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**REPORT BY THE CHAIRPERSON OF THE
ECONOMIC AND ENVIRONMENTAL COMMITTEE OF THE
OSCE PERMANENT COUNCIL AT THE PLENARY SESSION OF THE
2010 OSCE REVIEW CONFERENCE**

Vienna, 18 October 2010

Mr. Chairperson,
Distinguished Conference participants,

First of all, I should like to emphasize that it is a great honour for me, as the Chairperson of the Economic and Environmental Committee of the Permanent Council, to speak at today's opening of the Vienna segment of the OSCE Review Conference.

The forthcoming OSCE Summit in Astana this December opens up new prospects for our Organization. I am confident that the summit meeting will make it possible not only to underpin what we have achieved but also to set specific goals for the future.

Just as with the Summit, there has been no OSCE Review Conference held for the last 11 years and for most of us this will be a new, and I hope, interesting and useful exercise. In my view, this is a unique opportunity to assess the progress we have made in the various dimensions and in the various fields, to determine our strengths and weaknesses and to chart the course for the further development of our Organization.

Since the Helsinki Final Act of 1975, the economic and environmental dimension has been an integral part of the OSCE's concept of comprehensive, co-operative and indivisible security.

In Istanbul in 1999 our leaders declared that "economic liberty, social justice and environmental responsibility are indispensable for prosperity". They also expressed their intention to "ensure that the economic dimension receives appropriate attention" and to "enhance the OSCE's ability to address economic and environmental issues".

The years since the Istanbul Summit have seen the economic and environmental dimension evolve substantially.

As a follow-up to the Istanbul decisions, the Economic and Environmental Subcommittee of the Permanent Council was established in Bucharest in 2001 with a view to strengthening co-operation in the economic and environmental dimension and improving its organizational structure, and in 2006 it was transformed into the Economic and Environmental Committee.

The main tasks of the Committee are to ensure dialogue among the participating States on economic and environmental matters, formulate appropriate recommendations to the Permanent Council, assist in the holding of meetings of the OSCE Economic and Environmental Forum and review its recommendations.

With time the Economic and Environmental Committee has become the main permanent expert structure for dialogue within the OSCE on the most pressing problems in the economic and environmental dimension. The Committee has prepared a host of important documents and decisions that have been approved by the participating States at the Ministerial Council level. One of its key achievements was the agreement and adoption in 2003 of the Maastricht Strategy Document for the Economic and Environmental Dimension, which ultimately supported the Organization in turning its attention from promoting the development of the market economy to countering specific economic and environmental threats and challenges to security. It is also worth mentioning the 2007 Ministerial Declaration on Environment and Security, the Ministerial Council decisions on enhancing the effectiveness of the OSCE Economic and Environmental Forum and on the development of transport and energy dialogue, and the Brussels Ministerial Statement on Migration and Ministerial Council decisions on this subject.

The central issues for the Committee and the economic and environmental dimension in general today are transport, migration, energy, good governance and the environment.

A number of thematic meetings on the aforementioned priority topics have been organized by the Economic and Environmental Committee in 2010. Co-operation has been established with the staff of OSCE field operations dealing with economic and environmental issues, and Special Representatives of the Chairperson-in-Office for transport and the environment have been appointed for the first time this year.

The key annual event within the economic and environmental dimension undoubtedly remains the OSCE Economic and Environmental Forum, which was established in 1993. The topics examined at that forum over the last decade have included good governance, sustainable water use, the economic impact of trafficking, the development of small and medium-sized enterprises, transport, environmental security, co-operation regarding seaways and waterways, and migration. In 2010 the Economic and Environmental Forum was devoted to transport issues. The next forum will, as proposed by the Lithuanian chairmanship, be devoted to joint activities and co-operation in the OSCE region in the development of sustainable energy and transport. I hope that a decision on this matter will be adopted very soon.

The institution of the Co-ordinator of OSCE Economic and Environmental Activities and his Office have also developed into a professional and effective structure. They are the Organization's key executive structures within the second basket for assisting participating States with the implementation of their commitments and countering threats and challenges of an economic and environmental nature.

Nevertheless, despite the successes achieved, it is clear that there is significant potential that is still untapped in the OSCE's economic and environmental dimension. The Maastricht Strategy is not being implemented as effectively as would be desirable. There is a shortage of the necessary financial and human resources.

In this connection, the participating States have in recent years repeatedly returned to the question of increasing the effectiveness of the OSCE's work in the economic dimension.

In 2009, an informal working group prepared a Chairmanship report consisting of 15 specific recommendations for the future direction of the second dimension. Discussions on the report in the Economic and Environmental Committee in 2010 have shown that despite a number of conflicts the participating States on the whole agree that the majority of the recommendations could be implemented in the near future.

The Corfu Process also confirmed the overriding importance of economic and environmental issues in ensuring security and stability in the OSCE region. Within the framework of that process, the participating States have submitted a host of specific proposals, among other things with respect to the creation of an early warning mechanism for conflicts and crises in the energy sphere and the use of confidence-building measures in the economic and environmental sphere.

One cannot fail to mention Kazakhstan's recent initiative regarding the drafting of what it refers to as a Maastricht Plus document, which would make it possible to update the OSCE's tools in the economic and environmental dimension and adapt it to the situation in the wake of the global financial and economic crisis.

I am convinced that the forthcoming Summit in Astana will strengthen the economic and environmental dimension and impart a new and meaningful impulse to it. In my opinion, the future plan for OSCE activities in the years ahead must certainly include a truly crucial section devoted to the second basket.

In conclusion, let us hope that we all enjoy informative and productive discussions over the next few challenging days.

Thank you, Mr. Chairperson.