



December 2024

Working on stable access to energy sources on a timely, sustainable and affordable basis in the OSCE

Independent Evaluation of the OSCE's work on Energy Security

The report provides an independent evaluation of the OSCE's work on energy security during the period 2010–2022, covering the work of the Office of the Coordinator for Economic and Environmental Activities (OCEEA) and of OSCE field operations (FOs) in Central Asia and South Eastern Europe. The report includes findings and conclusions related to the evaluation criteria of relevance, comparative advantage, effectiveness, coherence and gender/human rights mainstreaming, and recommendations for the OSCE.

> OSCE's Work on Energy Security

The OSCE's work on energy security is guided by several Ministerial Council Decisions (MCDs) which constitute a high-level mandate for the OSCE to engage on energy security matters. They direct the OSCE to increase its capacity to contribute to strengthening energy security but also cover other related policy areas. The MCDs are complemented by the OSCE Strategy Document for the Economic and Environmental Dimension, which underscores the importance of economic and environment co-operation to tackle emerging economic and environmental challenges and threats to security, to enhance security and stability through collaboration, and to prevent possible conflicts in the OSCE region. It includes a special section on energy, stressing that the OSCE will encourage an energy dialogue and make efforts to diversify the energy supply, ensure the safety of energy routes, and make more

efficient use of energy resources. Additionally, the document also points out that the OSCE will support further development and use of new and renewable sources of energy.

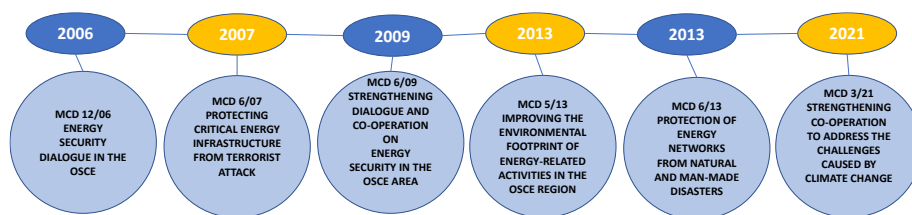


FIGURE 1 – KEY MCDs RELATED TO ENERGY SECURITY

Within the OSCE Secretariat, the OCEEA leads economic and environmental initiatives, including on energy security. The OCEEA collaborates with the OSCE FOs, and other OSCE executive structures, on activities aimed at enhancing the overall energy security of the participating States (pS). While some FO mandates refer directly to energy or energy security, others treat the theme more implicitly, and have broader mandates around economic and environmental activities. OSCE energy security mandates are translated into Unified Budget (UB) programmes, and implemented through various projects and activities. Funding sources include both the UB and extrabudgetary (ExB) contributions, with the total energy security-related budget over the evaluation period reaching approximately €13 million. However, some ExB projects have faced significant funding gaps between the projected budgets and the actual donor pledges (see below for OCEEA’s ExB projects).

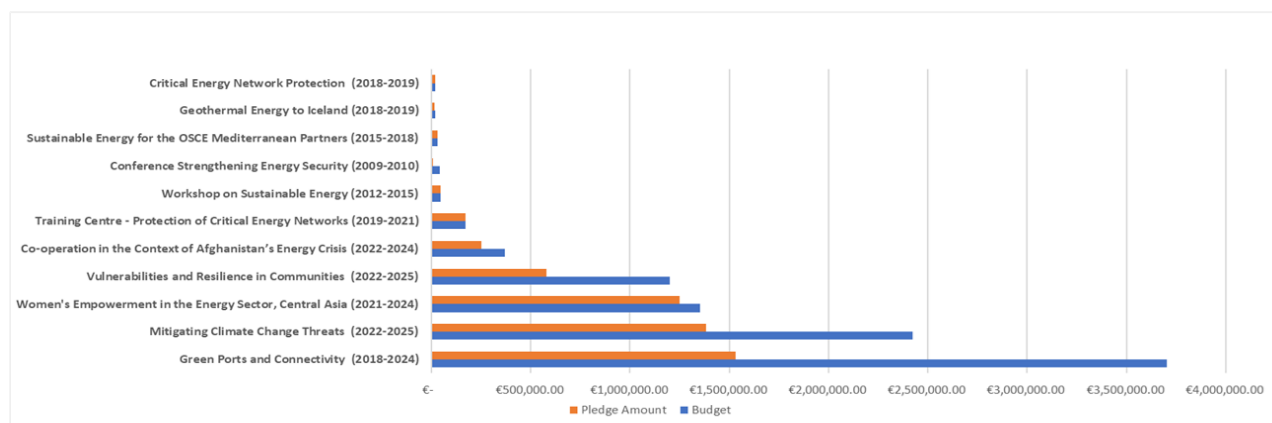


FIGURE 2 – OCEEA: ExB ENERGY SECURITY PROJECTS, BUDGETS, AND PLEDGES SINCE 2010

> About the evaluation

The evaluation applied a mixed-methods design using a range of data collection tools, including desk review, semi-structured on-site and remote interviews, and a survey. The data sources included MCDs, UB programme documents and other relevant documentation. The Programme Office in Dushanbe (POiD), one of the OSCE FOs with an explicit mandate related to the development of energy and transport, was selected for a field visit to better grasp the OSCE’s energy security work from a field perspective. Interviews at the POiD were complemented by remote interviews with staff working in five additional FOs with mandates and/or activities related to the energy sector as well as OCEEA staff. The survey was distributed to OSCE delegates of all 57 pS, inquiring on pS perception of the OSCE’s role in promoting energy security. The evaluation applied five criteria: Relevance (retrospective as well as future-oriented), Comparative Advantage, Effectiveness, Coherence (internal & external), and Gender/Human Rights Mainstreaming.



KEY FINDINGS

OSCE activities are relevant for energy policy challenges in the OSCE region and the needs of the assisted pS. Engagement intensity has however fluctuated with a renewed focus emerging around 2020. Modest financial resources, as well as limited human resources and technical capacity, limit the relevance of the OSCE energy security portfolio in quantitative terms while from the qualitative perspective there are some pertinent strategic initiatives — e.g., related to climate change — and promising community-based innovative pilot activities, also with gender components.

Key findings include:

- ✓ OSCE activities address challenges stemming from decentralization, decarbonization and, to some extent, digitalization trends. However, competition over precious metals—an issue with potential conflict implications—remains unaddressed.
- ✓ Good results were confirmed at the output level, mainly focusing on capacity-building, networking, knowledge exchange, and policy co-drafting.
- ✓ The OSCE achieves good value for money. However, budgetary and technical constraints prevent it from driving large-scale energy security transformations. At the same time, there is an understanding that the OSCE is not a development agency but a political organization and should act effectively on this premise.
- ✓ The OSCE has not carved out a well-defined niche aligned with its comparative advantage and security cooperation goals, which would help address the conundrum of its broad mandate but limited resources. There is currently also not a systemic approach to analyse the relationship between energy (in)-security and conflict.
- ✓ Although effective ad-hoc coordination between OCEEA and FOs was noted, there is no structured mechanism for internal coordination between the OCEEA and FOs, as well as within the Secretariat.
- ✓ Gender considerations are effectively mainstreamed within the OSCE's energy security portfolio, aligning with the Organization's commitments.
- ✓ Energy security-related monitoring and evaluation (M&E) systems remain underdeveloped and underutilized, particularly regarding the measurement of outcomes and impact.
- ✓ pS seem to have limited awareness of OSCE energy security achievements, while recognizing the activities they directly engage in.





CONCLUSIONS AND RECOMMENDATIONS

The evaluation concludes that the OSCE's energy security efforts align with its mandates and are relevant to its partners. However, some emerging themes remain only marginally addressed, and **the connection between energy security and conflict prevention is not a primary focus**. The extent to which the OCEEA advance the energy security agenda, including promoting regional co-operation, is mainly dependent on the mobilization of ExB resources. As the OSCE has only recently expanded its energy security work with the help of ExB funds, the evaluation did not find evidence for the OSCE's contribution to longer-term outcomes. Nonetheless, some of the smaller community-focused activities such as energy infrastructure provision, have effectively met local needs and delivered tangible benefits.

The OSCE's comparative advantage in terms of its field presence, accompanied by operational flexibility and an ability to grasp local realities, provide a strong platform for the Organization to punch above its weight when it comes to energy security. However, one of the hindering factors is that **internal coherence between the OCEEA and FOs, and to some extent also within the Secretariat, on energy security matters is not safeguarded by structured mechanisms**. There is also no high-level organization-wide strategic discussion, M&E framework, and coherent direction on the OSCE's energy security work.

The report includes **four recommendations** for the OCEEA to be implemented in coordination and with the support of other relevant stakeholders. First, it recommends to develop a **forward-looking internal OSCE Energy Security Strategy** to ensure overall coherence of the OSCE's energy security work, as well as related results' delivery. An in-depth analysis of the interrelation between energy security and the conflict cycle should feed into such strategy. Given the limited resources, focusing on fewer thematic areas and developing a niche for the OSCE would be important for results delivery at outcome levels. The evaluation suggests that risk reduction and the protection of infrastructure from human-made and natural disasters could be an example of such a niche.

Second, the evaluation recommends to establish an **OCEEA-FO mechanism for the co-ordination of (regional) projects** and activities in the energy security sector to improve the OSCE's leverage and consider economies of scale.

Third, the evaluation recommends to explore possibilities of **co-operation with donors implementing larger, "hard" infrastructure projects** that are relevant for the OSCE and where the Organization can add value, especially in terms of **complementing these interventions with "soft" components**, such as institutional capacity-building.

Finally, related to identified shortcomings on M&E, the evaluation recommends to develop and implement an **M&E framework** to improve periodic tracking of OSCE energy security results at all levels and plan for decentralized evaluations in line with the OSCE's Evaluation Policy. Such an M&E framework should be annexed to the OCEEA's Energy Security Strategy.