

Philipp Fluri, Hari Bucur-Marcu

**Partnership Action Plan for Defence Institution Building:
Country Profiles and Needs Assessments for Armenia,
Azerbaijan, Georgia and Moldova**

Geneva and Bucharest 2007

Preface

On Partnership for Peace mandates from the Swiss Ministries of Defence and Foreign Affairs, the Geneva Centre for the Democratic Control of Armed Forces (DCAF) organised a series of activities in and for countries from the Former Soviet Union and the Western Balkans during 2006. The activities concerned comprised country profiles and needs assessments and various types of capacity building programmes for governmental and non-governmental experts (for details see the DCAF website at www.dcaf.ch).

Preferential treatment was given to the three Caucasian republics and Moldova. The DCAF programme team, reinforced by Dr. Hari Bucur-Marcu from Bucharest based NATO Studies Centre as a Senior Consultant, developed a comprehensive methodology for status documentation and identification of further cooperation needs. A two-pronged approach was chosen to solicit data from both governmental and non-governmental sources. Governments of all countries concerned were given the opportunity to comment on the findings before publication of this report on May 15, 2007. A parallel report based on civil society findings will be published later in the year.

The editors would like to thank the Swiss Ministries of Defence and Foreign Affairs for the mandates and substantial financial support. The opinions expressed in this volume are those of the interviewed officials from the four cooperation partner countries and neither represent nor should be mistaken for official Swiss positions.

Thanks also go to Dr. Erica Marat for her diligent analytical work, and Melissa George, Laurence Durig and Alison Buchanan for preparing these texts for publication. Sveta Loboda and her team again took care of all printing aspects of this fourth volume in the DCAF Defence and Security Sector Institution Building series. Earlier volumes on the Western Balkans and Ukraine are available on the DCAF website.

Geneva and Bucharest, May 2007

The Editors

Background

The Partnership Action Plan on Defence Institution Building (PAP-DIB) aims at reinforcing efforts to initiate and carry forward reform and restructuring of defence institutions to meet the needs of Partner States of the Euro-Atlantic Partnership Council (EAPC) and the commitments undertaken in the context of the Partnership for Peace (PfP) Framework Document and EAPC Basic Document, as well as the relevant Organisation for Security and Cooperation in Europe (OSCE) documents, including the OSCE Code of Conduct on Politico-Military Aspects of Security.

The PAP-DIB Status and Needs Report project was designed to reveal a picture of the political and conceptual readiness of nations in the Caucasus and the Republic of Moldova to develop and sustain efficient and democratically responsible defence institutions, including armed forces, under democratic and civilian control.

It was also aimed at facilitating the allocation of national resources and international assistance efforts efficiently, through the identification of needs and requirements to ensure the functioning and efficiency of defence institutions and as a means of contributing to the harmonisation of operational cooperation between national and international agencies involved in defence institution building.

The Status and Needs Report project explored the main issues of defence institutionalisation as stated in the PAP-DIB objectives and as agreed to by the Member States of the EAPC at the North Atlantic Treaty Organisation (NATO) Summit in Istanbul in 2004.*

This assessment was based on data collected from open sources whereby a clearly defined methodology was employed. This exercise aimed to produce an accurate assessment of the current status of different issues related to defence institution building, including gaps, shortfalls, overlaps and other relevant aspects. No qualifications, ratings or comparisons should result from this assessment.

The purpose of this consolidated report is to present the findings resulting from assessment of the following states: Armenia, Azerbaidjan, Georgia and the Republic of Moldova.

* NATO On-line Library: NATO Basic Texts: Partnership Action Plan on Defence Institution Building (PAP-DIB), Brussels 7 June 2004, available on-line at <http://www.nato.int/docu/basicxt/b040607e.htm>

General Considerations

When we embarked on the PAP-DIB Status and Needs Project, several considerations of a more general nature were observed, which assisted in our understanding of the ways in which the subject nations approached the PAP-DIB initiative. Most if not all of these considerations proved to be valid which facilitated in the development of this consolidated report on the nations of the South Caucasus and the Republic of Moldova, by revealing the common denominators while also recognising the diversity of each country's particular conditions and approach to defence institutionalisation.

PAP-DIB is an integral part of the PfP and the PAP-DIB document is incorporated into the PfP and EAPC founding documents. When the four nations agreed to this initiative, they committed themselves to dialogue, exchange of experience and practical co-operation with other EAPC Member States in pursuing the PAP-DIB objectives which are considered fundamental to the development of effective and democratically responsible defence institutions. This consideration implies that our efforts to identify the current status and needs which these nations might have are in line with the above-mentioned framework. In other words, the nations of Armenia, Azerbaidjan, Georgia and Moldova are expected to transform their commitment to this initiative into plans and actions aiming at building, reforming and/or adapting their defence institutions in the same manner that is applied to other PfP and EAPC programmes and initiatives. If this were the case, we might expect that the nations concerned would welcome the results and benefit from this report.

As the PAP-DIB was designed to make maximum use of existing EAPC and PfP tools and mechanisms, such as the Individual Partnership Action Plan (IPAP) and the PfP Planning And Review Process (PARP), we did not expect to find a separate tool in place among the subject nations for planning, monitoring and reviewing their endeavours with respect to the implementation of PAP-DIB objectives. As such, our research was not aimed at commenting on the efficiency and effectiveness of such a tool. Nor did we endeavour to duplicate the work that these nations undertake with NATO in relation to reporting and assessing the progress of achieving the PfP/IPAP/PARP objectives, or to enter into more restricted details such as Partnership Goals. We considered that a key principle of PAP-DIB is transparency to the public and the international community at large. We built upon this principle to identify the status and needs of each country from available open sources. Our research centred on defence institutions with a focus on the existence and the performance of related regulations and defence planning procedures, as well as on attitudinal aspects of defence matters in both governmental and non-governmental entities.

Attempts to define the status of defence institution building in any nation is by default a difficult task, as institutionalisation is a complex domain, dominated by the dynamics of change which overlap and sometimes blur its perennial aspects. Older and well-embedded arrangements should, at times, be replaced with new ones, better suited to the evolving requirements of democracy and good governance. Old customs should make way for new procedures and more effective and efficient standards. Moreover, when these transformations are not planned in detail and are not conducted in a coordinated manner, the process of defence institutionalisation is not entirely visible to the public.

The existing defence institutions of the nations featured in this study were either inherited or imported from the former Soviet Union arrangements and procedures governing the defence sector, and adapted to the requirements of independent states in transition to democracy and free market economies. This type of defence arrangement can be characterised by an over-centralised decision-making system on strategic and even operative issues, a hierarchy which excluded civilian involvement in formulating, controlling and implementing defence missions, an arbitrary system of resource allocation, the absence of transparency to the public and public representatives, and a poor capacity to achieve medium and long-term planning. Each of the four nations acknowledged some years ago that the military power generated by such defence sector arrangement fails to respond properly to its interests and aspirations and should be reformed accordingly. Furthermore, for several years, the process of defence reform has been on the political agenda of these nations with visible results, but this process dealt mostly with the military forces themselves and not with the institutions that governed them.

The basic NATO document which introduces the PAP-DIB initiative refers to arrangements and procedures as being the institutional core of defence. As described in the 10 PAP-DIB objectives, these arrangements and procedures should be effective and transparent. During our research, we explored old and new arrangements in the legal framework of defence, as well as in the legal framework of the general government, whenever the regulatory, enforcing or auditing provisions had any impact over the defence sector. As for procedures, we took into consideration the well-established practices, customs and traditions in governance and defence as they are revealed by current activities in the field, or are perceived by different governmental and non-governmental subjects who were interviewed for this purpose.

Armenia and Georgia replied to the questionnaire that was produced for this study, while Azerbaidjan and Moldova chose not to respond to the same questionnaire. While being valuable inputs for better understanding the arrangements and procedures that are in place in the framework of defence institutionalisation, the findings resulting from the questionnaire were supplemented by research and interviews, which allowed for the completion of a country profile of each of the four nations, regardless of their response to the questionnaire.

We also had to consider that the general framework of democracy and the level of governance are factors of significance for the nations of Armenia, Azerbaidjan, Georgia and Moldova, as genuine government interest in developing appropriate defence institutions and real progress in related endeavours were not identified outside these contextual factors. It was not in the remit of our research to measure the level and the functionality of democracy, as a form of social organisation where the people are the supreme and sovereign holders of power, whereby such power is exercised through freely elected representatives. We took for granted the ratings that have been assigned by other institutions, such as in “The Freedom of the World” survey which was issued by Freedom House. There are different levels of democratisation among the respective four nations, and it is internationally recognised that each state is yet to develop measures leading to full-fledged democracy. When we assessed the arrangements and procedures in place for granting the democratic authority to the elected bodies of the general government and for a balanced distribution of responsibilities among the legislative, the executive and the judicial powers, it was evident that the public has, at least, a fair degree of freedom to express

its will. It was not in our interest to make comparisons between the four nations. However, differences between them, particularly in terms of how functional and comprehensive their democratic environment appears to be, were noted. In each of the states examined and to varying degrees, internal or external observers believed that steps should be taken in an effort to enhance the representation of public needs, opinions and expectations particularly in relation to affairs of the state. Nonetheless, we have determined that the exercise of building effective defence institutions in itself has significant value in terms of the democratic development of each country.

There are also differences among the subject nations as to how the defence sector relates to other institutions in the public sector. For example, defence sector budget management in the Republic of Armenia is based on a mid-term expenditure programme similar to that of other sectors. The defence sector in the Republic of Moldova is yet to implement a multi-annual budget management programme, despite the fact that other sectors are already doing so. Nevertheless, all governments are responsible for improving their capacity to enhance public sector governance and this in itself is a positive context for defence institution building.

Finally, we considered the role and place the defence sector, as an expression of military power, plays and occupies in the government and in the eyes of the public. In general, it is understood that the armed forces, as the main component of the defence establishment, is treated with consideration by the legislative and the executive branches of the government and is held in high public esteem. However, the military power it produces was not determined as representing a key tool of governance.

All four nations have serious security concerns related to volatility in certain regions within their borders. The general attitude of these nations has been to seek solutions for such concerns in accordance with international mediation, without recourse to military violence.

An important role of the defence sector is related to security co-operation and international commitments. Co-operation with NATO occupies a major place in the security policies of each country.

Regardless of the role defence plays in the public sector, it is our belief that the exercise of defence institution building is of significant value for the government in general, as well as for the public, keeping in mind that governance mechanisms in other domains are not yet fully functional or effective in terms of their institutionalisation. Eventual success in the area of defence may therefore be translated into a valuable national experience in other arenas in the government and public sector.

Part A. The Status of Defence Institution Building

1. Arrangements for the Democratic Control of Defence*

Democratic control of defence activities is a process that is influenced by normative and attitudinal aspects of the government on one side and of the public on the other side. For the purpose of this report, the overall framework of democratic control reflects the public's interests, aspirations and options with respect to defence policy development and in keeping with the premise of establishing an effective, efficient and affordable defence system. Democratic control also represents a guarantee that the military power generated by the state remains fully justifiable to the people and that it would never be turned against the people, or used against the people's will.

With the above considerations in mind, we analysed the arrangements that have been established to ensure democratic control of defence activities, with a focus on appropriate legislation and practices, and the legal and operational roles and responsibilities that are shared by the key state institutions in the legislative and executive branches of government.

These constitutional and legal arrangements are based on the principle that the peoples of Armenia, Azerbaijan, Georgia and Moldova are the supreme holders of power in their respective states and that they exercise their power and authority through freely elected representatives.

In each of the abovementioned countries, the Parliament is the supreme representative body which exercises its legislative power by adopting the appropriate legislation and norms on defence matters. In general terms, Parliament is also empowered to determine the principal directions of domestic and foreign policies, and to exercise control over the activity of the government. More specifically, in relation to control over the defence sector, Parliament's role is defined in the Constitution. Parliamentary responsibilities are also outlined, with a certain degree of generalisation and with less emphasis on the functional arrangements for ensuring its effectiveness, in appropriate related legislation. A substantial portion of these responsibilities is delegated to the executive branch, under the authority of the President.

Since the adoption of the current Constitutions in Armenia and Azerbaijan in 1995, in Georgia in 1997, and in Moldova in 1994, each country's Parliament has adopted laws specifying the mechanisms and responsibilities for the establishment of defence systems in times of peace and war, and setting out levels of authorisation for the executive power. In the case of Armenia, the constitutional amendments of 2005 dealt significantly with the defence sector. The corpus of legislation on defence comprises laws on national security, defence, martial law, state of emergency, mobilisation, compulsory military service, and statutes concerning military and civilian personnel.

These laws define the basic requirements for the democratic control of the armed forces, and the protection of civilians, as well as the civil, social and personal rights of servicemen and armed forces personnel.

* PAP-DIB Objective: Develop effective and transparent arrangements for the democratic control of defence activities, including appropriate legislation and co-ordination arrangements setting out the legal and operational role and responsibilities of key state institutions in the legislative and executive branches of government

1.1. Arrangements to Establish Democratically Elected Representatives as the Supreme Authority on Defence matters, and to Ensure that the Defence Sector Exclusively Serves the Public.

The constitutional and legal frameworks in Armenia, Azerbaijan, Georgia and Moldova establish that the people are the supreme holders of military power. Military activities are authorised by the executive branch, headed by the President, with endorsement from the Parliament.

There are similarities in all these nations with respect to the arrangements involved in exercising democratic control over state bodies that are authorised to undertake military activities, as well as the arrangements authorising the use of military power in a given situation. The overall format for decision-making with regards to declarations of a state of war, martial law, state of siege, or emergency is that the President has the authority to decide on each of these situations and Parliament subsequently endorses, validates or reverses such presidential decisions.

The President is the supreme commander or the Commander-in-Chief of the Armed Forces. In the Republic of Armenia, Azerbaijan and Georgia, the President is elected directly by the people, through universal and direct voting. In the Republic of Moldova, the President is elected by the Parliament. In all four nations, the President should be elected for no more than two consecutive mandates, or two mandates in the case of Azerbaijan. In Azerbaijan, the President is the constitutional holder of executive power while in the other three nations the President is empowered with various degrees of executive authority. The President in each country is responsible for foreign and defence policy formulation and implementation. According to the Constitution, in given situations, the President may be removed from office by the Parliament.

The key player in the defence establishment is: the National Security Council in Armenia, the Security Council in Azerbaijan, the National Security Council in Georgia and the Supreme Security Council in Moldova. These councils are advisory bodies to the President in his capacity of Commander-in-Chief of the Armed Forces. The President alone decides on the council's composition and regulation. While not decision-making bodies per se, these councils are, in practice, highly influential in all decisions related to defence.

In the Republic of Armenia, the President is empowered to coordinate the operations of the government in the area of defence, and to appoint and dismiss from office the highest command of the armed and paramilitary forces. He adopts decisions on the use of the armed forces, in the event of an armed attack against the Republic, imminent danger thereof or a declaration of war. His constitutional provisions require that he has the authority to declare martial law, to call for general or partial mobilization and decide on the use of the armed forces only when convening a sitting of the National Assembly is impossible. The National Assembly retains the right to annul such decisions. The President may declare a state of emergency only after consultation with the Chairperson of the National Assembly and the Prime Minister.

In the Republic of Azerbaijan, the President may declare martial law on the whole territory of Azerbaijan or in some of its parts. The President is required to immediately present his decision to the Milli Mejlis (the Parliament) for ratification, whenever a certain part of the territory of the Republic has been occupied, a foreign state has declared war against the Republic, real danger of an armed attack against the

Republic is present, a part of the territory of Azerbaijan has been blockaded, or if real danger of such a blockade exists. The President may declare a state of emergency in the separate areas of Azerbaijan when there are natural calamities, epidemics, epizootic, ecological and/or other catastrophes, as well as when actions are taken in violation of the territorial integrity of the Republic, there has been a forced change of its constitutional system, mass disturbance, accompanied by violence, rise of national conflicts threatening the lives and security of citizens, or the normal activity of state bodies. A decision to declare a state of emergency is submitted to the Milli Mejlis within 24 hours for ratification.

In Georgia, the President has the authority to adopt decisions on the use of the armed forces. The President may decide on the use of military power in cases of war or mass disorder, infringement of the territorial integrity of the country, *coup d'état*, or armed insurrection. The President may also declare a state of emergency when ecological disasters and/or epidemics are present or, in other cases, when state bodies are unable to normally exercise their constitutional powers. These decisions are subsequently submitted to the Parliament for approval within 48 hours. The only decision on the use of military power the President is not authorised to implement without the prior consent of the Parliament is the use of the armed forces for the purpose of honouring international obligations.

In the Republic of Moldova, following parliamentary approval, the President may declare partial or general mobilisation. In cases of armed aggression against the state, the President has the authority to take measures to repel such aggression, declare a state of war and inform the Parliament. The President is also responsible for taking other measures to ensure the national security and public order.

The effectiveness of the constitutional arrangements of each of the concerned countries has never been tested in real life situations, or in crisis management exercises at the national level. The current legislation on defence is not based on long-term security environment analysis or threat assessment, nor on the level of integration of the subject nations into the international security framework, and it is not explicit in describing procedures for the state authorities on the use of the armed forces in the context of war, martial law or emergency. For example, it remains unclear for the public as to how the Parliament controls the executive branch, especially the presidential powers on decisions related to defence activities, including the use of military power.

While the constitutional and legal arrangements to establish elected representatives as the supreme authority on defence matters requires further attention, the main arrangement to ensure that the defence sector exclusively serves the people is demonstrated by the fact that defence related issues are ultimately the responsibility of the people themselves, as established by the conscription system and ensured by constitutional provisions whereby the onus of national defence in Armenia, Azerbaijan, Georgia and Moldova rests with the citizen.

In practice, these arrangements remain uncontested by either Parliament or the public, and they are assisting in the establishment of institutionalisation of the defence sector. Reportedly, the respective governments of each country are considering undertaking adequate regulatory and procedural actions to resolve existing ambiguities.

1.2. Arrangements to Ensure that the People's Interests, Aspirations and Opinions are the Democratic Basis for Defence Policy.

The practice of comprehensive defence policy formulation is in its initial phase in Armenia, Azerbaijan, Georgia and Moldova. The constitutions and defence legislation of these nations have established some provisions for the format of defence policy documents and authorising procedures. Other documentation formatting styles are also under consideration.

The legislation governing the defence sector in all four states is rather vague and even conflicting in terms of regulating which policy documents should be issued by the empowered executive bodies and approved by the Parliaments. The constitutions nominate very few documents, with the exception of the Constitution of the Republic of Armenia, which has no such provisions. The Law on Defence makes reference to the constitutional provisions. Policies have been added to the law and, in recent practice, new documents are being introduced. However, the regulatory provisions fail to impose timeframes for the presentation of policy documents or for their revision. Furthermore, clear provisions for formulating guidance on the implementation of defence policies and strategies are also lacking.

In Armenian legislation, there is no explicit reference to any defence policy document, but only to the responsibilities of executive bodies with regards to the formulation and implementation of defence policies. National defence, called protection, is determined by the established military policy which is formulated and approved by the Armenian Government. The Minister of Defence participates in the formulation of military policy and implements the joint military-technical policy. A National Security Strategy developed by an Interagency Commission was published in November 2006, while a Defence Concept is planned for 2007.

According to the Constitution of Azerbaijan, the main defence policy document is the military doctrine, which is formulated by the President, endorsed by the Milli Mejlis, and implemented by the Government. However, such a policy document is yet to be produced and approved in Azerbaijan. Other policy documents, namely the National Security Concept and the National Military Strategy are reportedly at different stages of formulation by an inter-agency commission.

In Georgia, the first unambiguous security policy instrument to be introduced into government practice was the National Security Concept, which was presented by the National Security Council to the Parliament upon its endorsement in July 2005. A Strategic Defence Review is currently being drafted and it represents the key political guidance instrument at the strategic level. At the political-military level, a National Military Strategy was issued in 2006, and this is to be followed by a White Book on defence. The National Security Concept identifies the national values, interests and the aspirations of the people, as well as their security concerns. It presents a vision of the secure development of the state and establishes the major directions of national security policy. The National Military Strategy is an integral part of national defence policy, and identifies the foundations for developing the Armed Forces, their structures and capabilities. As a policy guidance instrument, it is subject to adequate revision upon the completion of the Strategic Defence Review.

In the Republic of Moldova, according to the law, the main policy documents related to defence are the National Security Concept and the Military Doctrine. These two documents were approved by the Parliament in 1995, and they contain general

principles and arrangements for the defence system. The National Security Concept is also seen as a political guidance instrument for the further regulation of defence through parliamentary decisions and laws, and most, but not all, of its provisions may be identified in follow-up legislation, such as the Law on National Defence or the Law on the Security of the State.

Current developments in the defence sector of Moldova are governed by the military reform policy which was formulated through the Concept on the Military Reform of the Armed Forces of 2002. Prepared by the Executive, accepted by the Supreme Security Council and forwarded by the Government to the Parliament, this concept was approved by parliamentary decision. The Programme of Activities of the Government for 2005 – 2009, a recent policy document entitled “Modernisation of the country – welfare for the people,” refers specifically to Moldova’s defence policy options. In a section titled, “The Military Security of the State,” the programme provides for improving legislation as a means of ensuring defence, national security and military planning. Adjusting the relevant legislation to international standards is also noted. The document acknowledges the need for a national security strategy and a military strategy, as key policy documents under periodic revision, and a strategic plan for national defence, as well as for scientific support of national defence endeavours.

Initial defence policy documents reflect the fundamental interests, expectations and opinions of the people. However, subsequent documents at the political and military levels are yet to follow. Furthermore, provisions rendered at the lower levels are not entirely consistent with the established strategic provisions. Moreover, the political and practical values of these documents are yet to be evaluated in accordance with the basic requirements of the defence sector. The exercise of hierarchical defence policy formulation can only be observed in Georgia and Moldova.

In each of the subject countries, there are no legal or procedural requirements for reporting to elected authorities on defence policy implementation, with the exception of budgetary execution. The supervision of policy implementation is left in the remit of the security councils assisting the Presidents. Such arrangements are functional and offer sufficient guarantees on the effectiveness of political decisions, but are less transparent to the Parliaments and the public.

The practice of defence policy formulation has been enhanced by the establishment of *ad hoc* inter-agency commissions at the executive level. In most cases, this procedure allows for accommodating public opinion, usually through the voice of civil society organisations. These organisations are provided with the opportunity to offer input into parliamentary proceedings on defence policy when the parliamentary commission is in session and deliberating on defence issues. This, in itself, is a powerful democratic tool for ensuring that the people’s interests, opinions and aspirations are reflected in the defence sector through appropriate defence policy. The legislation in force in Armenia, Georgia and Moldova contains provisions allowing for the implementation of proposals given by citizens, public organizations and the mass media, relating to defence related activities. However, with some marginal exceptions, there are no procedures encouraging direct participation. The Parliament or the executive typically welcomes public opinions at the opinion-issuer’s expense. Parliament’s commissioning of independent policy analysis, alternative strategies or surveys on public opinion on defence issues is not common practice.

In each of the countries studied in this report, the control function of the respective Parliaments should be utilised in the implementation of all defence policy documents in order to guarantee that the people's interests and opinions are taken into consideration. However, the Parliaments of Armenia, Azerbaijan, Georgia and Moldova approach defence policy formulation and implementation in a rather unbalanced manner. While there is a history of parliamentary investigation with respect to the way in which different defence agencies observe the laws governing their activities, there is a lack of similar parliamentary analysis of the way in which each defence agency implements its policies. Whenever parliamentary decisions on defence policy endorsement are administered, follow-up parliamentary enquiries into how the approved policy has been implemented are lacking. As such, initiatives to report on the implementation of parliamentary decisions with respect to authorising certain defence policies essentially rests with the discretion of the executive bodies.

Parliament and the executive branches of government occasionally use external sources of knowledge to clarify different aspects of security and defence policy. The Parliaments accept input from various agencies such as non-governmental organisations (NGOs) at the level of the specialised commissions, and in the process of debating on draft segments of regulatory provisions, but neither the parliamentary staffs, nor the executive agencies are involved in independent reviews of defence policy outcomes on a procedural basis.

The democratic process of reviewing an adopted policy on a periodical basis is mostly linked to international cooperation, such as the OSCE exchange of information on security issues or NATO/EAPC mechanisms. There is an obvious gap between the internal process of democratic control of defence activities and the international one, with the latter taking the place of the former at least in the reviewing and reporting phases.

It was expected that defence in Armenia, Azerbaijan, Georgia and Moldova would be established as a sound and rigorous sector incorporating and reflecting the people's aspirations, needs and acceptance of defence burdens, national perceptions of threats and opportunities, as well as the assessment of affordability on defence matters. If such a policy were in place, than the democratic control exercise would influence the way in which the relevant executive authorities implement policy, assess results and propose new courses of action.

There are no critical factors impeding a swift revision of the current practices of defence control on behalf of the electorate and implementation of required improvements. A combined action of the legislative and the executive branches of the four states, supported by political will and expert advice, may relatively quickly establish effective and transparent democratic control over the defence sector in every respect.

1.3. Arrangements and Procedures to Ensure the Balanced and Effective Distribution of Defence Responsibilities among the Authorities of the State

The arrangements and procedures in place in Armenia, Azerbaijan, Georgia and Moldova ensure a distribution of responsibilities on defence matters among the Parliament, the President, the Government and the Ministry of Defence. However,

such a distribution is not yet properly balanced among state powers in most of these nations.

The National Assembly of the Republic of Armenia, the Milli Mejlis of the Republic of Azerbaijan, and the Parliaments of Georgia and the Republic of Moldova have the legal authorisation to pass appropriate legislation on defence and security and to approve the key defence and security policy documents as presented by the respective governments. They are also authorised to approve the composition, the general structure, and manpower of the armed forces, and the defence budgets within the state budgets, ratify and denounce international agreements or treaties that contain obligations on the restriction and reduction of major weapons and of the armed forces, as well as on the use and restriction of the use of the armed forces, endorse appointments of key political defence leaders, and control the executive bodies in relation to the implementation of defence decisions and policies.

When preparing their decisions on any defence related issue, the respective parliaments of the abovementioned countries work in dedicated commissions and depend on their specialised staff members. In the Armenian National Assembly, there is a Standing Committee on Defence, National Security and Internal Affairs responsible for defence, security and internal affairs matters, including the military-industrial complex, military-educational institutions, military service, and the police force. In Azerbaijan, the Standing Committee of the Milli Mejlis on Security and Defence consists of eight members. The Defence and Security Committee of the Parliament of Georgia consists of 25 members who are supported by a staff of 12 specialists and three members of a trust group. The Standing Committee on National Security, Defence and Public Order within the Parliament of the Republic of Moldova has 10 members who are supported by a staff of four experts.

These arrangements are ideal for establishing effective democratic control over the defence sector. However, in practice, the respective parliaments seldom use their prerogatives to conduct thorough investigations on defence matters, including defence budgets, nor to take decisions on defence issues other than authorising policies and actions taken by the Executive. The work of the standing committees on defence is supported only in part by the existing staff of experts, and there is no transparent longer term planning of activities by these committees with respect to parliamentary control.

Reportedly, there are several initiatives working to enhance the effectiveness of these committees, including training for Members of Parliament (MPs) and their staff on an *ad hoc* basis. The results of such initiatives are yet to be seen.

The President has an authoritative position among the state's powers in all four nations. The President is the highest authority on defence matters, and exercises this authority through the Government and the Security Council. He is empowered to approve the structure of the armed forces, decide on defence policy documents and supervise defence policy implementation actions.

The President in each of the four nations subject to this study assumes the greatest responsibility in the area of defence policy formulation and implementation, resource management at the national level, and co-ordination of the various agencies in the defence sector. Strategic decision-makers also work on defence issues and, in some instances, decide on operational and tactical defence matters. The President has

a direct influence on the various Ministries of Defence, on occasion surpassing the Prime Minister.

Presidential actions on defence issues are endorsed by the Security Council, and supported by the work of the staff members in the Council. In Azerbaijan, Georgia and Moldova, the Security Council acts as a significant executive body on defence matters, whereby laws regulate its composition, role and responsibilities.

The Security Council coordinates and supervises the work of the various ministries and departments which are responsible for providing national security. In the cases of Armenia and Georgia, the Security Council is also responsible for coordinating the activities of local management bodies. The Council is perceived as a strategic forum for discussion on internal and foreign policy. On occasion, the Security Council addresses the Parliament with the intention of receiving approval of key policy documents, legislative projects, or parliamentary decisions on defence issues. However, the Council is not responsible to the Parliament and, as such, does not report on its activities. Nevertheless, MPs may sit on the Security Council, and this arrangement is considered sufficient for making transparent to the Parliament the activities of the Council.

The process of formulating strategic documents and defence policies is usually a collective one, based on the efforts of *ad hoc* working groups organised under the direction of either President or Prime Minister, but without detailed political guidance on most issues.

The roles of the Prime Minister and his/her Council of Ministers or government in the area of defence policy formation are less defined. Depending on the nation concerned, the Prime Minister's influence on decisions related to defence differs. However, the Prime Minister's practical role in implementing strategic defence decisions is paramount, as the government is chiefly responsible for coordination between the economic, financial and defence sectors.

The role of the Minister of Defence in formulating, endorsing and implementing defence policy decisions is explicit in the laws on defence and, in practice, is extensive within the defence establishments of Armenia, Azerbaijan, Georgia and Moldova.

The Ministry of Defence is the specialised central public authority responsible for the development of the armed forces, which organises, coordinates and conducts national defence activities. In terms of policy formulation and implementation, the Ministry of Defence assesses the political-military environment, identifies risks and threats with a military dimension, as well as the requests from other public authorities that should be satisfied with military means. The Ministry is involved in drafting the security policy and in establishing the main guidance for its implementation. As part of the Executive, the Ministry has legislative initiative, proposing adequate legislation and regulations on defence matters, and it is involved in drafting budgetary proposals. It is also responsible for organising scientific research in the military domain and for the implementation of research results undertaken on the national armed forces.

The Minister endorses defence documents issued by the Chief of Defence and the various departments in the Ministries of Defence, according to legal provisions. Other political and managerial decisions taken by the Minister of Defence are enforced directly by the entire defence establishment under his/her authority. The Minister issues defence policy decisions that are submitted for approval by the

Parliament, or the President, usually following endorsement by the National Security Council.

In all these nations, the defence ministries, as well as other components of the armed forces are undergoing various reform processes. Overall, the reform framework is transparent to the higher authorities and to the public. However, it is too early to assess the effectiveness of the measures taken thus far.

2. Civilian Participation in Developing Defence and Security Policy*

Defence policy refers to the development of confidence amongst citizens whereby the public interest is well served by the government's defence arrangements. It implies that a country's territorial integrity will be protected from the threat of hostile attack and it reinforces national sovereignty, core values and interests. If such an attack was to occur, defence policy guarantees adequate power for the country to cope with hostile attack. It also addresses the issue of protecting the country from internal threats and/or divisive forces. The establishment of a sound and clearly formulated defence policy ensures that all national efforts are directed towards achieving these objectives. Defence policy is not a military matter, but a political one and should remain within the remit of civilian leadership in any democracy, as this policy is an integral part of a state's foreign and domestic policies.

Formulating defence policy is a continuous endeavour, as it is a domain which faces changes both in relation to the changing security environment, in terms of threats and evolving opportunities and in relation to foreign and domestic policy arrangements. The formulation of defence policy requires two main prerequisites: effective political control and the involvement of adequate specialist and research institutions. Both those prerequisites remain the exclusive remit of civilians. The military plays an important role in the process of policy formulation, not as a decision-making authority, but in the capacity of expert advisor on military strategy, on the generation and employment of forces, and on the development of military capabilities.

The Republics of Armenia and Azerbaijan, Georgia and the Republic of Moldova inherited a defence system where the military, under the control of politicians at the highest levels of authority, played the role of civilian in defence policy formulation. From that system, all four countries went a long way to enhance the level of civilian participation in defence policy formulation. Reportedly, each of these nations understands that civilians have an important role to play not only at the highest levels of decision-making, but throughout the hierarchy. It was expected that this role was to be fulfilled sooner rather than later by qualified civilian personnel within the government structures, the Ministry of Defence included, and by the work commissioned to the specialised governmental and non-governmental organisations.

* PAP-DIB Objective: Develop effective and transparent procedures to promote civilian participation in developing defence and security policy, including the participation of civilians in governmental defence institutions, cooperation with non-governmental organisations (NGOs) and arrangements to ensure appropriate public access to information on defence and security issues.

2.1. Arrangements and Procedures for Civilian Participation in Defence and Security Policy Formulation

Currently, the level of civilian participation in developing defence and security policies may be observed mostly at the various decision-making levels. The Milli Mejlis of Azerbaijan and the Parliaments of Georgia and the Republic of Moldova are the highest civilian authorities working on defence and security policy formulation and adoption, while in the Republic of Armenia the remit for formulating defence policy rests with the Executive. In all these states, the Presidents are the leading civilians in the overall process of defining the direction of defence and security policies.

However, it is difficult to assess how these constitutional and legal arrangements are translated into practice, as most political acts are guided by policies in their incipient form. It may take several years before the role of civilians in developing security and defence policies in the nations of Armenia, Azerbaijan, Georgia and Moldova are well established and visible to their own people. The implementation process of newly-established or forthcoming security policies is a lengthy one. It is still to be seen as to how these policies are to be translated into plans and programmes, assessed in terms of costs, budgeted and reviewed, and to what level civilian involvement at the higher levels of decision making will reach.

The current status is that parliamentarians and their staff are not sufficiently involved in defence policy formulation and, especially, in policy implementation. For the most part, MPs endorse policy documents and final implementation reports as presented to them by the Executive. However, the Parliament seldom performs independent analysis on policy options and MPs rely on party lines for their judgement on relevant policy documents.

The President is assisted by the Security Council in formulating strategic security and defence policy and this may be considered a proper civilian framework. While a significant proportion of military personnel staff the Council, the Council itself is composed mostly of high-ranking civilians, such as the Prime Minister, other key ministers, heads of security organisations and parliamentary leaders. Thus, the Council, which is chaired by the President, also acts as a civilian think tank on strategic security and defence issues. It is perceived by the public as the highest expression of civilian participation in defence policy formulation and implementation.

The practice of forming inter-agency commissions and working groups for the purposes of formulating key policy documents such as strategic concepts or strategies provides for the genuine involvement of civilians in security and defence policy development. These working groups include representatives from ministries and departments outside the defence sector.

In terms of policy formulation and implementation, the ministries of defence are instrumental in assessing the political-military environment and in identifying risks and threats with a military dimension, as well as the needs public authorities may have with respect to the national defence system. The governments of the four countries examined in this report have been making arrangements in recent years which are clearly aimed at ensuring that civilians manage the defence ministries. With the exception of the Defence Minister of Azerbaijan, all ministers are civilians. In Georgia, all executive positions within the Ministry of Defence are manned by civilians, and the Ministry is separated from the Defence Staff.

2.2. Arrangement and Procedures for Civilian Participation in Governmental Defence Institutions

The culture of civilian participation in governmental defence institutions is in its incipient stages in the Republics of Armenia and Azerbaijan, Georgia and the Republic of Moldova. There are different factors influencing the speed and the quality of civilian involvement in executive and subordinate positions within the ministries of defence and other defence organisations. These factors are, at times, external to the existing defence establishments, but they overlap with some internal factors that should also be considered when civilian participation in defence institutions is being addressed. Among the external factors, there is the evolving legislation on the civil or public service, attractive wages and career development incentives, most if not all incorporated into structural reforms of civil service at national levels. The main internal factors influencing civilian participation in defence organisations are as follows: establishing or earmarking positions for civilians within the personnel structures, civilian professional development programmes, including proper training and education, efficient recruitment campaigns, and proper working procedures for civilians in executive and subordinate positions.

As a general observation, there are no constitutional or legal caveats impending over the executive decision to enhance the presence of civilians in the ministries of defence and other defence institutions. However, the legislation on the public service in general, and on public servants in defence institutions in particular reflects different degrees of development and implementation in Armenia, Azerbaijan, Georgia and Moldova. This transitional situation is influencing the enrolment of civilians as public servants within defence structures. Where the legislation on the civil service within defence institutions is more developed, the presence and contribution of civilian personnel are more visible, while where the regulations are still under consideration, civilian personnel are not yet fully contributing to defence activities.

The ministries of defence, as specialised central public authorities responsible for policy and development of the armed forces, organise, coordinate and conduct national defence activities. As part of the Executive, the ministries may exercise legislative initiatives, propose adequate legislation and regulations on defence matters, and participate in drafting budgetary proposals. It goes without saying that most of these responsibilities are civilian in nature, even if the personnel currently involved remains mostly military, with the exception of Georgia. In Georgia, the Ministry of Defence recently reformed its structure, allowing for a civilian component distinctly from the military staff. Under the authority of the Minister of Defence, the first deputy and the deputy ministers are civilians. The heads of departments and division within the Ministry are also civilians. Approximately 750 civilians are working in these departments, as well as in the military structures of the Ministry of Defence.

In Armenia, Azerbaijan and Moldova, government authorities are not sufficiently encouraging civilian participation in defence institutions or offering proper incentives for experts from civil society organisations to join the ministries of defence and other defence institutions. Reportedly, civilians are being assigned to marginal positions, are not encouraged to develop their professional knowledge and skills, remain underpaid, and receive fewer workplace benefits than military staff.

2.3. Arrangements and Procedures for Co-operation with Non-Governmental Organisations

In Armenia, Azerbaijan, Georgia and Moldova, certain arrangements and procedures authorised by the respective governments, allow for the involvement of non-governmental organisations (NGOs) in security and defence policy formulation and, to a less extent, defence policy implementation and the assessment of results.

Alongside political party staff, civil society organisations are perceived as a potential pool of high-ranking officials with the capacity to fill important government positions. The recent debates on defence reform in Armenia, Georgia and Moldova accommodated representatives from civil society organisations as an expression of the emerging political will to encourage increased co-operation with NGOs.

Apart from the established legislation, public policy does not enforce the practice of commissioning security and defence studies to specialised NGOs in any of the countries studied in this report. The government takes stock of the products of interest offered by certain NGOs on a case-by-case basis. These products are represented in the form of opinions and/or reports. However, as such reports principally reflect the agenda of the NGO concerned and are a product of its funding, there is no guarantee that such work will accommodate the outlook of the government. In relation to the quality of work being produced by NGOs in each country, we failed to observe any trust building measures. As such, we were unable to determine how relevant the work of NGOs has been to the governments concerned.

There is no single NGO dedicated to defence, but rather several organisations, particularly those with interests in public policy and security issues and with the analytical capabilities to approach general defence problems.

These organisations predominantly produce research and occasional papers, national and international conferences and seminars pertaining to security matters and reports commissioned mostly from abroad. There are no alternative policies or strategies on defence. NGOs submit or publish opinions and recommendations on projects of legislation or policy documents, mostly when once such documents are forwarded to Parliament for its consideration and approval. Public debates on defence policy involving the government have made reference to some of the work issued by independent research institutes.

2.4. Arrangements and Procedures to Ensure Public Access to Information on Defence and Security Matters

Public information refers to documents and records. We assumed that documents are all publications issued by the defence organisation, such as policies and strategies, programmes, budgets, as well as journals and other periodicals, conference proceedings, research papers, or web pages, which provide substantial or unique information about defence in general or about a specific domain, event, institution or person. We further understood that records are all information created and developed as evidence about how a defence organisation or its personnel perform their legal obligations and accomplish their missions and objectives. Such records are usually preserved in archives.

Armenia, Azerbaijan, Georgia and Moldova established generally accepted arrangements to ensure public access to information on defence and security issues in

the context of evolving transparency on governmental activities. These countries respective constitutions proclaim the legal right of free access to information of every citizen. The laws on freedom of information (Armenia – 2003, Azerbaijan – 2005, Georgia – 1999, Moldova – 2000) regulate public information procedures. The government, including the ministries of defence should respond to written requests for information within a reasonable time frame, providing the information or explaining the basis for its decision not to release the information, if such a request is denied. Each of the governments concerned disseminate information of public interest on a case-by-case basis, and make a fair amount of defence and security information available for the public upon request.

Reports have referred to the difficulties associated with the current information systems. The majority of these country's information systems have been evaluated as overly bureaucratic and discouraging for the public pursuing information through formal channels. There are delays in the production of necessary governmental regulations for the implementation of freedom of information laws, appointment of information officials, website completion as well as a failure to properly administrate appeals and sanctions. They have been cases reported whereby public authorities have demanded applicants to state the reason for a request for information. These shortcomings at the general government level are influencing the attitudes of defence officials as well.

Moreover, at the level of the Ministry of Defence, there were numerous situations whereby requests for information were denied and, instead of an appropriate justification, reasons such as national secrecy or sensitivity were invoked leading the public to believe that the concurrent legislation on protection of classified information might be easily abused. Less has been done in terms of instructions or guidelines, policies or strategies introducing adequate procedures for orienting the interested public in quests to obtain information on defence and security matters.

However, some members of the public, such as NGO representatives, have been able to access information of interest within the system of government. The general public, with the exception of matters of personal concern, such as conscription, manifest less interest in accessing information related to defence.

3. Legislative and Judicial Oversight of the Defence Sector*

The activities of the defence sector in the Republics of Armenia and Azerbaijan, Georgia and the Republic of Moldova are regulated by a large corpus of legislation, comprising rights and obligations for the public authorities, military and regular citizens on relevant matters such as conscription, mobilisation, requisitions and military discipline.

As a general rule in these nations, overseeing the way those entities observe legislation and accomplish their missions falls within the remit of executive bodies. Nevertheless, the legislative and the judicial bodies have an important role to play in overseeing defence activities.

* PAP-DIB Objective: Develop effective and transparent legislative and judicial oversight of the defence sector, including appropriate arrangements to conduct due legal process

3.1. Legislative Oversight

Oversight rests naturally with the dedicated committees of the Parliaments. In Armenia, the National Assembly's Standing Committee on Defence, National Security and Internal Affairs has 22 members. The composition of the committee is widespread among the factions of the National Assembly, with no more than four deputies belonging to the same group. The chairperson and another three deputies do not belong to any parliamentary group. This composition suggests that decisions are not taken along party lines, and that the deputies are ensured greater liberties to assume their own opinions on defence and security issues.

The Law on Rules and Procedures of the National Assembly of 2002 states that standing committees are responsible for considering drafts of legislation and other proposals and for reporting to the National Assembly. It also entrusts the Standing Committee on Defence, National Security and Internal Affairs with the following range of activities: defence, security and internal affairs, the military-industrial complex, military educational institutions, military service and the police force. The Committee establishes the rules and procedures necessary for proper functioning. Specialists and experts support the work of the Committee. The chairperson of the Committee has the authority to employ or dismiss the members of this staff of experts.

In Azerbaijan, the Standing Commission of the Milli Mejlis on Security and Defence is composed of eight members.

In Georgia, the Parliamentarian Committee on Defence and Security is composed of 25 parliamentarians assisted by a staff of 15 specialists.

In Moldova, the Parliamentary Committee on National Security, Defence and Public Order has 11 members and is chaired by a member of the ruling party, while a member of an opposition party chairs the sub-Committee on the Secret Intelligence Service.

Their main activities are comprised of debating and approving for submission to the Parliament drafts and legislative proposals, undertaking parliamentary investigations, consulting public administration bodies and other institutions, and issuing advisory notices or recommendations. The Parliament, through its Decision on the Standing Committees' Areas of Activity of 8 April 2005, established as overseeing competences for this Committee: national security issues, military service within the specialized institutions of the executive branch assigned to protect national security, reform of the Armed Forces, namely the National Army; Border Guards Troops and Carabineers, military and alternative service, social and juridical protection of military personnel, and observance of state secrets. The Committee is also responsible for monitoring public order and other components of the security sector. The chairperson of this Committee is, by law or by presidential decision, a member of the Supreme Security Council and the Board of the Information and Security Service of the Republic of Moldova.

The work of these committees and their involvement in defence issues has been rather generic, with less concrete input not only in the process of formulation and/or implementation of defence policy, but also in exercising legislative oversight. There are no legislative initiatives generated by the members of these committees reflecting an overseeing interest of the legislative bodies. Few of the generally accepted instruments for legislative oversight were employed in the overseeing process. Most of the reports forwarded by the executive to the respective parliaments

have been concerned with general issues, such as budgets and have not reflected any parliamentary agenda for defence oversight. While these committees have organised hearings in the past, their direct impact on the executive bodies remains very difficult to determine.

In the majority of these countries, survey analysis and report preparation on specific defence related issues by permanent specialised staff is still at an incipient stage. This process is not yet a full-fledged procedure in part due to the inappropriate level of expertise and training of parliamentarians. The training that has taken place for staff members and parliamentarians alike has typically focused on issues related to transparency and proficiency.

Assessment and review of defence reform in these countries is principally undertaken in the context of international support for the reform process, such as the Individual Partnership Action Plan (IPAP) and the Partnership for Peace Planning and Review Process (PARP). Parliamentary members and staff members are rarely involved and the specific mechanisms employed for these activities are yet to be incorporated into legislative procedures.

The main areas covered by legislative oversight of the defence and security sector are as follows: initiatives taken by the executive bodies, various strategic policy documents, troop engagement in international missions and the budget.

3.2. Judicial Oversight

The judicial oversight of the defence and security sector covers both the preventive control and the sanctioning functions of the various judicial bodies.

In their preventive control function, judicial bodies are expected to establish the constitutional basis of all the acts taken by empowered authorities on defence and security matters. The Constitutional Courts of Armenia, Azerbaijan, Georgia and Moldova are well established within the judicial framework, are governed by appropriate legislation and are relatively independent of the legislative and the executive powers. They are entitled to supervise any acts taken by the Parliaments, Presidents and executive bodies on defence matters with a clear goal to establish their constitutionality.

On June 2006, the National Assembly of the Republic of Armenia adopted a new law on the Constitutional Court. The Court is empowered to determine the compliance with the Constitution of the laws, resolutions of the National Assembly, decrees and orders of the President of the Republic, decisions of the Prime Minister and bodies of the local self-government, as well as the constitutionality of international treaties. It is called to resolve all disputes arising from the outcomes of referenda, and from decisions regarding the elections of the President of the Republic and Deputies. The Court may conclude on the grounds for impeaching the President of Republic, or on his or her incapacity to fulfil the presidential responsibilities.

The Constitutional Court of the Republic of Azerbaijan oversees the acts and decisions taken by the President of the Republic, the Milli Majlis, the Cabinet of Ministers, the Supreme Court, and the Procurator's Office in correspondences on the laws of the Republic, decrees and orders of the President, decrees of the Milli Majlis, decrees and orders of the Cabinet of Ministers, normative-legal acts of the central bodies of the executive power in relation to the Constitution and other laws. It also

supervises the correspondence of decrees authorised by the Cabinet of Ministers and the normative or regulatory acts of the central bodies in relation to presidential decrees. The Constitutional Court is empowered to oversee the decisions of the Supreme Court, as well as the constitutionality of international agreements which are not yet ratified. The Court may also be requested to settle disputes connected with the division of authority between the legislative, executive and judicial powers. The decisions of the Court are obligatory for any state authority. The laws and other governmental acts and regulations should be amended according to the Court's ruling.

In Georgia, the legislation on the Constitutional Court also covers the Court's legal proceedings and social protection of the members of the Court. Revised in 2004, the Law on the Constitutional Court of Georgia states that the Court is empowered to decide on conformity of laws with the Constitution of Georgia, normative resolutions of the Parliament, normative acts of the President, the Government and those of the higher state bodies of the Autonomous Republics of Abkhazia and Ajara as well as conformity of adoption/enactment, signing, promulgation and entry into force of legislative acts of Georgia and resolutions of the Parliament. The Court also rules on disputes over competences between the state bodies, constitutionality of international treaties and agreements, violation of the Constitution by the President, the President of the Supreme Court of Georgia, a member of the Government of Georgia, the Prosecutor General of Georgia, the President of the Chamber of Control of Georgia and the members of the Council of the National Bank of Georgia.

In Moldova, the Constitutional Court deliberates and decides on the constitutional basis of legislation, acts and decisions of the Parliament, the President of the Republic, the Government, as well as on the constitutionality of international treaties. The Law on the Constitutional Court was last amended in 2003.

Records show that the Constitutional Court of the Republic of Moldova has ruled on the constitutional aspects of executive decisions, but there is a public perception that the courts in general are not free from political influence, as the top magistrates are appointed and not elected.

There are various solutions to secure the independence of the courts' members from the authorities responsible for their appointment. In Armenia, the President of the Republic shares the responsibility of appointing judges of the Constitutional Court with the National Assembly, appointing four of them, while the National Assembly the other five. Both the President and the National Assembly retain the right to terminate the power of the members of the Court, under the conditions stipulated by the Constitution and the Law. In Azerbaijan, the judges of the Constitutional Court are appointed by Milli Majlis on recommendation of the President. In Georgia, of the nine members of the Constitutional Court, three are appointed by the President of Georgia, three by the Parliament and three by the Supreme Court. In Moldova, the Constitutional Court is composed of six judges, two of whom are appointed by the President of the Republic, two by the Parliament and two by the Superior Magistrates Council, for a period of six years.

Apart from the state authorities who are expected to address the Constitutional Court in the ruling of matters pertaining to their competences, members of the public may also make appeals to the Constitutional Courts on matters concerning violations of their human rights and freedoms.

In Armenia, the ombudsman institution is well-established at the national level, under the office of Human Rights Defender of the Republic of Armenia. The defence of human rights is covered by appropriate legislation, including legislation for the military personnel rights and freedoms. One of the working groups within the ombudsman organisational structure deals with the rights of military servicemen. The office published its first annual report in 2005, covering the activities of 2004. Issued in April 2006, the annual report for 2005 situated the Ministry of Defence at eighth place among the public authorities against which the highest number of public complaints were made, whereby it was surpassed by the police, social security bodies and legislative authorities (courts, prosecutors and the Ministry of Justice) as well as the municipal power of Yerevan.

In Azerbaijan, the Ombudsman is authorised to address the Constitutional Court in cases where the rights and freedoms of an individual have been violated by legislative acts in force, normative acts of executive power, municipalities as well as court decisions. In 2006, the Ombudsman Office received 7400 complaints most of which referred to the law-enforcement authorities, civil servants and courts.

In Georgia, the agenda of the Public Defender's Office has been to deepen its activities in the Ministry of Defence, in an effort to ensure proper human and civil rights observance within the military.

In Moldova, the legal framework takes into account both the protection of civil rights and welfare of the military, as well as the protection of civilians against military abuse. The Criminal Code dedicates a fair portion to crimes of military nature, including breaches of international conventions and the abuse of human rights, or crimes against humanity.

In their sanctioning function, judicial authorities exercise oversight of the defence sector through courts and prosecutors, based on criminal and civilian codes.

4. Assessment of Security Risks and National Defence Requirements*

Armenia, Azerbaijan, Georgia and Moldova are developing their military capabilities according to various requirements, including those resulting from the international commitments each country has made in recent years. The existing legislation on security and defence is ill-defined with respect to the arrangements which have been established for the purpose of justifying preference for a certain size or type of military force, for its missions and the capabilities the military should develop. There are no visible procedures either in legislation or government practice detailing the responsibilities of different governmental bodies for developing their armed forces. Steps for identifying new force requirements, deciding on preferred solutions and planning for force and capability development are also lacking.

* PAP-DIB Objective: Develop effective and transparent arrangements and procedures to assess security risks and national defence requirements; develop and maintain affordable and inter-operable capabilities corresponding to these requirements and international commitments, including those in the framework of PfP.

While these countries have elaborated a number of strategic documents defining the perceived risks to their national security, correspondence between the assessed risks and national defence requirements, in institutional terms, is less visible.

4.1. Security Risk Assessment

For a long period of time, all four nations were extremely reluctant to publicly express their security concerns based on any institutionalised risk assessment. Only recently have considerations been made to assess risks and threats to their security as part of the defence development process.

The legislation in force refers to risk and threat assessment as an activity or a part of the defence domain, and indicates or implies that the government should be responsible for this assessment. However, there are no procedural provisions from which the public may learn who exactly in the government is responsible for what type of risks, what are the remits of such responsibility and how is the process of risk assessment projected over time, especially in terms of revising or updating conclusions in a rapid changing security environment.

Armenia included security risk assessment into its newly published National Security Strategy. Azerbaijan's security and defence strategic documents are still under development, while Georgia has published its first National Security Concept and a corresponding National Military Strategy. In Moldova, various documents have addressed the matter of security risk assessment.

For the time being, it is very difficult to assess the effectiveness of security risk assessment in the nations that have already started this process. It remains unclear as to whether the assessment of security risks is gaining importance among the defence planning mechanisms currently in place, or whether it is only a political element of a more general nature. We were unable to identify any strategic guidance as to how the risks should be associated with defence missions or with military or non-military means and ends identified for addressing those risks, but some deviations in the ways in which risks are formulated at a security strategic level were observed allowing us to assume that the procedures rendering the assessment functional in terms of relevance for defence development are still developing or are not properly employed by defence planners or decision-makers at the lower echelons.

Nevertheless, it seems that the idea of security risk assessment is gaining momentum in all the countries concerned. In the not too distant future, this mechanism will undoubtedly replace the current less transparent and more arbitrary procedures which are being used to determine defence requirements.

4.2. Defence Requirements Assessment

At present, the application of transparent methods and procedures required for the establishment of functional defence institutions is not being incorporated into the decision-making processes of the countries assessed in this report. This is particularly the case with respect to important strategic decisions, such as, cuts in the total number of military troops, hardware capabilities and procurement and renouncement issues.

There are several missing links in the development of the military forces in these countries, such as defence reviews, white papers, procurement strategies and

defence planning guidance and/or directives. While impressive efforts have been made by the various ministries of defence to train and equip the armed forces with limited financial resources, particularly in the absence of planning tools such as those mentioned above, the impression remains that not all these efforts are being sufficiently channelled to produce the most efficient and effective results.

Public declarations from authorities in the defence sectors in Armenia, Azerbaijan, Georgia and Moldova have been made to suggest that all these missing links will be properly addressed in new legislation on defence planning and in the emerging procedures for the planning, programming and budgeting process.

4.3. Capability Development

All four countries are developing their defence capabilities in accordance with national interests and levels of affordability. While the development status of each country has not been assessed in this report, because this issue was not within the remit of our research, we were interested in assessing to what extent political and military decisions are expressions of the desired capability development of each state.

The capabilities required for these countries to maintain their international commitments, including those based on co-operation with NATO, have been developed within an institutional framework. Each nation has established varying degrees of interest in fostering international co-operation and involvement, negotiating with international partners and initiating various programmes.

However, the current level of institutionalisation is less straightforward, whereby a significant level of uncertainty in strategic matters, such as on perspectives of force development and on the effectiveness and efficiency of the options, remains.

5. Management of the Ministry of Defence and Agencies with Responsibility for Defence Matters *

The strategic dimension of the management of defence in Armenia, Azerbaijan, Georgia and Moldova is situated at the level of the President, as Commander-in-Chief of the Armed Forces. The President is entrusted with the overall leadership of the national defence system and coordination of all public administration authorities on defence matters, as well as the general leadership in ensuring the required resources for national defence needs.

Executive governments are key players in managing defence, especially in implementing defence policy objectives, with the ministries of defence playing a leading role.

* PAP-DIB Objective: Develop effective and transparent measures to optimise the management of defence ministries and agencies with responsibility for defence matters, and associated force structures, including procedures to promote inter-agency co-operation.

5.1. The Management of the Ministry of Defence and other Agencies with Responsibility for Defence Matters

As previously mentioned, the ministries of defence in Armenia, Azerbaijan, Georgia and Moldova are at different stages of the reform process. Reform efforts underpin the very core of defence management. In these circumstances, it would be adventurous for us to evaluate the managerial performance of the various defence ministries while they are undergoing revision and reform. However, it is clear that the hierarchical nature of decision-making, particularly in relation to managerial issues, is being complicated. In the executive branch of the government, the level of authorisation is very high, leading us to believe that such a complicated authorisation process may slow down any managerial initiative. Moreover, defence management is not sufficiently transparent in most of these nations. The existing terms of reference in the different components of the defence sector are not accurate enough, and the performance of certain branches within the ministries of defence is not visible to the public.

Personnel are not operating under well-defined standing procedures. This makes work more demanding, less results-driven, and allows for the employment of human resources without a focus on organisational objectives.

While the ministries of defence are receiving consistent international assistance in an effort to improve their managerial performance, the content of the assistance programmes has not been publicly disclosed.

5.2. Procedures of Inter-Agency Co-operation

Inter-agency co-operation procedures are generally established through convergence at higher levels. In other words, whenever multiple agencies are required to co-operate on a common project, a higher authority will assume the task of coordinating the required inter-agency work.

In terms of inter-agency co-operation, the President is responsible for overall coordination as he has the constitutional and legal authority to lead on matters of security, defence and foreign policy. In most of the nations assessed in this report, the Head of State is also empowered to exercise co-ordination and control over the activity of the members of the government. The President approves force readiness plans, plans for the use and mobilisation of the armed forces, including mobilisation of the economy, as well as plans for military defence of the territory and for civil defence at the national level.

The Parliament assumes some responsibility for inter-agency co-operation through resolutions on specific security and defence issues, and involvement in inter-agency working group activities.

6. Compliance with Internationally Accepted Norms and Practices Established in the Defence Sector*

Compliance with the internationally accepted norms and practices established in the defence sector is an important principle of defence institutionalisation in the Republics of Armenia and Azerbaijan, Georgia and the Republic of Moldova. As members of the United Nations (UN) and the OSCE, and in conjunction with their co-operation with the European Union (EU) and NATO, these countries have assigned real importance to satisfying international requirements. The constitutions and relevant legislation recognise the precedence of international law, and the governments are finding effective ways to implement those norms and practices.

The level of transparency on weapons trading remains low. Furthermore, information on weapons collection, possession, manufacture, destruction and the illegal trade of firearms is not accessible to the general public, although members of the government and the Parliament are informed of the licences that are granted for arms exports. Moreover, an annual report on the export, import and transit of arms is available to certain governmental departments.

The main caveat in compliance with internationally accepted norms and practices on armaments control rests with the incapacity of the central governments to control the breakaway regions.

7. Personnel Structures and Practices in the Defence Forces[†]

There are visible developments in the structures and practices of personnel within the defence forces of Armenia, Azerbaijan, Georgia and Moldova. Legislation on military and civilian personnel has either been revised or is currently under revision in these countries and defence reform requirements are being restructured at the level of the ministries of defence.

The practice of issuing organisational documents governing the military structure is current in all these nations. Personnel structures are governed by organisational charts which are approved by higher echelons, by terms of reference and mission statements for each structure, job descriptions for commanding officers and their staff, as well as unified regulations for each structure. However, for the time being, personnel are not supported by standing operating procedures. Staff members are expected to work long hours, particularly at the level of the central structures, without a clear vision of current and/or medium-term tasks.

Military personnel are subject to periodical evaluation of their individual performance.

* PAP-DIB Objective: Develop effective and transparent arrangements and practices to ensure compliance with internationally accepted norms and practices established in the defence sector, including export controls on defence technology and military equipment.

† PAP-DIB Objective: Develop effective and transparent personnel structures and practices in the defence forces, including training and education, promotion of knowledge of international humanitarian law, arrangements for transparent promotion and career development, and for protection of the civil rights and freedoms of members of the armed forces.

Statutes regulate the rights and obligations of military personnel, while guaranteeing social-legal security for personnel and their family members as well as for those discharged from military service.

The main civil rights restrictions are as follows: military personnel may not adhere to political parties or other socio-political organisations or campaign for such organisations; they may not participate in collective protests or strikes; personnel may not be on the payroll of other organisations, with the exception of scientific, educational or recreational ones; they may not express publicly any opinion contrary to the national defence interests.

The ministries of defence in Armenia, Azerbaidjan, Georgia and Moldova consider education and training as central in their endeavours to reform their armed forces. In Georgia, an Education Command, under the authority of the Chief of Defence, coordinates this field of activity.

Levels of co-ordination and control differ within the defence sector education and training organisations operating in each country. The co-ordination function includes the revision of curriculum and guarantees the inclusion of appropriate matters related to international humanitarian law.

The ministries of defence take advantage of international assistance in the field of education and training, and most have established procedures to render the process of training abroad transparent to their own personnel and even to the public. However, the procedures for selection are not seconded with transparent personnel policies and do not necessarily provide for career development, nor do they offer any guarantees that any person enlisted in such a course will occupy a position for which the respective knowledge and skills are required.

In the area of personnel development, identifying transparent policies and strategies was particularly difficult, as no related documents are currently available to the public. Seen from outside the defence sector, there is a clear need for education and training strategies stating the strategic and operational objectives of this process, guiding structures in order to achieve those objectives in the medium and long-term, and harmonising national training and education methods with international recommendations.

8. Financial, Planning, and Resource Allocation Procedures in the Defence Area*

The current financial planning and resource allocation procedures within the defence sectors of Armenia, Azerbaidjan, Georgia and Moldova reflect the patterns established by their respective governments, which are undergoing different stages of reform.

All ministries of defence have a stated interest in improving and even transforming the way in which business is conducted, but the speed of designing new procedures and of implementing them is quite slow. The main assumption is that that the new or forthcoming financial planning and resource allocation systems would be

* PAP-DIB Objective: Develop effective and transparent financial, planning, and resource allocation procedures in the area of defence.

result oriented, but there is no confirmation of correspondence between the formulation of desired results within the existing doctrines and strategies and, in Georgia's case, the new Security Concept and National Military Strategy, and the exiting achievements of defence planning and force and capabilities developments. The strategic planning documents do not provide for consistent descriptions of desired outcomes, remaining at the level of general principles and requirements.

The general perception is that the financial resources allocated to defence are scarce or even insufficient in most of these states, so the ministers of defence are constantly and publicly campaigning for more funds. These requests are made in a way that implies or presumes a direct correlation between the amount of money allocated to defence and the military power the defence system generates. This was highly visible during the public debates on intentions to purchase specific military equipment and platforms, e.g. in Azerbaijan and Georgia. However, there is no evidence that the funds spent on defence in the subject nations each year are wisely planned or managed. Thus, this line of reasoning is hardly suitable in support of resource requests. Nonetheless, in the absence of strategic political guidance and force development strategies it is the only one available.

8.1. Legal and Organisational Frameworks and Procedures

The legal framework for financial planning and resource allocation is established at the national level in Armenia, Azerbaijan, Georgia and Moldova. There are no regulations dedicated to defence financial planning systems, or, at least, they are not known to the public.

The existing legislation was recently amended to include multi-annual budgetary procedures based on medium-term programmes. The implementation of these procedures was phased to pilot projects with selected ministries, approximately four or five years ago. However, with the exception of Armenia, the ministries of defence were not included in the initial phases.

8.2. Transparency and Effectiveness

The financial planning system at the national level is more a subject of fiscal accountability than of performance accountability and this characteristic is also reflected in the defence sector.

In Armenia, the military budget is introduced to the National Assembly in one article. Some lines of the budget are presented at a closed sitting of the committees and are not publicly disclosed. Under the authorization of the Prime Minister, the articles including state and administrative secrets in the annual budget report are presented at a joint closed sitting of the Defence and Financial Committees in the presence of the Chairman of the Control Chamber of the National Assembly. The Chairman of the Defence Committee presents the Committee's opinion before the Assembly in a general sitting prior to the adoption of the budget performance. The National Assembly examines the annual state budget report and eventually approves it based on the findings of the Oversight Office. The Control Chamber of the National Assembly is the institutional structure that warrants the observance of financial legislation and discipline, as well as carries out oversight of the effectiveness of the execution of the state budget and its military spending. The activities of the Control

Chamber are regulated by the Law on the Control Chamber of the National Assembly of 1996. The Chamber sends its examinations to the National Assembly speaker, who may pass them onto the Prosecutor General. The department of oversight of the budgetary expenditures of defence, national security, judiciary and local self-government is based in the Control Chamber. It examines the purchasing processes of the Ministry of Defence.

In Azerbaijan, the general perception is that the financial resources allocated to defence are scarce and even insufficient, despite the fact that the defence budget has doubled in recent years. The way in which requests for funding are made tends to imply or presume a direct correlation between the amount of money allocated to defence and the military power the defence system generates.

In Georgia, the President is responsible for presenting budgetary policies, including the defence budget to the Parliament, in the format of the state budget. As the President retains the overall authority for formulating security and defence policy, as well as for presiding over the Government in related policy implementation and resource allocation actions, the Ministry of Defence is more an execution organisation of presidential financial management. Moreover, certain expenditure chapters, such as procurement is integrated at the national level, under the State Agency for Procurement.

In Moldova, the Parliament is involved in monitoring financial planning implementation through its approval of the annual budget and through the monthly budget summaries it receives from the Ministry of Finance. The Parliament makes changes to the annual budgets by passing laws on modifying and supplementing these budgets during the yearly executions, directing additional incomes towards various areas of investment in accordance with the Government. Civil society organizations partake in broad policy formulation of the security sector. Academic and civil society representatives participate in the advisory committee under the Prime Minister discussing the annual draft budget and actively engaging in public debates organized by the Government to discuss draft laws, strategies and reports. NGOs, academics, and media representatives participate in, or are responsible for the organisation of conferences, roundtables and workshops on subjects related to security and defence but financial planning and resource allocation are not typically on the agendas. The annual defence budget, which is published within the state budget, offers little if any information on how public money is spent and to what effect. The laws on the annual budget contain only general expenditure allocation for the Ministry of Defence and National Army, under the National Defence, for the Carabineers Troops under the Ministry of Internal Affairs, and for the Border Troops Service under National Security Organisations. Without more detailed information on resource allocation, it is impossible to estimate to what extent these expenditures are allocated to the defence related activities of the Carabineers and Border Guards, as they are part of the armed forces, but also undertake other missions.

9. Management of Defence Spending*

In relation to public spending, the defence sector retains significant importance in Armenia, Azerbaijan, Georgia, and Moldova. These nations are reportedly witnessing economic and financial improvements and are experiencing a steady and positive growth in their respective Gross Domestic Products (GDP). However, eventual input in defence resources and an increase in defence spending do not automatically translate into more money for the defence sector nor does more money in the defence budget ensure an improved defence establishment by default.

In Armenia, the management of defence spending is the subject of the Government Mid-term Expenditures Programme (GMTEP). Over the last three years, the GMTEP has been managed, supervised and coordinated by the Permanent Highest Council for the National Mid-term Expenditure Programme, which is chaired by the Prime Minister. This Council ensures effective strategic decision-making and supervision of the GMTEP development process. The Permanent Working Group for coordination of the development of the mid-term expenditure programme is chaired by the Minister of Finance and Economy. This Working Group is responsible for ensuring the coordination and development of national mid-term programmes.

In Azerbaijan, the military budget has increased in recent years, but Azeri officials appreciate that it is still not enough to bring the armed forces up to the appropriate level of readiness. The need to increase procurement spending is of particular importance. Transparency on how defence spending is managed is lacking. The reports on budgetary execution in recent years vaguely detail how defence funding has been spent. The quality of this spending implies that financial planning assumptions were not entirely based on reality and that the management of defence expenditure needs further improvement. The public debates in the media reveal that the defence budget and the additional funds allocated to the military have been spent on construction, repair work and on the purchase of military hardware, without providing for a clear list of priorities that may have fostered the creation of required military capabilities.

In Georgia, the current budget management arrangements were introduced firstly for the general government and subsequently have been expected to expand to the defence sector. There are no levels of authorisation for defence spending other than the appropriations granted by the Ministry of Finance. The defence budget follows the same lines as the general government budget, and it is approved at the same time. The defence budget is structured by chapters of revenues and expenditures only, while other sectors of the general government have recently introduced budget management structured by programmes.

In Moldova, defence spending is characterised by a lack of transparency. Recent reports on budgetary execution show, in little detail, that the funds allocated to the Ministry of Defence were not entirely spent, implying either that the financial planning assumptions were unrealistic, or that the management of defence spending needs improvement. The Concept of Military Reform of the Armed Forces recognises that restructuring the armed forces requires sustained financial support and binds the Government to make this requirement a priority in its agenda, but does not make any

* PAP-DIB Objective: Develop effective, transparent and economically viable management of defence spending, taking into account macro-economic affordability and sustainability; develop methods and policies in order to cope with the socio-economic consequences of defence restructuring.

assumptions as to how much the reform process may cost, nor provide any suggestions as to how the necessary funds may be raised and subsequently managed.

10. International Co-operation and Good Neighbourly Relations in Defence and Security Matters*

The nations of Armenia, Azerbaidjan, Georgia and Moldova are developing transparent arrangements in an effort to maintain effective international co-operation in defence and security matters.

From the defence sector's point of view, it is important that such arrangements reflect the security and defence aspects of foreign policy and identify the state agencies empowered to formulate and endorse foreign policy solutions, to conduct international co-operation tasks and to effectively oversee the process and its results.

Among these arrangements, foreign affairs policy and strategy should occupy a primary place, followed by programmes and actions of implementation. The development of clear policy documents on defence, security and related foreign policy issues has been achieved by a select number of the countries assessed in this study. At the same time, the options stated in other policy formats and the actions taken in the field of foreign relations reveal that clear objectives and transparent actions are being implemented in an effort to accomplish such objectives.

The obvious centre of foreign policy formulation and coordination of its implementation is the Head of State. In all four nations, the President is empowered by the Constitution to formulate and implement both foreign affairs and defence policies, rendering the presidential institution with paramount importance in all aspects of international co-operation on defence and security.

In their coordination function, the Presidents refer mainly to the ministries of defence and of foreign affairs, but other security sector organisations are also deeply involved in international co-operation projects and agreements, namely the exchange of information, combating crime and preventing international terrorism. While coordination among these agencies is producing impressive results, some functional and institutional aspects are still to be addressed in a comprehensive manner. The practice of establishing permanent or ad-hoc interagency working groups at the national level is widespread, but their working procedures are sometimes complicated. Unfortunately, the policies and strategies guiding their activities, as well as the outcomes of their efforts, are lacking transparency.

10.1. Status of International Co-operation on Defence and Security

All four nations are developing various programmes of international co-operation on defence and security matters. They are all members UN and the OSCE. They are all partners of the Euro-Atlantic Partnership Council of NATO.

While the international relations focus in each of these countries has been on development and enhancing public welfare within the framework of democracy and

* PAP-DIB Objective: Develop effective and transparent arrangements to ensure effective international co-operation and good neighbourly relations in defence and security matters.

market economy building, defence and security co-operation is playing an increasingly significant role in connecting these nations to the international community.

Their development strategies and international relations policies are influenced foremost by the security problems and concerns, which were either inherited from the former Soviet Union or emerged after independence. Issues, such as separatist movements and territorial disputes, as well as concerns centred on external influence in domestic policy making could not be addressed effectively with internal means alone. These issues have required recourses and assistance at the international level.

At the same time, the international trends towards enhanced peace and security through development and confidence building measures specific to the end of the Cold War, fostered co-operation between nations that formally belonged to opposite blocks. The UN and the OSCE, as leading international organisations, as well as the EU and NATO have welcomed Armenia, Azerbaidjan, Georgia and Moldova, as well as any other nations in defence and security co-operation initiatives.

Strategic security decisions are currently evolving both in content and form. In each of the nations assessed in this report, alternate options and new security policy instruments are being introduced into governmental practice. Consequently, the status of international co-operation on defence and security does not necessarily reflect historical developments, nor does it offer enough ground for predicting the future of these relations.

Each of the subject nations is pursuing its interests through international co-operation in accordance with the generally recognised principles of confidence building and the peaceful resolution of conflicts and differences. Moreover, international co-operation has become a national strategic goal for all four nations.

International co-operation is pursued in multiple frameworks. The UN, the OSCE, the EU, NATO and the Commonwealth of Independent States (CIS) are the main organisations reflecting these frameworks. The nations of the South Caucasus and the Republic of Moldova are also establishing partnerships with important state actors of global and/or regional significance.

Co-operation with the UN is based on the assumption that active participation in UN-run programmes is a means of exposing national problems and concerns to the international community. It provides a venue for the co-ordination of efforts to secure international support in resolving and addressing those concerns. These newly independent states have also adopted the UN approach as a means of playing an active role in a changing security environment. For the most part, however, co-operation with the UN principally involves areas specific to the work undertaken by specialised UN agencies and bodies, such as the United Nations Development Programme (UNDP) and the World Bank. In a broader sense, some of those programmes may touch upon security and defence issues. UNDP programmes related to public policy and good governance may augment positive attitudes within different components of the security sector, while de-mining and mine awareness programmes may have an impact on some areas of defence. The national public policy documents referring to co-operation with the UN, its agencies and programmes, make general statements on this issue with limited, if any, reference to defence.

With the exception of Azerbaidjan, the subject nations reported their military expenditures to the UN Secretary-General with varying degrees of detail. This

exercise reflects the importance these countries have assigned to the UN framework not only in terms of enhancing transparency on disarmaments, but also in relation to increasing accountability on defence spending. It is unclear how much the level of detail produced in these reports is determined by transparency practices in relation to the defence budget or by the depth of financial planning and budget management.

On a smaller scale, the nations of the South Caucasus and the Republic of Moldova are involved in UN missions. While not impressive in size, such military participation has important political significance, as an expression of national commitment to international peace and stability.

The OSCE is an important framework of international co-operation for the nations of the Caucasus and Moldova and a partner in their endeavours to find solutions to their security issues. As active members of the OSCE, including the OSCE Forum for Security Co-operation, these countries apply OSCE mechanisms to promote security and confidence building. They are all signatories of the Vienna Document 1999 on confidence and security-building measures.

The OSCE has two long-term missions in the region, in Georgia and the Republic of Moldova. It has two offices – one in Baku and another in Yerevan. While the OSCE missions and offices focus on local conflicts and peaceful means to settle them, the presence of the OSCE in these capitals has created a functional framework for addressing other areas of interest, particularly in the area of security and, to some extent, defence. In conjunction with other international and domestic organisations, the more general issues of democracy and good governance are also being addressed. The OSCE has contributed to democratic institution building in these nations.

In its annual report for 2005, the OSCE Office in Yerevan revealed that it was engaged in initiatives to assist the Armenian authorities in improving legislation in the following areas: elections, freedom of assembly, religious freedom and the fight against trafficking. OSCE initiatives in the region focused on two large projects: the elimination of environmentally hazardous rocket fuel components (mélange) and assistance in police training and the promotion of community-based policing. The Office played a key role in setting up a National Task Force involving representatives from the Ministry of Defence, National Security, the Police, the Central Bank, the National Assembly and the President's Office. The Task Force prepared a draft national action plan, which offered a way forward to strengthen legislative and technical aspects of cyber security and to bolster the government's capacity to combat cyber crime.

The OSCE Office in Baku has also been involved in projects aimed at sustaining local NGOs in areas such as elections, police performance and assessing training needs for the Ictimai Television and Radio Company.

The OSCE Mission in Georgia included among its objectives not only negotiations between the conflicting parties in Georgia with the aim of reaching a peaceful political settlement, but also promoting respect for human rights and assisting in democratic institution building throughout the country.

The OSCE Mission in Moldova, apart from its main objectives to establish a framework for dialogue and negotiations leading to a lasting political settlement of the Transnistrian conflict, is also focused on consolidating the independence and sovereignty of the Republic of Moldova.

Co-operation with the EU has a much longer history in the region of the Caucasus, as well as in Moldova. However, it is being bolstered by the European Neighbourhood Policy Action Plans (ENP) which have been adopted by each of the subject nations. Moldova was the first to adopt the ENP Action Plans, while Armenia, Azerbaijan and Georgia became signatories to the ENP on 14 November 2006.

EU co-operation does not deal with defence issues directly, but aspects such as the European norms and procedures on arms control are relevant for the effectiveness and transparency of international co-operation.

Co-operation and partnership with NATO provides the main framework for international co-operation on defence and security for Azerbaijan, Georgia and Moldova, and represents an important domain of international military co-operation for Armenia. The level and the depth of concrete activities with NATO are subject to periodic review and evaluation under the EAPC and PfP instruments.

The North Atlantic Council of NATO has approved the IPAP of Armenia, Azerbaijan, Georgia and Moldova. IPAP enhances the relationship between these nations and the Alliance by bringing all cooperation activities under one integrated programme, and by sharpening the focus of Alliance activities to better support their domestic reform efforts.

All four countries, with varying levels of commitment, provide forces for NATO-led peace support operations, which, apart from the political significance, are important avenues for gaining experience both in terms of operational planning and in terms of field operations, and for testing the level of operational and human interoperability with NATO.

Co-operation at regional and sub-regional levels is reflected in approaches to the CIS and other initiatives such as the Black Sea Naval Co-operation Task Group (BLACKSEAFOR), Black Sea Confidence and Security Building Measures (CSBM), the South-East Europe Co-operation Initiative and the Stability Pact for South-Eastern Europe.

International co-operation on security and defence matters at regional and sub-regional levels is very important for the nations of the Caucasus and the Republic of Moldova. The main characteristic of this regional framework is the involvement of the Russian Federation as an active co-operation partner.

All four nations are members of the CIS, but only Armenia and Moldova are currently signatories of the Collective Security Treaty Organisation (CSTO) established in the CIS framework. Moreover, Georgia withdrew itself from the Council of Defence Ministers of CIS in the spring of 2006.

Of the four states, Georgia is the only Black Sea littoral nation and it is actively involved in maritime military co-operation in the framework of CSBM and BLACKSEAFOR. A Georgian naval officer commanded a task group on two occasions focusing on fighting terror.

Moldova is the only member of the South-Eastern Europe Co-operation Initiative and of the Stability Pact, and it is an observer of the South-Eastern Co-operation Process.

The national interests and objectives governing international co-operation, and the strategies implemented to achieve these objectives are formulated in a particular

manner in each of these nations. Moreover, the formats of these policies are constantly evolving and the implementation of procedures and mechanisms for security and defence policy formulation differs from one nation to the other.

Institutionalisation of international co-operation in the field of security and defence is at different levels of development in these states. The political and political-military decision-making systems are usually established at the strategic level, namely by the President. Parliament is asked to endorse presidential decisions on international co-operation. Ad-hoc interagency working groups operating at the government level design implementation programmes for various commitments at the international level.

There is a fair level of transparency in international co-operation programmes and their outcomes. Ministries of defence report to the public on their involvement in peace support operations. A number of those previously engaged in such operations are assigned to areas where personnel may make the most use of their field or staff experience.

The nations subject to our study are developing partnerships and close relations with major state actors at the global and regional level.

The United States supports the democratic and economic development of these nations, and offers various forms of cooperation and assistance in these areas, and also in defence matters.

The Russian Federation is a key state actor for each of the four nations, not only in its neighbourly capacity, but also in the framework of CIS/CSTO cooperation and in its involvement in the settlement of local disputes.

10.2. Status of Relations with Neighbours in Defence and Security

Relations between the subject states and their neighbours are guided by foreign policies and strategies. The main areas addressed in these policies are border control, combat terrorism, organised crime and trafficking, security of lines of communication, especially related to oil transportation, as well as finding peaceful solutions to local disputes over territories, as a result of breakaway movements.

The Nagorno-Karabakh conflict continues to affect relations between Armenia and Azerbaijan and is perceived as endangering the stability of all states in the region.

Armenia's border with Turkey remains closed at Turkey's initiative.

Azerbaijan has established good neighbourly relations with Georgia and Turkey on the issue of the Baku-Tbilisi-Ceyhan oil pipeline. A joint protocol was signed by the three countries in 2003, providing for regular information exchange on pipeline security and enhancing the coordination of security measures.

Relationships between Azerbaijan and Georgia developed into a strategic partnership. Joint energy, transportation and communications projects significantly contribute to the stability and prosperity of the two countries, and play a stabilising role in the region, apart from their economic significance.

Georgia has developed a comprehensive Foreign Policy Strategy 2006 – 2009, which is closely associated with its National Strategic Concept, especially to the

chapter on foreign relations. Turkey is cited as the leading regional partner and a strategic partner for Georgia, particularly in areas of trade, the economy, energy, defence and security. Turkey has offered assistance in the training of Georgian troops, improving technical and logistical capabilities and modernizing its military infrastructure. Turkey has also contributed to the development of Georgia's National Defence Academy and has conducted various military educational programmes. The development and maintenance of good neighbourly relations with the Russian Federation is a fundamental priority for Georgia. The Joint Statement and other agreements signed between Georgia and the Russian Federation on March 2006 provide for the withdrawal of Russian military bases from the territory of Georgia and signify a positive shift in the relations between the two countries. Georgia realizes the important role the Russian Federation can play in establishing a peaceful resolution of the conflicts on Georgian territory. The Federation is ensuring its positive participation in the peaceful settlement of the conflicts and restoration of Georgian territorial integrity. The reinforcement of Georgia-Russia border protection is another important element in ensuring good neighbourly relations. Effective control of the common border would contribute substantially to the fight against smuggling, organized crime and terrorism.

The Republic of Moldova enjoys good neighbourly relations with its two neighbours, Romania and Ukraine. Moldova signed a Treaty on Good Neighbourhood, Friendship and Cooperation with Ukraine in 1992 as well as agreements on military cooperation. The Border Guard Service, with the assistance of the EU Border Assistance Mission to Moldova and Ukraine (EUBAM), which was launched in November 2005 and in close cooperation with Ukraine, is implementing effective measures to secure the eastern border of the country. Romania and Moldova signed an agreement on military cooperation as well as a series of agreements and protocols on specific areas of security cooperation and assistance concerning issues of mutual interest, including a Neighbourhood Programme 2004 – 2006. In addition, Moldova signed the Cooperation for Combating Crime tripartite document with Romania and Ukraine in July 1999. This agreement commits the three countries to collaborate and provide mutual support in the prevention and uncovering of criminal activities and identification of persons committing them, as well as in combating cross-border criminal phenomena such as the illegal trade of weapons, munitions, explosives, toxic substances and dual-use materials. Pursuing a peaceful settlement of the Transnistria conflict under the principle of territorial integrity of the Republic of Moldova does not impede the good relations shared by these states. Moreover, both Ukraine and Romania are taking a stand in favour of Moldova.

Part B. Issues of Defence Institution Building that may need further attention in the Republic of Armenia, the Azerbaijan Republic, Georgia and the Republic of Moldova

Based on the findings reported in the country profiles of each nation in the South Caucasus and the Republic of Moldova, several issues were identified that may add value to these nations' endeavours to build effective and efficient defence institutions. Some are country specific while others are of a more general nature. In this

consolidated report, only those issues that are either common to all four nations subject to our study or which address the majority of these nations, grouped as critical and necessary, are presented.

We considered critical those needs that either have a direct impact on national security and defence, or have a sense of urgency, or both. Critical needs are those means and actions required for the completion of the process of defence institution building up to the level of basic functioning.

1. Critical Needs for Defence Institution Building

Common to all four nations are two areas of critical importance for defence institution building: extension or enhancement of democratic control over policy implementation and defence planning. These countries should also consider two other critical areas of defence policy formulation: public awareness on defence issues and people within the defence sector.

1.1. Extension or Enhancement of Democratic Control over Policy Implementation

Extending or enhancing democratic control over defence policy implementation is of critical importance both in terms of relevance for defence institution building and in terms of urgency in Armenia, Azerbaijan, Georgia and Moldova. These countries' respective parliaments should extend their control not only over strategic decisions on defence, but also over the plans and programmes designed for implementation of defence policies and over the executive actions and their outcomes in an institutionalised manner.

In relation to democratic control and increasing institutionalisation, all four nations should consider at least four aspects: enhanced transparency of defence policies and actions, including informing members of the opposition of the detailed aspects of longer term decisions, effective reporting systems for open and confidential aspects of defence, especially when these aspects are subject to parliamentary approval or endorsement, independent analytical capabilities at the level of defence commissions within the parliaments, and consolidated policies, strategies and programmes for parliamentary staff development.

Satisfying this issue requires both short and long-term measures and actions. Among the long-term ones, we believe that the most critical are: the revision of existing arrangements and procedures related to the interaction between the legislative and the executive bodies of the government, and to the relationships between different factions or parliamentary groups; organisational and financial support for an effective reporting system and for the independent analytical capabilities of the parliaments; and long-term staff education and training programmes. The shorter-term measures and actions may include practical options, such as supplementing the work of parliamentary staff by employing knowledgeable personnel from defence organisations, accommodating interns from defence education institutions, or requesting further international assistance.

1.2. Defence Planning

The implementation of most of the PAP-DIB objectives depends heavily on a consolidated defence planning system covering both the general government and the defence organisations. In each country, such a system should involve the President assisted by the Security Council, the Parliament, the Cabinet and/or the Council of Ministers in cooperation with the key ministries involved in defence issues – the Ministry of Defence, defence and military staff as well as military structures and units.

The defence planning system should introduce an organisational culture of medium and long-term policies, a longer resource allocation forecast and decision impact assessments. For most of the nations involved, we considered three areas of action in order to satisfy this need: legislation, people and procedures.

In terms of legislation, assigning defence planning responsibilities to the key state authorities is an incredibly demanding task. Careful consideration should be made as to how many decision-making responsibilities are to be assigned to each level, and whether each authority has the required capacity to process proposals, options and alternatives, as well as requests for resources. It should also be recognised that concentrating too much authority without providing for a proper capacity to control and co-ordinate decision implementation might impede on the organisational performance of the defence sector. Personnel critical to the development of an effective defence planning system fall into two categories: decision-makers and experts. Both categories should acquire a specific planning culture, starting with a specialised language, a deep understanding of the requirements of medium and long-term planning, and ending with the familiarity of the planning process. They should also be able to operate with specialised planning instruments. Procedures should be carefully selected and initially limited to the simplest level, as experience in other institutions shows that any planning process invariably tends to complicate itself.

1.3. Formulation of Defence Policy

Formulation of defence policies in a comprehensive and institutionalised manner remains critical for most of the nations subject to our study. The defence sector, as well as the process of defence institution building itself, should be governed by such policies.

For those countries that require further attention in this area of policy formulation, we considered that such actions should be planned in two stages. Stage one should be dedicated to the completion of the required legislation, taking into account that most of the organisations involved in defence policy formulation depend on regulatory guidance in order to assume new tasks or procedures. During stage two, it is expected that the weight of the defence institution will move from the legislative process to a functional and transparent policy formulation process.

1.4. Public Awareness on Defence Issues

Public awareness on defence issues has a critical security dimension in most of the nations studied in this report, as defence policy should be in harmony with the public interest. Informing the public on all defence aspects and prospects is a key condition

for securing the commitment of elected politicians, as the political establishment is highly sensitive to its constituency. Public awareness is critical also in terms of urgency, as effective endeavours to establish or improve public institutions, including those in the defence sector, will not be fully successful if they remain hidden from the public eye.

Informing the public is an institution in itself and the exercise of disseminating information on defence institution building may become an effective tool for improving the effectiveness of this institution. We have identified three sets of requirements to satisfy this need: organisation, knowledge and resources.

In organisational terms, public authorities should decide on those who are responsible for establishing a public information policy on defence institution building, for planning the implementation of such a policy and for its actual implementation. They should also decide on the format and hierarchical levels of policy and planning documents. A possible solution might be that such policies employ the format of a public information strategy. It is advisable that such a strategy be established at the national level, in an effort to integrate different defence authorities and agencies. Public information policy should address the aspects revealed or influenced by the defence institution building process at least in the realms of policy, security, military, finance and good governance. These plans should be interlocked vertically and horizontally among the governmental and defence organisations involved.

In terms of knowledge requirements, staff tasked with the responsibility of drafting, planning and implementing a public information policy should be represented by a fair number of public relations strategists, planners and experts. This requirement is significant, as improvisation in the field of public information may be more damaging than helpful. Any shortage in this respect may be resolved through staff supplementation – personnel who are either temporarily hired or experts in the field – or through contracting specialised agencies. If this exercise is established as a continuous process, then securing staff with the required level of knowledge and expertise becomes a permanent endeavour.

It should be recognised that any public information policy is rather resource intensive. If the costs of a public information campaign are easier to anticipate, the costs of a longer-term information policy should be more difficult to forecast.

The demands for such a policy go beyond the financial and human resources directly involved in its implementation. In the case of a military organisation like the Ministry of Defence, special attention should be given to the proper use of military personnel, to forecasting their rotation and promotion necessities for the duration of time in which the policy remains active. The efficient and effective spending of public money from limited resources, in this case, a proper balance between training military personnel for public information office, and employing them for a limited period of time, and training or employing already trained civilian personnel for a much longer period of time.

1.5. People Within the Defence Organisation

People working in defence are the fundamental element in defence institution building. There are at least three areas of consideration to ensure proper engagement

in this respect: civilian participation, vertical and horizontal interlinks and education and training.

Civilian participation in defence policy formulation and implementation is an essential requirement of the defence institution building initiative. At the same time, civilians satisfy organisational requirements because they ensure expertise, functionality and continuity especially in the policy and planning domains. Ministries of defence should review their current approaches to civilian participation in the defence sector and make the appropriate amendments to their policies, in order to increase the civilian presence in key executive and administrative functions. The main areas of consideration are: identifying positions appropriate for civilian manning, job descriptions for civilians, standing operating procedures for civilian activities and for the inter-connections between civilian and military positions within the organisational diagram, the civilian recruitment process, as well as material and moral incentives for engaging and maintaining the participation of highly educated and experienced civilians in the defence organisation.

It is advisable to recruit civilians early in their professional development by offering scholarships in advanced studies at home and abroad and by opening higher military educational institutions. For those who are already trained and educated, ensuring opportunities for further career development might be an appropriate incentive.

Once programme based projects and activities are included in the defence sector, a short-term solution for civilian participation in defence policy formulation might be to contract civilian work from civil society organisations. However, civilians require a security clearance certificate to qualify for such contracts and to gain access to classified information. The Ministry of Defence should extend its function of granting security clearances for personnel outside its own structures.

Vertical and horizontal interlinks are necessary for organisational cohesiveness, integrated engagement and as a means of accomplishing organisational goals. The interlinking between the military and civilian sectors, particularly in the context of defence policy and planning, is gaining momentum. Possible initiatives which might be implemented to satisfy the requirement of connecting people from different structures and divisions are as follows: revised terms of reference and standing operating procedures for each division and unit, and assignment of political advisors to key military positions and, accordingly, of military advisors to key civilian executive positions.

The process of defence institution building is also enhanced by cooperation in the field of education and training. It should be recognised that in the most demanding areas, such as risk and threat assessment, policy formulation, defence planning, resource allocation, budget management and public information it takes a long time for specialists, such as planners, analysts and strategists, to become established in the field.

The main element needed to satisfy these requirements is a comprehensive education and training strategy. Through such a strategy, the defence sector should be able to identify short and long-term objectives, stock-take current and future requirements for the purposes of specialisation both in the military and the civilian spheres, establish continuing education programmes, find solutions for resource allocation problems in the area of education and training, enhance efficiency in the

area of participation in international programmes, and formulate requests for international assistance for specific training needs.

This strategy should also include solutions not only for specialist formation in current employment, but also for the creation of a pool of experts, researchers and military specialists alike, with the aim of their eventual engagement in operational work.

2. Necessary Requirements for Defence Institution Building

The requirement significant to most, if not all, the countries studied in this report is the condition of transparency. In order to establish and sustain an effective level of defence institution building, transparency is a basic functional requirement.

The level of transparency required in the different areas of defence institution building varies from nation to nation. Policy review and reporting on policy implementation, including financial planning, resource allocation and budget management, are specific to most of these nations.