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**Transcript of Replies to Media Questions by Russian Foreign Minister Sergey Lavrov
at a Press Conference on Results of 2005, Moscow, January 17, 2006**

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Question: What levers is Russia going to use to influence the Iranian situation after yesterday's meeting in London?

Foreign Minister Lavrov: Deputy foreign ministers from the European trio, the US, China and Russia met in London yesterday to discuss the situation created by Iran's steps to resume uranium enrichment. Teheran calls this work, this stage of this work R&D work. It says it's nothing more than research. But I must remind you that some time ago Teheran agreed, within the IAEA, to a moratorium on all types of work related to uranium enrichment for the duration of the talks, primarily with the European troika, on the resolution of the Iranian nuclear issue.

As President Putin emphasized yesterday after his talks with Federal Chancellor Merkel, we are going to act very carefully and avoid unnecessary sharp moves that may artificially create additional problems and exacerbate the situation. Our absolute priority on this issue is to ensure the inviolability of the nuclear nonproliferation regime. At the meeting in London yesterday all sides expressed serious concern about Iran's intention to resume uranium enrichment activities despite the international community's calls not to do so. They also agreed it is very important to ensure that Iran fully suspends such activities and resumes negotiations. There was also an exchange of views on the forms of further joint work. As President Putin stressed yesterday, Russia is determined to cooperate closely with all key parties to the negotiations. Different options were discussed, including the European troika's proposal to call an extraordinary meeting of the IAEA Board of Governors on February 2-3, 2006. Russia will be ready for such a meeting. We have some ideas about what such a meeting could do and reach, primarily within the context of the recommendations we get from the IAEA leadership. These are professional recommendations, based on the need to ensure the IAEA mandate and the inviolability of the nuclear nonproliferation regime. So, I hope that as we prepare for the next discussion of this issue at the IAEA, we will not just cooperate closely with our partners, but will work out a concerted position.

Question: Mr. Minister, I have three short concrete questions. The first is about the schedule of foreign policy meetings to be held by the President of Russia next month. The second question is about the schedule of the Russian President's visit to Spain at the beginning of February. And the last question is, have you resolved the tax conflict with the Servantes

Institute? I mean will the back taxes be written off irrespective of whether you sign a new agreement or not?

Foreign Minister Lavrov: Thank you. Indeed, you asked three short concrete questions. My answers will also be simple. The schedule of international meetings to be held by President of the Russian Federation this year is decided by the Kremlin and announced by the administration of the President of Russia. So, I can assure you that such information will be provided timely.

As for the schedule of the Russian President's state visit to Spain, this is an even simpler question. The schedule is proposed by the receiving country. I assure you, as the protocol services of the two countries work out the details, they will reach an agreement on all aspects of the schedule. I am sure it will be very busy and will allow us to further our partnership with Spain, which we sincerely appreciate and try to develop in all areas, including human contacts not in the least. The interest in each other among our people is very big. The number of Russian tourists traveling to Spain has been growing steadily lately. There is a big interest in each other's culture and history. So, in addition to ambitious economic projects, we appreciate humanitarian aspects in the context of our bilateral relations and we will try to encourage them in every possible way.

As for the Servantes Home, just like other cultural centers of foreign countries in Russia, they should operate by Russian laws and pay taxes wherever necessary. I am convinced that as in the case of the British Council, these issues will be resolved by relevant agencies of the Russian Federation in direct contact with all concerned cultural centers.

Question: Sergey Viktorovich, to what measure do the positions of Russia and China as UN Security Council members coincide in what concerns the settlement of the Iran issue? Thank you.

Foreign Minister Lavrov: I hope that not only the positions of Russia and China coincide, but also the positions of all permanent members of the UN Security Council and all other countries coincide in the main aspect, namely that our main goal is ensuring the observance of the nuclear weapons nonproliferation regime. I am convinced that if we all proceed from this main goal, we will be able to find a common approach to resolving this problem. I don't think it is worth adding to this process, the process of ensuring the observance of the nuclear nonproliferation regime, adding some political considerations that are unrelated to the nuclear problem proper.

Question: Latvia has been seriously considering the Russian President's possible visit to attend the NATO summit in Latvia in November. How likely is it that the visit will take place? After a two-year break, consultations have resumed today between representatives of the Latvian and Russian Foreign Ministries. What particular issues do you intend to resolve? Thank you.

Foreign Minister Lavrov: Thank you very much. As for the NATO summit, I do not know of any invitations to anyone in Russia to attend. As for contacts between the Latvian and Russian Foreign Ministries, I do not think that they have not occurred for two years and that they have just resumed today. Contacts had been maintained on a regular basis. At least I have met with my Latvian counterpart several times in the past year and a half. They are

normal contacts. We have a lot to discuss. We have lots of bilateral issues we have to resolve in the interests of our countries on a mutually beneficial basis. Naturally, we have international aspects in our interaction. This concerns relations in the Russia-NATO Council's framework, the Council's further activities. This also concerns relations between Russia and the European Union and, naturally, human rights issues, the observance by all countries, including Russia and Latvia, of international documents, international accords ensuring high standards in the sphere of human rights, including the rights of ethnic minorities. With our Latvian colleagues, we have also discussed those problems. Russia insists that the Latvian leadership should act in line with the recommendations of the Council of Europe and the Organization for Security and Cooperation in Europe, the United Nations in what concerns the rights of Latvian residents who are now non-citizens, which is certainly an anomaly in today's Europe.

Question: Good afternoon, Mr. Minister. Can you tell us any more about Russia's plans for its leadership in the G8 this year? And how does Russia respond to criticism that it should not have this leadership because of human rights issues? Thank you.

Foreign Minister Lavrov: The question is about the plans of the Russian presidency concerning the work of the G8 this year. The St. Petersburg summit in July will be its culmination. There are three main topics: energy security, in all aspects, not just oil and gas, not just in the context of nuclear energy, not only in the context of new and renewable energy sources, but also from the point of view of security of delivery routes, their diversification, reliability of supplies, environmental issues, and many other. The second topic is combating epidemics, which is also very topical now that we have bird flu and other epidemics, tending to become a big problem for many countries, and in conditions of cross-border transfers they pose common threats. The third direction also has special significance in the epoch of globalization. It is education from the point of view of establishing higher standards, improving the efficiency of education in all possible aspects.

As for the second part of your question, we have worked with our partners in the G8. None of them has raised the issue of criticism of Russia for some or other aspects in its activities. We haven't seen any doubts about Russia's presidency of the G8. Therefore, we do work, and as for criticism, if it is concrete criticism, we are ready to respond. But responding to allegations which I have certainly heard, I have certainly read, that all is not the way it should be in Russia, so let us expel it from the G8 -- I find that this is not necessary, because we are really involved in concrete work aimed at holding this year about a hundred events with our partners in the G8 group and, first and foremost, in making sure that the St. Petersburg summit is a success.

Question: Back to Iran again. Will Russia oppose a potential imposition of sanctions against Iran in the UN Security Council? Thank you.

Foreign Minister Lavrov: You know, this question puts it all upside down. We have a common goal and I am convinced that it is a goal of any country that is concerned about security problems. It is that we should ensure the inviolability of the nuclear nonproliferation regime. So, the sanctions issue as though puts the cart ahead of the horse. First of all, we should do everything possible to get, in the IAEA framework, professionally, on the basis of inspections carried out in Iran, as much information as possible to be able to answer questions we used to have about the nuclear program Iran used to have. IAEA inspectors

now deal with that.

Iran should do much more than it has done already, even though there has been some progress in the provision of information. Still, much more is required from Iran. And our common efforts should be aimed at finding solutions that would let us get answers to all questions asked by IAEA inspectors without any exception. We have discussed ways to do this better in London today. We will continue to discuss those ways during preparation for another debate on the Iran issue during a meeting of the IAEA Board of Governors in Vienna. Sanctions are certainly not the best and not the only way to resolve international problems. We know a record of sanctions against Iraq. We know what this led to. And we still have to deal with the effects of that situation Iraq has found itself in.

Question: If the Spanish government could request the support of Russia to become a member of the G8, what could be the answer of the Russian government?

Foreign Minister Lavrov: Concerning formal procedures, the G8 works on the basis of consensus and that must be my answer.

Question: What has been the main feature of Russian-Georgian relations during the past year? And also, the issue that is again becoming relevant is the practicability of extending the mandate of the peacekeeping force in the Georgian-Abkhazian and Georgian-South Ossetian conflict zones. What would be the reaction of Russia to this question? And what will happen to the agreement? Thank you.

Foreign Minister Lavrov: I can only speak for our part. This past year in the Russian-Georgian relations was marked by the search for mutually acceptable and mutually beneficial solutions to the remaining problems. In this context I would note the agreement on the withdrawal of Russian military bases from Georgia in May of this year. The Russian side has fully complied with all the agreements concerning last year and we will honor just as thoroughly the parts of these agreements that fall on 2006, 2007 and 2008. We expect that this year the Georgian side will act likewise because last year our Georgian colleagues did not always fulfill their obligations to assist in the withdrawal of part of the military hardware, especially as regards prompt and timely issue of visas to ensure the rotation of Russian servicemen and the arrival of specialists immediately involved in preparing the military equipment for withdrawal.

This year has also been marked by good interaction in the economic sphere. Our trade increased by 50 percent. A meeting took place of the intergovernmental commission on trade and economic cooperation. There was a business forum. And both sides are obviously interested in further trade and economic interaction.

The conflicts, both Georgian-Abkhazian and Georgian-South Ossetian conflicts, have not yet been resolved. They are undoubtedly high on our agenda both in the relations with Tbilisi and in the relations with those countries and organizations which are involved in efforts to settle these conflicts. In the case of Abkhazia it is the United Nations, in the case of South Ossetia it is the OSCE. We, for our part, have tried to do everything to move forward the process of settlement in both cases. In our opinion this can only be done through good-faith and honest fulfillment of agreements reached earlier and being reached now.

Regarding the Georgia-Abkhazia conflict, let me note progress on such issues as the restoration of the rail link between Sochi, Sukhumi and Tbilisi, the work of the group on refugees. These are two agreements reached in Sochi between the presidents of Russia and Georgia and they are important in restoring confidence between the parties to the conflicts. Unfortunately, the third Sochi understanding regarding the restoration of the Inguri hydroelectric power plant is still being delayed, but I think there too common sense will prevail because it is only through movement in all these areas that one can put in place joint economic life, a common economic space and restore the trust which is currently, of course, a commodity in short supply. And without it it is extremely difficult to tackle political settlement of issues.

Roughly the same can be said about South Ossetia. We are satisfied that the December meeting in Moscow of the Joint Control Commission had a substantive discussion of settlement plans. There are several variants of the plan from the Georgian side. The South Ossetian leadership back in 2004 supported the Saakashvili plan envisaging a three-stage approach to the settlement. This reflects an awareness that first economic issues have to be tackled and solved, confidence has to be restored before political aspects of settlement can be taken up.

Later, alternative proposals were made by the Georgian side. But now, as far as I understand, following President Eduard Kokoity's counter proposals, there has been some movement in the same direction. We support this movement. It has been supported by the OSCE. And I hope that if everybody moves along this road honestly, they may come up with a plan that will be accepted by all parties to the conflict, all mediators and supporting sides as a basis for joint work.

As for the peacekeepers, we have heard about the Georgian parliament's decision. The decision accused the peacekeepers of all deadly sins. But we must not forget that their mandate does not include police functions. It only provides for the maintenance of security in the zone of the two conflicts. But if the Georgian parliament insists on its decisions and if the Georgian government takes practical steps, then I think we will have to consider the situation, taking into account all aspects and the fact that the peacekeepers continue to maintain peace, non-resumption of large-scale hostilities despite all provocations that happen from time to time, especially I mean the summer of 2004 in South Ossetia. We will have to understand how security in these zones may be ensured in the absence of peacekeepers. The situation there is far from complete appeasement. We can see that and we are convinced that our partners from different conflict resolution mechanisms can see that too, including the Friends to Georgia Group, which deals with the Georgian-Abkhazian conflict and the OSCE format, which deals with the South Ossetian conflict.

I would like to express hope that the lives of dozens of Russian peacekeepers that were lost over the years of their presence in Abkhazia and South Ossetia were not lost for nothing, and that common sense and the desire to resolve conflicts in the interests of the Georgian, Abkhazian, and South Ossetian people will prevail, rather than use conflicts, which still exist, to achieve some political goals that are far from the interests of people.

Question: Now, as you know, the attitudes of Japan, China and South Korea to questions of the history of the Second World War are different. Do you have any concern about this? And may this interfere with or obstruct cooperation between APR countries? And what is your

vision for the solution?

Foreign Minister Lavrov: Russians are a people with a historical memory. We regard the history of our state and history in general as an inalienable part of our life today. Historical memory is important for peoples to feel decently in the modern world. On the other hand, if historical memory and historical grudges are turned into a modern policy tool, I think this will not serve the interests of peoples at this point in their development and the development of the world.

Our experience has many examples of agreements with our partners when historical issues and the clarification of historical truth were left to historians and researchers. Politicians should proceed from the current interests of their peoples and do their best to realize these interests in full. I think this approach is justified not only with regard to Russia's relations with our partners but also with regard to relations between other countries. And I hope that these issues will be addressed in the same way in the Asia-Pacific Region.

Question: Do you think it is possible to create a nuclear-weapon-free zone after the example of the Treaty of Tlatelolco in Latin America as applied to the Middle East and how do you regard the prospects for the development of relations with Latin America in the coming year?

Foreign Minister Lavrov: I consider possible the creation of a zone free of weapons of mass destruction in the Middle East, just as the world community does. In the resolutions of the UN Security Council, including, by the way, the resolutions which were passed on the settlement of the Iraq crisis after the end of the war in the Gulf, there is the provision on the necessity of creating such a zone - free of weapons of mass destruction - in the Middle East. How to approach this task specifically is hard for me to say thus far, but that such a task is set by the decisions of the UN Security Council and remains on the agenda is a fact. As to the prospects for the development of our relations with Latin America, these relations have been developing very intensively in recent years; the visits of the President of Russia and the Minister of Foreign Affairs to a number of states of this region have taken place and additional contacts are currently scheduled. We regard Latin America as a very promising partner, not only from the viewpoint of Russian bilateral relations with the countries of this region, but also in terms of the activation of the potential of the integration processes that are developing very rapidly in Latin America and at which we look closely both from the viewpoint of drawing on the experience that would be suitable for the integration processes in the CIS space and from the viewpoint of the expansion of our commercial, economic and investment cooperation with the Latin American countries. I shall note that this cooperation has been increasingly developing in the realm of high technologies; both many Latin American nations and Russia have achievements in this field, including, of course, space technologies and joint projects. Relations with regions are increasingly on the agenda; well, as to cultural and humanitarian ties, here too the field for interaction is most extensive. People in Russia treat Latin America and its culture with immense sympathy, appreciate the temperament of Latin Americans and I think that this will largely be cementing our interstate relations.

Question: Please, would you be so kind as, returning to the outcome of the past year in Russian-Latvian relations, to say which assessment they may be given after all - positive or negative? What, in your opinion, influenced this to the largest extent? Thank you.

Foreign Minister Lavrov: Last year, surely, these relations did not come to an end; we give an assessment when there is an outcome. I regret that we failed to sign the Border Treaty, but you know the history of this question, we were ready for signing from the outset; when we suggested doing so, our Latvian colleagues spoke for the Treaty to be signed without any political makeweights. It was Russia that at the time proposed that along with the signing of the Treaty a political statement on the principles for mutual relations be adopted. But at the Latvian side's request we put this statement aside, left it until better times and agreed to sign the Treaty without it. Well, how astonished we were when, after all this, it was the Latvian side, the Latvian leaders that gave us a surprise in the form of a political makeweight to the Border Treaty which contained a serious legal provision and was actually contrary to a number of clauses of the Border Treaty, leaving a possibility of laying territorial and other claims on us. Of course, in this situation we could not agree to sign this Treaty primarily because of the essence of this problem, and of course, we could not fail to note that the accords for signing the Treaty in a pure form - without any linkages - had been violated. But, I repeat, it's no more than an episode that's particularly got stuck in memory; our relations continue to be developed, and as before, we are ready to sign the Treaty without any linkages; as before, we are ready to consider reciprocal cooperation projects in the trade-and-economic field. Such work is under way, contacts are being maintained and as necessary conditions arise, when both sides discern mutual benefit in some or other projects, we shall be reaching accords. But I stress once again that our relations will hardly be able to receive, on my part at least, on the part of Russia a positive assessment so long as the problems of the national minorities in Latvia, primarily the problems of the Russian-speaking population continue to be unsolved, and these matters have to be tackled in accordance with the recommendations of European and international institutions - no more, no less.

Question: How do you regard settlement in the Middle East in light of the departure or possible departure of Ariel Sharon and the exacerbation of tension around Syria? And you have just noted that the Security Council resolution on Iraq at the beginning of the 1990s referred to the creation of a nuclear-weapon-free zone in the Middle East, but fifteen years have nevertheless passed and no impact on Israel is in sight while the fuss around Iran is building up. How do you regard the possibility of sanctions, because Israel is still refusing to sign the Treaty on the Nonproliferation of Nuclear Weapons?

Foreign Minister Lavrov: Yes, that's quite a thick question from you. Firstly, I do sincerely hope that Israeli Prime Minister Ariel Sharon will recover. This is a courageous man who has taken a very serious decision and convinced the majority of Israeli society of the need to advance along the path of the Road Map, along a path that will lead to the common aim of the world community, when, in the Middle East, Israel and a Palestinian State will live side by side as good neighbors and in security. It is truly a major event in the life of the Middle East, and so we unambiguously enter the departure from the Gaza Strip and a part of the West Bank on the credit side both of Israel and of the Palestinians and the Middle East states which had actively contributed to this, first of all on the credit side of Egypt and Jordan, and of course, on the credit side of the world community, the Quartet and the United Nations Organization. The prospects, to be sure, are not very clear now - elections are to be held both in the Palestinian territories and in Israel. Russia is sending its observers to the Palestinian elections. They will be held on January 25, barely a week from now. We expect that, based on the election results, a Legislative Assembly will be formed that will be able to become a responsible partner of Mahmoud Abbas in his efforts for the further consolidation of society in carrying out the Road Map's provisions that are addressed to the Palestinians, including

the curbing of violence, and for this purpose, of course, it is necessary that the Palestinians should have efficient and well-equipped security forces. Russia is helping the Palestinian Authority with this task as well. On the other hand, an election struggle has also unfolded in Israel now, the situation is not very simple there and from Israel we all expect the fulfillment of its commitments under the Road Map and, in the first place, the implementation of the steps which were agreed upon in the context of the departure from the Gaza Strip and West Bank. These are largely technical steps, but on their effective solution the ensuring of a normal life in the Palestinian territories depends as well as the provision of a link between the Gaza Strip and the West Bank and the lending of assistance to the Palestinian authority under the aegis of James Wolfensohn so that it can full-bloodedly function and control all of these territories and exercise its leadership there. These matters can only be solved through a direct dialogue between the Palestinians and Israel. This dialogue has somewhat faded recently; we are urging the sides, primarily our Israeli colleagues, towards its resumption. Violence, which still continues in this region, and which we all resolutely condemn, should not serve as a pretext to interrupt the process of the joint work of the Palestinians and Israelis. On the contrary, the joint struggle against violence should become a part of this joint work.

And the last question - why sanctions are not to be applied against this or that country - I have already said that it is hardly possible to tackle some or other problems effectively with sanctions and that we are convinced of the need to tackle them by reaching accords with all the parties concerned. This requires much more time, much greater efforts and much more diplomatic resourcefulness than merely the imposition of sanctions and a demonstration of how determined we all are. All these efforts which need to be put into the achievement of a solution to this or that matter, will ultimately pay off, because only such a settlement of the problem can be a lasting settlement.

On Syria. It is well known that Russia stands for the implementation of all the relevant Security Council resolutions that touch, among other things, the investigation of the circumstances of the murder of Lebanese Prime Minister Rafik Hariri. We want Syria to cooperate honestly and effectively with the commission which was established by the UN Security Council. Syria is making steps in this direction; we together with our other colleagues, including Arab states, encourage it to continue precisely such movement. In investigating this particular crime, it is extremely important to remain within legal bounds and not try, as in the case of the Iranian nuclear program, to make of this question an instrument for achieving political aims.

Question: After the gas cutoff to Ukraine and supply irregularities in Europe, Hungary has the feeling that even a policy for close cooperation with Russia cannot ensure the energy security of our country. What could you say to dispel these fears?

Foreign Minister Lavrov: You know so much has already been said about that, so many contradictory comments there were, that probably it's best to turn to facts. The facts are such that after an accord was reached between Russia and Ukraine on the terms of gas supplies to Ukraine and on the terms of gas transit via Ukraine to Europe, after these agreements were reached, in the first ten days of this year the capitalization of Gazprom rose 22 percent. This is a fact from which there is no escape; simply the market has responded, the very same market which we are all striving to introduce everywhere. It's not journalists, it's not political scientists with their assessments - it's an objective reality. Well, as to the supply reliability

fears, all through the negotiations with Ukraine the Russian side repeatedly said officially that all our gas supply commitments to Europe would be honored. The only thing we sought was that our relations with Ukraine in the gas field should also transfer onto market lines, as is the case in relations between Russia and the whole of Europe. And we also sought to make these relations transparent, understandable to all who depend on the transit of our gas through Ukraine, and we achieved this aim. The result, as I have already said, was the reaction of the market.

I shall also note the following fact of no small importance: up until now, until this year gas supplies to Europe through Ukraine had been carried out on the basis of annually renewed contracts. That is, each year it was necessary to wait when these contracts would be signed and, perhaps, this went unnoticed, but each year the negotiations dragged on until the last moment and reaching the accords did not run so smoothly. Now the contracts Russian and Ukrainian companies have signed envisage a five-year period of gas supplies to Europe. I think there's no need to explain that five years is better than one year, and by far more reliable, and herein lies one of the guarantees that these supplies will continue. Another important aspect is that previously there was one contract that contained both the gas supply commitments to Ukraine and simultaneously the volume of gas which went to Europe in transit through Ukraine, and the price for this transit. Now it's two contracts - one contract for the supply of gas to Ukraine and the second contract that is entirely dedicated to the transit of Russian gas through Ukraine to Europe. And by the same token, European gas transit via Ukraine is freed of a linkage to the question of the prices at which we shall sell gas to Ukraine, which also makes for greater reliability of these supplies. And generally, the Russian side is now endeavoring to diversify the routes for export of our gas while retaining the Ukrainian pipe. More active use will be made of both Belarus transit and the Blue Stream, and, of course, the North European Gas Pipeline is going to be built. All this substantially increases the confidence of Europeans that there will be no irregularities in Russian gas supplies.

Question: Sergey Viktorovich, official statements can be heard of late that there are some shifts in the settlement of the Armenian-Azeri Karabakh conflict and that 2006 may be a turning-point year in solving this question. Are there really some shifts and can decisions take place this year and what kind of decisions?

Foreign Minister Lavrov: I won't make forecasts, I shall only say that the work on Gorno-Karabakh settlement has noticeably intensified in the last few months. The Presidents of Azerbaijan and Armenia are regularly meeting, the mechanism of the cochairmen of the OSCE Minsk Group, Russia, the United States and France, is working on a permanent basis, and contacts are being regularly conducted with the participation of the cochairmen and the representatives of the two states, including those at the Presidents level and at the level of Foreign Ministers. A meeting of the Foreign Ministers of the cochairmen countries with the Presidents and Ministers of Azerbaijan and Armenia also took place. The two Presidents met again at the CIS summit in Kazan. President Vladimir Putin has actively helped Azerbaijan and Armenia move towards finding a settlement formula, and further contacts between the leaders of these countries are scheduled for the coming week. These contacts are being thoroughly prepared by the cochairmen. I won't go into details of the suggestions and ideas, it's confidential ideas which are reported by the cochairmen to the leaders of the two countries. But we do sense that there is on both sides a striving to move forward and reach a mutually acceptable agreement on settlement. We shall continue to do everything in our

power.

Question: The trilateral dialogue between Moscow, Beijing and New Delhi has acquired steadiness this year. What are its priorities? And a second question. How do you evaluate the possibility of India and Pakistan joining the SCO this year?

Foreign Minister Lavrov: The trilateral mechanism of cooperation between Russia, India and China has now been operating for several years. It was originally used for the coordination of positions on the fringes of different international forums. 2005 saw a specially arranged meeting of the three ministers for the first time without being tied to this or that international event, and it was held at the Russian side's invitation in Vladivostok at the end of May - the beginning of June. This is a region where both our Indian and Chinese partners have their own interests, where their companies participate in various trade-and-economic cooperation projects; in addition, it is the Russian Far East, a part of our country which is directly a part of the Asia-Pacific Region, and we forge interaction in the AP region primarily with an eye on assistance to the development of Eastern Siberia and our Far East. The mechanism of trilateral meetings with our Indian and Chinese friends is very useful. APR is a region where our three countries can with benefit for the cause, with benefit for ourselves use this mechanism, as well as for all the other countries of the region, and actively promote the integration processes. And this is one of the important themes on our agenda. We have quite a lot in common not only on regional, but also on global problems. It is the fight against terrorism and it is the struggle against organized crime, drug trafficking and the proliferation of weapons of mass destruction. All these questions are being discussed at the meetings of the ministers of the three states. And well, of course, with India's joining the Shanghai Cooperation Organization as observer the scope of our common interests has expanded. We have included themes of the SCO region in the agenda of our regular consultations with the Indians and Chinese.

But as to the prospects for full-fledged accession by India and Pakistan, and then also by other observers to the Shanghai Cooperation Organization, no such applications have come in so far. In the SCO there is a common understanding of the fact that by and large the process of the accession of new countries as observers to this Organization requires interpretation; it is necessary to accumulate some experience in the functioning of the observers' institution. Now, incidentally, work is under way within the SCO to prepare a regulation on observers to govern the participation in the Organization's activities of this category of states.

Question: Esteemed Sergey Viktorovich, there were many questions on Iran today. We express our appreciation that you also gave a possibility to ask a question. What is the place of Iran, in Russia's opinion, in the safeguarding of the stability and security of the region, and also what kind of prospects do you see for multifarious cooperation between our countries, including that in the nuclear sphere? Thank you.

Foreign Minister Lavrov: I consider that Iran occupies a very important place in the matter of ensuring security and stability in this region. It is a major country, a country with huge potential, a country with ancient culture and traditions and with brilliant diplomats, I shall add, with whom I have happened to jointly work more than once. I am convinced that this potential must be realized. It can be realized through interaction, through cooperation with reliance, of course, upon international law. Which presupposes respect for the rights of each

other and presupposes respect by each country of the region for its obligations. I shall recall that when a couple of years ago the process of the settlement of the Iranian nuclear problem began, the talk was about solving in the negotiations with the European trio not only the specific questions that arose as a result of Iran's previous nuclear activities, but also about solving the tasks of intensifying economic cooperation, investment cooperation, the tasks of drawing Iran more fully into dealing on an equal basis with regional problems; that is, into political processes. And we actively spoke for that, just as we actively spoke in concrete terms for ensuring that the forums on Iraq held last year and the year before necessarily envisaged the participation of all its neighbors, including Iran. This was not merely a tribute of respect to Iran. It is an objective necessity. Iran can, and I am certain, is keen to play an important role in facilitating a final resolution of the situation around Iraq as well. Iran is one of the key partners in the struggle against the Afghan narco-threat and generally has a very substantial potential to play a useful role for all in promoting stability and security. This can only be done together, only jointly with other countries. And it will certainly be a pity if the present situation around Iran's nuclear problem becomes exacerbated, thus creating less favorable conditions for combining the efforts of all countries of the region to ensure stability and security here. I expect our Iranian friends to heed the exhortations which the international community is now making and not withdraw the moratorium which they have agreed upon in the framework of the IAEA Board of Governors. I expect that negotiations will be resumed on just these terms. This will be in the interest of everyone and for the common good.

Russian bilateral relations with Iran are being actively developed. We have many plans for commercial, economic and investment cooperation. We have plans for cooperation in third-country markets. A regular meeting of the Intergovernmental Commission on Trade-and-Economic Cooperation is now being prepared, and of course, the project for the construction of the nuclear power plant in Bushehr continues to be implemented; it fully conforms to all the international commitments of Russia and Iran alike and is being carried out under the full control of the IAEA and in respect of which no-one is having any questions. I hope for this project to be realized in the conditions when the regime for the nonproliferation of nuclear weapons will be observed in full measure.

Question: What do you think of the participation of Hamas in the elections in Palestine? How do you assess the position of Israel barring Hamas from actively participating in these elections in Jerusalem?

Yesterday the Secretary of the Iranian Security Council said that he was looking favorably upon the meeting expected in Moscow in the middle of February; what is your opinion of this meeting on uranium enrichment within the territory of Russia?

Foreign Minister Lavrov: As to the upcoming Palestinian elections, we, like many other Quartet members, presume that political parties should participate in them which stand on the principled platform of the Road Map. We support the tendency for Hamas turning into a full-fledged political organization. The Palestinian leaders are interested in this. I hope that this tendency will grow stronger. We also favor the admission of all political forces to the Palestinian elections. This is also the common position of the Quartet.

As to our initiative on Iran, aimed at creating in Russia a joint enterprise which would produce fuel for any requirements of the peaceful power industry of Iran, this proposal

remains on the "table of negotiations." The Iranian side has expressed readiness to consider it. Unfortunately, this readiness was accompanied by the announcement of Iran's intention to withdraw the moratorium on enrichment-related work. So far after this announcement we have not seen any practical resumption of this work. Hence I hope that the situation will continue at least as it stands now. We are ready for talks with an Iranian delegation in February, tentatively on February 16. Let us not forget that our proposal has its own value. It was made in the context of the search of a package of agreements between Iran and the European trio. It's not likely the problem of the Iranian nuclear program will be solved unless negotiations with the European trio are resumed.

Question: Do you see any qualitative changes in the last few months in relations between Russia and Estonia in general and, perhaps, in particular, on the question of the border treaties?

Foreign Minister Lavrov: My answer: with Estonia, just as with Latvia, we have been maintaining regular contacts; more specifically, I have been meeting with Estonian Minister of Foreign Affairs Urmas Paet. In December we again met at a European forum.

Just as in relations with Latvia, we were ready to sign the treaties on the border. At the Estonian side's request we again agreed to do so without any political and other makeweights, but we also appreciated the fact that the treaties were signed without any linkages, and that the Estonian government introduced them to parliament precisely in this form. What happened later in parliament - you know: the law on ratification included some unacceptable statements that made the signing of the border treaties contingent upon things which had no bearing on this theme, things which we had agreed not to touch. Therefore Russia was forced to take legal procedures to withdraw its signature under these treaties.

We are ready to resume negotiations on these treaties, but on condition that we shall start actually from a clean slate and that there will be no linkages to the basic accords which we have reached with Estonia. Taking this opportunity, I shall say that, despite the absence of the treaties with Latvia and Estonia, despite the absence of a legal confirmation of the border, no problems in the practical functioning of these borders both with Estonia and with Latvia have been noted. Although, of course, an international legal confirmation of this line would be very important. We are ready for this without any linkages.

Question: In New York one can ever more often hear the opinion that the UN is in crisis. I want to ask you, you worked there for a long time, do you agree with this? If so, what can specifically be done to improve the work of the Organization and strengthen its influence? How do you feel about the enlargement of the permanent membership of the Security Council?

Foreign Minister Lavrov: Regarding the crisis - it's probably a matter of taste how to call this or that process in this or that situation. Very few are the organizations which would not live through a period of renewal. This is understandable. The world is changing, the bloc confrontation of the Cold War is a thing of the past, and a new model has not yet been found. There is the temptation to tackle world and regional issues by unilateral methods in circumvention of the United Nations Organization. Simultaneously there is the understanding and there has already been accumulated the experience that proves it's very difficult to do that alone, and ever more often, even those who sometimes thought it was

possible to do without the UN now turn to the United Nations Organization for help and to its political and moral authority and to its capabilities in such areas as assistance to revival of a nation. The Peacebuilding Commission has now been created for this purpose. Therefore, I think that the UN and OSCE and NATO and the European Union are now searching for new modalities of their functioning in this changing global architecture. There also takes place the reorientation of efforts to meet the new threats, which are absolutely the same for all, threats which may generate from any place and which have no pronounced boundaries. It is extremely important that all these processes should occur through concerted approaches, through an exchange of views, an exchange of assessments. In this case, I am convinced, we shall be able to so rearrange world and regional architecture as to make it more effective. By and large the UN is currently engaged precisely in this undertaking.

Well, the question of Security Council reform is probably secondary to this principal task of how to combat the new threats, how to use force in contemporary international relations, who will be responsible for regional situations - the United Nations or NATO, the UN or organizations in Latin America or organizations in Africa - and how to forge cooperation between the UN as a global structure and regional integration and political associations which increasingly strive to be responsible themselves for the state of affairs in their regions, and then also not only in their regions.

In this I see the main thrust in a debate on UN reform and, hopefully, not only a debate. We count on concrete results being achieved as well.

The Security Council does need renewal. This is a very emotional theme, it affects the prestige of states, but in this particular situation the whole question turns on an insurmountable disagreement between those who see the reform of the Security Council exclusively through the creation of new permanent seats and those who categorically object to any new permanent members. The art of diplomacy should undoubtedly continue to be further applied. I am certain that for all the apparent irreconcilability of positions a compromise can be found, but this has not happened so far. It takes time, but I would like to voice a high assessment of the positions of the countries which found the wisdom not to put to a vote in the UN draft resolutions on Security Council reform which would cause a split in the Organization. I think that the most important thing is to continue searching for a compromise. As in many other affairs, to reach agreement on something acceptable to all is much more difficult than simply to act on impulse, but, if we want the reform to work, the problem to be lastingly settled, we shall have to spend more time and effort.

Question: Sergey Viktorovich, if I understood correctly, Ukrainian President Viktor Yushchenko a few days ago spoke for resuming a full nuclear cycle in Ukraine. How do you feel about this possibility? How do matters now stand with settlement in Transnistria?

Foreign Minister Lavrov: I am not certain that Ukrainian President Yushchenko said as you quoted him. But if it is about peaceful nuclear power development, then Ukraine has a full right to this. Now an increasing number of countries turn to nuclear power, taking into account, among other things, the fact that for all the enormous reserves of hydrocarbons they aren't nevertheless everlasting, one has to think of the future, especially as the creation of nuclear power plants is a sufficiently long-playing process.

As to Transnistria, we last had an opportunity to state our position at the highest level, when

on December 15 of last year Russian President Putin and Ukrainian President Yushchenko came up with a joint statement on Transnistria. Reflected in it are the main elements of the Yushchenko Plan and the basic ideas concretizing this plan that were put forward by the Russian side. It was a very important political move of the two states, which are together with the OSCE the principal mediators in Transnistrian settlement. As you know, the European Union and the United States last year joined this process as observers. We are ready to continue working on the ideas which lie on the negotiating table, including the joint statements of the Russian and Ukrainian Presidents. We are convinced that a final settlement can be achieved only through direct talks between Chisinau and Tiraspol and have been consistently advocating this approach. When proposals are put forward to solve the Transnistrian problem by unilateral methods, through simply the adoption in Moldova's parliament of its own laws, without taking into account the opinion of the Transnistrians, or by way of, as many fear, an economic blockade of Transnistria, I think this throws far back the prospect for settlement. There were the common agreements on the need for a federal Moldova, a neutral Moldova, a demilitarized Moldova and in this context the determination of the status of Transnistria. Unfortunately, these agreements have been discarded. But I am convinced that without a return to them, to reach agreement will be very difficult. Unquestionably, as in the Yushchenko Plan, Russia favors democratization both in Transnistria and in Moldova as a whole, and the pursuit of a line which would help, with the participation of international structures, to ensure the transparency of all these processes.

Question: How did the Foreign Ministry work with compatriots last year, how will this work be continued in the new year and what amount of funds will Russia allocate for this work? How do you assess the level of Belarusian-Russian relations?

Foreign Minister Lavrov: The Foreign Ministry heads the Government Commission on the Affairs of Compatriots Abroad. This Commission held a plenary meeting literally in the last quarter of the past year, at which we agreed on the lines of activity which will be priority in this work. At the very end of the year, before New Year's holiday, we held a presidium meeting of this Commission, now specifying textually certain things for the new year already. Basically we sought to ensure that the decisions widened the areas in which the Commission may work, rendering assistance to our compatriots. This assistance is being rendered in a variety of forms, they are all transparent and in full conformity with the laws of the countries in which these projects are being implemented. In the first place, it is support of the Russian language, support of Russian-language schools, and the conduct of cultural activities, educational, research and so on. At this stage, with this work still only beginning to discover new additional possibilities, the funds being allocated are sufficient, in my opinion. Provision is made for increasing these funds consecutively in the future budget periods. At the approval of the budget, you know, 500 million rubles were set aside for the work, including that with compatriots' public organizations.

I can assure you that the Ministry and I personally, as the chairman of this Commission, give priority emphasis to work with compatriots. We have analyzed the bottlenecks in this work and outlined a plan of measures for the new year, including four Commission meetings, to which the most burning issues will be submitted.

I assess the level of Russian-Belarusian relations positively. Soon a meeting of the High State Council will be held, at which it is planned to adopt some additional decisions aimed, above all, at the further formation of the Union State and especially the equalization of the

rights of Russian citizens in Belarus and of Belarusian citizens in Russia in the most diverse matters, including social security, pensions, health care and taxation. So I expect that this will be taken well by our citizens and in practice will help us feel residents of one state.

Question: How serious, in your opinion, is the present conflict with Ukraine around the Yalta Lighthouse? Might this mark the beginning of a review of the status of the Black Sea Fleet? What ought to be Moscow's answer to Kyiv?

Foreign Minister Lavrov: We so far have received no intelligible official explanations of what is actually happening after all. The seizure of the Yalta Lighthouse occurred a day or a day and a half after the Russian and Ukrainian Presidents in Astana expressed their mutual satisfaction with their consultations and talks, when Ukrainian President Yushchenko directly confirmed that the agreement on the Black Sea Fleet would be undeviatingly observed.

After lighthouse personnel was not admitted to work, the seizure of documents occurred and the door locks were changed, we immediately asked for official explanations. Officials from the Ukrainian Presidential Administration told us that they themselves had learned about this from newspapers, that all this was incomprehensible acts of provocation, that this was probably the work of a youth organization which kicks up all manner of row and puts forward slogans which are not shared by the leadership, and they promised us to sort things out and give an official reply. In parallel, to our deep astonishment, especially against the backdrop of this reaction in the Ukrainian Presidential Administration, we began to hear statements by the representatives of the Ukrainian Foreign Ministry that, in general, all the lighthouses and hydronavigational facilities are being kept by the Russian side illegally and that it is necessary to give them back to Ukraine immediately. Therefore it is very difficult to understand here who after all stands behind these events and who is the voice of Ukraine in this matter: the Presidential Administration, the youth organization Student Brotherhood or the Foreign Ministry. We are trying to clear all this up with our Ukrainian colleagues. I would not talk about all this, if you did not read about all this in the press.

As to the actual side of the matter, in 1997, when the Black Sea Fleet was divided, the facilities of the hydrographic service, numbering 98 in all, including the Yalta Lighthouse, with a name enumeration were incorporated into the Russian Federation's Black Sea Fleet and it was pointed out that these facilities were to be used by the Russian and Ukrainian sides jointly. The very same agreement had a provision that the list of navigational equipment and the infrastructure facilities of the Black Sea Hydrographic Service would be finalized under a separate agreement. That was in 1997.

In 1998 we worked out a draft of such an agreement. It provided for gradual transfer of a part of the navigational facilities to the Ukrainian side. The Ukrainians agreed to sign it, but then changed their position and demanded an immediate transfer of all the facilities at once without any stagedness.

As to the basic principle of joint use of these facilities, which was set into the 1997 agreement, Kyiv never showed any interest in this and did not want to even discuss it. As a result the talks on concluding an agreement in development of the basic agreement reached a deadlock, and our Ukrainian colleagues in parallel launched a campaign for compulsory confiscation of the fleet through their court system.

This, of course, is juridical nonsense when local courts examine matters of an interstate character which are governed by interstate agreements and treaties. Such is the case in Ukraine. At the end of 2005 the commercial courts of Sevastopol and the Kherson Region rendered a decision on the alienation of 83 facilities of the hydrographic fleet in favor of a Ukrainian enterprise. It is on the basis of these decisions of the Ukrainian local courts that the actual seizure of the Yalta Lighthouse was carried out. So that we, I repeat it, are slightly in perplexity when the people in Kyiv are saying to us that this is simply a number of young people "making a row," then saying they aren't really "making a row" or that it is somebody else doing so. In general, we are awaiting official, intelligible explanations of the situation. I tried my best to set forth our point of view intelligibly.

Question: The Iranian Foreign Ministry has circulated a statement urging the European trio to return to the negotiating table while at the same time objecting to the convocation of an IAEA Board of Governors meeting, regarding this as a continuation of the policy of threats. Your comment?

Foreign Minister Lavrov: The talks began on the basis of a mutual agreement, which envisages reciprocal obligations. On the Iranian side it was an obligation to keep the moratorium on all the work related to uranium enrichment. Iran in August of last year, just when the European trio had prepared specific proposals on the content of a possible package of agreement, resumed so called conversion. This is the chemical processing of the yellow cake into a gaseous form, into so called uranium hexafluoride. Strictly speaking, this is not an enrichment process as such. However, even then many believed this process was related to enrichment. The European trio expressly regarded this as a departure from the basic concept of the negotiations, that is a moratorium on all the kinds of enrichment related work and the negotiations in precisely such a context. I can assure you that Russia exerted a lot of effort to ensure that the resumption of the conversion work, that is the pre-enrichment stage, did not undermine the process of negotiations between Iran and the European trio. At the most diverse levels we worked with both. Our US partners were always informed of this work, and we agreed with great difficulty that this would not be an obstacle to continuation of the talks. That round of talks took place last year. The next round was scheduled for January, but there occurred what we are talking about today - the announcement of a withdrawal of the moratorium on research work directly related to enrichment. Therefore I wholly and entirely join the appeal for resumption of the talks, but presume that this can realistically be done on terms which are mutually acceptable, on terms which presuppose a moratorium on enrichment.

Question: We know that the US and the European trio are ready to refer the nuclear question of Iran to the UNSC now. When will Russia be finally ready to agree with this position? I mean a specific timeframe, a specific date.

Foreign Minister Lavrov: This is a very schematic approach. Of the kind not allowable in politics. We presume that now there is the concrete position of the IAEA, there are the specific questions which the IAEA has formulated before Iran. It is necessary to use all the possibilities which the IAEA provides in order to get an answer to them. I do not think that the potential of the IAEA Board of Governors is exhausted. The European trio also thinks so, having suggested convening the IAEA Board of Governors at the beginning of February. Now this timeframe has been named, of it I can speak. The timeframe you are talking about, is artificial.

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