

BRUSSELS FORUM 2009

A Conversation with Russia

Craig Kennedy - President, GMF

Good morning. So it's great to have everybody back this morning. I know a few people were out sort of late. I think I saw people in the bar still at like 11 o'clock last night.

And it's especially nice to have this session, which I think should be really one of the very best that we've done in the history of Brussels Forum. I'm really pleased to introduce the Foreign Minister of Russia, along with Javier Solana and Philip Stephens, who's going to lead the discussion. It should be a very, very lively discussion and we're looking forward to audience participation.

Philip, the show is yours.

Philip Stephens - Associate Editor & Senior Commentator, Financial Times

Thank you very much, Craig. My name is Philip Stephens. I write for the Financial Times and I'm going to moderate this session.

It's called 'A Conversation with Russia'. I think we're incredibly lucky to have two of the most experienced practitioners of foreign policy with us. We know and we heard yesterday that pressing the reset button has already entered the lexicon of diplomacy. What I hope we're going to discover this morning is what it means. The differences and the challenges after all, are much the same as they were a month or two ago.

And thinking about this session earlier this morning, I was reminded of a story that's told about Albert Einstein. And one summer, a group of students came to Einstein's office with a complaint. What they said was that the examination questions that they'd been set were precisely the same questions they'd been set the previous year. How had that happened? And Einstein smiled and said, well, of course the questions are the same. But the answers are different this year.

So what's what I hope we'll discover this morning, whether the answers -- the challenges, the questions are the same. But I hope we'll discover whether the answers are different.

There's a lot of ground to cover. There are lots of issues from nuclear proliferation to NATO, to the Caucasus, to Iran, to energy, security. But I'm going to start with a question to each of our guests. I'm hoping they're going to keep their initial responses quite short -- not too short, but quite short. Someone shouts in my ear if things go on for too long.

And I'm going to start with a question to Mr. Lavrov and it's this. We've heard recently from the Russian President that Russia wants a new set of security arrangements for Europe. A lot of the reaction in Europe to that has been one, what does it mean. There hasn't been enough detail. And two, is this another Russian way of trying to detach us from NATO.

I wonder Mr. Lavrov, whether you'd explain to us what the plan is and how it fits with the security architecture we already have.

Sergey Lavrov - Minister of Foreign Affairs, Russian Federation

Thank you very much and this is certainly a new question.

Well, do we feel secure in Euro-Atlantic? Yes, we have organisations, several of them. We have the political commitments. We have the principles enshrined in OSCE documents, in Russia-NATO Council documents. The principles are related to indivisibility of security, the most important ones and of course not to mention, territorial integrity, sovereignty.

No one challenges these principles. But some of them, especially those related to hard security are existing in the form of political commitments and it seems that they don't work. They haven't been working for quite a long period of time, starting with the demise of the Soviet Union, when the deals, political commitments were about first, not to expand NATO.

Then when NATO was eventually expanded for the first time, there was a deal not to put any substantial combat forces on the territory of new members. This was also not delivered.

Then there were assurances that we will expand NATO to embrace countries of Eastern Europe, the Baltic States. And don't you worry this will solidify the security and these countries who have understandable fears and historical memory, they would be safe inside NATO and they would come down. None of this happened.

The principle of indivisibility of security says that no country should ensure its security at the expense of security of others. It has been adopted at the top level in OSCE, in Russia-NATO Council and we just don't see it being used in practice.

I wouldn't mention military bases which are moved very close to the Russian territory, I wouldn't mention missile defence. You know all this.

So what we suggest is to get together and to make these principles legally binding -- if we still confirm these principles, because about one month ago in Bucharest at the Russia-NATO Summit, we wanted to adopt a joint declaration. And the declaration was not flying because we could not agree on quoting the Russia-NATO Council original documents saying that no one should ensure his security at the expense of the security of others. This quote was not possible to be reproduced [inaudible].

Of course, we have questions. Why so? So we just want to check whether the principles endorsed regarding military and political security, whether they are still valid for all members of the Euro-Atlantic space. And if so, why are we not making them legally binding?

Plus we want in this new exercise and the new treaty, to agree on criteria to resolve conflicts, so that we don't have one standard for Kosovo and another standard for everything else.

It should be also mentioned that arms control is in crisis. CFE, adapted CFE has not been ratified by our NATO colleagues for absolutely unrelated pretexts, again trying to mix the legally binding CFE with political commitments. Then when even these political commitments which are known as the Istanbul Commitments have been implemented by Russia, the EU interpretation of what should be done for NATO to ratify the adapted CFE Treaty were introduced.

So we also want in this exercise to agree on principles of arms control and make them legally binding. This is not to substitute for efforts to revive CFE regime. But we want this effort on CFE, by the way not to be limited to Russia-American dialogue. We want Europeans because after all it's about conventional forces of Europe. We want the Europeans to be actively involved. And in this context we welcome the initiative by Frank-Walter Steinmeier, to convene a meeting of experts in June in Germany.

So it's indivisibility of security being [ratified]. It's also about mechanisms which should be employed when any participant of this arrangement feels insecure. It's also about criteria to resolve conflicts. It's about arms control principles. And of course in the new treaty proposed by us, we could also reflect a new quality of cooperation in counter-terrorism and non-proliferation of weapons of mass destruction and other threats and challenges which we all face today.

Why not do this in the existing structures? The answer is very simple. NATO looks after the security of its own members. The Collective Security Treaty Organisation looks after the security of its own membership. CIS, European Union, with the European Security and Defence Policy, they are all about the security of clubs or organisations.

OSCE is a universal organisation, and OSCE principles are not challenged by anyone including Russia. But OSCE has been neglecting hard security issues for a very long period of time. It has the Security Forum, it has the European Security Conference, where things are supposed to be discussed. But they are not moving anywhere. And we want to change this situation. We want to use OSCE and I think I would be coming to Vienna for the European Security Conference, last week of June. But OSCE has been really neglecting these issues.

The second problem with OSCE is that it embraces countries but it does not embrace organisations. And we believe that the new treaty must be negotiated by all member states, plus all the organisations active in the security area.

Last point, about legal obligations and legally binding commitments. OSCE is not a legally binding organisation. It has political commitments. Russia-NATO Council only has political commitments, not legally binding obligations. NATO has legally binding obligations. You know it creates different levels of security. So basically this is thinking behind our idea.

Philip Stephens

Thank you very much, Mr. Lavrov. A single playing field for European security, legally binding principles, pushing forward with arms control -- that's quite an agenda.

I'm going to turn to Javier Solana. He may want to comment on those or he may want to, I suspect, also talk about the priorities that, from the Western European side, we see in this hopefully new relationship with Russia.

Sergey Lavrov

Well, of course Javier speaks not only for Western Europe but for the almost entire Europe, right.

Philip Stephens

Western, Central and Eastern.

The Hon. Javier Solana - High Representative, Common Foreign & Security Policy, European Union

Philip, thank you very much.

Let me start again by congratulating you. I know it's your birthday. It's a very good starting point. Congratulations, have a happy day, happy new birthday.

Sergey, I listened with great attention what you have said. I know because it's not the first time that I have listened to you, what is your thinking. Let me be very briefly at the first intervention.

For me, for us, the security in Europe has a scheme, has organisations, has a structure that are working properly. For me there is not a big need more importantly now, to put aside now the structure of security in Europe. That is the first statement I would like to say.

Second, the security of Europe it was a very, very intelligent set up in the years -- several years ago, many years ago, we started constructing in Europe, a comprehensive, a structural security. Comprehensive means that we have three baskets, hard security, the economics and the human rights, which for us was very, very important.

Remember that this was done in the 1970s. Today in very few places in the world, you can have a structural security that is as comprehensive as the one we constructed in the 70s. That has worked for us and we were right.

And the other thing that we would like to say is that three basic pillars construct this security, the Europeans, the Russian Federation today and the United States. Now if there's somebody of these three basic pillars that doesn't feel comfortable he has a right to say it. And what the Russian Federation is saying today is that they don't feel comfortable and this is key. And I think the Americans and the Europeans are ready to get engaged with the Russian Federation to see how we can solve this situation to make you comfortable.

But I'd like to say that whatever we do has to be done with this spirit -- three baskets, hard security, economy, human rights. And we have room to move in that direction in the three -- but not in one only, on the three. And I hope very much that we will be able in the coming period of time to get engaged with the Russian Federation in trying to find a manner in which or whereby you feel more comfortable in this scheme. That is in the interest of everybody, that everybody feels comfortable -- the Russian Federation, the Europeans and the Americans.

And this is what we are ready to do. We are ready to get engaged. We would like very much to do it in the context of the OSCE. It's the global organisation in which everybody is present. And I hope very much we will be able to do it.

Now as far as legally binding, to really get engaged now in the renewal of a treaty that would be legally binding will take an enormous amount of time. And I think what we have to do is to begin working, to begin moving in the right direction and try to see

how we go at the very end of the process. But to begin thinking that we have to start working on a treaty at the very beginning I think is a mistake from the manner in which we want to work and to make progress.

Therefore, first we feel confident, we don't need a change. If somebody needs a change we are willing to get engaged. And in any case we would like to do it with the organisations that are present now in this scheme and with the three levels or three baskets in which we have been working so happily in the past.

Sergey Lavrov

Just briefly, one remark. Javier, about OSCE being the place, you didn't respond to my point that we want not only OSCE but also security organisations in this space to be present.

Number two on three dimensions and that you can only move with all three dimensions being considered in a package, no one challenges humanitarian basket of OSCE or economic basket of OSCE. Humanitarian part of OSCE has its own mechanisms which work and which produce results -- painfully sometimes but they do work. In the hard security area, there is total zero.

And by the way, about the linkages between hard security and soft security, when missile defence has been negotiated for Europe, has anyone linked this with human rights or democracy? When military bases were created in Romania and Bulgaria, what was the linkage with the third basket?

So let's just try to understand that there is a real failure in the hard security area and we want to fix it without challenging the comprehensive approach to security. But let's just remove this dis-balance.

Philip Stephens

Javier, I'll come back to you in a moment because really this is the audience's conversation.

Sergey Lavrov

You mean we can go?

Philip Stephens

With you both. And I'm going to take some comments, questions from the audience.

A lot of people here I know, some I don't. So because I'm an European, I'm going to be egalitarian and pretend I don't know anyone. But I just wondered whether there was someone from the United States who I could encourage to make this a three pronged conversation at the beginning. But am I seeing anyone?

Q&A Session

Anne Applebaum - The Washington Post

I have one comment and I one question.

Mr Lavrov, you said in your introduction that there had been some agreements in 1989 or in 1991 at the time of the break up of the Soviet Union. And one of them was not to expand NATO and the other one was not to have any US or Western military forces in any ex-Warsaw Pact countries.

First of all I'm not aware that there were any such agreements made. Perhaps they were oral. I'm not aware of there being any US or Western military forces in any ex-Warsaw Pact countries.

My question for you is this. In what way does NATO now threaten Russia? You made it very clear that you would prefer to substitute the OSCE for NATO. Why is that? How and in what way does NATO threaten Russia? Thank you very much.

Philip Stephens

Okay. I'm going to take one more person before coming back to you -- this gentlemen here in the front. And then if we could package those two together.

From the floor

I'm European and a Member of Parliament of Germany. A question to both of you.

Obama and your President Medvedev are going to have a first chat in London on the NATO. And what do you expect? Is there at first an attempt and a new idea in order to open up the disarmament concept, arms control? And if so, is there then the possibility to open up new chapters in the relationship between Russia and NATO?

Philip Stephens

So two strong questions. Javier has the right of reply though as well because I cut him short. So I'm going to start with Javier and then --

Javier Solana

My contention is to respond to the question posed to him. Now on the two issues first.

I think I have a -- I wouldn't say privileged part of this history. But I do have or I have had a relevant part of this history. I'd like to say very clearly that the first enlargement of NATO, prior to that, in a very intelligent decision by NATO, we started a bilateral negotiation between Russia and NATO, if you remember. That

ended up with the Founding Act and that was negotiated on behalf of NATO by myself and on behalf of the Russian Federation by, at the time, Mr. Primakov.

It was not easy. But I think it was a very, very good to do it. I think we ended up with a good scheme that allowed NATO and the Russian Federation to get together and discuss all the issues that were of interest to both of them, with one organisation in one country.

I have to tell you that there still is a tremendous amount of room to do that better. There's a tremendous amount of space to get that NATO-Russia Council to do much better than it has done so far, first thing.

And it is true that in that agreement some of the issues that have been posed to Sergey were there. If you read again the Founding Act, it's a lot of things which are there, that I wouldn't say we have forgotten. But we have not complied it 100%. I don't like to say that and nonetheless that is the truth.

The second thing, I think that on the new summit that will take place in London between President Obama and President Medvedev, I hope very much that the issues which are of great interest for all of us, disarmament, nuclear disarmament in particular with [inaudible] have been more or less paralysed. The START treaties are coming to an end and the year 2009 I think will be a very important moment to recuperate that spirit of treaties on the nuclear matter.

I think that the meeting that took place in Geneva, not long ago between the Secretary of State and Sergey Lavrov from the information that I've got was a constructive meeting, a positive meeting that made -- I think prepared the ground for a good summit in London.

Philip Stephens

Foreign Minister, I just want to put one observation into this. I don't think having listened to quite a lot of conversations that people are ever going to agree on the history of the 90s and who actually promised what and whatever. And it sort of seems to me that sometimes -- but I'll put this to you -- add to the questions.

Maybe it's time to put the history aside and move forward.

Sergey Lavrov

The question was asked and I will say yes. Yes, unfortunately those were oral promises and commitments. But very firm oral promises.

And basically I think we were naïve. Those who were taking those promises were naïve. I've read the transcripts of the top-level negotiations. I know what I am talking about. And the naïve approach was based on the conviction that after the Soviet

Union, there is a new -- the end of history. And everyone is going to be brother and sister. It didn't happen. But yes, those were oral commitments.

On the presence of the American states military forces in Eastern Europe, the two military bases are being built, being created in Romania and Bulgaria. And this is a factual thing. It's not oral, it's material.

About NATO threatening Russia, it's not just threatening Russia. NATO is an organisation which is reality. We want and Javier mentioned about the arrangements which were reached in the 90s between Russia and NATO. The arrangements, by the way, was that Russia NATO Council is not 26 plus one, it's 27. And each country should participate in its national capacity. Of course that never worked in practice which is another problem which we have.

You know we consider NATO as a reality. We want to cooperate with it. We see potential for this cooperation -- Afghanistan, joint control of the airspace, quite a number of things, compatibility of peace-keeping forces, a lot. But we also don't like that NATO takes it upon itself to judge everyone and everything. And NATO bombed Yugoslavia, without any legal justification

But we also don't like that NATO takes it upon itself to judge everyone and everything. And NATO bombed Yugoslavia without any legal justification, without okay from the Security Council and violation of the UN Charter. The recent discussions on new NATO strategy or doctrine, I don't know how it is really called -

Philip Stephens

I'm not sure they do either.

Sergey Lavrov

Well it's an open material. They include in this doctrine, more and more scenarios where force could be used, not necessarily with the sanction of the Security Council. This bothers us because we indeed believe that international law should be universally applied and there should be no privileged security areas.

We just don't understand why NATO is expanding. We don't understand why this military infrastructure is being moved to our borders. Missile defence is a separate issue. We have been, during last years, quietly reducing our military presence in Kaliningrad area. And we will be having third positioning area of the US global missile defence? Of course this could not be taken easily especially since this third positioning area would be seeing the strategic forces located in the Russian territory.

And of course we don't understand why NATO is indeed, or some members of NATO are pushing Ukraine into NATO when 18% of the Ukrainian population only believe they should join NATO. And why NATO is still saying that Georgia must be a

member of NATO, when the current regime in Georgia used brutal force against all its international obligations.

And my very last point, I think that, frankly, I don't want to make it a secret, before Mr. Saakashvili gave orders to attack South Ossetia, we have been talking very intensely with Condoleezza Rice. And I was making the point repeatedly that why don't you persuade them to sign a non use of force agreement. Why don't you stop providing them with offensive arms? And she told me, don't you worry. And I also said, why are you pulling them into NATO with all this. And she said, don't you worry, if he uses force, he could forget about NATO. Okay, he did use force.

Philip Stephens

What I'd like to do is just for the time being, because I'm sure we can come to the caucuses, but to pull the conversation back to the broader principles. There are two or three -

Sergey Lavrov

But I thought we would also discuss specifics, generic issues which are very easy to discuss.

Philip Stephens

Of course, but I want to give the audience a chance to put some - I'm going to come back to you in a minute Javier. After the questions, I'll come back to you first okay. We've got this gentleman here.

Q&A Session

Unidentified Speaker

Thank you very much. Mr. Solana, I thank you very much for staying with us last night for such a long time. I deeply appreciate the fact that you did that. Mr. Minister it's good to see you.

Sergey Lavrov

You didn't invite me last night.

Unidentified Speaker

Well I've been in Russia when I wasn't invited as well. But when you and I first met, I was President of the Parliamentary Assembly of the Organisation for Security and Cooperation in Europe. And I enjoyed that exchange and others since that time, at ministerials and other times that we've had an opportunity to meet.

The one thing that we assured each other was that we would have our discussions with mutual respect. I think the fact that there are so many of us here at this Brussels Forum who are adherents of that notion of dealing with Russia and the European Union and the United States as well as others in the world, and I think it's time for us to lean forward, look forward and see how we might go, in a positive manner, to resolve many of the issues that I think you so very wisely, broadly outlined for us. The question that I have for both of you, to the extent that either of you have any influence, when you mention, Mr. Lavrov, OSCE and hard security, as you know I've spent a lot of time, as have many people in this room, on dealing with those three baskets. The trouble that I have, and I ask you your thoughts, is that OSCE operates on consensus. Then it would be, to me, arguably hard for us to suggest that building into the structure something that is automatically glacial when one party can veto - and that's no accusing fingers to anybody - don't you think it's time at least in OSCE, as you move to a thaw with reference to other structures, that we revamp the internal structure and move to a methodology that will allow for something to be done? Otherwise what I find, when I go to Vienna, is stagnation. And that's problematical.

Philip Stephens

Can I give Mr. Solana his right of reply first?

Javier Solana

I wanted to challenge something, when Sergey said why NATO has enlarged. Well NATO has enlarged, Sergey, because many countries want to be part of NATO. And

they have the right to be part of an alliance and they choose. And since the Alliance is not supposed to be against anybody, it's reasonable that they are accepted into the organisation. Therefore one of the principles we have to assert is that countries do have the right to choose the alliance they want to belong to. This is a basic principle. And there are many countries in Europe that they want to part of the Alliance, either not, but there are many. And they are qualified. And they bring security to the Alliance and bring security, at the same time, to Europe. I think they should be accepted. So this is a principle that I think we should not put into question. And this is part of why we have to agree if we want to go forward.

Sergey Lavrov

I hope you remember that you, some years ago, shifted from NATO to the European Union right?

Javier Solana

I never shifted from NATO to the European Union. I was not NATO and I am not the European Union. I was the Secretary General of NATO and now I'm -

Sergey Lavrov

Javier, absolutely. I agree with you that any country has the sovereign right to choose its partners, to choose its alliances. Take Ukraine. I said that public opinion polls indicated less than 20% of Ukrainians want to become members of NATO. When you speak of Georgia NATO was recently called a school for democracy. What sort of democracy can start an aggression killing hundreds and hundreds of civilians? But I leave it to NATO members, but I certainly want to pick on OSCE problems. Yes consensus means that everyone has a veto. That's the case, except consensus minus one arrangement which is applied to human rights violations. And I believe this consensus minus one was agreed in Moscow in 1991 just after the putsch and just before the Soviet Union disappeared. And it stays.

Yes OSCE needs some revamping. And for three or four, five maybe years Russia together with several others has been promoting negotiations to adopt an OSCE charter. It is called an organisation, it is not an organisation. It doesn't have legal capacity. We have also proposed some documents which, if agreed, would introduce more transparency in how OSCE is doing, by including electoral monitoring, including the cooperation with non-governmental organisations, including the appointment of field missions and the mandate of the field missions. We want these field missions to be in line with the existing documents.

And we also want to do something about unacceptable situation with the OSCE budget when any country can just say I want to make an extra budgetary contribution for a specific project in country X. And this offer, without going to the inter-governmental dominant council, without going to any inter-governmental organ, immediately gets status of OSCE project. So anyone can do anything in any country

and receive an OSCE umbrella. It's just not right. It creates unnecessary suspicions. And when people don't want to consider those modalities for OSCE to become transparent and clear to everybody, certainly we are thinking that these people just want to use OSCE, with its very vague rules and practices, for the purposes which are not OSCE endorsed purposes.

Philip Stephens

Thank you. We've got one here. Could everyone say their name and -

Bruce Jackson - President, Project on Transitional Democracies

Bruce Jackson, Project on Transitional Democracies. Sergey the centre of your speech is an argument that we should mark principles of these organisations into contractual law. And we should basically observe the deficiencies of the recent period. It seems to me if we're going to enshrine principles in law, there has to be some observation of modern history and some agreement of what it meant, what principles they were based on.

If we take this discussion of expansion - and I think Javier got it wrong, suggested there was a first expansion in 1990. In fact that was the fourth expansion. The organisation has been expanding since its origin six years ago. There's been an expansion in every decade. The longest period between expansions has been about 20 years; the shortest period is about five years. So if we want to enshrine principles observed on observational history it would be that expansion is something we can expect.

Similarly, when you suggested that this hasn't conveyed security or a sense of stability to, say, the Baltic states of Central Europe, an observation of their condition today would suggest that it has. So I'm just struggling, how do we render into law or principle essentially the counter-historical understanding of modern European history?

Sergey Lavrov

Yes, I agree that making something a law does not mean that security would be ensured because international law, including the UN Charter, has been repeatedly violated. But we believe that at least we should try to be honest to each other. And if we agree to some political commitments, and if these commitments still stay, then we want just to give it a try. And if we all still are committed to those political arrangements, why not making them legally binding and why not, together with NATO, with OSCE, with collective security treaty organisations, with Russia NATO Council after all, with European Union of course, to see whether we can develop any mechanisms, keeping all organisations intact with their own rules, but mechanisms which would be commonly acceptable and commonly applied. We don't have an answer how this might work and whether it would work at all. But we believe that this is worth a try.

And we invite all - and I agree with Javier, speaking about a treaty today is premature. What we want is to discuss the substance of these problems. And try to see whether people would be really interested in making sure that everyone is comfortable. Javier did recognise that most Europeans are comfortable. The Americans are comfortable. But the third pillar - as you called us - of European security, Russia is not. It's an invitation to a dialogue like this. And I would really welcome a phase of these discussions, maybe later down the road, when we have satisfied questions and start entertaining some constructive ideas. There is a hope that this would happen. We have already encouraged some think tanks in Russia, in Germany and in France. And they're working together, arranging for a series of conferences where they would be introducing ideas. In any case, we just want a second opinion on everything, missile defence, Istanbul commitments linked with the CFE, NATO expansion as the expansion of democratic space and security; we just want a second opinion.

Philip Stephens

Okay. What I'd like to do is to, as the Foreign Minister suggested, is to move the conversation on a little to some of the issues, whether it's missile defence, whether it's cooperation on non-proliferation like Iran, whether it's Afghanistan and achieve security. I think I've seen about nine people who would like to comment or ask questions. So what I'm going to try and do is take clusters of two or three - actually that's ten, eleven people there. I'm going to take one in the front first and then this gentleman at the back there. Over behind you.

Heather Grabbe - Executive Director, Open Society Institute Brussels

Heather Grabbe, Open Society Institute Brussels. Mr. Lavrov what's your level of ambition for these new security arrangements? Are they really about Russia having the right of veto on hard security arrangements on the continent of Europe, what you referred to as second opinion? Or could they really be used to forge a common position between NATO and Russia in terms of common external threats outside Europe, for example non-proliferation with regard to Iran, also North Korea. How would that work? Is it really about just arrangements here or is it actually about the outside world?

Sergey Lavrov

No to the first question, yes to the second one, but not only on Iran and North Korea; about our own feeling of security. Yes, to forge a common position. I just said we don't have any recipes, we want an honest discussion.

Philip Stephens

I want to get people - this gentleman here. Have you got a mic here? And then the gentleman right in front of him. And then we'll take those three.

John Kornblum - Chairman, Lazard & Co.

My name is John Kornblum. I'm a former American diplomat and participated in just about every single one of these discussions that took place in the 1990s. I agree with Mr. Stephens, we should forget that basically. That's history.

The interesting point which Mr. Lavrov made was we need to be honest with each other. And I think that virtually everyone who has dealt with Russia in security affairs often asks the question, is Russia honest with itself? The fact is you've said everybody in Europe is happy except Russia. Now if I were honest with myself when I looked at that situation, I would say why are we on the outside? Russia's tendency has always been to blame others for this. And your desire to essentially turn over existing security arrangements is, in a way, saying you have to change, not us.

I think you have many reasons to be unhappy; honest reasons with the last eight years. I don't think American diplomacy was very skilful. I think many of the events were not handled very well. But at the same time to now come to us and say we have to change all of our arrangements because you're not happy with the situation is, at a minimum, not very tactically intelligent.

I think what we need, I think we do need a new series of discussions, but not about changing security arrangements. We need a new series of discussions to make sure that we can help Russia integrate into the modern world. We're in the middle of an economic crisis right now which is hurting Russia very badly. But in the end Russia's security is not going to be determined by whether NATO is on its borders. It's going to be determined by whether Russia can integrate into the modern, globalized, technological world. There you're having more difficulties than you are with the security arrangements. And I would suggest what we need is a very large, probably coordinated among nations, series of discussions with Russia about how it in fact becomes a modern, globalized country. Thank you.

Sergey Lavrov

It's a good article - editorial, right. Thank you for your editorial Mr. Kornblum.

Philip Stephens

A final one here and then I'm going to come back to both of you.

**Tomohiko Taniguchi - Senior Advisor,
Board of Central Japan Railway (JR Tokai)**

Yes. My name is Tomohiko Taniguchi. I was formerly with Japanese Foreign Ministry and now I'm academic. You have been opposed to US Japan ballistic missile defence. Are you still given the challenge posed by North Korea obviously?

Secondly Russia is both an European and Asian entity. It seems that you're still having difficulties to cut a good balance between the two. When it comes to challenges and opportunities in Siberia and the Eastern part of Russia, what are they?

Philip Stephens

Okay so we've got three - I'm going to give Mr. Solana a first go.

Sergey Lavrov

Javier, can you cover the last one please for me?

Javier Solana

With a little bit of difficulty, but I will try, Sergey. I'd like to be a little bit more pragmatic and see how we can move to try to meet the concerns that the Russian Federation does have, and at the same time do not complicate too much the structure that we have today.

I think the manner to move on to do it rapidly is by adapting to the new reality, the NATO Russia Council. You've said Sergey that it started with a situation where Russia was outside; it was NATO plus Russia, not NATO and Russia, at a debate. That is true. But as you know, that would change. The structure of the NATO Russia Council today is everybody on the same footing. So I think that we get room there to move on. I think this is the wish of the members of the Alliance. And I hope very much it is the wish of the Russian Federation.

So on the big concern that you have, the most important concern that you have, as it [appears] to you, which is in the hard security basket, I think a lot can be done with the structure we have today, if we use them properly. And I really hope that that will be the case in the coming period of time. That is the most important thing that we have.

Now Sergey, you have to understand also the concerns that exist among member states of the European Union, the United States of America also, at what has happened in the last part of the year 2008 and the beginning of 2009. 2008 has a big problem during the summer that continued after the summer. And then at the beginning of the year we had a big problem also on energy that has to do also with our relationship. I think these issues have to be tackled and not only go to solve the biggest [tractions], but at the same time try to tackle the problems we have in front of us everyday. If we have problems with trust, with confidence, the best manner to recuperate that trust, to recuperate that confidence, is to begin solving some of the problems that we have in our everyday life.

Now last thing I would like to say is that Russia and the European Union, Russia the European Union and NATO have a lot of things to do in the world together. I think it's little that cannot be done, or can be done without the cooperation of Russia, and

probably nothing that can be done against Russia. And we have enormous amounts of problems in the world of today. Stephen has mentioned some that we cannot escape today from facing it, which is Iran. And the cooperation between us and Iran is fundamental. Russia and the European, Russia and the Americas together we have to really face the problem of Iran in a coordinated fashion. This is one of the most important challenges we have in front of us. If we can get that, we will get a tremendous amount of work done to construct a good relationship between these three pillars that at the end of the day are basic for the European security.

Philip Stephens

Mr. Lavrov, I wonder whether you could answer the question there about we have to change rather than you?

Sergey Lavrov

On forgetting history, as you suggested and Mr. Kornblum supported you strongly, if it is about forgetting the basis on which Russia NATO cooperation is founded, then it's some honest discussion I would say. So I hope this is not an invitation to forget everything which we committed ourselves to. And I already quoted some examples when these commitments were not delivered on the other side of Russia NATO Council.

Number two, we are not perfect. Nobody's perfect, as the line goes from the famous movie. And I hope that this is also realised by everyone, including our American partners. And the message which President Obama sent yesterday to the Iranian people and government, I believe, is an example of how people should be self critical, including the people at the very top. And this is an example to follow.

On missile defence we are, in general, in favour of joint cooperation on an equal basis. But when we are told that this particular issue, a threat from the south to Europe and to the United States, as the line goes, that this particular threat can only be challenged, can only be countered by this particular answer, by this particular response; and when we try to provide our own analysis, giving alternatives and we are told, well maybe we can use this as well, but this is the major part of the system -- even in the United States, there the Budget Office of Congress circulated a report which has at least three alternatives to the third position [here] in Poland and the Czech Republic. The scientists in the United States speak about using drones to counter the threat of missile attack in Western Asia and in Eastern Asia. Yes we are ready to cooperate on those threats. We don't take them easily. But we want to cooperate on an honest basis where no one, by definition, and [ex officio] has any intellectual priority. Let's think together.

On Siberia and the Far East, yes we are going to enhance our investment in those areas. We welcome foreign investments including from Japan, South Korea. We are discussing specific projects and businesses coming.

Javier, on August 2008 you said you were concerned. We were outraged. It was a blatant aggression against the international commitments of Georgia to which President Saakashvili is [subscribed] and he was giving orders to kill peace keepers and civilians. So I can agree that it was an absolutely unacceptable behaviour and I hope, by the way we want to agree once again in what we propose for discussion with European security, to reiterate in a legally binding document that no one should use force to resolve conflicts under international consideration.

And lastly on your concern with the gas crisis, well I hope you also talk to the transit countries. Two years ago when this happened for the first time you, Brussels, suggested to us to develop an early warning mechanism. We said, "Fine yes but let's include in this early warning mechanism the transit countries" there was no reaction from Brussels, and there is still none. I don't know how this was discussed and why we lost all this time and did not develop this early warning thing with the producer, consumers and the transit countries.

By the way, if you look to the east of Russia, we sell hydro carbons to China, now we are selling liquefied gas to Japan, there are many customers and there never was an interruption. So can you think of why this is happening, why it's only in the western direction that we have an interruption every now and then? We are prepared to discuss this openly, we think we reached with our Ukrainian colleagues a fair deal which was welcomed by Europe which was helped to be negotiated by Europeans and let's stick to these deals, and let's just make sure that everyone is involved in this early warning and hopefully in functioning of this smoothly.

Philip Stephens

I'm going to take two questions in the row there, the gentleman first.

Michael [Serchey]

Thank you very much. My name is Michael [Serchey] from Hungary. Mr. Lavrov, notwithstanding the fact that European Union is still investigating who started the war, it is a fact that today there are Russian troops occupying territory of Georgia. But this leads me to a question also to Mr. Solana who said that Europe is happy with the security arrangement. Now I start to be embarrassed what is Europe because I can tell you Georgia is very unhappy with the current security arrangement. My question is who can decide for Georgia, for example, whether it should be happy or unhappy because it is currently part of the territory is occupied and they see no support from anybody. And I think it's important for all of us to know that Georgia is part of Europe. Are we really happy?

Philip Stephens

And the lady adjoining and then I want to take one at the back, right at the back there.

[Lesna Borschic]

Thank you very much. [Lesna Borschic] of Croatia. Why countries want to join NATO? They wanted to join NATO to increase their stability and security. However, some of them discovered that their attempt or thinking about joining NATO actually decreased their security and stability, and it primarily has to do with timing and geography. So who thought of it or had the possibility to do it earlier it actually increased their security, the later ones, obviously, ran a huge risk - Georgia is an example.

In some ways it seems to me that we have actually forgotten the role of the European Union in this whole discussion. Obviously European Union and Russia share a very important neighbourhood. And in that neighbourhood it's turned out that the idea of joining NATO in the recent years, not in the early stage but in the recent years, became a non option. However, there might be or it's decreased their security, so it might be a solution to actually look at that neighbourhood that includes both Russian and EU interests and find a third policy or a new approach for that specific neighbourhood area.

Philip Stephens

Thank you. And the gentlemen at the back there.

Tomas [Moneretas]

One question to Mr. Lavrov. I'm Tomas [Moneretas] French citizen living in Ukraine. The main characteristic of the Russian diplomacy can be summarised in one word - it's fear. Russia fears the west, western investors, western NGOs, western democracy if we're talking about Ukraine and Georgia and NATO as well. And on the other hand, it seems like Russia is creating fear in the heart of its neighbours. And most of the countries around Russia fear really Russia. And that has been driving the fact that they joined NATO to protect themselves. The contrast between the US President and the Russian Prime Minister is fascinating - one is inspiring, the other seems to be threatening the others.

So my question is, is there any chance for Russia to change its policy and to stop threatening the others but to try to inspire the others, because the current policy is not helping Russia. Could Russia try to seduce its neighbours instead of threatening them? He even managed to antagonise [inaudible] Russia which is quite an achievement.

Sergey Lavrov

On this one the answer's very easy - I hope since you are both very interested in how to change Russia, I think you can usefully discuss it with Mr. Kornblum and I would be waiting for the outcome of the discussion.

Philip Stephens

We've got actually Mr. Solana first. We've got a couple of questions there and whatever you would like.

Javier Solana

To tell you the truth, the second I didn't quite understood what you wanted to say.

Philip Stephens

I think it was about was the EU an alternative to NATO for some of these states?

Javier Solana

If that is the case as you know the period of time we're talking about which is not history, it's present, the European Union has a large [inaudible] to a good number of countries, well we have 27 and I think that contributes to the stability of Europe no doubt about that. At the same time NATO has enlarged and I think has contributed also to the stability of our country.

Now I'd like to say that not everybody has been [inaudible], not every country that has expressed their wishes to be part of the European Union or to be part of NATO has been accepted to be part of the European Union or NATO. And I like to see that there are two conditions there that are key. One, to be part of a large organisation be it the European Union or in NATO it has to contribute to the better [deal] of that organisation, no doubt about that.

And the second has to be that by enlarging that organisation the whole of the European continent becomes more stable or potentially more prosperous or potentially more secure. These are the two parameters have to be looked when you go to a large organisation be in the European Union or be in NATO.

I can speak on the European Union now. I spoke on NATO some time back. On the European Union, as you know they have [prospective] for membership to the European Union of many countries that they know is not ready. Some of them have already a structural relationship with the European Union through their associations, stabilisation agreements, the countries of the Balkans, since you have mentioned, and other countries have another kind of arrangement. The Eastern Partnership is something we are putting in place to give a chance to relationship with the European Union of the countries to the eastern part of Europe. And that is what we are trying to continue doing. And with that we think we stabilise Europe, we give a possibility of Europe to be developed and to move into prosperity and help the countries to be more prosperous and more stable.

Sergey Lavrov

You know seriously speaking I believe, I mean if you want to make a funny point and to be happy with yourself, you have the right to do so. I want Russia to be understood. Russian foreign policy is not about fear; it's about fairness that's what we want. And when we, every now and then, see unfairness in dealing with our partners, when promises are being broken, commitments are not delivered we have concerns.

And what I would also say, following up on what Javier said now, yes between Russia and European Union, Russia and NATO we have documents on which we base our relationship and those are very valuable relationship. With you we have the four common spaces and the four roadmaps to build those four common spaces, and we stated in that very important document that integration processes in all Soviet space and in the European Union should be compatible, they should not be mutually exclusive they should be mutually supportive.

And Javier mentioned Eastern Partnership. We are accused of trying to have fears of influence. What is Eastern Partnership? Is it fear of influence, including Belarus which you care so much about, we would like to understand? And when my good friend [Carol Swartzenberg] publicly says that if Belarus recognises [inaudible] issue could forget about Eastern Partnership. Is it threatening, is it blackmail or is it democracy at work?

And apart from Carol, another good friend Benito [inaudible] said the same. So we were told originally that Eastern Partnership is about cooperation including with Russian participation at some part. And then after those type of statements we have questions - is it about pulling countries from the positions which they are supposed to take freely?

One more thing, Russia, NATO, Afghanistan, mutual interest, our Ambassador, who is in this room, has been trying for the last month to agree a format which NATO uses to discuss Afghanistan with Central Asian countries could also admit Russia. I don't know whether you succeeded or not but it took him a lot just to make the point. If you want us to cooperate on Afghanistan why do you talk to us separately, to Central Asia separately why don't we talk NATO vis-à-vis collective security [inaudible] organisation which is very active in intercepting drug [inaudible] in Afghanistan. We have been knocking on NATO door with this one for five years.

Philip Stephens

Okay, fine. We've got eight minutes left, I've just been told. And I've seen there are some people I'm not going to be able to call, I'm really sorry but I've seen three I'm going to call, but can you keep your questions, comments really brief because I want both Mr. Solana and the Minister to have a bit of time to sum up. So one here and there were two here.

Charles [Gorran]

Charles [Gorran] from the Centre for European Reform. I wanted to follow up Mr. Lavrov's comment a second ago about the Eastern Partnership because Russian leaders have talked about the privileged relations with the countries in their neighbourhood, and it's not clear to me whether or not those privileged relations should exclude closer links between the countries concerned in the EU. I've just come back from Belarus, and in Belarus I found the leadership there are very keen to reposition their country to be closer to the EU, less close to Russia in some ways, does this bother you? And if Eastern Partnership really bothers you as a concept could you explain why?

Sergey Lavrov

I just did.

Philip Stephens

I'm just going to take them all. This lady here. And then the lady behind and then that's going to be it.

From the floor

National Security Adviser of Georgia [inaudible]. I've been restraining myself being commenting too much around the conversation but a very short comment. I don't even know if I can have a question in this regard what can I ask of the representative of Russia in this case. But then a comment - basically we spoke about the [inaudible] and then I think that's a very important point when we speak about more engagement with Russia it is important that we [inaudible] just conversations as we call it for today's debate. We have to have a clarity of the mind what this engagement entails basically. So what are the concerns that Russia might be having in that case and then we have to deal with them.

And then what they are basically. On the one side we have imaginary threats coming from NATO as much as Russia perceives that. An organisation which comprises democracies, as members of it, and then standards which entail commonly shared values for all of us sitting over here. And then on the other hand, we have perceptions, actions at the same time that can be perceived from Russia. So what is this country that has the fears of the type that it has with regard to NATO.

This is the country which is still at unease of not having the world, which is divided in blocks, and then is not seeing modern relationship of states as individual relationships of states as well, with which sovereign choices of sovereign nations can be respected in that way. In which it's still at unease of having their independence being exorcised in its own neighbourhood in all ways, on different ways of them, which is still while waiting the very basic fundamental principles of international law that it on surface, hypocritically I would say, is maintaining that much in the speeches and [rhetoric].

So we're still in the situation in which country occupies 20% of the sovereign country and neighbouring country, which is still at unease of implementing ceasefire agreement which is legally binding and is signed by that country. And I didn't want to be very specific in details about something that concerned my country but then I think that is fair to generalise out of that as well what we can expect out of this engagement and how to deal with the contrast that Russia might be having. And I'm sorry--

Sergey Lavrov

A very strong point [inaudible]

From the floor

-- if I was more emotional maybe in my [inaudible].

Philip Stephens

Thank you. I'm afraid we don't have time for a last question except that I'm going slightly abuse my own position and post to both of them a last question, which is a very simple one, and it's really actually perhaps for Mr. Lavrov but how important is it for Russia that Iran doesn't get nuclear weapons? And what should Russia be doing and what should Europe, United States be doing to ensure beyond the rhetoric we've seen from Mr. Obama this week to ensure that doesn't happen? What can Russia contribute to that, if indeed you see it as a big a threat as we do? But more generally, we've got two or three minutes each just answer questions you like and make a final closing comment. I think we've got some answers but some more questions too. Javier.

Javier Solana

To close. [I'll have] to consider some of the things I've said already. But for me engagement with Russia is fundamental. And I think we have in the foreseeable future the possibility to get engaged with Russia and try to resolve some of the problems that we have. I think the last period of time has been some difference between perceptions by Russia in what we understood were the realities. I think making an effort to understand the other, and understand the perception of the other I think is fundamental. That effort has to be done and I hope that we will do it.

I think it's possible to make progress in the short term. And the main concern that Russia has today with its harsh security, as I said before, by working in a more effective manner in the NATO Russia country. I think there's room for improvement there and I think this is in the interest of everybody to use it and to use it properly.

Second, I like to say that with Russia we have not only a problem of neighbourhood but the problem to deal with Russia on its strategic issues. Sometimes, and I like to say that, it's easier to deal with Russia and its strategic issues than to be a neighbour. And that's the reality. Sometimes it's easier to deal with the questions which are far

away from our neighbourhood and far more difficult to deal with things which are related to our neighbour.

But in any case, on the strategic issues I think that there are two which are fundamental, or three. One is disarmament and I think this is going to be an object of engagement also with the United States, following up the meeting that took place the other day in Geneva. Second, we have to deal with issue related to the Middle East at large, and there Iran is a fundamental issue. And I hope very much that we can construct a solid relationship between Russia, United States and the European Union to tackle constructively the problem of Iran and Iraq. The other day, yesterday, was an important step in the right direction but I think that Russia also has to [inaudible] up to that very important problem that really, without any doubt, in our... high up in our agenda in the year 2009.

That which I would like to see taking place in the year 2009, it's an important year, and I hope that we will be able to strike a better relationship between the three [inaudible] that construct the European security, the United States, the European Union and the Russian Federation.

Sergey Lavrov

I will address three comments which were made. On the privilege relationship we have repeatedly explained that we cannot consider countries with whom we have hundreds and hundreds of years of history together as something not important to us. By the same token Russia is a privileged territory for them. They have millions of their migrant workers earning their salaries in Russia and helping their families. The linkages among us are so numerous that it's impossible to ignore it and I hope this is understood.

We're not against any one of our neighbours to have good relations with the European Union, to have projects and problems with the European Union. We have been talking to the EU for the last several years explaining to them that isolating Belarus is a mistake. We have been talking to parliamentary assembly of the Council of Europe where Belarus was suspended in its status of invited guest. To rectify this situation we will promote a conference between Belarus and the European structures - so we have nothing against this. On the contrary we would benefit if we all stick to the principle between Russia and the European Union that we don't play games in this neighbourhood, that we don't put these countries in front of the wrong choice - either you're with us or you're against us.

Several years ago there were voices from one of the European capitals close by, saying exactly this, that these countries must decide who are they with. We don't want situations when some of our western friends travelling in Central Asia and being received by presidents and telling them "You have to choose. You either going to be a colony of Russia or you will be part of the free world." This is unacceptable. This is the game which is absolutely ignores the solemn rights of these countries which does

not show any respect to these countries. So the answer is, yes, we want to do it together, we want to do it openly, we understand the interest of the European Union and the United States in the [inaudible] and in Central Asia it's about hydro carbons, it's about transit routes, it's about fighting terrorism and [inaudible] deproliferation. So we understand the interests but we want this interest to be promoted by understandable and transparent means, not by some under the carpet whispering into their ears.

[inaudible] really I understand your emotions I only can say that I hope Georgian people would have leaders who really would be guided by the interest of Georgian people who would not give orders to kill people who they themselves declare to be their citizens, and who would know how to respect their neighbours and to live in peace with everybody.

And on Iran, no the South [inaudible] you said--

From the floor

[inaudible]

Sergey Lavrov

Okay then Russian citizens could be killed. On Iran I would only say that what Javier said, I agree. What to do to make sure that Iran doesn't have a nuclear bomb - first of all there is no proof that Iran even has decided to make a nuclear bomb. As long as IAA works in Iran, IAA monitors all the centrifuges which are producing low enriched uranium for the fuel purposes. To change it to the weapon grade uranium you need to do manipulations which would be immediately noticed by IAA cameras, or if cameras are switched off we will also know that something took place which is wrong.

It's negotiations, it's respect and it's engagement of Iran in all the areas which we have indicated in the Three Plus Three paper offered to Iran including security dialogue, not only on Iraq on a natural basis, but security dialogue with Iran on all the issues in the Middle East - Palestine, Afghanistan, Iraq, Lebanon - Iran must be engaged as a constructive part of the solution not as part of the problem.

Philip Stephens

Thank you very much Mr. Lavrov. Well it's been, I think everyone will agree, a fascinating conversation and I wonder if you'd join me in thanking Mr. Lavrov and Mr. Salana.

[End]