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**STATEMENT BY  
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AND DEPUTY MINISTER FOR FOREIGN AFFAIRS OF THE  
RUSSIAN FEDERATION, AT THE TWELFTH OSCE  
ECONOMIC FORUM ON THE IMPLEMENTATION  
OF OSCE COMMITMENTS IN THE ECONOMIC  
AND ENVIRONMENTAL DIMENSION**

Prague, 1 June 2004

The Russian Federation attaches great importance to the review of the implementation of OSCE commitments in the economic and environmental dimension, regarding it as an important instrument for analysis of the state of pan-European economic and environmental co-operation and for an assessment of the threats and challenges to security resulting from economic and environmental problems.

The mechanism for reviewing the implementation of commitments needs to be further refined. There has long been a need to conduct an inventory and categorization of all OSCE commitments in the economic and environmental dimension. This would make it possible to create a working instrument and would also lay the foundations for a further increase in the scope of the OSCE's economic and environmental commitments.

In elaborating the review mechanism it would be useful to consider the experience gained in the human dimension and the politico-military sphere, where effective instruments such as the Security Review Conference have been established. Given the comprehensive approach to security and stability issues and taking into account the desire to eliminate the imbalance between the three OSCE dimensions, it would be logical to come to some sort of agreement on the convening of a conference to review the implementation of OSCE commitments in the economic and environmental dimension on an annual or other periodic basis. This new instrument, in our opinion, would make it possible to take fuller account of the influence of economic and environmental problems on security in the OSCE area.

The review cycle covering a period of five to six years proposed by the Office of the Co-ordinator of OSCE Economic and Environmental Activities has its advantages and disadvantages. In any case, there can be no doubt that, in the course of this review process, all OSCE participating States must have the right to raise any question connected with the implementation of OSCE commitments that they regard as being important and relevant. We are against any artificial narrowing of the issues to be considered during the review of the second OSCE "basket", but at the same time are willing, in order to make the review more focused and structured, for the subjects to be selected by decision of the Permanent Council.

An important role in the review process is traditionally played by the United Nations Economic Commission for Europe (UNECE), which possesses considerable expertise and is one of the OSCE's principal partners. We assume that the participation of the UNECE in the review of OSCE commitments, as well as other aspects of their co-operation, will be reflected in a memorandum of understanding.

Special mention should be made of the work of the UNECE in analysing the investment climate in OSCE participating States. We believe that the results of the investigations that have been carried out allow an objective assessment of the degree of attractiveness of States for foreign investors in terms of the transparency of the relevant legislation, the tax regime, the role of the State in regulating the economy, the level of bureaucracy, etc. The comparative analysis of these factors performed by the UNECE is beyond any doubt of assistance to the governments of countries whose attractiveness for investors is less than they wish in the formulation of their economic policy.

I should also like to draw attention to the desirability and importance, in a comprehensive analysis of this type, of taking into account other matters such as the natural advantages and special features of particular countries and also the existence among investors of preferences of a non-economic nature. It would appear that such factors often play a decisive role for potential donors of capital. This might not be so evident in the European region, but experience has shown that it can play a role in the attraction of capital investment by the countries of the Asia-Pacific region.

We hope that other international economic and regional organizations and financial institutions will also be given an important role in the review of commitments in accordance with their specific competencies. It is important in addition to give representatives of civil society and academic and business circles an opportunity to express their points of view.

One of our main priorities is the implementation in full and without any selectivity of the OSCE Strategy Document for the Economic and Environmental Dimension adopted at the Ministerial Council in Maastricht.

I should also like to take this opportunity to reiterate the Russian position in clear terms. We believe that the OSCE, merely by virtue of its name and mandate, should concern itself with important issues of pan-European economic and environmental co-operation and with an assessment of the threats to security resulting from economic and environmental problems throughout the entire area from Vancouver to Vladivostok. These include issues such as integration into the world economy, harmonization of integration processes, support for regional integration, trade, access to markets, co-operation in the fields of finance, energy, industry, transport, infrastructure development, environmental protection, freedom of movement of persons, and much more.

We believe that in each specific case it is vital for the OSCE to find a useful niche for itself with due allowance for the activities of other players. For this reason, a key issue in the economic and environmental dimension is the intensification of co-operation with international economic and regional organizations, and business and academic circles in the spirit of the Platform for Co-operative Security.

We have repeatedly called upon the Chairmanship to devote attention to the planning of activities in the economic and environmental dimension by elaborating suitable working

programmes based on proposals by all participating States. This is fully in keeping with the OSCE principle of programme budgeting. We also address this appeal to the future Slovenian chairmanship.

I would be grateful, Mr. Chairman, to see the proposals made by the Russian delegation reflected in your report on the outcome of the Economic Forum.