



Activity Report

June 2002 - May 2003

*Office of the Co-ordinator of OSCE
Economic and Environmental Activities*



osce

Credits of the pictures on the cover (top down):

OSCE/Armands PUPOLS; OSCE/Izabela MICHALAK; OSCE/Alex NITZSCHE; UNFPA; Abdelaziz ABDELAZIZ and OSCE.

Contents

1. Introduction by the Co-ordinator of OSCE Economic and Environmental Activities	3
2. Preparing the Eleventh Economic Forum	5
2.1. First Preparatory Seminar for the Eleventh OSCE Economic Forum on “National and International Economic Impact of Trafficking in Small Arms and Light Weapons”, Sofia, 11-12 November 2002	5
2.2. Second Preparatory Seminar for the Eleventh OSCE Economic Forum on “National and International Economic Impact of Trafficking in Human Beings”, Ioannina, 17-18 February 2003	5
2.3. Third Preparatory Seminar for the Eleventh Economic Forum on “National and International Economic Impact of Trafficking in Drugs”, Tashkent, 17-18 March 2003	6
3. Activities in the Economic Dimension	6
3.1. Follow-up Seminar to the Ninth OSCE Economic Forum on “Co-ordinating Regional Efforts to Increase Transparency and Facilitate Business”, Bucharest, 11- 12 July 2002	6
3.2. Study Visit on Cross Border Co-operation on Economic and Environmental Issues in the Three-Country Region Germany-France-Switzerland, Southern Upper Rhine Region, 19-26 October 2002	7
3.3. The GUUAM Free Trade Agreement Working Party, Kyiv, 4-5 November 2002	7
3.4. OSCE Booklet on Best Practices in Combating Corruption	7
3.5. Conference on “The Economic Impact of Globalisation in the OSCE Area: Opportunities and Challenges”, Vienna, planned for July 2003	7
3.6. OSCE Study Tour on “Business Incubators and Industrial Parks”, Danube Basin, 27-29 January 2003	8
3.7. Youth Entrepreneurship Seminars (YES) in Bosnia and Herzegovina	8
3.8. Promoting Entrepreneurship to Young People in the South Caucasus	8
3.9. Promoting SME Development in Central Asia	8
3.10. Regional Meeting on Barriers to Entry of Small and Medium Size Private Enterprises, Bishkek, planned for June 2003	9
4. Activities in the Environmental Dimension	10
4.1. Joint OSCE, UNDP and UNEP Initiative on Environment and Security in Southeast Europe and Central Asia	10
4.2. OSCE Initiatives on Water as Follow up to the 10th Economic Forum	11
4.2.1. UNECE-OSCE Project on the Establishment of a Bilateral Transboundary Water Commission on the Rivers Chu and Talas	12
4.2.2. NATO-OSCE South Caucasus River Monitoring Project	12
4.2.3. Water Initiatives in Moldova and Ukraine	12
4.2.4. Project on “Introduction and Implementation of the EU Water Framework Directive in Ukraine”	12
4.2.5. Technical Assistance in the Implementation of the Action Plan under the International Framework Agreement on the Sava River Basin	12

Contents

4.2.6. OSCE Contribution to the EU Water Initiative	13
4.2.7. Joint OSCE – USAID Meeting on Transboundary Water Issues in the South Caucasus, Tbilisi, 6-8 November 2002	13
5. OSCE Activities in the Economic and Environmental Dimension related to the Prevention and Combating of Terrorism	14
5.1. Four National Workshops on “Combating Money Laundering and Suppressing Financing of Terrorism”, Bishkek, 30 September-1 October 2002, Astana, 2-3 October 2002, Yerevan, 24-25 March 2003, Baku, 27-28 March 2003	14
5.2. Capacity Building and Training of Albania's Financial Intelligence Unit (FIU) in the Fight against Money Laundering	15
6. Further Activities	15
6.1. Annual Co-ordination Meeting for Economic and Environmental Officers, Vienna, 19-22 September 2002	15
6.2. Migration, Asylum, Refugees Regional Initiative (MARRI)	15
7. Activities in Field Presences	16
7.1. OSCE Presence in Albania	16
7.2. OSCE Centre in Almaty	17
7.3. OSCE Centre in Ashgabad	20
7.4. OSCE Office in Baku	21
7.5. OSCE Centre in Bishkek / Osh Field Office	22
7.6. Centre in Dushanbe	24
7.7. OSCE Mission to Serbia and Montenegro	26
7.8. OSCE Centre in Tashkent	28
7.9. OSCE Project Co-ordinator in Ukraine	30
7.10. OSCE Office in Yerevan	31
8. Elaborating a new OSCE strategy document in the Economic and Environmental Dimension: the Porto Ministerial Council Decision No. 5	33
9. Co-operation within the OSCE	34
9.1. OSCE Informal Working Group on Gender Issues and Anti-Trafficking	34
9.2. OSCE Parliamentary Assembly	34
9.3. Office of Democratic Institutions and Human Rights (ODIHR)	35
10. Participation in Conferences	35
11. Main Issues addressed during the Economic and Environmental Sub-Committee Meetings since June 2002	37

1. Introduction by the Co-ordinator of OSCE Economic and Environmental Activities

Participating States have stressed the need to strengthen the Economic and Environmental Dimension of the OSCE and make the work of the Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA) more operational and result oriented in order to rebalance the three dimensions of the Organization and thus be able to apply more effectively the comprehensive approach to security. In planning and conducting its activities, the OCEEA was guided by these developments. The report includes newly developed activities, as well as economic and environmental dimension projects through which the OSCE can better fulfil its conflict prevention, crisis management and post conflict rehabilitation mandate, as well as complement and add value to what other organizations are doing in this field.

The OSCE works by commitments. Up to the present date, the 1990 Bonn Document is the last substantive OSCE declaration of commitments in the Economic and Environmental Dimension. The Bonn Document sets out the principles of free markets with a view to promoting the transition process from command to market economy. The Bonn Document is still relevant in many instances. However, new threats and challenges in the Economic and Environmental Dimension have emerged which are not sufficiently or not at all addressed by the Bonn Document. They are: intolerable economic gaps among and within countries, lack of critical mass to establish a fully fledged market system, corruption, trafficking – to mention a few. To address new challenges or rather newly recognized challenges the OSCE Ministerial Council in Porto adopted Decision No. 5 on “Enhancing the Role of the OSCE Economic and Environmental Dimension”. OCEEA supports the Chairmanship in the elaboration of the new document through organizational support and work on substance.

Being aware that co-operation in economic and environmental issues contributes to overall stability, the 2001 Bucharest Ministerial Council created the Economic and Environmental Sub-Committee of the Permanent Council. Since its inception in 2002, the Sub-Committee has met 15 times debating on new threats to security stemming from economic and environmental factors, the new Strategy Document, project activities of the OCEEA and field presences. OCEEA contributed a great deal both to organizational and substantial work of this working body.

Undoubtedly the preparation of the Economic Forum remains the largest single activity of the OCEEA team. Excellent co-operation with the Chairmanship produced three preparatory seminars to Eleventh Economic Forum: Sophia, Ioaninna and Tashkent. The seminars gathered more than 450 participants, some 20 international organizations and 50 NGOs, all of them sharing their knowledge and proposals. Ample material on economic impact of trafficking in small arms and light weapons, human beings and drugs is being transmitted to the Forum with a view on actions to be taken by participating States, OSCE institutions and other partners.

The Economic Forum, established in 1992 and held annually in Prague, remains the flagship event of the Economic and Environmental Dimension with its annual themes such as good governance in 2001, sustainable use of water in 2002, and the economic impact of trafficking in 2003. Directly relating to these Forums, my office has undertaken various initiatives. Following the 2002 Economic Forum, OCEEA has increasingly developed projects for implementation in the field. Let me here only list the main groups of projects.

Several projects aim at addressing water-related security risks, and promoting dialogue and co-operation on sustainable water management. Let me mention the assistance in establishing a water commission on the Chu and Talas rivers, monitoring South Caucasus Rivers, OSCE contribution to the International Framework Agreement on the Sava River Basin and to the elaboration of the Dniestr Convention. The implementation of these projects will enhance early warning and conflict prevention mechanisms and strengthen processes of confidence-building and post-conflict rehabilitation. Another cluster of projects relate to economic aspects of combating terrorism: national workshops and follow-up legislative advice and institutional capacity building addressing the issue of money laundering and financing of terrorism. Four countries so far hosted the workshops.

Besides projects related to single specific issues, OCEEA engages in the strategic mapping out of major environmental threats in South-Eastern Europe and Central Asia. Such maps with clear description of the nature of threat, characteristic of available assessment, preliminary identification of actions needed, enumeration of international parties involved and interested, should help national and international bodies to cope with the legacy of command economy, conflicts, negligence, or simply the lack of sufficient domestic resources in newly emerged states.

In the economic area, OCEEA projects focused on the development of SMEs, good governance and training of young entrepreneurs in co-operation with OSCE field

presences. OCEEA was also of assistance in organizing a few study tours for leaders from newly emerging market economies and a working party on the GUAAM free trade agreement.

At the end I would like to share with the readers the following comment. In the Economic and Environmental Dimension, the OSCE can not “compete” with the role of international financial institutions, the European Union, or some bilateral programs that operate with billions of euros or dollars. This report, nevertheless, documents that the OSCE can find useful niches in which it contributes real added value to what others are doing. Still the OSCE may contribute more to addressing economic and environmental threats to security through rising awareness of unsolved problems, early warning functions, and through mobilizing resources to the most neglected spots. Despite enormous achievements over the last decade, the economic and environmental situation in some parts of OSCE remains bleak. The deep insight into three dimensional aspects of security gives the OSCE a “competing edge” and responsibility to contribute more actively to the ongoing debate on the best ways to ensure security, also through its Economic and Environmental Dimension.



Marcin Świącicki

2. Preparing the Eleventh Economic Forum

Three Preparatory Seminars were organized before the Eleventh OSCE Economic Forum on “Trafficking in Human Beings, Drugs, Small Arms and Light Weapons: National and International Economic Impact”. The meetings allowed experts from the participating States and various international organizations and non governmental organizations to analyze and discuss security related and economic aspects of the different forms of trafficking, with the objective of elaborating suggestions for the Economic Forum, and contributing to the formulation and implementation of a policy agenda on trafficking from an economic perspective.

The three Preparatory Seminars were organized by OCEEA in close co-operation with the Chairmanship of the Netherlands and respectively in collaboration with the Bulgarian Ministry of Foreign Affairs (First Preparatory Seminar), the Greek Ministry of Foreign Affairs and the Municipality of Ioannina (Second Preparatory Seminar), and the National Centre on Drug Control of the Cabinet of Ministers of Uzbekistan and the OSCE Centre in Tashkent (Third Preparatory Seminar).

Altogether, the three Preparatory Seminars attracted more than 480 participants from OSCE participating States, OSCE Partners for Co-operation, OSCE Mediterranean Partners for Co-operation, 16 OSCE Field Presences, the OSCE Parliamentary Assembly, ODHIR, the Council of Europe, the Economic Cooperation Organization (ECO), EBRD, the European Commission, EUROPOL, the Fund for Peace, the International Center for Migration Policy Development (ICMPD), ILO, IOM, INTERPOL, the Norwegian Initiative on Small Arms Transfers (NISAT), the Southeast European Cooperative Initiative (SECI), the South Eastern Europe Clearinghouse for the Control of Small Arms & Light Weapons (SEESAC), the Stability Pact for South Eastern Europe, UNDP, UNHCR, UNICEF, UNMIK/OMIK, UNODC, the UN International Narcotics Control Board, the World Customs Organization, the World Bank and more than 50 NGOs and research institutions.



10th Economic Forum, Prague, May 2002

OSCE/Ljubomir KOTEK

2.1. First Preparatory Seminar for the Eleventh OSCE Economic Forum on “National and International Economic Impact of Trafficking in Small Arms and Light Weapons”, Sofia, 11-12 November 2002

The seminar aimed at complementing the work being done in the framework of the OSCE Forum for Security (FSC), in the awareness that trafficking of small arms and light weapons has a negative, sometimes devastating impact not only on the security but also on the economy of states, businesses and the civil society.

The seminar was structured around plenary working groups, which covered the whole scope from legislation, production, illicit trade and arms brokering to laundering the profits and the effect on investment climates. They also dealt with the uncontrolled accumulation of small arms and analyzed ways to improve customs co-operation. Various examples of the impact of trafficking in SALW were illustrated by country case studies.

The full report was distributed under SEC.GAL/219/02.



Small arms and light weapons collected in BiH

OSCE

2.2. Second Preparatory Seminar for the Eleventh OSCE Economic Forum on “National and International Economic Impact of Trafficking in Human Beings”, Ioannina, 17-18 February 2003

The Ioannina Seminar addressed the economic aspects and the impact of trafficking in human beings. It contributed

the work being done in the framework of the OSCE/ODIHR, the Stability Pact for South Eastern Europe Task Force on Trafficking in Human Beings, the OSCE Informal Group on Equal Opportunities for Men and Women and Anti-Trafficking, as well as by other international organizations and various NGOs. It also took into account the current work on the OSCE Action Plan on Trafficking in Human Beings.

During plenary working groups experts gave short presentations on specific aspect of trafficking in human beings such as legislation, data collection, economic causes, the demand for sex work and cheap labor, the supply through organized trafficking networks, prevention, reintegration and the improvement of international law enforcement co-operation. In addition, country case studies illustrated the impact of trafficking.

The full report was distributed under SEC.GAL/56/03/Corr.1.

2.3. Third Preparatory Seminar for the Eleventh Economic Forum on “National and International Economic Impact of Trafficking in Drugs”, Tashkent, 17-18 March 2003

The Tashkent Seminar focused on the economic impact of trafficking in drugs and assessed the economic effects of the current strategies to combat this kind of illicit trade. The seminar built upon the work being done in other international settings, such as the UN and the EU, by NGOs, and the close



OSCE/Alex NITZSCHE

3rd Preparatory Seminar for the 11th EF, Tashkent, March 2003

OSCE – UNODC co-operation in the field of combating drugs trafficking in Central Asia which started in 2000.

The seminar consisted of three plenary working groups, which examined different aspects of trafficking in drugs. In this regard, they examined the root causes of trafficking in drugs, the transportation routes, the trafficking networks involved, the supply and demand chain of both the final product and the raw materials such as precursor chemicals. Current and alternative strategies to combat trafficking in drugs were presented and discussed. The attention was also directed towards the economic impact of drugs trafficking and the use of drugs on the various countries, their economies and populations. Emphasis was also put on socio-economic factors by focussing on the vulnerable position of young people and women.

The full report was distributed under SEC.GAL/67/03.

3. Activities in the Economic Dimension

3.1. Follow-up Seminar to the Ninth OSCE Economic Forum on “Co-ordinating Regional Efforts to Increase Transparency and Facilitate Business”, Bucharest, 11-12 July 2002

The follow-up seminar was jointly organized by OCEEA and the Ministry of Foreign Affairs of Romania. More than 130 participants from OSCE Participating States, OSCE Partners for Co-operation, OSCE Mediterranean Partners for Co-operation, international organizations as well as representatives of civil society, chambers of commerce, business associations and academic community attended the event.

Based on the recommendations of the Ninth OSCE Economic Forum, the seminar aimed at discussing best practices and identifying ways to fight corruption and improve the business environment at a national and regional level. These themes were analyzed in working groups. The plenary session was dedicated to the role of the OSCE in implementing the recommendations of the Ninth Economic Forum. Representatives of OSCE field missions presented a series of case studies, projects and activities developed and implemented by the OSCE itself or in co-operation with other partner organizations.

The full report including recommendation made during the seminar was distributed to delegations under SEC.GAL/ 143/02.

3.2. Study Visit on Cross Border Co-operation on Economic and Environmental Issues in the Three-Country Region Germany-France-Switzerland, Southern Upper Rhine Region, 19-26 October 2002

The OCEEA organized this study visit. Implemented in co-operation with the German institute “Studienhaus Wieseneck”, the project familiarized senior officials and experts from border regions of Central Asia to various bodies and projects of co-operation in the three-country region Germany-France-Switzerland, both of bi- and tri-national nature. Visits included the tri-national “Euro-Airport”, the border information center “Infobest” and a tri-national “Center for Environment”. Participants also got acquainted with chances and challenges of the business environment in a border region. Other topics included administrative co-operation on municipal and provincial level, police, tourism, urban planning etc.

The report was distributed to delegations under SEC.GAL/205/02.

3.3. The GUUAM Free Trade Agreement Working Party, Kyiv, 4-5 November 2002

Upon request to provide support to the GUUAM countries for the implementation of the Free Trade Agreement signed last July 2002 by the Heads of States of Georgia, Ukraine, Moldova and Azerbaijan, the OCEEA organized a working party (WP) meeting in Kyiv on 4-5 November 2002, in co-operation with the Ministry of Foreign Affairs of Ukraine.

The WP on the GUUAM-FTA gathered high rank officials and more than 40 experts and representatives from OSCE participating states, research institutes and international and regional organizations such as EFTA, CEFTA, BSEC, WB, the Eurasian Economic Community and the EU.

The WP reviewed the preparations for the introduction of the GUUAM Free Trade Agreement, compared them with experiences of successful free trade associations such as EFTA and CEFTA, and identified areas of technical assistance that shall be provided to facilitate the implementation of the GUUAM Free Trade Agreement.

3.4. OSCE Booklet on Best Practices in Combating Corruption

Having accomplished the preparatory work, OCEEA is currently supervising the elaboration of the booklet on best practices in combating corruption in OSCE countries. The booklet will show means that are put into practice in order to prevent and combat corruption. It will present definitions of corruptive behavior, on the basis of international conventions and criminal law.

The main areas of the booklet will be dedicated to political activities and public administration. It will present some of the best anti-corruption measures, which regulate civil service and political activities. The booklet will also provide a description of anti-corruption measures, including excerpts of legal provisions, with comments on enforcement and results, policy implications and experiences. The booklet is intended to become a reference document on implementing anti-corruption measures.

3.5. Conference on “The Economic Impact of Globalisation in the OSCE Area: Opportunities and Challenges”, Vienna, July 2003

OCEEA is preparing a conference which intends to help participating States to define, in accordance with the Platform for Co-operative Security, the role and place of the OSCE in international efforts to comprehend globalization in all its complexity and to respond to the challenges it creates, in the most efficient way, as well as to contribute to the elaboration of the new OSCE strategy document in the Economic and Environmental Dimension which will address threats to security and stability in the 21st century.

The two-day conference starts with a plenary session with introductory addresses and keynote statements on the importance of globalization for the OSCE region. Discussions will continue in four sessions addressing the following issues: effective government and efficient markets, transition to market economy in the context of globalization, achieving sustainable development in the context of globalization, and regional co-operation and integration as a contribution to mastering globalization. In the closing session, reports from the sessions will be presented and discussed in order to draw general conclusions and recommendations for both the role of the OSCE in accordance with the Platform for Co-operative Security and the role of participating States.

3.6. OSCE Study Tour on "Business Incubators and Industrial Parks", Danube Basin, 27-29 January 2003

The OSCE Office in Baku, in co-operation with the OCEEA, organized this study tour for Azeri government officials and businessmen in Austria and Hungary.

The main goal of the study tour was to support ongoing efforts by the Government of Azerbaijan to create business incubators and industrial parks and thus facilitate the development of SMEs in Azerbaijan. Participants of the study tour visited the Győr Business Park in Hungary and the Eco Plus Business Park in Wiener Neustadt. They also visited the UNIDO Headquarters in Vienna and met with UNIDO experts on business incubators. The study tour provided participants with firsthand knowledge and best practices of successful models of business incubators and industrial parks, created linkages between Azeri government and business leaders, and facilitated further dialogue between the Azeri government and UNIDO.

3.7. Youth Entrepreneurship Seminars (YES) in Bosnia and Herzegovina

OCEEA supported the Mission to Bosnia and Herzegovina by financing the YES project which has been implemented by the Mission in close co-operation with the Southeast Europe Enterprise Development (SEED) program. The project promotes entrepreneurship to young people in Bosnia and Herzegovina. The project consists of a series of one-day seminars for young people carried out in various municipalities and cantons of Bosnia and Herzegovina. The main goals are to promote the values, concept and role of entrepreneurship in society to young people between 15 to 25 years age.

The project's first phase was implemented in 2002. It aimed at introducing basic elements of entrepreneurial thinking and opening a space for discussion concerning the role of private (micro-) enterprise in advancing economic reforms in the specific environment of Bosnia and Herzegovina. Over 500 young people from 15 municipalities participated in this first round of training.

Following the first phase, young entrepreneurs presented their experiences to participants of the second phase. YES Phase II training sessions have already taken place in Sarajevo, Visoko and Zenica. The second phase consists of more advanced concepts and practical exercises in pri-

ivate business and marketing. Based on a new guide especially prepared for the second phase, participants are led through the practical steps of business planning, applying for micro-credits and registering private businesses.

It is envisaged to incorporate the project into the national school curriculum in Bosnia and Herzegovina.

3.8. Promoting Entrepreneurship to Young People in the South Caucasus

OCEEA has devised a replicable project for the development of entrepreneurship and SMEs in the South Caucasus (Armenia, Azerbaijan and Georgia) particularly targeting young people. The objectives are to provide information about the economic situation and business opportunities, introduce basic elements of entrepreneurial skills, facilitate access to micro loans, and to foster the development of micro business in border regions and municipalities and regions with minority or IDPs presence.

The project consists of a series of one-day workshops. The workshops aim at a local public and are carried out in municipalities across the three countries. The workshops are structured in modules covering the main dimensions of entrepreneurship. All activities are gender-mainstreamed. Gender specific aspects are taken into account concerning the programme, working methods and content. The workshops will start in June 2003 and continue in fall.

3.9. Promoting SME Development in Central Asia

The YES (Youth Entrepreneurship Seminars) Program financed by OCEEA and implemented by the OSCE Mission to BiH in 2002 is currently being adopted for Central Asia. The YES programme has proved to be a valuable tool to develop human capital and ensure its retention by providing hope and opportunities for young people. In Central Asia, funds allocated under Annex 11 for SME development are utilized. OCEEA is assisting the OSCE presences in designing and structuring projects. In Tajikistan, OCEEA is supporting the OSCE Centre in Dushanbe in developing a micro-funding programme complemented by entrepreneurial training in order to promote economic activity at the grass-root level. Initially, focus will be on the area of the Khujand. In Uzbekistan, OCEEA assisted the OSCE Centre in Tashkent to organize a replicable Entrepreneurship Training Program on "Enhancing the Capacity of Small and Medium Enterprises in Uzbekistan"

in March 2003. The program fostered the share of experiences among foreign and local entrepreneurs - some of them had previously benefited from earlier OSCE SME training activities. Designed as one-day roundtable, the Tashkent event marked the beginning of a number of similar events to be held throughout the region.

3.10. Regional Meeting on Barriers to Entry of Small and Medium Size Private Enterprises, Bishkek, planned for June 2003

OCEEA has supported the OSCE Centre in Bishkek in mobilizing the funding of the project and incorporating the regional aspect. Together with the Kyrgyz Governmental Commission on Business Development and the Chamber of Commerce and Industry the meeting has been

organized with the aim of encouraging small entrepreneurs and investors in their endeavor to join the national economy as active players. For this purpose the Regional Meeting will bring together the representatives of the banking system, parliamentarians, and private entrepreneurs from all Central Asian countries as well as representatives of international organizations, international experts, and mass media to discuss existing obstacles to SME development and put forward recommendations to governments, business community and civil society in the respective countries in order to overcome problems in the business sector, and hence to improve the current situation in business environment throughout the whole Central Asian region.

The Importance of SME Activities

SMEs are an important and vital component in the development and growth of market economies. Their tendency to focus on labor-intensive activities provides SMEs the potential to alleviate unemployment, a serious economic and potential security concern in transition countries, and create employment opportunities to retain and develop the human capital of a country. SMEs play an important role in generating private enterprise and thus creating a private sector, particularly in economies in transition with little history of market principles. Moreover, SMEs can assist in poverty reduction and income distribution and therefore are essential for the sustainable economic development and can contribute to the stability of a country or region that can hardly rely on foreign direct investment for long term growth.

OCEEA supports small catalytic project activities that contribute to the development of SMEs. Such activities help raise awareness and increase political commitment to policies that promote SMEs and target geographic areas and/or vulnerable populations

that can benefit from increased economic opportunities. OCEEA helped finance the Youth Entrepreneurship Seminars (YES program) developed and implemented jointly by the OSCE BiH Mission and SEED, Southeast Enterprise Development, an affiliate of the World Bank Group, in 2001. Given the program's success in targeting youth and educating them in market principles and the fundamentals of starting a business, OCEEA is encouraging and financing its replication in other OSCE mission areas as a 'best practice' that addresses significant concerns in transition economies. OCEEA also supports activities that encourage co-operation between the business community and government authorities in order to more effectively address obstacles to SME and business development and better inform enterprises and entrepreneurs on administrative and legislative procedures applicable to business operations. Providing a forum for the exchange of business experiences between national and foreign enterprises is another activity that has provided valuable information on 'lessons learned'.

4. Activities in the Environmental Dimension

4.1. Joint OSCE, UNDP and UNEP Initiative on Environment and Security in South East Europe and Central Asia

The Environment and Security Initiative (ENVSEC) launched by OSCE, UNDP and UNEP is a process whereby three leading political, development and environment institutions identify and mobilize co-operation around shared environmental concerns as a means for strengthening good governance and reducing tensions between and within countries. In its first phase (December 2002- May 2003) it aims - through participatory regional consultations in South East Europe (SEE) and Central Asia (CA) - at identifying environmental hotspots, which are of greatest security concern to countries in these regions.



OSCE/Joep CUIJPERS

Initiative on Environment and Security, Regional Meeting, Ashgabad, January 2003

To this end, Regional Meetings on Environment and Security were organized in South East Europe and in Central Asia. One took place in Belgrade on 3-4 December 2002 and the other one was held in Ashgabad on 20-12 January

2003. These meetings brought together experts of the governments and the civil society of the countries of the respective region. The linkages between environment and security were presented. In working groups the participants identified and prioritized issues and hotspots of concern at both national and regional level in the respective region, and presented these environmental and security concerns on maps. Afterwards, participants discussed policy processes and other means to address these challenges. The consolidate summaries of both meetings are available on the OSCE web site at www.osce.org/eea.

Concluding the first phase, the environmental security concerns will be presented in the form of maps and reports to Ministers and donor government representatives at the Environment for Europe Meeting in Kyiv and the OSCE Economic Forum in Prague both in May 2003.

Building upon the key issues identified in this first phase, the initiative will then continue mobilizing action in a multi-year effort to strengthen co-operation and good governance in these regions. Based on the consultative analyses of environmental pressures, weak or absent governance structures and socio-economic indicators, the initiative will give response to the identified issues, through:

- Strengthening international political and environmental co-operation,
- Enhancing natural resource governance (by capacity building, legislation, etc),
- Reducing sources of environmental pressure,
- Mobilizing international economic support,
- Awareness building.

Rationale of the Environment and Security Initiative

There is a growing understanding that the fact of increasing resource scarcity and degradation of natural systems, poses substantial threats to security for many countries, especially those in transition to market economies. Ensuring economic development will intensify pressure on natural resources unless mechanisms are put in place in advance to manage such

transitions. Environmental factors can, in some instances, deepen frictions. On the other hand, it is now recognized that actions that are able to reduce environmental stress and guarantee access to vital resources, remove economic incentives for conflict and present opportunities for enhancing co-operation and building sustainable peace.

Water and Security: Lessons Learned

The issues discussed at the Tenth Economic Forum on “Co-operation for the Sustainable Use and the Protection of Quality of Water in the Context of the OSCE” and its three preparatory seminars taught us a number of lessons:

- Water can in combination with other factors (such as poverty, inequality, discrimination etc) trigger disputes and ultimately also conflicts. At the same time co-operation on water management can be a factor contributing to the solution of disputes.
- Institutions (such as river basin commissions) matter.
- Water can be a catalyst for co-operation because it facilitates building technical, personal and ultimately political relations between parties.
- Agreements on water disputes in general are not achieved as long as parties define their positions on “their rights”. When parties in dispute give up insisting on historical or otherwise defined rights and begin to negotiate on the principle of their “needs” and “interests”, agreements are more likely to be achieved.
- Using a regional approach through technically oriented issues can facilitate the solution of bilateral political disputes. Multilateralism can offer a convenient platform for the deliberation of issues that can be resolved later within that framework bilaterally.
- A multilateral approach can provide for common denominators, personal acquaintances and confidence-building measures.
- Last, but not least, water is to be seen in the political context of international relations. Solutions to water problems which do not take into consideration such context have limited chances of achieving sustainable results.

4.2. OSCE Initiatives on Water as Follow up to the 10th Economic Forum

OSCE participating states concerned by the potential threats posed by unsustainable water use, yet aware of the opportunities offered by water management for building confidence and fostering greater co-operation, decided to select the sustainable use and the protection of the quality of water as topic of Tenth OSCE Economic Forum. To follow up the recommendations made at the Economic Forum on “Co-operation for the Sustainable Use and the Protection of Quality of Water in the Context of the OSCE” held in Prague from the 28 to 31 May 2002, and on the basis of the lessons learned, the OCEEA in partnership with specialized organizations, identified a number of projects that aim at addressing water related security risks and at promoting dialogue and co-operation on sustainable water management. The implementation of these projects will contribute to enhancing early warning and conflict prevention mechanisms and strengthen processes of confidence-building and post-conflict rehabilitation.

All initiatives were presented to delegations under SEC/GAL/134/02 and SEC/GAL/221/02 at the Economic and Environmental Sub-Committee meetings in July and December 2002.

4.2.1. UNECE-OSCE Project on the Establishment of a Bilateral Transboundary Water Commission on the Rivers Chu and Talas

In Central Asia the OSCE is working in partnership with UNECE in order to provide assistance to Kyrgyzstan and Kazakhstan in establishing an intergovernmental transboundary water commission on the Chu and Talas rivers, including the development of the Commission statute and other actions aimed at effective implementation of the intergovernmental transboundary water agreement signed between the two countries.

Focusing on establishing good governance in managing shared water resources between Kyrgyzstan and Kazakhstan, the project primarily provides assistance in formulating a statute, rules and procedures of operation of the joint commission. The project promotes the development of policies and capacities in order to ensure the effective implementation of the agreement. Other goals are the publication of a brochure on the Commission, and a leaflet on Internet and hard copies; training tailored to the needs of the technical experts involved in the implementation of the agreement will be provided.



10th Economic Forum, Prague, May 2002

OSCE/Lubomir KOTIK

4.2.3. Water Initiatives in Moldova and Ukraine

Pursuing the objective to promote transboundary co-operation and confidence-building, OSCE/OCEEA is trying to facilitate the discussion on the current legal status of relationships between Moldova and Ukraine on transboundary water issues, to support the final elaboration, signing and ratification of the Dniestr Convention and to bring together all main stakeholders of the two countries, including the Transdnistrian region (OSCE is mediating in the Transdnistrian conflict) and to give them the opportunity to share knowledge and experience in the field of river management and nature protection in the Dniester Basin.

Furthermore, an overall economic analysis of the water resources will be conducted and policy recommendations for development of economic instruments for sustainable management of the transboundary waters will be developed; results of the study will be published as a report in English and Russian language.

The implementation of this project, which started in December 2002, should serve as an example for the whole region on how improved co-operation on transboundary waters can be established.

4.2.2. NATO-OSCE South Caucasus River Monitoring Project

Covering the three South Caucasian States Armenia, Azerbaijan and Georgia, the project is designed to overcome gaps in unified water standards and bring about a consistent application of international standards throughout the region and to re-establish regional water-monitoring systems and databases.

The project consists of parallel monitoring of water resources (30 sites in each of the three South Caucasus countries in the Kura-Araks river system) with the objective of increasing local technical capabilities, establishing standard sampling, analysis and data management techniques and creating a database accessible by internet. The methodology includes sample and data collection preparation, training, laboratory analysis and data management and watershed management infrastructure and system development. Data will be placed on a web site managed by the University of New Mexico, permitting free access to interested persons. The implementation of the project, that will last for 3 years, started in November 2002.

4.2.4. Project on "Introduction and Implementation of the EU Water Framework Directive in Ukraine"

The OSCE Project Co-ordinator in Ukraine together with the Ministry of Environment and the State Committee on Water Management of Ukraine launched the project in March 2002 in order to assist Ukraine in introducing the EU Water Framework Directive (WFD), and develop and offer training programs for regional and local officials who have environmental management responsibilities as well as for members of the public and NGOs.

Within the framework of the project, the EU WFD was translated into Ukrainian and Russian language and a comparative analysis was elaborated. Furthermore a guide book "EU Water Framework Directive and Ukraine" with general information on the EU WFD and Ukrainian legislation on water issues was published. These materials have been disseminated during two workshops in order to introduce it at the state and local level to Ukrainian authorities, public and NGOs.

During the workshops representatives of Moldova expressed interest in developing a similar project. Relevant contacts between the Moldova Ministry of Environment and the office of the OSCE in Chisinau were established and possibilities of replicating such projects are being discussed.

4.2.5. Technical Assistance in the Implementation of the Action Plan under the International Framework Agreement on the Sava River Basin

Under the auspices of the Stability Pact for South Eastern Europe the four riparian states of the Sava River – Republic of Croatia, Bosnia and Herzegovina, Federal Republic of Yugoslavia and Republic of Slovenia – signed on the 4th

of December 2002 the Framework Agreement on the Sava River Basin.

To implement the provisions of the Framework Agreement an Action Plan has been developed. The purpose of the Action Plan is to provide a framework for identifying, prioritizing, scheduling, and managing activities and projects needed to execute the Framework Agreement for the Sava River Basin. The development of protocols is key to the success in the implementation of the agreement. OSCE/OCEEA will provide technical assistance to delegations in the elaboration of the draft protocols and facilitate the negotiation process.

OCEEA in co-operation with SECI hosted in Vienna, in early April 2003, the first meeting of the interim Sava Commission.

OSCE is also considering the possibility of developing a project to support capacity building at local/community level targeting border municipalities along the Sava River.

4.2.6. OSCE Contribution to the EU Water Initiative

After discussions with the EU Commission (DG RELEX) and the Danish Environment Protection Agency, that leads the initiative on behalf of the EU, the OCEEA agreed to participate in the development of the EU Water Initiative – Eastern Europe, Caucasus and Central Asia (EECCA) component. The final document of the EU Water Initiative – EECCA component will be elaborated, and presented for political endorsement at the Environment for Europe Ministerial Council, to be held in Kyiv on 21-23 May 2003.

The EU Water Initiative aims at contributing to develop integrated water resources management (IWRM) and water efficiency plans in all countries by 2005 and to halve the proportion of people who do not have access to safe drinking water and adequate sanitation by 2015.

OCEEA's participation is designed to add to the initiative the security dimension of water management, identify issues that can cause tension (early warning) and to develop activities that can foster confidence-building and security. The OCEEA will co-operate with the EECCA countries, the EU and partner organizations in the implementation of the objectives set by the initiative, by contributing its experience and expertise, also through its field operations, and by including in the programme its own activities.

4.2.7. Joint OSCE – USAID Meeting on Transboundary Water Issues in the South Caucasus, Tbilisi, 6-8 November 2002

With the support of the Universities Partnership (Oregon State University and University of New Mexico) and the Carnegie Foundation, along with the Pacific Institute, USAID/ Development Alternatives Inc. (DAI), the OCEEA convened a co-ordination and training meeting on transboundary water issues in the South Caucasus.

Delegations from Armenia, Azerbaijan and Georgia including representatives from relevant ministries, parliamentary committees, water committees, Academies of Science, hydrometeorological institutes and universities as well as representatives of USAID, World Bank, UNDP, EU

Tacis, GTZ and Swiss Agency for Development and Co-operation participated at the meeting.

Bringing together representatives from three tense basins in the world, participants could share their experiences in moving from small-scale to large-scale co-operation, and from technical to political dialogue.

The meeting also offered the opportunity to further the process of dialogue among water experts and the scientific community of Armenia, Azerbaijan and Georgia. In addition, a day of training focused on hydro-politics, legal frameworks, and economic aspects of water.

The consolidate summary of the meeting is available on the OSCE web site at www.osce.org/eea.



Access to water: a basic need

OSCE/Ayhan EVRENSEL

5. OSCE Activities in the Economic and Environmental Dimension related to the Prevention and Combating of Terrorism

Guided by the Decision No.1 on 'Combating Terrorism' (MC(9).DEC/1) adopted at the Ninth OSCE Ministerial Council in Bucharest in December 2001, which calls for a comprehensive approach to the prevention and countering of terrorism, and the Decision No.1 (MC(10).DEC/1) of the Tenth OSCE Ministerial Council in Porto in December 2002, which encourages the Office of the Co-ordinator of OSCE Economic and Environmental Activities to continue pursuing programmes in co-operation and co-ordination with UNODC to support OSCE participating States' efforts to strengthen their ability to prevent and suppress terrorist financing, OCEEA has undertaken and supported activities promoting international conventions and standards relevant to suppressing the financing of terrorism and combating money laundering.

In this regard, and as a direct implementation of the "Programme of Action" endorsed at the December 2001 "Bishkek International Conference", the UNODC Global Programme against Money Laundering (GPML) and the OCEEA have started to co-operate in 2002. A first joint activity was a working session on these issues in the framework of the Tenth OSCE Economic Forum in Prague in May 2002. On 11 July 2002, as a follow up to this event, the 55 OSCE participating States committed themselves by the Decision No.487 of the OSCE Permanent Council to complete the FATF self-assessment questionnaire by 1 September 2002.

Also in the framework of the working session in Prague, GPML and OCEEA presented a proposal for a "National workshop on combating money laundering and suppressing the financing of terrorism". All interested OSCE participating States were invited to co-operate with GPML and OCEEA on these workshops. The first four workshops were implemented in September/October 2002 and in March 2003.

The workshops constitute the first phase (awareness raising and identification of needs) of a gradual and flexible approach with a view to enhancing capacities in combating money laundering and in suppressing the financing of terrorism. In addition, this approach consists of the following elements: legal frame-

work development, implementation assistance ("Mentorship"-Programme) and capacity building (specific training elements). The OSCE-UN ODC strategy document which further outlines these possible contributions to interested OSCE participating States has been distributed to delegations under SEC.GAL/9/03.

5.1. Four National Workshops on "Combating Money Laundering and Suppressing Financing of Terrorism"

Bishkek, 30 September-1 October 2002

Astana, 2-3 October 2002

Yerevan, 24-25 March 2003

Baku, 27-28 March 2003

As follow up to the OSCE-UNODC proposal presented at the Tenth Economic Forum, the first four National Workshops on "Combating Money Laundering and Suppressing Financing of Terrorism" were implemented jointly by the UNODC Global Programme Against Money Laundering (GPML) and the Office of the Co-ordinator of OSCE Economic and Environmental Activities, together with the respective host governments of Armenia, Azerbaijan, Kazakhstan and Kyrgyzstan. The workshops brought international and local experts on anti-money laundering and counter terrorist financing together with representatives from the respective ministerial, judicial, and financial governmental bodies.

The workshops served to raise awareness on technical aspects of money laundering and issues related to the financing of terrorism, to familiarize the participants with legal and administrative tools to combat both money laundering and the financing of terrorism, and to identify, together with the experts from the respective countries, needs for further legislative development relevant to both issues.

Also in order to implement the relevant provisions of the Programmes of Action endorsed at the "Bishkek International Conference on Enhancing Security and Stability in Central Asia: Strengthening Comprehensive Efforts to

Counter Terrorism” held in December 2001, at each of the two-day workshops specific issues were discussed such as the recommendations of the Financial Action Task Force, United Nations Model Law on Money Laundering and national laws against money laundering, the role of anti-money laundering efforts in co-operation with international financial institutions, e.g. World Bank and IMF, and the development of alternative remittance systems and the cash smuggling problem.

Based on the discussions in both workshops recommendations were elaborated and transmitted to the respective governments.

The consolidated summaries were distributed to delegations under SEC.GAL/201/02, SEC.GAL/79/03 and SEC.GAL/80/03.

To follow up the workshops, UNODC and OCEEA have drafted a proposal for assistance in creating an anti-money laundering and counter financing of terrorism legal framework in Kyrgyzstan and Kazakhstan.

5.2. Capacity Building and Training of Albania's Financial Intelligence Unit (FIU) in the Fight against Money Laundering

OCEEA supported the Economic and Environmental Unit of the OSCE Presence in Albania in developing the project and mobilizing funds for it. In co-operation with the Ministry of Finance in Albania and the Crime Problems Division of the Council of Europe the project aims at providing training for the staff of the Directorate for the Co-ordination of the Fight against Money Laundering and equipping them with the necessary IT software. The Directorate is subordinate to the Ministry of Finance and lacks the required skills to analyze the data provided by the subjects that are by law obliged to report to them.

6. Further Activities

6.1. Annual Co-ordination Meeting for Economic and Environmental Officers, Vienna, 19-22 September 2002

Organized by the OCEEA the meeting served to bring together EEOs from OSCE Missions, along with their Economic and Environmental Advisor counterparts from OCEEA in order to discuss past, present and upcoming activities in the Economic and Environmental Dimension and exchange information and best practices on EED field activities. Along with discussions on activities, the EEOs heard expert presentations on combating money laundering and financing of terrorism and on the theme of the Eleventh Economic Forum on “Trafficking in Human Beings, Drugs, Small Arms and Light Weapons: National and International Economic Impact.”

6.2. Migration, Asylum, Refugees Regional Initiative (MARRI)

OCEEA is supporting the Stability Pact’s MARRI initiative (co-ordinated by CPC) and has agreed to serve with ODIHR as focal point for the Illegal Migration Working Group. The MARRI initiative was launched in December 2002 when the Stability Pact for South Eastern Europe in co-operation with the Albanian authorities hosted a regional meeting in Tirana on stabilizing population movements. This initiative is meant to effectively merge the old initiatives into one structure. Furthermore, MARRI will draw on the existing national initiatives, identifying also the aspects which require co-operation or action at the regional level. The main objective is to strengthen the administrative, legislative, institutional, operational and human capacities to manage population movements in accordance with European standards. The initiative will also keep the refugee issue on the agenda and strive to mobilize the needed long term development and reconstruction assistance.

7. Activities in Field Presences

While the following activities have partially been supported by the OCEEA, the credit for their implementation goes to the respective economic and environmental field officers. They have been added to this report in order to give a fuller picture of activities carried out in the EED. The following paragraphs illustrate key projects carried out in field presences and do not claim to be complete nor exhaustive. OCEEA welcomes that through Annex 11 of the 2003 Unified Budget Proposal, additional resources for Centers in Central Asia and Offices in the Caucasus have been made available for the implementation of specific programme activities, and in particular for activities in the Economic and Environmental Dimension.

7.1. OSCE Presence in Albania

The OSCE Presence in Albania has been working on the development of project proposals intended to catalyze country “ownership” in addressing particular economic and/or environmental issues. These projects, mostly implemented in collaboration with international organizations and local NGOs are to penetrate and impact niche markets not being adequately addressed by the international community or local decision-makers.

The main priorities of the OSCE Presence in Albania Economic and Environment Unit for the year 2002-2003 were to foster economic development in rural areas by identifying innovative projects, to promote entrepreneurship and empower local communities with particular attention on the poorest regions in Albania - especially focused on youth, to work toward improved development of economic and social reforms and good governance, in accordance with the European standards.

Implemented and on-going activities / projects:

→ *Confronting and Fighting Corruption - implemented*

Translation, publication of 1100 copies of the Albanian version of the Transparency International Source Book “Confronting Corruption: The Elements of a National Integrity System” and the organization of the launching event. The beneficiaries were the civil society and business community as well as the Government of Albania and all state institutions, the political parties and the whole process of anti-corruption in Albania. Implemented in co-operation with ACER- Albanian Center for Economic Research. (9 887 EUR; OCEEA)

→ *Problems concerning the protection of the environment in Albania – implemented*

Public discussion rounds addressing main factors blocking the implementation of legislation; seek public participation in offering solutions; provide platform for direct dialogue with Ministry of Environment. Implemented in co-operation with the Ministry of Environment, CSDC (Civil Society Development Centers). (Funded by CSDC)

→ ***Training in Analytical Skills and Provision of Software for the Fight against Money Laundering in Albania – ongoing project***

Provide technical expertise to the institutions implementing the Law against Money Laundering through a training in analytical skills for the staff of the Directorate for the Co-ordination of the Fight against Money Laundering (Albania's Financial Intelligence Unit) in the Ministry of Finance; provision of a study visit to Slovenian FIU to share experience; equip Albania with the necessary IT software. Implemented in co-operation with the Ministry of Finance – Directorate of the Co-ordination of the Fight Against Money Laundering (FIU), INTECH+, an IT consultant company in Albania. (26 800 USD; US contribution through OCEEA)

→ ***Removing Obstacles to Economic Growth in Albania – ongoing project***

The objective is to provide the first concrete example for solving in a sustainable way the severe problem of electricity and water supply to rural areas in Albania, which seriously hinders their economic development. It aims to reduce the size of poverty in the rural area, motivate people to work in the country rather than migrate; promote alternative sources of energy. A subsequent public awareness campaign and training program will promote the project to other rural communes in Albania. Implemented in co-operation with EU Energy Efficiency Center in Albania, and UNDP/SGP- GEF- Albania. (22 000 EUR; extra budgetary fund from Finnish Embassy in Bulgaria)

→ ***Promoting Government-Business Dialogue on Free Trade – ongoing project***

Countrywide series of seminars to promote business/government dialogue on trade liberalization and especially on Free Trade Agreements as well as the new challenges Albania is facing under the EU standards. Implemented in co-operation with the Ministry of Economy, and the Institute of Development and Research Alternatives. (13 228 EUR; HoM Fund)

7.2. OSCE Centre in Almaty

According to guidelines under Annex 11, the Centre pursues activities regarding the improvement of business climate, development of small and medium size businesses, empowerment of women in ownership and economic matters, promotion of good governance and transparency and

increasing capacity of civil administration. The Centre continues to co-operate with other international organizations. Regarding environmental activities the Centre will continue projects related to the Aarhus Convention and other international conventions. Special attention is given to transboundary water management; the project on Chu and Talas rivers is under implementation.

For most of the activities, government officials as well as NGOs participated. Relevant private companies were also involved. This system will be kept in the future as a good



Training in Kazakhstan

OSCE/Ayhan EVRENSEL

base for creating a dialog and balanced approach to different problems. It appeared however that NGOs have been the more active partners with regard to different ideas and project proposals for Kazakhstan. Therefore the Centre plans to work even closer with the Ministry of Foreign Affairs in order to encourage government officials from all sectors to participate in the Centre's activities.

Implemented and on-going activities / projects:

→ ***Preparatory Seminar "RIO+10: Central Asia"***

Almaty, 10-11 May 2002. The seminar was organized as a part of the overall preparation process for the World Summit on Sustainable Development, RIO+10, Johannesburg August/September 2002. The OSCE objective was to inform civil society about the issues discussed and elaborate recommendations for the Central Asian countries, related to combating poverty, unsustainable consumption of natural resources and globalization. Implemented in co-operation with the Regional Environmental Centre for Central Asia, United Nations Office in Almaty, and Ministry of Natural Resources Environmental Protection of the Republic of Kazakhstan. (21 000 USD; German Government)→

Conference on “Legal Framework for Small Scale Enterprises in Kazakhstan”

Almaty, 14 May 2002. The purpose was to discuss existing problems of small businesses, prospects of improving legal framework and investment opportunities in Kazakhstan. Special attention was paid to corruption issues, protection of rights and interests of entrepreneurs and development of court system and legal culture. The Conference adopted a resolution where several suggestions concerning the new Tax Code, the new Customs Code and other administrative things were made. The resolution was sent to the relevant ministries and the Parliament. Implemented in co-operation with the Almaty Municipality, and the Tax Formation Fund. (3 000 USD; Eurasia Foundation)

→ *Clean-up action in the Charyn Canyon*

The Charyn Canyon, 8 June 2002. The objective was both to clean up the Charyn Canyon and to highlight the lack of sustainable policy towards development of natural parks and eco tourism. To secure a follow-up, the OSCE Centre formally asked the Ministry of Natural Resources and Environmental Protection and the Parliament of the Republic of Kazakhstan to develop a strategic approach towards sustainable development of tourism. Implemented in co-operation with the Regional Environmental Centre for Central Asia. (2 000 USD; HoM Fund)

→ *Round Table “Strengthening Integrity in the Public and Private Sector Towards a Better Business Environment”*

Almaty, 20-21 June 2002. Main objective: raise a dialogue between the public and private sectors on issues of corruption and building a better business environment through adoption and implementation of ethical codes of conduct. The text of the Basic Guidelines for Codes of Business Conduct and general recommendations on anti-corruption measures were adopted. Representatives from the central and local government, international organizations, embassies, non-governmental organizations and private companies were presented at the discussions. Implemented in co-operation with the US Department of Commerce, Eurasia Foundation, and ICC & Associates. (11 500 USD; US Government)

→ *Conference “Quality of drinking water as a guarantee of social and environmental security”*



Conference on Stability and Security Aspects of Drinking Water, Almaty, July 2002

Almaty, 22-23 July 2002. Main goal of the conference: to identify the common area where the Government, local administrations, potential local and foreign investors, international organizations and the public could work together in order to improve water quality and its supply systems. Water related issues in Almaty and Taraz (regional center of the Zhambyl region in the South of the country) were used as case studies. A special film on water issues in Taraz, whose production had been initiated and supported by the OSCE Centre and shot by a local non-governmental organization, was presented at the conference. The participants developed recommendations aiming at ensuring the provision of good quality drinking water to the population. Implemented in co-operation with ‘Water Resources, Environmental Protection in Kazakhstan’. (13 000 USD; German Government)

→ *Workshop “Raising Awareness on the Aarhus Convention in the Regions of Kazakhstan”*

Aktobe, 12-13 September 2002. The 5th in the series of workshops on the Aarhus Convention. The main goal was to offer information and practical training on the Aarhus Convention’s instruments (access to information, access to justice and public participation in decision making) to regional officials and non-governmental organizations. Implemented in co-operation with the Regional Administration of the Aktubinsk Region, and SMEDA. (4 000 USD; UK Government)

→ *Round Table “Leasing in Kazakhstan”*

Almaty, 3 September 2002. Banks, private companies, representatives of governmental structures and non-governmental organizations took part in the discussions. A set of recommendations was adopted focusing at contradic-

tions, which exist among different legal acts concerning leasing activities, which should be eliminated. Participants also suggested that the Convention on International Financial Leasing (Ottawa, 1988) should be ratified and secondary leasing should be introduced. The recommendations were sent to the Parliament, the Central Bank and relevant ministries. Implemented in co-operation with Kazakhstan Leasing and CIS Leasing. (2 000 USD; OSCE Centre in Almaty, CIS Leasing)

→ ***Follow-up Meeting to the Preparatory Seminar “RIO+10: Central Asia”***

Almaty, 27 September. Non-governmental organizations and mass media were informed about main documents adopted at the RIO+10 Summit, as well as about the process of implementation of the recommendations adopted at the Preparatory Seminar. (1 500 USD, German Government)

→ ***National Workshop on “Combating Money Laundering and Suppressing Financing of Terrorism”***

Astana, 2-3 October 2002 (funded by US through OCEEA) (See also chapter 5.)

→ ***Workshop “Raising Awareness on the Aarhus Convention in the Regions of Kazakhstan”***

Aktau, 31 October and 1 November 2002. Implemented in co-operation with Regional Administration of the Manghystau Region, and Eko Manghystau. (6 000 USD; British Government, OSCE Centre in Almaty)

→ ***Round table “Role of NGOs in Poverty Alleviation in the Regions of Kazakhstan”***

Shymkent, 3-4 December 2002. The round table resulted in recommendations, which included such issues as information of population regarding regional social programs, training for civil servants involved in poverty problems, exchange of experience with other regions and additional work with pupils at schools. Training on labor and social legislation was provided during the second day. Besides local officials and NGOs, the Ministry of Economy and Budget Planning as well as the UN participated in the round table. Implemented in co-operation with the Administration of South Kazakhstan Region, and SodBi. (5 000 USD; OSCE Centre in Almaty)

→ ***Round table “Follow-up on Import and Storage of Radioactive Waste in Kazakhstan”***

Almaty, 11 December 2002. The RT was a follow-up to the conference “The Voice of Civil Society in the Discussion on Import and Storage of Radioactive Waste in Kazakhstan” organized in Almaty in October 2001. The main task of the round table was to give an assessment on the implementation of recommendations adopted at the conference last October. It was agreed that the OSCE would support the participation of civil society in the public hearings organized by the Parliament. Implemented in co-operation with IRIS. (2 500 USD; ODIHR)

→ ***“Transportable Enterprise House”***

Launched in February 2003. The project aims to give to the rural population in remote areas of the South of Kazakhstan information and knowledge about their economic rights, market economy, enterprise, current economic legislation and possible ways of organizing small businesses. Implemented in co-operation with SodBi. (19 500 EUR; OSCE Annex 11)

→ ***“Start Your Own Business”-Promotion of the participation of Oralman (repatriate) women in small and medium size enterprises***

Launched on 1 March 2003. The goal of the project is to train Oralman women (Kazakh returnees to their historic motherland) on basic entrepreneurial skills. Five teams will organize trainings in their respective regions for 500-700 women. After completing the training, women will be given a possibility to obtain micro-credits in the Kazakh Foundation for Communities Crediting. Implemented in co-operation with the Association of Business Women of Kazakhstan, the International Labour Organization, and the Kazakhstan Foundation for Communities Crediting. (36 000 EUR; OSCE Annex 11)

→ ***Conference “Economic Aspects of Integration Processes: Experience of the European Union”***

Almaty, 5 March 2003. The conference aimed at providing information that could be useful in developing the ideas of economic co-operation and integration in the region. Implemented in co-operation with the Kazakh Institute for Strategic Studies under the President of Kazakhstan, and Delegation of the European Commission in Almaty. (23 000 EUR; OSCE Annex 11)

→ *Project on Development of Economic Courts*

Astana, 25-29 March 2003. The project included a four-day training and a roundtable for judges from inter-district economic courts of different regions of Kazakhstan. Economic courts appeared in Kazakhstan about a year ago and most of the judges had not been specialized in this area before. One of the key elements of the training was international practice of economic courts. 26 judges and economic court chairs participated in the training. Implemented in co-operation with the Financial Police Academy, and the Committee on Court Administration under the Supreme Court of the Republic of Kazakhstan. (31 500 EUR; OSCE Annex 11)

→ *Radiological map of Aktau*

Aktau, April-May 2003. Objective: Inform people living in Aktau about radiological state of the city and its surroundings. Radiological examination will be conducted, its results will be summarized in a map that will be published in the local mass media. Implemented in co-operation with the Regional Administration of the Mangistau region, and Volkov Geology. (4 000 EUR; OSCE Centre in Almaty)

→ *“Support for the creation of a bilateral commission between Kyrgyzstan and Kazakhstan on utilisation of water utilities in the Chu and Talas rivers”*

Bishkek, 9-11 April 2003. The commission will draft basic documents on shared water management of the two transboundary rivers. Based on these, an agreement/set of agreements between the governments of the two countries will be prepared for signing. Implemented in co-operation with the Ministry of natural resources and environmental protection of the Republic of Kazakhstan, Ministry of agriculture, water management and processing industry of the Kyrgyz Republic, UNECE, UN SPECA, UN ESCAP, and OSCE Centre in Bishkek. (60 000 EUR; UK Government through OCEEA)

→ *“State inspection and entrepreneurs: ethics of inter-relations”*

Introductory press-conference on 16 April 2003. Mobile reaction groups consisting of a lawyer and a representative of public organization are created to monitor specific inspections by state bodies; questionnaires are developed and poll conducted among entrepreneurs to reveal problems between entrepreneurs and inspection officials;

results presented at a round table. Implemented in co-operation with the Almaty Association of Entrepreneurs. (16 000 EUR; OSCE Annex 11)

→ *Follow-up Roundtable Discussions to the workshop “Combating Money Laundering and Suppressing the Financing of Terrorism”*

28-29 April 2003. At the meeting, a draft law on combating money laundering has been discussed. Experts directly involved in the elaboration of the draft law, as well as international experts invited by the OSCE and UNODC, participated. Implemented in co-operation with UNODC. (15 000 EUR; US through OCEEA)



Azerbaijan. Oil extraction and pollution

OSCE/Alex NITZSCHE

7.3. OSCE Centre in Ashgabad

Having concentrated rather extensively in the past on issues and activities relating to the so called “Aarhus Convention”, the Centre in Ashgabad (CiA) has initiated a series of advocacy initiatives on environmental awareness in general. Secondary school students were the first target group; the next one will be the secondary level teachers. It is planned to extend these activities to the level of universities and young scientists, and possibly later on to the general public and civic associations through electronic media. The Centre in Ashgabad is developing plans for activities relating to contamination of soil and water pollution caused by excessive use of chemical fertilizers and indiscriminate industrial practices.

On the economic areas the Centre will focus on the programme of support to small and medium scale enterprises (SMEs). Utilization of locally available expertise and implementation by businessmen’s associations and other

NGOs will be some of the most significant guiding principles when the programme is being formulated. Co-operation with other international organizations is another basic element. The programme will include i.a. training events, round table meetings, support to the development of information capabilities, meetings devoted to solving practical problems of businessmen, and web site development. Separate from the SME programme activities are planned in the areas of tax legislation and improvement of the taxation mechanism, enterprise legislation and possibly tourism development.

Implemented and on-going activities / projects:

→ Aarhus Convention – final conclusive meeting of the project "National Roundtables on Implementation of the UN/ECE Aarhus Convention"

On 27/09/2002, the result of the two-year project, which included Regional Seminar and seminars in all regions of Turkmenistan. Implemented in co-operation with the Ministry of Nature, and Foreign Ministry. (5 000 USD; CIDA)

→ Capacity building for Aarhus Convention National Focal Point

Reinforcing capacity of interrelation within governmental institutions and between the government and the public within the framework of the process of implementation of the Aarhus Convention in Turkmenistan. Implemented in co-operation with the Ministry of Nature, and the National Co-ordinator on Aarhus Convention. (3 500 USD; CIDA)

→ Website on Aarhus Convention

Implemented in co-operation with Ecoclub CATENA. (1 500 USD; US Government)

→ Printing a book of Erzy Endroska "Environmental authorities and environmental NGOs – on the way to co-operation"

A follow-up of the Regional Seminar of May 2000. Distribution among CA OSCE Missions. Implemented in co-operation with EcoCentre. (3 000 USD; Governments of Norway, Austria and Denmark)

→ Environmental Education for Secondary School Students in Rural Areas

Three educational seminars for students on "Greenhouse

effect" with distribution of two types of booklets. 27-31 January 2003. Implemented in co-operation with the Ministry of Education, Foreign Ministry, Ministry of Nature, and EcoCentre. (4 000 USD; HoM Fund)

→ Improvement of the Taxation Mechanism with the Use of Modern Information Technologies

Implemented in co-operation with the State Tax Service of Turkmenistan. (18 325 USD; Mission budget)

→ Ecological Education for Teachers (legislation)

Includes five seminars for teachers in regions of Turkmenistan on Turkmen and international environmental legislation and dissemination of the same brochure. Implemented in co-operation with the Ministry of Education, Ministry of Nature, Foreign Ministry, EcoCentre, and independent local legal experts. (6 409 USD; Mission budget)

→ Overcoming Administrative Barriers for SMEs

Consists of three round tables (on tax policy in private business; on registration problems for private companies; on licensing). Implemented in co-operation with the Union of Entrepreneurs/Union of Economists of Turkmenistan. (2 000 USD)

7.4. OSCE Office in Baku

The OSCE Office in Baku is involved in monitoring and concrete project activity in a number of areas within the Economic and Environmental Dimension. Areas of particular interest in the economic sphere include SME development in non-oil/gas sectors including tourism, agricultural, and manufacturing. The Office also promotes regional economic development in areas outside the more prosperous capital of Baku. Additionally, activities extend to monitoring of the problem of corruption and transparency which hinder the development of free markets and a more balanced economy. In the environmental sphere, the Office has been active in monitoring progress of the OSCE/NATO South Caucasus River Monitoring Program.

As a result of Annex 11 Funding, the OSCE Office in Baku has received funding to concentrate on 2 particular policy areas: development of small and medium-size business and environmental public awareness and educational initiatives. Initially, the Office is supporting Azeri govern-

ment economic policy objectives of creating business incubators and industrial parks to stimulate the development of new small and medium-sized businesses. For the second funding area, the Office is currently in discussions with the Ministry of Ecology to open an Aarhus Information Center.

Implemented and on-going activities / projects:

→ *Establishment of Business Development Alliance*

Funding for the establishment of independent business association of Azeri and international organizations working on business policy, investment, finance, and SME and regional development in Azerbaijan. Implemented in co-operation with the Eurasia Foundation, Citizen Democracy Corp, BP, International Alert, and Statoil. (5 000 USD; US Government)

→ *Business Incubator Study Tour*

Funding for Study Tour to Austria and Hungary for Azeri Government and business leaders to study the establishment and management of business incubators and industrial parks as stimulus to SME development in Azerbaijan. Implemented in co-operation with UNDP, and the Confederation of Entrepreneurs of Azerbaijan and OCEEA. (14 000 USD; OSCE Annex 11, SME Development)

→ *National Workshop on Business Incubators*

Funding for National Workshop to exchange information and best practices on creation and management of business incubators and industrial parks between Azeri government and UNIDO experts. Implemented in co-operation with UNIDO through OCEEA. (12 000 USD; OSCE Annex 11, SME Development])

→ *National Workshop on “Combating Money Laundering and Suppressing Financing of Terrorism*

Baku 27-28 March 2003 (funded by US through OCEEA) (See also chapter 5.)

→ *Establishment of Aarhus Awareness and Information Center*

Support for the establishment of an Aarhus Center at the Ministry of Ecology to promote public awareness and information on environment. Implemented in co-operation with TACIS, and the Ministry of Ecology and Natural Resources of Azerbaijan. (25 000 USD; OSCE Annex

11, Environmental Awareness)

7.5. OSCE Centre in Bishkek / Osh Field Office

The OSCE presence in Kyrgyzstan continues to assist the government in developing its economy and environment in a sustainable and peaceful way in terms of good and transparent governance to ensure security now and in the future for its people.

Implemented and on-going activities / projects:

→ *Ecological Forum*

Little co-ordination exists between the different parties and agencies involved in spotting and reporting on ecological problems of the south of Kyrgyzstan. The establishment of a standing Ecological Forum will address that problem. It will co-ordinate activities of the NGOs and the state structures in the south of Kyrgyzstan on ecological problems, exchange experiences and determining methods to address them. Regular sessions with the participation of OSCE, ISAR, Ministry of Ecology, Forestry service, local self-governing bodies, ecological NGOs, etc. In addition the forum will implement educational programs, joint actions and projects with ecological NGOs in the region and provide extension through local Media. Finally it works on legislation and normative acts of the Kyrgyz Republic on Ecology through the Parliament deputies. Implemented in co-operation with Osh Ecological Movement “Tabiyat-Osh”. (8 236 USD; US Government)



Radio-active waste in Mailuu-Suu region

→ *Economic Forum*

To hold organizational sessions of meetings in order to establish working groups and Coordinating Council of

standing Economic and Ecological Forum of the south Kyrgyzstan, the role of which is to increase participation of citizens in decision-making process of economic and ecological problems in the south Kyrgyzstan by means of educating programs, exchange of experience and conducting practical activities of standing Economic and Ecological Forum during 2002. Implemented in co-operation with Tashtar-Ata. (600 USD; HoM Fund)

→ *Initiating and Developing Cross-border Co-operation Process*

The Centre in Bishkek is continuing the initiative of the Governor of Osh last year who offered his services in hosting an informal meeting of 7 province governors of Kyrgyzstan, Tajikistan and Uzbekistan (Namangan, Fergana, Andijan, Khojent, Osh, Batken, Jalal-Abad), which was supported by OSCE.

→ *Assistance to Kyrgyz Government Related to the Mailu-Suu Radioactive Waste Dump*

The Centre in Bishkek will convene a technical/engineering expertise meeting designed to find practical ways of solving the problems connected to the assessment of the maintenance of tail dumps and rehabilitation of the area that is jeopardized with the danger of environmental threats from radioactive waste. The meeting is scheduled for 16-18 April this year. An appropriate working group was set up last January jointly with the governmental structures under the chairmanship of the Vice Prime Minister of the Kyrgyz Republic.

→ *Regional Meeting on Barriers to Entry of SMEs in Central Asia*

The project was developed jointly with the Kyrgyz Chamber of Commerce and Industry to find out practical measures helping small entrepreneurs to start new businesses thus removing barriers to entry of small and medium size private enterprises into a free market economy. Consideration was also given to good governance, business education and communication between lawmakers, administration and businessmen.



Street vendors in Kyrgyzstan

OSCE/Jeep CUTIPERS

→ *Co-ordination of the Shared Water Facilities and Studies in Water Management Matters in the Ferghana Valley*

The project shall provide for: - European expertise in water management matters as adaptable to the Law "On Interstate Use of Waterworks and Water Resources" of the Kyrgyz Republic; - Efficient use of irrigation water for arable lands in Ferghana Valley; economy in pure potable water; - Methodological support to the Interstate Water Coordinating Committee by using the best European practices.

→ *Translation of Aarhus Convention from Russian into Kyrgyz*

March 2002. Wide scale distribution of the Convention among Ecological NGOs, Academia and the State Authorities in the south of Kyrgyzstan as well as in Bishkek. (400 USD)

→ *Removing interregional barriers on free exchange in trade, services and capital in light of preparations for 8 Governors Meeting*

7-8 May, 2002. Improving economic and political stability in frontier zones in Southern Kyrgyzstan. Developing cross-border trade and regional economic co-operation. Increasing local capacities for sustainable development and alleviation of poverty as well as easing interethnic tensions. Participants are the eight neighbor province governors of Namangan, Fergana, Andijan, Khojent, Osh, Batken, Jalal-Abad, Khorog and the representatives of relevant Government and International agencies. (5 821 USD)

→ *Nookat Ecological brochure*

October 2002. Based on monitoring, assessing and materials of the series of seminars held, to issue an ecological information brochure on the current situation in Nookat district of Osh province by ecological NGO “Tashtar-Ata”; wide distribution of the brochure among the local state authorities, schools, colleges and public. (100 USD)

→ *Osh State Basin Department for Water Resources*

The OSH State Basin Dept. for Water Resources held a grand opening of the training center under the Scientific-Research center of the Interstate Water Commission on 23 October 2002 in Osh. OSCE FO had attended this seminar as an observer only and the project “Training Center” funded by SDC was discreet about their reports and final proposal drafts, and the papers were circulated only among its member participants.



Summer Camp in Tajikistan, August 2002

7.6. Centre in Dushanbe

The Centre put special attention to the environmental activities, acknowledging that the economic development must be compatible with the protection of the environment. Public participation as well as awareness on the responsibilities towards protection and improvement of the environment especially through education activities with regard to youth have been promoted through the development of the environmental NGOs, youth movement and environmental rights in Tajikistan. OSCE has been supporting grass root projects aiming at capacity building, democratization processes and civic education programs for young people.

Different activities related to the Aarhus Convention has been organized aiming at promotion of the implementation of the convention in Tajikistan, at raising profile of the environmental NGOs in the country, as well as better interaction between the government structure and civil society. The OSCE has been hosting on a regular basis meetings between the NGOs and Tajik Ministry of Nature Protection and other governmental institutions.

Implemented, on-going and planned activities:

→ *Youth network on access to information on environmental matters*

April 2002-April 2003. The objectives of the projects are: to provide an intensive training on ecological issues for all participants from the districts, to develop a web site with environmental information, to render technical assistance to the youth groups in Khujand and Kurgan-Tube, to prepare and conduct the training on Environmental Journalism, to gather and distribute information through the web by the young journalists, establishing a mailing list. Implemented in co-operation with “Youth Eco Center” in Dushanbe. (6 800 EUR; US Government)

→ *Three-day “ ECO FORUM” for Environmental NGOs*

3-5 October 2002. The main objectives of the Eco Forum were: to consolidate the capacity of the Tajik ecological NGOs, to facilitate the environmental movement development in Tajikistan through the conduction of the Forum in order to exchange the views between mature and new NGOs, to set up contacts with the Government and the international organizations, to define a joint work on future programmes on the issues of nature protection, to secure the sustainable development of the ecological NGOs. Implemented in co-operation with OSCE, USAID, REC, ISAR, SDC, and various other NGOs. (3 000 USD; US Government)

→ *Regional workshop on Aarhus convention for Central Asia*

4-7 June 2002. The main objectives of the workshop were: to further the effective implementation of the Aarhus Convention in the region by providing a regional discussion platform and presenting ‘best practices’ from the region and elsewhere. The workshop provided participants with the opportunity to get personal assistance (in English and

Russian) in preparing project proposals for concrete projects in the countries to further the implementation of the Convention to be submitted to donors. Implemented in co-operation with UNECE, UNEP, ABA\CEELI, and the Tajik Ministry of Nature Protection. (70 000 USD; Government of Norway)

→ *Summer camp in Khujand*

11-17 August 2002. The main aims of the summer camp were: to spread the idea of the green patrols among schoolchildren and students, to provide theoretical and practical knowledge on environmental matters, to create a corporate spirit among the members of the green patrols stimulating them for further activity in the field of nature protection and partial improvement of the ecological situation in the Botanical garden in Khujand, to develop an activity plan for the future work of the green patrols. Implemented in co-operation with the OSCE Field Office in Khujand. (855 USD; US Government)

→ *Civic education summer camp in Garm and camp in Shahrituz*

13-19 August 2002/21-27 August 2002. The civic education program focused on providing young people with the knowledge necessary for their awareness of their civil, economic, political rights and responsibilities. The summer camp programs took this yet another step further, to ensure the leadership skills of students from in and outside the civic education program, in order to take on the advocacy work themselves. Special attention was given to ecological issues applicable to local nature conditions and to enable youth "Green patrols" to create their own ecological NGOs. Implemented in co-operation with the OSCE Field Offices in Garm and Shahrituz (5 459 and 5 474 USD; US Government)

→ *Aarhus Convention Implementation Resource Centre (Aarhus Centre)*

The main aims of the project are: to assist the Republic of Tajikistan in the implementation of the provisions of the Aarhus Convention, to create a permanent advice office to the specialists and the staff of governmental and public institutions, to exchange information, to conduct seminars, to create a library for the public, to publish an informational bulletin, to create a web-site on the implementation of the Aarhus Convention in Tajikistan. Implemented in co-operation with the Working Group on the Aarhus

Convention Implementation in Republic of Tajikistan, 'Team on Nature Protection', UNEP, and UNECE. (11 180 USD; OSCE Centre in Dushanbe core budget)

→ *Third Central Asian Festival on Environmental Journalism - 2003*

The main aims of the project are: to draw attention of the public, in particular the journalists in the Central Asian region to the environmental problems, to facilitate the development of the ecological NGOs, to exchange the practices and information between the Central Asian mass media, to set contacts with state mass media in order to enable the implementation of the main provisions of the Aarhus Convention. Implemented in co-operation with 'Team on Nature Protection', UNEP/Grid Arendal, Regional Environmental Centre for Central Asia, CAMP. (10 000 USD; OSCE Centre in Dushanbe core budget)

→ *Review of the Tajik Legislation in compliance with the Aarhus Convention*

Objectives: assess the compliance of the national legislation with the Aarhus Convention, to present a comprehensive review with recommendations for legislative amendments to governmental and non-governmental actors, to facilitate the discussion of concrete steps to be taken by Tajikistan to report and to ensure compliance of the national legislation with international environmental treaties, to build local capacities in legislative analysis through skills transfer to local expert. Implemented in co-operation with Environmental Law Centre, 'Team on Nature Protection', State Working Group on Aarhus Convention, UNEP/Grid Arendal, and UNECE. (13 856 USD; OSCE Centre in Dushanbe core budget)

→ *Water Management Problems- National and Regional Aspects*

Aim: raise awareness on existing and emerging water conflicts both at the national and the regional level through supporting the co-operation, fair water distribution, implementation of the signed agreements, development of the legal base introduction of water economy encouraging mechanisms, working out the recommendations and publishing the new Water Code of Tajikistan. Implemented in co-operation with the Ministry of Nature Protection, Ministry of Melioration and Water Resources, NGO ECOSAN, Regional Environmental Centre for Central Asia. (9 210 USD; Extra budgetary contribution)



7.7. OSCE Mission to Serbia and Montenegro

The economic and environmental problem in Serbia and Montenegro must be seen against the background of many years of overall economic, social and political deterioration. Non-existence of appropriate structures on all levels of governance, poor legislation, poor taxation and environmental funding policy, insufficient co-operation with neighboring countries, exclusion from international processes, low level of public awareness and weak non-governmental sector resulted in grave status of environment and created heavy burden for the new authorities. The role of the OSCE is in the process of building trust and co-operation with different interest groups within the country and also as an important communication bridge between neighboring, regional and European countries. Economic and Environmental components are of key importance in fostering overall security and co-operation on the issues of mutual interest that are aimed at fair distribution and use of common natural resources and protection of common living space. With such approach, the OSCE gained very high level of understanding and co-operation with the stakeholders, while avoiding overlapping and duplication of activities of other actors. Confidence built between the partners is the precondition for the stability and sustainable development at all levels concerned: local, national and, especially, regional.

In this respect, the OSCE is promoting the ratification and implementation of the Aarhus Convention, public awareness of the advantages of decentralization and provide efficient information dissemination with active approach to the issues of multilateral concern, but also regional co-operation and fostering environmental and economic security.

Implemented and on-going activities / projects:

→ *Sava River Initiative*

The OSCE is involved into the process of creating and implementation of a multilateral agreement between Slovenia, Croatia, BiH and Serbia and Montenegro on integrated management of the Sava River. The programme is co-ordinated with the Stability Pact and SECI. Implemented in co-operation with the Ministry for Foreign Affairs, Serbia and Montenegro, Ministry for Natural Resources and Environment, Stability Pact, and SEECI.

→ *Enhancing Environment and Security in South Eastern Europe and Central Asia*

This initiative from UNEP, OSCE and UNDP aims to facilitate a collaborative and consultative process whereby key public officials in South Eastern Europe (SEE) and Central Asia (CA), and among their development partners, integrate the links between natural resources and foreign and development policy in their governance activities, and in so doing promote peace and human security. OMiSaM organized the "First regional meeting on Environment and Security in SEE" which took place in Belgrade in December 2002. This conference gathered 56 participants from SEE countries and international organizations. Implemented in co-operation with UNEP, UNDP, and local governments from the region. (45 560 EUR; Core budget)

→ *Euroregion DANUBE 21*

The Mission is supporting the institution and capacity building of the region that involves local communities of Serbia and Montenegro, Bulgaria and Romania on the banks of the Danube River. Implemented in co-operation with Municipalities of Bulgaria (Vidin, Ruzinci, Makresh, Belogradchik, Lom, Kula, Dimovo, Novo selo), SaM (Zaječar, Bor, Knjaževac, Negotin, Soko banja, Majdanpek, Boljevac, Kladovo) and Romania (Kalafat, Pojna Mare, Desa, Chetate, Chuprechenii Noi). (15 560 EUR; Core budget)

→ *Environment for Europe*

The Department supports the involvement of Serbia and Montenegrin stakeholders in the process "Environment for Europe" and participation to the Fifth Pan-European Ministerial Conference on Environment. Implemented in co-operation with the Ministry for Natural Resources and

Environment, Ministry for Environment and Spatial Planning, Ministry for Foreign Affairs, Ministry for Foreign Affairs, Parliament of Serbia, Parliament of Montenegro, various NGOs, and local community representatives. (29 000 EUR; Core budget)

→ *Support to legislation and institutional structuring and capacity building in Serbia (SAM)*

Programme that was aimed to help the Government of Serbia to draft a new law on environment and to set up appropriate institution (Ministry). The Ministry has been established, the Minister has been appointed and Law is before the Parliament for adoption. The programme comprises also further co-operation in drafting bylaws in environmental and economic area and harmonization of existing regulations with EU standards, as a part of the Stabilisation and Association Process. Implemented in co-operation with the Serbian Ministry for Natural Resources and Environment, local communities, NGOs, Parliament of Serbia, International experts, WB, EBRD, SIDA, and EU. (457 000 EUR; Core budget, and the governments of Switzerland, Germany, Italy, and Norway)

→ *Environmental Law Implementation*

Programme for the education of Judges, prosecutors and lawyers on the new Environmental Law. The programme will be co-ordinated with the UNDP and Serbian Government. Implemented in co-operation with the Serbian Ministry for Natural Resources and Environment, UNDP, Center for Education of Judges and Prosecutors, British Council, and Chamber of Attorneys.

→ *Law Solves Chaos – Drafting the Animal Protection Law*

All European Union member States already have laws on animal protection, as independent part of legislation. The aim of their existence is unification of the criteria pertaining to breeding and usage of animals on the territory of the member states as well as the prevention of an inhumane attitude towards them. OMiSaM supported the drafting process by organizing a round table and a press conference on this issue. Implemented in co-operation with ORCA, and the Serbian Parliament. (5 211 EUR; Core Budget)

→ *Drafting the Law on Forest Reproductive Material and Respective Regulations*

Transitional process and integration in international community requires harmonization with the EU legislation in respective fields, thus the realization of The Spatial Plan of Serbia and its projected percentage of forest area from 27% to 37,2% in middle Serbia and from 6% to 11% in Vojvodina. OMiSaM organized several working sessions and a seminar on Forestry Law. Implemented in co-operation with the Ministry for Natural Resources and Environment, Serbia/Directorate for Forestry, SIDA, and various international experts. (5 850 EUR; Core budget)

→ *Environmental Education*

Introduction of the environmental issues into the educational system for primary and secondary schools. The initiative has already been launched together with relevant ministries. Implemented in co-operation with the Ministry for Natural Resources and Environment, Ministry for education, REC, and various NGOs.

→ *Regional aspects of links between drugs trafficking and economic development*

The Department is currently assessing the needs of regional initiative for co-operation, together with SaM governmental representatives, aiming to organize international (regional) Conference on this issue by the end of this year. Implemented in co-operation with the Ministry for Foreign Affairs, independent experts, NGOs, and various international organizations.

→ *Support to legislation in Montenegro (SAM)*

The programme is aimed to help amending and harmonization of current Montenegro Environmental Law in order to provide harmonization of existing regulations with EU standards, as a part of the Stabilisation and Association Process. The project is part of the Finnish programme for legislative support and capacity building. Implemented in co-operation with the Montenegrin Ministry for Environment and Spatial Planning, and the Finnish Government. (15 000; Core budget)

→ *Local Environmental Security Partnership*

Programme for strengthening co-operation of local stakeholders on the road for sustainable planning and development. The program included 20 local communities in South - East and West Serbia. Program has two particular

parts: Educational Program is consisting of four seminars. Each of four Local Environmental Security Partnership Seminars had 30 participants, making in total 120 participants in seminars. Implemented in co-operation with the Leskovac Education Center, and Kraljevo EKO Ibar. (32 000 EUR; Government of Germany)

→ *Local Authority Educational Programme*

Capacity building of the local authorities for strategic planning and development the co-operation with NGOs and local business. The program on supporting the Timok's local authorities should enable them, after the project is finished, to prepare projects, provide necessary financial means, correctly determine priorities, prepare strategic plans and implement projects. In accordance to the plan, eight workshops took place in all eight Timok krajina municipalities. Implemented in co-operation with the Knjazevac Timok Club, and the local municipalities of Zajecar, Boljevac, Sokobanja, Knjazevac, Bor, Majdanpek, Kladovo and Negotin. (22 887 EUR; Core budget)

→ *NGO Management*

Environmental NGO capacity building aimed to enable them to act as responsible partners on the local level. Organization of two seminars for 60 activists of NGOs. Implemented in co-operation with the Belgrade Open School. (23 094 EUR; Core budget)

→ *3E (Energy, Economy, Environment)*

Economic and Environmental Department of the OSCE Mission to Serbia and Montenegro generated new, consistent and complex framework "3E" (Environment, Energy, Economy) that is to support energy saving projects and use of renewable energy, especially production in small energy power plants. Initiative has been launched in line with governmental policy. The programme will be coordinated with relevant ministries, chambers of commerce and other stakeholders. This will raise accountability and responsibility of all the stakeholders in the process, thus will contribute to the conflict prevention and to understanding, co-operation and security in the region, but having in mind the priorities: i) preservation of the physical and intellectual environment, ii) unbiased distribution of natural resources, iii) regional co-operation on common development issues. Implemented in co-operation with the Serbian Ministry of Energy, the Montenegrin Ministry of Economy, the Serbian Ministry for Natural Resources

and Environment, the Montenegrin Ministry for Environment and Spatial Planning, and various experts, international organizations and financial institutions. (480 000 EUR; Core budget and voluntary contributions)



Market in Bukhara, Uzbekistan

OSCE/ALAN NITZSCHE

7.8. OSCE Centre in Tashkent

The OSCE Centre in Tashkent ("CiT") works with both the Government of Uzbekistan and NGOs to promote environmental protection and to encourage economic reform. In addition to liaising with Governmental officials, representatives of international organizations based in Tashkent, and Uzbek civil society representatives, CiT has developed and implemented a broad range of programmatic activities in the Economic and Environmental Dimension. Among other areas, this work has focused on the development of small and medium enterprises, and the involvement of mahallas (local community associations) in environmental protection activities.

Implemented and on-going activities / projects:

→ *Small and Medium Business Development in Uzbekistan: Challenges and Opportunities, Training Series*

Completed Phase II of training, initiated Phase III of training. CiT works with local entrepreneurs to promote SME development. Implemented in co-operation with the Government of Uzbekistan. (1 500 USD per training series; US Government)

→ *Enhancing the Capacity of Small and Medium Enterprises in Uzbekistan*

The Centre in Tashkent provided a roundtable where foreign experts and local entrepreneurs met to discuss how to best promote SME development in Uzbekistan. Implement-

Activities in Field Presences

ed in co-operation with the Uzbek Chamber of Entrepreneurs and Manufacturers, and the American Chamber of Commerce in Uzbekistan. (7 000 USD; US Government)

→ *Karakalpak Artists*

In order to promote the arts in Karakalpakstan, CiT provided a forum for the showing and sale of works from this region. Implemented in co-operation with the Karakalpakstan State Art Museum, Nukus, Republic of Karakalpakstan. (200 USD; OSCE Centre in Tashkent HoM fund)

→ *Central Asian Regional Workshop on Irrigation*

The Centre in Tashkent and ICWC brought together Central Asian governmental officials and NGO representatives to discuss irrigation practices and sound water management in Central Asia. Implemented in co-operation with the Interstate Commission for Water Co-ordination (ICWC) of Central Asia. (5 000 USD; Government of Sweden)



OSCE/Alex. NITZSCHE

A woman selling cotton fabrics, Uzbekistan

→ *The Road Towards Ensuring Clean Drinking Water in Uzbekistan's Regions*

Through this roundtable, CiT focused attention on the need to ensure a clean drinking water supply for those living in Uzbekistan's provinces. Implemented in co-operation with Armon. (600 USD; OSCE Centre in Tashkent HoM fund)

→ *Challenges of Ensuring Clean Drinking Water in Bakhmal District of Jizzak Province*

Through this roundtable, CiT focused attention on the challenges concerning the clean drinking water supply in Bakhmal District. Implemented in co-operation with the British Embassy in Tashkent. (600 USD; British Embassy in Tashkent)

→ *Red Book of Uzbekistan, Volume II for Indigenous Fauna*

With publication of this book, the Centre in Tashkent sought to promote the protection of Uzbekistan's indigenous fauna. Implemented in co-operation with the Government of Uzbekistan/State Committee on Nature Protection of Uzbekistan, and the Uzbek Zoological Society. (1 900 USD; OSCE Centre in Tashkent HoM fund)

→ *Mahallas and Environmental Protection, Roundtable Series*

The Centre in Tashkent works to promote the involvement of mahalla leaders in environmental protection matters. Implemented in co-operation with the National Mahalla Charitable Foundation, and the Government of Uzbekistan/State Committee on Nature Protection of Uzbekistan. (600 USD; US Government)

→ *Water is Life Television Spot*

National environmental television spot "Water is Life", developed to promote public environmental awareness. Implemented in co-operation with the National Television & Radio Company of Uzbekistan, the National Mahalla Charitable Fund, International Ecology & Health Fund "EcoSan", and the Business Women's Association of Tashkent Region. (1 100 USD; OSCE Centre in Tashkent HoM fund)

→ *Aarhus Convention Experts' Working Group*

In anticipation of the Government of Uzbekistan's accession to the Aarhus Convention, CiT formed this expert group to review existing Uzbek legislation for compliance with the Aarhus Convention. Implemented in co-operation with the Environment Nature Protection Committee. (1 800 USD; US Government)

→ *An Aarhus Convention Bridge: From Eastern Europe to Central Asia*

Intergovernmental roundtable to promote Uzbekistan's accession to the Aarhus Convention. Implemented in co-operation with the Environment Nature Protection Committee, and the Government of Uzbekistan/State Committee on Nature Protection of Uzbekistan. (8 000 USD; US Government)

→ *Environmental Issues in the Mass Media*

Training of journalists on environmental issues. Implemented in co-operation with Tashkent NGO Information

Centre “Environment”, Newspaper “Pravda Vostoka”. (1 400 USD; OSCE Centre in Tashkent budget [Annex 11])

7.9. OSCE Project Co-ordinator in Ukraine

The office of the OSCE Project Co-ordinator in Ukraine has in the past enhanced activities in the field of economical and environmental issues. Special focus has been laid upon the development of good governance and transparency by facilitating the implementation of the Aarhus Convention, EU Water- framework Directive and combating corruption.

Within the framework of the project on “Fighting against trafficking in human beings” the OSCE Project Co-ordinator plans to start economical training seminars in areas, where people are mostly affected by the danger of being becoming victims of trafficking.

Within the framework of the project “on Training of staff of the Office of the General Prosecutor of Ukraine (Strengthening the Rule of Law)” the OSCE Project Co-ordinator is carrying out seminars in the regions on fight against money laundering, fight against environmental crimes, fight against corruption and organized crime.

The OSCE Project Co-ordinator assists the Ukrainian government in the elaboration of a comprehensive program on issues of conversion of former military personnel and sites, including social, economic and environmental issues.

Implemented and on-going activities / projects:

→ *Transparency and Good Governance-Aarhus Convention: Public Participation Implementation Project*

Utilizing the Aarhus Convention to promote the resolution of a specific local environmental issue (drinking water). Implemented in co-operation with the Ministry of Environment of Ukraine, members of the Ukrainian working group on the implementation of Aarhus Convention, ABA CEELI and REC Ukraine. (6 000 EUR; HoM Fund)

→ *Implementation of the EU Water Framework Directive*

Assistance in the introduction and implementation of the EU Water Framework Directive in Ukraine. Implemented in co-operation with the Ministry of Environment of Ukraine, State Committee on Water Issues in Ukraine, and various NGOs. (13 700 EUR; German Government)

→ *Transparency and Good Government- Fight against Corruption*

Promotion of effective activity of the Prosecutor’s and other relevant law enforcement bodies in combating corruption and of implementation of effective anti-corruption measures according to democratic norms and standards. Implemented in co-operation with the General Prosecutor’s Office of Ukraine, Ministry of Interior of Ukraine, Secret Service of Ukraine, Tax Administration of Ukraine, and ABA CEELI. (35 000 EUR; US Government, HoM budget, ABA CEELI)

→ *Training of Staff of the Office of the General Prosecutor Office of Ukraine- Rule of Law*

Support the training and development of trainers of prosecutors and other law enforcement agencies in the following key topics: Fight against Money Laundering, Environmental Crimes and Organized Crime. Implemented in co-operation with the General Prosecutor’s Office of Ukraine, Ministry of Interior of Ukraine, Secret Service of Ukraine, and the Tax Administration of Ukraine. (60 000 EUR; HoM Budget)

→ *Fight against Trafficking in Human Beings in Ukraine- Support of implementation of the comprehensive Anti- trafficking National Program- Prevention Program*

Four key elements on which the project focuses and will focus: Support of regional Hotlines and National Toll-free Hotline, Public Awareness Campaign, Economic Training seminars in regions, Seminars for public servants and public organizations. Implemented in co-operation with the State Committee for Family and Youth Affairs of Ukraine, NGOs, IOM, Winrock International, and ABA CEELI. (100 000 EUR; HoM Budget, voluntary contributions)

→ *Conversion of former Military Personnel and Sites*

Assistance in the elaboration of a comprehensive National Program on Conversion of former Military Personnel and Military Sites: social adaptation, economic and ecological aspects of conversion. Implemented in co-operation with the Ministry of Defence of Ukraine, Ministry of Emergency Situations in Ukraine, National Coordination Center of Conversion of former Military Personnel and Sites, and various NGOs. (150 000 EUR; HoM Budget)

7.10. OSCE Office in Yerevan

Implemented and on-going activities / projects:

→ Anti-Corruption Task Force

The OSCE Office is chairing of the international task force on anti-corruption. It led to the formulation of a national anti-corruption strategy. The Office continues its work on further development of anti-corruption strategy for Armenia as well as provides support for NGO coalition against corruption. Implemented in co-operation with the World Bank, IMF, CoE, OECD, USAID, and the governments of UK, France, Germany, Russian Federation, Italy, as well as EC, OSI, Euroasia, Transparency International, ABA/CEELI, and a group of NGOs. (OSCE Office in Yerevan (HoM Fund)

→ International Seminar on Good Governance in Economic Policy Development: Promoting Economic Competition in Armenia

Objectives: bringing together the Armenian Competition Authority and ministries, regulatory agencies and other governmental bodies that formulate, enact and administer policies affecting market conditions was to raise awareness of the need to incorporate competition principles into the general framework of ongoing anti-corruption and poverty reduction endeavors. Implemented in co-operation with Armenian-European Policy and Legal Advice Center (AEPLAC), US Agency for International Development (USAID), German Federal Cartel Office, Polish Competition Authority, and the Russian Ministry on SME Development and Anti-Monopoly. (50 000 USD; EBRD, EC – Tacis, GTZ, Government of the United States, USAID, OSCE Office in Yerevan)

→ Launching the Website on Competition Policy in Armenia

Arising from the recommendations of the OSCE Seminar on Good Governance in Economic Policy Development in Armenia: Promoting Economic Competition, the OSCE Office in Yerevan launched a project to establish an Internet Site www.competitionpolicy.am to provide the full range of information on economic competition policy reform in Armenia and to strengthen the transparency of the work, structure and policy of the State Commission on Protection of Economic Competition.

The official launching was on 17 April 2003. Implemented in co-operation with the State Commission on Protection of Economic Competition, Implementing partners: WebStudio, PrintInfo. With informative support of AEPLAC. (2 660 USD; US Government, OSCE Office in Yerevan)

→ National Workshop on Combating Money Laundering and Suppressing the Financing of Terrorism

Yerevan 24-25 March 2003. Implemented in co-operation with UNODC, OCEEA, Council of Europe, and ABA/CEELI. (USD 30.000 financed by Council of Europe, OSCE Annex 11, US through OCEEA, ABA/CEELI) (See also chapter 5.)

→ Combating Money Laundering Follow-up Programme in Armenia

Building on the recommendations adopted at the workshop in co-operation with the Government, the Office proposed to create an inter-Ministerial working group on anti-money-laundering issues. The Office has established a co-ordinating group amongst the international community. The first informal follow-up meeting with Armenian Officials was scheduled for 5 May 2003. Implemented in co-operation with UNODC, Council of Europe, ABA/CEELI, and EU/UN SCAD. (20 000 USD required; funding requested)

→ Labour Law Reform in Armenia

The OSCE Office in Yerevan supports the successful launching of the new Labor Code at present being drafted and its proper and purposeful application. In the first stage, post-drafting discussion stage, the Project intends to provide expertise to the draft Labor Code, and, inter alia, to contribute to the process of harmonizing the Labor Code with other relevant laws of Armenia. In the second stage, post-adoption stage, the Project intends to contribute to creation of opportunities for effective implementation of the Labor Code through providing training programmes for appropriate agencies and their staff. It includes publishing of “Guidelines on Application of the Labor Code”, both for employers and employees. Implemented in co-operation with GTZ, Ministry of Justice, Ministry of Social Security, and other associations. (Preliminary budget is estimated 35 000 USD, partially covered by Annex 11 - additional funding requested.)

→ *Local Conflict Analysis in South Caucasus*

The project is aimed at strengthening regional co-operation and constructive local conflict management capacities of local government actors and the civil society, which makes possible to increase the local production in the border districts of Georgia, Armenia and Azerbaijan, and, in addition, guarantee the nutritional requirements of poor population groups. Implemented in co-operation with the OSCE Office in Yerevan, OSCE Mission to Georgia, OSCE Office in Baku, GTZ, the project implementing local partner NGOs in Armenia: Armenian Sociological Association – national level, “Yerevak” NGO – district level.

→ *Improvement of Tax and Customs Policy and Promoting Trade Facility in Armenia*

The Office aims to instigate a dialogue between the related national authorities, banking sector and representatives of trade and small businesses and NGOs in the border regions of Armenia; promote economic co-operation through facilitating trade in Caucasus; present international experience in the establishment of an efficient and transparent customs and tax system; raise awareness of the governments of the need to ensure long-term benefits to the economies through consistent tax and customs policies and borrow friendly credit mechanisms. Implemented in co-operation with AEPLAC/Tacis, Bearing Point/USAID, GTZ, Shen, UMCOR, Transparency International. (40 000 USD; OSCE Office in Yerevan [Annex 11])

→ *Institutional Development of National and Regional Chambers of Commerce in Armenia*

The majority of Armenia’s small businesses are newly created SMEs and a great deal of donors’ and government’s attention has been devoted to that sector as well as to organizations that support the SMEs. However, Chambers of Commerce have received very little assistance despite the obvious important role they can play in the development of SMEs and economy in general. OSCE will start the project aimed at institutional development of the Chambers of Commerce assisting them in building membership base, representing and lobbying for the members’ interests, initiating a dialogue between the businesses and the government, as well as facilitate establishing partnership relations with similar bodies in the region. Implemented in co-operation with GTZ ProSME, Eurasia Foundation, SME Development National Centre Foundation. (30 000 USD; OSCE Annex 11)

→ *OSCE/NATO Project on River Monitoring in South Caucasus*

As a follow up to the recommendations made at the Tenth OSCE Economic Forum, the Office in co-operation with other OSCE field presences in the South Caucasus and support of OCEEA is supporting the NATO project “South Caucasus River Monitoring” to ensure its full implementation. (Also cf.4.2.2.) Implemented in co-operation with the OSCE Office in Yerevan, OSCE Mission to Georgia, OSCE Office in Baku, NATO, OSCE/OCEEA, and the Armenian Sociological Association. (833 000 EUR; NATO, Swedish Delegation, OSCE, Norwegian State Oil Company. Additional funding is requested.)

→ *Water Management Council in South Caucasus*

The OSCE Office supports the efforts of the Armenian Government to establish the regional Water Management Council in South Caucasus based on the OCEEA proposal “Terms of Reference of the South Caucasus Water Management Co-ordination Group”. The OSCE Missions in Caucasus together with the DAI/ USAID are organizing series of the Regional Workshops as well as National on Priority Issues in the Water Sector. The Workshops are focusing on the water issues from a national perspective with the purpose of developing a priority of issues that will assist in addressing these issues in the water sector in Armenia, Georgia and Azerbaijan. Implemented in co-operation with DAI/USAID. (32 500 USD; DAI/USAID, OCEEA, OSCE Office in Yerevan)

→ *Public Environmental Information Centre (PEIC) – “Aarhus Centre”*

The Office continues to provide assistance to the environmental public information centre, which was created upon the OSCE Office’s initiative in May 2002 with the objective of providing adequate environmental information to the civil society in both electronic and hard form; supporting the Ministry of Nature Protection in its endeavors on implementation of the Aarhus Convention; extending informational capacities of the Ministry in regards to its communication and co-operation with the civil society. Implemented in co-operation with PEIC. (20 000 USD; OSCE Annex 11)

Publication of directory “Who is Who in Environment in Armenia?”

The main outcome of the project was a print and electronic directory “Who is Who in the Environment in Armenia”, which was to inform the public about governmental agencies in the country responsible for maintenance and provision of environmental information. The brochure has been widely distributed throughout Armenia to all relevant governmental and non-governmental organizations, local authorities, educational institutions and international missions. Implemented in co-operation with the Centre for Regional Development/Transparency International Chapter in Armenia under the umbrella of the Public Environmental Information Centre. (1 200 USD; UNEP)

→ Promoting Aarhus Convention in Armenia

The Office jointly with UNDPI has initiated re-publication of the 1998 Aarhus Convention. Implemented in co-operation with UNDPI. (1 595 USD, UNDPI. Additional funding requested.)

→ Initiative on Protection of Green Zones in Yerevan City

The main goal: establishing constructive dialogue between the relevant authorities and civil society to seek solutions for protection and development of green zones in the city. As the first and critical step for advancing a dialogue of stakeholders, the Office facilitated a round table with participation of the NGOs and all authorities responsible for planning and protection of green zones in Yerevan to exchange positions/views on the issue. As a result of the meeting a schedule of regular consultations between the Yerevan Mayor’s Office and the Initiative group has been established. Implemented in co-operation with the Association for Sustainable Human Development, Eco-Social Association, Armenian Association of Botanists, Centre for Regional Development / Transparency International, Tapan Eco-fund, Armenian Ecological Benevolent Foundation; and the Environmental Protection Advocacy Centre, with support by the Public Environmental Information Centre.

8. Elaborating a new OSCE strategy document in the Economic and Environmental Dimension: the Porto Ministerial Council Decision No. 5

Up to the present date, the 1990 Bonn Document is the last substantive OSCE declaration of commitments in the Economic and Environmental Dimension. The Bonn Document sets out the principles of free markets and liberal democracy with a view to promoting the transition process from command to market economy. The Bonn Document is still relevant in many instances. However, new threats and challenges in the Economic and Environmental Dimension have emerged. They are not sufficiently or not at all addressed by the Bonn Document.

Being aware that not only insufficiently addressed economic and environmental problems may result in tension and conflict but also co-operation in economic and environmental issues contribute to overall stability, OSCE participating States started calling for a more balanced and a comprehensive approach to security. In par-

ticular, the 2001 Bucharest Ministerial Council Decision (OSCE document no. MC(9).DEC/3, 4 December 2001) emphasized “the need to strengthen co-operation in the economic and environmental dimension” evidenced by the creation of the Economic and Environmental Sub-Committee of the Permanent Council.

In compliance with this, the OSCE Ministerial Council in Porto adopted the decision on “Enhancing the Role of the OSCE Economic and Environmental Dimension” (MC(10).DEC/5). In this decision, the participating States tasked the Permanent Council to develop through its Economic and Environmental Sub-Committee a new OSCE strategy document in the Economic and Environmental Dimension. This new document should be based on an assessment of the current situation in the OSCE region, complement the Bonn Document, and provide recommenda-

tions and commitments for addressing economic and environmental threats to security and stability in the OSCE region. In addition, the new OSCE strategy document should provide guidance for a further enhancement of the OSCE capabilities in the Economic and Environmental Dimension.

Having assisted the then-acting Portuguese Chairmanship and the participating States in the elaboration of the Ministerial Council Decision No. 5, OCEEA is currently supporting the Dutch Chairmanship in developing the new OSCE strategy document in

the Economic and Environmental Dimension. To facilitate the elaboration of this document by the next ministerial council in the Netherlands in December 2003, the Dutch Chairmanship has established two groups of friends that support the Economic and Environmental Sub-Committee. The first group, on substantial matters, deals with the analysis of the current situation and discusses appropriate responses, whereas the second group, on procedural matters, develops ideas of improving the implementation of commitments, the effectiveness of OSCE Economic Forum and criteria for OSCE project activities.

Extract of Ministerial Council Decision No. 5:

“Enhancing the Role of the OSCE Economic and Environmental Dimension”

Porto, 7 December 2002

“To task the Permanent Council to develop through its Economic and Environmental Sub-Committee a new OSCE strategy document in the Economic and Environmental Dimension including recommendations and proposals for additional commitments, and to present it at the next OSCE Ministerial. This new document, complementing the Bonn Document, should set out the main objectives, principles and methods of co-operation. It should be based on an assessment of the current situation and of existing economic and environmental threats to security and stability in the OSCE region. It should provide recommendations for addressing such problems and develop criteria for activities and projects as well as guidance for further enhancement of the OSCE capabilities in the Economic and Environmental Dimension, taking account of the OSCE’s comparative

strengths and role as catalyst for action by other organizations and institutions;

- To invite the United Nations Economic Commission for Europe and other partner organizations and specialized agencies to co-operate in elaborating the new strategy;
- That the document should recommend ways to improve the review of implementation of commitments, which takes place annually in the framework of the Economic Forum in Prague, building as much as possible on the positive experience and achievements of the OSCE and other international organizations and institutions.”

(Extract of OSCE document no. MC(10).DEC/5)

9. Co-operation within the OSCE

9.1. OSCE Informal Working Group on Gender Issues and Anti-Trafficking

OCEEA regularly took part in the OSCE Informal Working Group on Gender Issues and Anti-Trafficking and actively contributed to the drafting of the Elements for a Draft Action Plan to Combat Trafficking in Human Beings.

9.2. OSCE Parliamentary Assembly

At the **11th Annual Session of the OSCE Parliamentary Assembly** (Berlin, 6-10 July 2002) which focused on the fight against terrorism, the Co-ordinator of OSCE Economic and Environmental Activities addressed the OSCE PA General Committee on Economic Affairs, Science,

Technology and Environment by giving a presentation on “Money Laundering and Financing of Terrorism – The OSCE’s Role in Addressing these Economic Security Threats”.

At the **Second OSCE Parliamentary Assembly Winter Meeting** (20-21 February 2003) in Vienna, the CoEEA addressed the General Committee on Economic Affairs, Science, Technology and Environment on 20 February. Drawing the attention of the Parliamentarians to the new economic and environmental threats and challenges, which have emerged in Europe since the Bonn Document was adopted in 1990, he gave an overview of the various efforts to address these threats. In this regard, the CoEEA elaborated on the Porto Decision No. 5 to develop a new OSCE strategy document in the Economic and Environmental Dimension and outlined current and future activities of the OCEEA. The speech gave reason to a lively question and answer session.

Currently, OCEEA is involved in the organization of the **Promoting Small and Medium-Sized Enterprises, Sub-Regional Conference of the OSCE PA** (Bern, 14-16 May 2003). The conference is focusing on the role of SME for sustainable growth, problems facing SME in the various regions of the OSCE and will try to identify governmental and economic conditions conducive for SME development. In this regard, the conference is designed to familiarize parliamentarians with the importance of SME, communicate information on best regulatory practices and to exchange experience on effective measures for the promotion of SME. The Co-ordinator of OSCE Economic and Environmental Activities will deliver a keynote speech to the conference.

9.3. Office of Democratic Institutions and Human Rights (ODIHR)

OCEEA participated at the Annual **Human Dimension Implementation Meeting** in Warsaw in September 2002 and contributed to the sessions on anti-trafficking, combating corruption and gender equality. Co-ordination on these issues is ongoing.

10. Participation in Conferences

The Co-ordinator of OSCE Economic and Environmental Activities participated in a number of international conferences. With the twofold objective of contributing to the international agenda on economic and environmental issues in the OSCE region and enhancing both co-ordination and co-operation in this regard, the Co-ordinator met with politicians, experts, top officials of international organizations, business community and NGO representatives on the occasion of the following conferences.

In May 2002, the Co-ordinator of OSCE Economic and Environmental Activities participated in the **Eleventh Annual Meeting of the Board of Governors of the European Bank for Reconstruction and Development** and its accompanying event “**Business Forum**”. (Bucharest, 19-20 May 2002).

In June 2002, the Co-ordinator attended the **OSCE-Thailand Conference on the Human Dimension of Security** (Bangkok 20-21 June 2002) and addressed the issues of

economic aspects of trafficking in human beings. The conference brought together high-level participants from Europe and Asia to deal with issues such as trafficking of drugs and human beings and co-operation between international organizations. It aimed at contributing to a valuable exchange of information and sharing of experience, not only between Thailand and the OSCE, but also between Europe and Asia.

In November 2002, invited by UNESCO and Green Cross **International to the International Conference ‘From Conflict to Co-operation in International Water Resources Management: Challenges and Opportunities** (Delft, 20-22 November 2002), the Co-ordinator addressed the opening session on the role of OCEEA in dealing with transboundary water management in order to share OSCE experience, in particular in institutionalizing co-operation mechanisms.

In December 2002, the Co-ordinator addressed the meeting of the **Working Group on the OSCE and the Council of Europe (COSCE)** (Brussels, 18 December 2002) and met high officials of the European Commission.

In March 2003, the Co-ordinator attended the **Fifty-eighth Annual Session of the United Nations Economic Commission for Europe** (Geneva, 4-6 March 2003). Following the World Summit on Sustainable Development last summer, UNECE seized the opportunity of its 58th session to review the national strategies for sustainable development of its member States. UNECE also discussed the economic developments in its region.

The Co-ordinator addressed the opening session of the Economic Summit **“Managing Change in Central and South-Eastern Europe: investment, Financing and Trade Opportunities”**, held in Vienna on 8 April 2003.

OCEEA was furthermore represented by the Deputy Co-ordinator at **2002 Saint Petersburg Economic Forum** (Saint Petersburg, 19-22 June 2002). It offered an excellent opportunity to exchange different views on the economic integration and the economic development of the CIS nations. Of particular interest were working groups dealing with the state of affairs on regional co-operation in CIS countries and prospects towards joining the World Trade Organization. Issues such as the complex transport situation and required priorities in relation with economy, geopolitics and security in the 21st century were also discussed, as well as problems of the environmental protection in conditions of economic growth in the Russian Federation.

At the **Southeast Europe Economic Forum** (Sofia, 14-16 October 2002) entitled “Euro-Atlantic Perspective of Regional Economic Co-operation in Southeast Europe” the Deputy Co-ordinator addressed the plenary session panel on the Stability Pact in SEE. He outlined how the OSCE, as a political organization, and the Stability Pact could co-operate more closely in promoting political and economic development in South East Europe.

The OCEEA also participated in the **International Policy Debate “Tackling Cross Border Crime” Challenges of International Development Co-operation** (Bonn, 16-17 December 2002) which was organized by the Develop-

ment Policy Forum of the InWent – Capacity Building International, Germany and the United Nations Office on Drugs and Crime (UNODC) together with the German Federal Ministry for Economic Co-operation and Development (BMZ). The OCEEA took part in the Working Group on Trafficking in Human Beings and actively contributed in the discussions and the drafting of a list of recommendations for further action by the German Federal Government.

At the **Fifth Meeting of the Task Force for Implementation of the Stability Pact’s Regional Environmental Reconstruction Programme for SEE (REReP)** (Tirana, 30-31 January 2003), which gathered representatives of SEE and donor governments, international institutions, international financing institutions and NGOs, OCEEA reported on the Environment and Security Initiative process for SEE and the intention of presenting the mapping results at a side event.

The Deputy Co-ordinator was invited to contribute to the **Third World Water Forum (Shiga, Japan, 19-22 March 2003)** and participated in a panel under the Water for Peace Programme, jointly run by UNESCO and Green Cross International (GCI), entitled “From Potential Conflict to Co-operation Potential: Water for Peace”, and gave a presentation on OSCE’s role in addressing the issue of water and security.

Finally, OCEEA participated in the one-day brainstorming **Meeting on “Achieving Trade Security within a Standardised, Efficient and Transparent International Framework”** (Geneva, 24 March 2003) organized by UNECE. The meeting gathered experts from several organizations including UNECE, UNCTAD, WTO and WCO. Short presentations on the issue of trade security, mainly the threats caused by the illicit shipment of weapons and dangerous substances that can harm people and destroy property, were followed by discussions.

11. Main Issues addressed during the Economic and Environmental Sub-Committee Meetings since June 2002

The Economic and Environmental Sub-Committee (EESC) of the Permanent Council was established at the Bucharest Ninth Ministerial Council of the OSCE on 4 December 2001 (OSCE document no. MC(9).DEC/3, 4 December 2001). From June 2002 to April 2003 twelve Economic and Environmental Sub-Committee meetings were held: six under the then-acting Portuguese Chairmanship and six under the current Dutch Chairmanship. During these meetings a wide range of issues were addressed under the common denominator to enhance the Economic and Environmental Dimension of security and cooperation in the OSCE region. In doing so the Sub-Committee proved itself as a valuable tool in order to ensure continuity and consistence in the activities in the Economic and Environmental Dimension by providing a forum for regularly reporting on the work done in this field, enabling discussions of priorities and activities and identifying potential threats to security and stability. For this purpose the Sub-Committee not only served as a framework in which the Chairmanship, the OSCE field presences and the OCEEA regularly informed on their activities, but also as a link to other IOs which were invited to share their views and to contribute to the work in the Economic and Environmental Dimension. In addition, the following main issues were addressed at the EESC Meetings since June 2002:

The **Fourth EESC Meeting (5 July 2002)** served the presentation and discussion of the work plan of the Sub-Committee (PC.DEL/505/02) and of the OCEEA work plan to support OSCE activities addressing money laundering and terrorism financing (SEC.GAL/118/02). The summary of the meeting was circulated to delegations under CIO.GAL/59/02.

During the **Fifth EESC Meeting (19 July 2002)** the initiation of an elaboration process of an OSCE Environmental Code of Conduct (CoC) (PC.GAL/81/02) was discussed, followed by a presentation of the Romanian delegation concerning the Follow-up Seminar to the Ninth Economic Forum on “Co-ordinating Regional Efforts to Increase Transparency and Facilitate Business”, held in Bucharest in July 2002. After discussing the Chair’s calendar of topics for the remaining Sub-Committee meetings of 2002 (CIO.GAL/60/02), the Environmental Adviser briefed delegations on the follow-up activities to the Tenth Economic Forum (SEC.GAL/134/02) and the Project Officer in Ukraine provided delegations with an overview on the economic and environmental activities in Ukraine. The summary of the meeting was circulated to delegations under SEC.GAL/145/02.

At the **Sixth EESC Meeting (20 September 2002)** discussion focused on the need to review and update the Bonn Document and on improving the process of review of the implementation of the OSCE commitments in the EED. The Co-ordinator of Economic and Environmental Activities set out his food for thought paper (SEC.GAL/159/02/Rev.1), and a representative of the United Nations Economic Commission for Europe (UNECE) presented “A Proposal on Formulating New Commitments under the OSCE Economic Dimension, Comments from the UNECE secretariat” (SEC.GAL/162/02). In addition the Head of the Economic and Environmental department of the OSCE mission to FRY, now Serbia and Montenegro, reported on field activities fol-

lowed by a question and answer session with all EEOs. The summary of the meeting was circulated to delegations under SEC.GAL/170/02/Rev.1.

The **Seventh EESC Meeting (25 October 2002)** addressed the issue “Disparities in economic development and security in the OSCE region”, based upon a presentation entitled “Central and Eastern Europe: Realizing the Benefits of Reform and International Integration” (PC.DEL/869/02) by an expert from the EBRD and a paper on “The Role of Economic Disparities between States as a Threat to Security” prepared by the UN Economic Commission for Europe (UNECE) (SEC.GAL/191/02). Furthermore, delegations examined the proposals aiming at increasing the efficiency and the effectiveness of the OSCE Economic Forum (PC.DEL/866/02) submitted by the incoming Dutch Chairmanship before discussions embarked on the draft decision on “Enhancing the Role of the EED” (PC.DEL/851/02). The summary of the meeting was circulated to delegations under SEC.GAL/202/02.

The **Eighth EESC Meeting (15 November 2002)** served the discussion of the draft decision on “Enhancing the Role of the Economic and Environmental Dimension” (MC.DD/4/02/Rev.1) and of the proposed amendments (CIO.GAL/94/02) of participating states on the draft decision. The summary of the meeting was circulated to delegations under SEC.GAL/214/02.

At the **Ninth EESC Meeting (13 December 2002)** Dr. Chris de Wispelaere, Director of the NATO Science for Peace Programme presented the NATO’s Scientific and Environmental Affairs Division activities and the joint NATO-OSCE river monitoring project in the South Caucasus (SEC.GAL/221/02), followed by an OCEEA presentation on follow-up projects to the Tenth Economic Forum that were deployed in Central Asia, the Southern Caucasus, Eastern Europe and South Eastern Europe (SEC.GAL/221/02). In addition, the incoming Dutch Chairmanship, presented the programme for the first semester. The summary of the meeting was circulated to delegations under SEC.GAL/226/02.

The Dutch Chairmanship presented its work programme at the **Tenth EESC Meeting (17 January 2003)**. Furthermore, the meeting focused on the new OSCE strategy document according to the Ministerial Council Decision No.

5 on “Enhancing the Role of the OSCE Economic and Environmental Dimension”. In this regard, a representative of UNECE was invited to contribute to the discussion (PC.DEL/30/03) and delegations expressed their view on a paper prepared by OCEEA (CIO.GAL/3/03).

To facilitate the elaboration of this new OSCE strategy document the Dutch Chairmanship established two groups of friends that support and regularly report to the Economic and Environmental Sub-Committee. The first group, on substantial matters, deals with the analysis of the current situation and discusses appropriate responses, whereas the second group, on procedural matters, develops ideas of improving the implementation of commitments, the effectiveness of OSCE Economic Forum and criteria for OSCE project activities. The summary of the meeting was circulated to delegations under SEC.GAL/15/03.

The **Eleventh EESC Meeting (7 February 2003)** served further discussions on the new OSCE strategy document in the EED. In this regard, the Chairs of the two groups of friends reported on their meetings (PC.DEL/105/03 and PC.DEL/83/03), followed by a presentation of additional proposals made by OCEEA (SEC.GAL/13/03 and SEC.GAL/25/03). Furthermore, delegations discussed a food-for-thought paper on “Seminar on the Impact of Globalization on the Economic Process in the OSCE Region” (PEC.DEL/27/03) and OCEEA presented a proposal of an OSCE booklet on best practices in combating corruption (available on the OSCE project database <http://www.osce.org/osceprojects/>). The summary of the meeting was circulated to delegations under SEC.GAL/31/03.

At **Twelfth EESC Meeting (28 February 2003)** the Chair of the group of friends on the new OSCE strategy document in EED reported on the meeting of this group (PEC.DEL/158/03) and announced the distribution of his perception paper “Elements of OSCE Strategy Document in the Economic and Environmental Dimension” (PC.DEL/174/03) before the Chair of the group of friends on procedures informed the delegation about the ongoing discussion in his group. Furthermore, the meeting served the preparations on the Eleventh Economic Forum. The summary of the meeting was circulated to delegations under SEC.GAL/44/03.

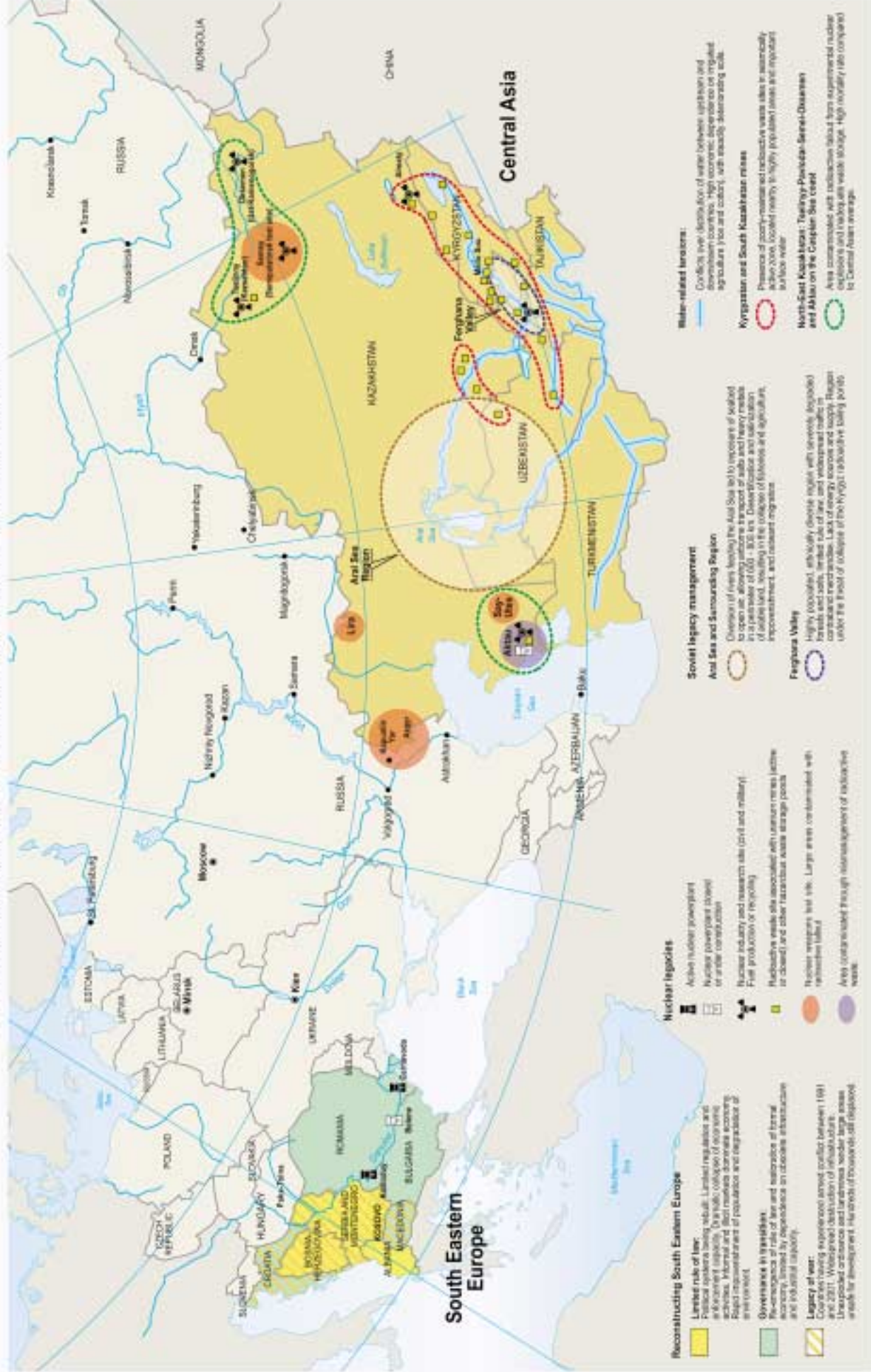
The **Thirteenth EESC Meeting (21 March 2003)** started with a presentation by a former Economic and Environmental Officer in the OSCE Centre in Ashgabad (SEC.GAL/55/03) before delegations continued working on elaborating the new OSCE strategy document by discussing the reports submitted by the Chairs of the two groups of friends (PC.DEL/262/03 and PC.DEL/272/03). In addition, delegations deliberated on the draft decision on modalities of the Eleventh Economic Forum (CIO.GAL/23/03) and on a revised proposal on the globalization seminar (SEC.GAL/49/03). The summary of the meeting was circulated to delegations under SEC.GAL/58/03.

The **Fourteenth EESC Meeting (8 April 2003)** served the further discussion on the new OSCE strategy document and the preparation of the Eleventh Economic Forum. Furthermore, delegations deliberated on the draft decision on the Globalization Conference (PC.DD/19/03) and discussed the Educational Fund (SEC.GAL/59/03) proposed by the Co-ordinator of Economic and Environmental Activities. The summary of the meeting was circulated to delegations under SEC.GAL/76/03.

The **Fifteenth EESC Meeting (9 May 2003)** addressed the issue of the new OSCE strategy document and delegations continued the preparations of the Eleventh Economic Forum.

Notes

South Eastern Europe to Central Asia: political transition and environmental risks





Address: OSCE Secretariat • Körntnerring 5-7 • A-1010 Vienna • Austria
Phone: +43 1 514 36 151 • Fax: +43 1 514 36 96
E-Mail: pm-ceea@osce.org • Website: www.osce.org/eea

Vienna, May 2003

