Table of Contents

1 INTRODUCTION BY THE CO-ORDINATOR OF OSCE ECONOMIC AND ENVIRONMENTAL ACTIVITIES 3

2 CURRENT ISSUES AND RECENT DEVELOPMENTS IN THE ECONOMIC AND ENVIRONMENTAL DIMENSION 5

2.1 Main Issues addressed during Economic and Environmental Sub-Committee Meetings since June 2005 5
2.2 Annual Co-ordination Meeting of Economic and Environmental Officers, Brussels 2005 7
2.3 Ministerial Decisions and Declarations on Issues of Relevance to the OSCE Economic and Environmental Dimension 7
2.4 Energy Security 8

3 FOLLOW-UP TO THE 13th ECONOMIC FORUM 9

3.1 Labour Migration 9
3.2 Ministerial Decision on Migration 9
3.3 OCEEA activities in implementing the 13th Economic Forum’s recommendations and the Ministerial Council Decision No. 2 10
3.4 Migration meetings 10

4 THE 14th ECONOMIC FORUM 13

4.1 The Dushanbe Preparatory Conference 13
4.2 The Vienna Forum – First Part 14
4.3 The Baku Preparatory Conference 14

5 GOOD GOVERNANCE 16

5.1 Promoting transparency and combating corruption 16
5.1.1 Strengthening of Legislation and Promotion of International Standards 18
5.1.2 OSCE Handbook on Best Practices in Combating Corruption 20
5.2 Improving the management of public resources 21
5.3 Activities aimed at Combating Money Laundering and the Financing of Terrorism 21

6 ANTI-TAFFICKING PROGRAMME 25

6.1 Anti-Trafficking Programme on Public-Private Co-operation in the Prevention of Trafficking in Human Beings 25
6.2 Promoting Self-Regulation of the Private Industry (ATP Sub-Programme I) 25
6.3 Raising Awareness of Trafficking in Countries of Destination, particularly in Western Countries (ATP Sub-Programme II) 26
6.4 Creating Economic Empowerment Opportunities for Potential Victims of Trafficking (ATP Sub-Programme III) 27
# Table of Contents

7 INVESTMENT AND BUSINESS DEVELOPMENT ................................................. 30

8 PROMOTION OF ECONOMIC AND SME DEVELOPMENT .......................... 32
  8.1 Promoting Entrepreneurship and the Youth Entrepreneurship Seminar Programme (YES) ................................................. 32
  8.2 SME Development ................................................................................. 34
  8.3 Capacity Building for Decision-Makers .................................................. 37

9 ECONOMIC EDUCATION AND HUMAN CAPACITY BUILDING .................. 39

10 ENVIRONMENTAL ACTIVITIES ............................................................... 41
  10.1 The Environment and Security Initiative (ENVSEC) .......................... 41
      10.1.1 ENVSEC Progress to date ................................................................. 41
      10.1.2 Highlights from Central Asia .......................................................... 41
      10.1.3 Highlights from South Eastern Europe ........................................... 43
      10.1.4 Highlights from South Caucasus .................................................... 43
      10.1.5 Moving to Eastern Europe .............................................................. 43
      10.1.6 Cross Cutting activities ................................................................. 44
  10.2 Managing Hazardous Waste ............................................................... 44
  10.3 Promoting Sound Water Management and Fostering Dialogue .............. 47
  10.4 Promoting Environmental Awareness .................................................. 49
      10.4.1 Raising Awareness and Environmental Education ........................ 49
      10.4.2 Implementing the Århus Convention .............................................. 52
  10.5 Capacity Building for Decision-Makers ................................................. 53

LIST OF ACRONYMS ................................................................................. 57
Dear readers

It was an honour for me to take up the function of Coordinator of OSCE Economic and Environmental activities in July 2005.

Much of the work presented in the following pages was initiated under my predecessor, Mr. Marcin Swiecicki, and I would like to pay tribute to the outstanding work developed under his guidance.

The past 12 months, since our last Activity Report was published, have witnessed significant changes and were marked by a number of important developments. One cannot fail to notice that the 55 participating States have gradually been enhancing the role of the OSCE’s 2nd dimension, whose mission consists of preventing conflicts, encouraging dialogue and cooperation and stimulating post-conflict rehabilitation through economic and environmental activities. The present report reflects these trends, not least in the increasingly programmatic approach of the second dimension.

As one of the pillars of our dimension, the Economic Forum was slightly altered in format this year through the work of an informal group of friends and the Belgian Chairmanship. For the current year, it is split into two parts: the first part of the Economic Forum took place in Vienna in January 2006, and the second in Prague in May. Each part of the Forum was preceded by a preparatory conference (in Dushanbe and Baku respectively, see chapter 4). The topic of this year’s forum was decided by Permanent Council Decision PC.DEC 684 adopted on 7 July 2005: „Transportation in the OSCE area: secure transportation networks and transport developments to enhance regional economic co-operation and stability“. It is now our task to engage in the follow-up work on this topic. Some possible outcomes include capacity building for implementing international conventions on transport, port security and good governance in customs authorities. In this regard, we look forward to strengthening our already good co-operation with the UNECE and to establishing new alliances with other international organisations while avoiding duplication and enhancing complimentarity.

We are also still engaged in following up on last year’s Economic Forum on “Demographic Trends, Migration and National Minorities from a Security perspective” and the subsequent Ministerial Decision on Migration (see chapter 3). One notable follow-up activity includes the preparation of the Handbook on Migration, which will presented at this year’s Economic Forum.

I would also like to draw your attention to another priority: the fight against organized crime. My Office has been working on various aspects of this complex theme. Among others, we have been actively supporting the work of UNODC and various events on combating money laundering and the financing of terrorism. In addition we have continued to be very active in the field of combating human trafficking and child exploitation. My Office also supports good governance activities, as exemplified through the resounding success of our Anti-Corruption Handbook (see chapter 5.1.2.)

On the environmental side, the Environment and Security Initiative (ENVSEC) is making sound progress in the regions where it was deployed (Central Asia, South Caucasus and South Eastern Europe). During 2006, the OSCE holds the Chairmanship of ENVSEC. Priorities during this period include streamlining the ENVSEC governance structure to deal with an increasing portfolio of projects as well as more strongly focusing ENVSEC efforts on conflict-prone areas. It is perhaps fitting that in 2006, on the eve of the 20th Anniver-
sary of the Chernobyl disaster, ENVSEC will move to Eastern Europe upon invitation of the host countries. It will apply its proven methodology to undertake first stage assessments of environmental and security linkages. Our partnership with UNEP, UNDP and NATO in this effort has proven to be extremely valuable and we look forward to continuing our good cooperation and coordination with these agencies.

I do not intend to elaborate on all the other regular activities of the OCEEA, with which most readers are no doubt familiar. They are described at length in the following pages.

Let me finally mention the support my Office has provided to the OSCE Chairmanships in organizing 14 meetings of the Environmental and Economic Sub-Committee between June 2005 and May 2006, a special Permanent Council meeting on the Economic Forum, as well as numerous contributions of OCEEA staff to international conferences devoted to economic and environmental aspects of security.

I firmly believe that the OSCE activities in the economic and environmental areas have made a difference to security. Having spent most of my career in international financial institutions, I hope I will be able to strengthen OSCE relations with such agencies, in order to further increase the effectiveness of our work.

Much of our success depends on one hand, on available funding, for which I want to thank our donors for their generosity, and, on the other hand, on designing and implementing good projects and identifying the angle through which the OSCE can bring best added value. In this regard, our officers in the field presences continue to provide an invaluable contribution and I should like to take this opportunity to thank them for all their great efforts.

I hope the following report will provide you with a glimpse of what we have been doing. For more information and the latest updates on the work of my Office, please go to www.osce.org/eea

Bernard Snoy
2. Current Issues and Recent Developments in the Economic and Environmental Dimension

2.1 Main Issues addressed during Economic and Environmental Sub-Committee Meetings since June 2005

The Economic and Environmental Sub-Committee (EESC) continues to be a valuable tool for ensuring continuity and consistency in the activities of the Economic and Environmental Dimension. It provides a forum for regular reporting on activities, enables discussions of priorities and important issues, and helps to identify potential threats to security and stability.

Over the reporting period from June 2005 to May 2006, fourteen meetings (44th to 58th) of the Economic and Environmental Sub-Committee have been held: ten under the Slovenian Chairmanship and four under the Belgian Chairmanship.

According to its mandate, the Office of the Coordinator of OSCE Economic and Environmental Activities (OCEEA) continued to provide working support to the activity of the EESC and its Chairperson.

The following are the main issues discussed by the EESC between June 2005 and May 2006.

Follow-up to the 13th Economic Forum.
The Consolidated Summary of the Thirteenth Economic Forum (EF.GAL/33/05) was presented by the Coordinator at the 45th meeting of the EESC on 17 June 2005. The EESC discussed the most appropriate follow-up actions as identified through EF.GAL/34/05.

On 16 September 2005, a discussion took place on activities related to the management of migration. The Chairperson and the OCEEA presented the proposed activities in more detail, including preparation of a Strategy on Migration, a Handbook on effective policies and practices of managing migration, and a Statement of Principles regarding integration. On 18 November, the EESC discussed the Ministerial Decision on Migration (MC.DD/7/05) - (see 2.4). On 17 February, 2006, the EESC deliberated on migration activities planned for 2006, including the Workshop on Labour migration held in Almaty, Kazakhstan, on 31 January-1 February 2006.

Preparation for the 14th OSCE Economic Forum.
With regard to the 14th Economic Forum, the EESC was instrumental in the re-structuring of preparatory conferences and the Economic Forum itself. Under the leadership of the Chairperson of the Informal Group of Friends, the EESC notably discussed splitting the Forum into two parts, with the first meeting of the Economic Forum held in Vienna at the halfway point of the Economic Forum cycle. That proposal was in line with Sofia Ministerial Decision No. 10/04 to “Improve the Efficiency and Effectiveness of the Economic Forum”. The report detailing the proposed changes was circulated on 10 June 2005. (PC. DEL/437/05).

The Belgian Chairmanship supported these changes in its presentation of the central theme of the 14th Economic Forum and its preparatory process at the special meeting of the EESC on 7 October 2005 (CIO. GAL/136/05).
The EESC was thereafter continuously informed on the progress of the two preparatory conferences (in Dushanbe and Baku) as well as on the preparations to the Economic Forum (in Vienna and Prague). Consolidated summaries of the meetings were distributed and discussed.

**Supporting the implementation of OSCE Decisions and the work of OSCE decision making bodies.**

Besides the Ministerial Decision on migration, the EESC was also actively involved in the preparation of MC/DD.6/05 on organized crime and the Ministerial Declaration on the 20th anniversary of the disaster at the Chernobyl nuclear power plant (MC/DD/12/05).

On 18 January 2006, the Belgian Chairmanship outlined its priorities for the economic and environmental dimension in 2006. At the same session, the Coordinator for Economic and Environmental Activities reported on the Programme of Activities of the OCEEA in 2006.

**Reporting and Discussing EED activities**

Activity Reports of the OCEEA were presented and discussed at each meeting of the EESC. Activity Reports included references and updated information on ongoing activities in various areas, including those by OSCE field presences, participation in relevant international meetings, and co-operation with other international organizations.

The 45th meeting of the EESC on 17 June 2005 deliberated on the usefulness, budget implications and organizational modalities of a joint UNECE-OSCE Early Warning mechanism. For this, key staff from the UNECE were invited to the EESC to discuss with delegations the merits and difficulties of such an endeavour.

The OCEEA also reported to the EESC on the ongoing activities of the Environment and Security Initiative (ENVSEC). In particular, the first in-depth assessment of environment security linkages in the Ferghana Valley was presented to the EESC on 16 September, in the presence of the Director of the UNDP regional Centre for Europe and the CIS, Mr. Ben Slay. Delegations discussed the budgetary implications and priorities for the follow-up work programme. At the 55th EESC on 17 February 2006, a more general presentation of ENVSEC was given, with the CoEEA outlining the priorities of the OSCE Chairmanship for ENVSEC in 2006 and the remaining challenges and funding gaps.

On 16 December 2005, the EESC was updated on the OCEEA activities in the field of good governance, including the translation of the Handbook on Best Practices in the Fight against Corruption into seven languages and organisation of various events dedicated to this theme. The EESC was also given a summary of the needs assessment missions to Azerbaijan and Kazakhstan on rocket fuel component (“mélange”) disposal and site remediation, undertaken jointly by the OCEEA and FSC.

Delegations of participating States also discussed at the EESC in early 2006 the concept of energy security and deliberated possible responses to recent instability in the energy prices and supply.

On 10 March, at the 56th meeting of the EESC, delegations were presented the consolidated summary of the International Conference on Combating the Financing of Terrorism (SEC.GAL/42/06) and exchanged ideas on possible follow-up actions.
2. Current Issues and Recent Developments in the Economic and Environmental Dimension

2.2 Annual Co-ordination Meeting of Economic and Environmental Officers, Brussels 2005

The Annual Coordination meeting of Economic and Environmental Officers (EEOs) took place in Brussels on 9-11 October 2005. The meeting was convened for the sixth time and allowed EEOs and OCEEA to interact and exchange views, present current activities and priorities – thus contributing to better coordination and greater effectiveness in implementing their respective mandates and activities.

Furthermore, since the meeting was held in Brussels, EEOs and OCEEA were presented with the unique opportunity to engage with various units from the Belgian (then incoming) OSCE Chairmanship as well as representatives from the European Commission and other institutions.

The meetings consisted of both plenary sessions and regional working groups. Among others, participants were informed about the Belgian Chairmanship’s priorities for 2006 and were given details on the topic for the Economic Forum: “The role of transportation to enhance regional economic cooperation and stability development and Enhancing Transportation Security in the OSCE area”. The EEOs were presented with a questionnaire regarding the topic of transport and were asked to provide feedback on the situation in their field area.

The European Commission welcomed closer cooperation between OSCE field presences and EC delegations and highly appreciated the work done by the OSCE in the area of awareness raising on various topics, in particular through the development of topical Handbooks. The EEOs were also informed about new developments within the EC, among others the new budgetary cycle 2007-2013 and new partners under the “European Neighbourhood Policy”.

2.3 Ministerial Decisions and Declarations on Issues of Relevance to OSCE Economic and Environmental Dimension

At the 13th OSCE Ministerial Council which took place on 5 and 6 December 2005 in Ljubljana, a number of adopted decisions and declarations had a direct bearing on the activities of the OSCE’s 2nd dimension, among them:

- Ministerial Decision No. 2 on migration
- Ministerial Decision No. 3 on combating transnational organized crime
- Ministerial Decision No. 4 on enhancing legal cooperation in criminal matters to counter terrorism
- Ministerial Decision No. 6 on further measures to enhance container security
- Ministerial Decision No. 8 on the further efforts to implement the OSCE Document on Small Arms and Light Weapons and Stockpiles of Conventional Ammunition
- Ministerial Decision No. 11 on the promotion of human rights education and training in the OSCE area
- Ministerial Decision No. 13 on combating trafficking in human beings
- Ministerial Decision No. 14 on women in conflict prevention, crisis management and post-conflict rehabilitation
- Ministerial Declaration on the 20th anniversary of the disaster at the Chernobyl nuclear power plant
- MC/DOC/2/05 Border Security and Management Concept

Based on these decisions and adopted documents, the OCEEA will strive to integrate the guidance provided by the OSCE’s Foreign Ministers into its annual work-plan and to continue to coordinate activities in these areas with OSCE field presences.
2. Energy Security

The Strategy Document states:
"We recognize that a high level of energy security requires a predictable, reliable, economically acceptable, commercially sound and environmentally friendly energy supply, which can be achieved by means of long term contracts in appropriate cases. We will encourage energy dialogue and efforts to diversify energy supply, ensure the safety of energy routes, and make more efficient use of energy resources. We will also support further development and use of new and renewable sources of energy."

With reference to this provision and at the request of the Chairman-in-Office, the OCEEA was tasked to conduct a technical information gathering mission, the objective of which would be to gather and analyse relevant information on energy security and to make suggestions on a renewed international dialogue on energy security within the OSCE.

The question of a possible role of the OSCE to stimulate co-operation on energy security will be further examined in this context, in close relationship with the other international organisations having a specific energy mandate.
3. Follow-up to the 13th Economic Forum

3.1 Labour Migration

The issues of migration and integration of national minorities were among the key priorities of the Slovenian OSCE Chairmanship in 2005. Migration is a cross-dimensional issue with implications for security and economic stability as well as for human development.

In this context, the 13th Economic Forum “Demographic Trends, Migration and Integrating Persons belonging to National Minorities: Ensuring Security and Sustainable Development in the OSCE area” took place in Prague, on 23-27 May 2005. The Consolidated Summary of the Forum was circulated under the reference number EF.GAL/33/05.

Most of the Forum’s recommendations referred to the OSCE’s possible role in addressing the challenges posed by labour migration. The OSCE participating States and the OSCE Partners for Co-operation include countries of origin, transit and destination and sub-regions with their own particular migration dynamics. The OSCE can provide a political platform for all the countries to discuss better migration management solutions.

Migration, which includes economic migration, is receiving increasing international and regional attention, e.g. the report of the Global Commission on International Migration issued on 5 October 2005, the UN General Assembly High-level Dialogue on International Migration and Development (September 2006) and the pan-European Conferences on Migration Management (Brussels, 24-25 January 2006 and Vienna 4-5 May 2006). Bilateral, regional and inter-regional consultative processes as well as regional organizations can contribute to the development of more co-operative migration management mechanisms.

3.2 Ministerial Decision on Migration

During the second half of 2005, considering inter alia the recommendations of the 13th Economic Forum, the Slovenian Chairmanship initiated a political process of consultations and negotiations aimed at identifying deliverables related to migration and integration for the Ministerial Council (MC) in Ljubljana. The Ministerial Council, Taking into account the initiatives taken and the work done by the OSCE during 2005 in addressing the issue of migration and integration, in particular, the Human Dimension Seminar on Migration and Integration, the Thirteenth OSCE Economic Forum and the 2005 Mediterranean Seminar, Welcoming the existing co-operation between the OSCE, in particular, the Office for Democratic Institutions and Human Rights (ODIHR) and the Office of the Coordinator of OSCE Economic and Environmental Activities (OCEEA), and relevant international organizations and institutions, Considering that the OSCE, within its comprehensive approach to security, could contribute, inter alia, by:

• Working in synergy and developing a stronger partnership with international bodies having a specific focus on migration,
• Facilitating dialogue and co-operation between participating States, including countries of origin, transit and destination in the OSCE area, as well as the OSCE Partners for Co-operation and Mediterranean Partners for Co-operation,
• Assisting the participating States, upon their request, to develop effective migration policies and to implement their relevant OSCE commitments,
• Inviting participating States to consider becoming parties to relevant international instruments,

Tasks the Permanent Council to follow up the work initiated in 2005 and to report to the Fourteenth Meeting of the Ministerial Council;

Tasks the Secretary General as well as relevant OSCE institutions and structures, to continue their work on migration issues in all three dimensions.
OCEEA contributed and participated actively in this process.

The Ljubljana MC adopted its first decision on migration (MC.DEC/2/05), recognizing the increasing importance of migration in OSCE participating States and requiring closer inter-state co-operation.

3.3 OCEEA activities in implementing the 13th Economic Forum’s recommendations and the Ministerial Council Decision No. 2

The 13th Economic Forum recommended that the OCEEA should reinforce its co-operation with other international and regional organisations in developing and implementing follow-up activities. In this spirit, OCEEA has established good inter-organisational cooperation in developing a “Handbook on Establishing Effective Labour Migration Policies in the Countries of Origin and Destination” as well as in organising a regional “Workshop on Labour Migration in Central Asia” in January 2006.

• The Handbook on Establishing Effective Labour Migration Policies in the Countries of Origin and Destination (SEC.GAL/164/05/Rev.1) is being produced jointly by the OSCE, the International Organization for Migration (IOM) and the International Labour Organisation (ILO). The aim of the Handbook is to facilitate information sharing and dialogue among policy-makers and experts in the OSCE participating States about effective policies and good practices in the area of labour migration management. The Handbook will be launched during the second part of the 14th OSCE Economic Forum (Prague, 22-24 May 2006) and disseminated to OSCE participating States. Two subsequent workshops based on the Handbook will be organised jointly by the three partner organisations to discuss policies and issues of particular interest or concern to a region or a country in the OSCE area.

• The Workshop on Labour Migration in Central Asia (Almaty, 31 January - 1 February 2006) was organized with the aim of fostering regional co-operation and identifying regional solutions to challenges related to labour migration management. In particular, the participants discussed measures needed to facilitate the development of effective labour migration regimes and improved implementation capacities of government and non-government organisations dealing with labour migration issues – important factors to improved overall economic and social development and reduced security risks in countries with significant migration. The Workshop was jointly organized by the OSCE and the International Centre for Migration Policy Development (ICMPD). It produced a set of Conclusions (Sec.GAL/64/06) with ideas for pilot projects and other activities in the area of labour migration in Central Asia, some of which are being elaborated with the governments of the region, the OSCE field presences and regional and international organisations (i.e. the Eurasian Economic Community, UNECE, IOM and ICMPD).

During the preparatory process for the 13th Economic Forum and in its follow-up activities, the OCEEA also developed good working relationships on migration with OSCE institutions, such as the High Commissioner on National Minorities (HCNM), the Office for Democratic Institutions and Human Rights (ODIHR), as well as with other units in the Secretariat, notably the Anti-Trafficking Assistance Unit (ATAU).

3.4 Migration meetings

The OCEEA participated in the following meetings on the topic of migration:
> OSCE Human Dimension Seminar on “Migration and Integration”, 11-13 May 2005, Warsaw
An Information Resource Centre for Labour Migrants was established in Dushanbe in 2004 by IOM and the Government of Tajikistan with the financial support of OSCE in order to better prepare intending and actual labour migrants with accurate information on their life and work abroad.

IOM and the Government of Tajikistan have determined that the best way to address the problem of labour migration is through the creation of a public resource centre with qualified counsellors that can provide information that is tailored to respond to the needs of these migrants. The information provided relates to employment conditions, travel and document requirements, registration, migrants’ rights, press reports, maps and contacts, information on risks of trafficking and smuggling in persons, information on health risks and tips for economic migrants. Through this project, IOM also provides information on community organizations and resources, social services and longer-term integration facilities.

More specifically, the information fields include:

1. **Travel and documentation**
   - Documents required for travel (passport and other documents)
   - Entry and exit (rights and responsibilities of border guards and citizens)
   - Customs (Customs procedures, rights and responsibilities of both sides)
   - Police (how to be defended from possible abuse and unfriendly attitude of police)
   - Transport means and ticketing (air and road transport)
   - Obtaining of visas and embassy addresses
   - Counter-trafficking (prevention from labour migration risks and human trafficking)

2. **Admission and post admission**
   - Legalization in destination country (Registration)
   - Legalization of employment (work permit)
   - Health (first medical aid, treatment and HIV/AIDS prevention)
   - Education (admission to CIS and foreign countries higher schools)
   - Overseas representations of the Republic of Tajikistan and other contact addresses
   - Relationship with employer (employment contract and possible risks)
   - Housing (housing agreement and risks)
   - Employment in foreign countries (realities and possible risks for Tajik citizens)

This information is disseminated via booklets, posters, counselling services, tours, mass media, meetings, workshops and seminars.

*Source: Handbook on Establishing Effective Labour Migration Policies in Countries of Origin and Destination*
Support for sustainable return and reintegration through economic development was the focus of a conference held on 4 April 2006 in Yerevan.

The two-day event, “Return and Reintegration: Meeting the Economic Challenges of Displacement,” was organized by the OSCE Office in Yerevan and the Danish Refugee Council, in partnership with the United Nations. It brought together over 150 participants, including government officials, representatives of the micro-finance sector, the international community, as well as NGOs.

Among others, the conference discussed the role the micro-finance sector may play in ensuring the sustainable return of migrants and helping them integrate into society.

The project aims to provide the usage of the “VAT Guideline” to minorities in their own language. Translation of the VAT Guideline into Albanian and Hungarian, languages of the two largest minorities, was organized in co-operation with the OSCE.

The Guide on VAT presents an important instrument for the economic integration of the minorities into society. It was translated into Albanian and Hungarian and published as a bi-lingual booklet (in Albanian and Serbian as well as in Hungarian and Serbian). The Guide on VAT was handed to the Public Revenue Service Offices in Bujanovac, Presevo, Medvedja, Leskovac, Vranje, Novi Pazar and Kraljevo, the municipalities with large Albanian populations. The Hungarian version of the Guide was disseminated through the Public Revenue Services offices in municipalities with a large number of Hungarians. The promotion of the booklet was organized in co-operation with the Vojvodina Executive Council and the Vojvodina Investment Promotion fund.
4. The 14th Economic Forum

The Permanent Council Decision PC.DEC 684 adopted on 7 July 2005 „Transportation in the OSCE area: secure transportation networks and transport developments to enhance regional economic co-operation and stability” as the central theme for the 14th Economic Forum.

In order to make the Forum more dynamic and to increase its effectiveness by establishing an even closer link between the preparatory expert meetings and the political discussions, the 14th OSCE Economic Forum was divided in two parts: the first part was organized on 23 and 24 January 2006, in Vienna; the second one in Prague, from 22 to 24 May 2006. It was decided that each part of the Forum would be preceded by a Preparatory Conference. The two Preparatory Conferences were organized in Dushanbe, on 7-8 November 2005, and in Baku, on 16-17 March 2006. The preparatory process for the 14th Economic Forum was launched at a Special Meeting of the Economic and Environmental Sub-Committee, at ambassadorial level, held on 7 October 2005.

The two Conferences in Dushanbe and Baku as well as the first part of the Forum in Vienna, organised by the OCEEA in close co-operation with the Belgian Chairmanship of the OSCE for 2006 allowed experts from participating States and various international organisations, the business community, academia and non-governmental organisations to analyse and discuss issues related to transport development and security in the OSCE region. Numerous proposals for follow-up were put forward.

Speakers’ presentations and documents circulated during these meetings were compiled in a CD-ROM and can be provided upon request by the OCEEA.

To support the preparatory process, the OCEEA circulated two background notes: SEC.GAL/217/05 and SEC.GAL/43/06, to introduce the topics discussed in Dushanbe and Baku, respectively.

4.1. The Dushanbe Preparatory Conference

The First Preparatory Conference for the 14th OSCE Economic Forum was held on 7-8 November 2005 in Dushanbe, Tajikistan, and attracted over 150 participants. The topic of the Conference was “The role of transportation to enhance regional economic co-operation and stability”.

The Dushanbe Conference accomplished its main goal of adding more information and knowledge on the transport related issues and existing initiatives in the OSCE region and in particular in Central Asia, bringing thus more clarity with regard to the possible role of the OSCE. Many suggestions for the OSCE and its participating States with regard to issues such as optimising transport links between Europe and Asia, transport issues at the sub-regional, national and local levels, addressing non-physical barriers to transport, transport problems in land-locked countries, transport and sustainable development.

The Conference contributed thus to a better prioritisation of issues and areas of activity, to the identification of niches and gaps, which could be tackled by the OSCE, through developing networks with other international organisations, as well as to the identification of ideas for follow-up activities.

The OCEEA circulated the Consolidated Summary of the Conference, including all the reports and recommendations from the sessions under the reference number SEC.GAL/233/05. Furthermore, a document on the possible role of the OSCE in address-
4. **The 14th Economic Forum:**

...ing transport related issues in the context of the 14th OSCE Economic Forum/Part 1, was developed - SEC. GAL/251/05.

### 4.2. The Vienna Forum – First Part

Building on the results of the Dushanbe Conference, the first part of the 14th OSCE Economic Forum (Vienna, 23-24 January 2006) gave a strong political stimulus for the OSCE involvement in the area of transport. In particular, a number of areas where the OSCE could engage in follow-up activities were identified, such as:

- Implementing commitments in the area of transport, by co-operating with the UNECE and supporting the implementation of relevant UNECE Conventions
- Promoting good governance in the area of transport
- Supporting regional dialogues and initiatives in the area of transport
- Integrating transport development and environmental concerns
- Addressing the needs of landlocked countries, by working closely together with the UN High Representative for Landlocked Developing Countries
- Assessing the possible role of transport for conflict resolution

### 4.3. The Baku Preparatory Conference

The Second Preparatory Conference to the 14th OSCE Economic Forum was held on 16-17 March 2006 in Baku, Azerbaijan, and gathered around 200 participants. It focused on "Enhancing transportation security in the OSCE area", complementing thus the discussions of the previous meeting.

The Baku Conference aimed at providing a general overview of the evolving risks to different transport modes in the OSCE area, at identifying gaps and investigating the activities of other relevant actors in the field of transport security. The Conference also touched upon topics such the OSCE Border Security and Management Concept, container security issues, combating illegal trafficking of all kinds, transport cooperation in the South Caucasus and the Black Sea region, environmental security, transport of hazardous goods, as well as on the role of transport in conflict settlement processes.

Suggestions for the possible OSCE involvement in these areas were made. A main conclusion was that in order to adequately address the security risks and challenges at hand, a proactive and co-operative approach was needed. The OSCE’s role in this is to provide a broad platform for dialogue, networking and exchange of information and best practices. It can bring added value in particular with regard to inland transport security as well as in customs and border co-operation and environmental matters.

The OCEEA circulated the Consolidated Summary of the Conference, including all the reports and recommendations from the sessions under the reference number SEC.GAL/59/06/corr.2. Furthermore, a document on the possible role of the OSCE in addressing transport related issues in the context of the Fourteenth OSCE Economic Forum/Part 2, was developed and circulated under CIO.GAL/69/06.

The three above mentioned events along with meetings of the Economic and Environmental Sub-Committee, which focused on these issues, paved the way for the second part of the 14th OSCE Economic Forum (Prague, 22-24 May 2006). That meeting will...
also review of the implementation of transport related OSCE commitments, with a particular focus on international legal instruments.

Concrete follow-up activities will be developed and implemented following the Prague Forum.

The OSCE Mission to Georgia has launched a Needs Assessment Study (NAS) within the zone of the conflict and adjacent areas. The Study, undertaken under the aegis of the Joint Control Commission by a group of experts, aimed at assessing economic and infrastructure needs in South Ossetia, Georgia, and prescribing a comprehensive approach to improving the situation. The work has resulted in project proposals in sectors such as social infrastructure, energy, transport, rural economic development and small and medium enterprise development. The work of the experts had been completed in February. The final report was presented and a donors’ conference will be held in May in Brussels, which would decide on the funding of the projects, of course in the light of the interaction between political progress and economic development. The challenge for the OSCE was to bring the parties to a common approach and see the conflict settlement process as a common endeavour. The Needs Assessment Study has enjoyed the full support of the parties and the mediators.
A sound business environment and good governance are essential preconditions for sustainable economic growth, enabling states to reduce poverty and inequality and increase social integration and economic opportunities.

Based on OSCE Ministerial and PC Decisions, as well as the Strategy Document for the Economic and Environmental Dimension, the OCEEA focuses its activities in the area of Good Governance on the fight against corruption and money laundering as well as against the financing of terrorism. All activities take place in close co-operation with partner organisations, such as the United Nations Office on Drugs and Crime (UNODC). Joint activities between the OSCE and UNODC include the promotion of the UN Convention against Corruption in compliance with the Sofia Ministerial Council Decision Nr. 11 on combating corruption. The OCEEA and UNODC also co-operate closely on combating money laundering and the financing of terrorism by implementing joint workshops aimed at capacity building and legislative development.

5. Good Governance

5.1. Promoting transparency and combating corruption

Albania – Transparency of the Tirana Municipality
In 2005, the OSCE Presence in Albania provided its support to the Municipality of Tirana in carrying out a survey on transparency of Municipality services. This is the fourth consecutive year of the survey.

The survey „Citizens’ Evaluation of Municipal Services in Tirana”, conducted by the Institute for Development and Research Alternatives (IDRA) during November and December 2005, was designed to get citizen feedback and identify potential measures to be taken by the Municipality. The survey also intended to confirm to what extent the priorities of the municipal administration have met citizens’ needs and expectations and to increase transparency in municipal service delivery and enhance citizen participation at local level. The survey’s results were compiled in a user friendly brochure, which was widely distributed to local government units, NGOs and other interested bodies.

Georgia – support to NGOs
Within the framework of the Georgian government’s anti-corruption campaign aimed at improving the economic situation in the country, the OSCE Mission to Georgia supported NGO activities to strengthen the government’s compliance with its obligations to implement the OECD Anti-Corruption Network recommendations.

Kazakhstan – Workshop on the fight against corruption
The OSCE Centre in Almaty conducted various activities on assisting Kazakhstan in its efforts in the fight against corruption. Among them, a training seminar for prosecutors was conducted in Almaty on 27 May 2005. Twenty prosecutors from all regions of Kazakhstan received information on international practices and instruments in efficient prevention and fight against corruption, as well as updated information on the current Kazakhstan anti-corruption legislation and mechanisms on prevention and fight against corruption. The training was conducted at the Institute of Prosecutors Retraining under the General Prosecutor’s Office.
Kosovo – Civil Service Standards

The OSCE Mission in Kosovo (OMiK), with support from the Office of the Prime Minister of Kosovo, helped to conduct a survey on politico-administrative relations in all Ministries. It aimed at promoting good governance by clarifying how political and professional officials cooperate in practice compared to what is foreseen in regulations and to recommend remedial action including capacity building and regulatory amendments. The research was carried out through questionnaires targeting 600 civil servants and interviews with Ministers, Deputy Ministers, Political Advisors and Permanent Secretaries. It examined how political appointees and civil servants perceive their relationship, including perceptions of pressure, how the roles and responsibilities are shared in practice and suggestions about possible solutions to perceived problems.

To further stimulate a discussion about this issue, OMiK, in cooperation with the Office of the Prime Minister, Public Administration International and the OECD’s SIGMA initiative, organised seminars with political advisors and senior civil servants of all Ministries on politico-administrative relations.

Kosovo – Executive Oversight and Practice of Public Hearings

As part of its efforts to enhance transparency in the daily operations of the Provisional Institutions of Self-Government, OMiK played an active role in the implementation process for the Law on Access to Official Documents, designed to enable citizens and other interested parties to gain unhindered access to public documents. On the Committee level of the Assembly of Kosovo, OMiK assisted the practice of public hearings in the legislative process, giving experts, civil society and the general public the opportunity to make their voice heard. For this purpose, several trainings were conducted and a handbook on public hearings was published in cooperation with the National Democratic Institute. The practice of public hearings has by now become an integral part of the legislative process for the majority of laws being considered by the Assembly.

Kyrgyzstan – Support to Developing an Anti-Corruption Agency

In accordance with recommendations of the joint anti-corruption mission of the OSCE, UNDP and USAID, the OSCE Centre in Bishkek supported initiatives aimed at creating an Anti-Corruption Agency to develop anti-corruption policies to raise awareness and educate the general public on policies aimed at preventing corruption, as well as to carry out investigations on corruption cases. The first phase of the project included a feasibility study on whose basis proposals were made to the Kyrgyz Government with regard to the charter, functions, structure, operational and regulatory framework of the Anti-Corruption Agency, taking into account international experience and best practices of analogous agencies. A Special Steering Committee, which consists of representatives of the Government, business, international organisations and civil society, was established to assess and produce recommendations based on the feasibility study.

The results of the feasibility study were presented to the Kyrgyz Authorities, as well as to other international organisations and donors. As a result, a presidential decree was issued in October 2005 on the establishment of an independent Anti-Corruption Agency.

The second phase of the project is aimed at providing financial assistance to the Anti-Corruption Agency for the start up and its first three years of operation, which include expenses related to programme activities, technical equipment, operational costs, etc. It is envisioned that the budget of the Agency will be financed by the Kyrgyz Government after three years.
Kyrgyzstan – Awareness-Raising on Problems Related to the Practices of Corruption in Southern Kyrgyzstan

The main objective of this project was to reduce corruption practices in the Southern region of the Kyrgyz Republic by encouraging a dialogue between local residents, SMEs and high-level officials from government agencies. The project covered the following components: addressing corrupt practices in the agencies working with social security programmes; addressing corrupt practices in agencies regulating businesses; addressing corrupt practices in the education system. The project was divided into two phases. During the first phase, a set of TV programmes on corrupt practices was developed. During the second phase, the TV programmes were used during roundtables and debates to foster the discussion of corrupt practices.

5.1.1 Strengthening of Legislation and Promotion of International Standards

The OCEEA and UNODC jointly promote the UN Convention against Corruption which was adopted in December 2003 and came into force in December 2005. Joint workshops and conferences on the Convention have so far been conducted in Armenia, Kyrgyzstan, Kazakhstan and Serbia and Montenegro while additional workshops in other OSCE participating States are at the planning stage.

Armenia – Anti-Corruption Activities

Activities to counter corruption continued to take place in the context of Armenia’s National Strategy Against Corruption, which was adopted in 2003. Working jointly with the Prime Minister’s Anti-Corruption Council and the Monitoring Commission for the Implementation of Anti-corruption Strategy, the OSCE Office in Yerevan in co-operation with the OCEEA organised an international conference, in which foreign experts exchanged views with government officials and representatives of civil society on best practices for fighting corruption. The Office also continued to chair a working-group of international and bilateral missions interested in assisting these efforts. On the Office’s recommendation, the Government gave a coalition of Anti-Corruption NGOs an active role in monitoring corruption.

Azerbaijan – Legislative Working Group of the Anti-Corruption Commission

The OSCE Office in Baku, in co-operation with the American Bar Association’s Central European Legal Initiative (ABA-CEELI), participated in the Legislative Working Group of the Anti-Corruption Commission, which aims at improving related legislation, notably by amending the Ethics Law, drafting a new Conflict of Interests Law and a Corporate Criminal Liability Law.

Kazakhstan – Co-operation with the OECD Anti-Corruption Network

The Republic of Kazakhstan presented its official anti-corruption report at the 6th meeting of the Anti-Corruption Network for transition economies in Paris on 20-21 May 2005. In order to assist Kazakhstan in its efforts in the fight against corruption, the OSCE Centre in Almaty assisted Kazakhstan civil society in the preparations of an NGO report on the legal and institutional framework on fighting corruption in Kazakhstan. The report was submitted to OECD experts for the preparation of recommendations. The final version was subsequently submitted to the Kazakhstani government. The national authors of the report included representatives of civil society, in particular human rights and environmental groups, as well as representatives of the private sector.

Kyrgyzstan – Training of Trainers on Combating Corruption

The Office assisted members of the NGO coalition to implement a number of initiatives to raise public awareness of corruption involving traffic police, healthcare delivery, higher education, and the civil service. The Office, jointly with the General Prosecutor’s Office, translated and published the Armenian version of the publication “Best Practices on Combating Corruption,” produced by the OCEEA.

5. Good Governance
ruption instruments and criminal law enforcement methods); (2) local authorities (targeted seminars on the ways of tackling corruption effectively); (3) anti-corruption education of the general public and mass media. A number of follow-up seminars were conducted in the regions.

**Kyrgyzstan – Promotion of the UN Convention against Corruption Book and Training**

The OSCE Centre in Bishkek supported the promotion of the UN Convention against Corruption. The booklet “The UN Convention against Corruption” was translated into Kyrgyz and Russian, printed and disseminated among parliamentarians and other interested parties. Moreover, the OSCE played an instrumental role in the approval of the UN Convention in the Kyrgyz parliament.

Within the framework of the project on setting up a National Chapter of the Global Organization of Parliamentarians Against Corruption (GOPAC), which lasted from January to March 2006, the Centre published and disseminated books in Kyrgyz and Russian on anticorruption issues to all Kyrgyz parliamentarians. A round table on the establishment of a public association called “Kyrgyz parliamentarians against Corruption” and its affiliation to GOPAC took place in Bishkek on 9 December 2005.

**Serbia and Montenegro – Conference on the UN Convention against Corruption**

The OSCE Mission to Serbia and Montenegro organised a Conference on the implementation and incorporation of the UN Convention Against Corruption into Montenegrin Legislation in Podgorica on 15-16 February 2006 in co-operation with the Stability Pact For South Eastern Europe’s Anti-Corruption Initiative, UNDP and the Montenegrin Directorate for Anti-corruption Initiative.

**Serbia and Montenegro – Anti-Corruption Conference**

On 20-21 September 2005, the OSCE Mission to Serbia and Montenegro in co-operation with the Ministry of Justice and the Stability Pact Anti-Corruption Initiative/Regional Secretariat Liaison Office (SPAI/RSLO) organised a Conference on “Promoting the Incorporation of International Anti-Corruption Standards into Serbian Legislation” in Belgrade. The event was attended by 140 participants and was opened by Prime Minister Vojislav Kostunica. It gathered representatives from key Ministries, the National Assembly, bodies in charge of preventing corruption and civil society. International organisations active in the fight against corruption were represented by senior officials from the UNODC, the Council of Europe, the Stability Pact Anti-Corruption Initiative, the OSCE and the OECD.

**OSCE-UNODC High-Level Anti-Corruption Seminar and Training**

The UNODC in cooperation with the OSCE and the Stability Pact Anticorruption Initiative organised a High-Level Anti-Corruption Seminar for Eastern Europe and Central Asia in Sofia in November 2005 to promote the ratification of the United Nations Convention against Corruption.

The Seminar provided a forum for discussion and an opportunity to review progress made towards ratification and implementation of the Convention in Eastern European and Central Asian States. The Seminar aimed at facilitating dialogue, mutually reinforcing the domestic efforts of States and giving the opportunity to learn from other States. Drawing on the experience and knowledge of regional and international experts, as well as experts from UNODC, the seminar allowed participants to undertake a self-assessment of the legislative and institutional changes that are required to implement the Convention.

The Seminar was followed by a two-day training event for specialized prosecutors on anti-corruption case work. The training was aimed at building capacity for handling corruption cases. Both events were hosted by the Government of Bulgaria.
5. Good Governance

5.1.2 OSCE Handbook on Best Practices in Combating Corruption.

In May 2004, the Office of the Coordinator published a Handbook on best international practices in combating corruption.

The Handbook is a reference guide for legislators, government officials, NGOs, business circles and civil society when considering the drafting of their own anti-corruption legislation, national action plans or strategies.

The Handbook has been distributed to OSCE field offices, whose officers organise events at which the Handbook is used as a basis for discussion on what anti-corruption mechanisms might work best in their respective country.

The Handbook is presently available in Albanian, Armenian, Azeri, English, Kyrgyz, Russian, Serbian and Uzbek, while a Georgian version is planned. It is also available in electronic format on the OSCE website at www.osce.org/eea

Armenia – Translation of the OSCE Anti-Corruption Handbook

In 2005, the OSCE Office in Armenia supported the translation of the OSCE Handbook into Armenian. The Armenian version was presented and distributed at the OSCE workshop on anti-corruption legislation and mechanisms.

Azerbaijan – Translation of the OSCE Anti-Corruption Handbook

The OSCE Office in Baku, in co-operation with the American Bar Association's Central European Legal Initiative (ABA-CEELI), funded the translation of the OSCE Handbook into Azeri. It was disseminated to national and international officials, NGOs and civil society.

Kyrgyzstan – Translation of Anti-Corruption Publications

The OSCE Centre in Bishkek supported the translation, printing and dissemination of a number of publications on combating corruption. Among them are the OSCE Anti-Corruption Handbook, the “State Strategy on Combating Corruption in the Kyrgyz Republic”, the “Review of legislative and institutional bases on struggle against corruption in the Kyrgyz Republic”, the handbook “Control of Corruption”, the book “How to Combat Corruption” and others. These handbooks and bulletins were issued in two languages, Kyrgyz and Russian, in order to reach target groups in all, including remote, regions of Kyrgyzstan. The wide dissemination of the publications aimed at awareness raising of parliamentarians and the general public.

Uzbekistan – promotion of the OSCE Handbook

The Uzbek version of the OSCE Handbook on “Best Practices in Combating Corruption” was further promoted and additional copies were provided to the General Prosecutor's office, Supreme Economic Court and other interested partners.

Tajikistan – translation of the OSCE Handbook

In late 2005, the OSCE Anti-Corruption Handbook was translated into Tajik, to be used in workshops and round-tables for officials and members of civil society. It is expected that these events will be organized jointly with UNDP.
5.2 Improving the management of public resources

**Georgia – Good Governance Resource Centres**

The OSCE Mission to Georgia together with the German Technical Co-operation Agency (GTZ) created Good Governance Resource Centres in Gardabani and Marneuli, areas with large ethnic minorities. These centres provide expertise and assistance to the respective local governments and assist them with the development and implementation of budgets as well as the dissemination of information from the central government to the villages in this region.

**Bosnia and Herzegovina – Public Administration Reform Activities**

The OSCE Mission to Bosnia-Herzegovina has been working on increasing the capacity of municipalities to contribute to local economic development. Transparent, accountable and competent local governments are a key precondition to encourage investment. The Mission has been assisting municipalities to realign their administrative structure according to their strategic focus, i.e. tourism or business development.

The Mission’s field advisors have also assisted municipalities with their public finance management. Internal control is a management tool which provides reasonable assurance that municipalities meet their objectives in compliance with applicable laws and regulations. Issues addressed included the delegation of authority, responsibility and accountability to improve administrative processes. Starting from the executive, field advisors worked with 100 municipalities on issues such as control of revenues and expenditures, as well as managing assets and human resources. Municipalities have started to establish mechanisms to increase collection of non-tax revenues and account for uncollected revenues from previous years. Emphasis was also put on identifying areas where financial incentives could be made to encourage outside businesses to open facilities in their respective region. Other measures included establishing regulations for the use of official cars, phones, representation and regular inventory checks as well as developing standard criteria for providing grants to individuals, associations and NGOs.

5.3 Activities aimed at Combating Money Laundering and the Financing of Terrorism

In the OSCE participating States, measures to combat money laundering increasingly play a key role in the efforts to promote economic development, private businesses and the rule of law. Money laundering is also often linked to the financing of terrorism. Based on recent Ministerial and Permanent Council Decisions, the OCEEA has been actively involved in addressing these threats, in cooperation with the UNODC, the Council of Europe, NATO and other international partners. The OCEEA and UNODC have also developed joint national workshops on combating both money laundering and the financing of terrorism and have organised a number of regional events over the past year.

**International Conference on Combating the Financing of Terrorism**

On 9-11 November 2005, the OCEEA, in cooperation with the Action against Terrorism Unit, the UNODC, NATO and the US Department of State, organised a high level conference on combating terrorist financing at the Hofburg in Vienna.

The meeting was opened by Antonio Maria Costa, Executive Director of UNODC, Henry A. Crumpton, Co-ordinator for Counter-terrorism, at the US State Department, Patrick Hardouin, Deputy Assistant Secretary General for Regional, Economic and Security Affairs at NATO, Ambassador Lenarcic of Slovenia and the OSCE Secretary General, Ambassador Marc Perrin de Brichambaut.

Two hundred participants from the OSCE participating States, Partners for Co-operation and international organisations discussed ways and means of how to block channels through which terrorism is financed. The speakers included high level representatives and experts of UN Agencies and Committees, Financial Intelligence Units, Prosecutors’ Offices and other relevant institutions.

The three day conference examined the international framework for combating terrorist financing present-
ed from different viewpoints including those of the United Nations, the Council of Europe, the Financial Action Task Force against Money Laundering and Terrorist Financing, as well as other international organisations.

Participants also looked at the issues involved in building a domestic regime to combat terrorist financing, ranging from drafting and amending legislation, detecting and reporting suspicious transactions to refining investigative tools and techniques. Finally, following on Permanent Council decision 617 of 2004, participants examined how to prevent charities from being abused to move terrorist funds and how to improve government regulation and self-regulation mechanisms.

Workshop on Money Laundering and Financing of Terrorism for financial supervisors in Central and Eastern Europe

The regional workshop on Money Laundering and Financing of Terrorism for financial supervisors in Central and Eastern Europe, held in Vienna on 16-17 June 2005, was jointly organised by the OCEEA and the UNODC, with financial support of the government of the Principality of Liechtenstein.

The event was designed to assist Financial Supervisors in Central and Eastern Europe in their anti-money laundering efforts. The workshop was aimed at supporting effective structures for financial analysis, criminal investigation and prosecution against money laundering and financing of terrorism, as well as at promoting procedures that are consistent with principles of good governance and the rule of law.

The event was targeted at countries which are at a stage where anti-money laundering systems are functioning and where there is a present or emerging need for training and assistance for financial regulators. The key objective of the workshop consisted in providing an in-depth exchange of experience with international experts and regulators from other countries with the aim of network building.

The presentations at the workshop covered the most important international conventions on money laundering and the financing of terrorism, especially with regard to supervisory rules, as contained inter alia in the Basle Customer Due Diligence Paper of 2001, the FATF 40 Recommendations and the Third EU Directive on Anti Money Laundering.

Armenia – Support to fight money laundering and terrorist financing

The establishment of a financial intelligence unit to help fight money laundering and the financing of terrorism was the focus of a conference organized by the OSCE in Yerevan in May 2005.
Representatives of the National Assembly, the Government, the President’s Office and the Central Bank, as well as international organisations and NGOs, discussed international standards and good practices existing in the field and the work of the national Financial Monitoring Unit, established within the Central Bank of Armenia under a recent law.

“The OSCE stands ready to further support the Armenian Government in implementation of the recently adopted legislation in line with international standards in order to fight money laundering and the financing of terrorism,” said Ambassador Vladimir Pryakhin, Head of the OSCE Office in Yerevan.

Tigran Sargsyan, Chairman of the Armenian Central Bank, added: „Money laundering is a crime that hinders the country’s economic development and negatively influences the investment climate. Armenia is prepared to strengthen mechanisms to fight it.”

The conference follows a series of workshops organized with the support of the OSCE in 2003 and 2004. They had offered recommendations that were used in adopting laws and amendments to provide a legal framework to effectively fight money laundering and the financing of terrorism.

The participants also discussed the need for better information exchange and the role of international organizations, including the OSCE, the United Nations, the Council of Europe and the Egmont Group of financial intelligence units.

The event was jointly organized by the OSCE Office in Yerevan and the OCEEA, the UNODC, the Armenian General Prosecutor's Office and the Central Bank of Armenia.

Kazakhstan -roundtables and study tours for decisionmakers
In March 2006, the Centre conducted a number of activities related to the draft law on Anti-Money Laundering and Combating Financing of Terrorism in close co-operation with the Parliament and the General Prosecutor’s Office.

The activities included a series of roundtables on the draft law for Parliamentary deputies and representatives of the General Prosecutor’s Office, conducted in co-operation with the Centre’s partner, Forum of Entrepreneurs of Kazakhstan, which advocates the interests of small and medium size businesses.

From 20 to 24 March, the Centre organized a study tour to Riga and Moscow for representatives of the Parliament, the General Prosecutor’s Office and the business association Forum of Entrepreneurs. All participants had been working on the draft law on Anti-Money Laundering and Combating Financing of Terrorism. The prime purpose of the trip was to study the establishment, working and best practises of the FIUs in these countries. The participants met with relevant state agencies and acquainted themselves with both the Latvian and Russian FIUs in order to learn about best practises for possible use in Kazakhstan.

Uzbekistan – Support to setting up a Financial Intelligence Unit
Within the reporting period the OSCE Centre in Tashkent supported the participation of experts in the joint World Bank, UNODC and OSCE National Workshop on Establishing and making operational the Financial Intelligence Unit, which took place on 3-4 October 2005. The workshop aimed at sharing best practices from around the world in order to improve legislative and institutional capacity.

Turkmenistan – Anti-Money Laundering Workshop in Ashgabat
Legal and administrative tools to combat money laundering and the financing of terrorism were the focus of a workshop organised in Ashgabad in December 2005. The two-day event was organized by the OCEEA and the UNODC, with the support of the Government of Turkmenistan and the OSCE Centre in Ashgabad. Eighteen officials representing Turkmenistan’s Central Bank, Supreme Court, Foreign and Justice ministries and law enforcement bodies took part in the workshop. „Blocking the channels through which terrorism is financed is one of the most important issues in the fight against terrorism,” said Ibrahim Djikic, Head of the OSCE Centre. „This requires comprehensive legislation
on both national and international levels, as well as effective institutions for criminal investigation and procedures, consistent with democratic principles of human rights and the rule of law. Representatives of the OSCE and UNODC, as well as experts from Austria and France presented key international instruments and institutions dealing with the fight against money laundering and financing of terrorism. The experts also helped participants identify needs for further development of Turkmenistan’s legislation on combating money laundering and financing of terrorism.

Austrian experts with the participant representing the Supreme Court of Turkmenistan

Uzbekistan – Promoting Arbitration and Supporting Farmers

The Centre supported the NGO “Legal Problems Research Centre” under the Project entitled “Promoting the Development of Arbitration and Supporting Farmers in Uzbekistan” to carry out two-day training courses in all regions of Uzbekistan. The project aimed at (1) facilitating the development of arbitration in the provinces of Uzbekistan; (2) promoting legal protection of farmers in Uzbekistan by educating local lawyers on how to settle disputes of farmers by arbitration and by carrying out proper legal consultations.
6. Anti-Trafficking Programme

6.1 Anti-Trafficking Programme on Public-Private Co-operation in the Prevention of Trafficking in Human Beings

As follow-up to the recommendations of the 11th OSCE Economic Forum and the provisions of OSCE Action Plan to Combat Trafficking in Human Beings, OCEEA developed the “Anti-Trafficking Programme on Public-Private Co-operation in the Prevention of Trafficking in Human Beings (ATP)” with the aim to address both the demand and supply side of trafficking in human beings. The objectives of the ATP are to:

I. promote self-regulation of the private sector
II. raise the awareness of trafficking in countries of destination, in particular in Western countries
III. create economic empowerment opportunities for potential victims of trafficking

The ATP promotes a multi-sectoral approach, involving the business community, civil society and governments, in the fight against trafficking, with an emphasis on prevention by addressing the socio-economic root causes of the problem.

6.2 Promoting Self-Regulation of the Private Industry (ATP Sub-Programme I)

In May 2005, the “Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism”\(^1\) was officially signed by the Bulgarian and Romanian governments, NGOs and the representatives of the tourism and hospitality sectors in separate ceremonies in Sofia and Bucharest, representing the highlight of the first phase of the parallel project Public-Private Co-operation in the Prevention of Trafficking and Sexual Exploitation of Minors in Travel and Tourism Industry. The project was initially launched and funded by the OCEEA in both Romania and Bulgaria in 2004 under the OCEEA’s ATP and implemented with local partners Save the Children-Romania and Animus Association–Bulgaria and the Austrian NGO Respect with the aim to introduce a multi-sectoral approach to the prevention of trafficking and commercial sexual exploitation of children in the framework of promoting social responsibility of the private sector in Central and Eastern Europe.

Phase two of the project was initiated in June 2005, with the financial support from the Swiss government and the OCEEA. Moreover, a joint application by the OCEEA and NGO Respect to the Austrian Development Agency resulted in the additional funding and extension of the project in the two countries until 2007. Phase II of the projects aims at training private sector employees in operationalising the principles of the Code of Conduct, strengthening the capacity of the local monitoring committee, awareness raising campaigns on the Black Sea coast and mobilising the foreign tour operators to encourage the Code’s implementation by their local partners.

Albania - Promoting self-regulation in the Albanian tourism sector by introducing a Code of Ethics.

The project was initiated in May 2005, by the OCEEA in cooperation with the OSCE Presence in Albania, with the aim to introduce ethical standards for the developing tourism industry. In doing so, the project complementarily aimed at supporting anti-trafficking activities by promoting prevention measures.

The project promoted a multi-sectoral approach

---

1 The Code of Conduct (www.thecode.org) is a project initiated by the international non-governmental network ECPAT, funded by UNICEF and supported by the United Nations World Tourism Organization within the international campaign to protect children from sexual exploitation in tourism. The Code of Conduct is currently implemented by over 200 companies in 21 countries in Europe, North America, Latin America and Asia.
by engaging the government, civil society and business community, to adopt self-regulatory measures to address the social, economic and environmental implications of a growing tourism sector.

The Global Code of Ethics developed by the United Nations World Tourism Organization was used as a basis to develop the Albanian Code of Ethics – an undertaking that involved the participation of the Albanian Ministry of Tourism, Culture, Youth and Sports, representatives of the tourism industry, the Institute for Development and Research (IDRA), GTZ Albania, the OSCE Presence in Albania, USAID tourism projects and members of civil society. The Code of Ethics included the “Code of Conduct for the Protection of Children against Commercial Sexual Exploitation of Children in Travel and Tourism”, a global initiative aimed to safeguard children from exploitation.

In addition, the project involved awareness raising activities, lobbying of the industry to sign the Code as well as the establishment of a multi-sectoral monitoring committee, with the OSCE and UNICEF as observers, to oversee the Code’s implementation. The project was funded by GTZ of Germany as a contribution to the OCEEA’s Anti-Trafficking Programme.

6. Raising Awareness of Trafficking in Countries of Destination, particularly in Western Countries (ATP Sub-Programme II)

Film Screening of Lilja 4-ever and Panel Discussion in Vienna

In the framework of its Anti-Trafficking Programme, the OCEEA supported the Austrian NGO ECPAT/Respect - Institute for Integrative Tourism and Development in promoting and facilitating the screening of the film Lilja 4-ever, directed by Lukas Moodysson (2002). The movie depicts the misery endured by an Eastern European teenager who is lured and sold into sexual slavery in a Western country.

On 27 October 2005, the NGO ECPAT/Respect, with support from the OCEEA, organised the film screening and trafficking exhibition as part of an awareness raising event in Vienna. The screening of “Lilja 4-ever” was followed by a panel discussion, including the OSCE Special Representative on Combating Trafficking in Human Beings, Dr. Helga Konrad, representatives of local media (Standard newspaper), members of law enforcement, NGOs, the tourism industry (TUI Austria), the Ministry of Foreign Affairs and the general public. The event brought together representatives from government, civil society, media and the private sector in the attempt to increase understanding of the problem and its solutions. The event also highlighted the need for further concerted action to inform the general public as well as to engage other sectors (e.g. business and media) in anti-trafficking measures.

Bosnia and Herzegovina – Conference on the exploitation and trafficking of Roma children

The OCEEA under its Anti-Trafficking Programme supported the OSCE Mission to Bosnia and Herzegovina in organising, together with the State Coordinator for Anti-trafficking and other partners, a one-day conference entitled “Roma and Trafficking: children exploitation and begging” in September 2005.

The purpose of the conference was to identify the reasons for begging, with a special emphasis on the exploitation of children and measures to prevent this socially detrimental behaviour. The socio-economic, educational, cultural and administrative aspects, including legal regulations and competency of administrative servants were discussed. The conference was attended by representatives of relevant state-level ministries, Roma Council members, judiciary, national and international organisations, as well as non-Roma non-governmental organisations.

The development of an operational plan for fighting against abuse and exploitation of Roma children for begging, sexual exploitation and other forms of trafficking was discussed by experts during the conference. They also discussed the formation of working

6. Creating Economic Empowerment Opportunities for Potential Victims of Trafficking (ATP Sub-Programme III)

Albania – Promoting economic empowerment initiatives for young women and vulnerable groups

Following the successful implementation of three rounds of Youth Entrepreneurship Seminars (YES Programme) in 2005 and previous years under its SME activities, the OCEEA and the Economic and Environmental Unit of OSCE Presence in Albania agreed to target a specific project to vulnerable groups as a means to address the economic roots of trafficking. In co-operation with German Technical Co-operation (GTZ) and with financial support from the Danish government and the OCEEA under its ATP, the project was developed and implemented in Northern Albania. The project aimed to support young people at risk of being trafficked, by enhancing business opportunities for vulnerable groups through entrepreneurial training, business counselling and financial support for enterprises. Of the 127 business plans submitted, 47 were accepted to benefit from the project’s support. Seventy-five percent of the successful applicants were women, six of the beneficiaries were people with disabilities. Three women of the beneficiaries were victims of trafficking from the Vatra Centre (Centre for Reintegration of Victims of Trafficking). The start-up grants provided were in the amount up to 800 Euros and supported tailoring businesses (15 business plans) and electromechanical services (11 plans), as well as a wide spectrum of other businesses in the fields of computer training, hairdressing, handcrafting, agricultural production and veterinary services.

Romania – Youth Career Initiative (YCI)

In order to decrease the vulnerability of young people in Romania to trafficking, in particular those from disadvantaged backgrounds, the OCEEA initiated the local implementation of Youth Career Initiative (YCI), http://www.youthcareerinitiative.org/), a vocational training model of the International Business Leaders Forum (IBLF) based in London. The YCI provides vocational and life skills education delivered by and within internationally recognized hotels to recent sec-
ondary graduates who may not otherwise be given such opportunities. In doing so, the YCI programme provides a platform for these young people to seek employment and/or pursue higher education.

The OCEEA and the IBLF introduced the YCI as a pilot project in Romania in 2004 in order to bring the model to South Eastern Europe, particularly to countries of origin for trafficking in human beings and by doing so, promote new economic empowerment through working partnerships with the business community. With the financial support of the OCEEA on account of an earmarked contribution from GTZ to its Anti-Trafficking Programme, the pilot project was implemented within the JW Marriott Hotel in Bucharest to gain an understanding of the country specific issues and to test the environment for the further implementation and replication of the YCI programme to other five star hotels in the country.

The YCI programme was structured over a six-month period and provided training by the hotel managers of all the hotel departments, with 40% of the curriculum time spent in a ‘classroom’ environment complemented by accounts of work experiences delivered by local companies. In addition to the transferable life skills and marketable business skills learned, participants benefited from increased confidence through exposure to a business and customer-orientated environment which fostered teamwork, presentation skills, customer service and personal responsibility. The project concluded in April 2005 with 6 graduates of the YCI programme. Four of the six participants were offered permanent positions at the JW Marriott Hotel. Regarding the other two graduates, one received a scholarship to study at university and the other decided to join his mother in Spain, yet with the transferable and marketable skills learned during the programme. All the graduates were awarded certificates carrying the Marriott and the Prince of Wales International Business Leaders Forum insignias illustrating the quality of the training and experience gained in a five star hotel establishment.

**Kosovo – days of activism**

The OSCE Mission in Kosovo encouraged civil society to mark sixteen days of activism (25 November – 10 December 2005) with gender based violence awareness raising activities.

In 2005, the OSCE supported local NGOs in prevention activities and in raising awareness in regards to the problem of trafficking in human-beings. Such activities were implemented in Pejë/Peć municipality as well as in the secondary schools in Klinë/Klinja, Istok/Istog and Deçan/Đečani, by the local NGO Women Wellness Centre (WWC). Targeted beneficiaries were young people aged 14 to 18.
6. Anti-Trafficking Programme

The aim of the project was to change general misconceptions and stereotypes about trafficking in human beings – often confused with prostitution - and to teach youth about the protection measures available to victims of trafficking. Together with their family members, school teachers, school directors and friends they went through an interactive and dynamic educational programme.

OMiK was also in the process of finalizing “Standard Operating Procedures for Kosovo Victims of Trafficking”. The Mission’s inter-agency approach to creating protection schemes has been in place since the year of 2000. This year OMiK, in co-operation with local partners, mapped out activities aimed to create empowerment opportunities for survivors of trafficking in human-beings. OMiK has been primarily engaged in strengthening protection programmes, while prevention programmes are delivered by the Ministry of Labour and Social Welfare, the Ministry of Youth Sports and Culture and the International Labour Organization. These programmes target children as the main beneficiaries, with the aim to prevent the worst forms of child labour.

The NGO Women Wellness Centre conveyed the anti-trafficking message through comic strips, posters and handouts.
Guide on Best Conditions for Enhancing the Business and Investment Climate

In response to the recommendations of the 12th Economic Forum and the Maastricht Strategy for the Economic and Environmental Dimension, emphasising the need to support economic development by improving the business climate and attracting investment, the OCEEA developed a project to produce and promote a “Guide on Best Conditions for Enhancing the Business and Investment Climate”. The aim of the Guide is to provide policy-makers and practitioners, mainly in transition economies, with a practical document on how to create a favourable business and investment climate. The Guide will initially be produced in English and Russian, with additional translations to follow upon request. The Guide was launched at the 14th Economic Forum in May 2006 and disseminated to OSCE participating States and OSCE Field Presences. A regional workshop based on the Guide will be held in the second half of 2006 to promote the importance of creating an attractive investment and business climate vital for sustained economic growth.

Albania – Strengthening business awareness and capacities with the understanding of World Trade Organization principles and their application in Albania

The OSCE Presence in Albania (PiA), in co-operation with Albanian consultants and the Chambers of Commerce and Industry, organised seminars in 12 Albanian prefectures with main targets Albanian businesses engaged in exports or exposed to imports. More than 250 persons participated in the workshops and benefited from the assistance given to local businesses. Businesses were provided with information on quantitative and judicial aspects of the Albanian Agreement with the WTO, as well as the costs and benefits of this agreement. Business concerns expressed at the seminars are being inserted into a brochure entitled „WTO and the Albanian Business” prepared by the Albanian Institute of Public Policies (AIPP) with the support of the PiA. This manual has been prepared in co-operation with experts from the Albanian Ministry of Integration, providing insight and updated information on the Albanian steps within the framework of the WTO agreement.

Seminars raising capacities of Albanian businesses in understanding WTO principles and their application in Albania
Kyrgyzstan – Development of Business Plans for the Attraction of Foreign Direct Investment

Within the framework of the project on the “Development of Business Plans for the Attraction of Foreign Direct Investment”, investment round tables were carried out at the local level with the support of the OSCE Centre. The first phase of the project focused on the training of entrepreneurs in the preparation of business plan. In the second phase, the team of experts worked on the development of the “Investment Project Guide” for each region of the country for the lead sectors of the economy such as mining, food processing, agriculture, etc. The Investment Round Table released a brochure on “Investment Opportunities of Kyrgyzstan”, which was circulated among potential foreign investors, key ministries and business community. Demand for this brochure is high and printing of additional copies is anticipated.

Turkmenistan – Computer and business training for farmers

Developing business and management skills and using computers to better run projects was the aim of an OSCE-supported seminar for Turkmen farmers which was held in Ashgabat in October. The event brought together farmers from the Akhal and Lebap regions of the country, as well as representatives of an agricultural business school in Turkmenabat.

Participants represented volunteer farmer associations (VFA) of Turkmenistan which were involved in a pilot micro-credit project, supported by the OSCE Centre in Ashgabad and a European Union’s Technical Aid for CIS Programme. The project has assisted in the creation and funding of four VFAs in rural areas of Turkmenistan. The project ensures that the VFAs are able to manage their own revolving loan fund in a transparent and sustainable way in order to benefit their members and the rural population in general.
Consistent with its mandate, the OCEEA supports economic empowerment and the development of small and medium sized enterprises (SMEs) as a means to create economic opportunities and strengthen democratic and market principles in countries of transition, particularly for vulnerable population groups. Since 2002, the OCEEA has placed special focus on educating young people in the fundamentals of entrepreneurship, through its Youth Entrepreneurship Seminars Programme (YES), as a means of encouraging private sector and human capital development as well as accelerating socio-economic reforms. Since that time, the YES Programme and related entrepreneurial trainings and activities have been implemented in over ten OSCE participating States, each time tailored to the needs of the local communities, by targeting women, youth, border municipalities and other communities in need.

The OCEEA is working closely with field presences to build upon past experiences and target future activities in order to strengthen local capacities in an effort to promote the sustainability of economic opportunities and thus help enhance SME development, stimulate job creation and establish legitimate income generating opportunities for vulnerable population groups, including the unemployed.

In this respect, the OCEEA has provided assistance in programmatic development, information-sharing, assessment of national and regional concerns, monitoring and evaluation of activities, fundraising for extra budgetary projects as well as advocating for political and partner support. An OCEEA economic assessment mission to Kyrgyzstan and Tajikistan in 2005 contributed to the development of new project ideas and recommendations for a more programmatic approach.

8.1 Promoting Entrepreneurship and the Youth Entrepreneurship Seminar Programme (YES)

Bosnia and Herzegovina – Job Fair in Pale

With the financial support of the OCEEA and the assistance of the OSCE Mission in Bosnia and Herzegovina, a one day Job Fair called “Sajam Kadrovskih Potencijala” was organised in the Municipality of Pale by a joint Working Group consisting of representatives from the Business Development Centre of the Sarajevo Economic Region Development Agency (SERDA), municipal authorities of Pale and the Republic of Srpska Entity Employment Bureau – Pale Office.

The Pale municipality is one of the few in Bosnia and Herzegovina which has seen a doubling in the number of its citizens after the conflict of the 1990s. This increase, combined with the difficult economic situation following the conflict, e.g. with a decline of jobs, meant that the gap between available jobs and the people wishing to be employed is growing.

The main purpose of the Job Fair was to introduce new ways of helping the unemployed identify jobs and to facilitate businesses to find professional and motivated workers in the municipality. By bringing together potential employers and the unemployed, the Job Fair aimed to give the unemployed a unique opportunity to make direct contacts with potential employers and, at the same time, to help private and public companies to look for skilled professionals in different areas and to learn about the number and quality of the labour force available.

Over 30 firms and municipal companies participated at the Job Fair offering over 200 positions in total. About 1,000 people visited the Fair and 620 of them completed questionnaires with feedback about the organisation of the event.
Bosnia and Herzegovina – Supporting Youth Entrepreneurship

In 2005, the primary goals of the OSCE Mission to Bosnia and Herzegovina project on Youth Entrepreneurship were to provide opportunities to young people in Bosnia and Herzegovina to learn how to open, register and operate businesses, prepare a business plan in order to start private business, contribute to the increase in employment in the municipalities and to raise awareness about private businesses and SMEs.

In total 130 interested young people, between the ages of 18 and 35 from 30 municipalities, participated in the project’s trainings, seminars and study visits throughout the country, which helped them obtain relevant knowledge and experience to make informed decisions on starting a business. The Mission’s key partners were local development agencies, including the Sarajevo Economic Region Development Agency (SERDA), Prijedor Regional Economic Development Agency (PREDA), Accredited Regional Development Agency of Northwest Bosnia and Herzegovina (ARDA), municipalities and business centres.

Kyrgyzstan – Youth Entrepreneurship Seminars (YES)

In October 2005, the Centre in Bishkek launched a pilot project on youth empowerment in the South of Kyrgyzstan to establish new and effective mechanisms for a mutually-beneficial relationship between institutions of higher education, the labour market and potential young employees. The project was designed for a one year period and aims to strengthen links between institutions of higher education and the business sector in the southern provinces of Osh, Jalalabat and Batken by facilitating the preparation of qualified specialists, sought by the labour market and then providing assistance with job placement in the South of Kyrgyzstan.

Kyrgyzstan – Economic Empowerment for Vulnerable Groups

From August to December 2005, the OSCE supported the implementation of the project “Economic Empowerment for Vulnerable Groups”. Two of the major components of the project emerged from trainings for business incubators and vulnerable groups, as well as assistance to youth centres. The first of these components – a one-day national seminar entitled "Implementation Strategy of the National Programme Devoted to Poverty Alleviation and Unemployment" (held on 5 October 2005 in Osh) – was organized by the OSCE Field Office in Osh’s implementing partner “Osh SBDC Consult” in co-operation with the Ministry of Labour and Social Protection. The seminar was attended by heads of the Departments of Social Protection and Employment from all seven provinces of Kyrgyzstan. During the seminar, much attention was paid to the creation of “social passports” – packets of information gathered at the household level – for vulnerable groups. Using these "social passports", the Ministry intended to systematically collect data on social and economic problems in the provinces and use this information to create new programmes.

A second successful component of this project was an “experience-sharing” meeting for business incubators of southern Kyrgyzstan, held on 9 December 2005.

Economic Empowerment of youth workshops in Kyrgyzstan
Serbia and Montenegro - Youth Entrepreneurial Spirit training
In 2005, the Youth Entrepreneurial Spirit training was realised in seven municipalities (Smederevska Palanka, Knjazevac, Kikinda, Cacak, Prijepolje, Bujanovac and Majdanpek), faced with high levels of unemployment and subjected to risks of human trafficking. The implementing partners for this round of training were gender equality focal points in the respective municipalities.

A new round of the YES Programme, combined with a two-hour presentation of the activities of the Centre for the Protection of the Victims of Human Trafficking and other relevant human trafficking issues, were organised in the several municipalities.

In total, 210 young people obtained the YES Diploma.

8.2 SME Development

Azerbaijan – entrepreneurial training
The OSCE Office in Baku organised the second stage of an entrepreneurial training project implemented by German Technical Co-operation (GTZ) and jointly funded by the Office and the OCEEA to 200 women in five rural areas in order to support the socio-economic stability in the regions. It consisted of a women business plan competition, which awarded start up capital to thirteen women and contributed to the economic development of vulnerable groups in the regions.

Belarus – rural tourism
In 2005, the OOM successfully continued its work on the promotion and development of rural tourism in Belarus together with the NGO “Agro&Eco Tourism”. Their project focused on the elaboration of the existing network of rural farmsteads of so-called “Green Ways”. “Green Ways” are tourist routes that promote a healthy lifestyle and environmentally friendly non-motorized travelling means: hiking, riding bikes, horse riding, canoeing. A group of activists from rural farms and tourism specialists participated in special trainings in Poland. Upon their return, they elaborated “Green Ways” near their farmsteads, engaging the local population and local resources. Upon the development and equipment of the “Green Ways”, the booklet Green trails of Belarus was published and distributed both in Belarus and abroad. In 2006 similar activities are to be supported by the OOM with the development of a joint network of farmsteads between Belarus and Lithuania.

Belarus – Working session on handcraft activities
Continuing the work started in 2004 on SME development, the OSCE Office in Minsk (OOM) expanded its co-operation with the National Law-Drafting Centre on economic issues. A working session on handcraft activities was held on 18 November 2005 to discuss this new type of SME in Belarus. The OOM invited European SME and handcrafts experts from Poland and Belgium to provide their assessment and share their experiences. As a result of the discussion during the seminar, a series of concrete recommendations were provided on issues of organisation, taxation and state support to craftsmanship.

Georgia – Business Centre
The Mission initiated plans for the development of a Business Centre in South Ossetia as a result of the findings of the Economic Needs Assessment Study conducted by the Mission. Once operational, the business centre will provide consultancy services to entrepreneurs in order to promote SME development in the zone of conflict.

Kyrgyzstan – Business Incubators
In conjunction with the International Business Council (IBC), the Centre in Bishkek (CiB), as of September 2005, started implementation of a two year project aimed at building the capacity of the business community, especially SMEs and business associations to provide services to their members such as training, counselling as well as lobbying on behalf of the business community with government. Complementary activities aimed at enhancing the SME infrastructure, by building the capacity of the national and local business institutions, business incubators and business advisory services to serve the needs of the private sector and to constructively engage in consultation and planning processes that promote improved and appropriate service delivery. A branch office of IBC has been set up in Osh to facilitate SME development in the Southern and more remote regions of the country.
Business incubators are considered an important means to promote entrepreneurship in rural and urban areas and thus to fight poverty. Therefore, the CiB supported the assessment of the 60 business incubators in the country in order to provide guidelines on how incubators can be structured to offer sustainable, demand-driven business support services to external clients. The assessment was undertaken by GTZ with assistance from the CiB and ILO and resulted in the publication of “Assessment of Operational Conditions of Business Incubators in Kyrgyzstan” and disseminated in English, Russian and Kyrgyz.

Serbia and Montenegro – Development of Business Incubator Centres

The overall goal of the Project was to contribute to regional integration, social cohesion and poverty reduction in Serbia by strengthening partnership of relevant local and regional stakeholders and by promoting the adaptability of the unemployed by creating Business Incubator Centres (BIC).

Among the BICs whose establishment was supported by the OSCE Mission to SaM were the following:
- BIC Knjazevac (Eastern Serbia)
- BIC Smederevska Palanka (Central Serbia)
- BIC in South Serbia (Vranje, Bujanovac and Medvedja)
- BIC in Zrenjanin and Novi Sad
- BIC Kikinda (Vojvodina)
- BIC in Valjevo (Business Incubator Centre for the Roma Community)
- BIC Knjazevac (Eastern Serbia) was the first business incubator that was opened in Serbia in May 2005.

Tajikistan – business courses for women

Business courses targeting rural women—often the relatives of men who have gone abroad in search of work—added a technical training component that taught specific skills, primarily tailoring and baking, enabling participants to start home-based businesses. The Garm Field Office was particularly successful in this regard, helping to organize training in tailoring of men’s clothing, thereby enabling local women to meet a major need in the remote and impoverished Rasht Valley, where consumer goods of all sorts must be imported with considerable difficulty from either Dushanbe or Kyrgyzstan.
**Tajikistan – summer business schools**

A number of small projects were implemented throughout the country with the aim to introduce the concept and principles of entrepreneurship. These included intensive summer business schools and camps for young people in four regions. Two of these events involved young people invited from neighbouring countries—Kyrgyzstan and, for first time, Afghanistan. Word of the success of the cross-border summer camp in Badakhshon seemed to have spread among Afghan officials in the Northern part of that country and resulted in several OSCE partner NGOs being approached by their contacts in Afghanistan asking that similar events be organized in Southern Tajikistan.

**Uzbekistan – Youth Entrepreneurship**

The OSCE Centre in Tashkent targeted trainings for selected potential youth entrepreneurs within the framework of the joint project “Entrepreneurial Training for Youth”, with the National Youth Social Movement “KAMOLOT”. These young people learned about current local legislation regulating private business, taxation issues, marketing and business plan development and financial management. Each participant developed his/her entrepreneurial ideas into a business plan, which was evaluated by the workshop trainers. In accordance with the project goals, the two best business plans from each province were submitted to a local commercial bank for funding.

As a result, both “KAMOLOT” and the Centre in Tashkent were satisfied with the successful outcomes of this project. In particular, five participants of the project received small credit resources for a total amount of more than 12m Uzbek soums (USD 12,000), twelve participants expanded their businesses, seventeen opened businesses with own funds and fifteen of the project participants were employed in the business sector.

**Tajikistan – support to land reform**

As an extension of the 2004-2005 project on OSCE Support to Land Reform in Tajikistan, the OSCE Centre in Dushanbe funded three series of training courses for farmers on newly-reorganized individual and cooperative farms. These courses provided information on the legal requirements for starting an agricultural business, the new Tax Code as it applies to agriculture, and applying for small loans from commercial banks as well as technical advice on marketing produce, seed selection and crop improvement. These introductory courses will be complemented in 2006 by the establishment of permanent advice bureaus for farmers in at least twenty districts in Southern Tajikistan.
8.3 Capacity Building for Decision-Makers

Kosovo – promotion of economic legislation

In 2005, OMiK was engaged in supporting the development and adoption of legislation aimed at promoting economic development in Kosovo. Through coordinating and channelling international donor assistance, OMiK facilitated discussions on economic and commercial legislation initiated by USAID, assisted with the design and delivery of capacity building programmes for Assembly members and supported the drafting and promulgation of the relevant legal framework. OMiK’s active role in the process ultimately contributed to the adoption of landmark legislation and the creation of a sound legal framework for economic development in Kosovo.

Kyrgyzstan – Laying the foundations for gender-balanced economic development

The Centre in Bishkek supported activities in the implementation of the third strategic component of the National Action Plan for the Achievement of Gender Equality in the Kyrgyz Republic in the period of 2005-2006 (NAP), i.e. the “Gender component of economic development in the labour force sector” with the main focus on the topic of “Access to economic resources for women”. A national conference was conducted which led to the development of questions and recommendations to the National Council on Women, Family and Gender Development at the Office of the President of the Kyrgyz Republic, that were discussed at parliamentary hearings in October 2005.
Serbia and Montenegro – Mutual Training Programme for Top Management of Private SMEs in Cacak

In the Moravicki Region, the Municipality of Cacak is one of the most dynamic economic regions in Serbia. Seventy percent of the local GNP comes from the SME sector. The objectives of the training were to provide the following:

- Information and knowledge to participants on international marketing, financial, trade, industrial clustering management issues
- Capacity building of local SMEs and intermediaries
- Encourage the formation of local partnership among SMEs, private public partnerships and communication between science, politics and business
- Good practices, case studies, materials and lessons of two Universities on international management, business, finance and entrepreneurship.

The programme was based on the positive experiences in realising joint training programmes with the Italian partner, the Venice International University.

Fifty top managers from the most successful SMEs in Cacak took part in the training aimed at preparing the participants to improve the competitiveness of their enterprises, thus contributing to the overall economic development in Serbia. The training was part of the capacity building strategy, a segment of the Strategy of Sustainable Development of the Municipality of Cacak.
The 12th Economic Forum, its preparatory process and the Strategy Document for the Economic and Environmental Dimension stressed that successful economic reform and structural adjustment are important contributors to security and stability and require functioning economic institutions, good governance and adequately trained human resources. Given the need for skilled professionals in economic research and application, as well as the recommendations made at the 12th Economic Forum, the OSCE, in co-operation with the Eurasia Foundation, the Economics Education and Research Consortium, developed the Central Asia Applied Research Network programme in 2004.

Central Asia Applied Research Network
The OSCE is supporting the Central Asian Applied Research Network (CAARN) programme, which is a multi-donor public-private alliance lead by the Eurasia Foundation. The aim of CAARN consists in increasing the capacity of universities in Central Asia to conduct applied research for the needs of the local business community and governments by honing the professional skills of junior researchers, improving their access to current international periodicals and data sets and by providing expert peer review and mentorships. The programme also aims at contributing to the reform of economics education in Central Asia by introducing applied research in the classroom and building current business and policy concerns into the regular business and economics curricula. On 15 September 2005, the Opening Coordinating Conference of the project was held in Bishkek with the support of the OSCE Centre in Bishkek and the OSCE Bishkek Academy. The purpose of the conference was to establish goals and objectives and forge working partnerships between universities and the academic and business communities. Researchers and administrators from approximately 20 universities in the Kyrgyz Republic, Kazakhstan, Uzbekistan and Tajikistan, donor organizations and business and economics education experts attended the event.

Universities Participating in the Central Asia Applied Research Network

**Kazakhstan**
- Atyrau Institute of Oil and Gas
- Atyrau State University
- Eastern Kazakhstan State University, Ust-Kamenogorsk
- Eurasian National University, Astana
- Institute of Management, Astana
- Karaganda State University
- Kazakh Economic University, Almaty
- Karaganda Economic University
- Karaganda State Technical University
- Kazakhstan State University, Almaty
- KIMEP, Almaty
- Kostanai Engineering-Economic University
- Kostanai State University
- Pavlodar State University
- Pavlodar University
- Taraz State University
- Western Kazakhstan Agro-Technical University, Uralsk
- Western Kazakhstan State University, Uralsk

**Kyrgyzstan**
- American University of Central Asia, Bishkek
- Bishkek Academy of Finance and Economics
- Institute of Integration and International Programs, Bishkek
- Issyk-Kul State University, Karakol
- Kyrgyz Russian Slavic University, Bishkek
- Naryn State University
- Osh State University
- Talas State University

**Tajikistan**
- Institute for Re-training of Government Officials
- Khudjand State University
- Tajik Tax and Law Institute
- Tajik Technological University (Khudjand branch)

**Uzbekistan**
- Kelejak Ilmi International Business School
- Samarkand Institute of Economics and Service
- Tashkent State Economics University
- Westminster International University, Tashkent
The implementation of the programme started in September 2005 and since then seven faculty trainings have been completed for Kazakhstan, Kyrgyzstan and Tajikistan, at which 164 junior professors have been trained. Following the trainings, the fellowship programme commenced awarding fellowships to researchers in the cities of Bishkek (18), Almaty (10) and Taraz (Kazakhstan) (6). The Economics Education and Research Consortium and other donors will continue to award fellowships to researchers on a rolling basis throughout the region, in most places within two months following the conclusion of the training for those researchers. A Final Regional Coordinating Seminar, supported by the OSCE, will take place in July 2006, bringing the first phase of the programme to an end.

Discussions are going on to more closely link the work of CAARN to other initiatives to achieve long-lasting effects in improved economic research that meet the needs of policy-makers and the business community in Central Asia.

Serbia and Montenegro – Development of the Serbian Competitiveness Strategy and its Implementation in the Context of SaM’s planned Accession to the WTO and the EU


The OSCE and Chamber of Commerce and Industry of Serbia (CCIS) established a group of experts that will prepare an analysis based on the recommendations from three workshops with foreign experts (two in November and one in December 2005) as well as a survey conducted among the system of chambers throughout Serbia.

After a functional analysis of the current system of chambers of commerce, using collected opinions and remarks expressed by the business community, as well as a best practices overview, ways to improve the system will be proposed. Besides taking into account the role of the chambers in increasing the competitiveness of the national economy in the world market, the reform will also take into account, the role the chambers will have in the process of the accession to the WTO and future negotiations with the EU for the SAA (Stabilisation and Association Agreement).
10. Environmental Activities

The OSCE aims at securing peace and stability by enhancing the sustainable use of natural resources, by fostering the sound management of hazardous waste and by promoting environmental awareness, participation in decision making and public access to information.

10.1 The Environment and Security Initiative (ENVSEC)

The Environment and Security Initiative (ENVSEC) is a partnership of three organisations – the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP) and the OSCE. The North Atlantic Treaty Organization (NATO) has also associated itself to the Initiative. At the end of 2005, two new members were welcomed to join the Initiative: the United Nations Economic Commission for Europe (UNECE) and the Regional Environmental Centre for Central and Eastern Europe (REC). The Initiative aims at providing a framework for co-operation on environmental issues across borders and promoting peace and stability through environmental co-operation and sustainable development.

ENVSEC started its operation in late 2002 and was publicly announced and politically endorsed in May 2003, simultaneously by European Environment Ministers at the Environment for Europe Conference in Kiev and by Ministers of Foreign Affairs of OSCE countries at the Economic Forum in Prague. Working in close collaboration with national Ministries of the Environment and Foreign Affairs as well as with many other local partners, ENVSEC today operates in 16 countries from the Balkans to Central Asia. The participatory assessments of environmental and security risks have been carried out in three sub-regions – South Eastern Europe, the South Caucasus and Central Asia. A first-stage assessment of environment and security priorities has now also started in Eastern Europe (Belarus, Moldova and Ukraine) and will be completed by the end of 2006. The ENVSEC assessments have given rise to a multitude of projects in capacity building, policy support and awareness raising. Today the ENVSEC portfolio includes 45 projects that focus on reducing and eliminating environmental risks to security, as well as on environmental co-operation as a peace-building instrument. All projects of the ENVSEC Initiative are financed by extra-budgetary donor contributions.

10.1.1 ENVSEC Progress to date

In 2005, the ENVSEC Initiative had significantly advanced in South Eastern Europe, South Caucasus, Central Asia and Eastern Europe as well as with cross-cutting work. The Initiative achieved concrete results in networking with key partners, participatory identification of specific environment and security priorities and hot-spots on the ground and raising awareness of the links between natural environment and human security. Progress in 2005 included the following highlights:

10.1.2 Highlights from Central Asia

In 2005 the in-depth assessment of environmental and security risks in the Ferghana valley was successfully completed. As a result of the in-depth assessment, the ENVSEC partners, authorities and experts have been able to agree on geographical and topical priority areas of risks and needs. The assessment is now followed by implementation of a work programme consisting of projects on industrial enterprises with cross-border environmental effects, uranium mining waste and tailing sites, natural disasters as well as promoting sound land and water management in the river basin of the Upper Syr-Darya.

An in-depth field assessment of environmental and security hot spots in the Ferghana Valley and adjacent areas
Environmental degradation, resource scarcity, the uneven distribution of natural resources or resource abundance are emerging as potential triggers or accelerating factors of tensions within and among nations. Environmental decline and resource scarcity are one strand within a complex web of causalities, in which a series of socio-economic problems – such as population pressure, poverty, migration, refugee movements, political instability and ethno-political tensions – are intertwined. Environmental degradation and natural resource scarcity are both causes and outcomes of these socio-economic problems or are intensified by them.

Measures that reduce environmental stress guarantee access to vital resources and remove economic incentives for conflict, present opportunities for enhancing regional co-operation, human security and building sustainable peace. Environmental co-operation can strengthen mutual trust and be a basis for deeper peace-building and sustainable human development.
10.1.3 Highlights from South Eastern Europe Reducing Environmental and Security Risks from Mining

The assessment on “Environment and Security Risks from Mining in South Eastern Europe”, developed during Phase I of the ENVSEC Initiative was launched at a ministerial conference in Cluj-Napoca, Romania, in May 2005. The assessment analysing the risks, vulnerabilities from mining activities and needs in the “hot spots” identified together with the public accountability document “Mining for Closure – Policies, Practices and Guidelines for Sustainable Mining and Closure of Mines”, provides a base for a number of activities both in the field of capacity building and remediation. Feasibility studies are now being conducted for a number of selected priority sites as a base for projects subsequently developed within the framework of the ENVSEC Initiative.

10.1.4 Highlights from South Caucasus

Strategic Environmental Assessments (SEA)

Based on the analysis of current national environmental assessment systems, the project organised national kick-off workshops (in Armenia and Georgia in 2004 with about 30 participants in each) where training on SEA concepts and pilot projects were identified by the national SEA teams. As a result of national SEA seminars, the SEA national team in Armenia has elaborated the first draft of the SEA report evaluating the level of integration of environmental concerns into the Yerevan Development Master Plan (a spatial plan of the city). In Georgia, the national team aims at completing the elaboration of the National Capacity Development Manual for the SEA Protocol Implementation by the end of 2005.

10.1.5 Moving to Eastern Europe

Throughout 2004–2005, preliminary discussions were held with government agencies (primarily Ministries of Foreign Affairs and the Environment) in Belarus, Moldova and Ukraine. The discussions revealed an interest in all the countries in joining ENVSEC activities, with relevant issues mentioned in the discussions ranging from shared water basins to cross-border impacts of mining and industry, risks stemming from hazardous waste, former military bases and the long-term consequences of the Chernobyl accident.

An ENVSEC assessment in Eastern Europe, similar to other regions, is a participatory process involving various governmental organisations, research and civil society groups. As a starting point, a team of local and international experts prepare a background paper and map main environment and security concerns and hot spots including those on the trans-boundary level. The background paper serves as an input to three country consultations with representatives of national authorities, academia and the civil society. The consultations will take place in Chisinau, Minsk and Kiev at the end of May 2006.

A final assessment report and maps of environment-security priorities will be published in a user-friendly and policy-relevant format, launched at appropriate occasions and widely publicised within and outside the region. Experience with previous assessments shows that this will help catalyse considerable interest among international partners to invest into and support follow-up activities.
Based on the results of the assessment and country consultations, the existing programmatic framework and together with national counterparts, a work programme will be developed. This will include specific ENVSEC-facilitated projects to address the identified priorities and hot-spots. ENVSEC partners (OSCE, UNEP, UNDP, NATO, UNECE, REC) as well as other organisations such as bilateral and multilateral donors will provide resources and expertise for individual projects which, depending on the expressed needs, will focus on further assessment and monitoring of issues as well as direct interventions in terms of capacity building and support to environment and security policy development.

### 10.1.6 Cross Cutting activities

**Environmental Diplomacy Programme, Module on environment and security**

The ENVSEC partners have started collaboration with the University of Peace in Geneva on giving training on environmental and security issues on a post-graduate level. ENVSEC has developed an Environment and Security module which will give the students an analysis of the relationship between environmental security and peace; the security implications of environmental changes; and environmental stress and conflict. The training will be given as a part of the Geneva Environmental Diplomacy Program sponsored by Switzerland and developed by the University of Geneva, UNEP and UNITAR.

It is the intention of the ENVSEC partners to further strengthen the international co-operative network involving political, donor and research organisations and continue contributing to ‘globalising’ the agenda of linking environment, peace and security, as well as to develop further methodologies for assessment and interventions in this field. ENVSEC Partners are preparing to highlight the Programme’s achievements and to provide input at the Environment for Europe Ministerial Conference in Belgrade in 2007.

### 10.2 Managing Hazardous Waste

Some parts of the OSCE region are heavily industrialised but lack adequate environmental safeguards, resulting in serious environmental degradation and impacting negatively on health. Major industrial “hotspots” close to urban areas pose severe threats to health. Land degradation through over-use of pesticides and fertilisers, radio-active or chemical waste leads to loss of livelihoods and migration. Direct legacies of previous conflicts, such as land mines and unexploded ordnances cause death, injuries and foreclosure of land. All these issues are among the many problems that the OCEEA deals with.

**Destruction of Rocket Fuel Components – Central Asia, Eastern Europe, South Caucasus**

The OSCE Field Missions, the Forum for Security Co-operation and the OCEEA are devoting ever more attention to the growing problem posed by old stocks of liquid rocket fuel once used in rockets and guided missiles in the OSCE region. The inherent hazards of the issue – encompassing political, human and socio-economic concerns – epitomise the OSCE’s “comprehensive security” approach.

Five participating States from Eastern Europe, Central Asia and the South Caucasus requested help in 2004-2005 from the OSCE in disposing of these stocks – also known as Mélange and Samine. Mélange is usually stored in barrels (steel or aluminium tanks), but these are prone to corrosion over time. Once leaked, this highly toxic, volatile and explosive chemical substance can undermine the health of whole communities and pollute the environment. Land contamination may linger for almost a century.

The problem is huge. Armenia has stocks of 872 tons, Uzbekistan more than 1,000 tons, Ukraine up to 17,000 tons, Azerbaijan 1,000 tons and Kazakhstan 1,500 tons.

Given the magnitude and geographic spread of the problem, the OSCE and NATO held a workshop in Kiev in July 2005 to discuss the most effective way to dispose of or recycle these stocks. It reconfirmed the risk posed by Mélange as well as the urgent need for a
safe disposal preventing serious environmental catastrophe and human casualties. By the end of 2005, the Phase I assessment of the situation was successfully completed in all countries that requested assistance (except Uzbekistan) and provided a sound ground for further developing and implementing projects starting from 2006.

In Armenia, the OSCE made considerable headway during the year 2005. The chosen method of neutralizing the rocket fuel component results in a positive by-product – a liquid mineral dressing for use in farming. The additive will reduce the high acidity content of the region’s soil. This follows the lead of a pilot project in 2002, which successfully converted 450 tons of Mélange into fertilizer for western Georgia’s soil.

The final and decisive phase III of the Armenia project began in September 2005, when the office signed an agreement with the Ministry of Defence to begin recycling. The conversion plant will be launched in May 2006. The initiative was funded by Finland, Germany, the United States and Canada.

An international expert team accompanied by Ukrainian authorities carried out two fact-finding missions in 2005, visiting eight military Mélange storage sites. The team also examined Ukraine’s industrial capacity for processing the toxic material. The results were included into the Scoping study, which was completed on October 11th, and marked the end of the first phase of the project. The study identified suitable ways of disposing of and recycling Mélange and also identified technical and financial needs. The next phase, which is already under way, focuses on fund-raising, budgeting and contracting an implementing company through a two-stage tender process. Due to the daunting amount of Mélange it will be the larg-
10. Environmental Activities

The largest project ever implemented by the OSCE in Ukraine. Currently the Secretariat and the Project Coordinator in Ukraine are facing a great challenge to raise around EUR 10 million for the next four year period of implementation.

OSCE experts visited Kazakhstan in November 2005 to determine the quantity and characteristics of Mélange, the processing technology available and estimate a cost and timeframe for recycling or disposal of the fuel component. Currently the Secretariat and the Mission continue with Phase II along the same lines as in the Ukrainian case. The total funding required for disposal operation to be conducted in 2006-2007 is estimated at EUR 1 million.

In Azerbaijan, the OSCE supported the launch of a project aimed at providing technical and financial assistance for upgrading two outdated rocket fuel storage sites. The international expert group visited Azerbaijan to identify a suitable way to carry out the renovation of the sites and the technical and financial needs required. The Scoping study calls for an additional information and in-depth analysis to identify the exact volume of remediation activities to follow the NATO led disposal project.

In Uzbekistan, stocks are located at Oqtosh, in the Samarkand region. The first picture was created based on the OSCE Mission on-site visit and Uzbekistan participation in Kyiv workshop. The project there is scheduled to begin in 2006 to finalize the Scoping study. Once completed, the OSCE would build upon the Ukrainian and Kazakhstan experience.

Central Asia – Rapid Environmental Health risk assessment of industrial hotspots (REHRA)

ENVSEC Partners continued work in 2005 on the Rapid Environment and Health Risk Assessment of industrial hotspots which aims at understanding, monitoring and controlling transboundary pollution and public health risks posed by industrial activities in the Fergana Valley. Currently under implementation on four selected sites of environmental concern, country experts from Kyrgyzstan, Tajikistan and Uzbekistan from environmental and industrial institutions have been trained in the risk assessment methods and provided with necessary modelling tools. Experts have participated in the joint assessment missions where useful information on the environmental and health risks has been collected, including field sampling and drilling results. Preliminary on-site environmental remediation measures have been proposed and discussed. The next steps include the risk assessment modelling, provisional offsite contingency plans for the affected areas and pre-feasibility studies/recommendations for remediation measures and reducing the identified risks.

Soil sampling is necessary to know the extent of Mélange spill into the soil. Mélange storage site, Azerbaijan

Pesticides dump site in Kanibadam, Tajikistan
Promoting Sound Water Management and Fostering Dialogue

Among environmental factors, water resources – including their scarcity, distribution and quality aspects – have been recognised as a potential factor that can lead to political pressures. OSCE participating States concerned by the potential threats posed by unsustainable water uses, yet aware of the opportunities offered by water management for building confidence and fostering greater co-operation, decided to choose the sustainable use and the protection of the quality of water as topic of the Tenth OSCE Economic Forum held in May 2002. Following the recommendations of the Economic Forum, the OCEEA developed a series of activities in the Chu-Talas (Central Asia), Kura-Araks (South Caucasus), Dniestr (Eastern Europe) and Sava (South Eastern Europe) river basins.

Central Asia – Chu-Talas

On 21 December 2005, the Commission Statute for the agreement on Utilization of the Water Facilities of Interstate Use on the Chu and Talas Rivers between the Government of the Republic of Kazakhstan and the Government of the Kyrgyz Republic of 21 January 2000 was approved. The inauguration ceremony is scheduled to take place in April-May 2006.

South Caucasus – River management in the Kura-Aras river basin through public involvement in water governance; complemented by a regional study on underground waters

Transboundary river management in the Kura-Aras river basin through public involvement in water governance was also continued in 2005. The long-term objective of the project is to ensure the quality and quantity of the water throughout the Kura-Aras river system to meet the requirements of the communities using the river as well as ensuring optimal ecosystem functioning. Regional workshops have gathered representatives from NGOs from all South Caucasus countries to share information and provide input into coordinated international water management programs throughout the region. The NGOs have put together the statutes for the NGO forum for Kura-Aras river basin that were endorsed by the NGO regional meet-

Belarus – Chernobyl

The Chernobyl accident in 1986 has had dire consequences in Europe that are felt until today. With more than 25% of its territory contaminated at the time of the accident and more than 25% of its population affected, Belarus has taken the main blow and the main burden to rebuild decent conditions of life.

The OSCE Office in Minsk in co-ordination with the main UN international agencies and bilateral donors has been consistently active in the framework of the CORE programme supported by the Government, entitled “Co-operation for the rehabilitation of living conditions in the Chernobyl affected territories”.

The Office supported small scale local projects in 2005. In 2006, the Office took the decision to increase its support to the socio-economic sustainable development projects and financed a comprehensive training scheme in modern management methods in agro-economic systemic development adapted to local conditions.

The Office also took the decision to participate in the Committee for the organisation of the international conference on the 20th anniversary of the Chernobyl accident which was held in Belarus on 19-20 April 2006. The Office in Minsk specifically supported the scientific sessions to be held in Gomel region, which has been most affected by Chernobyl.

10.3 Promoting Sound Water Management and Fostering Dialogue

Among environmental factors, water resources – including their scarcity, distribution and quality aspects – have been recognised as a potential factor that can lead to political pressures. OSCE participating States concerned by the potential threats posed by unsustainable water uses, yet aware of the opportunities offered by water management for building confidence and fostering greater co-operation, decided to choose the sustainable use and the protection of the quality of water as topic of the Tenth OSCE Economic Forum held in May 2002. Following the recommendations of the Economic Forum, the OCEEA developed a series of activities in the Chu-Talas (Central Asia), Kura-Araks (South Caucasus), Dniestr (Eastern Europe) and Sava (South Eastern Europe) river basins.

Central Asia – Chu-Talas

On 21 December 2005, the Commission Statute for the agreement on Utilization of the Water Facilities of Interstate Use on the Chu and Talas Rivers between the Government of the Republic of Kazakhstan and the Government of the Kyrgyz Republic of 21 January 2000 was approved. The inauguration ceremony is scheduled to take place in April-May 2006.

South Caucasus – River management in the Kura-Aras river basin through public involvement in water governance; complemented by a regional study on underground waters

Transboundary river management in the Kura-Aras river basin through public involvement in water governance was also continued in 2005. The long-term objective of the project is to ensure the quality and quantity of the water throughout the Kura-Aras river system to meet the requirements of the communities using the river as well as ensuring optimal ecosystem functioning. Regional workshops have gathered representatives from NGOs from all South Caucasus countries to share information and provide input into coordinated international water management programs throughout the region. The NGOs have put together the statutes for the NGO forum for Kura-Aras river basin that were endorsed by the NGO regional meet-

Belarus – Chernobyl

A monument to the victims of the Chernobyl nuclear power plant disaster at Mitino cemetery outside Moscow. Some of the firefighters that battled the flames during the 26 April 1986 disaster and later died of radiation exposure are buried in the cemetery, Source: Mikhail Evstafiev

The Chernobyl accident in 1986 has had dire consequences in Europe that are felt until today. With more than 25% of its territory contaminated at the time of the accident and more than 25% of its population affected, Belarus has taken the main blow and the main burden to rebuild decent conditions of life.

The OSCE Office in Minsk in co-ordination with the main UN international agencies and bilateral donors has been consistently active in the framework of the CORE programme supported by the Government, entitled “Co-operation for the rehabilitation of living conditions in the Chernobyl affected territories”.

The Office supported small scale local projects in 2005. In 2006, the Office took the decision to increase its support to the socio-economic sustainable development projects and financed a comprehensive training scheme in modern management methods in agro-economic systemic development adapted to local conditions.

The Office also took the decision to participate in the Committee for the organisation of the international conference on the 20th anniversary of the Chernobyl accident which was held in Belarus on 19-20 April 2006. The Office in Minsk specifically supported the scientific sessions to be held in Gomel region, which has been most affected by Chernobyl.

10.3 Promoting Sound Water Management and Fostering Dialogue

Among environmental factors, water resources – including their scarcity, distribution and quality aspects – have been recognised as a potential factor that can lead to political pressures. OSCE participating States concerned by the potential threats posed by unsustainable water uses, yet aware of the opportunities offered by water management for building confidence and fostering greater co-operation, decided to choose the sustainable use and the protection of the quality of water as topic of the Tenth OSCE Economic Forum held in May 2002. Following the recommendations of the Economic Forum, the OCEEA developed a series of activities in the Chu-Talas (Central Asia), Kura-Araks (South Caucasus), Dniestr (Eastern Europe) and Sava (South Eastern Europe) river basins.

Central Asia – Chu-Talas

On 21 December 2005, the Commission Statute for the agreement on Utilization of the Water Facilities of Interstate Use on the Chu and Talas Rivers between the Government of the Republic of Kazakhstan and the Government of the Kyrgyz Republic of 21 January 2000 was approved. The inauguration ceremony is scheduled to take place in April-May 2006.

South Caucasus – River management in the Kura-Aras river basin through public involvement in water governance; complemented by a regional study on underground waters

Transboundary river management in the Kura-Aras river basin through public involvement in water governance was also continued in 2005. The long-term objective of the project is to ensure the quality and quantity of the water throughout the Kura-Aras river system to meet the requirements of the communities using the river as well as ensuring optimal ecosystem functioning. Regional workshops have gathered representatives from NGOs from all South Caucasus countries to share information and provide input into coordinated international water management programs throughout the region. The NGOs have put together the statutes for the NGO forum for Kura-Aras river basin that were endorsed by the NGO regional meet-
ing hold in Georgia in June 2005. The implementation of the companion project on regional aquifers started in spring of 2006.

South Caucasus – Kura Araks River Monitoring

The OSCE Mission to Georgia supported the OSCE, NATO and Tbilisi State University joint initiative to monitor the environmental parameters of the Kura River, a major trans-boundary river in the South Caucasus. Data from the monitoring sites is being shared with Armenia and Azerbaijan, which are also participating in this OSCE regional programme. Activities in 2005 completed the third year of this five year programme.

Moldova/Ukraine – Transboundary Co-operation and Sustainable Management of the Dniester River

On 1 December 2005, a meeting of national working groups in Odessa, Ukraine, marked the end of the project aimed at enhancing regional co-operation between Ukraine and Moldova on integrated water resources management in the Dniester river basin. Supported by the OCEEA, the project was implemented with the help of the UNECE.

Under the project, a diagnostic study of the river basin was produced by national and international experts, which incorporated a number of recommendations for boosting environmental co-operation in the region.

“The project helped to enhance regional co-operation between Ukraine and Moldova on integrated water resources management and discuss outstanding transboundary issues in the Dniester river basin. It also served as a forum for environmental agencies working in the field,” said Raul Daussa of the OCEEA.

The Dniester River, one of the major rivers in Eastern Europe and an important source of drinking water, is facing serious environmental problems. The river is shared between Ukraine and Moldova, including the conflict-ridden Transdniestrian region, which makes it difficult to achieve a coherent approach to solving the existing problems and improve river management.

South-Eastern Europe – Network Development of Local Actors from the Sava River Basin on Water Resource Management

ENVSEC has facilitated the establishment of a network of local actors in the Sava river basin. At the three national workshops in Bosnia and Herzegovina, Croatia and in Serbia and Montenegro several municipalities exchanged information on best water resource management practices. There were two workshops in 2005, each with approximately 30 participants. As
a result national short-term action plans to address and solve outstanding problems have been drafted by representatives from water suppliers, NGOs and local, regional as well as national authorities.

10.4 Promoting Environmental Awareness

Education and raising awareness are viewed as fundamental tools in changing patterns of social and economic behaviour as it affects the environment by integrating environmental concerns and the concept of sustainable development into people’s conscience. The OCEEA is committed to further promote environmental awareness and strengthen the capacity of decision makers in environmental issues.

Education for Sustainable Development

The OCEEA supports the development and implementation of the UNECE strategy for Education for Sustainable Development (ESD) and several activities related to environmental education implemented by OSCE field missions.

10.4.1 Raising Awareness and Environmental Education

Albania – Establishment of Solid Waste Management System to the Educational Institutions in Tirana

The overall purpose of the project is to increase youth commitment on environmental protection not only by an awareness campaign, but enlarging it within the framework of a practical system of waste collection and recycling, so that the concrete results of the process could be tangible to its participants. The project was implemented in co-operation with the Municipality of Tirana, the EDEN Centre for Environmental Education, Education Directorate and six selected schools.

Considered as a long term investment, the project targets the youth which could in the future, contribute to the management of urban waste for a clean city in the attempt to transmit these efforts and culture to the community. The project seeks to have an impact in the everyday practice of students in their attitude towards waste management through (1) the introduction and the establishment of a new system of waste collection at six pilot schools in Tirana; (2) establishment of an efficient paper waste recycle system, (3) an awareness-raising campaign as an integrated part of school curricula concerning environmental issues.

Albania – Promoting Clean Cities and the Car Free Day in Albania

The Presence has further strengthened its commitment in building a more responsible attitude of people towards the environment through the organization of „Clean Cities Day” in six major Albanian cities. This event coincided with the European Car-free Day on 22 September. The implementation of the project involved the participation of more than twenty local environmental NGOs, six Municipalities and a vast number of students coming from secondary and high schools. The activities on the day included the banning vehicle traffic from city centres, a campaign in and around city hospitals stating the health risks of improperly disposed hospital waste, and the organization of bicycle tours. The day, which received wide media participation also included the organization of several public TV debates on urban environmental management. This event is expected to become nationwide in the coming years having the Ministry of Environment, Forestry and Water Administration as a major sponsor and implementing partner.
Azerbaijan – raising environmental awareness
The OSCE Office in Baku funded a six months project with a leading local Newspaper “Zerkalo”, which resulted in the publication of monthly environmental inserts and increased the awareness of the population about environmental matters.

Belarus – Green Pack
As a follow-up to the 12th Economic Forum and the decision to accompany the strategy promoted by UNECE for the Education for Sustainable Development, the Office in Minsk completed in 2005 the assessment study for the Green Pack multi-media educative material on ecology and environment and the potential for an adapted version to Belarus. A roundtable was organised in Minsk on 15 December 2005 with the participation of an expert from the Regional Environmental Centre where the structure and concepts of the Green Pack material were presented and discussed with national stakeholders and specialists from the Ministries of Education and Environment. The appraisal by the national authorities was positive. In 2006, the editing and publishing of the Green Pack material in the Republic of Belarus based on an adapted version of the existing Russian prototype is to be financed with external sponsorship.

Central Asia - Support to regional festival on environmental journalism
ENVESEC organized a Central Asia Media Festival in 2005 to raise awareness about environmental issues and their links to security. The Media Festival included the organization of environmental films, radio programmes and newspaper articles produced by professional journalists working for national and regional publications, TV and radio channels and news outlets in Central Asia. The Central Asian festival has become a well-known public event of a regional scale that attracts attention of the journalists, environment specialists and experts from public and non-governmental sectors.

Georgiа – Summer Camps
The OSCE Mission to Georgia sponsored a summer ecological camp in Manglisi, Georgia. This camp brought together 60 children from all over Georgia for a week to learn about environmental issues.

Georgia – Training in Investigative Journalism on environment and security risks
ENVESEC also implemented further work in the field of journalism with support for investigative environmental journalism training in Georgia. The main training event consisted of a pre-production meeting and a nine-day workshop providing hands-on skills for Georgian television reporters. The workshop brought together eight participants - young editors, journalists and a cameraman (from TV "IMEDI", Studio "Reporter", TV "Rustavi" and Public TV "202"). The workshop was designed to allow journalists to work side by side with senior environmental producers and reporters while reporting on two related issues: landfills in Tbilisi and the Madneuli copper-gold mine. Both issues were linked to transboundary water pollution. Two short, 10-minute documentaries (also available in English) were produced and broadcasted as a result of the workshop. A similar training event for Central Asian journalists will take place in Kazakhstan in 2006.

In addition, the OSCE Mission to Georgia assisted various initiatives to raise environmental awareness in Georgia. In one effort, it is providing environmental awareness training to the Georgian Border Guards who are participating in the Mission’s Georgian Border Guard Training Assistance Programme. It is also working on developing environmental awareness programmes with various schools in Tbilisi.

Kazakhstan – Semipalatinsk radiological summer camp
One of the regions of high environmental and social concern is the territory surrounding the former Semipalatinsk nuclear test site. During the Soviet times, the information was inaccessible; after the independence, almost the only source of information was mass media which provided mostly sensational and controversial information. The OSCE Centre in Almaty has worked on this issue since 2004, when it conducted an information campaign on radiation protection for people of 28 villages.

In 2005 the Centre continued its work and conducted two major activities. On 9-19 July 2005, 24 teenagers from villages situated near the former Semipalatinsk nuclear test site and three teenagers from Almaty
ecological colleges spent ten days in a sanatorium in Almaty. They listened to lectures on radiation safety and ecology and received medical treatment. At the end of the year, an information map-scheme was produced with a concise visual information on the current radiological situation near the test site. The map was distributed among local authorities of one region, for which a seminar was organised.

**Turkmenistan – Illustrated Guidebook to Malaria Mosquitoes of Central Asia**

During the last quarter of 2005, the OSCE Centre in Ashgabat supported the development, compilation and publication of an "Illustrated Guidebook to Malaria Mosquitoes of Central Asia". The resource, officially released in December 2005 and written by scientists of Turkmenistan’s National Institute of Deserts, Flora and Fauna, summarizes the latest findings in the sphere and will help educators and healthcare workers identify and protect against malaria-bearing insects. In co-operation with the Nature Protection Ministry’s National Environmental Action Plan, the Centre supported the printing of 500 copies and the guidebook will be disseminated throughout the country and the region with the assistance of the World Health Organization.

**Turkmenistan – The Fifth Festival of Environmental Journalism**

Four journalists from Turkmenistan were prize winners at the Fifth Central Asian Festival of Environmental Journalism, held in Almaty, Kazakhstan in November 2005. At the contest, journalists from throughout Central Asia presented over 60 newspaper articles, TV and radio programmes and forty journalists were nominated in various fields.
10. Environmental Activities

10.4.2 Implementing the Århus Convention

The OSCE has advocated the ratification and implementation of the Aarhus Convention (the UN Convention on access to information, public participation in decision-making and access to justice in environmental matters) by its participating States since 1999, organizing awareness raising campaigns, national and regional seminars and supporting the establishment, registration and operation of environmental NGOs. By establishing Aarhus Centres in various OSCE participating countries, designed to provide a bridge between governments and civil society, the OCEEA complements existing official establishments.

Building on the OSCE’s experience with Aarhus Centres in Armenia, Azerbaijan, Kyrgyzstan and Tajikistan, preparations began in 2005 to open additional Aarhus Centres in Tbilisi, Georgia, South Ossetia and Ganja, Azerbaijan, in early 2006. Aarhus Centres have been instrumental in providing a forum for government officials from Ministries of Environment to meet with members of environmental NGOs to build co-operative approaches to environmental issues. In 2005, Aarhus Centres were the location of public hearings on environmental draft laws such as biodiversity, genetically modified organisms and sustainable development, the results of which have found their way into national legislation. All of these activities have assisted the national governments in implementing the requirements of the Aarhus Convention and its three pillars of access of information, justice, and decision-making in environmental affairs.

Azerbaijan – Support to Århus Centres

The OSCE Office in Baku continued to support the Aarhus Centre in the capital city of Baku and has submitted an MoU for the opening of a second Aarhus Centre in Ganja to establish a stronger link with and provide for additional environmental awareness capacity to the population and civil society in the regions of Azerbaijan.

Belarus – creation of an Århus Centre in Minsk

The Office in Minsk has been implementing, in partnership with the Ministry of Environment and Natural Resources, a project to bring to reality the Aarhus convention in Belarus. The Republic of Belarus became a party to the Aarhus Convention in December 1999. In the framework of the current project, to be completed in June 2006 and supported by the Office, an Aarhus Centre opened in Minsk on 20 December 2005, equipped and staffed with OSCE funding.

Georgia – creation of an Århus Centre in Tblisi

The OSCE Mission to Georgia launched the Aarhus Centre in Tbilisi. The Centre is located next to the Ministry of Environment building and is working to help Georgia fulfil its commitments under the Aarhus Convention.

Kazakhstan – assistance to the implementation of the Aarhus Convention

The OSCE Centre in Almaty continued to provide assistance to Kazakhstan on the implementation of the Aarhus Convention. At one of consultative meetings in summer 2005, the non-governmental sector representatives came up with recommendations which were addressed to the Ministry of Environment Protection of Kazakhstan with a request to initiate the preparatory process on the ratification of the Protocol on Pollutant Release and Transfer Registers (PRTR Protocol). The Centre has taken a role of facilitator in this process. The first event under this programme, the round table in Borovoe on 3-4 September 2005, allowed people to discuss technical and legal conditions for the ratification of the PRTR Protocol in Kazakhstan.
In November-December 2005, the working group conducted a study tour to Prague, to get acquainted with the Czech experience on public participation in the preparation process to the Protocol ratification. Currently the Centre plans to conduct a training for entrepreneurs on PRTR issues, including the elaboration of a list of polluting matters to be endorsed after ratification of the Protocol in Kazakhstan.

Kyrgyzstan – training on the Aarhus Convention
With the support of the OSCE, three trainings — one in each province of southern Kyrgyzstan — were conducted by the Osh “Public Fund for Ecological Development” between 2 and 8 December 2005, on the topic “Mechanisms of Implementing the Aarhus Convention at the Local Level”. The main goal of these events was to raise local people’s awareness of the Aarhus Convention. Trainings were conducted in communities facing high environmental risks – Mailuu-Suu, Kyzylkiya and Nookat – for 72 representatives of local ecological NGOs, community groups and respected government authorities to gain knowledge and skills on information access procedures.

Uzbekistan – Support to Environmental Public Advocacy Centre “Armon”
The Centre continued supporting the Environmental Public Advocacy Centre “Armon” in its efforts to raise environmental awareness and encourage public participation in environmental decision-making. In particular, a series of roundtables on environmental security and civil initiative in several provinces were organized. Topics related to hazardous industrial wastes, their impact on environmental conditions and social welfare were brought up for public discussion. Also, during the reporting period, free legal consultations to citizens about environmental matters were rendered under this project.

10.5 Capacity Building for Decision-Makers

Bosnia and Herzegovina – Supporting the Local Environmental Action Plan in Prijedor
In autumn 2005, the OSCE Mission to Bosnia and Herzegovina organised a seminar on the Local Environmental Action Plan (LEAP) for representatives of executive authorities, legislative authorities and civil society organisations from Bosanska Kostajnica, Kozarska Dubica, Novi Grad and Ostra Luka municipalities. The project aimed to raise awareness of the importance of having LEAP, not just as a simple “green plan”, but as the main plan which encompasses environmental, social, economic and cultural issues in terms of sustainable development and as an opportunity for citizens to become active in municipal decision-making. The event was used to present best practices examples from the municipalities of Sanski Most and Prijedor.

As a result of the Mission’s seminar, there are now two municipalities which are in the process of developing a Local Environmental Action Plan: Novi Grad and Kozarska Dubica. Following the seminar, local civil society organisations, in partnership with the local authorities, conducted several awareness-raising events in these municipalities.

Central Asia – Oblast Committee Meetings
In the framework of the ENVSEC initiative, the Centre in Bishkek organised the Third Regional meeting of Local Environmental Authorities from Kyrgyzstan, Tajikistan and Uzbekistan in Bishkek. The meeting
included high-level representatives from the participating states. The main objectives of the meeting were to:

• Review the progress in the development and implementation of the ENVSEC Ferghana work programme with the focus on natural disasters, REHRA and NATO projects;
• Discuss the future programme development and prepare the work plans for 2006;
• Discuss the strategy for regular information exchange and communication between ENVSEC Focal Points and Programme Desk Officers.

**Kyrgyzstan – Workshops on UNECE Conventions**

To address environmental security risks, the Centre in Bishkek organized a series of workshops that encourage governmental and non-government environmental bodies to implement international environmental conventions, especially the Aarhus Convention and the Convention on Transboundary Environmental Impact Assessment and to exchange information on best practices. Furthermore, the Centre in Bishkek conducted a series of events for local NGOs and community groups aimed at building capacity to advocate and lobby for identified environmental and social issues.

In cooperation with the State Agency on the Environment and Forestry of the Kyrgyz Republic, it conducted an international conference on the “Launch of the Pilot Project on the Implementation of the Convention on Environmental Impact Assessment in a Transboundary Context between Kyrgyzstan and Kazakhstan” in Bishkek. The conference was organized as a practical follow-up to the agreement between the Kyrgyzstani and Kazakhstani authorities at the regional workshop on the “Guidelines for the Application of the Convention on the Environmental Impact Assessment in a Transboundary Context”, which was held in September 2004. The event was aimed at launching a three-year pilot project.

**Turkmenistan – Conference on the implementation of Turkmenistan’s National Environmental Action Plan**

Over 80 representatives of various ministries, research institutes, public associations and international organisations from across the country took part in a conference on Turkmenistan’s National Environmental Action Plan, held on 24-25 November 2005 in Ashgabat.

The two-day conference, entitled ‘The National Environmental Action Plan of Turkmenistan in Action’, was organized by the Nature Protection Ministry with the support of the OSCE Centre in Ashgabat. Participants discussed the implementation of activities within the framework of the Plan, which is a guide for the implementation of the state environmental policy adopted in 2002. Experts and researchers addressed a wide range of important issues, including environmental security, problems of the Aral Sea Basin and environmental education. Special emphasis was put on the protection of water and land resources, biodiversity and agro-biodiversity and their connections to human security, as well as investment activities.
# List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATP</td>
<td>Anti Trafficking Programme</td>
</tr>
<tr>
<td>CPC</td>
<td>OSCE Conflict Prevention Centre</td>
</tr>
<tr>
<td>CAYN</td>
<td>Central Asian Youth Network</td>
</tr>
<tr>
<td>CIDA</td>
<td>Canadian International Development Agency</td>
</tr>
<tr>
<td>COEEA</td>
<td>Co-ordinator of Economic and Environmental Activities</td>
</tr>
<tr>
<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>EED</td>
<td>Economic and Environmental Dimension</td>
</tr>
<tr>
<td>EEO</td>
<td>Economic and Environmental Officer</td>
</tr>
<tr>
<td>EESC</td>
<td>OSCE Economic and Environmental Sub-Committee</td>
</tr>
<tr>
<td>ENVSEC</td>
<td>Environment and Security Initiative</td>
</tr>
<tr>
<td>GTZ</td>
<td>German Technical Co-operation</td>
</tr>
<tr>
<td>HCNM</td>
<td>High Commissioner on National Minorities</td>
</tr>
<tr>
<td>IOM</td>
<td>International Organisation for Migration</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>LEAD</td>
<td>Local Economic Development Programme</td>
</tr>
<tr>
<td>LEAP</td>
<td>Local Environmental Action Plan</td>
</tr>
<tr>
<td>MC</td>
<td>Ministerial Council</td>
</tr>
<tr>
<td>NATO</td>
<td>North Atlantic Treaty Organisation</td>
</tr>
<tr>
<td>OCEEA</td>
<td>Office of the Co-ordinator of Economic and Environmental Activities</td>
</tr>
<tr>
<td>ODIHR</td>
<td>Office for Democratic Institutions and Human Rights (OSCE)</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>OSCE</td>
<td>Organization for Security and Co-operation in Europe</td>
</tr>
<tr>
<td>REC</td>
<td>Regional Environment Centre</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SaM</td>
<td>Serbia and Montenegro</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
</tr>
<tr>
<td>UNECE</td>
<td>United Nations Economic Commission for Europe</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
</tr>
<tr>
<td>YES</td>
<td>Youth Entrepreneurship Seminars</td>
</tr>
</tbody>
</table>

Editors: Alexey Stukalo, Kilian Strauss, Philip Reuchlin
Design and Typesetting: red hot 'n' cool, Vienna

This is not a consensus document.