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## United States Mission to the OSCE



### **Session 1: From Bonn to Maastricht and Beyond**

*Adapting the OSCE economic and environmental dimension to changing challenges*

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Mr. Chairman,

Few organizations in the world place an emphasis on the economic and environmental dimension factors that contribute to security in the way the OSCE does. Moreover, the OSCE's dimensions of security are closely intertwined – just as the human dimension contributes to security, it also is closely linked to economic progress and environmental protection. Freedom can foster entrepreneurship. Rule-of-law can promote business transactions. Democracy can empower citizens to press their elected officials to pay attention to those economic and environmental issues that affect the quality of life.

Twenty years ago, the Bonn Conference ushered in an era of rapid political and economic changes on the European continent, and those changes are still unfolding today. The commitments made in Bonn on building and strengthening the institutions of a market economy remain relevant today as many OSCE States still struggle to adapt their economies and their governance institutions to the realities of the global marketplace in the twenty-first century. In the same year, the Sofia meeting produced a document that raised awareness of pollution and environmental threats – threats that our state boundaries are not able to contain – and gave impetus to greater international cooperation to protect the environment.

It has only been seven years since a strategy in the economic and environmental dimension was agreed in Maastricht. Yet the OSCE has shown remarkable foresight in its assessment of where future economic challenges lay, particularly the potential impact of global financial crises on security and development in the OSCE space. The Maastricht document stressed the negative impact of economic and social disparities, lack of the rule of law, weak governance, corruption, widespread poverty, and high unemployment to global

threats such as terrorism, violent extremism, transnational organized crime, money laundering, trafficking, and illegal migration – all issues that we are still endeavoring to tackle as the first decade of the twenty-first century draws to a close.

As we discuss the future orientation of the economic and environmental dimension, we must keep in mind that the *raison d'être* of the OSCE is to provide a platform for dialogue, and may I say this dialogue is not just among official delegations but has from the beginning taken advantage of the unique insights of non-governmental participants. From this rich dialogue grows the capabilities to assist participating States and their peoples to achieve their national goals while meeting their commitments in all three dimensions. To that end, we should recommit ourselves to reaching consensus on specific, concrete enhancements to the organization's work in the economic and environmental dimension. The key theme that should guide us is transparency, for it is transparency that leads to confidence among all stakeholders in the economic sphere, and without confidence there can be no long-term stability or prosperity.

We look forward to implementing the comprehensive Verbeek report and will work to adopt a number of its recommendations to increase the value-added of second-dimension activities. We also welcome the annual review meeting as an opportunity to take stock of our Maastricht commitments and ensure that the OSCE and participating States are making progress in the economic and environmental dimension. Beyond reforming the work of the EED, however, we should focus our attention on those areas where we can achieve specific, measurable goals in the near term. Among these are:

- Endorsing EITI principles: A number of participating States are already proponents of EITI, either as implementers or supporters. We should commit to the principles of transparency and good governance in all economic areas, including the extractive industries, to increase the attractiveness to investment, and thus the economic vitality, of all participating States.
- Formalizing a Process to Address Energy Issues: The increasing number and intensity of energy-related incidents in recent years, both natural and manmade, make it clear that a systematic process is needed to allow participating States to discuss concerns related to the energy sector. This process should not be directed against any one participating State, but should

be seen as a collaborative effort to solve energy-related problems before they become crises.

- Establishing an OSCE Academy in Central Asia: One of the OSCE's greatest strengths is its ability to direct resources to where they will have the most impact. By opening an OSCE Academy in Central Asia focused on the second dimension, OSCE participating States can provide valuable assistance through training in key areas associated with sustainable economic growth, including public management, good governance, infrastructure improvement, and fostering business development through strong judiciary institutions dedicated to the rule of law, property rights, and contract enforcement.

There is a direct link between the strength of a society's economy and its propensity to maintain stability and secure the freedom and prosperity of its citizens. The recent global financial crisis reflects this reality. It is incumbent upon us as an organization to ensure that the activities we undertake in the economic and environmental dimension serve to empower each and every participating State to meet its OSCE commitments and achieve its national goals. We will work with all participating States and our Partners for Cooperation to ensure that our EED activities are having the greatest possible impact where they are most needed.