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**THE UNECE'S COOPERATION WITH OSCE**

Cooperation between the UNECE and OSCE in the Economic and  
Environmental Dimensions of Security

Note by the Executive Secretary

The following document provides information on the cooperation between the UNECE and the OSCE and the proposals for strengthening this cooperation, which are contained in the OSCE's New Strategy Document (NSD). That part of the NSD dealing with the economic and environmental dimension will be provided as a conference room document. It can also be accessed from the OSCE website (<http://www.osce.org>). An analysis of the proposals contained in the NSD will be prepared by UNECE secretariat and provided to the UNECE member countries to assist them in their consideration of this item.

**I. Introduction and background**

1. The UNECE and the OSCE have over a long number of years developed a very close working relationship, fully supported by the member States at the meetings of their respective governing bodies, the UNECE annual sessions and the OSCE Economic Forum.<sup>1</sup> At the 11<sup>th</sup> OSCE Ministerial held in Maastricht on 1-2 December 2003, OSCE Participating States adopted a New Strategy Document for the Economic and Environmental Dimension. The New Strategy document provides an important new input into strengthening security in the economic and environmental dimension.

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<sup>1</sup> See ECE Annual Session Report 2003 and the OSCE's Chairman Summary of the 11<sup>th</sup> OSCE Economic Forum May 2003.

2. As the world moves into a new era of insecurity with new threats from terrorism, the UNECE is already making efforts through the work of its Principal Subsidiary Bodies and Working Parties to improve the security of transport, energy, trade and in the environment. UNECE also cooperates with other international and regional organizations in many activities in order to make conflict prevention activities more relevant and effective.<sup>2</sup> Additionally, the UNECE is mindful of the resolution passed by the General Assembly in June 2003 on the prevention of armed conflict, calling for United Nations bodies, including the Economic and Social Council, to address conflict prevention in their work and to look at “innovative and concrete approaches” to achieve results. The UNECE will continue to contribute to the economic and environmental dimension of security and the fruitful and cooperative partnership with OSCE will continue to be firmly on the agenda.

3. The purpose of this paper is the following:

- To examine the key questions in the long-standing partnership between OSCE and UNECE up until the OSCE Ministerial Council Meeting in Maastricht, 1-2 December 2003.
- To explore the new proposals for cooperation which are contained in the New Strategy Document
- To discuss further issues that need to be considered to make the partnership even more fruitful.

## **II. Key Questions Concerning the Relationship between OSCE and UNECE**

### **(a) Why has the cooperation between OSCE and UNECE been so close?**

4. Various factors explain the close cooperation between the UNECE and the OSCE. First, the UNECE and OSCE have had a long-standing relationship that dates back to the Helsinki Final Act of the Conference on Security and Cooperation in Europe (CSCE) in 1975.<sup>3</sup> The UNECE was identified in this period as the principal body to deal with the economic aspects of cooperation at a Pan-European level. The OSCE relies critically on its partners in order to engage in follow up and to generate a wider impact, influence and tangible results. It acts as a catalyst in providing “impulses” to other organizations for the latter to carry forward and implement these “impulses” in concrete programmes.<sup>4</sup> The role is conveyed in terms of the “OSCE Platform of Security”. The reason for confining itself to this ‘catalytic’ role is the limited size of the secretariat of the OSCE. Moreover, there are other regional bodies, such as the UNECE, to carry out work in the economic and environmental dimension. Thus, for the economic dimension of the OSCE, cooperation with

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<sup>2</sup> Accordingly, consultative meetings regularly take place in New York, as well as in Europe, in the tripartite process of consultations between the United Nations, Council of Europe and the OSCE.

<sup>3</sup> The Final Act followed after years of negotiations by the then 35 Participating States of the CSCE.

<sup>4</sup> The UNECE and OSCE secretariats hope to sign a Memorandum of Understanding that would provide a more general framework for a concrete programme of cooperation.

other bodies is not only an option; it is intrinsic to its own mandate and will remain so as long as the member states provide it with limited resources.<sup>5</sup>

5. The UNECE and CSCE continued this cooperation through the 1980s and up until the point when the CSCE became the OSCE in Helsinki in 1992.<sup>6</sup> Secondly, both organizations share virtually the same membership and provide the same neutral framework to resolve potential conflict issues for their respective members. Thirdly, the UNECE, because of the nature of its work, and unlike OSCE, has a network of experts drawn from both the public and private sectors, from which the OSCE could benefit in its conflict prevention work. Finally, the UNECE's conventions, norms, standards and guidelines in environment, transport, energy, good governance etc, provide a unique framework of benchmarks that are of immense use to the OSCE in its security and conflict prevention work. The UNECE's five pan-European environmental conventions, for example, incorporate mechanisms for resolving disputes and are thus useful instruments for serving the OSCE.

**(b) What has UNECE contributed to OSCE and what has the OSCE contributed to the UNECE?**

6. The contribution of UNECE to the OSCE takes many forms: providing economic analyses and documents, the most notable of which is the annual review of commitments made by OSCE Participating States (see below). In addition the UNECE prepares papers for the preparatory seminars of OSCE. This is not a one-way benefit. UNECE too gains a lot from its cooperation with the OSCE, most notably from the political platform, which OSCE provides. In 2001, the OSCE Economic Forum on environmental security demonstrated the validity of many of the UNECE Conventions in this process. The Aarhus Convention is a notable example since it provides a framework for good governance and public participation in environmental decision-making. OSCE moreover is making a considerable contribution to the implementation of UNECE legal instruments in the environmental sector.

7. In addition, the OSCE is a professional organization that has contributed effectively across its dimensions in peace and security. It played a significant role in the end of the Cold War. It also has the unique advantage of incorporating a comprehensive and integrated approach to security. Furthermore, the organization brings added value in its unique field presence, where it has missions in 19 countries. As a result of its cooperation with the OSCE, the UNECE has acquired the capacity to address conflict prevention and security matters linked to its core work. These are therefore significant reasons and areas for mutual cooperation.

**(c) What have been the challenges in building the cooperation to date?**

8. The historical antecedents and the complementarities are a strong basis for cooperation and advocate for further involvement of the UNECE in the economic and environmental dimension of

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<sup>5</sup> The resources of the OSCE economic dimensions have grown significantly from 1993 when there was a single resource and today where there is a team of ten dedicated individuals. However, it should be recognized that this number is substantially less than the other dimensions of the OSCE.

<sup>6</sup> At this time the turning of the body from a conference to an organization led to the creation of a permanent secretariat and new institutions.

security. However a more detailed definition of the division of labour in the economic and environmental dimension is needed.

9. Firstly, the UNECE's and OSCE's work in the economic and environmental dimension *should* focus on those aspects related to security, where their unique comparative advantage lies.<sup>7</sup> While it is not easy to identify the interface between economic, environmental and security issues, there is still a need for OSCE to provide greater focus in its work on the security implications of economic and environmental developments with an input from the UNECE and other international organizations on such issues as the economic impact of FDI, promoting SMEs, market access and EU integration and the effects of globalization. International organizations like the OECD, World Bank, EBRD, UNECE, have more capacity than OSCE to undertake this work effectively. At the same time, the security aspects of post conflict reconstruction, peace building in the economic and environmental dimension, entrepreneurship as a tool for reconciliation in post conflict situations, "early warning" indicators, and so on, are issues to which the OSCE can make a very useful contribution and which are not adequately addressed within the region.

10. Secondly, the UNECE has over the past ten years provided OSCE with a substantial support in the form of documentation, participation at OSCE meetings, and analysis of the economic aspects to security. A notable aspect of this cooperation is the UNECE contribution to the annual review of commitments (made at the OSCE Bonn Conference of 1990) at the OSCE Economic Forum where UNECE has provided the main discussion paper.<sup>8</sup> The first time that UNECE performed this task was in 1996, under the Presidency of the Government of Switzerland. The OSCE review conference in Geneva, January 1996, was a notable landmark in the development of the economic dimensions of the OSCE demonstrating a new tool and a useful role for the OSCE. The UNECE moreover, has been called upon each year to provide such documents. This request is not formalized but ad hoc; and it is not in UNECE's programme of work. Because of this ad hoc nature, it has been an additional challenge for the UNECE to meet requests from the OSCE for this document within a short deadline, sometimes a few weeks – prior to the important annual OSCE Economic Forums in Prague. It therefore raises concerns whether such an approach can effectively deliver this significant contribution in line with OSCE timing (now expected every year) and requirements (detailed document).

**(d) How has UNECE faced these challenges?**

11. First and foremost, the UNECE has consistently tried to help the OSCE focus on its added value as a body, which gives emphasis to conflict prevention. At the beginning of the 1990s, it

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<sup>7</sup> From this perspective, we doubt if it is efficient for OSCE to organize events on economics and environment that are not directly related to security. The UNECE wishes to avoid duplication, and recognizes that such an important activity as the economic and environmental aspects of security and conflict prevention requires a more appropriate programme undertaken by the body established for that purpose.

<sup>8</sup> The document has been highly comprehensive, covering the performance of states in meeting commitments across a whole range of topics such as, industrial cooperation, rights of establishment, FDI promotion, commercial legal and regulatory reform, macroeconomic stabilization and trade liberalization, energy, environment, statistics, policies on SMEs, food processing industry, financial sector reform and price liberalization, freedom of personal movement and migration and market access.

addressed threats emanating from the transition from a centrally planned economy to a market economy and from authoritarian regimes to a democracy. By the mid to late 1990s, old threats were receding, and new ones were emerging: rising poverty, crime, corruption, etc. These issues were not covered properly in the commitments contained in the Bonn document of 1990 nor did the OSCE economic and environmental dimension address these problems effectively.

12. Accordingly, the UNECE increasingly promoted the adoption of a new strategy by OSCE to complement the Bonn document to focus more clearly on:<sup>9</sup>

- The causes of conflict in economic and environmental dimension, to reflect the changing nature of conflicts, i.e. intra-state conflicts linked to “soft threats” were becoming more relevant than inter-state ones.
- Environmental threats, e.g. access to clean water and the scarcity of water resources became a potential threat to security and stability in many of the OSCE Participating States.
- The broader notion of human security and in particular those at acute risk, the weak and vulnerable, the displaced, the victims of wars and civil conflicts, etc. as opposed to the more traditional concept of security, i.e. that of the state.

13. The UNECE secretariat also encouraged the OSCE:

- to activate international partner organisations, NGOs and the business community - in line with the terms of its Platform of Security to take preventive actions.<sup>10</sup>
- to reflect on new threats to security and
- to develop new innovative approaches into security and conflict prevention discussions.<sup>11</sup>

#### **The OSCE’s New Strategy Document:**

14. The New Strategy Document was adopted at the OSCE Ministerial held in Maastricht in December 2003. The adoption of this document was due to the efforts of all the member states of OSCE. The Netherlands Chairmanship created a group of friends, headed by the representative of Belarus, to successfully steer negotiations to a fruitful conclusion. The year before, in response to UNECE initiatives, the OSCE Ministerial in Porto agreed to elaborate a “new strategy document” in the economic and environmental dimension and requested the assistance of the UNECE in this

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<sup>9</sup> UNECE’s paper presented to the OSCE Economic and Environmental Subcommittee on 17 September 2002, also argued for the elaboration of New Commitments to address new threats.

<sup>10</sup> There is now a large body of research on conflict prevention in the economic dimensions. A good example is the work of the World Bank and recently WIDER on the links between conflict and economies, which are dependent on natural resources. This research and others would help the OSCE identify new threats to security in the region.

<sup>11</sup> A seminar on good governance in July 2001 at the European Commission in Brussels had earlier shown the need to bring all actors into security in an integrating globalising world and it was necessary to discuss the means for doing this. Accordingly, a joint UNECE - OSCE workshop, with experts from NATO in Villars, Switzerland (November 2001) explored new strategies to deal with new threats (terrorism, poverty, corruption and bad governance, weak states,) and concluded that new ideas and approaches, partnerships with new actors such as business and civil society, risk assessment, lessons learned from post conflict reconstruction, early warning,) were urgently called for.

task. Accordingly, during 2003 the UNECE assisted this process. It presented a paper on implementing the mandate in Porto to the OSCE economic and environmental subcommittee in Vienna, January 2003. An internal task force of UNECE staff was established under the Deputy Executive Secretary to coordinate actions in security and to provide inputs into the OSCE New Strategy document. At the 11<sup>th</sup> OSCE Economic Forum in Prague (May 2003), at the request of the OSCE Presidency, the UNECE prepared a paper reviewing the performance of states in implementing commitments made at the Istanbul Summit (1999) in the European Charter in the area of good governance. On 7-8 July 2003, the UNECE held, in cooperation with OSCE, a seminar in Villars, Switzerland on the OSCE's New Strategy document. It gathered experts to make inputs into the paper and then submitted a report that was used as a basis for the resulting document. In this way the UNECE contributed to the development of the New Strategy Document and the prospective new chapter in UNECE-OSCE cooperation.

### **A brief overview of the document**

14. The NSD complements the 1990 Bonn Document. It recognizes the considerable progress in achieving more stable conditions for development, also through the process of transition and reform. At the same time, it notes the emergence of new economic and environmental threats to security. The response of the NSD is aimed at developing cooperation among Participating States, actions and policies to strengthen good governance, ensuring sustainable development and protecting the environment. To this end, the Participating States agreed to enhance the role of the OSCE by deepening its dialogue, improving the process of review of implementation of its commitments and strengthening its capacity to provide advice and assistance.

15. The New Strategy Document is a considerable step forward in economic and environmental dimension of security:

- It reaffirms the importance of the economic and environmental dimension in “early warning, conflict prevention, crisis management, and post conflict rehabilitation”.
- It focuses on a lack of good governance as a threat to security, or potential threat to security. The NSD further identifies as a priority task the reduction of poverty, as a cause of insecurity. This further complements the Bonn document where the factor of poverty was not identified as a risk factor.
- It takes a broader view of security, focusing on the human dimension to security, which, in turn, is closely linked with the issue of human rights and the rule of law. These aspects, the NSD declares, are ‘essential to ensure positive economic and social development’.
- The environment is given an added emphasis, whose mismanagement is perceived as a source of insecurity. There is now a clear linkage, not evident in the Bonn document, between sustainable development, including its social aspects, and a secure future.
- There is welcome evidence of the adoption of integrated approaches involving the economic and other dimensions. This is reflected in attention given to the fight against trafficking in drugs, arms and human beings, which covers the three dimensions of OSCE. In addition to the human tragedies resulting from this, trafficking and organized crime also have the potential to destabilize national economies.

- Finally, the office of the Co-ordinator of Economic and Environmental Activities is tasked, as “a contribution to OSCE early-warning and conflict prevention activities, to catalogue and monitor economic and environmental challenges and threats to security and stability in the OSCE region”.

17. Accordingly, these commitments give a strong mandate to OSCE to develop its activities where its contribution is most needed and where it has a unique advantage vis –a – vis other economic bodies. At the same time, there are in the document some grounds for duplication. There are clear commitments for example, to FDI promotion, SME development, sustainable development, energy security and so on, where the OSCE will, it appears, have now a new mandate for taking actions – despite the smallness of its secretariat – on issues which are also carried out by the UNECE and other bodies.

### **Role of the UNECE**

18. With regards to setting out some clear signs of direction for both organizations to strengthen cooperation between OSCE and UNECE in the implementation of this new agenda, the NSD identifies three potential areas of cooperation with UNECE directly:

- UNECE is expected to continue to play a primary role in the review of OSCE commitments in the economic and environmental dimension, as OSCE does not have a comparative advantage in this area. To this end, the Secretary General of the OSCE is invited to conclude an arrangement with the UNECE ‘to provide a basis for future monitoring and review of the economic and environmental situation in the OSCE area’.
- ‘In addition to providing annual assessments for the Economic Forum, the UNECE is invited to report, when appropriate, on the results of its monitoring in accordance with the arrangements to be agreed. It could be invited to take part in the discussions in the Economic and Environmental Subcommittees, which will follow up the review of implementation of commitments at the Economic forum, as well as the discussion of other UNECE reports.’
- Finally the office of the Coordinator of Economic and Environmental Activities could cooperate with the UNECE and other partner organizations on ‘developing early warning mechanisms and indicators for the assessment of implementation of commitments and to present a report on the progress achieved to the Economic and Environmental Subcommittee by the end of 2004’.

19. In light of these requests, the UNECE will have to decide how it wishes to complement the office of the Coordinator of Economic and Environmental Activities in the implementation of the NSD. An analysis of the implications of the NSD for the work of the UNECE will be undertaken by the UNECE secretariat and made available to Member States.

### **III. Improving the review session of the OSCE**

20. The NSD also has valuable suggestions for further improving the review of commitments, agreeing that the review would include ‘both a general review of implementation of commitments

vis-à-vis key economic and environmental dimension documents and a focused review with regard to a selected topic'. Given the fact that there was no participation of non-governmental actors in the review process and the lack of a significant follow-up to the review itself, the NSD seeks to rectify this by declaring that: 'Monitoring and reviews should take place through discussions among Participating States, taking into account the view of all relevant players, including business, academia and civil society. The review process should cover the follow-up to previous fora'.

### **Details of cooperation**

21. The precise nature of the cooperation between UNECE and OSCE is still to be defined. In this regard, there are some questions that need to be raised:

- (i) Should UNECE do the task of monitoring commitments and the preparation of the review document for discussion at the OSCE Economic Forums?
- (ii) Should UNECE provide assistance in developing early warning mechanisms and indicators for the assessment of implementation of commitments?
- (iii) If the Commission decides that ECE will undertake these tasks, should there be additional resources made available for UNECE in order to assist it in the implementation of NSD and if not, should some resources be re-deployed? Which of UNECE activities will not be negatively affected by this redeployment?

22. Depending on the decision of UNECE, these details could be covered in the arrangements discussed by the OSCE Secretary General and the UNECE Executive Secretary which could lead to the finalization of a memorandum of understanding between the two secretariats.

23. In addition, the OSCE has agreed to strengthen its technical assistance by undertaking projects with support from other organizations, such as UNDP and EBRD. The UNECE has contact with these bodies and is ready to assist in these projects on a case by case basis. Also, the UNECE can help in mobilizing support of its networks to assist the OSCE in the implementation.

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