

Executive summary

The Organization for Security and Co-operation in Europe (OSCE) works for stability, prosperity and democracy in 56 States through political dialogue about shared values and through practical work that makes a lasting difference.

With its 56 participating States in Europe, North America and Central Asia, some 3,500 staff members in 19 field operations, several specialized Institutions and a Secretariat in Vienna, the OSCE is a primary instrument for early warning, conflict prevention, crisis management and post-conflict rehabilitation in its area. The Organization is recognized as a regional arrangement under the United Nations Charter.

In 2007, the Organization for Security and Co-operation in Europe took concrete steps to enhance the security of its participating States and Partners for Co-operation through a range of thematic activities. At the same time, the OSCE lived up to its role as a pre-eminent forum for dialogue by tackling controversial political topics with a view to building consensus or addressing differences constructively.

The OSCE: Forum for dialogue, platform for action

Fostering dialogue. The Organization fostered its role as a forum for dialogue, no matter how contentious the topic. The participating States debated a number of issues, including election observation standards, the Organization's legal status and plans for a U.S. ballistic missile defence system in Europe. The Russian Federation, a Treaty Signatory, convened an *Extraordinary Conference of the States Parties to the Treaty on Conventional Armed Forces in Europe* in Vienna in June, with OSCE logistical support.

Reaching political consensus. Culminating the year's work, the Ministerial Council in Madrid found consensus on a number of difficult issues and charted the Organization's future course. It solved the question of future Chairmanships from 2009 to 2011, lending the OSCE greater continuity, by choosing Greece, Kazakhstan and Lithuania, respectively, to chair the Organization. Kazakhstan will be the first Central Asian State and the first former Soviet State to chair the Organization. A number of other key decisions were reached on subjects such as the environment and security, tolerance and on issues relevant to the Forum for Security Co-operation, which represents the military dimension.

Intensifying co-operation with Partners. Also at the Madrid Ministerial Council, Ministers agreed to step up the OSCE's engagement with Partner for Co-operation Afghanistan, with a particular focus on intensifying OSCE action to help secure and manage borders between the OSCE's Central Asian participating States and Afghanistan, train police and support the fight against drug trafficking. They also established a Partnership Fund and agreed a *Declaration on the OSCE Partners for Co-operation*. Partner for Co-operation Israel hosted the annual *Mediterranean*

Seminar for the first time since 1996. The 13th *Seminar* was attended by 34 participating States and six Partners for Co-operation, including Mediterranean Partners Egypt, Jordan and Israel. The annual conference with the Asian Partners for Co-operation was hosted for the first time by Mongolia, attended by 21 participating States and by the five Asian Partners for Co-operation and Israel.

Tackling key practical challenges. The OSCE turned the spotlight on a number of pressing practical matters. A conference on *Public-Private Partnerships in Countering Terrorism* in Vienna resulted in a Ministerial Council commitment to actively involve the business sector and civil society in the fight against terrorism. The conference was a joint initiative of the Russian Federation and the United States (U.S.), with Spanish and U.S. funding. In another example, the *OSCE Chairmanship Conference on Intolerance and Discrimination against Muslims* delved into the causes of discriminatory behaviour and focused on developing solutions.

Major projects completed. The OSCE assisted Ukraine in clearing the Novobohdanivka ammunition site of unexploded ordnance, equipped the Ministry of Emergency Situations with detection and safety equipment and trained staff to dispose of ammunition safely.

In Armenia, the OSCE recycled 872 tons of the highly toxic and volatile rocket fuel component *Melange* into 4,972 tons of fertilizer and sprayed it on 1,243 hectares of land in September. The project was financed by Canada, Finland, Germany and the U.S.

Building confidence. The OSCE-led *Economic Rehabilitation Programme*, funded by 21 international donors with €8 million and designed to build confidence in the zone of the Georgian-Ossetian conflict, completed several drinking water pipelines, repaired the main Tskhinvali reservoir, constructed a new combined school and clinic and renovated several schools.

The OSCE worked to bring down the remaining barriers that divide communities in areas of conflict through visits, negotiations and a number of high-level political contacts. It sought to broker solutions not only in the Georgian-Ossetian conflict, but also in Moldova's breakaway Transnistrian region and in the conflict dealt with by the OSCE Minsk Conference or the Nagorno-Karabakh conflict. During the Madrid Ministerial Council meeting, Ministers adopted a *Statement* on the latter conflict. Russia's Minister for Foreign Affairs Sergey Lavrov, France's Minister for Foreign Affairs Bernard Kouchner and U.S. Undersecretary of State Nicholas Burns formally presented a set of *Basic Principles for the Peaceful Settlement of the Nagorno-Karabakh Conflict* to the Armenian and Azerbaijani Foreign Ministers for transmission to the Presidents of Armenia and Azerbaijan.

Enhancing security in all its dimensions

Based on the understanding that security touches on many aspects of our lives and how we are governed, the OSCE addresses a comprehensive range of subjects, which it has traditionally grouped into three areas, or dimensions. The Organization runs a plethora of programmes in each dimension. A small sampling of the work accomplished during the year is outlined below:

Politico-military dimension activities. The OSCE focused on combating the proliferation of illicit small arms and light weapons (SALW) as well as ensuring the safe stockpiling of conventional ammunition, both by setting standards and by tackling concrete projects. It held a Special Forum for Security Co-operation Meeting on *Combating the Illicit Trafficking of SALW by Air*. It also launched two joint projects with the United Nations Development Programme, one on *Capacity Building in Stockpile Management and Security of Small Arms and Light Weapons* in Belarus and a *Demilitarization Programme* in Montenegro. It continued its efforts to enhance the implementation of confidence- and security-building measures and held a special meeting on such measures.

The OSCE continued to work with participating States to improve security and management of their borders. It worked with Tajikistan's authorities to develop a number of major projects to strengthen its border controls. It also conducted a comprehensive border assessment in the Kyrgyz Republic. It trained border security officials across the region.

The Organization promoted police reform across the region. It provided training courses, workshops and international exchanges for police and police trainers in a number of countries of South-eastern Europe, the South Caucasus and Central Asia. It supported an approach to policing that builds trust by promoting police-public partnerships. It organized a four-month regional training programme for police dog handlers from Uzbekistan, Kazakhstan, the Kyrgyz Republic and Turkmenistan.

Economic and environmental dimension activities. The OSCE worked to help participating States modernize their economies and provide economic opportunities to their citizens. In Ukraine, it supported the expansion of a project estimated to attract some €140 million in investment and create more than 2,000 jobs in 2007-2008. In Bosnia and Herzegovina, 200 people found jobs and 50 businesses were started as a result of nine jobs fairs and 26 entrepreneurship seminars. In Belarus, Ukraine, Turkmenistan, the Kyrgyz Republic and Uzbekistan, the OSCE provided training for groups of entrepreneurs. In Georgia and Tajikistan, it funded or assisted resource, training and support centres for small- and medium-sized businesses. In Turkmenistan, it organized lectures on financial markets and engaged experts to explore the concept of community-based tourism.

Some 180 watercourses cross borders in the OSCE region; the Organization promoted co-operation to enhance their development, security and stability. In co-operation with partners, the OSCE worked on projects on the Sava River Basin, the Kura and Araks Rivers, the Chu and Talas Rivers, the Prypiat River and the Dniester River. In Madrid, Ministers agreed on a *Decision* on water management, marking the first time participating States reached a consensus in this area.

Human dimension activities. The OSCE is the leading organization promoting democratic elections in the region. In 2007 alone, the OSCE deployed more than 3,000 observers from 49 participating States to observe or assess 17 elections throughout Europe and Central Asia. Following up on recommendations in its election reports, the OSCE provided legal advice and technical assistance to improve participating States'

electoral frameworks. In Albania, it launched a major project to assist the Government in modernizing its civil registry and address system.

The OSCE more systematically monitored the situation of human rights defenders in the region and identified issues of concern. It issued a report highlighting threats to, and attacks on, individuals working to promote human rights throughout the OSCE region.

The OSCE also worked with participating States to develop an approach that is comprehensive and cuts across dimensions to combat the trafficking of human beings from prevention to reintegration of victims. It conducted needs assessments and aided participating States in setting up national referral mechanisms for cases of trafficking. At the Ministerial Council, Ministers agreed a *Decision on Combating Trafficking of Human Beings for Labour Exploitation*.