



Second Report
from the
Foreign Affairs Committee
Session 2007-08

Global Security: Russia

Response of the Secretary of State
for Foreign and Commonwealth Affairs

*Presented to Parliament
By the Secretary of State for Foreign and Commonwealth Affairs
By Command of Her Majesty
February 2008*



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SECOND REPORT FROM THE FOREIGN AFFAIRS COMMITTEE

SESSION 2007-08

GLOBAL SECURITY: RUSSIA

RESPONSE OF THE SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS

1. The Government welcomes the scrutiny by the Committee of the UK Government's work with Russia on issues of global security, including the Committee's visits to Russia and Azerbaijan.
2. Russia has an important role in many of our international priorities: on energy security, climate change, international peace and security. Continuing to engage with Russia on these issues makes us better placed to achieve our objectives. As the Committee recognises, the UK's co-operation with Russia is broad, complex and, at times, challenging. The relationship is not always a meeting of minds and where we do have concerns, for example on human rights, we raise them frankly with the Russian authorities. The Committee's thinking is very much in line with the Government's on a wide range of Russia-related issues. Russia will continue to be a key international interlocutor for the UK for the foreseeable future. The Report is particularly timely against the backdrop of the Russian presidential succession.
3. This Command Paper sets out the Government's response to the Committee's 25 November 2007 Report into Global Security: Russia. The Committee's recommendations are set out in bold. Unless otherwise indicated, references are to paragraphs in the Foreign Affairs Committee's Report (HC 51).

Context

We are concerned that the potential significance of the Shanghai Cooperation Organisation's development is not fully understood or appreciated by the FCO. We ask that in its reply to this Report the Government give a full assessment of the Shanghai Cooperation Organisation's impact to date, its potential growth in membership (particularly in relation to Iran, which now enjoys observer status), and its potential for development in the commercial, economic and security spheres. (Paragraph 19)

4. The Shanghai Cooperation Organisation (SCO) has established itself as a multilateral body with a long-term role to play. In recent years, the SCO's focus has moved beyond its original task of promoting cross-border security and confidence building to encompass an ambitious, if loosely-defined, agenda for economic and security co-operation. But the extent to which the SCO can develop further is unclear. The witnesses to this inquiry noted many of the difficulties that the SCO may face if it tries to expand its current remit. The

Government welcomes the progress the SCO has made to date regarding border delimitation, and is supportive of the impetus the SCO gives to regional co-operation, particularly between the states of Central Asia. We would welcome the further intensification of commercial and economic links across Central Asia. We judge that the potential for further co-operation in the security sphere will depend on the extent of trust between the member states, and whether the member states choose to deepen the SCO's policy areas or widen its membership.

5. It is unclear how or when the SCO might expand its membership. There are currently no agreed criteria or procedures for observer states to become members. At the SCO Summit in August 2007, SCO member states agreed to maintain the current moratorium on expansion. We would consider it unwise for the SCO to elevate Iran's status within that organisation at a time when Iran is acting in defiance of three United Nations Security Council Resolutions.
6. We are aware of the perception by some observers that the SCO's core unstated goal is to resist western political influence in Central and possibly South Asia. However, we do not believe this should preclude us from exploring opportunities to engage co-operatively with the SCO and its members, including as outlined in the EU Central Asia Strategy.
7. The FCO will continue to monitor the development of the SCO. We have regular internal and cross-Whitehall discussions on the Organisation, and we discuss its development with individual member states.

We are concerned about the reduction in the number of international observers whom Russia is inviting to the December 2007 Duma elections. (Paragraph 31)

8. We are open with the Russian Government in airing our concerns, and have been for some time, particularly on human rights abuses and further shrinking of the democratic space. Russia created the conditions which led to the Organisation for Security and Co-operation in Europe's (OSCE) specialist election monitoring body, the Office for Democratic Institutions and Human Rights (ODIHR), deciding not to observe the Duma elections. ODIHR monitoring would have provided expert, independent election monitoring. We fully respect ODIHR's decision to withdraw from election monitoring in the face of significant and unprecedented obstruction from the Russian government. A limited number of observers went with the OSCE Parliamentary Assembly, as did 51 representing the Parliamentary Assembly of the Council of Europe. We said at the time that it was vital that the Russian Government put in place systems to ensure that the Presidential elections in March 2008 would be as transparent and democratic as possible, in particular by allowing unrestricted access to international short- and long-term observers, including from ODIHR.

We conclude that, driven partly by changes in Russia's economic position, and partly by the cumulative effects of the country's post-Cold War relations with the West, the results of Russia's recent rethinking of its international role are likely to endure beyond the presidential election scheduled for March 2008. In the period before the presidential election, the UK should be especially realistic not to expect movement from Russia on areas of difference with the West. We recommend that in its response to this Report, the Government set out what consideration it has given to the likely impact of Russia's forthcoming election season on Russia's foreign policy, and how it considers the UK might respond. (Paragraph 34)

9. The Government wants to see progress with Russia on areas of difference with the West. Discussions with Russia on issues such as Kosovo, the Conventional Forces in Europe Treaty and ballistic missile defence will continue to be difficult. The Government will continue to engage with Russia both bilaterally and in the range of multi-lateral fora we have at our disposal. We will continue to pursue the UK's interests vigorously, not allowing Russian pressure to deflect us from key issues of principle.

We conclude that it could benefit bilateral relations, as well as a greater UK appreciation of Russia's new foreign policy, if the UK were explicitly to welcome and engage with Russia's foreign policy review document. We recommend that in its response to this Report, the Government set out what work is under way in response to the shift in Russia's foreign policy, and specifically in response to the Russian foreign policy review document. We further recommend that the UK should consider sponsoring a conference, to discuss and explore the Russian and UK analyses of the international environment and foreign policy responses. (Paragraph 39)

10. The Government read the March Foreign Policy Review with interest. Many of the themes identified in it were not surprising. Russia has long advocated the primacy of the UN in resolving international affairs, as it has the concept of 'multipolarity'.
11. The Government cannot welcome the entirety of the Foreign Policy Review. The Government fundamentally disagrees with the assertion in the Review that UK-Russia relations are strained as a result of "London's well-known position on the problem of so-called new political emigres" and that bilateral relations are also held back as a result of the "openly messianic mindset of a significant part of the British political elite, including as this relates to Russia's internal political affairs."
12. We recognise that there is a divergence in Russian and UK positions on certain issues, including the UK's greater willingness to countenance external engagement with states' internal affairs, particularly as these pertain to human rights, democracy and the rule of law. The UK strongly believes that external engagement can be an important element in ensuring international peace and security. We will continue to advocate this to Russia.

13. The Government regularly reviews its policy towards Russia. Despite Russia's increased assertiveness on the international stage, we continue to believe that a policy of engagement, including making our views plain where they differ from those of the Russian Government, is the correct policy. There is a very wide range of business, such as trade and non-proliferation, where it is strongly in our interests to engage with Russia. Where we do have policy disagreements, we will continue to explain why we take such positions. We need to be clear, however, that Russian behaviour is sometimes not in line with the international commitments to democracy, human rights and the rule of law to which Russia has voluntarily subscribed.
14. The Government will consider the Committee's suggestion of a conference to exchange views on our positions on foreign policy. The Government regularly engages with Russia, both in Moscow and elsewhere, on foreign policy issues, both directly and in more open debate. FCO officials from London and the Embassy in Moscow regularly participate in international conferences on Russia. The success of any such conference would, of course, depend on the willingness of Russian officials to participate constructively, and in this, timing will be crucial.

Human Rights and Democracy

Developments in Russia overall contrast with the UK's declared goal of promoting democracy, human rights and the rule of law there. We recommend that the UK continue to press its concerns about democratic and human rights standards with the Russian authorities, including in public, ensuring that public and private messages are the same. However, we recommend that the Government make some changes to the terms in which it does so, in order to improve the likely effectiveness of its message. We recommend that the Government stress to a greater extent that the political and human rights standards at issue are often not Western, but international, and that they are not foreign imposition but commitments to which Russia has voluntarily signed up, including under the Helsinki Final Act. We further recommend that the Government couch its wish to see improved democratic and human rights standards in Russia primarily in terms of interests rather than values – specifically, Russia's interests in being taken seriously as an international actor which respects its international commitments, and the UK's interest in the development of a credible international partner likely to generate fewer security risks. We further recommend that the Government be prepared seriously and publicly to address the charges of human rights shortcomings which Russia is likely to make against it in the course of further engagement on human rights issues. (Paragraph 70)

15. The Government will continue to raise publicly our concerns in relation to democracy, human rights and the rule of law with the Russian authorities. We demonstrated this most recently in a series of statements expressing regret for the overall conduct of the parliamentary elections on 2 December 2007, which fell short of international standards in a number of respects. We stated our

disappointment that Russian restrictions made unavoidable the decision by the OSCE's Office of Democratic Institutions and Human Rights (ODIHR) not to monitor the elections. ODIHR monitoring would have provided expert, independent election monitoring. And we have publicly urged the Russian government to allow international observers, including from ODIHR, unrestricted access to the presidential elections on 2 March 2008.

16. We agree with the Committee's recommendation that improved standards of human rights be framed in terms of an international, rather than 'Western' framework, and have long pointed to Russia's international human rights obligations. Russia's active participation at the UN, and in the Human Rights Council, as well as in the Council of Europe, should leave it in no doubt that the key human rights standards are internationally agreed.
17. The Committee is right to recommend that the Government be prepared seriously and publicly to address the charges of human rights shortcomings, which Russia is likely to make against it in the course of future engagement on human rights issues. In our annual bilateral dialogue on human rights, as well as through the EU-Russia dialogue on human rights, we have a mature and frank relationship with Russia on a wide range of issues. We do not shy away from making our concerns known and they in turn have issues they raise with us. The next bilateral meeting on human rights is scheduled to take place in the first half of 2008.

We conclude that mutual discussions – such as those underway between the UK and Russia on racially motivated violence – are to be welcomed, as potentially a more fruitful approach to human rights issues than a one-way dialogue. We recommend that this approach be extended to a discussion of the protection of human rights in the context of combating terrorism. (Paragraph 71)

18. The Government welcomes the Committee's recognition of the benefit of mutual discussions on human rights issues. We raise a broad range of concerns in both bilateral and EU human rights consultations. Human Rights Consultations between the EU and Russia are held every six months, most recently on 3 October 2007. The next bilateral human rights dialogue with Russia is scheduled to take place in the first half of 2008. Several fruitful discussions at official level have been held in Moscow throughout 2007, some of which have specifically focused on the protection of human rights when combating terrorism.

We recommend that the Government continue to implement programme and project work in Russia, with NGOs and other groups, in the interests of democracy and human rights promotion. We recommend that the FCO seek new opportunities in particular to work with professional groups. We further recommend that the FCO take care to ensure that no well functioning DFID projects that address the UK's priorities in Russia come to an end as a result of the closure of DFID's Russia programmes. (Paragraph 74)

19. The FCO will continue to implement project work in Russia to strengthen the development of NGOs and other groups seeking to promote human rights and democracy. The Embassy has ongoing dialogue with a wide range of NGOs and local civil society organisations, such as Golos (Voice), an independent Russian civic organisation, founded in 2000 to defend voters' rights and contribute to the development of the civic society in Russia. It unites over 280 NGOs across the country. In parallel with these consultations, the FCO is providing over £1.1m through the Global Opportunities Fund, the Global Conflict Prevention Pool and the Bilateral Programme Budget for thirty projects working with NGOs to promote human rights in Russia and support conflict prevention in the North Caucasus during the 2007/08 financial year, including:

- Over £100,000 to fund a project with the Institute for War and Peace Reporting to enhance effective and accountable governance, public participation in the political process, cross-border and cross-community dialogue with the aim of improving democratic discourse and public debate through strengthened professional media and civil society linkages.
- Almost £50,000 input to a project to strengthen regional civil society by forming a more open and productive democratic political system across Russia, specifically by developing grass-roots initiatives that heighten political awareness and public participation. The funding should allow maintenance and expansion of regional round-table programmes targeting emerging young leaders including representatives of government, elected officials, NGO representatives, business and mass media.
- £15,000 support to an initiative which focuses on ensuring promotion of human rights in the restricted public access institutions, by raising awareness both amongst those detained within such institutions and amongst local journalists, and by developing communication skills of those detained for more productive long-term discourse with the media.
- Other FCO-enabled projects allowed for the foundation of a core group of social sector NGOs capable of influencing local and national authorities on behalf of their client groups, training in human rights of penitentiary service members in southern Russia and strengthening state and civil society capacity to tackle xenophobia, extremism and combat religious and ethnic discrimination. In this financial year the FCO is working with a number of professional groups in the legal field, including judges, lawyers and prosecutors.

20. The FCO supported DFID's decision to close its bilateral development programme in Russia in March 2007. DFID's policy is to spend the majority of its resources in low-income countries. Russia is a large middle income country and a G8 member, so the nature of our development relationship is changing. DFID will continue to channel support through multilateral organisations

working in Russia such as the EU, the European Bank for Reconstruction and Development and the World Bank, and will work closely with the FCO and DEFRA on climate change, with an increasing focus on energy efficiency. DFID is also funding a World Bank programme that is helping the Russian Government to reform its public administration systems, with the aim of improving the delivery of public services. DFID will continue to support the work of the Global Conflict Prevention Pool, a resource maintained by the FCO, MOD and DFID, in Russia. Russia is increasing its international donor profile and has made significant contributions to Heavily Indebted Poor Countries Initiative debt relief programmes, Global Funds, and other multilateral aid programmes. DFID wants to work with the Russian Government as it develops this role, offering support in areas where the Russian Government requests it. DFID's closure of its bilateral programme will not, however, change the FCO funding priorities in Russia.

We conclude that the FCO is correct to identify the North Caucasus as a region of serious human rights and security concerns. There is potential for a violent anti-Russian insurgency across the region which could have security implications beyond it. We recommend that the FCO continue to fund work in the region aimed at ending impunity, improving human rights and governance standards and encouraging inter-ethnic understanding, and that it updates us on its projects in the region in its response to this Report. We further recommend that the FCO continue to impress on Russia the importance of meeting its human rights obligations in the region. (Paragraph 85)

21. We agree that the abuse of human rights, poverty and corruption all contribute to insecurities and conflict in the North Caucasus and so we value the Committee's positive verdict on our regional projects. The area remains fragile and vulnerable to human rights violations. In recognition of this, increased funding over the last eighteen months has been allocated to the region from the Global Conflict Prevention Pool (GCPP), a resource maintained by the FCO, MOD and DFID. Of 12 projects in the North Caucasus throughout 2007/08; four focus on human rights and receive funding of more than £150k. The Russian NGO "Memorial" received over £60,000 in the current financial year, enabling it to continue monitoring human rights violations in the North Caucasus. It supports a network of monitoring centres and legal consultation offices, assists victims of human rights violations to prepare applications to the European Court of Human Rights and monitors implementation of Court decisions. Another GCPP-funded project aims to enhance regional media professionalism and protection; over £100,000 was allocated to strengthening the media's ability, through enhanced legal protection, to provide the public with quality information and inform debate on matters of public importance.
22. We continue to assist overall regional development through our bilateral £1m North Caucasus Education Initiative, set up in response to the Beslan tragedy, and contribute to the European Commission's €20m TACIS Special Programme for the North Caucasus. Both focus on improving the overall development of

the region and combat neglect by investing in healthcare and infrastructure. Through all these projects we hope that the Russian authorities will recognise the value of meetings its human rights obligations in the region.

We urge the Government to do all it can to secure Russian ratification of Protocol 14 to the European Convention on Human Rights as soon as possible. We recommend that the Government impress on Moscow that the UK will regard its co-operation with the European Court of Human Rights as a key indicator of Russia's willingness to work as a responsible member of the international community. (Paragraph 91)

23. Russia has recently made some steps towards judicial reform by addressing the supervisory-review procedure in civil cases and introducing measures to better manage cases of excessive length of proceedings, non enforcement of court judgements and pre-trial detention. The Council of Europe welcomed these developments as an indication of Russian sincerity to move towards compliance with judgements of the European Court of Human Rights. The measures should also improve the protection of human rights at the domestic level.
24. On 17 December 2007 Mikhail Margelov, chairman of the Federation Council Committee on International Affairs, and Konstantin Kosachev, chairman of the State Duma Committee on International Affairs, stated that a proposal to ratify Protocol 14 of the European Convention on Human Rights would be presented to the new parliament. They acknowledged that this would meet Russia's national interests, and those of its citizens. Whilst this does not commit parliament to ratification of the protocol, or present any time frame, it is a welcome first step towards recognising the importance of adherence to, and full implementation of, the Protocol as well as a signal that the administration respects the overall values of the European Court of Human Rights.

UK-Russia bilateral relationship

We conclude that the UK's relationship with Russia has been impacted negatively by London's stance vis-à-vis Washington. We recommend that the Government should seek to improve its relations with Russia without damaging its relations with the US. (Paragraph 96)

25. The UK enjoys an extremely close political and economic relationship with the US. As the Prime Minister stated in his Mansion House address on 12 November, the US is our most important bilateral relationship. Following the events of 11 September 2001, the UK made a commitment to stand 'shoulder to shoulder' with the US in the campaign to defeat terrorism. The US and the UK are close partners in addressing a wide range of issues, including counter-terrorism, homeland security, the Middle East Peace Process, and nuclear non-proliferation.

26. Our relationship with Russia is more complex. The UK maintains close links with Russia. Trade has been growing at around 25 per cent annually for the last five years. The UK has substantial investments in Russia, and was the largest investor in Russia in both 2006 and the first half of 2007. However on a number of issues the UK and Russia do not see eye to eye. Recent high profile cases, including the murder of Alexander Litvinenko in November 2006 and the Russian authorities' failure to co-operate fully with the Crown Prosecution Service, have strained relations.
27. The Government naturally wishes to enjoy the best possible relations with Russia. However, it must be recognised that Russian actions or policies do not always make this feasible. In any case we do not believe that relations with one partner should be at the expense of those with others.

We recommend that in its response to this Report the Government should volunteer more information surrounding the apprehension and deportation from the UK in June 2007 of the Russian individual suspected of planning Mr Berezovsky's murder. (Paragraph 104)

28. The Government is unable to comment on individual cases of alleged deportation. Nor, as a matter of policy, do we comment on the personal security of individuals.

Although we regret the difficulties that contested asylum and extradition decisions are causing in the bilateral relationship, we support the Government's insistence on the independence of the legal process regarding Russian extradition requests to the UK. We recommend that the Government continue to offer assistance to Russia in the preparation of extradition requests to the UK and in the development of the country's judicial system in accordance with principles of independence and professionalism. (Paragraph 108)

29. The Government welcomes the Committee's support on this matter. The Crown Prosecution Service continues to act on behalf of the Russian Government in extradition cases. It signed a Memorandum of Understanding with its Russian counterpart in November 2006. The UK Central Authority also works with the Russian Procuracy, in keeping with our international obligations under the 1959 European Convention on Extradition and the 1951 Refugee Convention.
30. In 2007/08 we are running a number of judiciary related projects in Russia financed by funds such as the Global Opportunities Fund (GOF), the Global Conflict Prevention Pool (GCPP), including:

GOF

- Torture prevention in Nizhniy Novgorod - aims to improve and develop capacity in the field of torture prevention, by increasing the level of knowledge within the legal and judicial community and promoting protection from torture, inhuman and degrading treatment among prosecutors, judges, lawyers, police officers and students. Activities include series of training sessions, lectures, case studies, investigation of complaints and ECHR litigation (£38,000).

- Strengthening Human Rights Capacity in the Russian Federation - aims to develop the capacity of NGOs and lawyers within the Russian Federation to apply to the European Court of Human Rights thereby enabling victims of human rights abuses to obtain redress. Activities include training (legal skills development), ECHR litigation and awareness raising (£44,000).

GCPP

- Confronting Impunity in Chechnya - Confronting the serious problem of impunity in Chechnya by expanding litigation activities and overseeing the advanced stages of domestic and European Court of Human Rights (ECHR) litigation for the majority of cases from Chechnya presented to the ECHR. The project develops Russian legal expertise, secures legal redress for victims and promotes legal reforms (£54,000).

Other

- Training programme for lawyers of Kaliningrad region in European standards of human rights – Training lawyers of the Kaliningrad region in European standards of human rights for application in the practical activity of courts and local authorities (£25,000).
- Tackling religious and ethnic discrimination through European Convention mechanisms – Addresses the issues of religious and ethnic discrimination in Russia through the use of European Convention mechanisms. Includes litigation activities, training for practising lawyers, law students and human rights NGOs on the European Convention and ECHR law (£18,000).
- Legal Protection Against Discrimination - Aimed at building the legal and operational capacity of the Russian state to combat discrimination by introducing best practice from foreign jurisdictions to future lawyers, staff attorneys of state bodies and deputies. Activities include raising awareness of international and domestic remedies for victims of discrimination, dissemination of the successful litigation strategies and promotion of the necessity of legislative changes in order to introduce more effective anti-discrimination legal rules and procedures into the Russian legal system (£35,000).

The deadlock surrounding bilateral extradition issues is conducive neither to improving the UK-Russia bilateral relationship nor to advancing the interests of justice in either Russia or the UK. We recommend that the Government invites its Russian counterpart to renegotiate extradition arrangements between Russia and the UK, in an endeavour to satisfy the considerations of courts in both the UK and Russia which are charged with interpreting human rights obligations and Russia's constitution in the light of extradition requests. (Paragraph 109)

31. The UK and Russia are parties to the European Convention on Extradition (ECE). This follows automatically from our common membership of the Council of Europe. The UK designated Russia a Part 2 country for the purposes of the Extradition Act 2003. As such, Russia is also a signatory to the European Convention on Human Rights. Given that the ECE forms the basis for the extradition arrangements between the UK and Russia, renegotiation of the arrangements is not a viable option.
32. Extradition will be ordered where the courts and the Home Secretary decide that it is not prohibited under the terms of the Extradition Act.

We conclude that the Government was correct to send a strong signal regarding Russia's refusal to extradite Andrey Lugovoy. We recommend that in its response to this Report, the Government detail as far as possible the considerations which led it to take the specific measures announced on 16 July 2007, and the discussions which it has had—if any—with its Russian counterpart about possible ways of working around Russia's constitutional ban on the extradition of its nationals. We further recommend that in its response the Government update us on any practical impact that the UK and Russian measures are having on government-to-government cooperation, on progress in the UK's review of cooperation with Russia, and on its discussions with EU partners on including issues arising from the Litvinenko case in the EU-Russia dialogue. (Paragraph 124)

33. We welcome the Committee's support for the need to send a strong signal to Russia following its failure to extradite suspected murderer Andrey Lugovoy. The Crown Prosecution Service stated that there is a case for Mr Lugovoy to answer. A full application for extradition and significant information was sent to the Russian authorities sufficient for the purposes of extradition. We are yet to receive a satisfactory response to the extradition request. We remain open to constructive proposals from the Russian government that will see this crime, which was committed in the UK, brought to justice in a UK court. At the June EU General Affairs and External Relations Council, Ministers agreed that there should be an annex to the EU negotiating mandate for a successor to the EU-Russia Partnership and Cooperation Agreement, highlighting EU concerns about the Litvinenko case. The EU has also expressed its concerns on this issue under the terms of the existing EU-Russia Agreement. The EU Troika raised the Litvinenko case in the Justice and Home Affairs Permanent Partnership Council in November 2007.
34. We have not taken our course of action without considering all the options, including trial in Russia or in a third country. Our international obligations, including under the European Convention on Human Rights, prevent us from accepting Russia's offer to consider a prosecution in Russia. Both the UN and the EU have raised concerns about the independence of the judiciary in Russia. Trials in a third country would fall foul of Russia's constitutional bar on extradition and on the trial of Russian citizens by Ad Hoc Tribunals.

35. Before the decision to take the measures announced on 16 July 2007 careful consideration was given to the importance of the case and the need for an appropriate response to Russia's failure to co-operate in finding a solution. Account was taken of a wide range of relevant factors, including the impact of those measures on our bilateral relations. But our priority then, as it remains now, was to ensure the integrity of our legal process in order to secure justice for Mr Litvinenko.
36. Bilateral relations in some areas remain difficult in the wake of Russia's failure to extradite Lugovoy, the measures announced by the Foreign Secretary on 16 July 2007 and Russia's retaliation. Russia's unjustified and illegal action against the British Council has further exacerbated the strain on UK-Russia relations.
37. Nevertheless, government to government co-operation in other areas has continued. Despite bilateral differences the UK's economic relations with Russia remain strong and trade is growing. In the first half of 2007 Britain was the single largest investor in Russia.

We agree with the Government that the BBC World Service provides a valuable source of independent news, especially in Russia's current media climate. However, we also conclude that partnerships with state broadcasters could be seen to undermine the BBC's independence. While recognising the difficulties of the current Russian media scene for the BBC, we recommend that the World Service pursue an independent FM broadcasting licence and that it seek to improve and expand its medium wave transmissions, in order to reduce the Service's dependence on FM broadcasting through Russian partners. (Paragraph 131)

38. The BBC World Service is pursuing opportunities for independent FM licences in Russia, though these are few and far between. Moscow and St. Petersburg for example have already substantially carved up the radio spectrum, and there is currently no availability. The BBC World Service will continue to seek to obtain an independent FM licence. Recent experience has shown that when licences are made available, an application from the BBC will be unlikely to be approved by the Russian authorities. Often forming a partnership with a Russian broadcaster is the only way of getting a licence approved. Earlier this year the BBC Russian Service became a content provider for a new FM radio station in Moscow, Bolshoye Radio. This station is privately owned. Voice of Russia was also a content provider to this station. However, the Russian authorities put pressure on Bolshoye Radio to remove BBC content, and so the partnership was ended; all outstanding legal and other issues have now been resolved.
39. The BBC World Service's position on partnerships is clear. All partnership agreements are made completely in line with the BBC's editorial policy, with editorial independence being paramount. Any attempt to compromise that

independence is unacceptable. The BBC World Service seeks partnerships with maximum reach wherever possible, but would not consider any relationship which did not comply with that core principle.

40. We note the Committee's recommendation that the BBC seek to improve and expand its medium wave transmissions. The BBC currently has three MW licences in Russia - in Moscow, St Petersburg and Ekaterinburg. These are licensed and regulated by the Russian regulatory authorities. The BBC does not require a MW partner, it rents licences from a state broadcaster, solely for its own use.
41. The BBC has advised us that the potential for significant MW transmission is hindered by the fact that audibility is worse in the centre of big cities, the result of interference from other electrical equipment. This is particularly the case in Moscow. The BBC has recently improved the quality of the Moscow frequency, and is currently negotiating with the MW provider in Moscow to improve audibility further. The BBC will continue to seek opportunities to apply for MW licences in other cities.

We are deeply concerned about the termination of British Council English language teaching in Russia, and the difficult environment that the British Council has faced in Russia in recent years. We recommend the FCO does all it can with its Russian interlocutors to secure conclusion of a new Cultural Centres Agreement as soon as possible. (Paragraph 137)

42. Russia demanded on 25 October 2007 that the British Council freeze its remaining operations outside Moscow with effect from 1 January 2008. It is clear from the later statement by Foreign Minister Lavrov on 14 December that this is politically motivated and linked directly to its Litvinenko retaliation. On 14 January 2008 the Russian Deputy Foreign Minister informed the British Ambassador to Moscow that Russia would take a series of administrative measures against the British Council if it persisted in operating from premises in St Petersburg and Yekaterinburg. We deeply regret that the Russian authorities have chosen to pursue a separate bilateral disagreement in a wholly inappropriate way.
43. The Foreign Secretary made clear in his Written Ministerial Statement of 13 December that the Russian Government's threatened action against the British Council is illegal. The British Council's presence in Russia is entirely consistent with international law, including the Vienna Conventions. Its presence and activities are also specifically sanctioned by a 1994 UK/Russia Agreement on Cooperation in Education, Science and Culture, signed and ratified by Russia, and which binds both the UK and Russia. The British Council is the designated agent of the British Government for the implementation of the agreement.
44. For the past nine years, the UK has been keen to conclude a Cultural Centres Agreement with Russia. Such an agreement could potentially clarify, for example, Russian acceptance of English language teaching in Russia and

facilitate the establishment of a Russian Cultural Centre in the UK. Pending such an agreement being reached, the 1994 Agreement remains in force. The British Council does not need a new agreement to operate in Russia. It should be emphasised that the British Council's announcement on re-structuring in Russia in September 2007 flows from the Council's 2010 Global strategy, based on key judgements on how the Council can best deliver its programmes in support of the Government's international priorities. In Russia, as elsewhere, for example in Western and Central Europe, this has meant a shift away from bricks and mortar in country, towards innovative ways of working, such as local partnerships and remote targeting of audiences. But Russian pressure forced the unplanned suspension of the Council's operations outside Moscow.

45. Despite the Prime Minister's Foreign Policy Adviser holding what we believed were productive talks in Moscow on 16 January on a range of international and bilateral issues, including the British Council, the Russian Government was simultaneously exerting further pressure on the Council by harassing locally engaged staff. Such action is totally unacceptable and made it impossible for the Council to continue its regional operations from 17 January.
46. As the Foreign Secretary told Parliament in his Oral Ministerial Statement of 17 January 2008 Russia's recent actions raise serious questions about Russia's observance of international law, as well as the standards of behaviour she is prepared to adopt towards her own citizens.

We recommend that the Government continue to foster people-to-people contacts as a potentially effective way of improving UK-Russia relations and bringing mutual benefits in the longer term. (Paragraph 141)

47. The Government continues to regard people-to-people contact as a vital part of our relationship with Russia. We agree with the Committee that these contacts are one of the best ways of avoiding future problems with Russia and easing those that we currently face. There is regular contact between Russian and British Ministers and officials at all levels and large numbers of British citizens travel to Russia and vice versa. According to the Russian Federal Agency for Tourism 233,300 British citizens travelled to Russia in 2006. In 2006 the UK processed approximately 120,000 visas for Russian citizens.

Energy Security

We conclude that Russia is dependent on EU energy markets for a considerable part of its revenue. We further conclude that the diversion of Russian energy supplies away from EU markets eastwards, including to China, is not a realistic prospect in the short or medium term. We recommend that the Government draw on these conclusions to continue to encourage its EU partners to take a robust and united approach to dealing with Moscow, in the energy field and beyond. (Paragraph 162)

48. We welcome the Committee's recommended emphasis on continuing to enhance EU coherence on energy security issues. We will continue to work with other Member States and the Commission towards establishing a credible EU external energy policy. We agree that bilateral energy supply deals between individual Member States and Russia should be discouraged, especially as any agreements should be between commercial undertakings and not between Governments.

We conclude that the prospective shortfall in Russian gas production represents an urgent energy security concern for the EU, and a greater one than the risk of Russia disrupting supplies for political reasons. The intensified competition for Russian gas, which appears to be in prospect between Russian domestic consumers, Russian CIS customers, and the EU, has the potential to aggravate a number of political relationships. We welcome the Minister for Europe's apparent awareness of the urgency of the problem. We recommend that the Government work to achieve a common understanding of the likely Russian gas shortfall with both EU partners and Moscow, and that it inform us in its response to this Report of the steps being taken in this regard. (Paragraph 170)

49. We note that the Committee agrees with HMG that the prospective gas shortfall in Russia is an urgent energy security concern for the EU, and of the need to achieve a common understanding on this issue with Russia. As part of the EU-Russia Energy Dialogue, representatives of member states and the Russian governments, as well as companies from both the EU and Russia, are working towards developing common demand and supply forecasts. The Government is also committed to working with the Russian government on a bilateral basis to understand likely developments in energy strategy. Comparison of national energy strategies is one of the four elements of the UK-Russia Energy Dialogue, established in February 2007, and we aim to take forward our bilateral engagement with Russia on the Forum during 2008, following up the visit to Moscow by Energy Minister Malcolm Wicks in December 2007, and in other official and Ministerial contacts with the Russian government.
50. The Government maintains a close dialogue with other EU partners and with the International Energy Agency on assessments of possible future supply problems. Through the Global Opportunities Fund, the Government supported a project to train statisticians in the Russian State Statistics Service. As a result of the project the quality of data available to the IEA has improved significantly.

Given the apparent detrimental impact of Russian state control on efficiency and output in the Russian energy sector, we conclude that EU consumers have a direct interest in liberalisation in the sector and in Russia remaining open to meaningful foreign participation in the development of its energy resources. Although large global energy companies are likely to remain interested in the Russian sector under almost any conditions, we recommend that the Government continue to impress on Moscow the mutual benefits that can come from the existence of transparent and stable conditions for foreign investment in the Russian energy sector. (Paragraph 176)

51. We shall continue to pursue the importance of predictable, stable and transparent energy markets with Russia, recalling the G8 energy security principles agreed at St Petersburg in July 2006, and we shall encourage EU Partners to do the same. We are working with the Russian Institute of Energy Policy to identify policy measures necessary to enable independent gas producers in Russia to play a greater role in the Russian energy market. The project will report to the Russian Ministry of Economic Development and Trade.
52. We concur fully with the Committee's stress on impressing on Russia the importance of the mutual benefits flowing from a stable climate for foreign investment in the Russian energy sector, and we shall continue to ensure these issues remain a key element in our dialogue with Russia. Mutual conditions for investment is one of the four elements of the UK-Russia Energy Dialogue, established in February 2007.
53. The Government continues to raise with the Russian government the need to respect international frameworks on investment, including the Energy Charter Treaty, which Russia signed in 1993 but has yet to ratify. The Government also supports Russian accession to the WTO. Membership of a stable, enforceable, rules-based framework will give additional security to investors in Russia, and will help Russia attract the investment necessary to develop its energy sector.

We welcome signs on the part of the EU and its Member States of increasing commitment to energy supply diversification schemes. However, we conclude that Russia and the EU could come to be direct competitors for Central Asian energy resources. Under current circumstances, the EU's aims of achieving supply diversification through independent access to non-Russian Caspian energy resources may also aggravate Russia. We recommend that in continuing to pursue supply diversification, including at the EU level, the Government take full account of the geopolitical sensitivities involved and seek greater integration of sectoral and foreign policy considerations. (Paragraph 184)

54. We note the Committee's opinion that the EU's aim of achieving supply diversification through independent access to non-Russian Caspian energy sources may also aggravate Russia. The Government maintains that the best way to ensure energy security is through the creation of stable, predictable and transparent energy markets. We shall continue to use our dialogue with energy suppliers, including Russia, to emphasise the need for diversity of supply sources and routes to meet energy needs.

We recommend that in its response to this Report, the Government inform us of its initial response to the European Commission's latest proposals for the energy sector, its assessment of the likelihood of their acceptance by other EU actors, and its assessment of their likely impact on EU efforts to win greater Russian compliance with international regimes governing the energy sector according to liberal and transparent principles. We further recommend that the Government continue to impress on its EU partners the way in which bilateral dealings with

Russia in the energy sector can undermine the EU's declared common interest in encouraging Russian compliance with shared international energy regimes. We recommend that the Government therefore continue to encourage its EU partners to act in accordance with a credible common EU energy policy towards Russia. (Paragraph 196)

55. The Government welcomes the recent Commission proposals on the internal energy market, particularly on ownership unbundling, enhanced powers and independence for regulatory authorities and transparency. We are considering the proposals to prohibit non-EU companies from controlling EU transmission systems and working with the Commission and other Member States to agree how best to tackle this issue. It is too early to say how likely Member States are to agree to the proposals but many have concerns about their legality. It is not clear what the impact of the proposals would be on Russian compliance with liberal and transparent principles in the energy sector. Russian companies operating in the EU have to comply with EU legislation in any case.

We conclude that the FCO is correct to have identified the potential for significant improvement in energy efficiency in Russia. We support the FCO's project work in this area, and a strategy of using Russia's interest in enhancing the efficiency of its energy sector as a means of further engaging Russia in the wider climate security agenda. We recommend that the FCO seek opportunities to expand work with Russia in the energy efficiency field, through both bilateral and multilateral mechanisms. (Paragraph 201)

56. We agree with the Committee's recommendation that there is significant potential for energy efficiency improvements in Russia. HMG is already making progress on this – energy efficiency and gas flaring were two of the themes of the UK-Russia Energy Forum initiated during Alastair Darling's visit to Moscow in February 2007. We shall, however, continue to identify both bilateral and multilateral opportunities to engage with Russia on this specific issue.

We commend the cross-departmental cooperation which is taking place on energy security matters. We recommend that the Government continue to foster a cross-departmental approach to energy security and that it advocate the benefits of this approach to its EU partners and the EU institutions. (Paragraph 203)

57. We welcome the Committee's assessment that Whitehall work on energy policy is effective, and assures the Committee that the FCO will continue to engage actively with other BERR and others in Whitehall, given the cross-cutting importance of the issues.

EU-Russia relations

We conclude that the UK is correct to pursue its relations with Russia both bilaterally and through the EU. Where the EU pursues policies towards Russia which are in line with UK goals, the UK position is strengthened. In this context, we commend the Government for having secured EU Presidency statements in support of the UK position on the Litvinenko case. However, the EU is too often divided with respect to Russia, weakening its capacity to engage effectively. We conclude that there are fundamental difficulties in the EU-Russia relationship and we are not confident that these can be addressed effectively until the EU has a common stance towards Russia. We therefore recommend that the Government make the development of a united and coherent EU Russia policy an explicit goal of its work in the EU in 2008. We further recommend that, in its response to this Report, the Government outline the steps it proposes to take towards this goal. (Paragraph 223)

58. The Government is pleased that the Committee recognises the value which we place on using the EU to pursue our objectives on Russia. Russia pays considerable attention to EU policy. As the Committee rightly notes, the UK is influential in forging common EU positions, as shown by the release of two firm EU Presidency Statements on the Litvinenko case.
59. The Government will continue throughout 2008 and beyond to work to secure common EU positions towards Russia on those issues better dealt with multilaterally, in order to ensure EU policy towards Russia contributes towards freedom, security and democratic values for both sides. Negotiations on a successor to the current EU-Russia Partnership and Cooperation Agreement (PCA successor) will invigorate our efforts. By reaching a consensus on the content of the mandate for the negotiations, the EU has already gone a considerable way towards forging common positions on a range of issues. We are content with the mandate, which covers all the issues that matter to the UK. Engaging Russia on a new agreement, through the terms of that mandate, will further help the EU develop a common stance, as well as focussing Russian attention on those areas Member States will oversee and advise on in the course of negotiations as appropriate.
60. Before negotiations start, the UK will continue to be extremely active in preparing for the range of meetings between Russia and the EU, and forging common positions to be adopted at those meetings. A good example is the most recent EU-Russia Ministerial meeting on Culture in November when the EU raised with Russia the threat to the British Council's operations in Russia. We will continue to use the EU where appropriate. In the coming months, the EU will continue to discuss its views on the Commission's Third Package proposals on energy. Elements of the package relate to third countries; these discussions may therefore also contribute to development of a common position on elements of EU-Russia energy policy. But the best way to forge a common stance on the range of issues will be through negotiations on a PCA successor.

61. The comprehensive nature of the draft PCA successor mandate means that the EU's relationship with Russia will cover areas, such as human rights and democracy, which Russia is less willing to discuss, as well as those issues, such as trade and energy, on which it is keener. Without this comprehensive framework, the EU will have much less of a locus to engage Russia.

The imposition for over a year of trade blockages on two EU Member States by a third country is unacceptable. We recommend that the Government impress on the European Commission and Moscow the urgency of resolving Russia's trade disputes with Poland and Lithuania. Even if Poland were to lift its veto on negotiations with Russia on a new EU-Russia agreement, however, we conclude that the launch of such negotiations in the near future would be probably fruitless and possibly unhelpful. We recommend that the Government revisit the question of the advisability of a new EU-Russia agreement as part of its discussions with EU partners on EU Russia policy, and that it report on initial discussions in its response to this Report. (Paragraph 236)

62. The Government shares the Committee's view that unjustified trade restrictions imposed on EU Member States by third countries are unacceptable. We fully support the negotiating process undertaken by the Commission to try to resolve the ban on Polish foodstuffs, and welcome the recent progress made on lifting the restrictions on Polish meat imports to Russia. We have urged Russia to take quickly the necessary steps to resolve both the ban of Polish foodstuffs and also the dispute with Lithuania over oil supplies to its major oil refinery. Our lobbying reinforces and supports wider EU engagement on these issues.
63. The Government does not agree that the launch of negotiations on a new EU-Russia agreement would be fruitless or unhelpful. The existing Partnership and Cooperation Agreement was negotiated at a much earlier stage in the development of the EU-Russia relationship. A new Agreement is the best way properly to express the developments in the 14 years since. As mentioned, negotiations on a PCA successor will give momentum to efforts to forge a common EU stance on a range of issues. The Government does, however, accept that the negotiations will not be easy, and that artificial deadlines will be unhelpful: the negotiations should take as long as necessary to address issues of substance to the EU's satisfaction. That is why, as the Committee notes, the Government believes that the negotiations themselves will give the EU a mechanism for engaging Russia, critically, as well as cooperatively. That is also why the UK, and other partners, put such effort into getting the negotiating mandate right; it is the terms of that mandate that will govern how negotiations are conducted and the tone the EU will adopt.
64. Some of the Committee's witnesses felt that negotiations on a PCA successor would pitch the EU and Russia into unhelpful and abstract debates about common values. But the Government agrees with the Committee when it argues in its section on Human Rights (Paragraph 70) that we should continue to press our concerns about democratic and human rights standards with the Russian authorities, while emphasising that these are not foreign impositions

but international commitments voluntarily accepted by Russia. The PCA successor mandate also commits the EU to raising these issues with Russia, and precisely in the terms recommended by the Committee. The Government therefore believes that EU engagement in this area will reinforce UK lobbying; conversely, if the EU does not address these issues, UK efforts to do so will be considerably weakened.

We conclude that the Government is correct to support the EU's European Neighbourhood Policy. We also strongly endorse the FCO's identification of a need to develop a shared understanding with Russia of the future of the common neighbourhood, involving the countries concerned and on the basis of their sovereign choices. However, the evidence is that this goal remains distant. We recommend that the Government seek to inject greater strategic awareness into the EU's policies for the former Soviet space and encourage greater coordination. (Paragraph 242)

65. As the Committee acknowledges, the Government strongly supports the European Neighbourhood Policy (ENP) as a means of securing the EU's key strategic objectives of achieving economic and political reform and thereby promoting prosperity, security and stability in the neighbourhood. We agree with the Committee that the goal of a shared understanding with Russia on the future of the common neighbourhood remains distant, but we shall continue to work towards it. In developing policy towards ENP, the Government is constantly mindful of likely Russian attitudes and supports the Commission in its regular consultations with Russia. Commission initiatives such as the EU/Black Sea Synergy Initiative could be helpful in this regard, and we look forward to engaging constructively in the development of this Initiative, which aims to deepen EU relations with countries in the Black Sea region.

European Security Issues

We conclude that, whilst in principle we support the concept of 'supervised independence' for Kosovo, we are concerned that the Government may have underestimated the damage to the authority of the Security Council, to bilateral relations with Russia, and to the very fragile democracy in Serbia. (Paragraph 263)

66. The Government welcomes the Committee's support for the concept of "supervised independence" for Kosovo. The Government believes that the UN Special Envoy's Comprehensive proposal for the Kosovo Status Settlement (recommending *inter alia* that Kosovo should be independent subject to international supervision) offers the best way forward for Kosovo and the region as a whole. The Comprehensive proposal sensibly recognises the political realities arising from Kosovo's recent history and it represents a judicious balance between acknowledging the aspirations of the overwhelming majority of Kosovo's population on the one hand, whilst providing extensive and far-reaching protections for Kosovo's non-Albanian communities on the other.
67. The Government is highly conscious of the importance of acting in a way which protects and reinforces the authority of the UN Security Council. The UN Status Process for Kosovo is itself mandated by UN Security Council

Resolution 1244. The process was initiated following a UN Comprehensive Review of the Situation in Kosovo, which concluded that the status quo was unsustainable and that the risks of a “wait and see” approach outweighed those of addressing Kosovo’s future status. The process was taken forward by a UN Special Envoy appointed by the UN Secretary General. As the Committee has noted, both the decision to move to a status process and the appointment of a UN Special Envoy were endorsed by the UN Security Council.

68. The Comprehensive proposal of the UN Special Envoy received the support of the UN Secretary General and indeed a clear majority of the UN Security Council. It was however rejected by Russia. Despite strenuous efforts in New York, involving several iterations of a draft resolution aimed at addressing Russian concerns, agreement on a Security Council Resolution was not possible and indeed Russia clearly indicated it would obstruct the passage of any resolution allowing for implementation of the UN Special Envoy’s proposal.
69. In a further effort to address Russian concerns and to leave no stone unturned in the search for an agreed approach, additional negotiations (under Contact Group auspices, in EU/Russia/US Troika format) took place between August and December 2007. These led to a report from the Troika, forwarded by the Contact Group to the UN Secretary General on 6 December 2007, making clear that, despite the period of further negotiations, the parties were not able to reach agreement on the final status of Kosovo. Discussions in the UN Security Council on 19 December 2007, on the basis of the Troika’s report, demonstrated that the Security Council remained unable to agree on the way forward.
70. The Government’s preference has always been that the Kosovo Status Process should be completed on the basis of a negotiated settlement endorsed by the UN Security Council. But it is clear both that a negotiated settlement is out of reach and that the Security Council is deadlocked over the way forward because of Russia’s opposition to the UN Special Envoy’s proposal. Given the clear view of the UN Secretary General, the Contact Group and the EU that the status quo is unsustainable, the Government’s view is that the only realistic way forward is to move in a careful and co-ordinated manner towards a settlement for Kosovo. The Government is confident this can be done in a way consistent with UN Security Council Resolution 1244, thereby upholding the authority of the UN Security Council.
71. In the Government’s opinion the divergence of view between Russia and the UK on Kosovo has had limited impact on the current state of the bilateral relationship, where other problems, highlighted elsewhere in the Committee’s Report, have been more powerful factors. A key point is that over Kosovo, Russia’s differences are not primarily with the UK but rather with an approach endorsed by most European countries and the US. Despite differences over Kosovo, the Government has worked closely with Russia on this issue both within the Contact Group and bilaterally, in a spirit of openness about our different perspectives.

72. The Government agrees with the Committee on the strategic importance of strengthening Serbia's democratic orientation. The Government wants Serbia's democracy to thrive and Serbia and its neighbours to fulfil their European destiny as quickly as possible. The Government strongly supports Serbia's European perspective and welcomes the agreement reached at the European Council on 14 December 2007 that, if the necessary conditions are met by Serbia, progress on Serbia's road towards the EU can be accelerated. The Government believes this process will help embed European democratic standards in Serbia.
73. The Government recognises that resolution of Kosovo's status is likely to be painful both for Serbia's political establishment and for the wider public. On occasions, the pace of the UN Status Process for Kosovo has been sensitively adjusted in the light of political developments in Serbia (for example the UN Special Envoy's decision in November 2006 to delay presentation of his proposal until after parliamentary elections in Serbia). However, leaving outstanding legacy issues from the conflicts of the 1990s unresolved and festering is itself an impediment to completion of Serbia's democratic transition. It would mean that domestic politics in Serbia would continue to revolve around nationalist issues from the past, rather than around the reform and European integration challenges that are critical for Serbia's successful future. In the Government's view, resolution of Kosovo's status is essential if Serbia is to move forward from its past to a future in which it is successfully integrated into European and Euro-Atlantic structures. The Government agrees with the UN Comprehensive Review of the Situation in Kosovo of October 2005 which concluded that, "For Belgrade, determining the future status of Kosovo will remove an important source of internal political instability and facilitate the realisation of Serbia's European perspective".

We regret that, eight years after the Kosovo conflict, disagreement over the province may once again cause the UN to be sidelined. We conclude that Russia may be adopting an intransigent position now on the Ahtisaari plan for Kosovo in order to demonstrate its strength. It may also be using the issues as a way to encourage division within the European Union. However, Moscow would find it much harder to do so had the plan been accepted by Serbia. We conclude that the Government underestimated Russia's likely opposition to the Ahtisaari plan. We recommend that in its response to this Report, the Government inform us of the steps it is taking to try to win Kosovar Albanian and Serbian acceptance of a modified version of the Ahtisaari plan and to prevent a further outbreak of violence taking place. (Paragraph 264)

74. The Government always assessed that firm Russian opposition within the Security Council to implementation of the Comprehensive proposal was possible. Although the Government worked intensively to secure Russia's support for (or acquiescence to) the outcome of the UN Status Process, this was never taken for granted.

75. The Russian position itself did not crystallise until negotiations in New York were underway. It is worth noting that at various points in the UN Status Process for Kosovo, Russia committed itself to principles subsequently reflected in the UN Special Envoy's Comprehensive proposal. Russia, together with the rest of the Contact Group, has stated that it sees the status quo as unsustainable and an early resolution of the status issue as crucial. In successive Contact Group statements, Russia acknowledged that any settlement should be acceptable to the people of Kosovo (the overwhelming majority of whom clearly want independence). In a joint statement of 20 September 2006, Contact Group Ministers, including the Russian Foreign Minister, agreed that "striving for a negotiated settlement should not obscure the fact that neither party can unilaterally block the status process from advancing". In that same statement, Contact Group Ministers urged the UN Special Envoy to prepare a proposal for Kosovo's status, a request which was duly discharged by the UN Special Envoy's Comprehensive proposal for the Kosovo Status Settlement.
76. The Government has worked hard to address Russia's concerns about the UN Special Envoy's Comprehensive proposal. Nonetheless, the Government believes that, in a situation where the status quo is unsustainable, it would be irresponsible to risk regional stability by allowing the UN Status Process to be blocked from completion. Therefore, the Government believes the right policy approach would remain the same: to consider the UN Special Envoy's Comprehensive proposal thoroughly in the UN Security Council; to test fully the degree of flexibility in the Russian position; to find a way forward on the basis of a new UN Security Council Resolution if possible; but, if not, to move forward on the basis of UN Security Council Resolution 1244 having gone the last mile to demonstrate that options for a negotiated settlement have been exhausted.
77. The Government has been intensively engaged both with Belgrade and Pristina, encouraging both sides to participate fully and constructively in the further negotiations conducted by the EU/Russia/US Troika. The Government has equally emphasised in the strongest terms the importance of both sides demonstrating their commitment to a peaceful and non-violent approach to this issue. The Government welcomes the commitments secured by the Troika from both sides to refrain from provocative words and actions and has made clear to both sides that it expects these commitments to be honoured. The Foreign Secretary emphasised these points strongly during his meetings with the Kosovo Unity Team on 9 October 2007 and with the Serb Foreign Minister on 4 December 2007. The Contact Group Ministerial meeting in New York on 27 September, chaired by the UK, underlined these points in its joint statement.
78. The Government strongly and actively supported the Troika process, and regrets that further negotiations did not lead to agreement either on the basis of the UN Special Envoy's Comprehensive proposal or on any other model. The Government agrees with the assessment of the EU and US representatives on the Troika that the potential to reach a negotiated settlement is now exhausted

and that the parties would not be capable of reaching agreement on this issue if negotiations were to be continued, whether in the Troika format, or in some other form.

79. The Government will continue to make a strong practical contribution to the security and stability of Kosovo through its contributions to the NATO force in Kosovo (KFOR) and to the UNMIK policing contingent. These international presences play a key role in preventing and deterring further outbreaks of violence in Kosovo.

We conclude that Russian opposition to US ballistic missile defence (BMD) plans in Central Europe largely reflects Moscow's sensitivity about the presence of NATO infrastructure in its former satellite states. As such, Russian opposition will be hard to overcome. We welcome signs that the US, Russia and the NATO allies may be engaging in a more substantive dialogue and search for cooperation on BMD. As long as it remains committed to the US BMD plans, we recommend that the Government seek ways to build cooperation around them, both within NATO and with Russia, so that they do not become a source of further divisions in Europe. (Paragraph 273)

80. The Government intends to continue efforts to engage Russia on BMD and as such will support and participate in discussion at the NATO-Russia Council. Specific concerns regarding the US missile defence system are for the US to discuss bilaterally with Russia. The UK is, however, fully supportive of these discussions and notes recent progress made at talks in Moscow and Annapolis. The UK fully supports the US offer to include Russia in a Joint Regional Missile Defence Architecture and proposals for additional transparency measures which should go some way towards addressing Russia's concerns.

We regret the manner and timing of the Government's announcement that RAF Menwith Hill is to participate in the US ballistic missile defence (BMD) system, and the resulting lack of Parliamentary debate on the issue. In its response to this Report, we recommend that the Government inform us of the date on which it received the formal proposal from the US to include Menwith Hill in the BMD system. We recommend that there should be a full Parliamentary debate on these proposals. (Paragraph 275)

81. MOD has confirmed, in answer to parliamentary questions, that the request from the US to use RAF Menwith Hill as part of the US missile defence system was made in a letter to the Secretary of State for Defence on 29 June 2007. The Defence Secretary announced on 25 July government agreement to the use of the data relay station at RAF Menwith Hill for missile defence purposes. MOD published a discussion document on missile defence in November 2002 and Parliament debated missile defence in early 2003 after the Government received a US request to upgrade the missile tracking radar at RAF Fylingdales. The principles underlying missile defence, as they affect the UK, have not changed in the intervening time and the decision to use RAF Menwith Hill as a

further contribution to the US missile defence system is in line with these basic principles. The Government does not, therefore, see the need for a further full Parliamentary debate. It was a decision for the Secretary of State for Defence to make, and he did so in consultation with the rest of the Cabinet.

We are concerned by Russia's decision to suspend its participation in the Conventional Forces in Europe Treaty with effect from mid-December 2007. We recommend that in its response to this Report, the Government provide us with its assessment of the practical and political impact of Russia's step. We further recommend that the Government further update us on the steps it is taking to encourage Russia to fulfil its Istanbul commitments. (Paragraph 285)

82. The Government shares the Committee's concern over Russia's 'suspension' of its participation in the Conventional Forces in Europe (CFE) Treaty. However, the Government judges that European security is not fundamentally or immediately threatened by this Russian action. In the short term, Russia has stopped exchanging data or sending notifications on the whereabouts and composition of its conventional forces, and will refuse to allow verification inspections. However, if Russia were to persist in this course of action, in the longer-term that would erode the transparency and predictability which the CFE regime contributes to overall stability in Europe. To help maintain that stability, the UK will until further notice, along with its NATO allies, continue to honour all our obligations under the CFE Treaty, including towards the Russian Federation. We will assess the impact of non-compliance by the Russian Federation, and consult with NATO allies on a further joint response. With NATO allies, we will also continue to promote engagement with the Russian Federation with a view to reaching an agreed way forward.

83. NATO allies have engaged intensively with Russia over recent months on proposals which could have brought about host nation consent for the remaining Russian troop presence in Georgia and Moldova, thereby fulfilling Russia's remaining Istanbul Commitments. It is regrettable that Russia has not yet taken the opportunities offered to it by this negotiation process.

We recommend that in its response to the Report, the Government provide us with its assessment of the likelihood and possible implications of a renunciation by Russia of the Intermediate-Range Nuclear Forces Treaty. (Paragraph 290)

84. In October 2007 Russia and the United States confirmed through statements to the United Nation's General Assembly's First Committee their continued commitment to the Intermediate-range Nuclear Forces Treaty. In the same statements they called for discussions on the multi-lateralisation of the Treaty's restrictions. More detailed proposals have yet to emerge, but we have welcomed the new Russian focus on multi-lateralisation, rather than the renunciation of the treaty.

We recommend that in its response to the Report, the Government share with us its assessment of the likelihood of Moscow retargeting its strategic missile forces if the US ballistic missile defence deployment goes ahead. (Paragraph 295)

85. The Government regrets the Russian statements that it would re-target its strategic missile forces if the US goes ahead with its BMD deployment. This would be wholly inappropriate. It is difficult to assess the likelihood of this happening.

We welcome the Government's appreciation of the importance of the NATO-Russia Council. We conclude that the body has the potential to become a much more effective forum for ongoing security consultations between Russian and the West, and we recommend that the Government work with its partners to exploit its full potential. (Paragraph 298)

86. The Government agrees with the Committee's conclusion that the NATO-Russia Council has the potential to become a more effective forum for ongoing security consultations between NATO and Russia. This is also recognised within NATO, and we are discussing with partners how dialogue can be improved, as well as looking to expand and deepen the areas of practical co-operation. We hope that Russia's recent ratification of the Partnership for Peace Status of Forces Agreement will facilitate further military-to-military projects and support to ISAF in Afghanistan.

In the perspective of the country's NATO membership aspirations, we recommend that the Government continue to encourage Georgia to resolve its internal conflicts and to develop more stable relations with Russia. (Paragraph 301)

87. The Government believes that Georgia should work towards resolution of its internal conflicts and to develop more stable relations with Russia for its own benefit, independent of its NATO membership aspirations. The Government regularly stresses this to the Government of Georgia, both through bilateral contacts and through multi-lateral organisations, including the UN, OSCE, EU and NATO. At the NATO Foreign Ministerial Meeting on 7 December, we helped negotiate the Final Communiqué which stated "our nations support Georgia's sovereignty and territorial integrity and its commitment to the peaceful resolution of the conflicts on its territory, and reaffirm the importance of all the parties in the region engaging constructively to promote regional peace and stability". The UK's role as a member of the UN Secretary General's Group of Friends for Georgia enables us to work more closely with the Georgians and Abkhaz and encourage progress in the political dialogue, including through confidence building measures. And through our Russia-CIS Global Conflict Prevention Pool we fund projects to help create the atmosphere and constituency for peace-building and conflict resolution, such as encouraging civil society dialogue and economic cooperation across conflict divides.

International Security Issues

We regard Russia's willingness to export arms to destinations where they are likely to exacerbate conflict and human rights violations as unhelpful to international security. We are concerned about the profound lack of transparency which surrounds Russian arms sales and which heightens international suspicions of Russia's behaviour in this field. Given the scale of Russian production and export, we are of the view that conventional arms control initiatives supported by the UK cannot be fully effective without Russian participation. We recommend that the FCO consider ways in which it could include activities on arms trade transparency in its programme work in Russia. We further recommend that the FCO continue to seek to win Russian support for the Arms Trade Treaty, as a potentially important expression of Russia's desired status as a respected and responsible international power. We also recommend that in its response to this Report the Government update us on progress regarding Russian support for the Arms Trade Treaty following the 2007 UN General Assembly session. (Paragraph 314)

88. The FCO's project funds for export controls are targeted towards those countries in which we assess there is a lack of capacity to implement effective arms export control regimes. We do not judge this to be the case with Russia, where the issue is one of political will. We therefore focus on political influence, which we exert through bilateral and multilateral contact, for example through interaction in regimes such as the Wassenaar arrangement, and international fora such as the Conference on Disarmament and the First Committee of the General Assembly.
89. We are actively engaging with Russia, trying to gain their support for an Arms Trade Treaty (ATT). In March 2007 a cross-Whitehall team visited Moscow for expert talks aimed at encouraging Russian support for a Treaty. The team included a representative of the UK Defence Manufacturers Association who set out the advantages of an ATT as seen from an industry perspective. Since then we have continued to engage in a dialogue with Russian experts in both Geneva and Moscow, and invited them to participate in a recent Wilton Park conference on the ATT. Unfortunately, the Russians were unable to attend (for reasons unconnected with the Treaty). We believe the Russians remain sceptical of a Treaty. But they are members of the Group of Government Experts (GGE) selected by the UN to discuss the feasibility, scope and draft parameters of a Treaty. The first meeting of the Group will be in February 2008. We will look to engage with the Russian experts at the GGE, along with experts from the 26 other countries selected by the UN to participate in the GGE, to seek a positive outcome.

We welcome Russia's participation so far in international anti-proliferation efforts regarding North Korea and Iran, and Russia's willingness to be represented by the EU High Representative in international efforts to encourage Tehran to abandon uranium enrichment. To maximise prospects of winning

Russian support for the strengthened sanctions against Iran which it seeks, we recommend that the Government work to bring closer together the Western and Russian assessment of the Iranian nuclear threat. We further recommend that the Government do all it can to encourage Russia to use its leverage over Iran in the interests of the latter's compliance with its nuclear obligations. (Paragraph 328)

90. Discussion of the threat posed by Iranian non-compliance with its nuclear obligations already forms a substantial part of our discussions within the E3+3. Russia has made clear that the US National Intelligence Estimate has no impact on their commitment to our common strategic objective of stopping Iran developing a nuclear weapons capability. Russia has also helpfully reinforced E3+3 messages in its contacts with the Iranian authorities, most recently calling on them to suspend their enrichment programme in the light of Russia's first shipment of fuel to the Bushehr facility, which remains Iran's sole nuclear power station. Russia's supply of fuel to the Bushehr plant highlights the fact that Iran can operate a peaceful civil nuclear programme without needing an enrichment programme and reinforces the international community's concern about the purpose of Iran's enrichment programme for which there is no apparent civilian purpose.

We conclude that the UK's Global Partnership programme is making a significant contribution to reducing security risks from WMD materials in Russia. We welcome Russia's growing financial contribution to the Programme. We recommend that the Government continue to work, with due regard to legitimate Russian sensitivities, to overcome the lack of transparency that is impeding further progress in some areas. We recommend that the Government explore ways of further enhancing re-employment prospects for Russian nuclear scientists. We further recommend that, in common with its G8 partners, including Russia, the Government start to consider options for the post-2012 period that will allow any remaining Global Partnership work in Russia to continue. (Paragraph 336)

91. The Government welcomes the Committee's recognition that the UK's Global Partnership work, carried out under the Global Threat Reduction Programme, makes a significant contribution to reducing security risks from WMD materials in Russia. We are committed to completing the work that has been started in Russia, and we continue to implement a wide range of Global Partnership projects in Russia and elsewhere, in particular successor states of the former Soviet Union.
92. The UK maintains a regular constructive dialogue with the Russian authorities in order to address Russian sensitivities and thereby minimise possible disruption to Global Partnership projects from any lack of transparency.
93. The UK's nuclear scientist redirection programme is held in high regard internationally. It makes a real and measurable contribution to reducing the proliferation risks posed by the restructuring of Russia's formerly closed nuclear cities and the other nuclear establishments in the former Soviet Union.

We are working towards a target of between 2,000 and 3,000 new jobs by 2010, of which at least 55% are to be filled by former weapons personnel. If current levels of investment are maintained, UK-funded job creation activity alone is expected to provide about one-fifth of the replacement jobs required as a result of the restructuring of Rosatom's weapons complex in five closed nuclear cities. The programme has also been expanded to provide re-employment for nuclear scientists in other former Soviet states.

94. The United Kingdom is already discussing with partners options for the Global Partnership in the post-2012 period. These discussions will continue during the Japanese G8 Presidency in 2008. Some of the UK's existing programmes are expected to continue beyond 2012, especially in relation to dealing with spent nuclear fuel in NW Russia and scientist redirection work. It is unlikely that economic and employment diversification will have developed enough by 2012 for the nuclear cities and institutes to be self-sustainable and thus provide secure employment for all former weapons scientists.
95. The UK is already engaged in threat reduction work in several countries outside Russia and is working actively with a number of Global Partnership members to promote a more "global" vision amongst Global Partnership partners. Over the next few years, and as work in Russia is completed, an increasing proportion of the UK's Global Threat Reduction Programme budget is expected to be committed in countries where capacity to deal with WMD-related material is least developed, and where it creates the greatest threat.

Given our position, stated in our recent Report on the Middle East, that the Government should consider ways of engaging with moderate elements in Hamas, we recommend that the Government explore whether Russia's contacts with Hamas could be a useful channel to pursue. (Paragraph 342)

96. The UK, like the wider international community, has always made clear its desire for peace in the Middle East and its willingness to work with all those that share that goal. Our clear and consistent message is that we will respond to significant movement, and we keep our policy under constant review. Russia's contacts with Hamas have not led to a change in their behaviour. We have repeatedly stated that we are ready to engage with Hamas if they can accept the Quartet principles, which are an essential basis for progress.



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