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# **TRAFFICKING IN HUMAN BEINGS, DRUGS, SMALL ARMS AND LIGHT WEAPONS: NATIONAL AND INTERNATIONAL ECONOMIC IMPACT**

21 May 2003

## **Report of the Rapporteur of the Implementation Review Meeting**

### **Agenda item 5: Review of the implementation of OSCE commitments in the economic and environmental dimension**

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#### **Common Themes**

Delegations welcomed the two reports presented at this session: a summary of activities from the Co-ordinator of OSCE Economic and Environmental Activities, Marcin Swiecicki, and a report from the United Nations Economic Commission for Europe (UNECE). Participants were pleased by the increase in activities described in the Co-ordinator's summary and noted particularly that more projects had been executed by field offices. The increase in resources for the Co-ordinator's office over the last year was a clear indication of the practical commitment of OSCE delegations to strengthening the economic and environmental dimension (EED) of the OSCE.

Paolo Garonna, Deputy Executive Secretary, United Nations Economic Commission for Europe, presented the paper: *New Threats to Security in the Economic, Social and Environmental Dimensions*. The report challenged the OSCE to establish a mechanism for review of OSCE commitments based on partnership (with international organizations, civil society and the private sector), performance indicators, and peer dialogue. The mechanism could become a key part of the new strategy document in the EED to be adopted at the 2003 OSCE Ministerial Council in Maastricht. The report was generally well received and many delegations underlined the importance of continuing co-operation between the OSCE and the UNECE.

Porto's ministerial commitment to develop a new strategy for the economic and environmental dimension provided the clear context of the ensuing discussion. Many participants emphasized the importance of ongoing negotiations on this document, while some reminded delegates that the commitments of the Bonn Document remained important. In particular, issues relating to the impact of cross-border conflict on trade, the barriers to successful development of small and medium-sized enterprises (SMEs), and the need for intellectual property law in many countries had not been adequately addressed.

The OSCE Parliamentary Assembly provided a briefing on recent meetings concerning the promotion of SMEs which again pointed to the importance of OSCE action to address regulatory frameworks and tax burdens at the national level.

Some specific items for consideration in the new strategy were proposed by one delegation, namely the need to eliminate geographic imbalance in the work of the OSCE, the importance of mitigating the negative impacts of EU enlargement, and the possibility of pursuing a pan-European infrastructure for energy, transportation and communications.

Delegates broadly agreed that the principles of the Istanbul Charter, particularly good governance, rule of law and anti-corruption, should form a major part of the strategy, while taking account of the importance of addressing issues such as trade liberalization, and regional integration processes.

Fifteen years of economic transition as outlined in the *2003 Economic Survey of Europe* had led the UNECE to conclude that macroeconomic stabilization, privatization, deregulation and trade liberalization are necessary but not sufficient to catch up with the most prosperous market economies. The critical policy element required was an effective institutional framework or, in a word, good governance. With the help of six governance indicators, the UNECE presented a tool for dialogue and monitoring the capacity of States to implement commitments.

As in previous years, the importance of making time for a more comprehensive review of commitments in the economic and environmental dimension was emphasized. One three-hour session during the Economic Forum was considered insufficient to address the range of commitments in this dimension particularly when compared to the annual review processes enshrined in the human dimension and in the politico/military dimension. To assist with the implementation discussion, the usefulness of a complete inventory of commitments was discussed.

UNECE suggested that, in the future, the comprehensive review of commitments should

- (a) promote the development of national strategies;
- (b) outline a mechanism for partnership in the implementation of strategies between civil society, business and government with transparent review mechanisms; and
- (c) be founded on scientific and evidence-based tools for gathering data, setting benchmarks and monitoring implementation.

## **Recommendations**

The OSCE should establish a mechanism for more systematic review of OSCE commitments based on partnership (with international organizations, civil society and the private sector), performance indicators, and peer dialogue.

The office of the Co-ordinator for OSCE Economic and Environmental Activities should increase its co-operation with global and regional organizations, civil society and international financial institutions in a move towards helping participating States more with the implementation of commitments.

Increased technical co-operation between the OSCE and participating States, and regionally or bilaterally was needed.

Field presences needed more support, including technical, for their ability to deliver successful projects on economic and environmental affairs.