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AGENDA FOR CZECH FOREIGN POLICY 2007

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FOR CZECH FOREIGN POLICY 2007**

VÁCLAV NEKVAPIL
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(eds.)



Agenda for Czech Foreign Policy 2007

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FOREWORD

VÁCLAV NEKVAPIL

The role of an independent foreign policy think tank like the Association for International Affairs (Asociace pro mezinárodní otázky - AMO) is to critically follow foreign policy and provide qualified reflection on it, both publicly and in more closed settings. The role of such ongoing expert reflection is neither to publicize controversial steps taken by the government, nor to substitute for the monitoring of the government meant to be performed by the opposition, nor to conduct a purely academic debate. The aim of a think tank is to analyze policy and provide practical advice; in AMO's case, we target our analyses and advice towards both experts and the general public. When performing our analyses we are not restricted as to problems or ideological frameworks, but rely exclusively on the opinions of our experts. Our publications should be understood in this vein.

This publication is based on the positive response we received to a book published last year, *Czech Foreign Policy and the 2006 Elections* ("Česká zahraniční politika a volby 2006"), in which AMO analysts compared and evaluated the foreign policy sections of the primary political parties' election platforms. On the basis of this analysis, we came to the conclusion that despite its determinative significance, foreign policy was markedly underestimated - if not marginalized - in party platforms. We therefore devoted the second half of the book to a set of recommendations, representing a consensus reached by 18 AMO analysts and contributors, through which we hoped to inspire Czech foreign policy. We do not publish these recommendations as representing the only correct opinion on these matters, and we have neither the political power nor legitimacy to lobby for them; rather, the purpose of the recommendations is to encourage political, public, and expert debate on the aims and methods of Czech foreign policy.

This publication is based on the same intentions. We hope to start a tradition of annually reviewing how the Czech Republic has performed in international relations during the past year and then sketching the foreign policy agenda facing the country during the coming year. In **Part One** the authors focus on a critical evaluation of the Czech Republic's international work during 2006, especially how it responded to various challenges. **Part Two** includes specific recommendations for the 2007 Czech foreign policy agenda.

Just like last year, we have based our work on a firmly established set of regional and thematic areas in order to more easily compare foreign policy aims and results over time. Understandably, we cannot cover the entire agenda of Czech diplomacy exhaustively; rather, we have concentrated on points we consider either essential, fundamental, or neglected. The authors do their best to describe where the Czech Republic has room to play an active role, as well as to evaluate options for using the instruments available to Czech diplomacy.

Today the European Union represents the most significant platform at which Czech foreign policy can play an active role. Therefore we focus primarily on how the Czech Republic is making use of this area for the realization of its political, economic, and other interests. We will not address European affairs which have neither a direct nor a relevant impact on the Czech Republic. With regard to policy vis-à-vis non-EU countries, the Czech Republic must consider whether it is more advantageous to use its own diplomacy exclusively, whether it should try to influence EU policy vis-à-vis these countries, or how both approaches can be effectively combined.

The chapters are organised both by geographical units (by the capabilities of the Czech Republic to develop its own foreign policy towards those units) and by thematic issues throughout the regions. The recapitulating part maintains chronological order of specific issues while recommendations are sorted according to their priorities.

CZECH FOREIGN POLICY 2006 REVIEW

THE CZECH REPUBLIC IN THE EUROPEAN UNION

From the point of view of European policy, the year 2006 did not see any truly vital events. However, there were important developments in two processes begun in previous years. The accession of Bulgaria and Romania to the EU was negotiated, the European Parliament adopted a controversial directive on chemicals (the REACH directive), and the Bolkenstein directive on services was also adopted, albeit in a modified form. Confirmation of the Czech Republic's accession to the Schengen area at the end of 2007 was of great significance for the Czech Republic. Debate over the Czech presidency of the Council of the EU entered the Czech public arena.

- In the spring the government of Jiří Paroubek completed the construction of a network of Eurocentres in all regions of the Czech Republic, significantly increasing the opportunity for the public to become informed about European affairs. However, this potential is not being exploited either actively or conceptually. The Eurocentres should work closely with local non-governmental organizations and should be more active in outreach to the general public.
- On 23 May 2006, the Czech Chamber of Deputies did not adopt a law, returned to it by the Senate, on protection against discrimination (the Antidiscrimination Law), which would have implemented EU Directive 2000/43/EC into the Czech legal code as the country is obliged to do under the terms of its EU accession. The failure to adopt this law creates a serious discontinuity between the Czech legal code and its EU obligations and could result in the country being penalized through the European Court of Justice.
- In the dispute over EU tariffs on shoe imports from China and Vietnam, the Czech Republic opposed protectionist measures. This position is welcome. Despite the fact that China undoubtedly engages in dumping, the tariffs adopted by the European Union are not solving the problem - the shoes are so cheap that even the original proposal of a 20 % tariff will not help. One way Czech authorities can prevent these sinister imports is to check accounting documentation (invoiced prices are often lower than the actual prices) and technical and hygienic standards. At the same time it would be appropriate to coordinate European pressure on China over questions connected to their adherence to labour law and, should such measures not succeed, to set import quotas.
- During the post-election political crisis, the Czech Republic was represented at an informal EU summit in the Finnish town of Lahti (20 October 2006) by Czech President Václav Klaus. Given the fact that the president has no direct jurisdiction over forming foreign policy and that the responsibility for realizing the conclusions of the summit will rest with the government, we have no option but to evaluate the representation of the Czech Republic at this summit as having been poorly realized and harmful to the country's credibility.
- Unfortunately, due to the long-lasting inability to form a stable government, there are other cases in which the only credible partner for representing the

Czech Republic to European institutions, to the domestic public, and to the international public was the Czech president.

- Shortly after taking office, Prime Minister Mirek Topolánek abolished the Government Department for Information on European Affairs and transferred part of its agenda to the Regional Development Ministry. This step cannot be evaluated as a positive one; on the one hand, the EU agenda is not exclusively the agenda of one ministry, but affects all areas of state administration. It is objectively necessary to conduct a coordinated information policy vis-à-vis the public.
- Unfortunately, the Czech Republic has further postponed its entry into the Euro zone. The budget for 2007, prepared by Paroubek's government and adopted by Topolánek's first cabinet, was resigned to the fact that the Maastricht criteria will not be met and postponed adopting the Euro for several more years. Even though the date of Euro adoption is a question for the Czech Republic alone to decide, this development cannot be evaluated as positive. A high budget deficit at a time of stable economic growth threatens and complicates the country's future ability to meet the Maastricht criteria.
- In 2006 the Czech Republic actively strove to have the headquarters of the agency overseeing the operation of the European Galileo satellite navigation program located on its territory. By year-end the results of this lobbying were still not known. On the one hand it is correct for the Czech Republic to try to locate EU institutions on its territory; on the other hand, the existence of dozens of agencies funded from a shared budget is significantly problematic. As an alternative to this trend, the Czech Republic should lobby for the support of an EU-wide network of national institutions coordinated from Brussels.
- The topic of the Czech presidency of the Council of the EU significantly entered political debate for the first time last year. Topolánek's first cabinet selected Zdeněk Hrubý for the position of government secretary for coordinating the Czech presidency, effective from 1 January 2007. While the political will to secure personnel for the presidency can only be welcomed (especially during a political crisis), the absence of conceptual work on the preparations for the presidency is a serious deficiency of Czech EU policy.

- The Czech Republic opposed a proposal to raise the excise tax on beer. On 28 November 2006, Czech Finance Minister Vlastimil Tlustý vetoed this proposal at a regular meeting of the Council of the EU. The proposed compromise would not have influenced prices in the Czech Republic at all; nevertheless, the Czech Republic vetoed it. The principled justification - that the EU should not privilege one kind of alcoholic beverage over others - is well-founded
- The Czech Republic joined other countries in vetoing a change according to which several decisions in the areas of justice and the interior would have been decided not unanimously, but by majority vote, a change which would have anticipated the Hague program. This veto testifies to the fact that the Czech Republic is insufficiently prepared to accept the supranational cooperation of the police and courts, which at the current time is the only effective response to the supranational nature of organized crime and the threat of terrorism, even at the price of limiting the sovereignty of the Member States.
- The Czech Republic entered the EU with prospective accession to the Schengen area by the end of 2007 at the latest - after the launch of the second generation of the Schengen Information System (SIS 2). Through its interior and foreign affairs ministers, the Czech Republic actively and successfully joined the creation of a coalition of countries lobbying for entry into the existing system (SIS 1) as soon as possible, even though it would require increased financial investments.
- On 15 November 2006 the European Parliament adopted a significantly truncated version of the Bolkenstein directive on the provision of services on the internal market (2006/123/EC). Along with other new EU members, the Czech Republic did not display the ability to lobby sufficiently actively in the matter of the fulfilment of one of the basic freedoms of EU citizens, the free movement of services.
- On 13 December 2006 the European Parliament approved a directive on the registration, evaluation, permission, and restriction of chemicals (the REACH directive). Despite the fact that the chemical industry has traditionally been an important branch of the Czech economy, the Czech government held no dialogue either with the expert public nor with industry representatives, who are concerned that their competitiveness is now weakened.

- On 1 January 2007 the EU Member States expanded to include Bulgaria and Romania. The Czech Republic correctly decided not to apply restrictions on the free movement of workers to either Bulgarian or Romanian citizens. This decision follows from the Czech efforts to abolish similar transitional measures which have been applied against its own citizens.
- In connection with further expansion, a debate has begun at European institutions on the "absorption capacity" of the European Union. The Czech Republic joined the discussion through the statements of minister Vondra, who said he preferred the more value-neutral term "integration capacity". However, the Czech Republic has unfortunately not yet formulated its official position on this matter.

TRANSATLANTIC RELATIONS

This bilateral agenda is dominated by two issues: Pressure by the Czech Republic on the USA for it to re-evaluate its visa policy, and the possibility that some components of the US anti-missile defence system may be located on Czech territory. Security questions, primarily the worsening situation in Iraq, the continuing development of the Iranian nuclear program, and questions connected with domestic security remained US foreign policy priorities in 2006. These questions were, to a certain extent, determined by Washington's policy vis-à-vis the European states and other partners, including the Czech Republic.

- In mid-2006 the issue of the possible construction of a US anti-missile base on Czech territory sparked public discussion. US military experts examined three specific locations in the Czech Republic and negotiations in Washington took place through representatives of the Czech Defence Ministry and Czech Foreign Affairs Ministry. The question of joining the anti-missile system was not part of the parliamentary election campaign, which is positive primarily with regard to the danger that it would have given rise to populist, superficial arguments. By the end of 2006 the Czech Republic had not yet been formally addressed by the United States on the matter, and during the post-election political debate the country's political representatives did not develop a unanimous position on the issue. This was confirmed by a public opinion survey commissioned by the Foreign Affairs Ministry and conducted at the end of the

year, which showed that citizens do not have enough information about the eventual Czech participation in the US anti-missile system.

- In 2006 the Czech Republic increased its efforts to remove the visa obligation for Czech citizens travelling to the USA. Czech diplomacy aims to bring the country into the US Visa Waiver Program (VWP), as well as to implement legislative changes to VWP parameters which currently disqualify the Czech Republic from visa-free relations with the US even in the medium term. What is promising is that the Czech Foreign Affairs Ministry took the initiative to unofficially coordinate the joint campaign of the Visegrad and Baltic states (the V4+3) to lobby for these changes to the VWP; this effort was labelled the "Coalition for Visa Equality" after the September meeting of foreign ministers V4+3.
- The Czech Embassy in Washington is working with ethnic Czech associations in the US and performing "educational activities" vis-à-vis members of the US Congress on the matter of lifting the visa requirement. Two legislative proposals on visa policy have been submitted in Congress. A "pro-Polish" amendment takes into account the military engagement of that country as a criterion for visa-free relations, while a separate draft bill from June 2006 proposes expanding the VWP to include the Czech Republic, Estonia, Hungary, Latvia, Lithuania, and Poland on the basis of their "historical relationships." On 23 September 2006 members of Congress signed a letter to US Secretary of State Rice demanding the expansion of the VWP to include the V4+3 countries.
- Czech participation in a mission in Afghanistan has deepened trust with the Czech Republic's transatlantic allies. The Czech Republic assumed command of the airport in Kabul at the end of 2006.

CENTRAL EUROPEAN COOPERATION

The intensity of Central European cooperation in 2006 was marked by complicated political developments in almost all countries of the region. However, relationships are successfully developing at the civil society level, primarily thanks to the Czech-German Fund for the Future and the International Visegrad Fund.

- The decision to extend the activity of the Czech-German Fund for the Future and the Czech-German Discussion Forum should be evaluated as positive.
- Another positive step was the decision to increase the overall budget of the International Visegrad Fund to EUR 5 million annually. The Czech presidency of this institution was also successful in strengthening activities focused on the eastern and southern neighbours of the Visegrad Group region.
- The conclusion of a treaty on the border crossing regime and on small-scale cross-border cooperation between Austria and the Czech Republic was also a success.
- The Czech-Austrian dispute over the Temelín nuclear reactor became acute again after the power plant was granted an operations permit on 8 November 2006. The permit provoked a wave of criticism from almost every political party in Austria, which considered the granting of the permit a violation of the Melk protocol (concluded in 2000). With the exception of a few unfortunate remarks, Czech foreign policy correctly did not respond to the Austrian protests and did not aggravate the dispute.

EASTERN EUROPE AND THE CAUCASUS

The Czech Republic continued its efforts to support democratization processes in the region, which were most visible in the cases of Belarus and Moldova. Smaller initiatives were taken in relations with Russia and at the EU. Trade relations were successfully developed with countries in the region; trade with Ukraine achieved significant growth.

- A correct, if belated, step was the opening of a Czech Embassy in Moldova. However, contradicting predictions, the consular section of this office was not opened by the end of 2006. Moldovan citizens were forced to continue to request Czech visas at the embassy in Bucharest, Romania.
- The Czech Republic behaved short-sightedly when it agreed to a French proposal to raise the fee for issuing a Schengen visa from EUR 35 to EUR 60. Particularly for citizens from Eastern Europe, an area which both the Czech

Republic and EU have declared a priority, this step will not only pose a significant psychological barrier to the possibility of travelling to the countries in the Schengen area, it will also pose a financial barrier.

- Czech policy towards Belarus can be evaluated as successful, even though at the European level the country did not succeed, for example, in pushing through a more appreciable expansion of the list of representatives of Lukashenko's regime who are banned from receiving visas. The offering of short-term stipends for students who were persecuted for political reasons after the March presidential elections in Belarus, the organization of visits and political negotiations at the highest level for democratic opposition presidential candidate Milinkievich in Austria during the Austrian presidency of the Council of the EU, and Czech Foreign Minister Vondra and Czech PM Topolánek's acceptance of a visit by Milinkievich in October 2006 were all very positive.
- In March 2006 the visit of Russian President Putin to the Czech Republic unfortunately occurred with a minimum of reminders from Czech official representatives on the issues of human rights in Russia and the Chechen war.
- On the other hand, Czech diplomacy succeeded in pushing through the adoption of an EU stance on the Russian-Georgian conflict in the autumn of 2006.

THE BALKANS

Czech foreign policy towards the countries of South-Eastern Europe is very active and comprehends the region as an area of Czech interest. Some tools being used for Balkan stability are support for pro-democracy forces and the integration of the region into Euro-Atlantic structures.

- Last year the Czech Republic tried to push for a more open approach towards the Balkans at a meeting of EU heads of state and government. An example is the decision to cut off negotiations with Belgrade, during which Czech diplomats clearly articulated the position that renewal of the negotiations should not depend so strongly on the country fulfilling its cooperation with the International Criminal Tribunal in Hague.

- The Montenegrin referendum on independence was legitimized by the European Union through its massive presence both during the negotiation of the conditions for voting and during the referendum itself. Slovak diplomacy performed a great deal of work in this case. The Czech Republic remained in the background, even though this situation presented a unique opportunity to promote the country in the Montenegrin environment and develop the basis for cooperation with the newly independent republic.
- Czech participation was successful in both military missions in the Balkans, Bosnia and Herzegovina and primarily Kosovo, where during the first half of the year the Czech contingent took over command of one of the KFOR brigades. Czech soldiers are very well accepted by the local population and are respected by all sides to the conflict. These two missions are advantageous for the Czech Republic as they are not very risky and represent the country very well in an area of Czech interest.
- Several Balkan countries are the target of Czech development aid. The decision to concentrate aid into several neighbouring states is a correct one. From Prague's point of view, the concentration of development projects in one area is also advantageous in that it makes monitoring and evaluation of the projects less demanding.
- Czech investments into the energy sector in the Balkans are comparable to many business initiatives by Western states in terms of their scope. Czech firms have access to many contracts for reconstruction of infrastructure or general engineering.
- Czech diplomacy has a certain backlog in relation to Kosovo. The Czech Republic made an offer to Serbia to facilitate negotiations between Belgrade and Prishtina, but the offer was never realized.

THE MIDDLE EAST

Within the framework of Czech foreign policy towards this region, what is relevant are UN documents, primarily Security Council resolutions; the joint position of the EU and NATO allies on the region; and the transatlantic partnership. The Czech

Republic maintains diplomatic representations in all of the significant countries of the region and also emphasizes support for economic cooperation.

- The dominant event on which the Czech Republic concentrated its attention last year was the armed conflict between Israel and Lebanon, indirectly implicating the Hezbollah movement. At EU level the Czech Republic supported the adoption of a joint declaration for a cease-fire.
- The Czech Republic's proposed participation in the mission in Lebanon (10 people) is symbolic in nature, which on the one hand means the country will not have a more marked diplomatic influence in this issue, but on the other hand fully corresponds to the realistic capacity of the Czech Republic vis-à-vis the Middle East region.
- The fact that the Czech Republic provided humanitarian aid to both the Israeli and Lebanese sides during the conflict between Israel and Lebanon (Hezbollah) is positive.
- The Czech Republic successfully continued to support the transformation process in post-war Iraq. Emphasis was placed on assistance to the Iraqis in the area of establishing state institutions, training of police forces, land-use planning, and protecting cultural heritage. In the southern Iraqi town of Basra a contingent of the Czech Army was active during 2006; its main task was to train Iraqi police officers.
- The Czech Republic has not expressed a unanimous position during discussions on changing the existing allied strategy toward Iraq. Czech diplomacy respects the fact that the main burden of deciding and responsibility for such decisions lies with the United States; nevertheless, the formulation of a clearer opinion would benefit our position both in the region and at the EU.
- The Czech Republic has supported the efforts of European Three (France, Germany and Great Britain) to diplomatically resolve the dispute over the Iranian nuclear program; when the European effort to reach compromise with Iran failed, the Czech Republic joined the united position of the European Union and supported the adoption of the UN Security Council resolution.

- The Czech Republic recognized the results of the parliamentary elections won by the radical Hamas movement in Palestine; however, in accordance with the EU and US position, the Czech Republic has conditioned the continuing of economic aid for the Palestinian government authority on the Hamas government acceding to the conditions of peaceful coexistence with Israel. Primarily, Hamas must recant its aims of destroying Israel and supporting terror and must give up violence as a means of achieving its political goals. The Czech Republic is correctly staying within the mainstream of European policy, which is completely in accordance with its actual ability to influence the Israel-Palestine conflict.

SECURITY AND DEFENCE POLICY

Among the most important and most accented problems in the security area are the proliferation of weapons of mass destruction, global terrorism, and dependence on mineral resources (particularly energy security).

- Members of the Army of the Czech Republic were primarily active under the auspices of NATO and the EU in 2006. 500 members of the Czech armed forces took part in the transformational democratic reconstruction of Kosovo within the framework of NATO's multinational peacekeeping operation "Joint Enterprise". On 1 August 2005, the Czechs relieved Finland of the role of leading state in the structure of Multinational Brigade Centre. Historically this was the first time that such a significant task was entrusted to Czech soldiers.
- In addition to Afghanistan (148 soldiers), Iraq is another place where Czech soldiers are successfully helping to stabilize the security situation and revive the security sector and basic administrative functions. Czech military police officers have trained more than 12 000 of their Iraqi colleagues at the Police Academy at Az Zubayr. The Iraqi mission is a positive example of how the Czech army can earn respect in a relatively narrow area.
- Several days before leaving office, Czech Defence Minister Karel Kühnl signed a contract to purchase 199 Pandur armed transport carriers for CZK 24 billion from the Austrian firm Steyr-Puch. The carriers are to replace the outdated OT-64. The terms of the contract and the circumstances under which it was signed invite significant doubts as to the transparency of the tender.

- On the basis of information from the intelligence services and police on the increased risk of a terrorist act, the Czech government adopted measures at an extraordinary meeting on 23 September 2006 to strengthen security on the territory of the capital city of Prague. Speculation quickly occurred as to the motives behind this decision. Government and opposition politicians must realize that the threat of terrorism is not an area onto which it is acceptable to project domestic politics. However, at a minimum, a necessary and practical cross-checking of the country's defence capability with regard to the terrorist threat did occur as a result of these measures.
- Interior Minister Ivan Langer undertook changes in the sensitive area of the intelligence services. Coordination of the fight against terrorism was transferred to the Security Information Service (Bezpečnostní informační služba - BIS). In September 2006 the government removed Karel Randák from the post of head of the civilian intelligence unit (the Office for Foreign Relations and Information - Úřad pro zahraniční styky a informace). BIS director Jiří Lang became the new head of this secret service as a result of the contentious merger of the personnel of the civilian intelligence and counter-intelligence units. During 2006 two personnel changes took place at the National Security Bureau (Národní bezpečnostní úřad). These changes invite doubts as to the new government's conceptual framework in this area and the rationality of its approach.
- The year 2006 was also significant from the point of view of recognizing energy self-sufficiency as a security question for the Czech Republic. The government specified this area as a priority and created the position of Special Envoy for Energy Security, which it entrusted to Václav Bartuška, who developed materials which were approved at the start of 2007 by the country's Security Council. This step by Topolánek's cabinet can be considered an appropriate accenting of the issue of energy security; subsequent developments and the clashes between the Russian Federation and Belarus clearly confirmed the need to devote exceptional attention to this topic.

ASYLUM AND MIGRATION POLICY

At the political level there is still no comprehensive concept on the general issue of migration. During 2006 the Czech Republic restricted itself merely to adoption of the *acquis communautaire*, without developing any longer-term aims or framework through which changes could be implemented.

- The Czech Republic has no clear concept of immigration policy at the political level. In essence, the immigration program entitled "Legal Migration - an Open Opportunity" realized by the Czech Labour and Social Affairs Ministry (MPSV) is just the partial activity of one government department. A similar initiative is missing at the general inter-ministerial level.
- The MPSV project has not yet been evaluated, but the options it offers are most probably very limited. Approximately 500 people (and approximately 600 of their family members) entered the program between mid-2003 and 2006. During that same period, approximately 60 000 foreigners were granted either long-term or permanent residence on Czech territory. The MPSV program is either not attractive enough to be used by the majority of foreigners, or foreigners are unaware of it.
- In the area of asylum seekers, refugees, and their international protection, EU directives were transposed into Czech law during 2006. Not all of the changes can be evaluated as having had a positive effect on actual refugees (e.g., qualification directive 2004/83/EC).
- There was no progress on the question of the illegal employment of Ukrainian citizens in the Czech Republic. These people are often abused by the criminal structures and have neither health insurance nor social security, but their labour is consciously exploited, particularly by the largest Czech construction firms.

HUMAN RIGHTS

Consideration for human rights remained a stable element of Czech foreign policy despite the change in government. Implementation of human rights is currently more effective within the framework of Czech bilateral diplomacy than are efforts at EU level.

- The continual interest of the Czech Republic in the situation of the democratic forces in Belarus is very positive. The Czech Republic sent observers to the March presidential elections there (primarily within the framework of the OSCE mission) who confirmed extensive falsification of votes and the significantly uneven conditions under which the elections took place.
- On 9 November 2006, the first proper hearing occurred at the International Criminal Court in the Hague in the case of Thomas Lubanga, charged with war crimes. This event is a reminder for the Czech Republic that even though it was a signatory to the Rome Statute on 13 April 1999, it remains the only EU Member State to have not ratified the statute. The Czech Republic is not only losing influence within the framework of this institution, it is appearing in a bad light within the EU, which has repeatedly expressed support for the International Criminal Court (e.g., the Council of the EU at Thessaloniki in 2003).
- Czech policy towards Cuba has been consistent over time in its efforts to uphold human rights and to democratize the country. However, during 2006 Czech diplomacy did not succeed in promoting its position at EU level.
- During 2006 the long-prepared transformation of the UN Human Rights Commission into the Human Rights Council took place. The aim of this step was to depoliticize the debate on human rights. Czech diplomacy has actively participated in this process from its position as a vice-chair for many years. The attempt to transform this discredited authority is positive, but the results so far do not correspond to the effort. The composition and the presumed future activity of the Council indicate that the problem has yet to be solved.
- Czech diplomacy facilitated the submission to the UN of a report by Václav Havel, Elie Wiesel, and K. M. Bondevik on the state of human rights in North Korea. This report confirmed the Czech Republic's specific focus on implementing human

rights, which significantly contributes to the identity and visibility of Czech diplomacy.

- During visits by Russian President Putin (March 2006) and Chinese PM Wen Jiabao (December 2005) government representatives made no mention of human rights issues. This was a failure to uphold the principles of Czech foreign policy as defined by the government concept in force at the time.

ECONOMIC DIPLOMACY

Promotion of economic interests and the active role of diplomacy in realizing export opportunities are key components of the foreign policy of any state. This especially applies to the Czech Republic, which has a very open economy, the results of which are vitally dependent on the results of foreign trade. However, overall it seems that in practice, Czech economic diplomacy has its drawbacks and is not achieving the necessary results for many reasons. It is also true that international or bilateral dialogue on human rights protection does not conflict with the Czech Republic's economic interests in principle. Therefore, it should not be considered a barrier to Czech economic diplomacy.

- Czech Foreign Minister Alexandr Vondra appointed David Gladiš as deputy for external economic relations and presentation of the Czech Republic, which has increased the potential for strengthening economic diplomacy in Czech foreign policy. However, the mere establishment of this position is not enough. Economic diplomacy should be developed in a coordinated fashion across all segments of Czech foreign policy, including development and transformational cooperation, military stabilization missions, and analysis.
- At the start of 2006 the winner of a public tender for the Czech Republic's logo was announced as the company Side2 with its versatile concept of "thought balloons". In July 2006 the marketing company Adventures Praha released a new internet presentation at the address www.czech.cz using the graphic design. Regardless of the aesthetics of the new logo, which this publication is not prepared to evaluate, we endorse the creation of a unified framework to replace the various logos in parallel use by various ministry-funded organizations, regions, and the ministries themselves.

DEVELOPMENT AND TRANSFORMATIONAL COOPERATION

Transformational assistance has become one of the most effective instruments of Czech foreign policy thanks to which the Czech Republic has gained respect primarily in Eastern Europe. In the area of foreign development cooperation, however, the Czech Republic has long failed to meet its international obligations.

- The trend of insufficient financing for development cooperation continued in 2006. Funds provided for foreign development cooperation once again did not exceed 0.11 % of GDP. While this is the highest percentage committed by any of the new EU Member States, it is far from UN requirements (0.7 %) and from the average for the old Member States (0.33 %).
- In 2006, after a significant delay, legislation on development cooperation began to be drafted. The existing inter-ministerial factionalism in development cooperation is proof of the need for this legislation.
- In the area of transformational cooperation, which is the most visible and most specific contribution of the Czech Republic towards support for democracy, human rights, and good governance in the target countries, the increase of finances available to more than CZK 30 million is positive. Including the extraordinary budget line of CZK 20 million to aid Belarusian students persecuted after the March presidential election, 48 projects were realized in nine target countries (Belarus, Bosnia and Herzegovina, Burma, Cuba, Georgia, Iraq, Moldova, and Ukraine) for more than CZK 55 million.
- The collapse of the Qatar round of negotiations of the World Trade Organization means that Czech enterprises will continue to encounter barriers during their entry into developing markets, which are gradually demonstrating their high potential. The result, which will be felt most strongly by the less developed states, paralyzes the fight against poverty which the further development of international trade would significantly accelerate.

OTHER ISSUES

- The disproportion between the opinions of the president of the republic which he presents abroad on the one hand, and the official position of the Czech Republic formulated by the Czech government on the other, continued in 2006. This is a permanent deficiency in the trustworthiness of Czech foreign policy which must be resolved by more thoroughly coordinating the stances on specific questions of the prime minister, foreign affairs minister, and president of the republic at a minimum. However, the fact that according to the Constitution the government is responsible for creating the Czech foreign policy must always be applied unambiguously.
- The budgetary security of the Czech Foreign Affairs Ministry was not ideal in 2006. Ministers Svoboda and Vondra repeatedly declared the department was underfinanced. Setting aside the counter-argument that all public administration institutions are naturally of this opinion about their own budgets, it can be said that the Foreign Ministry's share of finances in recent years has actually fallen in relative terms.
- The performance of a procedural audit by the firm Deloitte, which was completed in July 2006, was a correct and useful step. However, the transparency of the Foreign Affairs Ministry would benefit even more if at least some parts of the final report were publicised, since the press release issued on the topic does not contain much information. At the same time, the specific reform measures which the ministry has taken or intends to take on the basis of the results of this audit should be publicized. This is the only way the public can have a sufficient overview of whether the ministry has drawn any conclusions from the audit's findings.
- In 2006, minister Vondra promised a partial restructuralization of the network of Czech embassies by transferring overcapacity in personnel from Western Europe to the East, which is an appropriate first step in the process of reform of the Czech foreign service.
- In 2006 the practice of political nominations to some diplomatic posts continued. The inappropriateness of this is obvious, particularly in cases concerning

persons with little previous foreign policy experience and insufficient language skills. For example, the recent change in the Czech ambassador to Vienna testifies to a trend in the Czech foreign service which does not bode well.

- Overestimated data on CO₂ emissions means that the number of permits allocated by the European Commission significantly inflated demand, which not only endangered the permits market, but also the very efforts of the European Union to fulfil the regulations of the Kyoto Protocol. Moreover, the Czech Republic supported this unwelcomed trend by demanding more emissive permissions up to 102 millions otonnes of CO₂ in the next programme period.
- In 2006 the Czech Republic confirmed its long-held critical position on reducing environmental protections. The country joined an Austrian and British initiative and called on Iceland and Norway to re-evaluate their positions on commercial whale hunting.

POLICY RECOMMENDATIONS 2007

THE CZECH REPUBLIC IN THE EUROPEAN UNION

Given the upcoming Czech presidency of the Council of the EU, European policy should now become the dominant feature of both Czech domestic and foreign policy. When formulating the Czech Republic's position on political questions concerning the EU, this position must be created on the basis of at least a minimum consensus among the main political camps - this is the only way Czech diplomacy can conduct itself clearly and consistently. This applies both to priorities and to the reform of EU institutions and policies.

- The main task of Czech EU policy during 2007 should be intensive preparations for the upcoming Czech presidency of the Council of the EU. It will be necessary to establish close contacts with the countries which will hold the Council presidency immediately prior to the Czech presidency (France, Portugal, Slovenia) and immediately afterward (Sweden). The government should establish realistic priorities for its presidency on the basis of dialogue with the opposition and other relevant actors from both domestic and European expert circles and negotiate these priorities with its EU partners.
- From the point of view of coordinating the Czech presidency, it will be necessary to transfer some powers concerning European affairs from the Foreign Affairs Ministry to the cabinet. At the same time, the efficiency and competencies of all departments concerned with European policy at the head of state administration must be cross-checked. Close cooperation of the state administration with a capacity-enhanced Permanent Mission of the Czech Republic at the EU will also be essential.
- Intensive cooperation with Slovenia, which will preside over the EU the year prior to the Czech Republic, will be especially important and necessary. Slovenia has been focusing on its preparations for this role for several years now, and many challenges will probably be similar for both countries.
- The government's communications campaign should not neglect to mention the EU presidency. An explanation of the presidency's function, potential, and the priorities of the Czech Republic for the January-June 2009 period should be adequately communicated to the public. The Eurocentre network is a good basis for such an information campaign. However, at the current time the Eurocentres have no information on the presidency available, even though this gradually will become the main point of the European debate in Czech politics.
- The Czech Republic should take a clear position on the future institutional order of the European Union. The Czech Republic should evaluate, non-ideologically, which transfers of powers and which institutional changes would be useful and would improve both the country's room to maneuver and the fighting power of the EU as a whole (such as strengthening CFSP, the Hague process); which are symbolic (the Charter of Fundamental Rights of the EU,

the EU Foreign Affairs Minister); and which would, on the contrary, directly endanger the Czech Republic's position within the framework of the EU or the global economy (e.g., tax harmonization).

- The Czech Republic should focus on fulfilling all its obligations connected to entry into the Schengen area (SIS 1) and simultaneously should fully concentrate on building the new system (SIS 2).
- Full liberalization of the European labor market is in the interest of the Czech Republic. It is crucial that the four fundamental freedoms be consistently upheld; their full implementation will condition any further deepening of European integration. The free movement of services must be better implemented, because the development of the tertiary sector is essential to the country's competitiveness.
- In the short term, the Czech Republic must strive for the abolition of transitional restrictions on the free movement of persons through active bilateral diplomacy and in cooperation with the other Visegrad group countries. Successes in this field are key for maintaining public support for the European integration process.
- On the recently recurring question of the absorption capacity of the EU, the Czech Republic should proceed cautiously and emphasize the capacity of the acceding countries to integrate into European institutions. In order to enhance this capacity, it is essential to proceed with negotiations on the new institutional order of the European Union, and clarification of the Czech Republic's position on this issue would be a first step in this direction.
- The government should make use of the existing Eurocentre network in all regional capitals and concentrate all decentralized communications channels concerning the EU in the network. The Eurocentres in the regions should not only be to provide information to the lay public, but should closely cooperate with regional authorities on specialized advisory services to firms and communities with regard to drawing on European funds, attracting investors, representing the regions at European level, cross-border regional cooperation, etc.

- Czech foreign policy at EU level should take a balanced position on the dispute over the occupation of northern Cyprus. The sanctioning of Turkey for its treaty violations is fundamentally correct; on the other hand, it is not acceptable for the Republic of Cyprus, which is a party to the dispute, to abuse its EU options in order to block further negotiations. If it should be proven that a constructive position cannot be expected from Cyprus, Czech diplomacy should support attempts to transfer resolution of the problem to neutral ground (e.g., revival of the Annan plan).
- The Czech Republic should not obstruct the current candidate countries (i.e., Croatia, Macedonia, and Turkey) on their way to the EU and should not block their accession once they have completely demonstrably fulfilled the Copenhagen criteria.
- The Czech Republic should strive for the fastest possible acknowledgement of the European prospects of the countries of the western Balkans, Moldova, and Ukraine. The same applies to Belarus should that country undergo democratic changes.
- The Czech Republic should advocate for the establishment of European status for non-governmental organizations (the status of a European association). This is a step which significantly enhances opportunities for the transnational cooperation of non-governmental organizations and helps them become the partners of European political and economic institutions.
- It is in the interest of the Czech Republic to strive for the relaxation of the Schengen visa regime vis-à-vis third countries with strong ties to EU Member States and vis-à-vis priority countries from the point of view of the European neighbor policy. Relaxing of the regime will enable countries, for example, to issue multiple entry visas valid for several years, to reduce the fee for Schengen visas, and to introduce preferential regimes for certain groups of citizens (especially students and young people) and for certain countries (e.g., Belarus, Moldova, and Ukraine).
- In 2008 revision of the European budget will take place. The Czech Republic should take the position that no real reform to the EU budget is possible without deep reform of the Common Agricultural Policy. The general goal of such

reforms must be their liberalization, as well as the reduction of expenditure of EU funds.

- The Czech Republic should also push for a reduction in the number of European agencies. An alternative is to support the establishment of a network of national institutions coordinated from Brussels and investment into the mobility of their staff.
- Concerning the Euro-Mediterranean partnership, the Czech Republic must insist on the thorough application of the principles of the European neighbor policy (i.e., primarily conditionality and differentiation), including all consequences for relations between the EU and these countries and the provision of economic aid.

TRANSATLANTIC RELATIONS

Relations with the US should accent both the multilateral dimension (at NATO and the UN, EU-US relations) as well as the bilateral dimension. Transatlantic cooperation in areas of security must be accompanied by an intensive political dialogue on affairs of interest to both partners. At the same time it is necessary for the Czech Republic to remain in the informal "pro-Atlantic" group inside the EU and not permit any fundamental separation of US security interests from European ones.

- The country's political representatives should present the public with a clear position on the issue of including the Czech Republic into the US anti-missile Agenda for Czech Foreign Policy 2007 defence project. This position should be founded on arguments concerning specific ideas on the longterm strategic interests of the country and its broader security environment. The government should prepare a communications strategy for informing citizens of the positive aspects and the risks of any eventual installation of part of the anti-missile defence system on Czech territory. However, the Czech Republic should not pursue the realization of a referendum on this question, but ideally should achieve consensus among all of the democratic parliamentary parties as to a position on the US offer made to the Czech Republic at the start of 2007.

- The Czech Republic should further support the process of expanding NATO on the European continent. Czech diplomacy should support invitations to join NATO during 2008 for Albania, Croatia, and Macedonia; should they be prepared, Georgia and Ukraine should also be invited. The Czech Republic should also agree with continuing the Partnership for Peace program.
- Within the framework of the "Coalition for Visa Equality", Czech diplomacy should continue to actively pressure for the classification of the Czech Republic among those countries enjoying a visa-free relationship with the US. Activities aimed at members of the US Congress through direct contacts and pressure groups should be intensified during the first half of 2007. At the same time, the visa question should be pursued through the EU. Central European and Baltic countries should push for the visa issue to be on the agenda of the EU-US summit in June 2007.

CENTRAL EUROPEAN COOPERATION

Regional cooperation will not lose its significance in the EU environment. On the contrary, it will expand to another dimension and create the opportunity to build interesting regional coalitions inside European institutions.

- The Visegrad group should significantly improve its cooperation in the area of support for the democratic aims of the countries of Eastern Europe, particularly through joint initiatives within the framework of the EU. In the case of Poland, the Czech Republic should do more to strengthen communications and coordination. The other members of the V4 groups must be convinced of the necessity to strengthen their activities in the area of transformational assistance.
- The V4 states should also focus on the Caucasus and try to support the regional cooperation of Armenia, Azerbaijan, and Georgia.
- Cooperation between the Visegrad group, the GUAM group (Georgia, Ukraine, Azerbaijan and Moldova) and Ukraine and Moldova as separate countries should be intensified.

- Emphasis should be placed on cooperation of the V4 with Austria and that country's gradual integration into some of Visegrad projects and initiatives.
- In the area of bilateral relations, it will be crucial not to permit the escalation of the disputes between Austria and the Czech Republic over the Temelín nuclear reactor and to separate the real problems of nuclear security from the projection of domestic political disputes into Austrian-Czech relations.

EASTERN EUROPE AND THE CAUCASUS

The strengthening of democracy and civil society in the countries of Eastern Europe and the Caucasus is in the interest of the Czech Republic, which should be more active in this direction both at the bilateral level and at the EU. Greater attention should be paid to specific projects in the areas of support for non-governmental initiatives; in the case of Moldova and Ukraine, the transfer of transformational experience should be performed at the state administration level as well.

- The Czech Republic should continue to provide political and financial support to democratic forces, non-governmental organizations, and the free press in the region, primarily through subsidizing projects in the area of transformational cooperation.
- The Czech Republic should also intensively support Ukraine's democratic direction. Within the framework of the EU, the Czech Republic should see through the quickest possible economic integration of Ukraine with the EU and the removal of obstacles to importing commodities that are influential for Ukraine.
- The Czech Republic should engage more in support for democratic development in Moldova and its European integration. The Czech Republic should also push for greater EU involvement in solving the Transdnestrian question.
- Czech support for the democratic opposition in Belarus should continue. Czech diplomacy should be prepared for the possibility that the economic situation in the country will worsen and that political turbulence will result. Any negotiations with the existing regime must be predicated on essential changes

in the question of upholding human and civil rights and the establishment of independent media. During any eventual negotiations the democratic opposition must be present at the negotiations as an equal party.

- The EU gave Belarus until June 2007 to improve protections for the rights of employees or be removed from the preferential tariffs system. The Czech Republic should insist on rigorous enforcement of this position vis-à-vis the Lukashenko regime and, as a last resort, vote to remove Belarus from the preferential tariffs system.
- The Czech Republic must attentively follow developments in Russia, which faces parliamentary elections and, in 2008, the end of Putin's term in office. It should also consider the question of support for Russian democratic non-governmental organizations and civic initiatives.
- The Czech Republic should devote greater attention to the states of the Caucasus. As soon as possible it should open diplomatic and trade representations in Armenia and Azerbaijan, where they have been completely absent.
- Within the framework of the EU, the Czech Republic should initiate a program for countries in the region which have been affected by the rising costs of Russian raw materials. This program should support the transformation of economies with high rates of energy consumption into economies using energy-efficient technologies and an energy savings program.
- The entry of the V4 and Baltic countries into the Schengen area will lead to a significant rise in the price of visas for citizens of countries in the region. The Czech Republic should strive to reduce prices across the board for the Schengen visa; to issue multiple entry visas valid for a period of several years to the broadest possible range of people; and to either lower or forgive the visa fee for citizens from these countries. In the broader context, a high price for a visa is in direct contravention of the priorities of the European neighbour policy, in which one of the aims is personal contact between EU citizens and their neighbours.

THE BALKANS

The cultural and historical affinity of Central Europe with the Balkan countries and other areas of South-eastern Europe is an exceptional and underutilized opportunity for Czech foreign policy. Through its very positive image among all sides, the Czech Republic can contribute to progress in many areas and also enforce its interests in the region.

- In South-eastern Europe it should be possible to resume earlier traditional friendship ties with all of the nations, even those which are in conflict with one another (Albanians and Serbs). To date, Czech diplomacy has been rather indecisive and reactive on many questions in this region.
- The main problem in the Balkans in the coming months will be Kosovo. To a certain extent the independence of Kosovo is a fact, but most of the political forces in Belgrade refuse to accept it. The EU, therefore, should actively work on changing Serbia's position. If the Czech Republic wants to recognize Kosovo, it should not hesitate to also give much more support to Serbia, including more intensive support for its journey to the EU.
- The Czech Republic should continue its openness towards Belgrade and should support the opinion that the renewal of talks on Serbian accession to the EU should occur on the basis of better cooperation with the International Criminal Tribunal for the Former Yugoslavia, regardless of whether Ratko Mladic is ever physically in custody at the Hague or not. Independent of this, Belgrade should strictly require reforms of the army and military counter-intelligence units. Serbia has been offered membership in Partnership for Peace, which is another instrument for implementing such reforms.
- Czech diplomacy should attempt to intensify relations with Croatia as much as possible. The high influx of Czech tourists to the Adriatic should be markedly accompanied by Czech investment into tourism in Croatia. During the EU accession process, Croatia will have to undergo many changes and reforms similar to those undertaken by the Czech Republic. Through consultations and assistance to Zagreb (e.g., through twinning programs) the Czech Republic can build up a good position in Croatia for its own economic and political influence.

- Investment into energy, reconstruction contracts, new infrastructure, and transportation technology is now under consideration in less developed areas such as Albania and Kosovo. Czech embassies should make top people available in these areas, as well as sufficient capacity and finances available in order to succeed in supporting as many Czech economic activities in these areas as possible.
- It is necessary to open an embassy in Skopje as quickly as possible, independent of whether Macedonia itself decides to reciprocate and when.
- It would also be appropriate to better connect (through inter-ministerial strategy) the military presence of the Czech Army, Czech development aid, and Czech transformational cooperation in the Balkan region. Through the synergy of various instruments of Czech foreign and security policy, Czech political aims can be achieved much more efficiently and with longer lasting effects.

THE MIDDLE EAST

The Czech Republic's foreign policy vis-à-vis the region of the Middle East during the next period of time should be balanced and based on traditionally good Czech relations with both the State of Israel and with other states of the region. Part of the Czech Republic's Middle East policy should be achieving a joint position of the EU states. The Czech Republic has the opportunity to influence such a joint position through its active participation in the activities of EU institutions, thereby achieving higher efficiency in promoting its foreign policy goals than if it were to use only its own instruments.

- The Czech Republic should support an EU foreign policy that aims for the democratic transformation of Middle East regimes while simultaneously respecting the cultural and historical specificity of the region. The Czech Republic should support the broadest possible dialogue with regional partners. Within the framework of this dialogue the EU should not forget about the issues of human rights, the rule of law, and good governance in addition to security, the fight against international terrorism, and economic cooperation.

- Within the framework of bilateral relations the Czech Republic should continue to maintain diplomatic representations in all of the significant countries of the region. Emphasis should be placed on the development of instruments of economic diplomacy and the general development of relations.
- In the matter of the Iranian nuclear program, the Czech Republic should promote a solution at EU level which provides for sufficient and trustworthy guarantees that the nuclear program will not be misused for the production of nuclear weapons in the future. It is also desirable to conduct an open dialogue with Iran and to politically support those moderate, pragmatic forces in the Iranian regime which prefer rational cooperation with the West.
- It is in the interests of the EU and the Czech Republic for Lebanon to have a strong, stable, pro-Western government which will represent the legitimate interests of all religious groups in the country. The internal political crisis which came about with the departure of the Shiite ministers from the government after the end of the summer conflict with Israel must be resolved through democratic means and in accordance with the constitution. Within the framework of the EU, the Czech Republic should strive for the transformation of the Hezbollah movement and its inclusion into the political process in the country.
- The Czech Republic should not only politically support the UNIFIL mission, but should also send a limited number of soldiers or experts to assist with Lebanon's post-war reconstruction.
- In accordance with its approach so far, the Czech Republic should completely support the transformational efforts of the Iraqi government resulting from the free elections there. The Czech Republic should strive to preserve a unified Iraq and support the founding of a federative order should the majority of the Iraqi population agree with such an order. Management of the provinces should be handed over as quickly as possible to the Iraqis and the international community should support the inclusion of the Sunni minority into the political process in the country.
- The Czech Republic should also continue to support transformational cooperation projects in Iraq, in particular the establishment of the Iraqi state administration, development of the non-governmental sector, and training of the security services.

- With regard to the Israeli-Palestinian conflict, Czech diplomacy has the option of exploiting its traditionally good relations with both sides of the conflict. Czech diplomacy could assume an unbiased position vis-à-vis the participants in the conflict and their international patrons (the USA and the Arab countries) with a certain potential - albeit largely limited by the Czech Republic's geopolitical significance - to be a facilitator on small-scale matters.
- The Czech Republic should support resolution of the Israeli-Palestinian conflict and the rise of an independent Palestinian state based on the fulfilment of essential conditions leading to the guarantee of Israel's security and integrity.

SECURITY AND DEFENCE POLICY

The main pillar of the Czech Republic's security policy must be transatlantic relations based on the key role of NATO. The Czech Republic must recognize the issue of terrorism as of supreme importance, independent of the degree to which the country itself is threatened. The role of the Czech Republic in the fight against international terrorism is based on the Czech Republic's foreign policy obligations vis-à-vis its allies.

- In the area of European security and defence policy, the Czech Republic should insist on maintaining an intergovernmental approach, which compensates for the political dominance of the large European states.
- It is not possible to make terrorism the dominant topic of relations with the states of the Middle East region. Ideology must be removed from the fight against terrorism.
- The Czech Republic should support cooperation between the EU and the US in building internal Atlantic security. Such cooperation must consist of support for joint security programs (namely in the area of the fight against terrorism) and in the establishment of a closer network of ties at the level of executives and intelligence units.
- Czech diplomacy should actively participate in the debate leading to the establishment of a common EU energy policy. In this context, nuclear energy should be considered an alternative to energy dependency on Russia.

- The Czech Republic must focus on diversifying its suppliers of strategic raw materials, especially natural gas and oil. It is necessary to support the creation of alternative routes for the import of natural gas and oil from the Caspian region. For this strategic reason it is also necessary to maintain a close alliance with Turkey and maintain an interest in its joining the EU.
- The Czech Republic must also support (primarily through tax policy) technologies which facilitate energy savings and increase the use of renewable resources in energy production. Greater energy self-sufficiency will reduce dependency on exports from unstable areas and Czech room for manoeuvring in "oil diplomacy" will expand.
- The Czech Republic should remain actively connected in current international missions, with an emphasis on the missions in the Balkans. At the same time, the number of Czech soldiers capable of serving in foreign missions should be increased.
- In the interest of a more flexible response by the Czech Republic to the needs of its military missions, it would be appropriate to consider simplifying the existing complicated mechanism for sending units abroad (including eventual essential changes to the Czech Constitution).
- Within the framework of the Organization for Security and Cooperation in Europe (OSCE) Czech diplomacy should focus on increasing the capacity of this organization in areas where it has generally recognized experience, i.e., primarily in the monitoring of democratic election standards. On the other hand, the Czech Republic should not agree with the expansion of the OSCE into areas which are more efficiently handled by other institutions (e.g., the Council of Europe).

ASYLUM AND MIGRATION POLICY

In 2007 the Czech Republic must concentrate on successful completion of its integration into the Schengen system so as to become part of it by 31 December. At the same time the Czech Republic, together with other EU countries, should actively strive to create a safe but "friendly" EU border to the east and south.

- In the area of arrangements for the international protection of migrants and asylum-seekers, the Czech Republic should respect the interests of genuine refugees and separate the question of illegal migration from the specific questions of refugees fleeing military conflict who arrive in the country illegally.
- The Czech Republic should concentrate on implementing specific policies vis-à-vis Moldova and Ukraine in the area of technical assistance with border protection, asylum procedures, the prevention of illegal migration, and the detection of falsified travel documents. The Czech Republic should do its best to project this approach into the creation of the EU migration and asylum policy and in the framework of the European Neighbourhood Policy.
- The Czech Republic should evaluate its program for managing migration policy and make it more efficient. It should also gradually expand the number of countries included in this program and better connect its realization to the Czech embassies in the countries concerned.
- The Czech Republic should internationally strive to separate questions concerning the issues of asylum and visas from the questions of the fight against illegal migration and cross-border crime.
- The problem of illegal employment of Ukrainian citizens in the Czech Republic must be quickly resolved. The Czech Republic must adopt such measures (including legislative changes) as will create conditions for their legal employment. The authorities responsible for criminal prosecution should not concentrate only on the illegally employed Ukrainians, but on their employers. Construction and other firms which abuse their workers' illegal position (albeit through subcontracting) should be deprived of the possibility to participate in public tenders for state or EU-financed projects.
- Given the aging of the European population, the Czech Republic should take a more active position on creating a harmonized policy for legal migration at EU level.
- The Czech Republic should strive to strengthen regional cooperation in the area of asylum and migration policy and to build alliances, e.g., with the other countries of the Visegrad group and the Baltic States in the area of exchange

of experiences and information, as well as harmonization of strategies in the area of migration law.

- The Czech Republic should actively join in the construction of elements of the joint European migration policy by strengthening the capacity of the European agency for border protection (Frontex). The May Africa-EU summit on migration will provide a platform for Czech participation in the discussion on questions of illegal migration.
- The government should initiate debate on the expansion of voting rights - at the local level at least - for foreigners with permanent residence in the Czech Republic.

HUMAN RIGHTS

Human rights must continue to remain one of the main priorities of Czech foreign policy. Given its own historical experience, Czech diplomacy must consider human rights to be universal and must never abandon them.

- Transformational cooperation makes sense and is effective as a foreign policy instrument only when it is effective and achieves real change. The political interests of the Czech Republic vis-à-vis a given region should be taken into consideration when providing transformational cooperation, as well as whether a synergy effect is attainable. On the basis of these criteria it is necessary to re-evaluate the selection of target countries for such assistance, especially in the case of Czech transformational assistance to Burma. On the other hand, the potential for transformational aid to the territory under Palestinian administration should be considered.
- Czech ratification of the Rome Statute is necessary, especially considering the fact that the International Criminal Tribunal has begun its activity. This should be perceived as a short-term priority of Czech foreign policy, especially at the Czech Parliament. The next version of the Czech Constitution must take into consideration the necessity of ratifying the Rome Statute in accordance with the Czech legal code.

- Support for the opposition in those countries that are priorities of Czech trans-formational assistance (Belarus, Cuba, Moldova, etc.) must be targeted effectively at support for active elements of civil society and the development of independent media. It is also necessary for the Czech Republic to find a method for more efficient direct financial and material support for democratic forces in these countries.
- The Czech Republic should actively participate in the creation of an EU-financed foundation for the support of democracy, a European equivalent of the US National Endowment for Democracy (NED). Such a foundation should primarily support democratization activities by non-governmental organizations and the development of the independent media.
- The Czech Republic should strongly consider whether to remain in the newly established UN Council for Human Rights, especially if the growing concerns as to its credibility are confirmed. The membership of China, Cuba, and other countries which seriously violate human and civil rights in this body is a repudiation of the meaning of the UN reforms in the area of human rights protection. Membership in such a body would discredit the Czech Republic's efforts in the area of human rights promotion.
- In the case of Cuba, the Czech Republic should promote the introduction of sanctions similar to those imposed by the EU in spring 2006 vis-à-vis Belarus. The Czech Republic, which has been engaged in the question of Cuba for a long time, should intervene just as thoroughly at European level on behalf of the inhabitants of other undemocratic countries.
- The Czech Republic should emphasize the significance of the Council of Europe and its mechanisms in the codification and protection of human rights. The Council of Europe should assist in implementing regional mechanisms for human rights protection in other countries through technical assistance.
- A Czech Republic engaged in the human rights field should be heard at the EU in the discussion on the rights of employees in developing countries, the violation of which makes it possible for both Chinese companies and foreign companies producing in China to produce consumer goods cheaply.

- The export of weapons should only be permitted to such countries as pose no threat to either the Czech Republic or its allies, do not use weapons in violation of international standards of human rights protection, and do not re-export weapons to countries which do violate human rights standards or pose a threat to the Czech Republic or its allies.
- From the point of view of the Czech Republic, the new formulation of conditions by the EU on the eventual lifting of the arms embargo in China is sufficient. It is necessary to insist on its implementation not only in order to maintain the credibility of the joint European position in the area of human rights, but also from the point of view of the security interests of the Czech Republic's allies.

ECONOMIC DIPLOMACY

Economic diplomacy must be considered an exceptionally important component of Czech foreign policy. In the interest of maintaining a high influx of foreign investment into the Czech Republic it is necessary that the embassies play an active role, for example, during communication with potential investors.

- Political support for exports must be actively and adequately performed through the Czech Foreign Affairs Ministry (Czech MFA) in collaboration with the Czech Ministry of Industry and Trade. Czech interests must not be allowed to develop on separate tracks, some at the economic level and some at the political level. These interests must be effectively harmonized and managed by the by the Czech Foreign Ministry.
- Support for exports and strengthening of commercial exchanges should be addressed more systematically in the future, i.e., through intensive, ongoing communication with exporters and investors. Support for selectively chosen enterprises and the organization of specific negotiations should be realized only in exceptional cases.
- It is in the Czech interest to strengthen the participation of SMEs in exports. Distribution of exports among more subjects leads to the reduction of overall dependency on a small number of large companies. The structure of exports should also be diversified as much as possible among the various sectors in

the interests of the stability of the trade balance during unexpected drops in demand.

- On the basis of regularly following the structure of demands on foreign markets and the capacity of Czech foreign trade, Czech MFA and Ministry of Industry and Trade should more flexibly target their specific activities into areas with increased economic potential. A parallel task is the active resolution of the problem of an unequal balance of trade with some countries (namely with China).
- The number of trade secretaries at Czech embassies should be increased their capacity should be professionalized in non-EU countries with significant export potential for the Czech Republic (e.g., China). These expenditures are not only essential from the point of view of the state budget, but are primarily beneficial over the long term. It is possible to find the finances and personnel for strengthening Czech economic diplomacy by consolidating embassies according to territory.

DEVELOPMENT AND TRANSFORMATIONAL COOPERATION

The Czech Republic's plan for foreign development cooperation for 2007 confirms the trend of increasing the financial means dedicated to development aid and concentration of such aid in priority countries in accordance with the aims published in the Czech Republic's "Principles of Foreign Development Cooperation".

- Following the example of many other EU countries, the Czech Republic should establish a government development agency which is not dependent on any specific ministry and will concentrate the organization of development aid, which is currently fragmented, in one place.
- The most appropriate model for the Czech Republic would seem to be the model introduced by, e.g., Austria, Belgium, or Luxembourg, in which the foreign affairs ministry determines the priorities of development policy, while its implementation is guaranteed by a realization agency, primarily through its representatives in the priority countries in cooperation with the embassies.

- The agency must thoroughly research Czech priorities in the area of development cooperation with the aim of increasing the effectiveness of this cooperation so that it better corresponds to Czech economic and security interests. The mere principle of cultural or historical ties to a country is insufficient from the point of view of determining aid priorities.
- The Czech Republic should systematically link its economic policy vis-à-vis developing countries to support for democratization and security stabilization.
- The Czech Republic should gradually increase the financial extent of its foreign development aid and harmonize its development policy with the principles promoted by the OECD and the EU. According to the Czech Republic's international obligations, the contribution to foreign development cooperation (ZRS) must increase from the current 0.11 % to 0.33 % of GDP by 2015.
- With regard to Fidel Castro's deteriorating state of health, the Czech Republic must be prepared to respond to possible changes in the political situation in Cuba. Czech MFA should have instruments prepared to support the smoothest possible economic and political transformation of the island, primarily in the area of strengthening the capacity for transformational education of the new elite, as well as in the health and social areas. It is also necessary to have economic diplomacy instruments available so that potential opportunities for Czech firms can be adequately exploited.
- The Czech Republic should aim for membership in the Development Assistance Committee of the OECD in order to more effectively promote its aims in the area of development policy.
- The region of the southern Caucasus as a whole should be included in the program of transformational cooperation. A focus on Georgia duplicates EU policy to a certain extent, and Georgia is the greatest recipient of assistance of the three states of the region. Armenia in particular deserves more attention. It is obvious that the isolation in which it currently finds itself (closure of the borders with Azerbaijan and Turkey, non-participation in regional projects) will not benefit the region as a whole and will only strengthen Armenian dependency on Russia.

- Realization of the transformational cooperation program has demonstrated the program's substance, necessity, and benefit for the development of civil society in the target countries and for the strengthening of the good name of the Czech Republic abroad. The finances dedicated to this program should be significantly increased. When realizing individual projects, emphasis should be placed on their realization in target countries (never in the Czech Republic) and on the greatest possible benefit to and participation in them by non-governmental organizations and initiatives.
- The Czech Republic should place greater emphasis on strengthening the principle of partnership with the public, non-governmental, and private sectors when planning development activities.

OTHER ISSUES

- The Czech Republic should state its fundamental foreign policy priorities in more precise terms as soon as possible. On this basis it should subsequently re-evaluate the number and capacity of its embassies. In comparison with other Central European countries of similar size and significance (Austria, Hungary), however, our presence is visibly exaggerated, especially in those areas which are further away from the priorities of Czech foreign policy.
- It is necessary to initiate an essential strengthening of coordination with European diplomacy and to strengthen cooperation in countries in which smaller Member States do not have and cannot have the capacity to adopt and promote specific positions. In this context it is appropriate to discuss the number of Czech embassies, particularly in sub-Saharan Africa and Latin America. An appropriate alternative should they eventually be reduced would be to jointly operate consular, diplomatic, and economic representations with partner countries, for example, from the Visegrad group.
- More effective work by the Czech embassies can be achieved by changing the criteria for their staffing. Selected positions at Czech embassies should be opened for hiring through public tenders. This principle would facilitate greater flexibility and would open Czech diplomacy up to people with experience from international organizations, public administration, and both the private and non-profit sectors.

- The need to develop a unified external presentation of the Czech Republic in cooperation with all Czech public institutions, coordinated centrally by Czech MFA, is crucial. Within the framework of this coordination it is appropriate to support the cross-border cohesion of the presentation of individual Czech regions or cities. This approach would be productive in Central Europe in particular.
- For the full harmonization of the external presentation of the Czech Republic, it is necessary to implement an inter-ministerial strategy. In cooperation with other ministries, regions, local communities, and entrepreneurial entities, the Czech MFA should gradually introduce not only the logo that won last year's public competition, but should also unify the graphics and communications elements of the Czech Republic's presentation materials.
- A well thought-out cultural policy focused on presentations abroad could also become an attractive adjunct to the realization of a comprehensive concept of promoting the Czech Republic.
- Despite partial developments, Czech MFA has not developed a coordinated approach to non-profit organizations. The aim of a unified approach must be to establish functional forums and approaches and to determine ministries' priorities in the areas of analysis, communications, and education.
- The analytical activity of Czech MFA should be re-evaluated so that external subjects have equal and open access to public finances invested by the state. Czech MFA should perform most of its program activities independently, and the other activities - particularly long-term analytical work - can be better and more effectively performed by completely independent external institutions which can also provide the necessary critical detachment.
- The 2005 World Summit did not meet expectations on the question of deeper institutional reforms at the UN, which was one of the main efforts of former General Secretary Kofi Annan. Increasing the efficiency of the UN's work in the area of global security, permanently sustainable growth, and the fight against poverty is in the Czech Republic's long-term interest. Czech foreign policy should therefore exploit all available and potential instruments - firstly the EU presidency and a possible place as a temporary member of the UN Security Council, but also its position on many other platforms - to intensify debate on UN reform.

- The Czech Republic should adjust its priorities in the area of economic development to the growing significance of environmental protection and should adopt a positive stance towards reducing the amount of emissions permits supported by the European Commission. The Commission has already sent out the signal that after the second trade period (2008 - 2012) it will lower the permitted emissions quota. The Czech Republic is requesting emissions permits for 102 million tonnes of CO₂, which of course exceeds the actual needs of Czech industry by approximately one-fourth. It is therefore obvious that Czech firms intend primarily to make money on selling the permits, which the government should not allow, as that is not the primary aim of the Kyoto Protocol.
- Any creation of a coalition of countries demanding the preservation of the current overestimated limits within the framework of the EU would be extremely counterproductive; on the contrary, it is necessary to develop pressure on those countries currently profiling themselves in this way (e.g., Latvia and Slovakia) so that they re-evaluate their current positions.
- The marginal victory of Japan at the 58th annual meeting of the International Whaling Association may represent a turning point. This development should be the basis for consolidating the group of opponents to whaling, in which the Czech Republic is an active member. Participation in this process is appropriate for the general strengthening of the Czech diplomatic position on other questions.

