



Organization for Security and Co-operation in Europe

The Secretariat

**Office of the Co-ordinator of OSCE Economic and
Environmental Activities**

Vienna, 24 May 2002

Activity Report
June 2001- May 2002

Prepared for

The Tenth OSCE Economic Forum
28-31 May 2002

Prague, Czech Republic

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Introduction

Since the conclusion of the Ninth Economic Forum, a number of events and developments have been reshaping the economic and environmental dimension. The need for the strengthening as well as the rebalancing of the three dimensions was clearly recognized. This commitment led to the creation of the Economic and Environmental Sub-Committee of the PC at the Bucharest Ministerial last December. The creation of the Sub-Committee is indeed a milestone in the development of the economic dimension and provides the participating States and the OCEEA with a new and important tool. The long awaited appointment of a new Co-ordinator in April 2002, will give additional momentum to this positive evolution.

„September 11” in all its cruelty confirmed the validity of the OSCE commitment to strengthen its economic and environmental dimension for the maintenance of security. The Bucharest Plan of Action for Combating Terrorism as well as the Programme of Action endorsed at the Bishkek Conference identify primarily two areas for action in the economic and environmental dimension: The suppression of the financing of terrorism and, secondly, socio-economic aspects related to terrorism.

The first priority will consist in elaborating and promoting instruments to cut financing of terrorism. To this end, OCEEA, in co-operation with the UN Office for Drug Control and Crime Prevention (UN ODCCP), and with a view to implement the OSCE Secretariat Road Map on Terrorism (SEC.GAL/35/02/Rev1), prepared a special session at the Tenth Economic Forum on „Suppressing the Financing of Terrorism”. OCEEA, in co-operation with UN ODCCP, has also prepared a replicable workshop aimed at the promotion of legal and administrative tools to combat money laundering/financing terrorism.

The second priority will address core reasons of terrorism: underdevelopment, unemployment, deep gap in human living conditions between countries of the OSCE region. OCEEA expressed at the Sub-committee meeting in April that, while drawing on proposals and requests from delegations of participating states, it explores opportunities to add value to what other national and international financial organizations are doing in building market institutions, fostering regional and Euro-Asian economic co-operation and shaping growth oriented policies.

If there is one recommendation which has been reiterated in almost every Forum and seminar, it is the need for a more pragmatic and action oriented focus of the economic and environmental dimension. Over the last year, OCEEA has been directing - within given financial and human resources - many of its activities towards this goal: follow-up activities to the Economic Forums and projects carried out through the field presences are illustrating the implementation of a number of recommendations.

Close co-operation with the OSCE field missions constitutes an important part of the work of the Office of the Co-ordinator in order to support their objectives related to economic and environmental matters, which include topics such as good governance, anti-corruption, terrorism, decentralization, institution and civil society building, legislative reform, etc. OCEEA's access to extra-budgetary contributions assisted missions in organizing events and activities that foster dialogue and catalyze action by local (and international) stakeholders on specific issues. Even though Missions report on their own basis, these activities have also been incorporated in the present report in order to give a comprehensive overview of activities in the economic and environmental dimension.

Another area of co-operation with field missions involves OCEEA's work with international organizations in developing regional programs and promoting joint activities. Input from OSCE field missions has been requested for the entire preparatory process of the Forum and is essential in making the annual meeting a success. The co-operation with international partner organizations, in the spirit of the platform concept, is of crucial importance. It shows the added value the OSCE can bring to other organizations, and this has been illustrated by increased contacts and concrete common endeavours.

Finally, all documents which are mentioned in the following report, can also be found on the OCEEA website www.osce.org/eea.

I. Follow up to the Economic Forums

I.1. Follow up to the 7th and 8th Economic Forums: Berlin International Seminar on the “Strengthening the OSCE’s Role in the Realm of Environment and Security”, Berlin, 3 - 4 July, 2001

At the Berlin Seminar, a joint initiative with the German and Swiss Governments, on “Strengthening the OSCE’s Role in the Realm of Environment and Security”, a common understanding was reached among the participants that environmental considerations should continue to be an integral part of the OSCE’s comprehensive concept of security and its role as a key instrument for early warning, conflict prevention, crisis management and post-conflict rehabilitation. This understanding is based upon the recognition that domestic and cross-border environmental problems and unsustainable natural resource management are increasingly impacting on security and stability in the OSCE region. While constituting potential sources of conflict, environmental challenges also provide opportunities for intensified co-operation for confidence-building within, between and among states and civil society. In this spirit, the participants of the seminar concluded that the OSCE has to strengthen its capacity in dealing with environmental issues affecting security and stability in the OSCE area and thus contribute to the overall strengthening of the economic and environmental dimension.

The seminar’s participants invited the OSCE Chairman-in-Office, OSCE Participating States and OCEEA to move towards concrete action in a number of areas such as: systematic analysis of security related environmental problems in the OSCE region, regional and transborder co-operation and the development of a Code of Conduct and Action Plan on security related environmental issues. OCEEA has engaged in discussions with relevant delegations and a proposal on an environmental code of conduct will be presented at the Tenth Forum.

Operational conclusions have been circulated to delegations under SEC.GAL/118/01. The consolidated summary prepared by Ecologic - Institute for International and European Environmental Policy is also posted on the EEA website.

I.2. Follow up to the 8th Economic Forum: “The Socio-economic Impact of Disarmament”, Paris, 25-26 March 2002

At the initiative of and in co-operation with the French government, OCEEA organized this seminar which underlined aspects and difficulties of the economic conversion of the military-industrial sector. Three roundtables addressed the assessment of peace dividends, the conversion of defence industries and the controlling the disarmament process.

Participants underlined that disarmament and conversion should be seen as long term process and that access to technology, external financial support as well as the environmental aspects were crucial. It was concluded that the conversion of defence industries remained a major challenge for many countries and that the OSCE had a key role to play in facilitating the process. The continuing dialogue and co-operation between the OSCE participating States based on shared values was a key to stability, peace and prosperity.

The consolidated summary of the seminar has been circulated to delegations under SEC.GAL/61/02.

I.3. Follow up to the 9th Economic Forum

I.3.1. Implementing the Recommendations of the 9th Economic Forum

OCEEA has assessed the recommendations made at the Ninth OSCE Economic Forum, identified appropriate follow-up activities to ensure their implementation and circulated a paper entitled “Plan for Action to Implement the Recommendations of the Ninth OSCE Economic Forum” (SEC.GAL/222/01). Aware of the importance of continuity in order to achieve substantive results, the OCEEA continues to focus on issues of transparency and good governance, private sector development and environment, including linkages with the other dimensions and opportunities to engage in closer co-operation with OSCE institutions and partner organizations. The role of OSCE field presences was unanimously recognized as crucial for the implementation of the mandate of the OCEEA. Their active and valuable contributions to the Forum demonstrated that field presences can be a key tool for enabling the OSCE to enhance its conflict-prevention and early-warning capacities in the economic and environmental dimension. The OCEEA continues to strengthen its working relationship with the field presences, including assisting in the development of proposals intended at catalyzing country “ownership” in addressing specific economic and/or environmental issues.

I.3.2. Follow-up Activities to 9th Economic Forum:

A. Anti-Corruption Project in FYROM

OCEEA, through voluntary contribution from the US delegation, financed the project entitled “Roundtable to Determine Key Components of a National Anti-corruption Strategy in the Former Yugoslav Republic of Macedonia”. The Roundtable, organized by the Macedonian NGO, Forum - Centre for Strategic Research and Documentation (CSR) in November 2001, involved approximately 40 participants - experts from all the relevant national and governmental institutions, judiciary, General prosecutors office and the General Prosecutor personally, Law Faculty, professional associations, NGO's, USA Embassy, OSCE, European Commission Delegation in Macedonia and media. Participants discussed the main problems

that create corruption in the Macedonian society, including weak administrative, legislative and judicial procedures and policies, and identified the key elements necessary for developing a national anti-corruption strategy. The Round Table was well covered by the media, all electronic and most of the printed media. The outcomes and presentations of the roundtable were published in a booklet and distributed to all stakeholders.

B. Seminar on “Preventing Corruption in the Russian Regions: The Case of St. Petersburg”, Centre on Humanities and Political Studies “STRATEGY”, St. Petersburg, April 20-21, 2002

As a follow up to the 9th Economic Forum, OCEEA assisted in financing a seminar on the prevention of corruption which was organised by a partner NGO in Russia. The event attracted a wide and interesting audience, including politicians, elected representatives, legal experts, civil servants, researchers, academia and NGOs. The topics of the presentations included: countering corruption within the context of the budgetary process, the Case of St. Petersburg, addressing corruption and the role of IOs with a reference to the OSCE, the possible role of civil society in addressing the issue the corruption, with a focus on the budgetary process, public procurements, etc. OCEEA made a presentation on corruption, which included an overview on corruption matters: nature, assessment, costs, etc; aspects of the fight against corruption, including international conventions and so-called “external institutional anchors”, and demonstrating the importance of civil society, especially in the Russian context and it underlined the role of the OSCE in combating corruption and promoting good governance, with a special focus on field activities, chiefly in the Balkans, the Caucasus, Central Asia and Ukraine. The presentation also underlined the possible role of “codes of good conduct” for private companies and politicians.

C. Preparations for the Seminar on “Co-ordinating regional efforts to increase transparency and facilitate business”, Bucharest, Romania, 11-12 July 2002

Based on the recommendations of the 9th Economic Forum, Romania, in co-ordination with the Chairmanship-in-Office, and in co-operation with the OCEEA, is preparing a follow-up seminar on “Co-ordinating regional efforts to increase transparency and facilitate business”, with a special focus on South-East Europe.

The main goals of seminar are to:

- discuss best practices and identify ways of action aimed at fighting corruption and promoting the improvement of the business environment at national and regional level.
- facilitate a dialogue between different stakeholders involved, at the local, national and regional levels, aimed at identifying measures that could enhance the capacity of governments to respond to the demands of the business sector, with a view to facilitating economic development; to this aim, a substantial contribution from representatives of the business sector would be highly appreciated.

- develop ideas and proposals aimed at fostering regional synergy and enhancing the co-ordination among various organizations and co-operation processes (the Stability Pact for South-Eastern Europe and its Anticorruption Initiative and Investment Compact, SECI and its Regional Center for fighting trans-border crime, Business Advisory Council and Business Support Officers, the EU and its comprehensive *acquis*, the Council of Europe’s Group of States against Corruption (GRECO) program, the World Bank, the EBRD etc)
- consider the possible role the OSCE can play in this regard, by making a better use of the Platform for co-operative security, which is offering a useful tool to ensure coherence of ongoing processes under various initiatives and activities of different international organizations.
- provide the opportunity to discuss practical ways of bridging different national and regional experiences, promoting of twinning relationships between countries and sharing best practices/lessons’ learned, both in the corruption and business development areas, given the relevance of these issues for the whole OSCE region; this would make it possible to compare and contrast practices, pinpoint gaps and indicate directions for future action and co-operation.

Information on the seminar has been circulated under SEC.GAL/85/02 – including registration forms, a regularly-updated program and organizational modalities – is available on the OSCE web site at <http://www.osce.org/eea>.

D. Projects/activities overviewed and financed through the OCEEA

The following projects have been identified and selected by the field presences in co-operation with OCEEA on the basis of the recommendations made at previous Economic Forums and seminars. They focus on priority areas such as the promotion of anti-corruption initiatives and the strengthening of governance activities in partnership with IOs and NGOs (projects 2, 15, 18, 19), the promotion of the implementation of the Aarhus Convention (projects 1, 4, 5, 9, 10, 13) and the support of private sector development (project 17).

	Submitted by	Project	Funding Amount	
1.	OSCE Centre in Almaty	Workshop on “Raising Awareness on the Aarhus Convention”	6,600	EUR
2.	OSCE Centre in Almaty	Business Ethics as a Tool for Good governance, Anti Corruption and Transparency	9,500	EUR
3.	OSCE Centre in Almaty	Workshop on Transformation of Political and Economic Systems in Poland and Kazakhstan	1,550	EUR
4.	OSCE Centre in Ashgabad	Website on the Aarhus Convention	1,750	EUR
5.	OSCE Centre in Tashkent	Aarhus Convention Experts’ Working Group	13,296	EUR
6.	OSCE Centre in Tashkent	OSCE Resource Centre at the University of Uzbekistan	11,080	EUR
7.	OSCE Centre in Tashkent	3 Roundtables entitled “Mahallas and Environmental Protection”	2,033	EUR
8.	OSCE Centre in Tashkent	National Television Spot on Environmental Issues	1,599	EUR
9.	OSCE Mission to Tajikistan	Three follow-up meetings on the Aarhus Convention	1,350	EUR

10.	OSCE Mission to Tajikistan	Youth Network for the Access to Environmental Information	7,497	EUR
11.	OSCE Mission to Tajikistan	“ECO-FORUM” - 3 days National Forum for Environmental NGOs	3,324	EUR
12.	OSCE Field Office in Osh	Ecological Forum for the South of Kyrgyzstan	18,252	EUR 50 % Financed
13.	OSCE Office in Yerevan	Improved public access to environmental information in Armenia	16,620	EUR
14.	OSCE Project Co-ordinator in Ukraine	EU Water Framework for Introduction and Implementation in Ukraine at the State and Local Level	13,987	EUR
15.	OSCE Project Co-ordinator in Ukraine	International Conference on Strategies in Fighting Corruption	13,296	EUR
16.	OSCE Mission to FRY	Support to Environmental Legislation and Institutional Structuring in Serbia	100,000	EUR (total cost of the project 400,000. 100% covered)
17.	OSCE Mission to Bosnia and Herzegovina	Promoting Entrepreneurship among Young People	13,463	EUR
18.	OSCE Spillover Mission to Skopje	Roundtable to Determine Key Components of a National Anti-corruption Strategy in the fyr Macedonia (<i>phase 1 of project – completed; phase 2 - to be completed by June 2002</i>)	6,233	EUR
19.	OSCE Presence in Albania	Confronting and Fighting Corruption	10,127	EUR

E. OSCE Projects Database

The Secretariat has created a Projects database. The main aim of the OSCE Projects Database is to assist delegations in identifying projects submitted by OSCE field operations and institutions for which extra-budgetary contributions are requested. In other words, it is designed to facilitate contacts between fund-raisers and donors by providing up-to-date information on new funding requests and on the funding status of ongoing projects.

The database provides delegations with an overview of the projects carried out by field operations and institutions, and serves to identify areas where new projects should be implemented.

The administration system is accessible to field operations, institutions and selected users in the Secretariat. It is user name/password protected and accessible only from OSCE network computers. Field operations and institutions are responsible for uploading projects into the system. The Press and Public Information Section (PPIS) has prepared a User's Guide explaining the few easy steps this operation entails. The User's Guide is available online.

For projects uploaded by OSCE field operations, the OCEEA, in co-operation with the respective Mission Programme Officers, is responsible for reviewing and approving economic and environmental project outlines to ensure coherence and accuracy. Once this has been done, the project appears on the projects display.

The database provides the OSCE as a whole with a new and effective internal communication and management tool for projects funded through extra-budgetary voluntary contributions.

II. Preparing the Tenth Economic Forum

The three preparatory seminars to the Tenth OSCE Economic Forum on “The co-operation for the sustainable use and the protection of quality of water in the context of the OSCE” were attended by more than 450 participants from the 55 OSCE participating States, OSCE Partners for Co-operation, OSCE Mediterranean Partners for Co-operation, 13 OSCE Field Presences, the OSCE Parliamentary Assembly, the European Commission, the Council of Europe Parliamentary Assembly, the Black Sea Environmental Commission, the Regional Environmental Centre, the Interstate Co-ordination Water Commission of Central Asia, the Mekong River Commission, the Stability Pact, UNDP, the International Waters Assessment Association of Hydrogeologists, the Commission for Transboundary Aquifers, the International Commission for the Protection of the Danube River, UN/ECE, UNESCO, EU/TACIS, USAID, the European Agency for Reconstruction, EBRD, the Environmental Crime Prevention Programme and more than 60 NGOs. The participation of 83 experts and NGOs representatives was sponsored through extra budgetary contributions.

II.1. Belgrade, 5-6 November 2001

The first seminar to the Tenth OSCE Economic Forum held in Belgrade in November 2001 constituted a further step in confidence building in the Balkans by promoting regional environmental co-operation and assisting the reconciliation process through joint efforts in solving common environmental problems. During the seminar, BiH, Croatia and FRY signed a “letter of intent” for co-operation in the implementation of a project on the Sava River. This concrete example is facilitating a co-operative regional approach to environmental reconstruction and is fostering sound environmental management that can contribute to regional stability (the full report has been distributed under SEC.GAL./249/01).

The OCEEA is currently supporting the implementation of the intents signed in Belgrade.

II.2. Zamora, 11-12 February 2002

The second seminar, held in Zamora, Spain in February 2002, had been structured so as to underline the importance of regional co-operation in the sustainable use of water for promoting confidence building and stability. In the five sessions of the working groups, participants analysed and discussed a number of issues such as: the benefits achieved by co-operating on water management in the OSCE region; the importance of water for health, economy and environment; the EU Directives on water, and their implications for candidate and partner countries; the role of civil society, in particular NGOs, in promoting environmental awareness and stimulating the elaboration and the adoption of legal and institutional frameworks for water management.

The experiences in transboundary management in five important and distinctive regions were presented. Each highlighted the most important challenges, achievements and problems encountered in the respective basins and underlined the methods available for enhancing co-operation, preventing conflicts and increasing the shared benefits related to transboundary water resources. (the full report has been distributed under SEC.GAL./27/02).

II.3. Baku, 15-16 April 2002

The Baku seminar, the third held in preparation for the OSCE's Tenth Economic Forum, contributed to the promotion of technical co-operation and existing mechanisms and frameworks aimed at assessing the security implications of pollution and water management in river basins. Participants considered solutions to identified environmental problems and discussed the implementation of agreements at local, regional, national and international level.

Two “quick start” initiatives were also put forward: (i) the development of parallel case study projects on shared aquifers. The outcomes of the projects would consist of: standardised inventory of aquifer resources (database); a network of scientists and NGOs with required expertise for the assessment and management of resources; and enhanced institution capacity. (ii) The development of a monitoring system of water resources in three Caucasus countries with the objective of increasing local technical capabilities, establishing standard sampling, analysis and data management techniques and creating a model sharing system accessible by internet, was discussed. The methodology, including sample and data collection preparation, training, expeditions, laboratory analysis and data management and watershed management infrastructure and system development, is already elaborated and the project only needs agreement and funding to get started.

The OCEEA will follow up on the proposals that were discussed to ensure further elaboration and implementation (the full report has been distributed under SEC.GAL./67/02) .

III. Co-operation with OSCE Institutions

III.1. ODIHR

On 25 April 2002, OCEEA participated in the ODIHR Human Dimension Seminar (“Judicial Systems and Human Rights”) in the Working Group V entitled “The judicial system and the economic dimension”. Discussions were substantive. Participants identified a number of areas where there is a clear linkage between the role of the judiciary and economic aspects (e.g. investment, SME, corruption, labour rights etc.; see details in the annexed ‘preliminary recommendations’).

An important issue of the discussions was the need for a more cross-dimensional approach by the OSCE. Closer co-operation between ODIHR and OCEEA was encouraged by a large number of Delegations. ODIHR Head/Rule of Law Section sees a number of areas for co-operation (e.g. economic aspects in ODIHR training programmes for judges) and would encourage enhancing the respective capacity of OCEEA. A colleague from the OSCE Mission to Albania proposed to consider a working level technical meeting between ODIHR, OCEEA and interested field missions to discuss possible areas for concrete co-operation. An intervention on behalf of OCEEA was made concerning the strengthening of the EED and cross-dimensional activities. In the closing plenary, The Director of ODIHR emphasised the need for more co-operation between the Human and the Economic Dimension. The Working Group was only a “first step”.

OCEEA also participated in the Spring 2002 ODIHR Supplementary Meeting on Preventing and Combating Violence in Vienna and underscored the importance of improving economic opportunities for women as a key factor in addressing domestic violence and lowering the overall costs to society, including developing new and marketable skills, starting their own businesses and gaining greater self-confidence as means of fostering economic empowerment. An OSCE project implemented by the Mission to Tajikistan entitled “Legal Seminars for Women Entrepreneurs”, in co-operation with ABA/CEELI supports this effort. Continuation of such efforts are planned. The participation of OCEEA in both events was positively acknowledged and further encouraged.

III.2. OSCE Parliamentary Assembly

OCEEA was involved in a number PA events. It provided support and advice to the Rapporteur of the II Committee in preparing the report to the OSCE PA Winter session held in February 2002. The Acting Co-ordinator reported to the Committee on the ongoing activities and discussed with parliamentarians those initiatives which would include a strong parliamentary component.

Following the proposal made by President Severin to hold a OSCE PA – OSCE Secretariat joint seminar to discuss regional co-operation and SME development, and taking into account a number of recommendations to strengthen the co-operation between the OSCE/OCEEA and the OSCE PA made by participants in the Preparatory Seminars and the 9th Economic Forum, the OSCE PA with the support of the OCEEA decided to hold in 2003 in Switzerland a seminar on “Promoting Regional Co-operation and SME Development”.

Following a PA initiative, the OCEEA has prepared a proposal for a parliamentary Code of Conduct on SMEs. The proposal is currently under consideration of the OSCE PA.

OCEEA contributed to the preparation of the report the forthcoming PA Annual Session that will focus on terrorism and will take place in Berlin in July.

IV. Partners for Co-operation

IV.1. Workshop for experts, 25-26 June 2001

In June 2001, OCEEA participated in a workshop for experts on “challenges and opportunities in economic development”. The OCEEA senior economic adviser presented a paper on international commitment, good governance and transparency, with a special focus on the example of WTO rules and Georgia, and drawing also some lessons for OSCE Mediterranean partners.

IV.2. 2001 Mediterranean seminar on the implementation of OSCE EED commitments: The OSCE experience and its relevance for the Mediterranean region, Dubrovnik, 30-31 October 2001

Representatives from the six OSCE Mediterranean Partners, a number of officials from International partner Organizations and NGO representatives attended the annual OSCE Mediterranean Seminar, co-organized by the OSCE Secretariat (External Co-operation

Section) and the host country Croatia. The seminar focused on economic and environmental commitments, their implementation and relevance for the Mediterranean region.

The first session, entitled “The Economic and Environmental Dimension and its implications for security – The role of civil society, the rule of law and good governance”, enabled to see how the theme of the seminar fits into the overall programme of the OSCE. The second session got under way with presentations on concrete OSCE field activities. The third session referred to economic interaction with the Mediterranean region and the relationship between political and economic issues, and the role of the EU in that part of the world. The fourth working session did a great deal to clarify the situation with regard to existing partnerships among Mediterranean countries and opportunities for their further development, and it also enabled us to put forward recommendations on the partnership between the OSCE and its Mediterranean Partners.

IV.3. Participation at the second meeting of the Mediterranean Contact Group in the current year, 15 March 2002

The OCEEA senior economic adviser made a presentation on terrorism during the meeting of the Mediterranean Contact Group. In particular, he underlined the consequences of poor governance and corruption on regional security.

V. Activities in Co-operation with External Partners

V.1. International Organisations and NGOs

OSCE/UN Staff level meetings in New York, 7 – 10 December 2001

On December 7, SG Kubis addressed the United Nations General Assembly in New York. The SG, who was accompanied by the Director of CPC, the Head of External Co-operation and the Acting Economic and Environmental Co-ordinator, took the opportunity to meet with a number of UN officials, followed by staff meetings.

A number of practical measures such as provisions for informal information exchange, co-ordination meetings on specific issues, suggestions to be passed on to respective field operations have been elaborated and will be followed-up by both the UN and the OSCE Secretariats. In particular, OCEEA has strengthened its co-operation with UNDP RBEC office in Bratislava and invited the UNDP GEF to participate in the preparatory process of the Tenth Economic Forum.

UN/ECE

Together, the OSCE and the UNECE can build on a synergetic approach to jointly address those economic and environmental issues that may affect security and stability. It is in this spirit that the UNECE Secretariat and OCEEA have jointly organised an International Colloquium on The Role of the Economic Dimension in Conflict Prevention in Europe in November 2001. The recommendations that stemmed from the discussions, particularly those relative to raising awareness, mobilising resources and building partnerships, represent a wealth of ideas for future programmatic consideration.

Recalling that the main responsibility for conflict prevention rests with the parties concerned, assistance to local and regional capacity building according to principles of local ownership is of particular importance. To this end, the OSCE works in concerted preventive action with the UNECE both at HQ level and in the field.

A number of joint UNECE-OSCE activities have been implemented or are at the moment in the stage of implementation or elaboration. The OSCE plays a role of facilitator in promoting accession, ratification and implementation of the Aarhus Convention, a key legal instrument both for enhancing environmental sustainability and strengthening processes of democratisation. It is important to highlight the case of Armenia, where the OSCE Office advocated ratification and is now promoting, having supported the creation of an Aarhus Centre, the full implementation of the Convention. OCEEA is considering the possibility of replicating the experience in other OSCE participating states. The OSCE and the UNECE are currently co-organizing the second regional workshop on the Aarhus Convention for Central Asia, to be held in Dushanbe in early June and our respective Secretariats are also in the process of initiating the development of standard modules for the promotion of the Convention, to be used by OSCE field activities.

This is just one example of existing co-operation, but a very successful one upon which OSCE and UNECE should build future joint endeavours. A similar approach could for example be applied to the promotion of other international environmental conventions as the Helsinki Convention on the protection and use of transboundary water courses and international lakes and Espoo Convention on environmental impact assessment, which are in nature instruments of conflict prevention.

There are other two very important initiatives where co-operation between UNECE and OSCE is underway: 1) the OSCE committed to actively support the “Environment for Europe process”, especially with regards to the component dealing with water, environment and security in Central Asia. To this end, the OCEEA will co-operate with the Working Group of Senior Officials, and 2) the OSCE is promoting among local players and with donors the UNECE Environmental Programme for the South Caucasus.

As reported in the conclusions of the Villars meeting: "it is now time to seriously review the commitments of the OSCE participating states in the economic and environmental dimension, which are currently codified in the 1990 Bonn Document". OCEEA believes that the UNECE can play a key role in this process. OCEEA is committed to revive and strengthen this vital component of the OSCE Economic Forum, and seeks in this sense the support and advice of UNECE.

UNESCO – Green Cross International (GCI)

The OSCE is considering activities to support the programme “From Potential Conflict to Co-operation Potential: Water for Peace”. The primary purpose of the joint UNESCO-GCI programme: “to promote peace in the use of transboundary watercourses by addressing conflicts and fostering co-operation among states and stakeholders”, reflects OSCE principles and objectives. By working together with UNESCO and GCI, the three organizations will create synergies, mutually support each other and build upon our respective diverse and complementary expertise.

OCEEA will provide UNESCO and GCI a forum for presenting and discussing their findings and raising awareness. Also the OCEEA is considering, through its wide presence on the field, activities to facilitate the implementation of activities planned by the programme, in particular within the educational component. The OCEEA will co-operate with UNESCO and GCI in promoting and supporting the creation of fora for dialogue and development of decision support systems.

UNDP

Representatives of OCEEA met with the staff of the UNDP Regional Support Centre in Bratislava on 29 June 2001 to discuss the scope of prospective future activities. As a follow up of that meeting, OCEEA was invited to participate at a workshop on “Fighting Corruption: Five Practical Example”, in Vilnius (6-7 September 2001). A paper on the importance of international commitments was presented, which raised many questions about the role of NGOs and elected bodies in fighting corruption.

South Eastern Europe Environmental Co-operative Programme (UNDP, UNEP, REC and OSCE)

The first Preparatory Seminar to the Tenth OSCE Economic Forum dedicated to “Co-operation for the sustainable use and protection of the quality of water in the context of the OSCE”, held in Belgrade in November 2001, helped advanced regional environmental co-operation and assisted in the reconciliation process through the initiation and promotion of a number of joint efforts aimed at solving common environmental problems and contributing to confidence building and security in the Balkans. One such effort was the establishment of a working group among REC, UNDP, UNEP and OSCE/OCEEA to identify niches of opportunity where a collective undertaking could assist in advancing environmental conditions in SEE and in turn heighten awareness and support for issues such as human security, environmental management, sustainable development and regional stability.

Specific recommendations emanating from the Belgrade Seminar that support this co-operative effort included: 1) Building upon the multitude of and intensify co-operation between the OSCE and other international and regional institutions on environmental policy and law; foster inter-institutional co-operation among international institutions, and 2) the OSCE should play, in co-operation with local and national actors as well as with specialized international agencies, the role of moderator, facilitator and/or catalyst in transboundary water issues, but not the role of lead-agency in this regard.

Moreover, greater co-operation among the international community to support and advance environmental sustainability in South Eastern Europe (SEE) can result in greater ownership by local, national and regional policy makers and stakeholders and a strengthening of capacities to address concerns with greater direct impact on the quality of life of the population. In this respect and in order to more effectively mobilise organisational resources in fostering near term advancements in the environmental sector in SEE, OCEEA, UNDP/Regional Bureau for Europe and the CIS (RBEC), Regional Environment Center (REC) and UNEP/Regional Office for Europe (ROE)/GRID have after numerous consultations decided to act jointly, building upon each's expertise and resources, to elaborate a concept paper (and subsequent action plan) for a SEE Regional Programme aimed at the promotion of environmental awareness raising and public participation in environmental decision-making in regards to specific local, national and regional concerns.

Environmental Crime Prevention Programme

The Environmental Crime Prevention Program (ECPP) in co-operation with the OCEEA prepared, for the first preparatory seminar to the Tenth OSCE Economic Forum, a short term, high tech-low cost pilot project, to develop a new technique for the advanced integrated monitoring and assessment of pollution and simulation of the effects of accidental pollution using as sample the Sava river in the outskirts of Belgrade. The report was presented with the visual support of high definition satellite images and dynamic computer simulation (which is available on the internet at www.osce.org/eea).

The project involved experimental integrated advanced remote sensing by using civil satellite technology, data collection\transmission, in-situ monitoring and data multi-physic simulation on super calculators (in parallel) for the evaluation of environmental security of the aquifers and water reservoirs.

The dynamic analysis mechanism that has been developed is particularly useful for monitoring and early warning in areas of logistic or political difficult access. The results of the analysis can help experts in the evaluation of environmental security threats for water supplies and the interdependency with other critical infrastructures. The model has the potential for further development. In a proactive scenario the model could simulate crisis and possible first interventions and emergency reactions. The pilot project was decided in the spirit of the Platform for Co-operative Security, and involved active co-operation among two organizations (OSCE and ECPP) that are key stakeholders in the field of environmental security. The model developed could be used by other partner organizations and applied by the OSCE in a larger scale and/or in other critical areas.

OECD-EAP Task Force

The OCEEA participated in consultations with the EAP Secretariat and representatives of NIS environmental NGOs, on strengthening co-operation in view of a potential formulation of an environmental/sustainable development strategy for the NIS. The OSCE was specifically invited to share with participants lessons learned in co-operating with environmental NGOs.

The Task Force with the European Commission will hold a NIS ministerial meeting to discuss the possibility of adopting an environmental strategy, on the model of the strategy adopted by OECD countries. NIS countries and the OECD will start considering if and how to structure such strategy, and decide the legal nature of the document to be adopted (i.e. policy recommendations, convention etc.). On advice of the European Commission, the strategy should include a component dedicated to environment and security. It was pointed out that if this is the case, the OSCE should be associated to the preparations of the strategy.

Stability Pact for South East Europe

Working Table II

The OCEEA is participating in the Stability Pact's Sava River Basin Initiative, which involves co-operation among the countries of Slovenia, BiH, Croatia, and FRY. The OSCE missions, particularly BiH and its Brcko office and the OSCE Mission to Belgrade, have

played an active role in the on-going negotiations for a Convention which would establish an Interstate Commission and have supported Stability Pact in setting up a secretariat. The exact role of the OSCE and specifically the missions is currently under consideration, with possible opportunities including provision of administrative support as well as assistance in cultivating participation and support from municipalities along the River. The possibility of organizing a regional conference together Stability Pact, donors, high level authorities of the 4 parties aimed at supporting the implementation of the Sava River Basin Initiatives being considered by the OCEEA and the Missions in BiH and Belgrade.

The Regional Environmental Reconstruction Programme for South Eastern Europe (REReP) Task Force

The REReP is the basis for environmental policy in SEE, and the main environmental component of Stability Pact, Working Table II. The REReP Task Force consists of Ministries of Environment from Albania, BiH, Bulgaria, Croatia, FRY, Romania and FYROM - observed by representatives of donor countries, IOs and NGOs. The REReP Task Force's main objective is to facilitate the implementation of the priority policy components of the REReP for SEE. REReP priority objectives of particular interest for the activities of the OCEEA are: (i) institutional strengthening and policy development, and (ii) environmental civil society building.

To achieve these objectives the Task Force promotes activities that aim to assist SEE countries to co-operatively identify and address regional, transboundary environmental priorities, as well as national priorities, and to facilitate the integration of environmental considerations into the process of economic reconstruction in order to promote stability and sustainable development.

The OSCE is entitled to be part of the Task Force, which is an excellent opportunity to promote in that forum those activities that we believe could foster confidence building, promote national and regional stability. Since the Third REReP Task Force meeting held in Sarajevo in September 2001, the OCEEA participates regularly to the Task Force meetings.

Moreover, the OCEEA in co-operation with the delegation of FRY presented to donors the project, led by the OSCE Mission to FRY, for supporting environmental legislation and institutional structuring in Serbia. The OCEEA succeeded in assuring a substantial contribution of the Italian Government. It is intention of the OCEEA to present other relevant projects to the Task Force.

NGO Liaison Workshop at EBRD, London July 24-25, 2001

OCEEA participated in the NGO Liaison Workshop organized by EBRD held in London, July 24-25. ODIHR was represented by an NGO officer from Warsaw. The purpose of the meeting was to share information and discuss strategies for communication and relationship building between international organizations, including IFIs, and NGOs. The meeting was in part intended to provide some guidance to EBRD in the wake of its hiring of an NGO liaison person to interact with civil society. In addition, EBRD hoped the meeting would start a regular, yet informal, dialogue among IO and IFIs on how to improve and strengthen relations with the NGO sector, particularly in light of the recent anti-globalization protests. In general, the meeting was valuable for OSCE to help cultivate relationships with other IOs, and particularly the IFIs, on a programmatic basis. Continued participation is recommended.

In addition to the OSCE, the following organizations were represented by staff of their external relations and/or communications departments: UNDP, EBRD, IMF, World Bank, EC, EIB, Inter-American Development Bank, WHO, UNESCO/UK National Office, OSCE and ODIHR.

A separate meeting was held with two of EBRD's environmental advisors to discuss cooperation with OSCE and the FRY mission. Specifically, the FRY mission has approached the Bank to support an "environmental legislation and institutional structuring" program. EBRD expressed interest in the program from the perspective that it aims to strengthen the capacity of local stakeholders and move the environmental sector towards compliance with EU standards. EBRD is funding a number of environmental sector projects. The Bank will give consideration to funding the institutional building program (total cost 430,000 Euro) or a part thereof, from technical cooperation assistance funds.

V.2. Conferences, etc.

The new Co-ordinator of OSCE Economic and Environmental Activities assumed his duties on April 2nd 2002. In order to meet challenging expectation that are synthetically expressed by the Bucharest decision on balancing three dimensions of OSCE, he extensively consulted internally and externally opportunities for widening OSCE activities in the economic and environmental dimension. Still before taking his post the Co-ordinator participated in the Lancaster conference organized by IMF and World Bank on launching new initiative for the low income CIS-7 countries (February 21-22, 2002). On April 8 and 9 he participated in the Eurasia Economic Summit organized by the World Economic Forum in Almaty, where he contributed as Discussion Leader at the session devoted to „Geopolitical risk“. He also took part in the Falenty CASE conference (April 12-13) summarizing a decade of economic transition. Finally, he participated in the EBRD Annual Meeting of the Board of Directors held in Bucharest on 19 and 20th of May.

All these meetings served both purposes: firstly, catching up with current international and national activities related to economic (and environmental) transition and development issues, secondly, talking with politicians, experts, top officials of international financial organizations, and business and ngo leaders on unsatisfied needs in building market institutions in the context of potential OSCE net contribution. A paper dealing with ongoing and palette of desired new activities of the OSCE in EED, that was presented by Co-ordinator to EE Subcommittee of PC, contained preliminary results of the above consultations prior to the Subcommittee meeting.

OCEEA was also represented at the 10th International Anti-Corruption Conference hosted by Transparency International and the Czech Authorities in Prague on 7-11 October 2001. OCEEA also presented a paper on addressing economic financial aspects of terrorism (with a reference to the OSCE) at an international conference on "STOP Money Laundering", in London, on 26-27 June 2001.

OCEEA also participated in a business dialog, with a focus on financial markets in transition countries, and organised by several organisations, including the Vereinigung Bayerischen Wirtschaft e.V. in Munich. Another seminar organised by the Ministry of Foreign Affairs of the Czech Republic, concentrating on "SEE countries between Adriatic and Black Sea", was attended in Prague.

VI. Strengthening the EED in the field: activities of OCEEA and OSCE Field Presences

The lack of economic development and opportunities in many OSCE participating states can potentially cause internal tensions with political and security implications. Internally destabilising movements can also have spillover effects generating regional security concerns. OCEEA is addressing these issues in the whole OSCE area and is not limiting itself to those countries where OSCE offices have been established. However, in those countries where the OSCE has officers, the work is facilitated. Through regular communication and contact with representatives from government, private sector, civil society and the international community, the OSCE field presences, as per the work of the Economic and Environmental Officers (EEOs), serve as barometers of the local economic and environmental state of affairs in relation to security.

OCEEA has enhanced in the last year its capacity to interact and support the work of OSCE Field Offices in the Economic and Environmental Dimension. The appointment of an extra Officer in the OCEEA will allow for further improvements in efficiency and effectiveness of co-operation.

VI.1. Training

The OCEEA, with the support of the Romanian Chairmanship, held a training seminar for OSCE's Economic and Environmental Officers (EEOs) from 16-19 September 2001, in Sinaia, Romania. It was the second event after a fruitful session in October 2000 and responded to the expressed need for periodic group interactions among the EEOs, including an annual training seminar, as a means of fostering discussions and promoting the exchange of ideas and best practices.

The training seminar was attended by 13 officers, representing 12 OSCE field activities, and was observed by representatives of the current Chairmanship (Annexes 2 a, b). The meeting provided the occasion for evaluating the work done in the Economic and Environmental Dimension (EED) since the first training seminar. The improvements in the quality of the work done in the field were recognised by all participants, and most welcomed was the greater attention given both at local and headquarter levels to the EED.

After analysing the ongoing debate on the strengthening of the Economic and Environmental Activities (EEA), and discussing the priorities of the Follow up to the 9th Economic Forum, the training seminar focused on the theme of the Tenth Economic Forum dedicated to the sustainable use and the protection of water and on required inputs from the field. Issues of regional concern surfaced from discussions among the group which underscored the need for greater communication and co-operation among OSCE field activities in the Economic Dimension. The training seminar presented the work of several partners and international organizations active in the OSCE region, resulting in new opportunities and recommendations to strengthen the activities of the OCEEA.

Designed to address the needs of the EEOs at the field level, the OCEEA engaged the assistance of representatives of the Regional Environment Centre (REC) from Budapest, the International Commission for the Protection of the Danube River (ICPDR), UNECE, UNDP Romania, the European Commission (EC), EBRD Romania and the Business Community through a representative from the recently created Romanian Ministry for SMEs and from the

Tofan Group (Romanian industry). One session was also dedicated to the management of projects within the OSCE.

VI.2. Field Activities

VI.2.1. Central Asia

Within the OSCE, the understanding for the need and the political will to enhance in general the role of the Economic/Environmental Dimension, as already mentioned in this document, are growing (e.g.: Bucharest Ministerial Declaration, pt. 4). This is also relevant as far as the Central Asian region is concerned. For several years now, all Central Asian participating States have – in one form or the other – expressed the view that OSCE engagement in the region should be better balanced. In particular, more attention should be paid to the EED, thus reflecting the OSCE's comprehensive concept of security. A second key element also repeatedly voiced by Central Asian partners is the demand for more concrete and practical assistance.

Therefore the OCEEA, in consultation with the 5 Central Asian States, prepared a paper entitled “Set of Recommendations for Strengthening the Economic and Environmental Dimension of the OSCE: Implications for Central Asia”. As reported below, the concept paper was discussed in the third meeting of the Economic and Environmental Sub Committee of the Permanent Council.

The document underlines potential priority activities in the region, taking into account its peculiarities. Overall, the document was highly rated and is intended to serve as a model for other regions.

OSCE Centre in Almaty (Kazakhstan)

Specific activities addressed good governance and the fight against poverty. The role of civil society in environmental matters as stated in the Aarhus Convention was the focus of several seminars/workshops. Much importance was especially given to reaching the regions outside the capital city Astana and the largest city Almaty. The import of nuclear wastes was discussed in a Conference that attracted many participants from official bodies and NGOs. Water problems were also raised, as well as the preparation of the “Rio + 10” conference on sustainable development.

Implemented and on-going Activities:

- Roundtable on the transformation of economic and political systems in Poland and Kazakhstan
- Regional conference on economic security and good governance in the era of globalisation
- Roundtable on combating poverty
- Workshops on the Aarhus Convention
- Conference on the participation of civil society in alleviating poverty in the Zhambyl Oblast
- Roundtable on civil society and the new tax code
- Seminar on business ethics and good governance
- Training of journalists in economic matters
- Participation of civil society in the elaboration of the ecological tax code

- Conference on the import of nuclear wastes
- Conference on drinking water quality and security
- Roundtable Seminar on the Civil Society and Rio+10 Summit

OSCE Centre in Bishkek (Kyrgyz Republic)

Beside activities on SMEs, that are essential for reducing employment and fighting poverty, most of the work concentrated on ecological and environmental matters, including better access to information, enhancing the role of civil society and the situation in mountainous regions.

Implemented and on-going Activities:

- Creation a website for the People's Assembly
- Training on economic simulation exercise
- Roundtable on ecological issues/Aarhus Convention
- Conference on ecological security in Kyrgyzstan
- International meeting and development program on SMEs
- Increase public awareness on tax issues
- Preparation of a manual on business planning and investment project appraisal
- Establishment of a centre of e-publication
- Investigation on bio-ecology related to herbs
- Social protection/health issues in mountains
- International informal conference to secure an uranium waste site
- Publication on forest management

Osh Field Office (Southern Kyrgyzstan)

Political stability in Fergana Valley is a kind of a synergy employed by interaction of its few integral components that vary in their importance. The factor of ecological security stands high in a hierarchy of this continuity since mostly agricultural economy of densely populated and fertile region relies heavily on its environmental conditions. Geographical situation and a variety of specific natural features of southern Kyrgyzstan have an essential impact on the two neighbouring countries that are very much sensitive in terms of the shared environment and natural resources vitally interacting with their economies. Geopolitical implications of ecological situation, regional strategy of environmental protection, sustainable strategies in ecology crisis prevention, merging NGO sector with European dimension of ecological security is a constant endeavour of OSCE presence in the south.

Osh FO EED project activities focused on 5 main domains, reflecting most crises - sensitive areas in the region:

- general ecological safety;
- water management;
- controversial territories;
- natural resources and environment protection;
- risk areas.

Implemented and on-going Activities:

- Economic and Ecological Forums for Southern Kyrgyzstan
- Regional forum on the development of economic and trade relations
- Development of educational programs for promoting SME's
- Workshop on ecological safety
- Regional report on the ecological situation
- Projects on water management
- Feasibility study on a waste tail dumps
- Setting up a voluntary rescue team for addressing radioactive risks
- Translation of the Aarhus Convention in the Kyrgyz language
- Awareness raising activities on ecological and environmental matters

OSCE Mission in Tajikistan

The implementation of the project Youth Network Building on Access to Information is ongoing. After one week training at the beginning of April in Dushanbe OSCE is organizing a cycle of seminars on ecology for schools and local authorities in a number of districts. The Youth Eco Center has prepared a web site with the information on ecological NGOs, programs and environmental legislation.

The Mission is finalizing the preparations of the Second Central Asian Workshop on Aarhus Convention to be held in Dushanbe on 4-7 June 2002. The Mission co-ordinates all arrangements with the Tajik Ministry of Nature Protection, ABA/CEELI in Dushanbe and non-governmental organizations. More than 70 participants will attend the event.

The Mission together with ABA/CEELI, UNIFEM and NGO "Association of Business Women of Tajikistan" is discussing co-operation and co-ordination on issues related to economic rights for women in Tajikistan and co-ordination of the project in this regard.

Implemented and on-going Activities:

- Legal seminar for women entrepreneurs
- Printing material on taxation
- Roundtables on land reform, privatisation and unemployment
- International Day on poverty eradication
- Roundtables, workshops and publication of material on Aarhus Convention
- Ecological seminar for the youth
- International Conference on water resources
- Seminar on nuclear wastes
- Activities on drug prevention and control
- Legal seminar for entrepreneurs
- Roundtables on land reform and access to land for women
- Reviewing domestic environmental legislation
- Ecological seminar for youth
- "ECO FORUM" for NGO's

OSCE Centre in Ashgabad

The OSCE Centre in Ashgabad completed a series of roundtables on implementation of the Aarhus Convention in Turkmenistan.

As an immediate follow-up to this project the Centre intends to organise a meeting in Ashgabad, where the results of the project will be discussed. The Centre will propose that the results of the roundtables be used as a platform for future activities.

The Centre is currently evaluating four project proposals received from the Ministry of Foreign Affairs in mid-April. The proposals consist of a project on assessment of Turkmen enterprise legislation and study of international market, a seminar on World Economy and Environment, a project on setting up a national trademark and a project on environmental education. The evaluation process, consisting of consultations with international organisations and bilateral agencies present in Turkmenistan, will be completed in June.

The Centre is exploring possibilities to work on environmental education. This sector has been proposed by government officials as a field where the OSCE could bring added value.

Implemented and on-going Activities:

- Conference on environmental education
- Roundtables, website development and brochures publication on Aarhus Convention
- Training of environmental journalists
- Publication of a quarterly environmental journal
- Workshop on the Aarhus Convention with a focus on oil and gas

OSCE Centre in Tashkent

During the past year, OSCE's Centre in Tashkent ("CiT") worked closely with state institutions, local non-governmental organizations and international organizations on the economic and environmental matters, and expanded its activities in the economic and environmental dimension.

In the economic area, CiT concentrated on the promotion of small and medium business development through the continuation of its series of training workshops in the provinces. In the environmental area, CiT has been involved in activities related to Uzbekistan's environmental legislation and the promotion of the Aarhus Convention.

Additionally, CiT has become involved in issues related to the drought in western Uzbekistan, and has worked to promote an effective response to this crisis while maintaining links with international organizations and the government of Uzbekistan on these matters.

Finally, CiT has taken steps to establish an OSCE "Information & Resource Center" at the National University of Uzbekistan's Faculty of Social and Political Science which will open up student's access to the global information network.

Implemented and on-going Activities:

- Workshops and policy advice on SME's

- Initiating the OSCE speaker's series and club at the National University
- Establishing an OSCE resource centre at the National University
- Workshops, roundtables and training on environmental matters and Aarhus Convention
- Formation of an Aarhus Convention "Experts Working Group"
- Promotion of the development of a local environmental NGO network
- Local community and environmental protection
- Legal matters (credit unions, insurance)
- Initiative on economic security (unemployment, poverty, inequalities)

VI.1.3. South Caucasus

OSCE Office in Baku

Baku hosted the third preparatory seminar for the 10th Economic Forum, which provided a unique opportunity to gather experts from the South Caucasus region, as mentioned under II.3. A number of follow up initiatives are currently under consideration. Moreover, improving local conditions for small and medium enterprises development, among others by providing systematic training to middle management technicians and supporting the modernisation of the tax and judicial system, is a priority.

Implemented and on-going Activities:

- Micro-finance conference
- Activities on Aarhus Convention, including a regional South Caucasus seminar in Baku on the implementation of the Convention
- Seminar on water quality and management
- Participation with GTZ in a development project
- Working with municipalities on economic issues
- Taxation seminar, with a special focus on the role of civil society
- Activity on enhancing the agricultural sector
- Preparatory seminar for the 10th OSCE Economic Forum

OSCE Mission to Georgia

In 2001, a joint study with the OCEEA on corruption was presented at the annual Tripartite Meeting OSCE-UN-OECD.

Under the supervision of the OSCE, repair works on a 30 Km irrigation canal running through both Georgian and Ossetian villages in the zone of conflict was initiated in April 2002. The irrigation restoration project forms part of a programme that aims at fostering the voluntary handing over of weapons to the Joint Peacekeeping Forces in exchange for small but targeted projects, financed by the international community, designed to improve basic community needs.

More systematic and consistent planning and development of activities will be carried out with the due appointment of the first EEO in the Mission (post included in the 2002 budget).

OSCE Office in Yerevan

One noteworthy activity in Armenia is certainly the OSCE chairing of the international task force on anti-corruption. It led to the formulation of a national anti-corruption strategy and may possibly become a model of action for other countries where the OSCE is involved. Much importance is also given to trans-boundary activities in the South Caucasus region, contributing to confidence building measures.

Notably, the Armenian Aarhus Centre, an environmental public information centre, created upon initiative and with the support of the Office in Yerevan, was inaugurated in May 2002 with the objective of providing adequate environmental information to the civil society in both electronic and hard form; supporting the Ministry of Nature Protection in its endeavours on implementation of the Aarhus Convention; extending informational capacities of the Ministry in regards to its communication and co-operation with the civil society.

Implemented and on-going Activities:

- The OSCE Office HoM is chairing an international joint task force supporting the government in designing and planning an anti-corruption strategy and related measures
- Equipping an environmental information room at the Ministry of Nature Protection, and official opening of the room
- Activities related to the assessment of the implementation of the Aarhus Convention
- Developing NGO's networks in the South Caucasus
- Assessment study on access to justice in environmental matters
- Supporting Armenian anti-monopoly initiatives

VI.1.2. Western CIS

OSCE Project Co-ordinator in Ukraine

Ukraine is another country where good governance is strongly supported by various activities such as seminars for judges and events on legislation and the protection of so-called "whistle blowers". In that respect, an international seminar on anti-corruption was organised in May 2002 and terminated a series of similar activities covering all the country. The event was attended by high level experts from the US and Europe, and gathered all regional prosecutors, law enforcers and scholars, representative from the police and secret services, and NGOS from Ukraine *Oblasts*. Both legal and practical issues were raised, as well as analytical aspects of laws. Discussions addressed many critical topics, including money laundering, witness protection, white collar crimes, etc. It stimulated a constructive exchange of views and helped define key-priorities for future co-operation. It was highly publicised in all media. For these activities, the field presence is working very closely with the Office of the General Prosecutor of Ukraine and regional authorities.

Another specific and pioneer activity aimed at promoting the use of the Aarhus Convention in concrete cases of river pollution in two regions of Ukraine. The aim is to educate citizens about their rights and help them using existing legal instruments for improving the environment. The field presence also initiated an activity comparing domestic legislation in the field of water to the EU water framework directive. That exercise may help improve environment laws in a sector that matters considerably for health and the well-being of the population. These practical oriented activities on corruption and the promotion of civil

society in environmental matters may eventually become case studies and models for other countries.

Implemented and on-going Activities:

- Series of seminars on anti-corruption with the General Prosecutor of Ukraine. For instance, an activity concentrated on the role of so-called “whistle blowers”
- Seminars on the Aarhus Convention supporting civil society involvement in environmental matters and on the effective implementation of the Convention in the field of water
- Activities on environmental/ecological aspects of the conversion of former Soviet military bases
- Comparative law event on water legislation

Moldova and Belarus

Despite the absence of EEOs in Moldova and Belarus, the HoMs are willing to promote EED activities. In that respect, the severe social, economic and financial situation that prevails in Moldova was addressed in a short note. Worth of mention is the framework proposal on development of environmental co-operation between Moldova/Trandniestria and Ukraine in the field of transboundary Dniestr River management promoted by the Mission to Moldova. Among others the project aims at creating an NGO network along the Dniestr River.

Under consideration is also a proposal to develop an activity in Moldova on external debt management.

VI.1.3 South Eastern Europe

The region of Southeast Europe (SEE) continues to undergo political and economic changes with countries at various stages of development and transition. Despite this fact, many countries share common problems, including high unemployment, weak institutions (absence of rule of law), low GDP per capita (less than USD 2,000), deteriorating environmental conditions, energy shortages, corruption, and diminishing human capital (due to brain-drain).

Despite its recent crisis, fyr Macedonia was the first country in the Balkans region to have signed the EU Stabilization and Association Agreement (SAA) in April of 2001. Croatia signed the SAA in October 2001 giving a strong indication that the region has the support of European institutions and is expected to develop to meet democratic standards and attain economic and political stability.

OCEEA, working together with OSCE field operations, seeks to catalyze dialogue, highlight needs, and facilitate co-operative relationships with international organizations and institutions, including UNDP, REC, COE, SECI, UNEP, Stability Pact, EC, to raise the level of awareness and bring additional resources to meet local and regional needs and promote economic and environmental development and growth.

The work of OCEEA in SEE is prioritized in the following categories:

- Cross-border and regional cooperation, particularly sub-regional efforts between Croatia, Bosnia and FRY in the protection of the Sava River Basin; and separately fyr Macedonia,

Albania and Greece in the areas of economic and environmental development in regards to Lake Prespa. Also, co-operation between Montenegro/FRY and Albania has focused on the development of the Lake Skadar area.

- Decentralization: strengthening the capacity of local municipalities, particularly to address issues of economic planning, inter-municipal co-operation, and the promotion of development/public-private partnership, including working with NGOs and the private sector.
- Private sector development and SMEs: an effort to create new opportunities (or revisit traditional markets) for trade and commerce and address the problem of unemployment in the region by encouraging bi and multi-lateral donors to address chronic areas of need, in particular rural communities and gender-based groups, and targeting new opportunities for youth in support of human capital development and retention.
- Environmental-Energy Nexus: raising the awareness among all sectors of society, including media, of the risks and implications of over utilization of resources, chemical/industrial contamination and water pollution.

In **Albania**, the OSCE Presence is active in raising awareness among government authorities of the security risks and implications of degradation of the environmental and energy sectors, largely due to the country's tremendous over dependence on hydro-electric power compounded by local corruption and the mismanagement of the state-owned electric company (KESH). The lack of transparency in the energy sector and the fact that the country was without a Ministry of Environment until September 2001, has resulted in an unsustainable exploitation of natural resources, deterioration of industrial facilities, and contamination of the air, soil and water. The Presence was instrumental in lobbying for the creation of a Ministry of Environment and assisted in the government in the process by creating a database of environmental institutions throughout Central and Eastern Europe to illustrate existing practices and structures. The Presence worked closely with United Nations Environmental Programme UNEP in informing the authorities and public of the findings of the UNEP Post-Conflict Environmental Assessment of Albania, which identified five "hot spots" of severe chemical and industrial contamination posing extreme environmental and human health risks and recommends the immediate resettlement of the people living in the surrounding area.

The Presence is an active member of the World Bank's Growth and Poverty Reduction Strategy (GPRS), an undertaking which involves a comprehensive nation wide economic development plan being developed employing a top-down, bottom-up/decentralized and participatory/community approach. The OSCE, as the only institution with a network of Field Stations throughout the country, provides valuable input and information on the needs and programmatic opportunities in rural areas, particularly Northern Albania, in this process. The Presence's efforts has resulted in it taking a lead role in supporting the Northeast Initiative, which aims to draw more donor attention to the Northeast where the poorest and most neglected districts of Albania are situated.

The Economic Officer and Legal Counsellor's Office in the Presence also initiated a series of consultations and technical workshops between the Government of Albania, IMF and the business community involving the revision of taxation legislation seen as an impediment to investment and growth by the commercial and banking sectors.

OCEEA funded a Presence proposed project entitled “**Confronting and Fighting Corruption**” involving the translation, publication and dissemination to stakeholders and decision-makers of the TI Source Book .

In **Bosnia and Herzegovina**, one of the OSCE Mission aims is to promote transparency and accountability in governance at the municipal, cantonal and state levels. The Mission’s Governance Program contains three initiatives including, Municipal Infrastructure Finance and Implementation (MIFI), Cantonal Administration Project (CAP), Parliamentary Support Project (PSP), and focuses on educating and building the capacities of local officials in the areas of municipal management, public administration and consensus building. OCEEA has been working with the Mission to learn of the best practices of these governance programs in the effort to replicate them in other mission areas where decentralization and increasing municipal competencies are goals. The Mission worked closely with OCEEA in identifying NGO representatives to participate in the Preparatory Seminars and 9th Economic Forum. Despite not having an economic officer, the Mission has identified an official contact person for OCEEA.

Recently, OCEEA funded a series of seminars organized by the department of democratization on the ‘Promotion of Entrepreneurship for Young People’ throughout BiH municipalities implemented in co-operation with SEED/World Bank.

The OSCE Mission to **Croatia**’s focus has been on building local capacities for economic revitalisation, particularly in war devastated areas by promoting cross-border co-operation to encourage private sector and SME development. By working with local authorities, NGOs and business associations in both Croatia and Bosnia, the Mission is raising local awareness of opportunities for increased trade and commerce among former rival states. In March 2001, the Mission organized an Economic Forum to focus on the revitalisation of Kostajnica, an area bordering Bosnia’s Republic of Serbska. Mayors, and business representatives, as well as members of the international community on both sides of the border, attended and initiated a dialogue for addressing the needs of the area. On 31 August, the border municipalities of Vojnic, Cetingrad in Croatia and Velika Kladusa in Bosnia-Herzegovina signed a mutual partnership agreement, which was initiated by OSCE Field Office in Karlovac (Croatia) and Velika Kladusa (BiH). The three mayors identified several common economic and social issues which will be followed up by the submission of a joint request to both central governments for re-opening two border-crossings. Similar intentions of cross border co-operation, including the important need for re-opening border-crossings to facilitate trade and commerce have been expressed by the other border municipalities in both Croatia and Republic of Srbspka. In both respects, the OSCE role was instrumental in bringing together the local stakeholders to a neutral setting to discuss issues of mutual interest, thereby facilitating the return process and contributing to regional stability. The Croatia Mission has also focused on promoting cross-border co-operation in respects to environmental awareness and addressing water pollution concerns, particularly in municipalities along the Sava River. OCEEA worked closely with the Mission to incorporate a locally planned event on the Sava River into the Belgrade Preparatory Seminar designed to address water concerns in SEE. Unfortunately, the departure of the economic officer in December 2001, and the down-sizing of the Mission has greatly reduced co-operation with the Mission in Economic Dimension matters.

The OSCE Mission to the **Federal Republic of Yugoslavia (FRY)** at the request of the government, outlined an action plan to co-ordinate institutional and capacity building efforts and facilitate legislative reform in the environmental sector. The program activity developed and implemented was entitled 'Support to Environmental Legislation and Institutional Structuring in Serbia (FRY)', and included a series of workshops with local and international experts in soliciting public participation and input for the drafting of legislation. In support of this effort a simultaneous Environmental Media Awareness Campaign was developed and implemented which included TV spots, bulletin advertising and public mass mail.

The Mission was successful in raising approximately 400,000 Euro for this environmental institutional building program; OCEEA assisted, in part, in this effort by facilitating contacts with donors and holding follow-up consultations with international organizations such as EBRD and the REC.

Similarly, the Mission worked with the World Bank and contributed to its country strategy by providing support for the passage of a national environment law and necessary implementing structures. Activities intended to develop the capacity of the civil society and the media to work together to better address environmental issues through public participation and involvement in the decision-making process are also underway. OCEEA and the Mission worked closely together in the organization of the first Preparatory Seminar to the 10th Economic Forum held in Belgrade in November 2001.

The Mission has recently embarked on promoting the 3E Programme: an integrated approach to Environment, Energy, Economy, in support of sustainable development and fostering environmental awareness and consideration in all governmental policy and decision-making;

The OSCE Office in Podgorica is active in promoting awareness raising and assisting institutional structures in the development of projects in the environmental sector. In an example of early warning, the Office, together with OCEEA, alerted UNEP, and separately the Belgrade Office of the REC, of the public health risks associated with the cyanide dump in Mojkovac. Moreover, this OSCE office played an important role in the identification of other similar environmental contamination hazards and co-ordinated with government institutions and the international community to prepare and submit to the Stability Pact the project entitled: "Monitoring the of Surface and Underground Waters of Skadar Lake from the Aspect of Cross-Border Pollution". OCEEA held consultations with the UNDP Regional Center in Bratislava to promote and support possible co-operation between the local UNDP and this OSCE Office in undertaking joint activities in the development of NGO capacities in the environmental and ecological sectors.

In an effort to build and strengthen the capacities of local authorities, the OSCE Podgorica Office organized a visit for 20 Montenegrin mayors to Austria in November 2000 to foster partnership-building between municipalities and provide insight and information on programs, policies and best practices for the provision and improvement of public services. Since the visit, several technical partnerships have been initiated in the areas of waste disposal, eco-tourism and sustainable development. The Office also organized a series of technical information exchanges between the Austrian National Park Association and Montenegrin representatives to advise on management and marketing techniques for national parks and the corresponding role of surrounding municipalities. As follow-up to the Belgrade Seminar, the Office is facilitating the cross-border effort for promoting

environmental awareness among local population and authorities in the protection and development of Skadar Lake.

OCEEA worked to establish a co-operative relationship with the Mission to Kosovo, in the hope of the identification of an official mission contact point for Economic Dimension matter in order to increase programmatic dialogue and encourage Kosovo/FRY representation at OCEEA events. OCEEA worked with the Mission to identify local experts to participate in the technical workshop on depleted uranium (DU) sponsored by the International Atomic Energy Agency (IAEA). The Mission sent a political affairs officer to participate in the OCEEA training Seminar which proved valuable in learning of the Mission's Small Investment Minority Fund Program intended to assist private sector development, including creation of SMEs, in ethnic minority communities. The program was reviewed by OCEEA for possible replication in other missions areas. OCEEA will continue its effort to learn of other mission activities, including those related to empowering local authorities, eg: recent seminar on urban and rural development, that may provide important lessons other missions.

In the FYR **Macedonia**, the OSCE Mission to Skopje activities have focused on facilitating dialogue and raising awareness among government authorities, civil society, and the international community in the fields of environment, energy, corruption, decentralization and cross-border co-operation. The mission plays an instrumental role in supporting the local government reform process through a series of informal co-ordination meetings among IOs, NGOs, and bi-lateral embassies to help outline a strategy for resource allocation to strengthen local competencies. The Mission also holds periodic consultations with the Ministry of Local Government to exchange information on the particular needs of certain municipalities and the activities to bolster the reform process. The Mission worked closely with the East West Institute and the Council of Europe in organizing a seminar on the establishment of a Euroregion in the Lake Prespa area to promote cross-border co-operation and creation of new opportunities in economic and environmental areas among Albania, Greece and FYR Macedonia. OCEEA funded a local NGO in the organization of a roundtable on outlining the basis for national anti-corruption strategy.

With the recent conflict in the country, Mission activities have turned to developing and facilitating confidence-building measures in support of the President's peace plan and implementation of the Framework Agreement. The mission has reported extensively on the economic implications of the crisis as well as consulted with the local international community in reassessing programmatic priorities for the country. OCEEA is working co-operatively with the mission in support of decentralization activities given the priority in Annex C of Framework Agreement, including joint consultations with the COE, World Bank and possibly SECI on the development of CBMs for local communities. Mostly recently, the Mission is assisting in the implementation of a series of seminars on 'Municipal Planning and Inter-municipal Cooperation' in the Kicevo region in support of multi-ethnic cooperation in addressing economic and development concerns financed by the government of Norway.

VII. Sub-committee on EEA

The Economic and Environmental Sub-Committee of the Permanent Council was established at the Bucharest Ninth Ministerial Council of the OSCE on the 4th of December 2001. It is part of the Decision No. 3 and provides new and important tools:

- the creation provides an appropriate forum to better report on the work done in this field and will enable the discussion of priorities and activities, and thus ensure continuity and consistence in the work-plan of the office of the Co-ordinator;
- it will address the preparatory and follow-up process of the Economic Forum, be it through the office of the Co-ordinator or the OSCE Missions;
- the discussion of specific issues and spot reports from the field presences in order to identify potential threats to stability;
- the Sub-Committee will be an. excellent venue to invite partner organizations, IFIs and NGOs, the business community, academics and the media, to discuss joint initiatives;
- the Sub-Committee should invite on a regular basis economic and environmental officers from field presences to report and discuss their activities and projects.

On 19 December 2001 **the first meeting** of the Economic and Environmental Sub-Committee of the Permanent Council was held in Vienna. Mr. Daniel Daianu, as National Co-ordinator of the OSCE Economic and Environmental Activities, representing the Romanian Chairmanship, and Mr. Marc Baltes, the Acting Co-ordinator of the OSCE Economic and Environmental Activities, addressed the meeting and underlined the important role the Sub-Committee will play in the ongoing strengthening of the economic and environmental dimension. Participants welcomed the launch of the Sub-Committee and the opportunity it offers for a regular exchange of opinions. They agreed to make full use of the new forum for discussions.

The second meeting of the Sub-Committee was held on 29 January 2002 in Vienna under the Portuguese Chairmanship and it dealt with the preparatory process for the Tenth OSCE Economic Forum. In this regard, guest speakers were invited to present their work on the topic. Dr. Aaron Wolf, professor of geography and director of the Transboundary Freshwater Dispute Database project, Oregon State University, presented the paper “Transboundary waters - Sharing the benefits, lessons learned”. Ms. Fiona Curtin, programme manager from Green Cross International discussed the “Water for peace” programme and Ms. Lena Salamé, programme manager of UNESCO presented the programme “From potential conflict to potential co-operation”.

The third meeting of the Sub-Committee took place in Vienna on 26 April 2002. In his new capacity as Co-ordinator of OSCE Economic and Environmental Activities, Mr. Marcin Swiecicki pointed out that “our common work in this Committee will take the economic dimension to a new level and will allow us to better address the crucial issues of security and stability which our dimension is facing”.

During the meeting, the new Co-ordinator addressed further main points of the economic and environmental dimension:

- the work of the Office of the Co-ordinator of OSCE Economic and Environmental Activities is going to be more operational and result oriented;
- a more pragmatic approach towards economic and environmental issues will rely on the political will of the participating States, on recent decisions and documents calling for a more balanced and a more comprehensive approach; co-operation in the fields of economy, science and technology and the environment will be of critical importance;

- the Sub-Committee, in line with the Bucharest Decision, can serve as a primary body for identifying issues, setting priorities, and, endorsing major areas of concrete responses.

As new potential activities, Mr. Swiecicki stressed:

- Human capital development in disciplines relevant to economic transition.
- Creation of a legislative database on economic and environmental issues.
- A roster of experts on economic/environmental legislation and policy available on short notice from interested government – the roster should facilitate access to experts.
- Popular booklet on principles of market economy prepared by the best experts from advanced and transition countries.
- Platform and advise on potential steps leading to regional economic and ecological co-operation with due consideration for security and sovereignty of each and every state.
- Economic co-operation within OSCE family. According to its mandate OSCE can and should serve as a multilateral platform for exchange of ideas regarding economic co-operation between this part of the continent which is embraced by EU and the rest of the continent.
- Strengthening business organizations, their role in legislative process, in policy consultations. Encouraging small and medium-sized enterprises constitutes another cluster of issues which are important for fostering entrepreneurship in newly emerging market economies.

The paper mentioned under VII.1.1. entitled “Set of Recommendations for Strengthening the Economic and Environmental Dimension of the OSCE: Implications for Central Asia” was also discussed at this meeting.

VIII. OSCE activities in the economic/environmental dimension related to the prevention and combating of terrorism

In fulfilling its core mandate "to address economic, social and environmental aspects of security" and guided by the Decision no. 1 on ‘Combating Terrorism’ by the 9th OSCE Ministerial Council in Bucharest, which calls for a comprehensive approach to the prevention and countering of terrorism, OCEEA will focus on economic aspects of new security challenges. The “Bucharest Plan of Action for Combating Terrorism” as well as the “Programme of Action” endorsed at the Bishkek Conference identify primarily two areas for action in the economic/environmental dimension: The suppression of the financing of terrorism and, secondly, socio-economic aspects related to terrorism. Some initial steps how to address these issues were outlined in the "Road Map on Terrorism" prepared by the OSCE Secretariat. In addition, the 12 April 2002 special meeting of the Permanent Council on terrorism identified money laundering among the priorities for OSCE action to prevent and combat terrorism.

OCEEA will undertake and support activities promoting international conventions and standards relevant for the suppression of the financing of terrorism and combating money laundering. In this context, at the Tenth Economic Forum a special working session will be held on "Suppressing the Financing of Terrorism". The session was prepared in co-operation

with the UN ODCCP Global Programme against Money Laundering (GPML). Experts representing the UN Security Council Counter Terrorism Committee, the Financial Action Task Force Secretariat and the Egmont Group of Financial Intelligence Units as well as the ODIHR Rule of Law Section will contribute to this session.

In addition to this facilitating role, OCEEA has also started with a more practical approach, using the partnership with the GPML in the spirit of the Platform for Co-operative Security. Together with the GPML, a proposal for workshops on legislative and administrative matters relevant for fighting money laundering and terrorism financing has been developed. While GPML would contribute specific expertise and technical knowledge, OSCE provides the political framework and assists in organizing the workshops through its field missions. These workshops, for which a generic proposal is already existing, could be implemented upon request and availability of extrabudgetary contributions in all interested participating States.

Concerning the second area in the economic/environmental dimension in the context of preventing and combating terrorism (the underlying socio-economic aspects related to terrorism), OCEEA will concentrate within the framework of its mandate and available resources on continuing those activities which were already in the past directed at related aspects, such as promoting good governance, transparency, strengthening of the rule of law, fighting corruption etc.

IX. Varia

The staff of the OCEEA published several articles on corruption, water issues, international trade and poverty, in journals and books.