

ECONOMIC COMMISSION FOR EUROPE

REPORT

VILLARS SEMINAR

**NEW STRATEGY FOR ENHANCING SECURITY IN THE
ECONOMIC AND ENVIRONMENTAL DIMENSIONS**

Organized by the United Nations Economic Commission for Europe in cooperation
with the Organization for Security and Cooperation in Europe,
Hotel du Golf, Villars, Switzerland, 7-8 July 2003



UNITED NATIONS

Purpose: The purpose of the seminar was to provide an input into the OSCE New Strategy Document; to identify the main risk factors threatening security in the economic and environmental dimensions and; to consider the partnership and division of labour among the various national and international agencies to address these threats, and to help implement the New Strategy.

Participation: There were a total of 56 participants attending the seminar. These participants came from 11 countries and 8 international organizations. (See participants list).

Documentation: UNECE prepared two documents for the seminar as well as two annexes to the papers. These have been placed on the UNECE website.

Monday 7 July - **Opening Session**

Mr. Paolo Garonna, Deputy Executive Secretary, on behalf of the United Nations Economic Commission for Europe (UNECE) and Mr. M. Swiecicki, Coordinator on behalf of the OSCE, welcomed delegates to the Villars Seminar.

Introductory Session

Participants began by offering views on their respective contributions to the process of developing a New Strategy Document:

- The UNECE mentioned its long-standing cooperation with the OSCE, especially its role in reviewing the performance of OSCE participating states in meeting their commitments to enhancing security in the economic and environmental dimensions. The UNECE said it was committed to assisting the OSCE in the elaboration of its New Strategy document as has been endorsed by the OSCE Ministerial Conference, in Porto, in December 2002.
- Other organizations identified their collaboration with the OSCE and offered some synergies with the process now underway to formulate a new set of commitments.

Participants then focused on how the New Strategy Document might reinforce the role of the OSCE. Several mentioned the importance of the OSCE's 'catalytic' role. By catalytic role is understood the ways OSCE give impulses to other international economic organizations to undertake remedial actions in areas where it has identified

problems and where, because of its own limited capacity, it is unable to follow-up directly. Some argued that there was now a need to redefine this role, because firstly, the OSCE has for various reasons not been able to perform this role and, secondly, being merely a catalyst, limited its role too much. Some thus preferred the term ‘facilitator and coordinator of assistance etc.’ to states to describe the OSCE function, a title which would imply the OSCE was able to engage in follow up actions.

Participants also suggested some quite specific roles that the OSCE could perform such as encouraging civil society and especially the business sector, to contribute to security. Others saw its role as more general, offering policy advice.

There were however differing views on the definition of the term ‘security’: some arguing that OSCE should treat security more broadly while others perceived it more narrowly as preventing conflicts.

In summary, the participants agreed that the New Strategy document should: (i) give the OSCE a more clearly defined role, built around its commitments, its review of commitments and a role in assisting states in meeting these; and (ii) clarify its cooperation with other international organizations which would allow it to play its ‘catalytic’ role more effectively.

Sessions 2-3. Working Groups sessions

Five working groups were established in order to review the Background Document Number I.

The chairmen and rapporteurs were as follows:

- Working Group 1: Socio economic Chairman: Mr. Patrik Hardouin NATO, Rapporteur: Mr. Daniel Linotte, OSCE
- Working Group 2: Environment Chairman: Mr. Kaj Barlund, ENHS, UNECE Rapporteur: Ms. Mijke Hertoghs, UNECE
- Working Group 3: Institutions Chairman: Mr. Johannes Schachinger, EC Rapporteur: Ms. Louisa Perrotta, DFID, UK
- Working group 4 Regional and international, chairman Mr. Sergiu Celac, ICBSS; Rapporteur: Ms Lisa Smirl, UNDP
- Working group 5 Indicators Chairman: Mr. Jean Etienne Chaperon, UNECE, Rapporteur: Gianluca Sambucini, UNECE

A consolidated report from the first four Working Groups is attached as Annex I to this report. The results from the Indicators Working Group are attached to Annex IV.

Session 4. Brainstorming on monitoring and early warning: what practical aspects should be undertaken?

The purpose of this session was to determine how better monitoring, as well as the use of ‘indicators’ for early warning, might be used in the implementation of the New Strategy document. There was a consensus on the need for more effective monitoring and the implementation of commitments as a means of lessening the risks of insecurity and conflicts in the region. Two separate issues emerged:

- (i) Elaboration of ‘early warning’ indicators and their use in conflict prevention;
- (ii) Monitoring and reviewing the performance of the OSCE participating states in meeting their commitments in the New Strategy document.

(i) Early warning indicators

In the civil war conflicts of the 1990s in south east Europe there were many warning signs of impending violence, e.g. discrimination over access to jobs in the public administration on the grounds of ethnicity, but no actions were taken until it was too late. Chastened by this experience and others around the world such as in Rwanda, international organizations and the academic research community began to identify indicators, which could provide early evidence of impending conflicts so that effective preventative actions might be taken.

Participants made a number of comments on indicators:

- ‘One size does not fit all’: as states define security differently, one set of indicators will not necessarily reflect the needs of all; indicators should be tailored to specific needs in relation to specific sub-regions or countries, or specific economic roots of conflict.
- The risk evaluations should be done by peers and/or by independent analysts, and should rely on third parties, such as the UNECE, which provides independent, ‘third party’ reports and analyses to the OSCE’s Economic Forums in Prague.

- The research and the policy community should communicate better with each other in devising and using indicators. The research community in their analysis should refrain from using technical and opaque terms, and both should target more common objectives (state security bodies tend to still see the need to prevent inter state conflict as paramount while the research community tends to focus more on intra–state conflicts, which are the more common types of conflicts today). Much work is being done on elaborating indicators for risk assessment by academic think tanks. It appears however that this work is relatively unknown to the policy-making community.

One approach to address these problems was discussed, i.e. to elaborate sets of indicators for ‘national risk assessment reviews’, elaborated and undertaken by independent experts, at the request of the inviting government. These reviews would be tailored to the specific needs of the country, as the indicators would be set out in several clusters, and governments would choose from these which were the most salient in their own specific situations. A successful model of the use of this approach is the UNECE’s own Environmental Impact Assessments. Participants confirmed that environmental reviews and risk reviews could offer real benefits to governments and could assist governments to improve their security policies.

Further work, it was suggested, would need to be done to prepare the indicators for risk assessments reviews, perhaps, through the convening of a meeting of experts or task force.

(ii) Monitoring of commitments and the role of the annual OSCE review session

Several participants mentioned the need to improve the monitoring and the review sessions during the annual Economic Forums. While participants congratulated the UNECE on its paper presented to this year’s forum, several expressed disappointment that there was no follow up to that review. Some participants also remarked that no representatives of civil society, especially the business community, participated in the review sessions. Furthermore, it was observed by some participants that the states themselves were increasingly absent from these review sessions.

In looking at the solutions there was a consensus that:

- Civil society should be more closely involved: not a single representative of an NGO has ever intervened in a review session and the procedures need to change.
- Greater thought needs to be given on how to give incentives to states to participate in the review sessions, e.g. by providing states with a platform to showcase their achievements in meeting the ‘OSCE targets’.
- Improving the monitoring of the commitments would also encourage participation, especially if it could identify tangible follow up activities that would benefit the country and their economies. The use of successful approaches such as the one devised under GRECO by the Council of Europe in fighting corruption may offer some useful lessons, while the one-on-one review, offered by the High Commission for National minorities offered a discreet, additional approach that appeared to help in avoiding inter-ethnic conflicts. The World Bank is also prepared to cooperate regarding the monitoring of their indicators on good governance.

In summarizing the main points from the session, there was a consensus that the use of indicators for early warning and conflict prevention was worthy of further study. In the meantime, it was important to continue research and to gather together those international organizations, including the Conference of European Statisticians, which are working in the area of monitoring to determine a basis of cooperation between these bodies in the risk assessment reviews. The Council of Europe and the UNEP both mentioned their own programs, expertise and willingness to cooperate in this area.

Session 6. Status of the Negotiations on the New Strategy Document

The Chairman of the ‘Group of Friends’ provided a report on the progress in negotiations in the elaboration of the New Strategy document. There appeared now to be a consensus that the New Strategy document should have three parts, which are an Analytical Part, a part on commitments and a part on implementation. Participants discussed the topics of the new commitments including the importance of “good governance” in enhancing security in the economic and environmental dimensions.

Session 7. Final Progress Reports of the Working groups

Each group presented a written revised report dealing with their specific part in the UNECE background paper. There was considerable discussion on these issues. As to the threats identified in the UNECE paper, there were a few suggested modifications. The issue of energy security was added. The importance of good governance was underlined, arguably as the basis for dealing with the other security threats mentioned in the document. The impact on insecurity of rising social costs from economic change was also stressed. It was also mentioned that deficits in human capital within some OSCE countries might hinder management of a modern state and economy. In the case of the environment, it was emphasized that the models for conflict prevention already exist; the goals should be to improve the implementation of these models rather than invent new ones. Concerning the elaboration of suitable indicators for early warning, it was argued that the ones presented might be better integrated because of the multi-dimensional nature (economic causes but political, religious, ethnic etc. as well) of the threats to security.

Session 8. Monitoring

The key issues discussed in this session were the role of the OSCE Economic Forum in Prague and the role of the UNECE in monitoring the new Commitments. The UNECE paper gave three scenarios:

- (i) OSCE does the monitoring of commitments and the review itself;
- (ii) UNECE does it in cooperation with others and;
- (iii) OSCE and UNECE do it jointly.

One participant argued that the Permanent Council, rather than giving the UNECE the task, might decide to identify an international organization to contribute each year on an ad hoc basis depending on the topic. Another participant by contrast, declared his strong preference for option 2 on the grounds that it was important to make the review regular and systemic, rather than ad hoc and ever changing. Besides, it was not efficient to invite UNECE to prepare a paper for the review - sometimes a few weeks before the paper was required - on an ad hoc basis. This option would not preclude the OSCE permanent council choosing other international organizations to assist with the review while still retaining the services and accumulated knowledge of the UNECE to do a professional job on the review of commitments.

Several participants argued that the OSCE could play a useful role by bringing together

the national and international organizations working in conflict prevention and development assistance. It could provide an analysis of conflicts and propose what would be the most effective actions to stop this conflict from arising again. There was a need for an agency to do this type of work. In this regard it should be coordinated with the work of the larger donor community and ongoing work in the transition economies.

In summary, there appeared to be an overall consensus among the participants that:

- The Prague Economic Forum as a mechanism for monitoring and ‘peer review’ still remain important but there is now a need to improve the process, making it more systematic and consistent through time;
- The relations between the UNECE and the OSCE in this task of review should now be better defined and formalized and UNECE’s involvement should no longer be called upon on ad hoc basis.
- Even if the work to identify a set of indicators still needs to be completed, nevertheless a reference might be made in the New Strategy Document to the need for promoting work in this direction with a view to developing common sets of indicators that could be used as a service to the OSCE states for risk assessment.

Concluding session and next steps

The chairman in office concluded the session. There appears to be a gathering consensus that the work of governments in modernizing and bringing up to date their strategy is on track.

The next steps will be clarified with the outcome of the ongoing inter-governmental process and the presentation of the New Strategy Document in Maastricht.¹ The establishment of indicators for early warning of conflicts is still an unfinished business. There is a need to continue this work building on the established network of Villars and to try and prepare some preliminary proposals for Maastricht. The UNECE will provide a report and a condensed summary of the analytical part of the New Strategy Document for the OSCE participating states.

The Villars meetings are, it appears, useful in allowing an informal framework and an

¹ The new Strategy Document will go before the OSCE Ministerial Council for approval at Maastricht in December 2003

expert input on issues that are not easily discussed in formal and political settings and in informing the OSCE member states and all other stakeholders about new instruments and approaches being used by the academic community, NGOs and the business community in security enhancement.