in the OSCE advances America's national interest in promoting democracy, strengthening respect for human rights and fundamental freedoms, arms control, economic prosperity, and sustainable environmental policies. The OSCE also has a role to play in helping to win the global war against terrorism. The organization is a vehicle for the "effective multilateralism" of which President Bush spoke last November in London. Taking action together with other countries through the OSCE is effective because it allows the United States to share costs and political responsibility, as well as to coordinate and avoid duplication, with like-minded nations.

The OSCE's common principles give the U.S. and other OSCE participating states shared values and commitments on which to act. From mediating regional conflicts to addressing human rights violations, the OSCE can bring the weight of 55 nations acting together to bear on problems that the U.S. cannot solve alone. All participating states in the OSCE have made public commitments to democracy and human rights, market economics, and political-military security policies that promote greater regional stability. In the post-Communist era, the OSCE has made a significant contribution toward achieving America's goal of a Europe whole, free and at peace. To achieve fully a democratic, prosperous and secure Euro-Atlantic area from Vancouver to Vladivostok, there is still clearly more to do. The OSCE can build on its experience to help reach that goal, with U.S. support and guidance.

The OSCE in 2003

In 2003, the OSCE made progress in areas of compelling interest to the United States, including: combating terrorism and increasing border security; respecting human rights; fighting racism, anti-Semitism and other forms of intolerance; combating trafficking in human beings; and promoting economic policies conducive to sustainable development and free trade. Many initiatives in these areas were introduced and supported by the United States. The U.S. and its Mission to the OSCE in Vienna helped to plan, prioritize and implement the OSCE's policies.

The Maastricht Ministerial

The results of the December 2003 meeting of OSCE Foreign Ministers in Maastricht, the Netherlands showcased the OSCE's accomplishments for the year and its value as a political forum. Acting Georgian President Burjanadze addressed the assembled Foreign Ministers only days after the "Revolution of the Roses," which had led to the resignation of President Shevardnadze. She conveyed Georgia's appreciation

for the OSCE's role -- which the United States had encouraged politically and supported financially -- in objectively assessing the flawed November 2003 parliamentary elections. Acting President Burjanadze also requested help with the conduct and monitoring of upcoming elections. An unprecedented outpouring of pledges from participating states ensured that the OSCE responded positively with programs to strengthen Georgia's electoral system and monitor conduct of the presidential and parliamentary elections to be held in January and March 2004.

At the December ministerial meeting, Secretary Powell and the other Foreign Ministers approved new initiatives, including a U.S. anti-terrorist proposal that committed all 55 participating States to tighten handling and issuance procedures for travel documents by December 2004, and to issue machine-readable passports, if possible with digitized photos, by December 2005. The Foreign Ministers also approved an Action Plan to Combat Trafficking in Human Beings and agreed to the OSCE Chair's appointment of a Special Representative on Trafficking. They approved OSCE-sponsored high-level conferences in 2004 on anti-Semitism and intolerance to draw attention to those problem areas. New strategies for OSCE to address threats to security and stability and to work on economic and environmental issues were also adopted, along with an Action Plan on Improving the Situation of Roma and Sinti.

The Maastricht Ministerial meeting also showed that OSCE is a political forum capable of frank debate on controversial issues. The subject was language for the Ministerial communiqué on the conflicts in Moldova and Georgia and Russia's commitments to withdraw militarily from both countries taken at the 1999 OSCE Summit in Istanbul. When Russian opposition made it impossible for Foreign Ministers at Maastricht to reach a consensus position on these issues, the OSCE Chairman, Dutch Foreign Minister de Hoop Scheffer, chose to issue a separate statement. The United States, the European Union and others supported the Chairman's statement and reiterated their determination to see conflicts in Moldova and Georgia resolved through the standards set in OSCE agreements. They also pressed Russia to fulfill its 1999 Istanbul commitments to withdraw its forces from Moldova and Georgia.

The Inauguration of the Annual Security Review Conference

The OSCE held its first Annual Security Review Conference in June 2003 in Vienna. The aim of the annual conference, which was a U.S. initiative, is to assess progress in combating terrorism and to review OSCE activities in the security field. Ambassador Cofer Black, the State Department's Coordinator for Counterterrorism, addressed the conference and suggested that the OSCE take action to improve travel document security, one of the biggest problems in the war on terror. This led to the initiative approved at Maastricht to improve handling and issuance procedures for travel documents described above.

U.S. Leadership of the Forum for Security Cooperation

From September through December 2003, the United States served as the Chair of the OSCE's political-military body, the Forum for Security Cooperation (FSC). During the U.S. Chairmanship, the FSC focused on concluding a new document on Stockpiles of Conventional Ammunition, publishing its first-ever Small Arms and Light Weapons Best Practices Handbook, and reinvigorating its security dialogue by addressing threats concerning terrorism and proliferation.

Human Dimension Successes in 2003

Even as the OSCE broadened its focus to cover terrorism, human rights and democracy remained at the center of U.S. efforts in 2003. The U.S. continued to place a high priority on raising democracy and human rights concerns, including press and religious freedoms, in the OSCE Permanent Council and other fora. The U.S. Mission helped to plan and participated actively in the OSCE Conference on Roma and Sinti Issues in April 2003, the Conference on Anti-Semitism in June, the Supplemental Meeting on Religious Freedom in July, and the Conference on Racism, Xenophobia and Discrimination in September. The U.S. strongly supported the annual Human Dimension Implementation Meeting in Warsaw and the activities of OSCE field missions, which are important tools for highlighting human rights abuses and supporting the development of democratic societies governed by the rule of law. The U.S. supported the OSCE Human Dimension Implementation Meeting's streamlined two-week format, which was instituted in 2002. We note that this meeting is one of the few international fora in which NGOs and governments participate equally.

OSCE Activities From Vancouver to Vladivostok

In 2003, the OSCE, through its field missions and institutions, carried out an ambitious range of activities to support political stability and democratic development across the Euro-Atlantic region. In the Balkans, the OSCE provided assistance on drafting legislation in line with international standards, trained police, helped create conditions to foster economic development, and worked to improve conditions for ethnic minorities,

including Roma and Sinti.

In Moldova, Ambassador William Hill, the American head of the OSCE Mission, continued to play a key role in the discussions on a political settlement to the longstanding Transnistrian conflict. Ambassador Hill also worked to counter Moldova's serious problem with trafficking in persons. In Ukraine, OSCE Project Coordinator Ambassador David Nicholas developed projects to combat trafficking in human beings and promote economic development, in addition to developing an action plan for coordinating the international community's efforts to promote a free and fair presidential election in 2004. The OSCE Mission in Georgia and the OSCE Offices in Yerevan and Baku were active in promoting democracy, supporting a series of nationwide elections and developing free market economies. The OSCE Mission in Georgia also focused on mediation of the conflict in the breakaway region of South Ossetia and monitoring human rights in Abkhazia, in support of United Nations efforts to mediate the conflict between the Georgian government and the Abkhaz separatist regime. The OSCE Minsk Group -- under the Co-Chairmanship of the United States, France and Russia -- and a Special Representative of the OSCE Chairman-in-Office continued to play the lead role in mediating the conflict in Nagorno-Karabakh.

Through the OSCE, the United States continued to make clear its policy in Central Asia that lasting security and stability cannot be achieved without political and economic reform and respect for human rights and fundamental freedoms. The U.S. worked closely with the OSCE field missions in Kazakhstan and the Kyrgyz Republic to push for improvements on draft election legislation. While neither country's final legislation meets OSCE standards, the texts incorporated improvements that were the result of OSCE's engagement and recommendations. In Uzbekistan, the U.S. is funding an OSCE training program to combat torture and other human rights abuses in prisons.

The OSCE, however, faced some setbacks in Eurasia in 2003. Belarus remained a particular concern, as the Lukashenko regime intensified its crackdown on civil society and the independent media. The United States, often together with the European Union, frequently expressed concern about these developments in the Permanent Council. The OSCE's activities in Chechnya came to a halt when, in spite of senior-level intervention by the United States, Russia refused to allow the OSCE Chechnya Assistance Group to operate if human rights monitoring remained in its mandate. The Dutch OSCE Chairmanship pursued unsuccessful negotiations with the Russian government to re-establish an OSCE presence in Chechnya and to permit the OSCE's Office for Democratic Institutions and Human Rights (ODIHR) to undertake human rights projects in Chechnya.

Invoking the Moscow Mechanism

The Moscow Mechanism, a rarely used tool that allows the OSCE to appoint a Rapporteur to investigate and facilitate resolution of serious problems related to implementation of human dimension commitments, was invoked in 2003 against Turkmenistan over concerns about the conduct of the government's investigation into the November 25, 2002 armed attack against President Niyazov's motorcade. Use of the Moscow Mechanism raised international awareness of human rights abuses in Turkmenistan and prompted the United Nations and other organizations to condemn the Government of Turkmenistan for its human rights record. The Moscow Mechanism produced an excellent set of recommendations for the Turkmen authorities and the international community.

The OSCE, however, was unable to compel Turkmenistan to cooperate. The Turkmen government refused to grant the OSCE-appointed Rapporteur, Emmanuel Decaux of France, a visa or to appoint a Rapporteur of its own. Turkmen authorities rejected Decaux's final report and refused to implement its recommendations. Turkmenistan's refusal to cooperate, and the absence of concrete follow-up measures, will make it more difficult to use the Moscow Mechanism again without host state cooperation.

Implementing the U.S. Agenda in 2004 and Beyond

Priorities for 2004

In 2004, U.S. priorities include:

- Use three special conferences -- on anti-Semitism; on racism, xenophobia, and discrimination; and on the relationship between internet hate propaganda and hate crime -- to strengthen efforts in the OSCE and participating states to promote tolerance;
- Promote implementation of the OSCE's Action Plan to Combat Trafficking and the selection of an OSCE Special Representative augmented by a unit of experts to provide leadership on this matter;

- Ensure that OSCE provides elections-related assistance and effective ODIHR observation of key elections; Encourage implementation of ODIHR recommendations from election observation missions;
- Promote resolution of regional conflicts in Nagorno-Karabakh, Georgia and Moldova/Transnistria;
- Continue engagement with Russia, encouraging implementation of Russia's Istanbul commitments on withdrawal of its forces from Georgia and Moldova, progress toward a resolution of the Transnistrian conflict, and cooperation with the OSCE border monitoring mission in Georgia. Continue to seek an OSCE role in Chechnya;
- Enhance OSCE activities in Central Asia and the Caucasus, including efforts at regional cooperation on border control and combating terrorism. Press for fundamental democratic reforms and protection of human rights, including religious freedom;
- Continue efforts in the Balkans to build democratic institutions and promote human rights, including inter-ethnic tolerance;
- Encourage field activities that promote human rights and strengthen democratic institutions, as well as economic and environmental activities that promote good governance, combat corruption and create conditions for business development;
- Combat terrorism by implementing the Travel Document Security decision, working with states to promote the signature, ratification and full implementation of the twelve United Nations Conventions and Protocols related to terrorism, and getting the last four participating states to complete the Financial Action Task Force (FATF) self-assessments on compliance with its eight special recommendations on terrorist financing;
- Counter proliferation of weapons, by enhancing OSCE Principles Governing Nonproliferation, seeking OSCE endorsement of the newly agreed Wassenaar Arrangement standards governing export controls of MANPADS. Promote a U.S. initiative to establish tighter standards of end-use certification for small arms transfers;
- Explore ways to expand cooperation with the Mediterranean and Asian Partners for Cooperation, as well as adjacent areas, through concrete activities and voluntary implementation of OSCE commitments and decisions by the partner states.

Working with the Chairmanship

The success in advancing U.S. policies in 2003 was in part the result of an excellent working relationship with the Dutch Chairman-in-Office. The U.S. Mission is establishing effective relationships with the 2004 Chairman-in-Office, Bulgaria, and is also already working closely with Slovenia, which will be the Chairman-in-Office in 2005. The U.S. Mission communicates U.S. priorities to the Bulgarian delegation through weekly meetings at the Ambassadorial level, daily contact at the working level, and by involving higher-level interlocutors as needed.

U.S. – EU Relations in Vienna

The close U.S.–European Union relationship has also been important in achieving U.S. objectives at the OSCE, notably in maintaining focus on human rights and democracy. With 25 out of 55 OSCE participating states to be full European Union members by mid-2004, the EU is a significant presence within the organization. The U.S. Mission works closely with the EU Presidency and individual EU states, meeting regularly to exchange views, share draft statements, and coordinate priorities for the OSCE.

Cooperation with Russia in the OSCE

The U.S. has sought positive engagement with the Russian Federation at the OSCE. This is also important to achieving our policy objectives. The U.S. continues to try to identify areas of common interest that would facilitate greater cooperation. In 2002, the U.S. co-authored with Russia a “food for thought” paper on “Threats to Security and Stability in the 21st Century” which provided the basis for the OSCE strategy adopted at Maastricht by Foreign Ministers. Cooperation in implementing the OSCE’s counter-terrorism decisions is one area where the U.S. is seeking to develop a more positive relationship with Russia in 2004.

Protecting the Human Dimension

The promotion and protection of human rights and fundamental freedoms is central to the OSCE's mission and is critical to promoting the rule of law, democratization, and conflict prevention. We will continue to counter the arguments that the OSCE focuses excessively on the human dimension.

Human dimension work throughout Eurasia remains a U.S. priority. Maintaining stability and promoting democratization in Central Asia is a special U.S. concern. While there was marginal progress in some countries in 2003, rigid regimes and entrenched interests make progress very slow. Lack of media freedom, human rights abuses – including, in some cases, systematic torture and death in detention – corruption, and governmental policies that hinder economic development are prevalent. New elections scheduled in the region will underscore the OSCE's central role in encouraging states to focus on free and fair elections. The United States will also continue to use the OSCE to press for legislative reform, greater media freedom, protection of human rights, policies to promote economic development, and the development of a civil society. The U.S. will also support more activities in the region by the Representative on Freedom of the Media and the High Commissioner on National Minorities.

The United States will continue to ensure that the annual OSCE Human Dimension Implementation Meeting (HDIM) addresses human rights cases. The HDIM provides an opportunity to raise our concerns about other participating States' compliance with OSCE commitments. We also work to ensure that the issues raised at the HDIM are integrated into the OSCE Ministerial agenda and other meetings. For example, at the 2003 HDIM, the United States lobbied for the OSCE to welcome the United Nations Guiding Principles on Internally Displaced Persons (IDPs) as a framework for addressing IDP issues in the OSCE region. The OSCE subsequently did so in a Ministerial Decision at Maastricht. When the United States is criticized at the HDIM (for example, on the issue of capital punishment), we use the meeting to explain and defend U.S. positions to 54 other governments, several international organizations, and dozens of NGOs.

Promoting Tolerance

The United States is committed to strengthening and institutionalizing efforts to fight anti-Semitism and other forms of intolerance in the OSCE and participating States. In 2003, we secured a Ministerial Decision on Tolerance and Non-Discrimination that directed the OSCE to hold follow-up conferences in 2004 on: anti-Semitism in Berlin; racism, xenophobia, and discrimination in Brussels; and on the relationship between racist, xenophobic, and anti-Semitic propaganda on the internet and hate crimes in Paris. The decision also tasked the OSCE's Office for Democratic Institutions and Human Rights (ODIHR) with launching new activities to advance tolerance, including collecting and disseminating hate crime statistics. We will encourage ODIHR during 2004 to further develop its tolerance programs. We will also work with the OSCE Chairman-in-Office, the host countries of the conferences, and U.S. NGOs to develop additional recommendations for OSCE action.

Strengthening Implementation of Election Recommendations

Monitoring elections will again be a high priority in 2004. Ukraine, Belarus, Moldova, Russia and most of the Central Asian countries will hold elections in 2004 or will be preparing for elections in 2005. The United States will encourage the OSCE to engage host governments well in advance of each election to offer assistance and advice on legislation and regulations to ensure free and fair elections. We will insist the OSCE be frank in its assessments of whether elections meet OSCE standards and that ODIHR follow through on recommendations from ODIHR's election observation missions. A Supplementary Human Dimension Meeting on Electoral Standards and Commitments, scheduled for July 15-16, 2004, will discuss election issues and reiterate to all participating states the importance of acting on election recommendations.

Strengthening the Economic and Environmental Dimension

The Economic and Environmental Dimension (EED) was significantly strengthened in 2003. The OSCE Secretariat improved its ability to promote good governance, transparency, anti-corruption measures, entrepreneurial development, regional cooperation on environmental issues, and measures to address trafficking. The OSCE also took useful steps to combat terrorist financing, such as providing anti-money laundering training, developing Financial Intelligence Units, and increasing the breadth and depth of its cooperation with other organizations, including the UN and the EU.

At the 2003 Ministerial meeting, OSCE participating states adopted a Strategy Document for the Economic and Environmental Dimension that focuses on good governance. Many participating states are sensitive about the focus on good governance. Our strategy is to have the OSCE link the promotion of good governance to issues of particular interest to these states, such as scientific programs, economic

integration, and infrastructure development. In 2004, we will press the OSCE to continue implementation of the Strategy Document and will provide voluntary contributions to specific projects. We will also work with the OSCE field missions and the Office of the Economic Coordinator to foster conditions conducive to business and economic development in participating states.

Focusing the Political-Military Dimension

In 2003, the OSCE expanded its efforts to address new and emerging security challenges. The United States served as Chairman of the Forum for Security Cooperation (FSC) from September to December. Under U.S. leadership, the FSC took steps to encourage regulation of Man Portable Air Defense Systems (MANPADS), assisted with destruction of excess stockpiles of conventional ammunition, and transferred OSCE guides on small arms and light weapons (SALW) destruction to the UN for use on a global scale. The FSC also held a groundbreaking seminar on a possible OSCE role in civil-emergency preparations. Another achievement in 2003 was the OSCE Strategy to Address Threats to Security and Stability in the 21st Century, which was adopted by Foreign Ministers at the Maastricht Ministerial meeting in December. In Maastricht, Secretary Powell called the strategy a "roadmap to the practical work that the OSCE must continue to do."

The United States will continue to push for substantive and challenging dialogue on a wide range of contemporary security issues in the FSC in 2004. We will follow up the work done in 2003 by seeking to adopt the newly agreed Wassenaar Arrangement standards governing export controls of MANPADS and by promoting a U.S. initiative to establish tighter standards of end-use certification for small arms transfers. We will encourage the OSCE to enhance its Principles Governing Non-Proliferation and to consider a code of conduct on small arms brokering. We will work through the Permanent Council, the FSC, and the OSCE's institutions to implement the Threats to Security and Stability in the 21st Century document, which was approved at the Maastricht Ministerial, and to craft a border security concept that brings to bear OSCE police, counter-terrorism and overall training expertise on this issue.

Implementing Counter-Terrorism Policies

In the wake of the September 11, 2001 attacks, the OSCE took steps to better address the threat posed by terrorism. Implementing counter-terrorism agreements will be a top priority for the United States in the OSCE for 2004. We will encourage the OSCE to focus on full implementation of OSCE commitments to improve travel document security, combat terrorist financing, and increase controls on MANPADS to reduce the risk to civil aviation. We will seek additional decisions on steps to combat terrorism and organized crime without compromising respect for human rights. In 2004 and beyond, we will press the OSCE to provide technical assistance, in coordination with other international organizations, to enhance the capabilities of participating states to combat terrorism and organized crime and to ensure homeland security in line with international standards.

Reforming the Organization

The OSCE's flexibility is a significant comparative advantage over other international organizations, and one which the U.S. will seek to maintain. Excessive central control and cumbersome bureaucratic processes would erode this flexibility. Efforts to reform the organization should focus on streamlining procedures and enabling quicker responses to developing events. We will continue to propose administrative improvements that will support the Secretary General's mandate to administer the OSCE without fostering a larger administrative structure. As co-Chair of the informal working group monitoring progress in the implementation of the Secretariat's Integrated Resource Management (IRMA) program, the U.S. will work to improve effectiveness and efficiency in the fulfillment of OSCE work. We will also remain engaged in the 2004 negotiations of OSCE financial regulations to support the creation of a proper framework for managing OSCE resources.

The United States will continue to make a priority the appointment of high-quality international civil servants, including an appropriate number of Americans, to positions within the OSCE, including in the Secretariat and in the OSCE's institutions and field missions. One of the most difficult positions to fill in 2003 was the sensitive position of Representative on Freedom of the Media. Although this post was still vacant at the end of the year, participating States reached consensus early in 2004 on the appointment of Miklos Haraszti as the new Representative. The terms of the current Secretary General and the High Commissioner on National Minorities are due to expire in the next eighteen months. The United States will work to ensure that these key positions will be filled with high quality individuals.

The OSCE's field missions are an indispensable element of the organization's efforts to promote stability

and respect for democratic values and OSCE commitments. The management of missions can and should be improved, but the U.S. will resist any effort to strip them of their ability to promote human rights and respect for democratic values, as well as any proposal that would allow host countries to veto their activities. We will also support the continued independence of the Representative on Freedom of the Media and the High Commissioner on National Minorities. Their continued autonomy is integral to the credibility of the OSCE.

The OSCE Parliamentary Assembly will continue to play an important role in promoting OSCE principles, particularly through participation in election observation missions fielded jointly with ODIHR and other institutions such as the Parliamentary Assembly of the Council of Europe.

Finding the Right Budget Level

The 2004 OSCE budget of €179.7 million is approximately the same size as last year's budget. It reflects U.S. priorities. Significant budget savings in the large Balkan field missions -- Kosovo and Macedonia in particular -- have been counterbalanced by increases for the Secretariat, OSCE institutions and smaller OSCE field missions. We supported a significant increase in funding for the OSCE missions in Central Asia, including a 25 percent increase in project funds and the expansion of the Georgia border monitoring operation. In addition to paying our assessed contribution to the overall OSCE budget, the U.S. will continue to make extra-budgetary contributions to support projects that advance U.S. interests in the promotion of democratic institutions, human rights, including religious freedom, and good governance, as well as combating terrorism. An important OSCE task in 2004 will be to review the current scale of assessments.

Increased Attention to Central Asia

U.S. goals in Central Asia are to develop democratic, market-oriented states that are more fully integrated into the Eurasian community, to promote regional stability, and to strengthen a long-term coalition against terrorism that respects human rights. To advance these goals through the OSCE, the United States will support new programs in the economic and political-military dimension to complement the work of the human dimension in Central Asia. The OSCE should continue key human dimension activities, especially through its field missions, including the anti-torture program and work to strengthen the freedom of media and the rule of law and to assist independent journalists. Improved conduct of elections, including independent domestic and international monitoring, will be crucial. We will also support economic programs aimed at promoting small businesses, transparency, and good governance.

The most promising programs to strengthen OSCE activities in Central Asia in support of U.S. goals are those focused on trans-national issues, such as terrorism, trafficking (human beings, drugs, and arms), border security, police training, and judicial reform. The Central Asians have shown willingness to cooperate on these issues, including implementation of the Bucharest Plan of Action for Combating Terrorism and the activities of the OSCE's Senior Police Advisor. We expect that these projects will result in a more constructive approach by the Central Asian states toward the OSCE as a whole.

The Ongoing OSCE Role in Southeast Europe

In 2004, we will continue to focus the OSCE's resources on increasing the capabilities of the Balkan states' criminal-justice systems, border security institutions, and their ability to implement counter-terrorism measures consistent with human rights commitments. The OSCE Mission in Macedonia's focus will remain on strengthening police authority through confidence-building measures and community policing programs. In Bosnia-Herzegovina, under the leadership of the American Head of Mission, Ambassador Robert Beecroft, the OSCE will continue its effective work addressing minority education and reconciliation issues. In Serbia and Montenegro, we will support the OSCE Mission's attention on developing domestic war crimes capabilities and the fight against organized crime and corruption, as well as defense reform. Our priorities for the OSCE Mission in Croatia include refugee returns and judicial reform. Progress in Kosovo has been slow and we have serious concerns regarding the security of minority populations, but the OSCE Mission has played an invaluable role in developing democratic institutions, training the Kosovo Police Service, and organizing elections. In 2004, we will support the OSCE Mission's efforts to hand over independent institutions to Kosovar control as much as possible, while still building up the capacity of the Provisional Institutions of Self-Government. In Albania, the OSCE Mission will focus on electoral reform, property restitution, and anti-trafficking. In all activities in Southeast Europe, the U.S. is working to ensure that the OSCE coordinates closely with NATO, the EU, and the UN.

Looking for a Window to Chechnya

Chechnya is a priority issue for the U.S. in the OSCE as well as in its bilateral relations with Russia. The closure of the OSCE Chechnya Assistance Group at Russian insistence remains a matter of deep concern. We will continue to support a resumption of OSCE activities to ensure independent human rights monitoring and to encourage greater respect for human rights and the rule of law in Chechnya.

OSCE Commitments in Danger in Belarus

In December 2002, the OSCE agreed to create an OSCE Office in Minsk to address human rights concerns and help develop democratic institutions in Belarus. The Office began work in February 2003, leading the United States and the EU to lift the visa ban imposed on Belarusian authorities. The OSCE Parliamentary Assembly agreed to seat representatives from the Belarusian National Assembly at its 2003 Winter Session, in February, and it adopted a resolution expressing concerns on human rights issues. ODIHR held a conference on elections in Minsk in Fall 2003.

On the security side, Belarus is the first country to request assistance with the destruction of excess Small Arms and Light Weapons (SA/LW), under the 2000 OSCE Document on SA/LW. In late April 2004, the United States will participate in an 11-country joint assessment to Belarus to determine the feasibility of supporting a SA/LW project.

The Belarusian government's cooperation with the OSCE, however, remained problematic throughout 2003. The Belarusian authorities refused to issue the OSCE's Representative on Freedom of the Media a visa to visit Belarus. Belarus took no meaningful steps to meet OSCE elections criteria or to address long-outstanding concerns regarding balanced representation on electoral commissions, mobile voting, or observation of the elections. The Belarusian government did create several working groups tasked with developing projects with the OSCE of mutual interest. However, the working groups had little effect. The Working Group on Civil Society, for instance, met infrequently and made little progress.

We will continue to pressure Belarus to bring its electoral processes in line with OSCE standards before the parliamentary elections scheduled for October 2004. We will also maintain pressure on Belarus to implement democratic reforms, including amending its restrictive law on religion.

Ukraine

Presidential elections scheduled for October 2004 will be critical to Ukraine's European and Euro-Atlantic integration aspirations. The Office of the OSCE's Project Coordinator in Ukraine, under the leadership of American David Nicholas, is playing a key coordinating role in international community efforts to ensure a free and fair election. ODIHR will also play a significant role by recommending improvements in electoral conditions and organizing a large-scale observation effort. We will continue to support the efforts of both ODIHR and the OSCE Project Coordinator. We will also continue to raise relevant concerns at the OSCE Permanent Council over restrictions on the independent media and freedom of assembly that undermine Ukrainian democracy.

Little Progress on the Nagorno-Karabakh Conflict

Presidential elections in both Armenia and Azerbaijan in 2003 created additional obstacles to resolving the Nagorno-Karabakh conflict, as candidates appealed to nationalist sentiments. At the end of 2003, the Co-Chairs of the OSCE Minsk Group succeeded in arranging top-level dialogue between the two parties. The Special Representative of the OSCE Chairman in Office has been active in monitoring the cease-fire for eight years.

OSCE Engagement in Moldova

The OSCE-sponsored Moldova Voluntary Fund, to which the United States is a leading contributor, assisted the Russian Federation in 2003 in withdrawing nearly half of the Cold War ammunition stored in the Transnistrian region of Moldova. However, withdrawals began to slow appreciably in the latter half of the year. We will continue to push Russia, in the OSCE and elsewhere, to fulfill its Istanbul commitments to fully withdraw its military forces -- both ammunition and troops -- from Moldova. The United States continues to support the OSCE's leading role in the effort to find a political resolution to the Transnistrian conflict. The OSCE-led effort, in which Russia and Ukraine also serve as mediators, was set back in late 2003 when the Russian Federation undertook a separate mediation effort that was not coordinated with the OSCE. This effort produced a set of constitutional principles that neither the United States nor the OSCE endorsed, and that the Government of Moldova ultimately rejected. Encouraged by the United States, the parties resumed negotiations in the previous five-sided format -- involving the OSCE, Russia, Ukraine, Moldova and the Transnistrian authorities -- in early 2004. The Bulgarian Chairman-in-Office has given high

priority to resolving the conflict.

In early 2003, the Government of Moldova requested that OSCE participating states impose visa restrictions on the Smirnov regime in Transnistria. Together with the EU, we announced visa restrictions on senior Transnistrian leaders on February 27, 2003.

Georgia Turns to the OSCE For Support

The OSCE's performance in Georgia in 2003 was clearly one of the highlights of the year. The OSCE's Georgia election assistance program played an essential role in Georgia's parliamentary elections in November 2003 and preparations for the January 2004 presidential election. The OSCE's election observation activities, carried out through ODIHR and the OSCE Parliamentary Assembly, helped to validate allegations that the November vote was flawed and to ensure that the January Presidential elections would produce a democratic outcome. The OSCE Mission in Georgia will work closely with the Georgian government in 2004 on election code reform and to ensure that the 2004 Parliamentary elections continue Georgia's democratic progress.

The OSCE also provides a monitoring mission to prevent the resumption of hostilities in South Ossetia. The U.S. supports a peaceful resolution of this conflict, as well as the separatist conflict in Abkhazia, that respects Georgia's sovereignty and territorial integrity. The OSCE's primary engagement in Abkhazia relates to Russia's Istanbul commitment to disband its base at Gudauta. Working with the OSCE, the United States will continue to urge Russia to intensify its efforts to reach agreement with the Georgians on the status of the Russian presence at Gudauta and its other Istanbul commitments to withdraw from bases at Batumi and Akhalkalaki. The OSCE also provides a border-monitoring operation on the Chechnya and Dagestan sections of the border with Russia. In 2003, the U.S. provided additional voluntary funding to the OSCE to expand the operation.