

STANDING COMMITTEE

127 SC 12 E
Original: English



NATO Parliamentary Assembly

SUMMARY

of the meeting of the Standing Committee
*Ballroom 2, Swissôtel
Tallinn, Estonia*

Friday 25 May 2012

ATTENDANCE LIST

President	Karl A. LAMERS (Germany)
Vice-Presidents	Petras AUSTREVICIUS (Lithuania)
	Hugh BAYLEY (United Kingdom)
	Julio MIRANDA CALHA (Portugal)
Treasurer	Pierre Claude NOLIN (Canada)
Former Vice-Presidents	Assen AGOV (Bulgaria)
	Jane CORDY (Canada)
	Sven MIKSER (Estonia)
	Hendrik Jan ORMEL (Netherlands)
	Mike ROSS (United States)
Secretary General	David HOBBS

MEMBERS AND ALTERNATE MEMBERS

Albania	<i>Not represented</i>
Belgium	Daniel BACQUELAINE
	Philippe MAHOX
Bulgaria	Assen AGOV
	Dobroslav DIMITROV
Canada	Raynell ANDREYCHUK
	Jane CORDY
Croatia	Boris BLAZEKOVIC
Czech Republic	Antonin SEDA
Denmark	John Dyrby PAULSEN
Estonia	Marko MIHKELSON
	Sven MIKSER
France	Loïc BOUVARD
Germany	Karl A. LAMERS
	Ulla SCHMIDT
Greece	<i>Not represented</i>
Hungary	Mihály BALLA
	Mátyás FIRTL
Iceland	<i>Not represented</i>
Italy	<i>Not represented</i>
Latvia	Ojars Eriks KALNINS
	Ivans KLEMENTJEVS
Lithuania	Petras AUSTREVICIUS
	Andrius MAZURONIS
Luxembourg	Norbert HAUPERT
Netherlands	Hendrik Jan ORMEL
	Han TEN BROEKE
Norway	Marit NYBAKK
Poland	Marek OPIOLA
Portugal	Manuel Filipe CORREIA DE JESUS
	Jose LELLO
Romania	<i>Not represented</i>
Slovakia	Jaroslav BASKA
Slovenia	Dragutin MATE
	Melita ZUPEVC
Spain	Beatriz RODRIGUEZ-SALMONES
	Diego LOPEZ GARRIDO
Turkey	Ali Riza ALABOYUN
	Muzaffer BASTOPCU
United Kingdom	Hugh BAYLEY
	Lord JOPLING
United States	Mike ROSS

John SHIMKUS
Michael TURNER

COMMITTEE CHAIRS

Defence and Security
Economics and Security
Political
Science and Technology
Mediterranean and Middle East
Special Group

Joseph A. DAY (Canada)
Petras AUSTREVICIUS (Lithuania)
Raynell ANDREYCHUK (Canada)
Not represented
Not represented

ASSOCIATE MEMBERS

Ukraine (exceptionally invited to attend Item III)

Andrii SHKIL
Ihor ZVARYCH

SECRETARIES OF DELEGATION

Albania
Belgium
Bulgaria
Canada
Croatia
Czech Republic

Not represented
Frans Van MELKEBEKE
Not represented
James M. LATIMER
Maroje KATALINIC
Jiri KRBEC

Denmark
Estonia

Iva MASARIKOVA
Flemming Kordt HANSEN
Tania ESPE

France
Germany

Anu MOSTLA
Frédéric TAILLET (Assemblée nationale)
Claudia RATHJEN (Bundestag)
Kerstin SCHULTHEISS (Bundestag)
Annemarie BÜERSCH (Bundesrat)

Greece
Hungary
Iceland
Italy
Latvia
Lithuania
Luxembourg
Netherlands
Norway
Poland
Portugal
Romania
Slovakia
Slovenia
Spain
Turkey
United Kingdom
United States

Not represented
Károly TUZES
Not represented
Alessandra LAI
Sandra PAURA
Snieguole ZIUKAITE
Isabelle BARRA
Arjen WESTERHOFF
Henrik MALVIK
Natalia JASKIEWICZ
Patricia GRAVE
Not represented
Jarmila NOVAKOVA
Tamara GRUDEN-PECAN
Mercedes ARAUJO
Yesim USLU
Jyoti CHANDOLA
Riley MOORE

ACCOMPANYING THE DELEGATIONS

Belgium
Canada
Germany

Patrick DELODDER
Melissa RADFORD
Harald BERWANGER

Italy

Luxembourg

Netherlands

Norway

Spain

United Kingdom

United States

Ivonne BOLLOW
Andrea BOU-SAID
Melanie LEHMANN
Sabine SCHENKEL
Monica DELLI PRESCOLI
Laura TABLADINI
Pia BISENIUS
Frederieke den HENGST
Lisbeth Merete STOCK
Josefina MENDEZ
Amanda WALLER
Kathryn WICKHAM
Kelly CRAVEN
David FITE
Erik J. HOLMGREN
Gregory McCARTHY

INTERNATIONAL SECRETARIAT

Andrius AVIZIUS
Henrik BLIDDAL
Sébastien BOTELLA
Helen CADWALLENDER
Salima CHEBREK
Paul COOK
Valérie GEFFROY
Christine HEFFINCK
Heather MESSERA
Ruxandra POPA
Steffen SACHS
Svitlana SVYETOVA
Claire WATKINS

INTERNATIONAL BOARD OF AUDITORS, NATO

Véronique VAN MEERHAEGHE

I. Opening of the proceedings

1. **The President** opened the meeting at 16:45, welcomed the members and thanked the host for organizing this Spring Session.
2. **Marko Mihkelson** (EE) also welcomed delegates.
3. Apologies had been received from the following members of the Standing Committee:
 - Troels Lund POULSEN (Denmark)
 - Eftychios DAMIANAKIS (Greece)
 - Sever VOINESCU-COTOI (Romania)
 - Sergio de GREGORIO (Italy).

II. Adoption of the draft Agenda [096 SC 12 E]

4. The President reviewed the key points on the draft agenda. He had been asked by **John Shimkus** (US) to distribute a letter signed by several prominent members of the US Congress addressed to the Ice Hockey Federation regarding political developments in Belarus and the Ice Hockey World Championships to be held in Belarus in 2014. The President suggested discussing this issue under item 6 of the draft agenda.
5. **The draft agenda was adopted.**

III. Presentation by Anders Aslund, Senior Fellow, Peterson Institute, Washington, D.C., United States, on *Political Developments in Ukraine*, followed by a Q&A period

6. The President recalled the concerns expressed by members of the Standing Committee at their meeting in Ljubljana in March regarding recent political developments in Ukraine, and in particular the imprisonment of former government officials. Following news of the assault on former Prime Minister Yulia Tymoshenko during her transfer from prison to hospital in April, the President had issued a statement condemning such actions, and urging the Ukrainian President to release Ms Tymoshenko without further delay and allow her to receive medical treatment abroad. He had also written to Ukrainian authorities to convey his concerns and request to visit Ms Tymoshenko. No answers had yet been received.
7. Further to the discussions held in Ljubljana, the President had decided to hold a special discussion on Ukraine at this Standing Committee meeting in Tallinn and invite a renowned expert to review developments in the country. He had also invited Ms Tymoshenko's daughter to attend the session. While she was unable to attend, she had addressed a written message to members of the Assembly.
8. The President assured members of the Ukrainian delegation present at the meeting that the Assembly greatly valued the active cooperation and open dialogue with the Ukrainian parliament. However, he stressed that Assembly members were deeply troubled by recent developments in the country, which called into question the commitment that Ukraine had undertaken as part of its partnership with NATO and the European Union (EU) to uphold democratic values and principles. The Assembly was looking to Ukrainian authorities for a clear demonstration that this commitment remained.
9. The President welcomed **Anders Aslund**, Senior Fellow at the Peterson Institute in Washington, DC, and gave him the floor to introduce the discussion.
10. According to Mr Aslund, recent political developments in Ukraine raised three main concerns:

- the lawless jailing of political leaders and their treatment in prison;
- the ongoing demise of democracy; and
- the executive's control over the courts.

11. While President Viktor Yanukovych had been elected in February 2010 in a free and fair election and started his mandate with a strong power base, a parliamentary majority, and a series of reforms, a turning point was reached in October 2010 with the decision by the Constitutional Court to rescind the December 2004 Constitution, flawed local elections, arrests of several former officials and political opponents for no plausible crime, and mass protests against the new tax code. The driving force behind the regime's policies was not ideology but mostly economic interests. Political power was concentrated in the hands of a small group of family loyalists, and economic power in that of a few oligarchs under the protection of the government. This system had led to a total collapse of President Yanukovych's support base, whose approval ratings currently ranged between 9 and 20%.

12. In Mr Aslund's view, a lot had been achieved on the economic front, and, after a drop in 2008-2010, the economy grew by 5.2% in 2011. However, many reforms, notably a series of privatizations without genuine competition, had further enriched a privileged minority, corruption was on the rise, and Ukraine was now ranking 152 out of 183 – behind Russia – in the ease of doing business index. Mr Aslund also noted the government's poor handling of international economic relations, pointing to the freeze of International Monetary Fund credits in 2011, Russia's imposition of very high gas prices and pressure to join the Customs Union, the EU's decision to postpone the conclusion of the Free Trade Agreement in response to concerns about political repression, and distant relations with the United States.

13. Mr Aslund envisaged a meagre outlook for the country. On the positive side, the economy would likely continue to grow at around 2%. However, Ukraine was left with no international perspectives given both the regime's refusal to join the Customs Union with Russia, and its unwillingness to address the EU's concerns about Yulia Tymoshenko and thereby unlock the conclusion of the Free Trade Agreement. Mr Aslund called on the international community to focus its attention on the upcoming parliamentary elections, predicting that the regime would be faced with a choice of either losing the elections or forging the results to stay in power.

14. **Petras Austrevicius** (LT) asked whether Ukraine could become self-sufficient in the future, and how much would Russia pressure Ukraine to join the Eurasian Union. Mr Aslund was sceptical that Russia would manage to pull Ukraine into the Customs Union. Russia's main objective was to ensure that all gas transits to Europe bypass Ukraine.

15. **José Lello** (PT) supported the President's position on Ukraine. Today's presentation would be useful in keeping up the pressure in Allied capitals, he noted.

16. **Andryi Shkil** (UA) had three main concerns regarding the recent evolution of his country:

- the broader threat that recent developments posed to democracy;
- censorship of independent media; and
- further charges being brought against Ms Tymoshenko, her treatment in prison, which included torture, and her health condition.

In his view, the Ukrainian President was leading a personal struggle against Ms Tymoshenko.

17. Mr Shkil argued that the regime considered the Euro 2012 football championship as the start of their election campaign, and therefore supported the decision by several international officials not to accept invitations to the VIP lounge for the games. He thanked members of the Assembly for their support, and stressed that the Ukrainian opposition was united behind Yulia Tymoshenko and Yuri Lutsenko for the upcoming elections. The President replied that Ukraine was part of the democratic family, and could count on its support.

18. **Lord Jopling** (UK) enquired how the price that Ukraine was charged for gas compared with other countries. Mr Aslund explained that Ukraine was paying 50% more than Germany (450 USD per 1000 m³ compared with 300 USD for Germany and 57 USD for locally produced gas).

19. **Hendrik Jan Ormel** (NL) asked whether the memories of the starvation and terror conducted in Ukraine under Stalin played a role today. While aspects of the current curriculum demonstrated a pro-soviet bias, in Mr Aslund's view, nationalism was not a central element in Mr Yanukovych's policies.

20. **Raynell Andreychuk** (CA) enquired about prospects for the parliamentary elections, disenchantment with the Orange Revolution among the population, and Viktor Yushchenko's influence today.

21. **Julio Miranda Calha** (PT) restated his support for the Assembly's participation in the observation of the Ukrainian elections, and asked for clarification as to which constitution applied following the annulment of the 2004 Constitution.

22. **Ojars Eriks Kalnins** (LV) asked for a prediction on the outcome of the election, and enquired about NATO's possible leverage on Ukraine.

23. **Marko Mihkelson** (EE) asked about the impact of recent changes in the leadership of the Ukrainian security services, and enquired about prospects for shale gas development in Ukraine.

24. **Diego Lopez Garrido** (SP) asked whether a case had been brought before the European Court of Human Rights against arrests of political figures.

25. **Ihor Zvarych** (UA) recognised that Ukraine's judicial system was in need of reform, but urged members of the Standing Committee to adopt a more balanced approach to trials against former government officials. First, he noted that the current gas deal with Russia was flawed not only because of the high price Ukraine was being charged but also because it had to pay for a volume of gas whether it was using or not. Second, he pointed out that charges had been brought against individuals from all political parties. Third, he cited the unprecedented steps taken to accommodate Western concerns, including allowing visits to Ms Tymoshenko and acceding to her request to be treated by German doctors. The Ukrainian President had made clear he was prepared to consider any steps that might be required, Mr Zvarych noted.

26. Mr Aslund predicted that the opposition could win the election if the process was fair. He was adamant that international pressure could work. The Council of Europe was likely the most influential and efficient channel, but there was a role for the European Parliament and the NATO Parliamentary Assembly. To reduce its dependency on Russian gas, Ukraine could increase local production and become self-sufficient within a few years. It should also become more energy efficient.

IV. Adoption of the Summary of the Standing Committee Meeting held in Ljubljana, Slovenia, on Saturday 31st March 2012 [090 SC 12 E]

27. The President paid tribute to **Loïc Bouvard** (FR), Head of the French delegation to the NATO PA and former President of the Assembly, for his exceptional service since he first joined the Assembly in 1978. Mr Bouvard thanked members of the Standing Committee for this moving tribute.

28. The President thanked **Melita Zupevc** (SL) and the Slovenian delegation for the outstanding hosting of the early spring Standing Committee meeting.

29. **The summary of the previous Standing Committee meeting in Ljubljana was adopted.**

V. Organization of the Plenary Sitting to be held on Monday 28 May 2012

30. The President outlined practical arrangements for the Plenary Sitting. He reminded delegates that NATO Secretary General Anders Fogh Rasmussen could not be present in Tallinn, but had already committed to address the Assembly at the Annual Session in Prague. He was represented in Tallinn by his Deputy, Ambassador Alexander Vershbow, who would be presenting a review of the key decisions taken at the NATO Summit in Chicago the preceding week.

VI. Assembly Activities in 2012 [106 SC 12 E]

31. The President thanked members for their input in preparing his address to the Chicago Summit.

32. The **Secretary General, David Hobbs**, reminded members of the four key priorities for 2012: developments in the Middle East and North Africa; NATO operations, with a special focus on Afghanistan and counter-piracy; post-Lisbon, post-Chicago NATO adaptation; and partnerships. The Assembly's programme of activities also covered a broad range of other issues in addition to these four main priorities. Two recent activities deserved special mention. First, the French delegation hosted the first-ever joint Rose-Roth and Mediterranean and Middle East seminar in Marseilles. This concept worked very well, both as a platform for dialogue and engagement, and as a way to discuss possible avenues for practical assistance. The experience would therefore be worth repeating, the Secretary General argued. Second, the Secretary General stressed that the President's performance at the Chicago Summit had been truly outstanding.

33. The Secretary General also referred to one upcoming activity: the 80th Rose-Roth seminar to be held in Vilnius in June. This seminar would be both an opportunity to commemorate the Rose-Roth programme, and to review developments in the countries on the eastern edge of the Alliance – Belarus, Moldova, Russia and Ukraine.

34. Lastly, referring to the Standing Committee's discussions in Ljubljana on the procedure for imposing numerical limits on the participation of Russian delegates in Committee visits, the Secretary General argued in favour of keeping the Sub-Committee Chairmen's flexibility to decide on such limits. Agreeing a global limit would likely cause more problems than it would solve, as well as being perceived by the Russian delegation as a political statement.

35. The Secretary General concluded by assuring members that, as discussed in document [106 SC 12 E], other changes proposed to the Assembly's programme of activities in Ljubljana had been incorporated.

36. Mr Austrevicius encouraged members to register for the Vilnius seminar.

37. Mr Shimkus referred to the letter he had distributed to members of the Standing Committee regarding human rights violations and the situation of political prisoners in Belarus. He encouraged members to raise these concerns in their national parliaments, and called on the Political Committee to adopt a strong statement condemning the dictatorial regime in Belarus.

38. The President thanked Mr Shimkus for this initiative, and supported further discussions of these issues both at the national level, and within the Political Committee, in consultation with the Chairperson of the Committee.

39. **The revised programme of activities for 2012 was approved.**

VII. Invitations to participate in the international election observer missions for the Parliamentary elections in Ukraine and in Georgia in October 2012 [107 SC 12 E]

40. The President explained that the Assembly had received invitations to observe the parliamentary elections in both Ukraine and Georgia in October. He reminded members that the Assembly did not systematically participate in election monitoring missions, but that the Standing Committee had approved participation in certain exceptional circumstances. The President felt that, in both cases, there were strong arguments in favour of an Assembly involvement.

41. Mr Lello and Mr Agov supported the Assembly's participation in both missions.

42. Ms Andreychuk, Mr Ormel and **Marit Nybakk** (NO) also agreed, but recommended close coordination with the OSCE. Mr Agov and the Secretary General stressed that, whenever the Assembly was involved in election observation, it was always as part of the OSCE-led missions, which included the OSCE Office for Democratic Institutions and Human Rights (ODIHR) – providing the technical knowledge and long-term presence –, and parliamentary delegations of the OSCE Parliamentary Assembly, the Parliamentary Assembly of the Council of Europe and the European Parliament. Other partners, ODIHR in particular, welcomed the NATO PA's participation. While delegations sometimes had divergent assessments of the election, they would normally come to an agreement, Mr Agov stressed.

43. **Joseph A. Day** (CA) enquired about the cost of such missions. **The Treasurer** replied that these costs were already covered in the Assembly's budget. Provisions were always kept for unforeseen meetings.

44. **The Assembly's participation in international election observation missions for the parliamentary elections in Ukraine and Georgia was approved.**

VIII. Note from the Embassy of Mongolia to Belgium regarding the Establishment of an Inter-Parliamentary Group of the Parliament of Mongolia for relations with the NATO PA [108 SC 12 E]

45. The President explained that the Assembly had received a letter from the Embassy of Mongolia to Belgium regarding the establishment of an inter-parliamentary group of the Parliament of Mongolia for relations with the NATO PA. The President proposed a careful and progressive approach, starting with an *ad hoc* invitation to attend the annual session in Prague. This could later be followed by invitations to the NATO Orientation Programme and any Rose Roth seminars that would be deemed relevant.

46. Mr Lello wondered whether the name of the group established by the Parliament of Mongolia could be changed to friendship association.

47. **The Standing Committee agreed with the President's proposed approach.**

IX. Finance

- **Draft Report by the Treasurer on the Results of the Financial Year 2011 and the Current Financial Year [098 FIN 12 E]**
- **Report of the NATO Board of Auditors on the Financial Audit of the Accounts of the NATO PA for the year ending 31st December 2011 [097 FIN 12 E] presented by Ms Véronique Van Meerhaeghe, Auditor, International Board of Auditors for NATO**
- **Management Representation Letter relating to financial statements for the year ending 31st December 2011 [024 SC 12 E]**

- **Statement on Internal Control [023 SC 12 E]**
- **Audited Financial Statements at 31 December 2011 [022 FIN 12 E bis]**
- **The NATO PA Provident Fund Annual Report 2011: Audited Financial Statements [025 FIN 12 E]**
- **The evolution of the Assembly's budget [109 SC 12 E]**
- **Draft budget for Financial Year 2013 [099 FIN 12 E]**

48. The Treasurer introduced and thanked **Véronique Van Meerhaeghe**, Auditor at the International Board of Auditors for NATO, and invited her to present her report on the audit of the Assembly's finances.

49. Ms Van Meerhaeghe conveyed the regrets of Ms Kirsten Astrup, the Board member responsible for NATO PA, who could not be present in Tallinn. She confirmed that the Board was able to issue an unqualified opinion on the financial statements. An unqualified opinion meant that the financial statements presented fairly the financial position of the NATO PA, that the underlying transactions were, in all material respects, in compliance with the budgetary provisions, applicable rules and regulations, and that the funds were properly used for the statement of authorised expenditure. Observations/recommendations that were raised in previous audits had been settled. Ms Van Meerhaeghe thanked the Treasurer and the International Secretariat for their co-operation in the conduct of the audit.

50. Mr Nolin thanked Ms Van Meerhaeghe for the advice and assistance she had provided to the International Secretariat during the six years she had been the principal auditor for NATO PA accounts. Mr Nolin noted that, in addition to the usual financial documents, and as mentioned at the Standing Committee's meeting in Ljubljana, he had prepared a document on the evolution of the Assembly's budget, which showed how he and the International Secretariat had monitored and controlled costs over the years. He suggested appending this document to the 2013 draft budget, so it could be shared with national authorities.

51. The Treasurer was once again presenting a draft budget for 2013 which represented a zero nominal growth compared to the 2012 budget. As salary costs were subject to inflation, this meant that the gap between real expenditure and the budget would need to be filled by drawing upon reserves. This was a delicate operation, particularly as, over the past four years, the Assembly's budget had hardly increased. Close attention would be devoted to long-term budgetary planning to avoid creating serious structural problems which could prevent the Assembly from fulfilling its political role in the future.

52. The draft budget would be presented and adopted in Prague, so the Treasurer encouraged delegates to send him any comments over the summer.

53. Lastly, the Treasurer reminded delegations of the rules regarding the payment of contributions and the sanctions which applied in the event of non-payment of a contribution before the first day of the annual session. He intended to apply this rule strictly.

54. **Hugh Bayley** (UK) enquired about the reference in the financial documents to a NATO subsidy to the Assembly's budget. The Secretary General explained the historical background for this contribution, which was originally a compensation for the fact that, with NATO and the Assembly's move from Paris to Brussels in the late 60s, the Assembly had lost the ability to use NATO meeting facilities. The contribution had remained since, and it was completely unconditional.

55. Mr Lello remarked on the use of the phrase "Interpretation Russian and Ukrainian Monitoring" in article 10.6 of chapter 4 of the draft budget for 2013, in the context of the preceding days' brawl in the Ukrainian parliament on the issue of the introduction of Russian as a second language.

56. **The financial documents, with the exception of the draft budget, were adopted.**

57. The President thanked the Treasurer, NATO's International Board of Auditors and the International Secretariat for their work.

X. Future sessions and meetings

- **Early Spring Standing Committee meeting in 2013**
- **Distribution of Assembly Sessions and Standing Committee Meetings [044 SC 12 E]**
- **Sessions and Meetings from 2012 [028 GEN 12 E rev. 1]**
- **58th Annual Session, Prague, Czech Republic, 9-12 November 2012 [035 SESA 12 E rev. 1]**

58. The President explained that Hungary had stepped in to host the Assembly's Spring Session in 2015, that other delegations had expressed an interest in hosting the early spring Standing Committee meeting in 2015, and that yet another delegation was looking at hosting either the Annual Session in 2015 or the Spring Session in 2016. This meant that, hopefully and provided these delegations confirmed their offers, all meetings until 2016 would have a host.

59. **Antonin Seda** (CZ) confirmed that preparations for the Annual Session in Prague were proceeding well.

60. **Norbert Hauptert** (LU) informed the Standing Committee of preparations for the Spring Session in Luxembourg in 2013.

XII. Miscellaneous

61. No further issues were raised.

62. The meeting closed at 19:08.
