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**STATEMENT BY MR. VLADIMIR ZHEGLOV,
DEPUTY PERMANENT REPRESENTATIVE OF THE
RUSSIAN FEDERATION, AT THE 1177th MEETING OF THE
OSCE PERMANENT COUNCIL**

1 March 2018

In response to the report by the Co-ordinator of OSCE Economic and Environmental Activities

Mr. Chairperson,

We welcome the Co-ordinator of OSCE Economic and Environmental Activities, Ambassador Vuk Žugić, and thank him for his interesting report.

We note the outcome of the first preparatory meeting for the 26th OSCE Economic and Environmental Forum focusing on promoting economic progress and security in the OSCE area through innovation, human capital development, and good public and corporate governance. We are grateful for the Office's contribution to its preparation. The discussion underlined the growing relevance of the digital economy and the formation of a new technological environment. We trust that the second preparatory meeting on 24 and 25 May in Venice, which will be devoted to human capital development, will be just as successful.

We support the balanced and realistic approach by the Co-ordinator to defining possible focuses in the OSCE's work in the second dimension. It is gratifying to note that the prevention and combating of corruption, money laundering and the financing of terrorism remain fixed as key orientations. We agree on the utility of conducting specialist regional events on these subjects with the involvement of experts from the United Nations Office on Drugs and Crime, the Financial Action Task Force on Money Laundering and other specialist international bodies.

We note the ongoing work by the Office on economic connectivity with a focus on developing transport and streamlining customs procedures. Transport integration is a most important prerequisite for the development of economic co-operation and strengthening stability and security in the OSCE area.

We trust that the discussion on connectivity will continue to focus on integration alignment. This will help to build trust between participating States, create favourable conditions for business, attract investments and on the whole foster sustainable economic development throughout the OSCE area.

We hope that good use will be made of the Office's successful experience in the migration area. At this time of great political turbulence in territories adjacent to the OSCE area, the Office's experience in the effective management of labour migration flows is in greater demand than ever.

All participating States face common challenges posed by the risks of natural and man-made disasters. The Office should continue to help States in the exchange of the relevant information and in removing obstacles to timely and effective international aid.

We have noted the information on the Co-ordinator's work on assessing the impact of climate change on security. We continue to harbour serious doubts as to the "added value" of the Office's involvement in the complex discussion on this subject, which is mainly conducted within the United Nations.

The economic and environmental project activities by the field operations at the request of the host countries are an important asset of the OSCE. We note the increased co-operation by the Office with mission staff responsible for economic and environmental projects and their regular participation in events in the second dimension. At the same time, there is still a lack of transparency in the project activities of missions financed by extrabudgetary funds.

We agree with the distinguished Co-ordinator that his Office's potential is considerably restricted by the limited financial and human resources. I should like to remind you that from the very start of the budget discussions we have advocated the allocation of additional funds and the creation of new posts in the Office.

In conclusion, we should like to wish the distinguished Ambassador Žugić and his team every success in intensifying the work of the OSCE's second basket.

Thank you for your attention.