

25th ECONOMIC AND ENVIRONMENTAL FORUM

“Greening the Economy and Building Partnerships for Security in the
OSCE Region”

CONCLUDING MEETING

Prague, 6-8 September 2017

CONSOLIDATED SUMMARY

Conference documents can be retrieved from the Website: http://www.osce.org/event/25th_eef_2017

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LIST OF ABBREVIATIONS

ALMP	Active Labour Market Policies
CICA	Conference on Interaction and Confidence Building Measures in Asia
DRR	Disaster Risk Reduction
EAEU	Eurasian Economic Union
EBRD	European Bank for Reconstruction and Development
ECOSOC	United Nations Economic and Social Council
EEC	Economic and Environmental Committee
EED	Economic and Environmental Dimension
EEF	Economic and Environmental Forum
ENVSEC	Environment and Security Initiative
EU	European Union
FTA	Free-trade agreement
FFT	Food-for-Thought Paper
GDP	Gross Domestic Product
GUAM	Organization for Democracy and Economic Development
IIASA	International Institute for Applied Systems Analysis
ICT	Information and Communications Technology
ILO	International Labour Organization
MC	Ministerial Council
NAFTA	North American Free Trade Agreement
NGO	Non-governmental organization
OCEEA	Office of the Co-ordinator of OSCE Economic and Environmental Activities
PA	OSCE Parliamentary Assembly
PCU	Project Co-ordinator in Ukraine

PES	Public Employment Service
POiD	OSCE Programme Office in Dushanbe
pS	OSCE participating States
RCC	Regional Co-operation Council
RYCO	Regional Youth Cooperation Office of the Western Balkans
SDG	Sustainable Development Goal
SME	Small and medium-sized enterprises
SMM	Special Monitoring Mission
UNEA	United Nations Environment Assembly of UNEP
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
VERLT	Violent Extremism and Radicalization that Lead to Terrorism
WGER	Working Group on Economic Rehabilitation
WIIW	Vienna Institute for International Economic Studies
WTO	World Trade Organization

EXECUTIVE SUMMARY

The Concluding Meeting of the 25th OSCE Economic and Environmental Forum (EEF) on “Greening the Economy and Building Partnerships for Security in the OSCE Region” took place in Prague on 6-8 September 2017. During the three-day-meeting, the following thematic topics were addressed:

- Challenges and Opportunities to Strengthening Economic and Environmental Co-operation in the OSCE Area
- Reducing Environmental Risks and Strengthening Good Environmental Governance
- Strengthening Environmental Co-operation in Support of Resource Efficiency, Renewable Energy and Energy Security
- Promoting Economic Participation and Strengthening Stability and Security
- Promoting Connectivity and Building Trust and Business Partnerships in the OSCE Area
- Promoting Connectivity and Economic and Environmental Co-operation for Regional Security

More than 250 participants, including official representatives of OSCE participating States, OSCE field operations, institutions and Partners for Co-operation as well as experts from international, regional and non-governmental organizations (NGOs), the business community and academia attended the Concluding Meeting and engaged in constructive discussions on promoting connectivity, enhancing economic co-operation and good environmental governance.

The meeting elaborated on the 2030 Agenda on Sustainable Development Goals and the role, which the OSCE could play as a platform for dialogue working towards the implementation of the SDGs. It was emphasized that the harmonisation of economic growth, social inclusion and environmental protection are prerequisites for sustainable development. Increasing the access to economic opportunities and education could play a vital role in tackling radicalisation. The importance of protecting the environment, by focusing on environmental risk reduction and strengthening good environmental governance, was especially highlighted. The role of renewable energy and the need for ecological conversion was also stressed.

The debates highlighted that rising inequalities are undermining social cohesion. Good economic and environmental governance, economic participation and green economy are relevant to the OSCE in enhancing co-operation among participating States. The OSCE could also provide added value in other relevant fields such as energy transition. Co-operation on economic and environmental topics contributed to confidence-building, strengthening stability and improving living conditions in conflict regions. The role of new initiatives such as the One Belt One Road Initiative - with the OSCE as a relevant platform for stakeholders outside the OSCE area – was revealed.

The discussion on connectivity brought together diverging views and identifying achievable common objectives. International trade could be seen as an essential aspect of co-operation in an increasingly interconnected world. In conclusion, a meaningful and stronger political dialogue could help addressing the barriers that prevent closer economic integration, where the OSCE should play a more important role.

Opening Session

Welcoming remarks:

- **Martin Tlapa**, the Deputy Foreign Minister, Czech Republic
- **H.E. Hans Jörg Schelling**, Minister of Finance, Austria
- **Ambassador Vuk Žugić**, Co-ordinator of OSCE Economic and Environmental Activities

Keynote speeches:

- **H.E. Ol'ga Algayerová**, Executive Secretary, United Nations Economic Commission for Europe (UNECE)
- **H.E. Marie Chatardová**, President, UN Economic and Social Council (ECOSOC)
- **Prof. Jeffrey D. Sachs**, Special Adviser to the United Nations Secretary General António Guterres, on the Sustainable Development Goals (*via video conference*)

Moderator: Ambassador Florian Raunig, Head of 2017 OSCE Austrian Chairmanship Task Force

Rapporteur: Mr. Andreas Stadler, Minister Plenipotentiary, Deputy Head of Mission for the Economic and Environmental Dimension, Permanent Mission of Austria to the OSCE, 2017

Ambassador Florian Raunig, welcomed the keynote speakers, representatives of participating States, international organizations, and non-governmental organizations (NGOs).

Mr. Martin Tlapa, Deputy Foreign Minister, Czech Republic, expressed gratitude to the OSCE for convening the Concluding Meeting of the OSCE Economic and Environmental Forum in Prague. The topic of green economy was of high relevance to the Czech Republic, while Czech policies were reviewed in the 1990s aiming at greening the country's economy, drawing comparisons to participating States' efforts nowadays.

H.E. Hans Jörg Schelling, Minister of Finance, Austria, celebrating the 25th anniversary of the Economic and Environmental Forum, gave an overview of the development in the second dimension. He emphasized the interconnection between environment and economy, a link which had already been acknowledged during the first Economic Forum in 1993. Furthermore, he highlighted the importance of addressing transnational challenges not in isolation, but by means of international co-operation. The OSCE with its comprehensive security concept provided the proper tools to do so.

Ambassador Vuk Žugić, Co-ordinator of OSCE Economic and Environmental Activities, called the 25th anniversary of the Economic and Environmental Forum a significant milestone, providing opportunity to reflect on past achievements and the OSCE's added value. The 2017 topic of the Forum would offer great opportunity to enhance the continuity of the work in the second dimension. He suggested consolidating the results of the preparatory meetings in order to pave the way to the Ministerial Council in Vienna.

Prof. Jeffrey Sachs, Special Adviser to the United Nations Secretary General António Guterres on the Sustainable Development Goals, commended the OSCE's second dimension for its progressive trilogy between the economy, the environment and security. He said that man-made climate change could be felt around the globe and that its costs were significant. Climate change would bring the destabilisation of societies, more conflicts as well as mass migration. In order to counter these consequences, he identified three areas where the OSCE could add value: 1) energy transition and de-carbonisation, 2) food security and 3) increasing resilience.

H.E. Ol'ga Algayerová, Executive Secretary of the United Nations Economic Commission for Europe (UNECE), depicted the close co-operation between her organisation and the OSCE, inter alia with regards to projects in trans-boundary river basins, inland transport issues or border-crossing facilitation. The OSCE was also a key partner in the Aarhus Convention. She concurred with Minister Schelling that greening the economy would foster economic progress and should therefore be at the centre of participating States' efforts. She also introduced the findings and recommendations of the 2017 Review Report on "Reaping the security benefits of greening the OSCE economies".

H.E. Marie Chatardová, President of the UN Economic and Social Council (ECOSOC), presented the inter-organisational co-operation between the OSCE and her organisation since 1992. The work of ECOSOC was based on the three dimensions of sustainable development: the economic, social and environmental dimension. ECOSOC focussed on working towards the achievement of the 2030 Agenda for Sustainable Development. She warned of rising inequalities undermining social cohesion and of the effects of climate change. There could be no sustainable development without peace and *vice versa*. The 2030 Agenda, therefore, was a plan of action for people, planet and prosperity.

The floor was opened for discussion.

The representative of Azerbaijan welcomed the inclusion of the topics of greening the economy, environmental risk reduction, resource efficiency, and renewable energy. A special emphasis was put on trade facilitation as well as intra- and trans-regional transportation links. The promotion of connectivity and environmental co-operation could contribute to regional security, so long as principles guiding relations among participating States would be respected. He also welcomed the timeliness of the discussion to strengthen economic and environmental co-operation.

*Estonia, on behalf of the European Union*¹, emphasised the importance of possible Ministerial Council Decisions on economic participation as well as environmental co-operation and welcomed the balanced focus of the Austrian OSCE Chairmanship. He reiterated the EU's commitment to the Sustainable Development Goals and the Paris Agreement on Climate Change. The representative supported the work on both Decisions envisaged in the second dimension.

The representative of the Russian Federation was grateful for the relevant Agenda of the Concluding Meeting and the ideas expressed by the keynote speakers. He outlined measures that the country had taken to greening its economy, such as promoting the principles of green economy. He also emphasised the importance of further enhancing connectivity through transport networks and trade and acknowledged the second dimension's potential to further co-operation.

The representative of Switzerland highlighted the untapped potential of the second dimension. He urged all participating States to reach concrete conclusions and common ground at the Concluding Meeting. The representative was looking forward to promoting connectivity, thus building upon the 2016 Ministerial Council Decision. In conflict contexts, economic co-operation could be essential to rebuild confidence. The representative welcomed the Chairmanship's focus on the Sustainable Development Goals.

The representative of Kazakhstan recalled the 2016 Ministerial Council Decision on Good Governance and Connectivity and its potential to guide future activities in the second dimension. The momentum should be used to further progress towards the vision of a security community from Vancouver to Vladivostok, as expressed in the 2010 Astana Commemorative Declaration. He also emphasized the role of the OSCE as a platform to work towards the implementation of the Sustainable Development Goals.

The representative of Turkey stated that the topics of good governance, building partnerships, economic participation and green economy have relevance for security and called for the OSCE to enhance co-operation among pS in these areas.

The representative of Belarus declared the 25th anniversary as a chance to reflect on the future outlook of the organisation as well as on the great number of achievements during the past 25 years. He presented ideas to strengthen the second dimension: pS should focus on the integration function of the second dimension and joint meetings of all three Committees on cross-cutting issues should be organized; The co-operation between the OSCE and other international organisations should further be strengthened; and the potential of the OSCE's second dimension as a platform for dialogue must be tapped. Belarus expressed its support for boosting the second dimension.

The representative of Georgia, aligning herself with the EU statement, added that strengthening economic and environmental co-operation, environmental risk reduction, good governance, as well as enhancing energy efficiency through resource efficiency and renewable energy, are among the top priorities of the country. She appreciated the ENVSEC

¹ The Candidate Countries: the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Albania, the Country of the Stabilisation and Association Process and Potential Candidate Bosnia and Herzegovina, and the EFTA country Norway, member of the European Economic Area, as well as Ukraine, Georgia and Andorra aligned.

Initiative and highlighted the second dimension as a good platform to review the implementation of OSCE commitments.

The representative of the United States of America supported OSCE's co-operation with UNECE and ECOSOC as well as the implementation of the 2030 Agenda for Sustainable Development. Addressing economic development, connectivity, good governance and environmental concerns were critical to security in the OSCE region. A possible decision on economic participation would help pS to also meet OSCE commitments in the fields of combating corruption, improving governance and countering violent extremism. A possible decision on environmental co-operation would help to meet commitments regarding water and energy security, disaster risk reduction, good governance and connectivity. He highlighted the role of climate change as a direct threat to all pS.

The representative of Armenia said that an environmental-friendly economy was a priority for the country. Aarhus Centres have helped Armenia to enhance the role of green indicators in economic decision-making. He emphasised that economic participation was a human right, encompassing all people, including in conflict areas.

The representative of the Holy See stated the importance of protecting the environment, by focussing on environmental risk reduction and on strengthening good environmental governance. Environmental degradation and its impact on migratory pressures could contribute to conflicts. Furthermore, climate change would further magnify environmental challenges and mainly affect the poor. He urged to address these challenges in economic, environmental and social terms. He emphasised the role of renewable energy and the need for ecological conversion, also with a view to the 2030 Agenda for Sustainable Development.

Break-Out Session: Challenges and Opportunities to Strengthening Economic and Environmental Co-operation in the OSCE Area

Speakers:

- **Mr. Thomas Mayr-Harting**, Managing Director for Europe and Central Asia, European External Action Service (EEAS)
- **Dr. Eric Frey**, US expert, Journalist and Managing Editor, Der Standard, Austria
- **Ambassador Livia Leu**, Head, Bilateral Economic Relations Division, State Secretariat for Economic Affairs (SECO), Federal Department of Economic Affairs, Education and Research (EAER), Switzerland
- **Ambassador Kairat Sarybay**, Chairperson of the OSCE Economic and Environmental Committee, Permanent Representative of the Republic of Kazakhstan to the International Organizations in Vienna

Moderator: Mr. Andreas Stadler, Minister Plenipotentiary, Deputy Head of Mission for Economic and Environmental Dimension, 2017 OSCE Austrian Chairmanship

Rapporteur: Ms. Brigitte Krech, Economic and Environmental Affairs Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Mr. Andreas Stadler, Minister Plenipotentiary, Deputy Head of Mission for Economic and Environmental Dimension, 2017 OSCE Austrian Chairmanship, outlined the Economic and Environmental Forum as an opportunity of co-operation in the OSCE region for a quarter of a century. “Greening the economy and building partnerships for security in the OSCE Region” was chosen by the Austrian Chairmanship to discuss security-related challenges in the economic and environmental field. Mr. Stadler presented some guiding questions to be elaborated: 1. How to assess the OSCE’s contribution on economic and environmental topics within the discussion on stability and security? 2. Which role does the EED play today? 3. How to let different economic integration processes (such as EU, EAEU, or NAFTA) co-operate in order to achieve stronger synergies? 4. Furthermore, what kind of role do new initiatives play, such as the ‘One Belt One Road Initiative’, which leads to the following question how could the OSCE be a relevant platform for stakeholders outside the OSCE area (such as China). 5. In which way does co-operation on economic and environmental topics contribute to building confidence, strengthening stability, and improving living-conditions in conflict regions? The Moderator also stated if the OSCE’s field presences could play a more active role in the EED. 6. What are the expectations towards future Chairmanships on their EED-priorities?

Mr. Thomas Mayr-Harting, Managing Director for Europe and Central Asia, European External Action Service (EEAS), noted the importance of the Economic and Environmental Dimension (EED) on the OSCE’s comprehensive security approach. The EU’s global strategy has recognized the OSCE as a pillar to European security. Mr. Mayr-Harting

emphasized the commitment to strengthening co-operation between the EU and the OSCE. The Chairmanship has offered interesting initiatives, which are worth continuing. The speaker briefed on some EU instruments, such as the European Neighbourhood Policy, aimed at stabilizing the neighbourhood using a tailor-made approach and enhanced ownership by all policy stakeholders. Economic development is crucial to stabilization and resilience, where the OSCE can provide an important contribution. The European Union is helping partners to work on certain standards such as in the environmental field. Greening the economy and building partnerships for security as a regional value can build stronger links between pS with positive spillover effects and contributing to stability. Mr. Mayr-Harting briefly mentioned the Paris agreement as a priority to the EU. He finally referred to connectivity and the discussion on Eurasian connectivity through the One Belt One Road Initiative.

Dr. Eric Frey, US expert, Journalist and Managing Editor, Der Standard, Austria, noted a certain lack of interest in multilateral diplomacy by the current administration of the United States of America. A specific interest was shown in economic and environmental co-operation. Dr. Frey gave further examples in the fields of climate policy (e.g. Paris agreement), free trade (e.g. NAFTA) and referred to the political and economic relation between the United States of America and the Russian Federation. Dr. Frey summarised that the American economic and foreign policy is currently shaped by a lack of personnel resources, which could change in the next few months.

Ambassador Livia Leu, Head, Bilateral Economic Relations Division, State Secretariat for Economic Affairs (SECO), Federal Department of Economic Affairs, Education and Research (EAER), Switzerland, stated that in an increasingly interconnected world, co-operation is of utmost importance. She mentioned the principle ‘think globally – act locally’ to be applied. Ambassador Leu reiterated the significance of OSCE’s field presence. Last year’s Hamburg Ministerial Council Decision provided new impetus to the EED. The discussion on connectivity is bringing together diverging views and identifying achievable common objectives. She further explained the contribution of Switzerland to the connectivity-agenda. International trade is an essential aspect of co-operation and connectivity. Conflicts have a very negative impact on trade and economic relations. Furthermore, water is becoming a rare commodity. Sustainable water resources management is closely linked to environmental challenges, which could be of growing interest to the OSCE. Ambassador Leu mentioned that Switzerland had launched the ‘Blue Peace’ initiative in Central Asia, providing a political dialogue on challenges to managing trans-boundary water resources, strengthening trust and exchanging technical information.

Ambassador Kairat Sarybay, Chairperson of the OSCE Economic and Environmental Committee, Permanent Representative of the Republic of Kazakhstan to the International Organizations in Vienna, briefed on the long history of Kazakhstan’s commitments in international negotiations, mediation and actively engaging in peace talks. Ambassador Sarybay stated that Kazakhstan hosted the OSCE Summit. All activities fostered the understanding of a nexus of peace and development. He briefed on internal development projects such as institutional reforms. Connectivity is a priority for the country being the largest landlocked country, while seeing the opportunity as a ‘land-linked’ country, as a connecting bridge between continents, in trade and culture. Ambassador Sarybay provided a reference to the Eurasian Economic Union as well as to CICA (Conference on Interaction and Confidence Building Measures in Asia) and the Shanghai Cooperation Organization. It was emphasized to integrate the country in global transit and trade-networks between Asia and

Europe, where the OSCE can contribute to greater compatibility between regional economic and transport integration. It was also highlighted to strengthening these networks and to encourage the private sector to actively participate. Amb. Sarybay explained that the country is interested to promote the Eurasian dimension of the OSCE since Asia is becoming a global driver in the economy and offering new opportunities. The Economic and Environmental Dimension of the OSCE should be strengthened to make best use of its tools. A strong resource back-up is, therefore, needed.

The floor was opened for discussion.

A representative of the Russian Federation briefed on the importance of the selection of priorities for consideration of the pS. New themes and concepts are vital to be included in order to strengthening the future co-operation in the second dimension. Examples were provided such as ‘connectivity’, initiated by the 2016 OSCE German Chairmanship; ‘green economy’ initiated by the 2017 OSCE Austrian Chairmanship as well as ‘digital economy’ proposed by the incoming 2018 OSCE Italian Chairmanship, where risks and benefits of digital economy can be discussed. A question was raised to identify some emerging issues, which could be of interest to the OSCE, while strengthening stability and security in the OSCE region.

Mr. Thomas Mayr-Harting summarized that the overall situation, with regards to the economic situation, is fundamentally different in the OSCE area in the 1970s. He also briefed on the long-term attractiveness of free-trade. Risks and challenges on trade and sustainable development could further be discussed by pS. Trade agreements should be compatible. Work of other international organizations should not be duplicated. The OSCE, as a platform, can continue to share best-practices. The role of field missions was highlighted in view of e.g. early warning.

Dr. Eric Frey stated the idea of the OSCE was driven by global co-operation. The OSCE indeed presents the idea of global governance. These ideas are currently under certain pressure. Working together is the only way to solve global problems, which could be the contribution of the OSCE with regards to e.g. migration, where pragmatic approaches are needed.

Ambassador Livia Leu raised the importance of accession to the WTO to decrease challenges of incompatibility. The OSCE could continue to work on promoting high standards among pS, especially in the field of environment, good governance or anti-corruption. Other topics include resources, which have been tackled through the discussion on future energy at the EXPO 2017 in Astana.

Ambassador Kairat Sarybay reiterated the need for the OSCE to not duplicate the work of international organizations. He briefed how to share experience from the EAEU to the WTO and identified three key areas, which might be of interest to the OSCE in the future, namely migration, food security and ICT.

Session I: The Way to Vienna

Moderator and Introduction: Ambassador Florian Raunig, Head of 2017 OSCE Austrian Chairmanship Task Force

Rapporteur: Dr. Bernd Forster, Counsellor, Task Force for the 2017 OSCE Austrian Chairmanship

Ambassador Florian Raunig, Head of the 2017 OSCE Austrian Chairmanship Task Force, opened the Session by summarizing the two food-for-thought papers (FFT papers) circulated by the 2017 OSCE Austrian Chairmanship (EEF.GAL/18/17) and by inviting delegations to comment on the Chairmanship's intention to work on two Ministerial Council decisions on "Promoting Economic Participation in the OSCE Area" and on "Greening our Economies and Fostering Environmental Co-operation in the OSCE Area".

Estonia, on behalf of the European Union, expressed full support for promoting Ministerial Council decisions both on economic participation and on environmental cooperation. The Preparatory Meetings of the Economic and Environmental Forum as well as the Ambassadorial Retreat in Linz had shown the relevance of both topics for the common security in the OSCE area. He emphasized the multi-faceted nature of economic participation and its possible contribution to the prevention of radicalisation through good governance, job creation, education and labour market participation. With a view to environmental co-operation, he supported the Chairmanship's focus on environmental risk reduction, renewable energy and energy efficiency, good environmental governance, green economies and sustainable development.

The representative of France announced strong support to the envisaged Ministerial Council decisions on economic participation and environmental co-operation at the Vienna Ministerial Council. Regarding a Ministerial Council decision in the environmental sphere, she underlined that environmental challenges were a threat multiplier and urged delegations to act in environmental matters since the Ministerial Council had not been able to agree on a decision on environmental matters since the Swiss Chairmanship in 2014.

The representative of Switzerland thanked the Austrian Chairmanship for the FFT papers and expressed support for both Ministerial Council decisions envisaged by the Chairmanship. With regard to economic participation, he recognized that there was a link between economic participation and peaceful societies, and emphasized the importance of the empowerment of women and of good governance. With regard to environmental co-operation, he stressed the relevance of environmental risk reduction, the positive role of Aarhus Centres and the link to the Sustainable Development Goals (SDGs).

The representative of Georgia shared the Chairmanship's approach to focus on both pillars of the EED and expressed a positive initial reaction. She announced support for both topics and

underlined their relevance for sustainable development and security. The elements of the FFT papers were a good basis to work towards the Ministerial Council.

The representative of Spain emphasized the importance of the participation of youth and women in order to properly address security challenges arising in the context of economic participation. She supported the Chairmanship's well-balanced approach and highlighted the importance of youth, green economies and the SDGs. Regarding the role of youth, she suggested a reference to those recommendations of the OSCE 2017 Youth Conference in Malaga that are relevant for the topic of economic participation.

The representative of Germany expressed full support for both Ministerial Council decisions and underlined the necessity to agree on an environmental decision, which should also reflect the importance of energy efficiency and renewable energy.

The representative of Serbia also expressed full support for both Ministerial Council decisions and emphasized that both decisions had the ability to further strengthen the EED. The Sustainable Development Goals and efforts to greening the economies were of particular relevance.

The representative of the United States of America stated a positive first reaction to the FFT papers and acknowledged the potential of both topics to strengthen stability and security in the OSCE region. He suggested including aspects of labour migration in a Ministerial Council decision on economic participation. Furthermore, he asked the Chair whether there were any research papers showing clear empirical links between economic participation and radicalisation.

The representative of Armenia appreciated the FFT papers as a good basis for further discussions. He emphasized the confidence-building potential of both topics and underlined the importance of the protection of social and economic rights of all people, including those in conflict areas.

The representative of Canada expressed support for both Ministerial Council decisions and emphasized the relevance of the empowerment of women and youth for economic participation as well as the importance of climate change adaptation and mitigation and sustainable development for co-operation in the environmental sphere.

The representative of Belarus commended the coherence between the environmental topics at the Concluding Meeting of the Economic and Environmental Forum and the intention to put forward a Ministerial Council decision on environmental co-operation. He emphasized that the challenge of economic participation must be tackled on both macro level and micro level, with a focus on business environment and women.

The representative of the Russian Federation underlined the importance of an early distribution of the draft Ministerial Council decisions in order to have enough time for consultations and negotiations. With regards to economic participation, he emphasized his preference for a text with a clear focus on aspects relevant to the Second Dimension. Otherwise, additional time for intra-governmental consultations with experts in other Ministries and agencies would be needed.

The representative of Kazakhstan welcomed the FFT papers and supported both topics for Ministerial Council decisions. With a view to economic participation, he underlined that his country was aiming to create an economic and social environment which helped to counter violence and extremism. With a view to environmental co-operation, he highlighted the relevance of the Sustainable Development Goals and expressed his optimism that OSCE pS would be able to agree on a Ministerial Council Decision in Vienna.

Ambassador Florian Raunig summarized that there was appreciation for the FFT papers as well as strong support for two Ministerial Council decisions on “Promoting Economic Participation in the OSCE Area” and on “Greening our Economies and Fostering Environmental Co-operation in the OSCE Area”. With a view to economic participation, he acknowledged the importance of economic empowerment of women and youth, as emphasized by several delegations, and the close link to good governance, strong institutions, employment and social inclusion. With a view to environmental co-operation, he acknowledged the broad support of several delegations and underlined the importance of the SDGs.

Session II: Reducing Environmental Risks and Strengthening Good Environmental Governance

Speakers:

- **Mr. Mahir Aliyev**, Regional Coordinator, UN Environment Programme - Europe Office (UNEP)
- **Professor Maia Bitadze**, Deputy Minister of Environment and Natural Resources Protection, Georgia
- **Mr. Mutallim Abdulhasanov**, Head of Ecology Policy Sector, Ministry of Ecology and Natural Resources, Azerbaijan
- **Ms. Natalya Zharkina**, Head of the Department of Environmental Policy and Science, Ministry of Natural Resources and Nature Protection, Republic of Belarus
- **Mr. Ralf Ernst**, Deputy Co-ordinator/Head of Environmental Activities, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Moderator: Ambassador Véronique Roger-Lacan, Permanent Representative of France to the OSCE

Rapporteur: Ms. Claire Nantier, Counsellor, Permanent Representation of France to the OSCE

Ambassador Véronique Roger-Lacan, Permanent Representative of France to the OSCE, introduced the session by stressing that the last OSCE decision on environmental issues was adopted in 2014. Many developments have occurred since then and reports had been published providing us with more information on security related issues that may result from environmental degradation. The adoption of the Paris Agreement on climate change and the SDGs had contributed to our security, but much remained to be done.

Mr. Mahir Aliyev, Regional Coordinator, UN Environment Programme - Europe Office (UNEP), stated that the 2030 Sustainable Development Agenda was a guiding framework in which they were operating. It aimed at taking care of people and the planet in order to reach peace and prosperity. Partnerships were needed in this context. The question was how to build them. The task of UNEP was to pursue the environmental objectives of the Agenda. He underlined that the OSCE was a long-standing partner, in particular within the ENVSEC Initiative. After around ten years, they had achieved tangible results, for example they identified hotspots where security risks exist, addressed situations where conflicts led to environmental degradation, and strengthened transboundary co-operation. The OSCE had an instrumental role to deal with these hotspots on the ground and the role of its field operations was key. He stressed that building knowledge together with other partners was a prerequisite to build partnerships. He hoped it would be possible to continue to rely on the OSCE to address political fora such as this one.

Professor Maia Bitadze, Deputy Minister of Environment and Natural Resources Protection of Georgia, underlined that the topic of the Session was very important for the Caucasus region. The primary goal of her country was to implement international agreements, EU policies and SDGs in order to improve human well-being. Georgia was one of the 22 countries that presented national voluntary reviews at the UN High Level Political Forum on Sustainable Development. The coordination on SDGs was directly ensured by the Prime Minister and the aim was to prioritize targets that should be implemented at an initial stage. The UNECE conference in Batumi was an opportunity to endorse a Pan-European framework for green economy and four voluntary agreements were made by Georgia. Including all stakeholders on these issues, in particular civil society, was needed. Knowledge and awareness-raising were essential, as well as all forms of education. Georgia, together with Mongolia, prepared the UNEA resolution on environmental education that was adopted last year. She underlined the OSCE and the ENVSEC Initiative as the main players on the topic of the link between environment and security. Transboundary co-operation was one of the most efficient tools to reduce environmental risks and she highly appreciated the work carried out by the OSCE in Georgia and Azerbaijan on water cooperation. The most recent fires in August led to considerable environmental damage in her country and she thanked the neighboring countries for the assistance provided.

Mr. Mutallim Abdulhasanov, Head of Ecology Policy Sector, Ministry of Ecology and Natural Resources of Azerbaijan, regretted that the current growth model continued to deplete natural resources. In South-Caucasus, water resources were a problem, as they were impacted by growing demand from industry and agriculture. It should be noted that the development of agriculture focused on protecting the quality of water resources. His country had one of the most important waterbodies being used by neighboring countries. He stated that transboundary pollution had a negative impact on the environmental status of water resource and posed a threat to health. In this context, coordination was ensured in line with various treaties. While new infrastructure was created, the one being currently used was upgraded. Co-operation with other countries was very important and he positively assessed the work carried out by the OSCE, in particular the project promoting co-operation between Georgia and Azerbaijan. This Forum brought an important contribution to establish links.

Ms. Natalya Zharkina, Head of the Department of Environmental Policy and Science, Ministry of Natural Resources and Nature Protection of the Republic of Belarus, underlined that Belarus adapted its strategic documents in line with SDGs and said that the President had named a national coordinator. The social and economic development programme for 2016-2020 supported environmental sustainability to upgrade the situation. The outcome of the Batumi conference was also taken into account. Moreover, work was carried out to motivate the society in order to greening the economy, together with the OSCE and the Aarhus Centres. Thanks to efficient international assistance, the country was in a position to achieve its aim of raising awareness and it was possible to count on tangible results. Furthermore, some courses were taught at university. She underlined that Belarus was taking its responsibilities seriously with regard to climate change and was using climate modeling to help mitigate environment impacts in the future.

Mr. Ralf Ernst, Deputy Co-ordinator/Head of Environmental Activities, Office of the Co-ordinator of OSCE Economic and Environmental Activities, reminded that environment and security were linked: environmental degradation could cause conflict whereas environmental

co-operation could contribute to good neighbourly relations, conflict prevention and confidence-building. He mentioned the documents adopted that constitute the OSCE mandate and recalled that no guidance had been given to the Secretariat on environmental co-operation since 2014. Very important documents, such as the 2030 Agenda, the Sendai Framework and the Paris Agreement, had been adopted since and it was important to make sure that the work of the OSCE was in line with these developments. The activities of the Organization had a transboundary nature and the field operations were essential for this work to be carried out. The OSCE promoted transboundary water co-operation, for example through the Dniester Treaty, the Chu-Talas River Basin Commission and the draft Kura river basin agreement, as well as gender mainstreaming in water management. On climate change, the OSCE conducted participatory workshops last year, which resulted in climate change security assessments in Central Asia, South Caucasus and Eastern Europe. The aim was to identify hotspots of climate change and security. The OCEEA was also active on wildfire management, flood risk reduction, hazardous waste management, prevention of waste trafficking, and support of participatory processes. He stressed that the meeting of the parties to the Aarhus Convention would take place a few days later. The importance of the Partners for Co-operation was also highlighted. Finally, he underlined the need for the pS to tell the OCEEA how it could assist them and concluded by saying that the Ministerial Council would provide a good opportunity to do so.

The floor was opened for discussion.

Estonia, on behalf of the European Union, underlined that the EU played an active role throughout the process leading towards the adoption of the SDGs and the Paris Agreement and was committed to their implementation within the EU and in co-operation with partner countries. The 2030 Agenda reflected many of the EU's priorities for sustainable development. The EU had presented its response to the 2030 Agenda and the SDGs and adopted a sustainable development package. She underlined the importance of the ENVSEC Initiative and the Aarhus Centres, which contributed to the work of the OSCE. She asked the speakers if they saw specific areas or topics that would be valuable additions to the commitments already made.

The representative of Austria asked if there was scope for more regional co-operation, more joint projects among field operations, in particular in the Western Balkans or Central Asia.

The representative of Armenia underlined that the OSCE was well-placed to support regional co-operation, also through partners on the ground like ENVSEC. He stressed that natural disasters were also opportunities for co-operation and confidence-building as the wildfires in Georgia had illustrated. Local communities and civil society were important partners and he reminded that Armenia was the country hosting the biggest network of Aarhus Centres.

The Permanent Representative of Belgium stated that access to safe drinking water was a basic right. It was nevertheless a challenge due to the lack of sufficiently safe drinking water. The connection with our daily work at the OSCE was the risk of conflict it could lead to. He said that even partial contribution could be delivered, even if trust was lacking. Management of water quality, pollution of water and pricing policies were important topics. Sharing best practices was needed, instead of imposing solutions. He announced that Belgium had just published its national voluntary report on the implementation of SDGs.

Mr. Mahir Aliyev said that in our daily reality, the environment usually took the very last place when decisions were made. A paradigm shift was needed and it was necessary to have a dialogue between policymakers and scientists to identify the linkages between environment and security, as well as to build diplomatic instruments that can establish an international regime on this issue. He stressed that the OSCE was the primary organisation dealing with security in the region and it would be very useful to recognise and isolate the environmental components in conflicts in order to develop solutions.

Professor Maia Bitadze put an emphasis on the need to enhance co-operation on awareness-raising.

The representative of Switzerland stated that the knowledge of the local population should be used in the field of disaster risk reduction. He advocated in favor of adopting a decision in Vienna that reflected the Sendai Framework. As climate change was a growing threat, it should also appear in the decision to highlight the evolving discussions on this topic.

The representative of Slovenia stressed the experience of her country in the field of environmental technologies (e.g. water and solar). Some of the national efforts were presented during the last EEDIM. Cross-border co-operation was key to be efficient in the long term, hence Slovenia's special focus on the countries of the Western Balkans. She asked how the OSCE could promote dissemination of best cases as well as knowledge transfers and if the establishment of a regional platform could be an option to do so.

The representative of Romania asked if the OSCE field operations needed to see their mandates expanded in the field of environment to be able to increase their activities.

Mr. Mutallim Abdulhasanov stressed the need for trust and political will in order to co-operate, as nothing can be achieved solely through documents. The OSCE needed to work more closely with Participating States and take local aspects into account.

Ms. Natalya Zharkina stated that her country would not have been able to move forward so far if the EU had not provided them with such financial assistance. There was a need to establish priorities and out of the 17 SDGs, environmental aspects were considered as the most important ones.

Mr. Ralf Ernst stressed that there was always a potential to do more in the field of the environment. Field operations were negotiating their mandates with the host country. He considered the suggestion related to a regional platform for environmental issues in the Western Balkans as a very good idea. Wildfires, that occurred this summer, had the same origins and it would be useful to compare the different reactions, which lessons were learnt and if additional capacity building was needed. The issues of climate change, water management and disaster risk reduction were closely linked and formed a nexus. He concluded by saying that the consequences of climate change would become an even more important part of the OSCE's work.

Session III: Strengthening Environmental Co-operation in Support of Resource Efficiency, Renewable Energy and Energy Security

Speakers:

- **Mr. Aleksandar Dukovski**, Chair of the UNECE Group of Experts on Energy Efficiency, Director of Energy Agency, the former Yugoslav Republic of Macedonia
- **Dr. Marat Zhumagulov**, Deputy Director of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan
- **Ms. Olivera Zurovac-Kuzman**, National Environmental Affairs Officer, OSCE Mission to Serbia
- **Ambassador György Szabo**, Head of the OSCE Programme Office in Astana

Moderator: Ambassador Roksanda Ninčić, Permanent Representative of Serbia to the OSCE

Rapporteur: Mr. Uroš Milanović, Attaché, Permanent Mission of the Republic of Serbia to the OSCE

Ambassador Roksanda Ninčić, Permanent Representative of Serbia to the OSCE, presented the topic and highlighted the significance of energy security, resource efficiency and renewable energy. The Moderator also pointed out that energy efficiency is considered to be the “first fuel”, since the efficient use of any fuel should be the primary benchmark in achieving energy security.

Mr. Aleksandar Dukovski, Chair of the UNECE Group of Experts on Energy Efficiency, Director of Energy Agency, the former Yugoslav Republic of Macedonia, stressed the importance of energy efficiency and why it is considered to be the “first fuel”, emphasizing that countries around the world are not using this principle, opting instead to focus solely on renewable energy. He mentioned the agreements reached regarding the issue of environmental security, such as the Paris agreement on Climate Change, as well as the UN 2030 Agenda for achieving the Sustainable Development Goals. Mr. Dukovski also stated that the first priority of the UNECE is sustainable development of all people, since, even in the 21st century, one out of five individuals across the globe still lack basic access to electricity and cooking fuel. In order to achieve a complete coverage for the essential human needs of all, it is necessary that countries triple current investments in this field. UNECE is focusing its attention to best policy practices, improving standards in building construction, as well as industrial energy efficiency. The flagship projects include providing full access to electricity and energy fuel to the population, while paying attention to the core concept of energy efficiency. In the region of South-Eastern Europe, the speaker highlighted the fact that for the past 20 years the region has witnessed continuous growth of energy usage. However, the efficiency of the energy output has remained very low. It was necessary to strengthen both the efficiency and the intensity of the entire industrial and energy production in order to make the region more self-sufficient. Mr. Dukovski mentioned the example of the former

Yugoslav Republic of Macedonia, which imports almost 30% of its energy, and at the same time is experiencing a brain-drain, which further leads to importing of new technologies and experts in the field of energy. He stated that the main issue of policy makers is the lack of certainty when investing in renewable energy or the improvement of energy efficiency. Low income levels in South-Eastern Europe affect the prices of energy-services providers; which, then, disrupts competitiveness of companies and leads to an “enchanted circle” of poor energy distribution, low level technology and disregard of energy efficiency.

Dr. Marat Zhumagulov, Deputy Director of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, spoke about the legal framework of Kazakhstan in the field of environmental protection. Dr. Zhumagulov pointed out that in Kazakhstan there are approximately 30 legislative acts which directly or indirectly influence the ecological sphere, with the primary focus of advancing the economy while keeping an elaborate system of environmental protection. Kazakhstan has a consistent policy in the implementation of ecological norms. One of the most important legal acts in this area is the “Ecological Code of Kazakhstan”, which, in practice, represents a codified legal act containing all norms and references from all environmental laws of the country. The Code has specific provisions on international norms and environmental agreements achieved so far, and Kazakhstan is very active in the promotion of international initiatives which focus on environmental protection. The speaker referred to the recently held Second Preparatory Meeting of the OSCE Economic and Environmental Forum, which was organized in Astana in June 2017, on the margins of the EXPO 2017 on Future Energy – a high-level event on new technologies in the area of renewable energy and energy efficiency. He also recalled that Kazakhstan suggested the creation of an Ecological Forum within the OSCE, which could deal with issues such as the protection of the Aral Sea, cleaning of radioactive residues from previous nuclear testing sites etc. This initiative, along with many others such as the Green Bridge Event, was supported directly by the President of Kazakhstan. Furthermore, Dr. Zhumagulov referred to planning. Kazakhstan is trying to accomplish a three-sided agenda – the creation of a balanced approach to ecology, energy and economy. In the first phase of the plan, adopted in 2013, for a complete overhaul of Kazakhstan’s economy into purely green economy, envisages optimization of resource usage, the creation of a framework for “green infrastructure” and environmental protection to be achieved by the year 2020. In the second phase, during 2020 - 2030, the focus is set on transforming the national economy, the rational use of water and renewable energy. The final stage is planned to be achieved by 2050, which will be a complete conversion to a green economy, based on the principles of the so-called “Third Industrial Revolution”. Along with the mentioned processes, Kazakhstan started with a public awareness raising campaign, focused on the issue of green economy reform.

Ms. Olivera Zurovac-Kuzman, National Environmental Affairs Officer, OSCE Mission to Serbia, spoke about the situation concerning environmental protection in Serbia as well as the climate change impacts and public awareness-raising. She highlighted a wide array of activities of the field office, which is primarily focused on strengthening of legislative in Serbia through the adoption of the EU acquis, as well as the enforcement of existing environmental laws. The OSCE Mission to Serbia mainly works on capacity building measures for a wide-ranging scope of public and private stakeholders, especially the judiciary and policy makers, through the organization of trainings and seminars. Ms. Zurovac-Kuzman mentioned that Serbia recently ratified the Paris Agreement on Climate Change, and the implementation of its norms has already begun. There is a comprehensive approach in awareness-raising on climate change, initiated by the Ministry of Environmental Protection,

which was now, for the first time, formed as a stand-alone Ministry in Serbia. She recalled the 2014 devastating floods, which affected the region, after which there was a significant change in the approach to Disaster Risk Reduction, moving from a disaster response to a proactive disaster risk management. A primary issue is the lack of financial capacity and staffing. Another issue, where the field presence provided support, included the sector for emergency response. The speaker briefed on so-called “flood alliances”, in forming connections between cities, which includes the participation of the Ministry of Defence as well as local communities. A cross-border project on Disaster Risk Reduction at the river Drina was also organized, and included visits to the previously flooded areas and plans on how to prevent future incidents. She mentioned co-operation of Aarhus Centres throughout Serbia in different projects. The Serbian Chamber of Commerce is also highly involved in the discussions on green economy, and several outreach activities to businesses in Serbia were organized. Recently, the Parliamentary Assembly of Serbia granted its support to the organization of a conference on the use of biomass fuels.

Ambassador György Szabo, Head of the OSCE Programme Office in Astana, highlighted the close connection of the people of Kazakhstan to the issues of ecology, which is the primary driving force in Kazakhstan’s creation of environmental policies. The OSCE Programme Office in Astana is formulating its activities in close co-operation with the Government of Kazakhstan, within all three OSCE dimensions. Amb. Szabo briefed on the 2050 Strategy for Green Economy Conversion, and how the Office is supporting the Government in achieving these goals by providing support and advice on different topics, including a roadmap of activities for the 2050 Strategy, on water governance, the Aarhus Convention, climate change, education reform etc. He stressed the importance of the recently organized EXPO 2017 – Future Energy. Amb. Szabo underlined the importance of water governance to Kazakhstan, which is a downstream country. In such circumstances, it is of utmost importance to nurture co-operation with neighbouring countries to achieve good results and agreements on water-ways. He especially highlighted and commended the co-operation between Kazakhstan and Kyrgyzstan in this sphere. Furthermore, there is the opportunity to strengthening the role of the OSCE in Central Asia through the promotion of sub-regional activities and the participation of neighbouring countries. The OSCE could identify areas, where big projects could be implemented, instead of dispersing resources on a variety of smaller projects. The OSCE could bring added value to the region in the field of good governance, investment climate, the rule of law, access to information etc.

The floor was opened for discussion.

The representative of the United States of America praised the presentations of the field operations. It clearly showed the important work done by the OSCE. How could the OSCE contribute to energy security in South-East Europe, especially in terms of technology, which would lead to better energy security, improvement of governance and confidence-building measures between neighbours?

Mr. Dukovski suggested that the OSCE could contribute to the legislative field, paying attention to the specificities of each country. The OSCE could, moreover, work on advocating a closer co-operation in the energy field among the South-Eastern countries.

The representative of Romania asked on the percentage of renewable energy being used in Kazakhstan and the former Yugoslav Republic of Macedonia, and on the potentials to improve these numbers.

Dr. Zhumagulov pointed out the multi-faceted approach of Kazakhstan in using all available energy sources, including wind, water, coal and oil. He specifically mentioned the potential of wind power and the plans to invest more in this field by the authorities of Kazakhstan.

Mr. Dukovski said that in the former Yugoslav Republic of Macedonia, 33% of energy is being imported, 19% of total energy comes from hydro power and an additional 3% from wind.

The representative of Azerbaijan briefed on green energy in the country. The representative also emphasized strengthening the economy while using all available natural resources. Azerbaijan has focused on improving the oil and chemical industry in previous years. Now, the focus is shifting towards renewable energy. It was stressed of having a strong infrastructure to support greening of the economy and called upon the OSCE to provide an overview and analysis on how the transition to a green economy affects the economy of a country and its co-operation with neighbouring states, by using accumulated experience and empirical examples.

The representative of the 2017 OSCE Austrian Chairmanship asked Mr. Dukovski on the importance of energy efficiency for energy security, and how the use of fossil fuels can benefit from a more efficient usage.

Mr. Dukovski stated that the primary goal should always be the optimization of resource usage, whichever the resource might be. This improves the position of countries in terms of self-sustainability and, thus, its energy security.

The representative of the Republican Research and Production Centre "Tabiat", Tajikistan, underlined that Tajikistan has no coal deposits, but has a rich hydro power potential. The main issue is that Tajikistan is highly dependent on the seasons: with plenty of water resources in the summer, while water is lacking in winter, which means that the country is vulnerable to shifting weather conditions, and especially climate change, due to the melting and depletion of the ice caps in the country (primary water source of the country). The co-operation with Aarhus Centres was also highlighted.

The representative of an Aarhus Centre in Turkmenistan talked about the importance of the Centre in OSCE activities on climate change in the country. The consequences of climate change have been thoroughly analysed and this information is being discussed in nationally organized seminars, which attract high attendance. Most of the environmental protection documents have been created by the Aarhus Centres, with the help of the OSCE, after which they were adopted by the Parliament.

Session IV: Promoting Economic Participation and Strengthening Stability and Security

Speakers:

- **Ms. Amarsanaa Darisuren**, OSCE Senior Adviser on Gender Issues, OSCE Secretariat
- **Mr. Javier Dorado**, Director General, Institute for Youth, INJUVE, Spain
- **Dr. Ingeborg Friehs**, Representative of the Management Board in the European Network of Public Employment Services, AMS – Public Employment Service, Austria
- **Dr. Daniela Pisoiu**, Senior Researcher, Austrian Institute for International Affairs, Austria
- **Mr. Alexander Chuplygin**, Deputy Head of Mission, OSCE Mission to Bosnia and Herzegovina

Moderator: Ambassador M. Victoria González Roman, Permanent Representative of Spain to the OSCE

Rapporteur: Ms. Zukhra Bektepova, Economic Affairs Officer, Office of the Coordinator of OSCE Economic and Environmental Activities

Ms. Amarsanaa Darisuren, OSCE Senior Adviser on Gender Issues, OSCE Secretariat, spoke about the disparities in the economic participation of women, such as gendered occupational segregation. Visible gender gaps also exist with regard to female entrepreneurship, gender pay gap, prevailing social norms on men and women's work and roles in society, communities and in families. She highlighted that reducing the existing Gender Gap in economic participation is not only beneficial for women, but for society and the economy. Ms. Darisuren noted that the International Labour Organization (ILO) estimates that, by reducing the gender gap by 2025 by 25%, the global labour force will increase by 5.4% and global employment by 5.3%. Thus, this would increase global GDP by 3.9% or 5.8 trillion dollars and create higher government revenues of 1.5 trillion dollars. The speaker mentioned the role of women in reducing corruption, as women have fewer chances to engage in corruption because the necessary patronage and political relationships traditionally have been held by well-entrenched men. She highlighted that having more women in decision-making positions could reduce these adverse effects of corruption on women. Ms. Darisuren noted that achieving gender equality is the cross cutting issue for the OSCE's comprehensive approach to security under all three dimensions. She underlined that the economic exclusion of women can be detrimental for the social cohesion of the society, including post-conflict situations, where economic inclusion of women is essential for stabilizing and fostering lasting peace. She emphasized that equal rights of women and men are essential to foster peace, sustainable democracy and economic development. She noted that globally 15 to 20% of foreign terrorist fighters are women; while women have a potential in playing key

prevention roles. Herewith, the Senior Adviser on Gender Issues came up with several recommendations, in particular that the OSCE can contribute by establishing and supporting mentor networks through which marginalized women can improve their technical, business managerial or political skills. She also noted that a serious constraint towards women's full economic participation is the lack of equal sharing of care and domestic responsibilities. She underlined that in this field, achieving work-life balance is crucial. She highlighted that a serious constraint towards women's full economic participation is the lack of the equal sharing of care and domestic responsibilities. She emphasized the importance of effective legislation in preventing and eliminating discrimination based on gender. She concluded that besides providing an adequate legal framework and smart policies, changing gender stereotypes is key towards women's economic empowerment.

Mr. Javier Dorado, Director General, Institute for Youth, INJUVE, Spain, presented Spanish Governmental Policies aimed at boosting employment, in particular the Youth Employment and Entrepreneurship Strategy 2013-2016 and the Youth Guarantee System. He underlined that the demographic context of youth in Spain was undergoing important changes related to its gradual loss of weight within the Spanish population as a whole, and also to a very remarkable increase in the diversity of the youth itself. He noted that measures aimed at fostering youth employability developed in Spain since 2012 are framed within the recommendations formulated by the European Union and are in line with the Youth Opportunities Initiative of the Declaration of the members of the European Council (January 2012). He spoke about the Youth Guarantee, which is an initiative by the European Union and whose objective in Spain was to offer young people, between 16 and 29, and who were neither studying, receiving training, nor working, a good job offer, adequate training courses, a period of internships in companies or a second educational opportunity. He emphasized that this initiative encouraged entrepreneurship and included an education-employment intermediation programme, career counselling actions, employment information, and guidance in the search of employment. He noted that modernization of the Public Employment services, Unified Employment and Self-employment Portal Actions with employment agencies is an example of efficient practice in mitigating youth unemployment. Mr. Dorado underlined that since this project was launched, youth information services networks (such as REDSIJ and INJUVE) have helped more than 75,000 young people enrolling in the Youth Guarantee; and among young people between 16-29 years, in 2017, the unemployment rate had dropped from 44.01% to 29.73%.

Dr. Ingeborg Friehs, Representative of the Management Board in the European Network of Public Employment Services, AMS – Public Employment Service, Austria, gave an overview on the Active Labour Market Policy (ALMP) and Austrian Public Employment Service (PES Austria) policy as the EU benchmark in combating of youth unemployment. She underlined that effective labour policies cannot create jobs, but support employers in preventing unemployment. She listed a number of benefits of the ALMP, in particular optimal labour market transparency that leads to a reduction in the duration of the job search, a contribution to stability and security by the prevention of permanent exclusion of disadvantaged people. She noted that the Austrian Public Employment Service Policy provides training guarantee and ensures compulsory education until the age of 18. Thus, each young person is guaranteed an apprenticeship/training place within a given period, and compulsory education until 18 is legally binding that prevents early school leaving and high training drop outs, and implies that parents take responsibility for their children. Dr. Friehs underlined that the European Network of Public Employment Services as an official advisory board of the European

Commission presented an example of cross-boundary co-operation within the EU. She stressed that the OSCE makes a big contribution as it is preparing the necessary socio-political foundations for a stable economy by ensuring Human Rights and the Rule of Law – a prerequisite for attracting investment and setting up a successful labour market policy.

Dr. Daniela PISOIU, Senior Researcher, Austrian Institute for International Affairs, Austria, spoke about international terrorism and radicalization from the perspective of education and economic participation. She noted that according to several researches on the phenomenon of terrorism, most terrorists are neither poor, unemployed, nor uneducated. She mentioned that currently terrorism could, somehow, be seen as providing a function such as occupation. She stressed that education, combined with a lack of opportunities, might, in fact, correlate with terrorism. She underlined that the fact that Daesh recruits are notoriously un- or underemployed, yet not necessarily uneducated, demonstrates that terrorism was a matter of choice, offering some extended opportunities and additional benefits than other kinds of occupation. She noted that governments should propose better and more attractive occupation alternatives, challenging the ideology and addressing the social environment around these individuals. Dr. PISOIU emphasized that the solution should be tailored and focused on concrete groups of individuals and the environment where this group is active. She underlined that the OSCE's Field presences play an efficient role in delivering targeted and tailored assistance to the participating States on the ground as they are well aware, which concrete social groups should be addressed. She stressed that integration of leisure activities could also be advantageous in terms of countermeasures against terrorist recruitment activities that often take place in gyms and night clubs. She emphasized that the government should provide to young people training courses if employment options are available. Dr. PISOIU underlined that extended and comprehensive co-operation would be highly beneficial and would boost the development and application of smart education and employment systems.

Mr. Alexander Chuplygin, Deputy Head of Mission, OSCE Mission to Bosnia and Herzegovina, presented the Mission's experience in promoting peace and building the able, secure and democratic future for Bosnia and Herzegovina. He noted that quality and inclusive education, and economic opportunities are essential requirements for any functional and prosperous society. He emphasized that in Bosnia and Herzegovina there are a number of obstacles that prevent full economic participation, such as discrimination and segregation in education, high youth unemployment and limited economic opportunities for women, which combine to deepening inequality, weakening social cohesion and creating fertile grounds for radicalization. He noted that education is one of the most sensitive, controversial and heavily politicised areas in the country. He informed about the current school system which might be characterized by fragmented administration, comprised of thirteen ministries of education, segregated institutions and curricular, based on fundamentally ethnocentric principals. He described an example of dysfunctional education systems such as the so-called "two schools under one roof" model. He noted that in these schools a different ethnical coloured curricula is used by both parts coexisting in the same building. He stressed out that failing in complying with international commitments and impending reconciliation, the education system in Bosnia and Herzegovina can make the young generation more receptive to extremist messages and undermines a country's longer term stability and security. He provided some statistical data on youth unemployment in Bosnia and Herzegovina; in particular he mentioned that the official unemployment average is 60%, and a female unemployment rate of 31.2%. He noted that the OSCE Mission to Bosnia and Herzegovina

works to prevent violent extremism by tackling its root causes through supporting educational reforms, local economic development and gender equality. Thus, the Mission integrates youth and gender perspectives in its policies and projects activities. He recommended taking a whole society approach to counter violent extremism; the Mission has nine offices all over the country. He noted that the Mission has implemented numerous initiatives aimed at preventing radicalization to violence, focusing on communities suffering from high unemployment. Thus, as a result of the aforementioned work of the Mission, the Central Bosnian Canton recently decided not to proceed with establishing a “Two in One school” in the town of Jajce.

The floor was opened for discussion.

The representative of the USA asked how automation in manufacturing and production can aggravate unemployment and transform the job market significantly. He asked speakers to share their ideas about potential policy’s responses to these challenges.

The representative of Albania took the floor to inform the audience about its actions in supporting youth and women employment. She mentioned two national strategies: Business and Development and Employment and Skills. She noted that both strategies aimed at promoting the creation of new jobs. She emphasized that the Albanian government has initiated a number of regional initiatives with the view to integrate youth into society and the job market. In this context she highlighted RYCO’s efforts in the field of regional co-operation.

The representative of Switzerland spoke about national policies aimed at promoting youth employed and its social protection from the scourge of unemployment. He noted that Switzerland is also addressing the issue related to the Gender Gap, in particular promoting equal pay and equal work. He asked Dr. PISOIU if it was correct to add a linkage between radicalization and social exclusion, and to provide some further details on what measures could be undertaken to avoid oversimplification of the problem and to address it accordingly.

The representative of Kazakhstan mentioned the ‘Union of Women Entrepreneurs of Kazakhstan’. She underlined that the share of women entrepreneurs in the GDP is around 40%, and the number of self-employed women is 1,200,000. She noted that SMEs give a real boost to the economic development in regions and enhances stability.

The representative of Turkey asked Mr. Dorado if he saw any increase in instability and violence when the rate of youth unemployment in Spain reached the mark of 44%. She also asked Dr. PISOIU to elaborate on social exclusion and its impact on radicalization.

The representative of Austria asked the panellists to discuss more on a link between good governance and economic participation, the role of good investment climate and reliable framework conditions for creating jobs.

The representative of Slovenia noted that the promotion of gender equality is a national priority. She noted that in 2015 the government of Slovenia adopted a national programme, focused on several aspects of gender equality including providing equal economic independence. She asked Ms. Darisuren about the OSCE’s potential or undertaken efforts in promoting gender equality in economic participation.

The representative of Belarus asked Dr. Friehs to describe how the efficiency of the Employment Policy for Youth has been assessed and to identify key challenges raised over the years of its implementation, in particular regarding the employment guarantee.

The representative of Romania asked Ms. PISOIU if youth and women could be considered as vulnerable groups to radicalization, leading to terrorism, and how this tendency could be addressed.

The representative of the OSCE Parliamentary Assembly underlined the importance of the topic on gender equality in economic participation, in particular equality in salaries and work-life balance. She emphasized that a comprehensive approach and equal participation are crucial in implementing the OSCE's relevant commitments on compliance with and implementation of gender equality.

Ms. Darisuren, in responding to the questions, stressed that it is crucial to develop and adopt forward-looking gender balanced policies that would mitigate existing job segregation and would promote work-life balance. She underlined that the OSCE could be a platform to explore best practices, policies and laws in this area and could also provide appropriate technical assistance in conducting an assessment of legal systems compliant with international commitments.

Mr. Dorado underlined that it is hard to ensure stability when unemployment rates are high. With regards to the question of radicalization, he referred to the EU's campaign against hate speech as an example of effective preventative policy. Mr. Dorado underlined that automation in manufacturing and production will affect the labour and sales markets. Nevertheless, new types of jobs will be created accordingly and, here, governments should be prepared to assist its citizens in providing appropriate conditions and training in accordance with new requirements of the labour market.

Dr. Friehs noted that robotics will generate massive changes in the labour market and will bring challenges to labour policies. Regarding the question on the link between radicalization and unemployment, she underlined that subsidies don't play a significant role. She underlined that it is crucial for young people to get an identity in terms of social status and self-confidence. She underlined that any assessment should be undertaken only in a long-term approach. She underlined that unemployed young people have problems developing their personalities. She emphasized that Austria has very low youth unemployment rates and youth crime rates thanks to adopted policies and social activities undertaken in its framework.

Dr. PISOIU stressed that, in Islamic radicalization, unemployment is strategically used in the rhetoric of these groups. She underlined that de-radicalization and prevention are the key measures to counter terrorism, and required local knowledge. Thus, she emphasized that it is beneficial to assess what motivation potential terrorists may have and provide them with more attractive alternative, such as military service, opportunities for participation in sport activities and competitions, and assisting NGOs in helping refugees. Dr. PISOIU underlined that social exclusion of people would not prevent radicalization and policy makers should remember that.

Session V: Promoting Connectivity and Building Trust and Business Partnerships in the OSCE Area

Speakers:

- **Mr. Peter Havlik**, Senior Economist and former Deputy Director, The Vienna Institute for International Economic Studies (WIIW), Guest Research Scholar at the International Institute for Applied Systems Analysis (IIASA), Austria
- **Ambassador Tudor Ulianovschi**, Chair of the UNECE Steering Committee on Trade Capacity and Standards, Permanent Representative of the Republic of Moldova to the UN, WTO and other International Organisations in Geneva
- **Ambassador Tuula Yrjölä**, Head of the OSCE Programme Office in Dushanbe
- **Mr. Alexander Sumbatyan**, Deputy Director of the Department of International Co-operation, Ministry of Transport, Russian Federation

Moderator: **Ambassador Alessandro Azzoni**, Permanent Representative of Italy to the OSCE

Rapporteur: **Ms. Giulia Manconi**, Permanent Mission of Italy to the OSCE

The moderator, *Ambassador Alessandro Azzoni, Permanent Representative of Italy to the OSCE*, highlighted that, despite many advances in reducing formal trade barriers across the OSCE region, the benefits of closer economic interaction among the pS are far from being fully realized. Ambassador Azzoni pointed out that only a meaningful and stronger political dialogue can help addressing the barriers that prevent closer economic integration of the region. This is where the OSCE should play a more important role.

Mr. Peter Havlik, Senior Economist and former Deputy Director at the Vienna Institute for International Economic Studies (WIIW) and Guest Research Scholar at the International Institute for Applied Systems Analysis (IIASA), presented the first results of the IIASA project “Challenges and opportunities of economic integration within a wider European and Eurasian space” aimed at providing a long-term view of potential economic integration between the EU and the Eurasian Economic Union. The project had the specific objective of bringing together parties with different political views such as the Eurasian Economic Commission and the European Commission. Mr. Havlik highlighted that, unfortunately, the research revealed that, at the moment, the challenges of integration outnumbered its advantages. Although a closer integration between the sides could certainly boost trade, investment and economic growth in a Greater Eurasia, from Lisbon to Vladivostok, there are huge economic and trade asymmetries as well as too many technical and institutional problems that remain to be addressed: Russia and the whole Eurasian Economic Union have been stuck in transition and are still confronting stagnation; Russia and the EAEU need the EU for the modernization of technology imports, investment and export market; the crisis in and around Ukraine is far

from being solved; and Russia does not seem ready to accept the EU's *acquis* as other former Soviet republics have done so far. Prospects are not encouraging and there is the risk that the so called "integration of integrations" turns into "competing integrations".

Ambassador Tudor Ulianovschi, Chairman of the UNECE Steering Committee on Trade Capacity and Standards, presented the outcomes resulting from several need assessment studies conducted by UNECE to analyse trade in the OSCE area. The studies highlighted that non-tariff measures can seriously undermine international trade. In particular, the study has shown that trade facilitation conditions, standardization and technical evaluation are the three core factors affecting the costs of export-import. Logistics, transaction and governance are therefore the main barriers to international trade in the area. Finally, and most importantly when referring to the OSCE, the study underlined that mutual trust is the first casualty of trade barriers. UNECE is ready to further develop a fruitful cooperation with the OSCE and its pS.

Ambassador Tuula Yrjölä, Head of the OSCE Programme Office in Dushanbe (POiD), enriched the debate by presenting her own analysis of the current economic situation in Central Asia. Among the main economic challenges of the Central Asian states, Ambassador Yrjölä mentioned uneven economic growth, several foreign trade barriers, intense labour migration from poorer to richer countries, and high dependence on exports of natural resources. The Head of Mission presented a wide list of recommendations to improve intra-regional economic connectivity. These included: improvement of bilateral and multilateral economic collaboration; simplification and approximation of trade, customs and passport control procedures and improvement of the transport and logistics infrastructure; diversify the economy and identify new market opportunities; improving joint activities with neighbouring countries on environmental protection of common resources; enhancement of the utilization of the geographic advantage of the region to serve as a major hub between Asia and Europe. When referring to Tajikistan, Amb. Yrjölä identified corruption, low competitiveness, a weak SME-sector with limited access to financial sources, and the insufficient inflow of Foreign Direct Investments as main economic issues. Among the activities of the POiD, she put emphasis on the Office's support to the adoption of the electronic trade information and investment guidelines tools (e-Governance system) that would help the country to finally make rules and procedures fully transparent and visible. In conclusion, the Head of Mission highlighted the advantages of such an expanded OSCE presence in Central Asia. With five missions in the region, the OSCE provides a platform for political and economic dialogue and is well placed to identify and implement low cost – high value project activities and to team up with key stakeholders.

Mr. Alexander Sumbatyan, Deputy Director of the Department of Internal Co-operation of the Russian Ministry of Transport, highlighted the role of infrastructure in fostering regional connectivity and presented the work done so far by the EAEU towards the elaboration of a single transport space. As explained by Mr. Sumbatyan, the EAEU has been very active in the area of co-ordinated transport policy with the aim of eliminating all barriers and obstacles to the movement of goods by 2025. He pointed out that some impressive results, which have already been achieved in the area of road, water and air transportation. On that note, Mr. Sumbatyan underlined the importance of the development of the north-south and west-east corridors. The north-south corridor has been created to speed up the transit from India, Iran, and other countries of the Persian Gulf to the north and west of Europe. Efforts have also been undertaken to increase traffic between China and Europe in the west-east corridor on the

railways of Russia, Kazakhstan and Belarus by providing shippers with a competitive service with fixed and transparent tariffs and guaranteed minimum delivery delays. Moreover, a road transport route from Europe to western China is currently being planned, which now passes through Russia and Kazakhstan and, in the future, Belarus. The common transport area in the EAEU will result in a gradual economic development of the Union Member States and in the introduction of an efficient transport system in the Eurasian continent.

The floor was open for discussion.

Estonia, on behalf of the European Union, highlighted that the EU attaches great importance to connectivity and aims to extend its transport network as far to the east as Baku. The EU and its Member States are the world's largest donors in the area of trade facilitation and provides support to the FTA implementation through a number of programmes in the OSCE region. Continuing OSCE discussions on connectivity issues has been deemed to be crucial since successful connections between countries facilitate co-operation and welfare, which in turn may increase stability and security. As for the OSCE, the EU commended that the importance of connectivity and transport development has finally been recognized by the participating States through the adoption of the MC Decision on "Strengthening Good Governance and promoting Connectivity". It was pointed out that the OSCE has an important role to play as a platform for dialogue, exchange of information and best practices on connectivity and supporting business partnerships.

The representative of Kyrgyzstan briefed on the project that has been launched by the OSCE to help the host country to increase economic competitiveness and improve the business climate by reducing regulatory burden and related risks. The country is also working on the development of an e-regulation system to improve transparency and reduce corruption.

The representative of Belarus underlined the importance of the MC Decision on "Strengthening Good Governance and promoting Connectivity" and of strengthening the Second Dimension to avoid economic fragmentation in the area. Being situated on the crossroads of the commercial routes from the East to the West, Belarus is against any dividing line and stands ready to share its knowledge and experiences.

The representative of Albania stated that Albania's investments in road infrastructure have played a key role to enable economic growth and improve the business climate. Good governance and several legislative improvements have been taken to harmonize the national legislation with international standards.

The representative of Switzerland, Ambassador Wild, underlined that the current situation in the OSCE region doesn't allow the use of the term "integration of integrations" (see the presentation given by Mr. Peter Havlik). The term "integration" has a notion of common political vision that does not exist at the moment. He, nonetheless, recognized that a connectivity partnership similar to Switzerland's FTA with China should still be possible.

The representative of Armenia noted that the issue of connectivity in conflict affected countries is complex and underlined that confidence building measures should be implemented in all dimensions.

Session VI: Promoting Connectivity and Economic and Environmental Co-operation for Regional Security

Speakers:

- **Ambassador Martin Sajdik**, Special Representative of the OSCE Chairperson-in-Office in Ukraine and in the Trilateral Contact Group on the implementation of the peace plan in the East of Ukraine
- **Mr. Per Fischer**, Coordinator of the Working Group on Economic Issues and Rehabilitation of the Trilateral Contact Group
- **Ambassador Peter Burian**, EU Special Representative for Central Asia
- **Mr. Gazmend Turdiu**, Deputy Secretary General, Regional Co-operation Council (RCC)

Moderator: Ambassador Claude Wild, Permanent Representative of Switzerland to the OSCE

Rapporteur: Ms. Teresa Albano, Economic Affairs Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Ambassador Claude Wild, Permanent Representative of Switzerland to the OSCE, spoke about connectivity in a geopolitical context at different levels, including local and regional level. Ambassador Wild mentioned that the session would provide ideas on activities for local and regional connectivity that can enhance confidence, de-escalate tensions, and produce positive effects from an economic and environmental side. Additionally, the session should also offer the possibility to assess the role of the OSCE in enhancing connectivity particularly in Central Asia and the Western Balkans.

Ambassador Martin Sajdik, Special Representative of the OSCE Chairperson-in-Office in Ukraine and in the Trilateral Contact Group on the implementation of the peace plan in the East of Ukraine, briefed on the current situation in the Donbass region in Eastern Ukraine. Connectivity, in this area, is especially governed by humanitarian needs. Ambassador Sajdik explained that there are 25,000 daily crossings along the line of contact – which in reality is a dividing line running for approximately 400 km - in both directions. Due to the conflict, the infrastructures and the banking system, have been heavily damaged, thus making the economic options for people living in the area are progressively shrinking. Ambassador Sajdik mentioned the lack of willingness by the sides of the conflict to engage in reconciliation processes, despite the ongoing efforts. He explained that despite the current external administration of companies, particularly in the mining sector, and a full stop in the trade relations between the non-government controlled areas since 1 March 2017, interaction among individuals on the ground continues, through some 25,000 daily crossings. He, then, concluded by wishing that connectivity would be restored as soon as possible, building on the current informal exchanges, which demonstrate the need of people to come together and restore trade relations and interaction in a region that is still perceived as one by the people who live there.

Mr. Per Fischer, Coordinator of the Working Group on Economic Issues and Rehabilitation of the Trilateral Contact Group, cited paragraph 8 of the Package of Measures for the Implementation of the Minsk Agreement that focuses on economic issues aimed at engaging the sides in re-establishing social and economic ties as well as preserve connectivity and improve the situation of the population. Topics dealt by the Working Group on Economic Rehabilitation (WGER) included: water supply; commercial and economic activities related to coal and mining; a functioning banking system to pay pensions; electrical grids mainly to preserve the structural infrastructures; and ecological threats. Regarding water supply, Mr. Fisher underlined the mutual dependency of controlled and non-controlled territories with regard to the water supply system. He mentioned the constant shelling and the damages to the existing infrastructures as the major challenges faced by the local population. He presented examples of success stories where the Working Group was engaged in building co-operation between the sides to the conflict in the areas water supply, commercial railway transport, and payment of pensions. Regarding ecological challenges, Mr. Fischer mentioned that the WGER is bringing together experts to discuss ways to address them. Mr. Fischer concluded by underlining the importance of the OSCE Special Monitoring Mission (SMM) particularly in support of the establishment of Safety Zones to protect critical infrastructures, in promoting the respect of the ceasefire, the continuation of the fruitful co-operation between the Working Groups, and the continuation of the dialogue in the format of the Normandy Four Partners.

Ambassador Wild underlined the importance of the “micro-connectivity” measures, a dimension that had not been touched during the Forum until that moment, and how essential this dimension of connectivity could be particularly in crisis zones.

Ambassador Peter Burian, EU Special Representative for Central Asia, referred to the two main EU strategic documents, the EU Global Strategy and the EU Central Asia Strategy. The Ambassador underlined that, despite the huge potential of the region, considering its young growing market and the emerging opportunities for investments and trade, some challenges might prevent harnessing such potential. In this regard, he referred to the current (less than five percent) intraregional trade as an example of low economic performance due to various technical and non-technical barriers. The following areas were mentioned as particularly critical to security and stability: transboundary water management, including the disappearance of the Aral Sea; the deterioration of the security situation in Afghanistan and the increased risk of VERLT; and under-developed infrastructures. The EU is, therefore, engaged in avoiding the possible deterioration of stability. The Ambassador pointed out climate change and sustainable economic development as core elements of the EU’s strategy in Central Asia, together with education, vocational and education training, good governance, the fight against corruption, and the development of private sector as critical areas of action to support economic transition and enhance connectivity. In this regard, the Ambassador underlined that connectivity does not refer only to infrastructures but also to know-how and capacities. He confirmed that the EU considers the OSCE’s role undeniable, both as a source of inspiration for Central Asian pS and a tool for implementation, particularly in the EED as a critical confidence-building measure. He mentioned the EEF as a good opportunity to generate ideas for the EU and the OSCE to support each other. Other areas of major interest to the EU would include climate change, including reviving the international engagement to save the Aral Sea, promoting reforms to enhance connectivity and promote economic transition as well as improving energy efficiency.

Mr. Gazmend Turdiu, Deputy Secretary General, Regional Co-operation Council (RCC), underlined that the region of South-Eastern Europe was defined as “optimistic and dynamic” by Ms. Federica Mogherini, the EU High Representative of the Union for Foreign Affairs and Security Policy. Mr. Turdiu mentioned the ‘SEE 2020 Strategy’, which was developed as one of the guiding tools for regional co-operation under the coordinating role of the RCC. Despite growing achievements, still there are areas of concern: intra-regional trade is declining while extra-regional trade is growing; unemployment rate, particularly among young people; and corruption. Mr. Turdiu traced the overall process that took place in the region, starting from the Stability Pact, an initiative promoted from outside the region, which was transformed into RCC. In 2011, for the first time, the Ministries of Economy agreed on a common vision for the future, which served as a basis for the 2020 Strategy. Another step was achieved in 2014 under the initiative of Chancellor Angela Merkel, the Berlin Process, while in 2016 Albania and Serbia paved the way to the creation of a Regional Economic Area whose Multi-Annual Plan was approved in 2017 during the Trieste Summit of the Berlin Process. It was seen as important to improve the economies of scale and enhance intra-regional cooperation. For the future, Mr. Turdiu underlined that the priority will be to continue the implementation of the Berlin Agenda which includes improving regional co-operation with the aim at resolving bilateral disputes; implementing soft measures related to transport connectivity and energy connectivity; , while at national level the focus will be on reform programs and improving governance. With regard to the role of the OSCE and/or its field missions, Mr. Turdiu underlined the improvement of good governance and the rule of law, dispute resolution, as well as the components of the Berlin Agenda and the Regional Economic Area that relate to the EED.

The representative of Ukraine highlighted that connectivity, according to the Hamburg MC Decision 3/2016, is framed within the overall concept of good governance, and is firmly grounded in the fundamental principles of the OSCE. Therefore, building economic cooperation cannot be done without overlooking the ongoing violations of those principles, with the intention to circumvent economic sanctions. The philosophy of the Hamburg MC Decision was to highlight some areas for economic cooperation such as good governance, fight against corruption, transparency and accountability as essential factors to promote economic growth in the interest of all pS. Yet, building a common economic space seems premature. As an example of connectivity, the representative referred to the projects of GUAM, the Organization for Democracy and Economic Development, for the establishment of a free trade zone among its member countries and building the Trans-Caspian route. Finally, the importance of environmental threats related to conflicts and the invitation to include this aspect in the OSCE tool box was highlighted.

The representative of the United States of America underlined that forging closer economic ties and connectivity have an impact in ensuring stability. He referred to the EU as a good example and reiterated the importance of connectivity to areas such as Central Asia and the Western Balkan region. He also expressed the significance of addressing environmental threats in conflict areas. Yet he referred to Eastern Ukraine where connectivity continues along the line of contact. Therefore, only a genuine ceasefire, together with the removal of weapons and consequent disengagement along the line of contact can offer prospects for enhanced connectivity. On the contrary, he said, potential exists for a large scale humanitarian tragedy due to vulnerable chemicals and concluded by encouraging extra-budgetary contributions to address environmental threats in the area.

The representative of Kazakhstan addressed questions on the EU assessment of the current situation in Donbass at micro-level and at macro-level; on the EU assessment of the “One belt one road” initiative of China, including the enlargement process of the Shanghai Cooperation Organisation. Finally he requested to outline some practical steps on OSCE-EU synergies in the field of greening the economies, as a follow-up to the Astana Forum, including the future establishment of an International Centre of Green Technologies.

The representative of Azerbaijan underlined that when there is no respect for international law, like in case of occupied territories, it is difficult to enhance connectivity. In this regard, he raised the issue of addressing illegal exploitation of natural resources of occupied territories and the role of the OSCE to provide a large-scale platform for inclusive dialogue.

The representative of Belarus reiterated that his country is ready to support the Trilateral Contact Group including the Working Group on Economic Rehabilitation to support the re-establishment of peace and stability. He asked what the OSCE could do, particularly through the OCEEA and the field presence in Ukraine.

The representative of Belgium asked on the role of local authorities in Eastern Ukraine in terms of initiatives that could be carried out in terms of commitments towards a positive resolution of the situation. Moreover, he enquired which additional activities could be pursued by the OSCE taking into consideration its area of expertise and mandate.

The representative of Armenia underlined the OSCE’s added value in dealing with the security aspects of connectivity. The activities of the Working Group on Economic Rehabilitation were positively noted. He recalled that social and economic rights of individuals are inalienable, regardless of the status of the territories they live in. He, then, condemned those trade and transport projects that solidify dividing lines and undermine further stability and security, including many that are currently implemented in the South-Caucasus region. He, finally, enquired what could the SMM do to enhance connectivity.

The representative of Albania mentioned the excessive fragmentation of the internal market in South-Eastern Europe that does not allow reaping the benefits of economies of scale. Albania is very committed towards the establishment of the Regional Economic Area and is working to transform the regional action plan into a national action plan to support the accomplishment of the targets setting up in the regional strategy. RCC was one of the main players at sub-regional level; co-operation could bring more benefits than competition.

The representative of Turkmenistan drew the attention on the current situation of the Aral Sea and the terrible effects of climate change that are felt in the region, asking for greater attention of the OSCE and other international organizations on this issue.

The representative of the Russian Federation reaffirmed the need to overcome divisions and rebuild connections and suggested other fora, like the Permanent Council, to discuss issues related to South Eastern Ukraine. It also underlined how the Russian Federation was in favour of the immediate lifting of the current blockade and the swift re-establishment of the economic, humanitarian and financial links by the Ukrainian authorities.

With reference to what the SMM could do more, *Ambassador Sajdik* replied that the SMM is already significantly active in keeping connections, in negotiating repair works, in ensuring

better conditions at crossing points, and in discussing Safety Zones around major infrastructure implantations. He concluded that, unfortunately, ‘dis-connectivity’ was currently a major concern and there is a strong need to reinforce connectivity efforts.

Mr. Fischer echoed Ambassador Sajdik underlining the importance to build confidence in conflict zones, highlighting that in such context connectivity means confidence. He reiterated that re-establishing water supplies and payments was a key action to preserve connectivity. He, then, added that local authorities may play a more prominent role. The OSCE should explore a more systematic dialogue with them. He therefore described the initiative that was being pursued in this regard, that is the organization of an expert roundtable with participants from Kiev, Moscow, Donetsk and Lugansk to start a dialogue on this important topic with the aim to establish a roadmap and identify common solutions.

Ambassador Burian informed that many of the topics emerged during the discussion would be discussed in Samarkand in November at a meeting between the EU and Central Asian countries. He confirmed that the EU is exploring new tools to support investments in the region, including a more active role of the EBRD. He also reiterated that the EU welcomes greater co-operation with China in the field of connectivity, as demonstrated in the ‘One Belt One Road’ programme. The actions, to be put forward, need to reflect the actual needs of the Central Asian countries. He, then, informed that digital connectivity and digital economy will be high on the agenda of the future upcoming EU Presidencies and could offer a valuable input to the discussion. He expressed interest of the EU to support the process with regard to establishing a Centre of Excellence on green economic as a follow-up to the EXPO 2017 in Kazakhstan.

Ambassador Turdiu underlined the challenge for the Western Balkans countries to fall out of attention in the OSCE and in global political debate. He reiterated that the OSCE has a prominent role to play in the region, including in what he referred to as “*disputes among unequals*”. He concluded by appealing to keep the political attention high on the region.

Concluding Session

Speakers:

- **Ambassador Thomas Greminger**, OSCE Secretary General
- **Ambassador Florian Raunig**, Head of 2017 OSCE Austrian Chairmanship Task Force
- **Ambassador Alessandro Azzoni**, Permanent Representative of Italy to the OSCE

Moderator: **Ambassador Kairat Sarybay**, Chairperson of the OSCE Economic and Environmental Committee, Permanent Representative of the Republic of Kazakhstan to the International Organizations in Vienna

Rapporteur: **Mr. Fabian Schastok**, Task Force for the 2017 OSCE Austrian Chairmanship

Ambassador Thomas Greminger, OSCE Secretary General, highlighted the topicality of connectivity and urged pS to keep it on top of the OSCE agenda. He thanked the Austrian Chairmanship for choosing a highly relevant theme for the 25th Economic and Environmental Forum, which was closely linked to the 2030 Agenda for Sustainable Development. Regional organisations, such as the OSCE, could make a contribution to its implementation in a common effort of all relevant actors. He emphasised that harmonisation of economic growth, social inclusion and environmental protection were prerequisites for sustainable development. In this regard, further economic participation by increasing access to economic opportunities and education could play a role in the cross-dimensional efforts to tackle radicalisation and violent extremism that lead to terrorism. With a view to the Session “The Way to Vienna”, he welcomed the large support by Delegations for the Chairmanship’s intention to work towards Ministerial Council Decisions on economic participation and on environmental co-operation and greening the economy. He also expressed full support to the incoming Italian Chairmanship and its work on “bridging the inequality gap”.

Ambassador Florian Raunig, Head of 2017 OSCE Austrian Chairmanship Task Force, expressed his gratitude to all who had contributed to the success of the Concluding Meeting and gave a brief summary of past events in the Second Dimension. The First Preparatory Meeting and the subsequent Business Conference focused on strengthening good governance, enhancing connectivity and promoting economic participation. During the Academic Conference in Linz, aspects of connectivity had been discussed. The consecutive Ambassadorial Retreat, with over 40 Ambassadors attending, saw fruitful discussions on the Austrian priorities in economic and environmental matters. He reiterated the Chairmanship’s emphasis on both pillars of the Second Dimension and its intention to work on two Ministerial Council Decisions on economic participation and on environmental co-operation and greening the economy. During the Session “The Way to Vienna” there had already been a constructive exchange of views based on the food-for-thought papers introducing ideas for the two decisions. He was looking forward to further discuss the topics at the Economic and Environmental Dimension Implementation Meeting and to working with all Delegations towards a successful outcome at the Ministerial Council in Vienna in December.

Ambassador Alessandro Azzoni, Permanent Representative of Italy to the OSCE, outlined the intentions of the incoming Chairmanship to continue the Austrian and German's work in the Second Dimension by "bridging the inequality gap through responsible leadership", focussing on 1) the role of the digital economy as a driver for innovation, competitiveness and growth, 2) human capital development as a means of promoting social equity and economic competitiveness by increasing knowledge, skills and competences, 3) strengthening good public and corporate governance through transparency and accountability, and 4) good economic governance to enable good investment climate, business development and connectivity. He also presented the events in the Second Dimension in 2018: the First and Second Preparatory Meeting would focus on how to maximize the role of digital economy as well as on human capital and sound rules for the promotion of corporate responsibility and business integrity. The Concluding Meeting's focus would be on responsible leadership for a fair globalisation. The 2018 Economic and Environmental Dimension Implementation Meeting would emphasise energy efficiency and the transition towards a green economy. Ambassador Azzoni also expressed intentions to organize a Second Dimension retreat as well as several conferences and support to the two envisaged Ministerial Council Decisions by the Austrian Chairmanship.

Estonia, on behalf of the European Union, regarded the topics of the two possible Ministerial Council Decisions as highly relevant and was pleased to see broad support among pS. The representative said that the European Union would stand ready to constructively engage in negotiations in order to ensure tangible results.

The representative of Switzerland appreciated the frank, open and constructive discussions throughout the Concluding Meeting and highlighted broad common ground on Second Dimension issues. Regarding environmental issues, Switzerland had observed strong support for sustainable development and disaster risk reduction during the sessions. He would like to see common connectivity spaces to strengthen trade and transport and to enhance confidence and security. He expressed full support for and constructive engagement with the Austrian Chairmanship's approach towards the Ministerial Council and urged to keep the constructive spirit of the Concluding Meeting.

The representative of Uzbekistan emphasized the topicality of greening the economy and partnerships for security for Uzbekistan. He presented the five-year strategy introduced by the President of Uzbekistan, covering gender issues, good waste management as well as renewable energy sources. He also suggested consolidating different regional projects in order to bring neighbours closer together in a joint effort to tackle environmental issues.

The representative of Armenia commended the balanced agenda of the 25th Economic and Environmental Forum and highlighted the role of economic participation and connectivity at all levels, including in conflict contexts. The OSCE's field operations were well equipped in addressing the daily needs of people in conflict areas.

The representative of the United States of America shared his impression of broad support among delegations for the two potential Ministerial Council Decisions. The United States of America would continue to engage in constructive support towards the Ministerial Council. He mentioned a consensus around the need to include transboundary water issues, disaster preparedness and response as well as energy security. The OSCE was well-experienced in

this field and could co-operate with UNECE and other partners. He expressed the view that connectivity should be strengthened in Central Asia and South-Eastern Europe by expanding the efforts of the relevant field missions. The United States of America appreciated the overview of the Italian priorities for the second dimension and was looking forward to working closely with the incoming Chair.

The representative of the Czech Republic thanked all participating States, speakers and moderators for their interesting contributions and expressed his pleasure at having hosted the 25th Economic and Environmental Forum in Prague.

25TH OSCE ECONOMIC AND ENVIRONMENTAL FORUM

“Greening the Economy and Building Partnerships for Security in the OSCE Region”

CONCLUDING MEETING

Prague, 6-8 September 2017

Venue: Czernin Palace, Loretánské nám: 5, 118 00 Prague

ANNOTATED AGENDA

Wednesday, 6 September 2017

12:00 – 13:00 **Light Lunch hosted by the OCEEA** (marking the 25th anniversary of the Economic and Environmental Forum), Entrance Hall, Czernin Palace

13:00 – 15:00 **Opening Session**

Welcoming remarks:

- **H.E. Lubomír Zaorálek**, Minister of Foreign Affairs, Czech Republic
- **H.E. Hans Jörg Schelling**, Minister of Finance, Austria
- **Ambassador Vuk Žugić**, Co-ordinator of OSCE Economic and Environmental Activities

Keynote speeches:

- **H.E. Ol’ga Algayerová**, Executive Secretary, United Nations Economic Commission for Europe (UNECE)
- **H.E. Marie Chatardová**, President, UN Economic and Social Council (ECOSOC)
- **Prof. Jeffrey D. Sachs**, Special Adviser to the United Nations Secretary General António Guterres, on the Sustainable Development Goals (*via video conference*)

Moderator: Ambassador Florian Raunig, Head of 2017 OSCE Austrian Chairmanship Task Force

Rapporteur: Mr. Andreas Stadler, Minister Plenipotentiary, Deputy Head of Mission for the Economic and Environmental Dimension, 2017 OSCE Austrian Chairmanship

Statements by Delegations/Discussion

15:00 – 15:15 Coffee/Tea break

15:15 – 16:30 **Break-Out Session: Challenges and Opportunities to Strengthening Economic and Environmental Co-operation in the OSCE Area**
(English only)

Moderator: Mr. Andreas Stadler, Minister Plenipotentiary, Deputy Head of Mission for the Economic and Environmental Dimension, 2017 OSCE Austrian Chairmanship

Rapporteur: Ms. Brigitte Krech, Economic and Environmental Affairs Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- **Mr. Thomas Mayr-Harting**, Managing Director for Europe and Central Asia, European External Action Service (EEAS)
- **Dr. Eric Frey**, US expert, Journalist and Managing Editor, Der Standard, Austria
- **Ambassador Livia Leu**, Head, Bilateral Economic Relations Division, State Secretariat for Economic Affairs (SECO), Federal Department of Economic Affairs, Education and Research (EAER), Switzerland
- **Ambassador Kairat Sarybay**, Chairperson of the OSCE Economic and Environmental Committee, Permanent Representative of the Republic of Kazakhstan to the International Organizations in Vienna

16:30 – 17:00 Coffee/Tea break

17:00 – 18:30 **Session I: The Way to Vienna**

Moderator and Introduction: Ambassador Florian Raunig, Head of 2017 OSCE Austrian Chairmanship Task Force

Rapporteur: Dr. Bernd Forster, Counsellor, Task Force for the 2017 OSCE Austrian Chairmanship

19:00 **Reception hosted by the 2017 OSCE Austrian Chairmanship**

Thursday, 7 September 2017

09:30 – 11:00 **Session II: Reducing Environmental Risks and Strengthening Good Environmental Governance**

Selected topics:

- 2030 Agenda for Sustainable Development
- Environmental risk reduction and the role of the OSCE
- Good environmental governance and cross-border co-operation

Moderator: Ambassador Véronique Roger-Lacan, Permanent Representative of France to the OSCE

Rapporteur: Ms. Claire Nantier, Counsellor, Permanent Representation of France to the OSCE

Speakers:

- **Mr. Mahir Aliyev**, Regional Coordinator, UN Environment Programme - Europe Office (UNEP)
- **Professor Maia Bitadze**, Deputy Minister of Environment and Natural Resources Protection, Georgia
- **Mr. Mutallim Abdulhasanov**, Head of Ecology Policy Sector, Ministry of Ecology and Natural Resources, Azerbaijan
- **Ms. Natalya Zharkina**, Head of the Department of Environmental Policy and Science, Ministry of Natural Resources and Nature Protection, Republic of Belarus
- **Mr. Ralf Ernst**, Deputy Co-ordinator/Head of Environmental Activities, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Discussion

11:00 – 11:30 Coffee/Tea break

11:30 - 13:00 **Session III: Strengthening Environmental Co-operation in Support of Resource Efficiency, Renewable Energy and Energy Security**

Selected topics:

- Renewable energy for energy security
- Resource efficiency and renewable energy in support of climate action and sustainable development
- Benefits of co-operation to promote renewable energy and green growth in the OSCE area

Moderator: Ambassador Roksanda Ninčić, Permanent Representative of Serbia to the OSCE

Rapporteur: Mr. Uroš Milanović, Attaché, Permanent Mission of the Republic of Serbia to the OSCE

Speakers:

- **Mr. Aleksandar Dukovski**, Chair of the UNECE Group of Experts on Energy Efficiency, Director of Energy Agency, the former Yugoslav Republic of Macedonia
- **Dr. Marat Zhumagulov**, Deputy Director of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan
- **Ms. Olivera Zurovac-Kuzman**, National Environmental Affairs Officer, OSCE Mission to Serbia
- **Ambassador György Szabo**, Head of the OSCE Programme Office in Astana

Discussion

13:00 – 14:30 Lunch break

14:30 – 16:00 **Session IV: Promoting Economic Participation and Strengthening Stability and Security**

Selected topics:

- Job and business creation
- Economic empowerment of youth and women
- Education and prevention of radicalisation

Moderator: Ambassador M. Victoria González Roman, Permanent Representative of Spain to the OSCE

Rapporteur: Ms. Zukhra Bektepova, Economic Affairs Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- **Ms. Amarsanaa Darisuren**, OSCE Senior Adviser on Gender Issues, OSCE Secretariat
- **Mr. Javier Dorado**, Director General, Institute for Youth, INJUVE, Spain
- **Dr. Ingeborg Friehs**, Representative of the Management Board in the European Network of Public Employment Services, AMS – Public Employment Service, Austria

- **Dr. Daniela PISOIU**, Senior Researcher, Austrian Institute for International Affairs, Austria
- **Mr. Alexander Chuplygin**, Deputy Head of Mission, OSCE Mission to Bosnia and Herzegovina

Discussion

16:00 – 16:30 Coffee/Tea break

16:30 – 18:00 **Session V: Promoting Connectivity and Building Trust and Business Partnerships in the OSCE Area**

Selected topics:

- Enhancing economic co-operation and overcoming barriers in the OSCE area
- Promoting connectivity and building partnerships through transport and trade facilitation
- Strengthening the role of the OSCE in promoting economic co-operation and connectivity

Moderator: Ambassador Alessandro Azzoni, Permanent Representative of Italy to the OSCE

Rapporteur: Ms. Giulia Manconi, Permanent Mission of Italy to the OSCE

Speakers:

- **Mr. Peter Havlik**, Senior Economist and former Deputy Director, The Vienna Institute for International Economic Studies (WIIW), Guest Research Scholar at the International Institute for Applied Systems Analysis (IIASA), Austria
- **Ambassador Tudor Ulianovschi**, Chair of the UNECE Steering Committee on Trade Capacity and Standards, Permanent Representative of the Republic of Moldova to the UN, WTO and other International Organisations in Geneva
- **Ambassador Tuula Yrjölä**, Head of the OSCE Programme Office in Dushanbe
- **Mr. Alexander Sumbatyan**, Deputy Director of the Department of International Co-operation, Ministry of Transport, Russian Federation

Discussion

18:30 **Reception hosted by the Co-ordinator of OSCE Economic and Environmental Activities** (Gardens of the Czernin Palace)

Friday, 8 September 2017

09:00 – 10:30 Session VI: Promoting Connectivity and Economic and Environmental Co-operation for Regional Security

Moderator: Ambassador Claude Wild, Permanent Representative of Switzerland to the OSCE

Rapporteur: Ms. Teresa Albano, Economic Affairs Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- **Ambassador Martin Sajdik**, Special Representative of the OSCE Chairperson-in-Office in Ukraine and in the Trilateral Contact Group on the implementation of the peace plan in the East of Ukraine
- **Mr. Per Fischer**, Coordinator of the Working Group on Economic Issues and Rehabilitation of the Trilateral Contact Group
- **Ambassador Peter Burian**, EU Special Representative for Central Asia
- **Mr. Gazmend Turdiu**, Deputy Secretary General, Regional Co-operation Council (RCC)

Discussion

10:30 – 11:00 Coffee/Tea break

11:00 – 12:00 Concluding Session

Moderator: Ambassador Kairat Sarybay, Chairperson of the OSCE Economic and Environmental Committee, Permanent Representative of the Republic of Kazakhstan to the International Organizations in Vienna

Rapporteur: Mr. Fabian Schastok, Task Force for the 2017 OSCE Austrian Chairmanship

Speakers:

- **Ambassador Thomas Greminger**, OSCE Secretary General
- **Ambassador Florian Raunig**, Head of 2017 OSCE Austrian Chairmanship Task Force
- **Ambassador Alessandro Azzoni**, Permanent Representative of Italy to the OSCE