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DELEGATION OF THE REPUBLIC OF ARMENIA
ORGANIZATION FOR SECURITY AND CO-OPERATION IN EUROPE

Statement

**Delivered by Minister of Foreign Affairs of the Republic of Armenia
H. E. Vartan Oskanian
at the 660th (Special) Meeting of the OSCE Permanent Council
April 17, 2007**

Mr. Chairman, distinguished colleagues and friends,

I thank you for this opportunity to address the Permanent Council. My previous appearances here have been gratifying to me and I hope that this Council itself found it useful to hear directly from me about Armenia's priorities and policies.

I myself have found our meetings helpful because this is the opportunity to directly, clearly talk about our issues with an audience that is most knowledgeable, in a forum that is most relevant.

The discussions and reflections about the OSCE's relevance of course continue. Although Armenia may see this organization as indispensable, there is no denying that its costs and benefits are being assessed very differently in various capitals. Some would like to further empower this organization, others are reluctant to do so.

Concern over OSCE's effectiveness in carrying on its relevant mandates gave us the Panel of Eminent Persons, who in 2005 looked rather comprehensively at the question of reform. We do not believe the organizational, operational challenges identified by the Panel and its recommendations have been fully addressed and embraced. We see and understand why those who resist further efforts see the present arrangements and methods sufficient and satisfying. However, the frustration and restlessness of those who continue to see and experience the inequities, partisan approach, two-tiered distribution of Participating States continues. Therefore, it is essential that we persist in efforts to collectively adopt ways to make our organization more effective and coherent. As the OSCE pursues transparency, rule-based applications, inclusive participation, equality of opportunities and even playing fields inside the political systems of states, we believe it would be extremely appropriate if the same patterns of democratic conduct were practiced within the OSCE itself, among all members.

Our delegation is ready to fully engage in ensuring the robust viability of an OSCE that is very much a pillar of our foreign policy landscape, and also a partner in developing and instituting domestic democratic processes, including election reform.

Mr. Chairman,

I know that the OSCE, its institutions and its members are watching as we embark on parliamentary elections next month.

The long-term observer team sent by ODIHR under the leadership of Ambassador Frllec of Slovenia has already started its work. These elections, to be held on May 12th, will also be observed by a large contingent of short term observers deployed on Election Day. We welcome them and we would encourage OSCE member states to participate with observers.

Many of us in and out of government are deeply committed to improve our score, to strive for elections in line with international norms. While past mistakes are undeniable, we should not be presumed guilty for the future. We have changed our election law, we're moving from a strong presidential system to a system where the role of the parliament is being enlarged. This is a serious change, there are now new checks and balances in our government, it enhances the role of parliament and through them the role of political parties. Therefore, during these elections, each party will struggle for votes, defend its vote, and watch others in order to assure their share of power.

But fair and free elections require the good will and good intentions of everyone: not only government, the elections commission, the ruling party, but the entire society, and also the opposition parties. Unfortunately, those with great doubt about their own electability are more than eager to convince outsiders that their political weaknesses are solely due to the machinations and insincerity of those in the majority. To avoid this, we need to make monitors vigilant and aware of this fact, as well as generally aware of the Armenian reality. As I meet with members of the observation team, I have noticed that those now involved in observation missions in Armenia as well as in monitoring of the media situation are more aware than before of the problems with reliance on hearsay and mechanistic, quantitative methods, without an understanding of the cultural and political realities on the ground. Of course, in Armenia, as well as everywhere East and West of Vienna, incumbency has its privileges and advantages that cannot be reduced to simple calculations of candidates' airtime. And, in Armenia as elsewhere, there is a curious correlation between rising standards of living and the cost of financing electoral campaigns.

Of course, these elections are a serious challenge for Armenia to demonstrate its determination to consolidate through free and fair elections its progress towards democratization and the rule of law. Together, all of us -- government, opposition, with the OSCE's help -- will further Armenia's democratization process.

Mr. Chairman,

OSCE's assistance to Armenia's democratization and the modernization of its political structures is of course not limited to the agenda of ODIHR and the Office of the Representative of Freedom of Media. The OSCE office in Yerevan has been a useful presence and partner for longer than six years. It has accomplished some projects, initiated others, and remains engaged in a variety of reform related activities.

The Melange project is nearing its completion. Through the participation of our Defense Ministry, the expertise of the planners and the implementers and thanks to the generosity of donors, the m elange project can serve as a model for implementing serious programs thru collective efforts.

Among many other items, let me single out the elaboration and implementation of a regional economic/environmental development plan for the province of Syunik, our southernmost area and facing multiple challenges. My Ministry is deeply committed to make this initiative succeed both for its own sake and as a model for similar actions elsewhere in the country.

Mr. Chairman,

Armenia's economy is doing well. This is the 7th year of double-digit growth. The inflation rate is low, around 3%, our exports are increasing, foreign investment is increasing, our foreign reserves are increasing. Such positive macroeconomic achievements allow us to address the more problematic issues in our economy – unemployment, low incomes, poverty. There's one other major problem we need to address and that is the gap between rural and urban areas.

Mr. Chairman,

Before I talk about the Nagorno Karabakh conflict negotiation process, let me continue on this economic theme and link it to the conflict. There is an ironic phenomenon that is connected to our economic development. It seemed to us that for about ten years after the cease-fire, Azerbaijan, and its ally Turkey, expected Armenia to collapse under the weight of poverty, economic stagnation and despair. This hasn't happened and it will not happen. But no lessons are being learned from this experience. The blockade continues. And with new efforts: The evidence is the recent signing of a deal to begin construction of a new railroad that will circumvent Armenia. We never expected that new initiatives, Baku-Ceyhan for example, would go through Armenia, but it's amazing to even contemplate that one might consider spending \$700 mil to \$1 billion to build a new railroad where there is an existing rail that will perform the same function, just to bypass Armenia. We've said to them -- use the existing one, Armenia would be willing not to be a beneficiary of the running of the railroad, we won't transport our goods on that railroad, we won't even charge transit fees, just use it, instead of spending \$700 million. But Turkey and Azerbaijan have not met us halfway on this issue. No lessons have been learned obviously. We regret this. Let me repeat, Armenia will not be isolated, but we can be alienated. A new railroad will not make us succumb, it will not do more harm than the existing closed border. It's the political environment that will suffer, that's what we regret, not the economic benefits. We will continue to advocate that the existing rail line be opened. And we will go further, and ask that Turkey open the border and establish normal ties with Armenia. We have no preconditions to normal ties. And we expect that Turkey, too, won't have preconditions. This is the last closed border in Europe, and it needs to open, so that Turkey can engage in the region more positively, and bring its positive contribution to the NK conflict.

Regarding the Nagorno Karabakh conflict, I believe we could be close to a resolution. I have been Minister for nine years now. Five years before being appointed Minister, I was part of the team negotiating the Nagorno Karabakh issue. I have seen all the proposals that have ever been produced by the mediators, and if I were to base my judgment purely on the content of the document on basic principles at hand, I can assure you that we've never been this close. What we have today is the most sensible, the most balanced. This is a trade-off among principles, this gives something to

everyone, and denies every maximalist demand the sides might have. It is a balanced approach and we hope we will be able to continue to make progress on the basis of this document.

However, there are two other factors which affect the negotiations and need to be addressed: one is the militaristic ambition of Azerbaijan. Let me repeat: this conflict has no military solution. This must be ruled out so we can focus on compromise. Second, the public statements made by the sides should match the spirit and letter of the document. When the document is eventually opened up, the public will ask why the statements don't match the content. In the case of Baku's statements, there is a discrepancy between their statements and the content of the document. My guideline is to go by what we've been hearing, what the co-Chairs have been hearing during the talks.

Mr. Chairman,

Let me say one thing about Kosovo whose ultimate fate will be decided by the Security Council of the United Nations if the formula meets both parties' interests.

We are often asked what Armenia's position is on this matter. No matter how beneficial a certain solution may appear to us and to our case, we are firm believers in the distinctiveness of each conflict, its dynamics and its conditions. We have no problem expressing our views as to the limited value of precedents.

However, it is ironic that those who oppose one "size fits all" precedents are disingenuous in bundling together four "frozen" conflicts elsewhere.

Further, more than just arguing against precedent, GUAM is attempting to prejudge the outcomes of other conflicts, specifically ours, by creating mechanisms, through resolutions and other actions, to block the natural progression of our negotiations process.

The international community must be alert to the disingenuousness of such efforts. This is not a zero sum process – where a successful self-determination process for Kosovo necessarily means that all other self-determination processes must be quashed, artificially.

In conclusion Mr. Chairman and distinguished colleagues, let me state unequivocally that Armenia remains committed to a negotiated solution, and we will continue to pursue a fair resolution that will guarantee the people of Nagorno Karabakh security and the right to determine their own future.

I will travel tomorrow to Belgrade, to conduct regular talks with my counterpart. I am going to Belgrade with the hope that we will be able to reaffirm our commitment to the principles agreed to heretofore, and attempt to make progress. We believe this is the best way to move forward.

Thank you, Mr. Chairman.