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**To the Delegations of the OSCE participating States**

Please find attached the Chairmanship's report on the future orientation of the Second Dimension, prepared by the Chairman of the informal Group of Friends.



## **CHAIRMANSHIP'S REPORT**

### **FINDINGS AND RECOMMENDATIONS OF THE CHAIRMAN OF THE INFORMAL GROUP OF FRIENDS ON THE FUTURE ORIENTATION OF THE ECONOMIC AND ENVIRONMENTAL DIMENSION OF THE OSCE**

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#### **Executive Summary**

In the first half of 2009 an Informal and open ended Group of Friends (IGOF) explored the options for strengthening the OSCE's Economic and Environmental Dimension. This report represents the perceptions of the Chairman of the Informal Group. It presents a vision that was collectively developed within the group on the need for change and on the direction in which the second dimension should develop. It does so in the form of 13 objectives and 15 recommendations that should lead to a more visible and effective role for this dimension within the OSCE's comprehensive concept of security. It builds on the Maastricht Strategy of 2003 which called for a common response to economic and environmental challenges and threats to security.

If this package of recommendations is successfully followed-up it should lead to an Economic and Environmental Dimension:

- that effectively implements the Maastricht Strategy (as adopted by the MC in 2003) and monitors and reviews the progress achieved in its implementation;
- that provides for more continuity in its activities;
- that focuses over time on a number of core themes in the Economic and Environmental Committee in Vienna (suggested core themes are: energy security, environment and security, the global financial crisis, good governance, migration and transport).
- that focuses each year in more detail on one of those core themes through the Economic and Environmental Forum process;
- that follows an annual work cycle that has the same start and end-date as the Chairmanship (January-December);
- that is characterised by an increased involvement of the delegations through the introduction of a Chef de File for each of the core issues, supported by a Rapporteur;
- that has an increased focus on security aspects;
- that has closer links to the other OSCE dimensions;
- that pays increased attention to recent developments in the fields of economy and environment;
- that makes better use of the Economic and Environmental Dimension as a Confidence Building Measure;
- that has a Special Representative and/or Personal Representative(s);
- that benefits from enhanced coordination of activities between the Secretariat, the Economic and Environmental Officers and the Delegations;
- that has an improved annual schedule of work, with a more efficient work programme for the Forum and an integrated approach between all activities within the second dimension, including through an Annual Meeting of the Economic and Environmental Dimension (AMEED) in October.

## **1. Introduction**

In February 2009 the Greek Chairmanship established an informal and open-ended group of friends on the future orientation of the Economic and Environmental Dimension (EED) of the OSCE. The Food for Thought paper of the Finnish Chairmanship of 9 October 2008 (CIO.GAL/153/08) was mentioned as a starting point for the informal group to create a fresh impetus for the work of the EED. The group was further tasked to discuss issues that could facilitate, or promote further, the overall work of this dimension and to explore possibilities for strengthening dialogue within the Economic and Environmental Committee (EEC). The Chairman of the Informal Group, Alexander Verbeek of the Netherlands Delegation to the OSCE, was asked to make maximum use of the flexibility that an informal format provides to incorporate the views of all participating States. Between February and July 2009 these issues were discussed in informal discussions, bilaterally, in smaller groups and in meetings of the open ended group, which were sometimes divided into smaller groups to allow for maximum involvement of all delegates.

Throughout this process there has been a remarkably high degree of consensus in the group, both on the need for further improvement of the Economic and Environmental Dimension as well as on the direction in which this change should take place. This report represents the perception of the chairman of the group on the results of the meetings and consultations. The aim of the chairman of the informal group has always been to work transparently on the basis of a consensus approach and to develop a package of recommendations that is broadly acceptable to all participating States. Sometimes very different approaches were proposed by delegations. In such cases the report refers to several proposed options. The set of recommendations set out in this report aims to give practical guidance to future Chairmanships, delegations, the Office of the Economic and Environmental Coordinator and the Economic and Environmental Officers in the field operations on the future orientation of the EED.

## **2. Developments in the EED in recent years**

In the first meeting of the group a questionnaire was circulated. The first question read: 'Please indicate some positive points about the EED/EEC (Economic and Environmental Committee)'. The answer most frequently given was that the EED was the least controversial of the OSCE's three dimensions. In a somewhat different formulation, as one delegate put it: 'It is not too politicized as you find in the first and the third dimension, PC and MC decisions lead to tangible results, a friendly atmosphere and no division East/West of Vienna'. (The results of the questionnaire are - loosely grouped together to facilitate reading - added to this report in Annex 1. For easy reference, internet links to several PC and MC decisions related to the EED are attached in Annex 2).

It is perhaps the uncontroversial nature of the EED, combined with the large degree of agreement that is often found among participating States, which had made it possible to work actively, positively and collectively on improving this dimension. This is relevant to note in this introduction since it puts this report in perspective. For years there has been a continuous effort to improve this dimension. This process has sometimes been slow, but always steady and more often than not has taken place away from the political limelight in the Permanent Council or the Ministerial Council. It is perhaps best described as a positive evolution. There has never been the need for a revolution. This report should therefore be considered as another small step in this ongoing process of improvement. It certainly should not be seen as

anything close to a ‘final report’, with detailed and fixed instructions about how to run this dimension in the future. The flexibility of adapting this dimension to future needs is part of its strength and this characteristic should be cherished. The continuation of regular monitoring and evaluating, including of the recommendations of this report, remains essential to improve our work in this dimension.

In 2003, the OSCE Strategy Document for the Economic and Environmental Dimension was adopted by the Ministerial Meeting in Maastricht (MC(11).JOUR/2, Annex 1). This ‘Maastricht Strategy’ forms the basis of the OSCE’s activities in this dimension by giving guidance on ‘what’ should be done in the EED. Since its adoption, the delegations have increasingly focussed on the question ‘how’ the work in the EED should be done.

That question was not addressed in the Maastricht Strategy. A first, but not definitive, answer was provided in 2005 in the report of the Chairman of the Informal Group of Friends of the EED (CIO.GAL/87/05). It made a number of recommendations which were mainly aimed at improving the Forum process. That resulted for instance in a significant reduction of meetings outside of Vienna, the introduction of two segments of the (then called) Economic Forum and in changes in the way these policy meetings were prepared by conferences of technical experts.

Since the introduction of the improvements to the organisational modalities of the Forum process in autumn 2005 the debate on further improving the EED has continued, but it has changed its focus to broader questions than just how to organise the Forum. An increasing number of delegations asked for further changes, and raised issues such as the need for more ‘added value’, more continuity, a better integration with the security related work that takes places in the first and the third dimensions, better prioritisation as well as a further consideration of the relationship between the work in the EED and the work of specialised international organisations. These comments, and many more, resulted in frequently expressed calls for a strategic debate about the future orientation of the EED.

Such a debate could - and should - annually be an integral part of the Programme Outline debate in the PrepCom in June, but these meetings did not result in clear conclusions. Delegations seemed to be in agreement that there was room for further change, but did not give clearer guidance. In contrast to the delegations, the call for change was picked up by the Office of the Coordinator for Economic and Environmental Affairs (OCEEA), which focussed increasingly on a better organisation of its activities, the identification of a limited set of priorities and on more continuity of the work. Since 2007 it has produced at the beginning of every year an action plan, which set a limited number of clear mid-term priorities. By doing so it improved the continuity of work on those themes.

The debates about the action plan have so far led to agreement on the improved way that the Secretariat organises its activities, but they have failed to result in conclusions for the way that the delegations organise their work. In other words: while the OCEEA gets the full support of delegations to work on a limited set of priorities for a number of years, the delegations themselves still decide by consensus to concentrate fully only on one ‘Chairmanship-theme’ for just one year. The responsibility for continuity and follow-up is left to the Secretariat and the Field operations.

The Finnish Chairmanship took up the challenge to promote and encourage a proper debate, and provided in October 2008 a Food for Thought paper on the Future Orientation of the

Economic and Environmental Dimension (CIO.GAL/153/08). The Finnish Chairmanship encouraged participating States to engage in an active dialogue and to discuss the future orientation of the EED from a more strategic and long-term view.

This initiative led in February 2009, under the Greek Chairmanship, to the establishment of the Informal Group of Friends on the future orientation of the EED. The discussions were based on the issues raised in the Finnish Food for Thought paper as well as on those issues that were mentioned by delegations in a questionnaire that was handed out in the group and on comments received in talks of the chairman of the group with individual delegations. Since then, discussions continued informally in bilateral meetings, in small groups and in the meetings of the informal group. This led to the following recommendations.

### **3. Recommendations**

#### **Introduction: a word or two on synergy and flexibility**

Before starting with a long list of recommendations which were discussed in the meetings of the group, it is relevant to note that most of the following proposals are interrelated and should therefore preferably not be introduced independently of each other. The synergy of this 'package' would then be lost. In this context it is positive to note the cooperative attitude shown by all delegations in the meetings and the broad support received for this approach.

Second, flexibility is needed. Situations, objectives and proposed outcomes change and that requires an ability to adapt in the way that we organise our work. The proposed measures are also designed to create a more flexible working structure in the second dimension. There has so far been a lack of continuity, but the measures should never lead to inertia. There should always be possibilities for shifting our priorities, adapting to new situations and therefore creating a better functioning second dimension which is more relevant to all of us. For instance, in the autumn of 2008, dealing with the security implications of the current global financial crisis was proposed by several delegations as a new issue to work on.

A first recommendation should therefore be to critically monitor (regularly) and evaluate (perhaps in two years) the effect of the implementation of these recommendations.

#### **Recommendation 1: Increase continuity**

- *The present organisation of our work, whereby all attention is fully focussed on just one theme for one year is a waste of the knowledge, experience and networks that have been created during that year.*

For many years the participating States have focussed their attention for the EED fully on only one central theme for the EEF, for the limited period of one year. It is a widely shared view among the delegations that this should change.

Having one topic on the agenda for only one year leaves no time for proper preparation by the delegations or for any concrete follow-up of the recommendations made. Every year by September the focus shifts to a new topic and the acquired knowledge of delegations on the subject is soon lost.

Another related problem is the lack of participation from capitals. It takes time to convince the thematic experts in capital, which are not normally responsible for OSCE matters, to participate in international meetings of the OSCE. A recognisable pattern is that these experts

from capital become involved in the process too late to be able to contribute to the debate. Follow-up is normally given by the OCEEA and the field missions. Their continued work on a growing number of former EEF-themes generates only limited interest among delegations, since their attention tends to shift to the theme chosen for the next year.

The same pattern is visible in the relations between the OSCE and other specialised (international) organisations. Once these organisations get involved in the work of the OSCE and start to appreciate the potential added value that cooperation with the OSCE could have, the contacts with OSCE delegations is lost as soon as their attention shifts to the new EED-theme. It is then left to the Office of the Coordinator to maintain these contacts.

The 'single-issue'-approach of the delegations towards the EED is not only significantly different from the approach of the Office of the Coordinator and the Field Operations. It also differs from the organisational structure of the other two dimensions. Both in the First as well as in the Third Dimension many themes figure on the agenda for a number of years, whereby each year one or several themes are selected to get more attention than other issues.

**Recommendation 2: Keep the Maastricht Strategy as the basis for our work in the EED**

The basis for the OSCE work in the second dimension is provided by the Maastricht Strategy, which envisages a number of important spheres of cooperation and defines the major guidelines of OSCE activities within the EED. It specifically calls for enhancing dialogue on a number of key EED issues and also calls for an effective procedure for ensuring follow-up of the theme of the Economic and Environmental Forum.

The short-time focus of delegations on the annual theme of the Forum contrasts with the broader aims of the Maastricht Strategy. It is perhaps fair to state that the Strategy mentions more themes than can be dealt with by all delegations at the same time. However, with the present narrow focus of delegations, the strategy has until now mainly been used as a 'long list' from which only one theme is selected, while the other issues are pushed to one side.

In other words, the Maastricht Strategy has mainly been used to give a 'stamp of approval', which allows us to work on a theme. The Strategy was however intended to provide guidance to delegations for planning our work on a number of topics with a medium-term perspective.

**Recommendation 3: Review the progress achieved in implementing the Maastricht Strategy**

The Maastricht Strategy specifies a regular review of the progress achieved in implementing the Strategy and the commitments therein. Although the present informal group can be considered to have conducted at least part of this review, it is recommended that an overall review should be scheduled to take place in one or two years from now. The recommendations of the informal groups of 2005 and 2009 could be included in that review. Although not required, an MC decision to kick-start this process could be considered. Alternatively it could be one element of a broader MC decision on EED related issues or the review can be launched as a Chairmanship initiative.

**Recommendation 4: A focus on several core themes**

- *The delegations could decide to shift from working on just one central theme for only one year, towards a programme of work that focuses on a number of core themes for a number of years.*

These core themes should be in conformity with the Maastricht Strategy and should not be too narrowly defined. Therefore it is perhaps better to speak about ‘clusters’ of activity, or perhaps ‘broadly defined themes’. The informal group considered that five of six themes reflected the best balance between prioritisation and focus on the one hand, and the need to cover a broad range of issues on the other (the number of six themes is used in the rest of this report). There is no reason why the number of core themes should be fixed over time.

**Recommendation 5: Combine the present system of an annual theme for the Forum with the introduction of several core themes**

Such a system can be introduced without having to abolish the focus on just one central theme for the Forum. Debates in the informal group on the question of whether there should be one theme or several (clusters of) themes led to the idea of integrating both approaches. This would allow delegations to focus their work for a number of years on six themes, but also maintain room for the Forum and a preparatory process on one specially chosen theme (preferably a (sub) theme of one of the six core themes of the EED).

If this approach is followed, the highlighting of one theme in the Forum process reinforces the ongoing work taking place on the six core themes. Whereas the six clusters guarantee a more structural long term approach on a broad range of issues that are identified in the Maastricht Strategy, the Forum process enables the delegations to focus more in detail on (certain aspects of) one of those six clusters. The acquired knowledge as well as the networks that have been established during the Forum will not be lost, but can be given further follow up in subsequent years during the regular work on that issue as part of the work on the six clusters. The Greek Chairmanship took a first step in this direction through the organisation in 2009 of two meetings of the Economic and Environmental Committee that were fully dedicated to just one specific theme. This initiative was positively received by delegations. It is recommended that this practice be further developed.

This approach should lead to two mutually reinforcing processes. One will be a continuous process on a broad range of themes, which takes place mainly in the Economic and Environmental Committee and is largely Vienna based. The other process will be the more specialised Economic and Environmental Forum, including the preparatory process. This process traditionally holds most meetings outside Vienna and has the final meeting in May in Prague.

**Recommendation 6: An effective and balanced selection of the core themes**

It is the role of the Chairmanship to guide the decision-making process on the selection of the core themes for the EED-agenda. In the meetings a number of suggestions have already been made by different sub-groups that discussed this issue.

Based on the Maastricht Strategy, the themes of previous Economic and Environmental Forums, relevant MC decisions, the action plan of the Office of the Coordinator and on discussions in the group, the following six themes (in alphabetical order) could be considered as clusters to work on.

- Energy security
- Environment and Security, especially water issues and the security aspects of climate change
- Global financial crisis: overcoming the after effects and dealing with the security implications

- Good governance, including anti-money laundering, combating the financing of terrorism, anti-corruption, transparency, border security
- Migration
- Transport, including all forms of anti-trafficking

These six themes, or any other set of chosen themes, should certainly not be seen as strictly separated from each other and from the work that takes place in the other dimensions. The issues are related and potential synergies should be exploited. Water issues could for instance figure on the agenda of the theme of Environment and Security, or Good governance or Transport. An issue like anti-trafficking is truly cross-dimensional with both the first and the third dimension and it could also be dealt with in several of these six EED themes.

Within the Office of the Coordinator, the rest of the Secretariat, Institutions and the Field Operations there is already a wealth of knowledge and networks that can be effectively drawn upon when responding to economic or environmental challenges and threats to security. The work on this set of six themes should make effective use of these OSCE resources. The many links between the core themes should contribute to the development of a coherent approach, whereby recognisable main themes form the building blocks of an integrated approach that provides a visible and valuable contribution of the second dimension to the OSCE.

An agreed list should in practice be used to give medium-term guidance for the future. It is up to each Chairmanship to see if it is time to adapt it to changing circumstances. A balance has to be struck between the stated need for continuity on these themes and the need to be flexible in adapting to developments. Close coordination with all involved, including incoming Chairmanship(s) is needed. It is also recommended to take into account the existing realities within the second dimension and to avoid specific taskings that are beyond reach. Cooperation with specialised organisations on these proposed themes should be encouraged and where necessary developed into long term cooperation with added value for all organisations involved. Competition and duplication with the activities of these organisations should be avoided.

**Recommendation 7: Introduce a Chef de File for each of the selected core themes**

Another issue that received much attention during the debates in the group is the need for a more active participation of the delegations with the work of the second dimension.

The EED-agenda is in practice very much driven by the Office of the Coordinator, in combination with the Chairmanship. Delegations comment on presentations, but often refrain from taking initiatives or from providing active contributions. One of the group's recommendations is the introduction of a 'Chef de File system'.

It is recommended that for each of the selected core themes one delegation will take the lead for one year as the 'Chef de File'. This delegation will get the support of one other delegation (the 'Rapporteur'), which will take over the position of Chef de File the next year. This will provide better continuity as well as a fall back position in case the Chef de File is not able to participate in a meeting. As a third element in this structure, the expert from OCEEA that is responsible for this cluster should stand ready to assist the Chef de File.

The informal group discussed what should be expected of a Chef de File and presented the following description of tasks.



The Chef de File should:

1. Serve as an information/contact point for delegations;
2. Raise relevant developments in the Economic and Environmental Committee
3. Fill the gap between OCEEA and the participating States and provide insight on the priorities of participating States;
4. Keep an eye on the calendar concerning other events, organised for instance by International Organisations, that deal with this theme and could be relevant for the OSCE;
5. Strengthen the link between delegations and the Field Missions and make sure that the activities of the delegations and EEOs are synchronised;
6. Support the Chairmanship in organising at least once a year a special meeting of the Economic and Environmental Committee on each theme.
7. Provide a delegation perspective on cooperation between the different actors within the OSCE dealing with the theme.

The role of the Rapporteur is mainly to help the Chef de File wherever necessary and to prepare reports for meetings, especially in the meeting in autumn where a review of the work of the past year will be presented (see under recommendation 14).

The Chef de File and his/her team (Rapporteur and the Secretariat expert) should be appointed by the Chairmanship. The regional distribution of the Chefs de File should be taken into account, as well as the size (capacity) of the delegations.

The system is meant to be used in a flexible manner. The aim of promoting a more active involvement and participation of delegations as well as the creation of a stronger link between the delegations and the Office of the Coordinator should be more important than sticking to the proposed format and the exact division of tasks. After the introduction of this system it is advised to review it, and if necessary to improve it, after one year.

**Recommendation 8: An increased focus on security aspects and a closer link to the other OSCE dimensions**

- *The work in the EED should, according to the Maastricht Strategy, focus on a common response to economic and environmental challenges and threats to security. In the meetings of the group there was a call from many delegations to foster this focus on security.*

Several years ago, it was these kinds of comments that were often made by delegations about the work of the Office of the Coordinator. That contributed in 2007 to the presentation of the first annual action plan of the Office. It has since then been produced every year and it was each time discussed with the delegations in the Economic and Environmental Committee. It proved to be a useful and flexible tool for planning and resulted in improved prioritisation. The focus of the Office of the Coordinator on the threats to security has thereby been increased.

Since those changes were introduced, the calls from delegations for a stronger focus on the security aspects of the themes have remained. But it became more directed at the question how the delegations themselves should organise their work within the context of the Economic and Environmental Forum and in the Economic and Environmental Committee, and relatively less on the work of the Office of the Coordinator.

Many delegations advocated the idea of making in practice the Economic and Environmental Dimension a better integrated part within the concept of comprehensive security. The delegations could seek to establish closer links with the work in the other two dimensions. The Finnish Chairmanship experimented with this idea by organising a combined meeting of the first and second committees for themes that were relevant for both dimensions. This initiative could possibly be further developed, for instance on an issue like energy security. Likewise, cooperation with the human dimension committee could be strengthened when discussing themes such as migration and combating trafficking in human beings.

It was noted in the discussions in the informal group that there can be different interpretations as to which security aspects would actually be considered as relevant for the EED to work on. The debate is not new, and fortunately guidance is given in the Maastricht Strategy, which resulted from long deliberations among the delegations and has been adopted by the Ministerial Council in 2003. It will be up to the OSCE Chairmanship to make this an important aspect of deliberations about planning of future activities. It is already every year an aspect of the negotiations on the theme for the next year, but it is recommended that it receives special attention earlier in the year, directly after the start of a new Chairmanship. It should be a consideration in the planning for the activities of the next year. It is relevant for all aspects of the work during a chairmanship year, especially on the selected core themes, that all delegations should contribute to a common response to economic and environmental challenges and threats to security.

**Recommendation 9: Increased attention for relevant ‘Recent Developments’ in the Economic and Environmental Committee**

The EED is an indivisible part of the concept of comprehensive security and therefore deserves to play a more visible role within the OSCE. So far this dimension seems to have lagged behind compared to the other two dimensions, at least if attention within the Permanent Council or the Ministerial Council meetings is considered a reasonable indicator. To make better use of the potential of the EED as an essential ingredient of the cocktail of all three dimensions that forms the comprehensive security concept, the second dimension could focus its work more on the latest developments that are relevant for OSCE.

Recent developments that take place within the OSCE region could be discussed in the meetings of the EEC if an economic or environmental aspect is involved. They could be discussed in each meeting of the committee. Chiefs the file for the different themes can inform the other delegations on economic and environmental aspects of recent developments that deserve attention and the possible role of the OSCE can be discussed. There is a special role for the chairmanship with a view on ‘their’ theme for the EED. Instead of using the committee mainly for discussing the agenda or reporting back on the latest (preparatory) meeting of the Forum, the committee meetings could be used to inform delegations about recent developments related to the theme. For instance, if the theme of the chairmanship is transport, it would be useful to report on recent activities of other international organisations in this field, or to report on a recent cross border transport security issue, or on the possible response of an OSCE mission to regional problem that was recently discussed in the PC and where a useful contribution can be given from an EED perspective. Delegations could also make use of this agenda item to raise current issues that could be relevant for the OSCE from an EED perspective.

**Recommendation 10: Make better use of the EED as a Confidence Building Measure**

Activities of the EED have been used as a CBM, for instance in solving cross-border tensions on economic and environmental issues or by using an economic activity to get two parties of a conflict to work together. There is however not much knowledge about these activities among the delegations. It is not clear what the full potential of the mechanisms is, when and how these can be used and how these activities are coordinated with other activities in that area.

It is recommended to further develop possibilities for using the EED as a Confidence Building Measure. As a first step the Chairmanship could, together with the Office of the Coordinator, take the initiative to organise a workshop where previous experiences with these kinds of activities are presented and where, on the basis of lessons learned, further plans can be developed. It is typically the kind of activity where this dimension can prove its added value within the concept of comprehensive security.

**Recommendation 11: Create the position of Special Representative or Personal Representative**

The Economic and Environmental Dimension is the only dimension of the OSCE that does not have a separate institution. Although there were no proposals in the informal group to change the Office of the Coordinator into a separate institution, it was noted that the Coordinator would probably have easier access at higher levels if he headed a separate institution. This could be especially useful if the concept of using the EED for developing Confidence Building Measures would be further developed.

Opinions within the group differed on what the best way forward could be to enhance the position of the Coordinator. Most agreed that the present title created confusion about the Coordinator's role. One proposal was to create the position of Special Representative for the Economic and Environmental Dimension, with an extended mandate. The position of SR and the position of Coordinator of the Office could be combined (as has been the case for some years in respect of Combating Trafficking in Human Beings) or the two positions could be kept separate.

Others felt that the Chairmanship could nominate a Personal Representatives for specific issues, but some felt that the effectiveness of such a step should first be clear to all and that a proliferation in Personal Representatives might lead to confusion about who's who in the OSCE with a risk of duplication, for instance with the Coordinator. It was felt that both for possible SR or PR positions the mandate should be for several years.

Others mentioned the possibility of giving the title of Special Representative to the Coordinator would still allow for a separate Personal Representative for a specific issue (like energy security or specific confidence building measures), again on the assumption that a PR should hold such a position for a number of years.

This summarises the various ideas discussed in the meetings of the informal group. It is left to the Chairmanship to decide how to proceed further.

**Recommendation 12: Enhance the role of Economic and Environmental Officers (EEOs)**

One of the results of having a new theme for the Economic and Environmental Forum each year is that the workload of the EEOs in the field operations increases every year. They receive new taskings, often from the Ministerial Council, but are rarely instructed to curtail an

area of work. With a more or less fixed number of posts in the field and a budget that often does not increase this obviously creates problems for the EEOs. On top of that the EEOs are often unable to contribute actively to the Economic and Environmental Forum process since they need time for proper project preparation on the latest chosen one-year theme of the Chairmanship.

It is recommended that the Economic and Environmental Committee discusses this issue and gives clear guidance to the EEOs. A first step should be to ask the EEOs themselves what their experiences in the field are and where they see possibilities for improvement.

If the recommendation on the focus on six core themes is implemented, there may be a good opportunity to streamline the work of the EEOs along similar lines. A fair amount of flexibility should however be allowed because of the specific needs in the region where each EEO is working.

**Recommendation 13: Enhance the coordination between the Secretariat, EEOs and the delegations**

The cooperation between the Office of the Coordinator and the delegations in Vienna has increased steadily over the past years. The previously mentioned introduction of the annual action plan in 2007 (which was introduced when the Sub-Committee became the Economic and Environmental Committee) has further strengthened this cooperation.

The relationship between the delegations and the Economic and Environmental Officers remains the weak link between the three pillars of the EED. This challenge is recognized by the Coordinator who is providing more input into their planning and aims to improve the exchange of information. But there is room for improvement from the side of the delegations as well.

It is recommended that the annual (January) meeting of EEOs in Vienna should partly be combined with a meeting of the EEC. This meeting should be well prepared with an agenda that includes all aspects of a better cooperation between missions and Vienna.

The Chairmanship and delegations can also actively involve the EEOs by inviting them to present their work to the Economic and Environmental Committee. Their work and the work of the delegations cannot and should not be two separate universes. It should mutually reinforce each other. The deliberations in the EEC and at the EEF should make better use of the experience and knowledge of the EEOs in the field. The conclusions of the meetings of delegations should ultimately be reflected by new activities in the field. Those activities should be reported back to the EEC and so on.

That this is not the case yet is largely due to the fact that the present working structure puts the EEOs structurally years behind on our agenda. It is only seven months after an Economic and Environmental Forum in May in Prague that the Ministerial Council takes a decision that may result in clear conclusions for the EEOs to work on. The Unified Budget proposal has by then already been presented and discussed and is often adopted only a few months later.

By enhancing continuity through working on a set of six core themes for a number of years, the possibility arises to give much better guidance to the field missions and to receive feedback on the experiences of the EEOs. It provides for evaluations and lessons learned and it

creates the possibility to invite EEOs to the EEC with a much clearer added value, because the objectives of Vienna and the field are more coherent.

Moreover, if there is a better coordination between the missions, the EEOs can make much more effective use of each others' experiences. A next step should be to make the work of the EEOs easier to measure, which should make the case of OSCE getting involved in economic and environmental issues in the field better explainable and defensible. This development would also serve as a tool in evaluating the work that takes place in the field.

**Recommendation 14: Synchronise the annual cycle of work in the EED with the Chairmanship year**

The present annual EED-cycle of work starts in autumn with the first (preparatory) Conference and ends in May with the second segment of the Economic and Environmental Forum in Prague. This has a number of disadvantages. For instance the Incoming Chairmanship finds itself every year in a kind of competition with the current Chairmanship about the first conference in autumn. While the Chairmanship is busy preparing the Ministerial Council in early December and tries to keep the theme of that year for the EED alive (after the final Forum meeting of May), the Incoming Chairmanship tries to get as many delegates as possible to go to a meeting outside of Vienna to talk about another new theme.

In the informal group several discussions were held to find an alternative schedule of work for the EED that:

- Allows each Chairmanship to organise all meetings on the annual theme during the year of their Chairmanship
- Allows for a better preparation of the Ministerial Council, where progress of the past year on the theme of the Chairmanship as well as on the selected core themes can be evaluated and where conclusions can be drawn about the most likely results to be forwarded to the Ministerial Council.
- Keeps the Economic and Environmental Forum in May and in Prague

This led to the following recommendation for reorganising the work:

	<u>Present annual cycle</u>	<u>Proposed new annual cycle</u>
Sept/Oct	First Conference (out of Vienna)	
January	First Segment of the Forum (Vienna)	First Segment of the Forum (out of Vienna, possibly in Chairmanship country)
March	Second Conference (out of Vienna)	Conference (Out of Vienna)
May	Second Segment of Forum (Prague)	Second Segment of Forum (Prague)
September	<i>(nothing between May and Dec.)</i>	Special EEC on Forum theme (Vienna)
October		Annual Meeting on EED (Vienna)

December MC

MC

In this proposed schedule practically all activities on the theme of the Forum take place within the calendar year (which is a 'Chairmanship year'). The only two small exceptions are the preparation on the decision of the new theme (in July) and the first presentation of the new theme to the Ambassadors (normally one hour in September). If the work on the proposed six core themes becomes a coherent policy that is followed for a number of years, the decision on the theme of the incoming Chairmanship follows more logically from the established programme of work and might need less time to be adopted by consensus.

It is proposed that the first substantial meeting on the new theme, the first segment of the Forum, takes place early in the new year. It provides an opportunity for the new Chairmanship to profile itself. The 'competition' with the agenda of the previous chairmanship is thus avoided, as well as the confusion about two themes that figure on the OSCE/EED agenda. It also provides for the possibility to organise the first segment of the Forum in the Chairmanship's country as a visible 'kick-off' event of the Chairmanship.

The first conference that normally took place in autumn is proposed to be abolished (starting in autumn 2010). In practice many delegations experienced too much overlap between the issues discussed in the first conference and the first segment of the Forum. The necessity for having the first conference, which was always used to introduce the theme for an audience with widely differing levels of knowledge about the specific theme, is also reduced. The theme of the Forum process for that year should build on the acquired knowledge of the participants, gained in the years previously within the EEC where (aspects of) the Chairmanship theme for the Forum were already discussed as one of the selected core themes.

In following this approach, the first segment of the Economic and Environmental Forum in January will essentially be a review of the nature and scope of the new theme. The issues raised in that meeting will be further discussed and worked out by experts and delegations in a more 'technical' conference in March. The second segment of the Forum will remain as it has been since the new format was introduced in 2006 (three days in Prague), where the main aim will be to examine what participating States and the OSCE are doing (and are going to do) to tackle the previously identified problems.

Under the present system, nothing is heard about the theme of the Forum after May, until it appears again on the agenda of delegations in the month before the MC, when a draft MC decision will be negotiated. The proposed schedule allows for a follow up meeting in a special meeting of the EEC in September, to make sure that proper follow up is given to the outcome of the Forum. It also guarantees that it is discussed in Vienna, where all delegations will get involved in the MC preparations.

A new event could be introduced in October: the 'Annual Meeting of the EED' (AMEED). This event should be a stock-taking exercise of all that has been achieved in the second dimension. Results can be identified and lessons can be learned on all of the six core themes, including the outcomes of the Forum process (which may already have been discussed in the special EEC in September, but the AMEED aims for an integrated assessment of all the results of all EED activities during the chairmanship). It should also be the moment when the potential steps towards decisions or declarations in the Ministerial Council could be discussed. The AMEED should contribute to a more coherent approach of the EED because it

reintegrates the theme of the Forum (which was discussed in detail outside Vienna) into the overall package of the other core themes that mostly remained on the 'Vienna-agenda'. It is also the moment in the year that forms the bridge between the discussions and presentations of the first nine months of the year and the preparations for the Ministerial Council that takes place in less than two months after the AMEED. This two or three day meeting should take place in Vienna and replace the present 'first conference' of the Forum process, that often inconveniently takes place outside of Vienna in a busy season that does not allow for travelling.

**Recommendation 15: Annual report**

It is recommended that the activities that took place regarding the Economic and Environmental Forum, as well as the work that has been done on the core themes in the EEC should be presented in an Annual Report. This report could be presented at the beginning of the EED Annual Meeting in October in Vienna. It should provide a coherent picture of the progress achieved on the six core themes, including on the chosen theme for the Forum. The Chefs de File should, together with the Rapporteurs, contribute to the part of the report that deals with the theme for which they are responsible. This report should preferably be combined with the existing Annual Activity Report that is produced by the Office of the Coordinator.

## **Annex 1: Results of questionnaire about EED in Informal Group (march 2009)**

### **1) Indicate some positive points about the EED/EEC**

- Somewhat more informal
- Not controversial
- EEC is informal therefore people can share their views freely
- It is not too politicized as you find in the first and the third dimension, PC and MC decisions lead to tangible results, a friendly atmosphere and no division East/West of Vienna
- Least controversial dimension
- Potential for getting pS to work together better on non-controversial topics
- Variety of issues on the EED agenda can be interesting and potentially educational to delegates
- Colleagues seem to be very nice
- Positive atmosphere; more trust than in other dimensions
- It is not contentious: everybody agrees that prosperity and a safe environment are good for everybody's security
- Inclusive, interesting, nice people
  
- International context provides greater attention/puts more light on EED/EE activities and themes
- Dedicated coordinator and office staff
- Unlike the HD there is a recognized office to advise on all issues and to attend all meetings
- 
- Events organized by the previous CiO in the sphere of energy efficiency, energy savings, renewable energy sources
- Transport
- 
- This dimension was specifically designed as a set of areas where cooperation among pS in the field of economy, environment, science and technology could be mutually beneficial, building trust, solving problems and thus improving security
- Effective contribution to maintain comprehensiveness of security concept
- Focus on concrete issues that cut across three dimensions
- Alongside with the HD, it is a main tool in granting security in Europe, encompassing a much more comprehensive point of view, other from the strict military side and ensuring health, life, economical prosperity
- Deals with confidence building, conflict prevention. Is in some areas concrete ENVSEC
- 
- Potential to engage in concrete activities in the field
- Work in the field has some useful impact
- The work of the field Missions
- 
- That 56 states have signed up to the Maastricht Strategy
- Its important contribution to the security and stability in the region. Dealing with the new global challenges and improving good governance



- EED focuses on the security implications of the economic and environmental issues. This is unique for the OSCE
- It is a structure where we can express any problems in EE fields and organize brain storming on that problem
- It makes issues of greater importance to my delegation acceptable for other pS
- Provides opportunities to define specific issues of OSCE interest
- Fair geographical representation
- 
- Confidence Building
- A strong reservoir for dynamic of the whole OSCE, especially due to the emerging importance and impact of environmental challenges on security
- Issues are interesting and of course important
- Some interesting topics
- Less controversy than in other dimensions
- Its place as embedded in a comprehensive approach to security, in practice, its tie to security in relation to field operations and institutions
- More possibilities; still a lot to do
- Help acknowledge soft security as an equal element of the whole OSCE security concept.

## 2) Where do you see need for improvement?

### **Political attention and funding needed**

- This dimension lacks political attention and funding.
- No possibility to acquire Secretariat expertise and funding in money

### **Continuity**

- Level of cooperation within OSCE EED is still limited to few areas.
- There should be more continuity from one CiO to the next
- More continuity
- Continuity
- Follow-up to year themes
- Lack of continuity/continuous adding-on of issues
- Lack of (possibility) implementing results of Forum
- Continuity!
- More continuity

### **Focus/prioritization**

- EED should focus its work on fewer priorities areas
- More focus
- Need more focus
- Focus on few real issues
- Need to keep focus on more of the topics in EED and in more follow-up
- Prioritizing the number of issues of the discussion;;

### **Which issues to work on**

- Have more environmental topics into the debates/projects/assistance
- Environmental challenges as desertification, water contamination and soil degradation
- Select attractive topics
- Better themes to be selected
- Process of figuring out of subjects acceptable for all pS
- Given the scarce resources, streamlining the activities is needed (both financial and human resources)
- Choosing themes
- Year long Forum topic – too difficult to implement different themes

#### **More security related**

- Topical issues of major importance for comprehensive security in OSCE region
- more link with security threats
- More attention to the security aspects of economic and environmental issues
- More link with security issues, comprehensive security approach. It is not possible to discuss.
- Have focus on environmental issues, stress the link to security
- Cross-dimensionality

#### **Added value, avoid duplication**

- To avoid duplication of other IOs activities, i.e. in climate change discussions and energy security dialogue
- Finding of added value of the OSCE in EED

#### **Result oriented**

- It is interesting to discuss topics, but it could be better to have some kind of outcome
- The pS can be more courageous in considering role of EED/EEC – about the OSCE ability to act/react about the themes it can in fact encompass
- Ambition: Economic/environmental cooperation is faulty and poor in every forum. Specifically: a Treaty for guarantees and protection of Foreign Investment should have been produced long ago
- result-oriented

#### **Relations/tasks delegations, ocea, field officers**

- strengthening cooperation with field officers
- OCEEA should consult the pS more
- Coordination with Field Officers
- More active role of OCEEA
- More project oriented activities and capacity might be helpful

#### **Involvement delegations**

- Need to elicit more participation from delegations in EEC
- Need for better oversight of the EE activities of the Missions. Vienna discusses in a vacuum
- Creating special environmental theme task forces
- *see also under 'Meetings'*

#### **Meetings**

- Forum meetings and preparatory conferences: 1) preparatory conferences should have a different format (e.g. no country plates and more experts, NGOs, academics), 2) Maybe the forum could have 2 themes a year?
- Greater dynamism in dialogue
- Format of the EEF
- Structure of EEF – too much
- Need to have more debate and discussion in EEC
- We need more flexibility, more open discussion, input from outside not only during EEF, but also in the Committee
- Organization of work of EEC, have a real discussion on different topics. Improving the work of EEF → reduction of meetings and practical follow up
- More engaged debate.

### **3) Describe how the EED could function better**

#### **Political attention, capacity, human and financial resources**

- The main task is to define the capacities of the OCEEA and its financial resources
- Put more effort in making the EED visible in the OSCE
- More funding
- Better link to other discussions and political developments

#### **Continuity**

- Better implementation of decisions; more follow-up activities; streamlining of work
- EEF themes should continue for 3-5 years
- Not having a new theme every year. Possibly a list of topics could be agreed and dealt with every year or rotated.
- Continuity!
- Avoid skipping from topic to topic during each Chairmanship
- We should have a rolling agenda and cycle through many of EED issues
- Continuity in topics. Greater focus on topical issues to make it more relevant

#### **Focus/prioritization**

- Better/narrower focus
- Focus on few real issues
- More focused work
- End some activities (e.g. on business climate). Move clear focus on good governance, direct links to security and environment issues. Less focus on transport, economic issues
- Focus on set of topics (5 to 6)
- Streamlining/prioritization: first consolidate activities on 3-5 core thematic areas, and then add other themes on the Agenda if there is capacity and resources
- To have in Vienna a clear comprehensive overview of EE activities of the Field Missions, then organize an implementation follow-up

#### **Which issues to work on**

- Not hiding from sensitive issues such as energy security as it was done since 2006

- The activities of the EED should be attractive to the whole OSCE area
- Select attractive topics
- To find out common themes and priorities for discussions, rather than to try to convince interlocutors to do what they do not want.

#### **More security related**

- keep the focus on security implications
- Focus on what OSCE is good at – CBM, dialogue

#### **Added value, avoid duplication**

- OSCE should focus on the fields where it can bring real added value and not duplicate the work done by other international organizations and keep the focus on security implications.

#### **Relations/tasks delegations, OCEEA, field officers**

- Dialogue between field mission and the OCEEA should be enhanced
- Field Missions should be involved closely
- More input from field officers during the decision-making process
- The OCEEA could have a more active role in preparatory....
- More specific projects by the OCEEA

#### **Meetings**

- EEF could be strengthened
- Deal with current topics in debates
- Present views of independent analysts, personalities in the EEC
- One could consider further institutional development of OSCE structures dealing with EED. In addition to the existing EEF it is important to have regular comprehensive reviews of implementation of key EED documents
- Ongoing informal discussions
- Better structuring of dialogue through a) chef de file, b) 1-2 Rapporteurs
- Create more involvement of delegations by Chef de File responsibility
- There should be just one forum, preceded by perhaps two preparatory conferences
- less traveling around for conferences
- Organize working groups
- Invite experts to the EEC and PC
- Starting with 2009, Migration, we had better institute a committee focusing its works on the implementation of migration policy followed by works carried out by a committee with the role of reporting after monitoring what is going to happen from 2010
- No need for two EEF segments. One meeting in Vienna or Prague would be enough. Two preparatory conferences could be held in Vienna, or more if necessary
- The main issue and problem is, as described by many delegates, a lacking of interactivity of capitals. Making therefore that second dimension is somewhat walking in close circuit
- Capitals better involved
- Guest speakers parallel discussions in the committee
- The events could take place in Vienna and not outside

- Build EED more into work of the PC (as the FSC now is doing) through inviting speakers
- There should exist topical subcommittees with a clear aim and a mandate to solve specific problems. The OSCE should step into other fora's competences and make them more result oriented in the name of security. Closer cooperation with other fora (FMI, IPCC, WTO)

**Name a few priority themes that should be discussed during the forthcoming years**

- Energy Security XIV
- Energy and other natural resources security
- Security implications of Climate Change X
- Environment and security IX
- Environment on a confidence building manner
- Security implications of the Economic/Financial Crisis VIII
- Developing ideas or non-binding recommendations on resolute actions to counter current financial crisis and restore sustainable economic development. These ideas could serve as a good basis for adopting a new global financial regulatory work
- Financial Crisis and gender aspect
- 
- Good Governance (Rule of Law, Fight against Corruption) IV
- Migration II
- Confidence Building activities II
- Water II
- All areas covered by Maastricht Document
- Economic pressure as political tool
- Financing of terrorism
- Money laundering
- Transport
- Support for SMG's
- Customs, Border crossings
- Business climate
- Ensure continuity in practice
- How to make decisions work
- Transparency
- Investment protection, legal guarantees (why don't we never speak of FREE TRADE). Less emphasis on field presences, more 56 area

**Any other suggestions**

- Please do not separate form and substance in this informal discussion
- There should be a periodic list of Economic and Environmental inter-country problems (to be solved). More resources to the OCEEA
- All EED's work should have a direct link to the OSCE security mandate. I see value therefore in a return to first principles to consider whether the Maastricht Strategy still serves its purpose

## **Annex 2: OSCE Reference Internet Links on EED (1999-2009)**

Charter for European Security (1999)

[http://www.osce.org/documents/mcs/1999/11/17497\\_en.pdf](http://www.osce.org/documents/mcs/1999/11/17497_en.pdf)

The OSCE Concept of Comprehensive and Co-operative Security – An Overview of Major Milestones (2009)

[http://www.osce.org/documents/cpc/2009/06/38218\\_en.pdf](http://www.osce.org/documents/cpc/2009/06/38218_en.pdf)

OSCE Strategy to Address Threats to Security and Stability in the Twenty-First Century (2003)

[http://www.osce.org/documents/mcs/2003/12/4175\\_en.pdf](http://www.osce.org/documents/mcs/2003/12/4175_en.pdf)

OSCE Strategy Document for Economic and Environmental Dimension (2003)  
(The ‘Maastricht Strategy’)

[http://www.osce.org/documents/mcs/2003/12/4175\\_en.pdf](http://www.osce.org/documents/mcs/2003/12/4175_en.pdf)

MC Decision No. 10/04 on Improving the Efficiency and Effectiveness of the Economic Forum (2004)

[http://www.osce.org/documents/mcs/2004/12/3913\\_en.pdf](http://www.osce.org/documents/mcs/2004/12/3913_en.pdf)

MC Decision No. 12/06 on Energy Security Dialogue in the OSCE (2006)

[http://www.osce.org/documents/mcs/2006/12/22735\\_en.pdf](http://www.osce.org/documents/mcs/2006/12/22735_en.pdf)

Conference on Strengthening Energy Security in the OSCE Area  
(Bratislava, 6-7 July 2009)

[http://www.osce.org/conferences/eea\\_2009\\_energy.html?page=38127](http://www.osce.org/conferences/eea_2009_energy.html?page=38127)

MC Decision No. 2/05 on Migration (2005)

[http://www.osce.org/documents/mcs/2005/12/17358\\_en.pdf](http://www.osce.org/documents/mcs/2005/12/17358_en.pdf)

Ministerial Statement on Migration (2006)

[http://www.osce.org/documents/mcs/2006/12/22544\\_en.pdf](http://www.osce.org/documents/mcs/2006/12/22544_en.pdf)

17<sup>th</sup> Economic and Environmental Forum “Migration management and its linkages with economic, social and environmental policies to the benefit of stability and security in the OSCE region” (2009)

[http://www.osce.org/conferences/eef\\_2009\\_athens.html?page=documents](http://www.osce.org/conferences/eef_2009_athens.html?page=documents)

MC Madrid Declaration on Environment and Security (2007)

[http://www.osce.org/documents/mcs/2009/03/36857\\_en.pdf](http://www.osce.org/documents/mcs/2009/03/36857_en.pdf)

MC Decision No. 11/07 on Future Transport Dialogue in the OSCE

[http://www.osce.org/documents/eea/2008/11/34797\\_en.pdf](http://www.osce.org/documents/eea/2008/11/34797_en.pdf)