

## 24<sup>th</sup> ECONOMIC AND ENVIRONMENTAL FORUM

”Strengthening stability and security through  
co-operation on good governance”

CONCLUDING MEETING

Prague, 14-16 September 2016

## CONSOLIDATED SUMMARY

Conference documents can be retrieved from the Website: [http://www.osce.org/event/24th\\_eef\\_2016](http://www.osce.org/event/24th_eef_2016)

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**PLEASE NOTE:**

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[http://www.osce.org/event/24th\\_eef\\_2016](http://www.osce.org/event/24th_eef_2016)

## EXECUTIVE SUMMARY

The Concluding Meeting of the 24th OSCE Economic and Environmental Forum (EEF) on „Strengthening stability and security through co-operation on good governance“ took place in Prague on 14-16 September 2016. During this three-day-meeting, the following areas were addressed:

- Good governance and its impact on business climate, sustainable economic development, stability and security;
- The way to Hamburg;
- The role of the private sector in fighting corruption, money-laundering and financing of terrorism for strengthening stability and security;
- Trade facilitation measures and good governance in supply chains;
- Good environmental governance and its impact on economic development, stability and security;
- Review of the implementation of the OSCE commitments relevant to the theme of the 24<sup>th</sup> Economic and Environmental Forum;
- Good migration governance and labour market integration.

More than 250 participants, including official representatives of OSCE participating States, field operations, institutions and Partners for Co-operation as well as experts from international, regional and non-governmental organizations, the business community and academia attended the meeting and engaged in the discussions about various aspects of good governance and connectivity.

Ambassador Eberhard Pohl, Chairperson of the OSCE Permanent Council and the Permanent Representative of Germany to the OSCE opened the event together with H.E. Lubomír Zaorálek, Minister of Foreign Affairs of the Czech Republic and Ambassador Lamberto Zannier, Secretary General of the OSCE.

The keynote speech as well as many other interventions emphasized that connectivity and good governance based on predictability and mutual trust arising out of the agreed rules are among key elements for promoting peace, strengthening dialogue and security, and ensuring prosperity.

It was highlighted that strengthening security in the OSCE region through strengthening the Economic and Environmental Dimension and enhanced connectivity and good governance was a key priority. Good governance could be seen as the foundation of effective government and viable economic and environmental policies, since it ensures sound regulatory frameworks, rule of law, and engagement with relevant stakeholders. By removing barriers to cross-border co-operation, supporting trade facilitation and customs co-operation, and improving the regional climate, the OSCE could foster sustainable growth. The OSCE's already significant contribution to promoting sustainable development and good environmental governance was specifically noted as a valuable experience.

Several participating States briefed on best practices in their countries on the achievements in the field of connectivity and good governance. The importance to reaching out to partners beyond the OSCE area was also mentioned as well as the need to reinforce the Economic and Environmental Dimension with a better integration of all three dimensions. It was stated several times that the Economic and Environmental Dimension should be used as a catalyst for co-operation and confidence building while including the activities of the field operations.

Discussions also focused on the key role that the fight against corruption, money-laundering and the financing of terrorism have in many sectors. The close collaboration with relevant authorities was stressed as effective response to prevent criminal transactions. It was suggested that the OSCE could offer its contribution by providing technical assistance to a number of anti-corruption agencies. The recently published OSCE Handbook on Combating Corruption would be used to develop targeted training courses. Participatory approach and stronger collaboration among governments, civil society, the business community, and academia is important to foster citizens' trust and social consensus on non-tolerance of corruption and the promotion of good governance.

It was also pointed out that migration governance needed a coherent and long-term response by the international community. Efforts should be focused on improving policy cohesion between migration management, economic development and environmental policies, encouraging legal migration by balancing facilitation and prevention measures, as well as understanding the demand and supply of labour markets. Creating conditions for improved economic development and co-operation was mentioned as a crucial factor, as well as the facilitation of integration of migrants in host societies, their reintegration on return, and improvement of protection-mechanisms of migrants.

Finally, participants pointed out that good environmental governance was an integral part for achieving economic development, stability and security and was the gluing factor for green economy and sustainable development. It was highlighted that sustainable development is key for boosting economic growth. High importance was attached to the Sustainable Development Goals. Regional processes and events such as the Pan-European Strategic Framework for Greening the Economy and the upcoming EXPO 2017 on "future energy" can give an impetus for further promoting green economy and environmental good governance, as do the activities of field operations and Aarhus Centres on the ground.

At the Concluding Meeting, the review report implementation of the OSCE commitments relevant to the theme of the 24th Economic and Environmental Forum was presented. The report provided a comprehensive overview of three pillars of good governance addressed during the EEF, namely good economic governance, good migration governance and good environmental governance, and set out recommendations for further engagement in these areas.

## REPORTS OF THE RAPPORTEURS

### *Opening Plenary Session*

#### **Welcoming remarks:**

- **Ambassador Eberhard Pohl**, Chairperson of the OSCE Permanent Council, Permanent Representative of Germany to the OSCE, 2016 OSCE German Chairmanship
- **H.E. Lubomír Zaorálek**, Minister of Foreign Affairs, Czech Republic
- **H.E. Lamberto Zannier**, Secretary General, OSCE

#### **Keynote speech:**

- **Dr. Gernot Erler**, Special Representative of the Federal Government of Germany for the 2016 OSCE Chairmanship, Member of the German Bundestag

**Moderator:** **Ambassador Eberhard Pohl**, Chairperson of the OSCE Permanent Council, Permanent Representative of Germany to the OSCE, 2016 German OSCE Chairmanship

**Rapporteur:** **Ms. Brigitte Krech**, Economic and Environmental Affairs Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities

*Ambassador Pohl* welcomed the keynote speakers, representatives of participating States, International Organizations, and NGOs, and thanked H.E. Lamberto Zannier for organizing this event. The First and the Second Preparatory Meeting have demonstrated the high interest in topics on stability and security.

*H.E. Lubomír Zaorálek* emphasized that the Concluding Meeting would be dedicated to strengthening stability and security through good governance. Impartiality, competence and equality are key principles that constitute good governance, which is vital in many fields including public administration. Good governance is an important foundation, which will lead to enhanced stability. H.E. Lubomír Zaorálek referred to the Sustainable Development Goals (SDG), in particular targets 16.6 and 16.8, which confirmed the importance of accountable and effective institutions through enhanced co-operation. The Czech Republic would be helping to contribute to these topics. The Economic and Environmental Forum could be seen as a good example to enhance security and sustainability and to contribute to strengthening the resilience of participating States.

*H.E. Lamberto Zannier* stated that the 2030 SDGs provided a pathway to a peaceful society and global solidarity; especially SDG Goal 16 could lead to the creation of effective institutions. Regional organizations are very important in this respect. H.E. Lamberto Zannier underlined that the Second Dimension offered great potential for building confidence and trust. The OSCE had a long-standing experience in this respect, for example with its support to sustainable development and environmental good governance through the ENVSEC Initiative and the Aarhus Centres Network. Closer co-operation between national and local

governments, between international and regional organizations, civil society, the business community and other key stakeholder is essential to building up good governance and achieving sustainable development.

*Dr. Gernot Erler* stressed the need to consider economic and environmental issues taking due account of the conflicts in the OSCE area and to further engage in the OSCE's Economic and Environmental Dimension in order to build trust in the mutual benefit of co-operation and stepping up an exchange of experience how to direct such a process. This year's Chairmanship took up the idea of connectivity, which played an important role in other international fora such as the Asia-European Meeting, the G20 or the Western Balkan Summits. Also a Chairmanship Conference in Berlin in May 2016 was organized entitled 'Connectivity for Commerce and Investment'. This conference showed the interest of the private sector in greater connectivity in the OSCE area in order to reduce costs of transnational trade. Dr. Erler reiterated the intention to continue this exchange as a new input for the OSCE and highlighted the importance of actively including business representatives in the annual Economic and Environmental Forum. He explained that most transaction costs arose from different standards and procedures. Simplifying and harmonising procedures could bring benefits to transnational private-sector trade and to the society to generate economic growth, which would help in fighting against corruption as an important part of good governance.

The floor was opened for discussion.

*The representative of Uzbekistan* commended on the themes chosen for the Forum, namely good governance, public-private partnership, and the impact of environmental governance on the economic development, stability and security as important and relevant issues on the global agenda. The OSCE is a platform for equal dialogue among participating States. Uzbekistan referred to the importance of broader international co-operation with regard to the desiccation of the Aral Sea while developing environmentally friendly economic activities and creating conditions to access environmentally clean technologies. The representative of Uzbekistan welcomed the Concluding Meeting of the EEF to enable fruitful discussion and to identify mutually beneficial areas for future co-operation.

*The representative of the European Union*, together with the aligned countries (the former Yugoslav Republic of Macedonia, Serbia, Albania, Bosnia and Herzegovina, Liechtenstein, Ukraine, Moldova, Armenia, Georgia, and Andorra) emphasized the role of the OSCE as well-placed to facilitate exchanges of best practices and to stimulate further compliance of participating States with international commitments. The continued focus on combatting corruption was highly appreciated, which remained among the greatest challenges for a number of participating States. He also welcomed the OSCE's important contribution to strengthening good environmental governance, promoting sustainable development and fighting climate change. Furthermore, the inclusion of relevant stakeholders was key to advancing good governance. It was welcomed that the business sector has been given a stronger voice in the Forum process of this year. The Chairmanship Business Conference in Berlin in May this year provided a useful platform for getting the private sector perspective on many of the topics of the agenda of the Second Dimension.

*The representative of the Russian Federation* emphasized that good governance is firmly established on the agenda of the OSCE's Second Dimension activities. The principles of good governance are key to promoting business, helping to attract investment and having a positive impact on the general economic situation in the participating States. It was stated that

ensuring the smooth cross-border circulation of goods, services and labour as well as fighting corruption and managing migration flows are prerequisites for stable economic development. The OSCE has proved itself as an appropriate international forum that enables participating States, even when they have different approaches, to search for new opportunities to develop co-operation. In this respect, the OSCE could make a positive contribution to stepping up dialogue and act as a catalyst for international co-operation.

*The representative of Switzerland* noted the particular relevance of the Second Dimension to the OSCE. More use should be made of the economic and environmental dimension to work closely together in order to build up security in the OSCE's common space. Confidence is created by activities aimed at fostering dialogue between different political entities and on different levels. This concerned all OSCE dimensions. In conclusion, additional resources are required for the Second Dimension, especially with regard to economic activities. It should be explored how the Second Dimension could be strengthened: institutionally and materially. This would require an increased budget for the OCEEA.

*The representative of Armenia* underlined the high importance of good governance to the country. A reform of the regulatory framework is underway, which is aiming at reducing the administrative burden on the private sector, reducing corruption risks, and strengthening transparency and accountability of public institutions. The role of the OSCE executive structures and the OSCE Office in Yerevan were commended, which have contributed to the regulatory framework reform in Armenia. The co-operation with civil society and the Aarhus Centres was commended and further encouraged. It was stated that the OSCE is well placed to promote good governance at all levels within the concept of comprehensive security. In an era of increasing interdependencies or connectivity, good governance required inclusive international and regional co-operation, which would take the economic interests of other participating States into account and would not contribute to the creation of new divisions.

*The representative of Belarus* reiterated the need for strengthening OSCE's economic and environmental dimension as an integral part of the OSCE's comprehensive and co-operative security concept. Peace, stability and security, both in individual countries and across the entire OSCE community, are impossible without sustainable economic development, which should be based upon good governance. Good governance is about building a fair, predictable and reliable economic and trade architecture in Europe and the Euro-Atlantic area as a whole, while taking into account the interests of all participating States. By working to remove barriers and create a transparent and predictable trading environment, consolidate cross-border contacts and regional co-operation and develop transport corridors, all joint efforts will contribute to "renewing dialogue, rebuilding trust and restoring security" throughout the OSCE.

*The representative of Georgia* underlined this year's OSCE's focus on good governance, both its economic and environmental aspects, as well chosen. Good governance played a key role in strengthening stability and ensuring prosperity. The Chairmanship's decision to promote and explore the potential of economic connectivity with the OSCE area and beyond was commended. The involvement of the private sector in the discussions was perceived as beneficial and useful. Georgia, together with Azerbaijan, Kazakhstan, Turkmenistan and Turkey, was part of an informal working group on the East-West Trans-Caspian Trade and Transportation Corridor, which was established by an initiative of Azerbaijan earlier this year. These countries are actively co-operating bilaterally to increase the potential of the east-west transit corridor.



*The representative of the United States of America* looked forward to continuing the constructive dialogue from this year's preparatory meetings and to elaborate how the OSCE could contribute to improving good governance on a wide range of issues. Strengthening security in the OSCE region through enhanced economic connectivity and good governance are key priorities. The importance of promoting good governance cannot be overstated. The representative was pleased that good governance remained a priority for the OSCE's economic and environmental dimension. It could be seen as the foundation of effective government, economic and environmental policies, regulatory frameworks, adherence to the rule of law, and engagement with civil society and the general public. The efforts to increase economic ties among OSCE participating States were welcome, especially in the Caucasus and Central Asia. By removing barriers to cross-border co-operation, supporting trade facilitation and customs co-operation, and improving the regional investment climate, the OSCE and its participating States could foster more sustainable growth across the region.

*The representative of Turkey* praised that this year's Forum cycle showed ways how to enhance co-operation in the field of connectivity. Good governance remained a key factor. It was appreciated that one session at the Concluding Meeting was devoted to the Hamburg Ministerial Council. Good governance is helping to boost economic growth, increasing competitiveness and improving the investment climate of a country; a fundamental factor for sustainable economic development, stability and security. However, it is a complex challenge. Appropriate institutional mechanism and good regulatory framework should be created. Fighting corruption played a substantial role in this respect. The OSCE is one of the leading actors in good governance, referring to the OSCE's tool box and its comprehensive outlook to security. The publication of the Handbook on Combating Corruption was highly valued. She further stated that good environmental governance was an integral part of sustainable economic development and called for efforts to fight environmental pollution, climate change and ecosystem degradation, and promote energy efficiency and green economy, referring also to Turkey's 10<sup>th</sup> development plan 2014-2018 and other policy documents which reflect the importance of environmental protection. Trade facilitation was another important factor regarding the OSCE's geography to strengthening and deepening regional economic co-operation. Turkey, together with Kazakhstan, Turkmenistan, Azerbaijan and Georgia, established the informal working group of the Trans-Caspian East-West trade and transport corridor in the OSCE.

*The representative of Azerbaijan* described that the country had taken significant steps in improving the business environment and creating favourable conditions to attract investments, particular in the non-oil sector. Azerbaijan has also achieved impressive results on many Millennium Development Goals. The country was currently adopting its national sustainable development strategy building on the Sustainable Development Goals. Programmes have been implemented such as in the field of good governance and strengthening the rule of law. Particular attention has been paid to the legislative framework to the protection of investments. Steps were taken to streamline certain procedures to easier register new businesses. Furthermore, the country was an initiator and active participant of regional and trans-regional transport corridors, in partnership with OSCE participating States, in order to link trans-European and trans-Asian transport roads and to create better conditions for SMEs. He also referred to the previously mentioned informal working group. The group aimed at raising awareness to this transport corridor as well as to contributing to the potential of connectivity in the region.

*The representative of Kazakhstan* reiterated that the Second Dimension had a vast potential in the process of confidence building. Strengthening stability and security through co-operation

on good governance is essential to all OSCE participating States. Kazakhstan's Plan of the Nation "The 100 Concrete Steps" as a comprehensive reform package was further explained. Connectivity remained one of the key tools of the long-term development. Two dimensions were presented: hard connectivity (related to physical integration of transport and transit routes) and soft connectivity (related to tariffs, norms, procedures as well as the improvement of conditions for developing intra-regional trade). Kazakhstan was determined to connect into global transport networks being the ninth largest country in the world. Furthermore, improved co-operation could also be successfully co-ordinated with the implementation of China's Silk Road Economic Belt programme. The OSCE could play a major role in supporting closer co-operation between national governments and local governance as well as between international organizations. It was reminded that CICA (Conference on Interaction and Confidence-Building Measures in Asia) celebrated its 25<sup>th</sup> anniversary of launching as an initiative.

*Ambassador Pohl* thanked all speakers for their interventions and wished interesting discussions during the upcoming sessions. He also mentioned the presentation of the OSCE Handbook on Protecting Electricity Networks from Natural Hazards.

*Session I (Panel Debate): Good governance, business climate and sustainable economic development*

**Moderator: Dr. Eric Frey**, Managing Editor, Der Standard, Austria

**Rapporteur: Mr. Mery Mukazhan**, Second Secretary, Permanent Mission of the Republic of Kazakhstan to the International Organizations in Vienna

**Speakers:**

- **Mr. Štefan Füle**, Special Envoy for the OSCE and the Western Balkans, Ministry of Foreign Affairs, Czech Republic, former Commissioner for Enlargement and Neighbourhood Policy
- **Mr. Goran Svilanović**, Secretary General, Regional Cooperation Council
- **Mr. Jan Žurek**, Managing Partner, KPMG, Member of the Governmental Council for Sustainable Development, Czech Republic

*Dr. Eric Frey* introduced the session by emphasizing the importance of good governance and its impact on business climate and sustainable economic development. He underlined that there is a general consensus on good governance, which is key for improving the business climate, attracting investments and fostering economic activities. All these issues have a significant impact on economic growth.

*Mr. Goran Svilanovic* noted that good governance was a topic that brings the OSCE participating States together for years. In order to explain some issues related to the economic development in the Western Balkans, he gave the example of the public opinion survey called 'Balkanbarometer' conducted by the RCC, which complements the 'Eurobarometer'. Results of this survey revealed that unemployment, overall poor economic situation and corruption are the most important problems of the region. For example, the survey illustrated that 70% of the people in the region are worried about unemployment. The RCC increased the co-operation with other regional organizations as well as activities on anti-corruption initiatives. It also developed several joint projects to strengthen national efforts on combating corruption. He introduced the "South Europe 2020" strategy linked to "Europe 2020" strategy, which includes eleven concrete goals and highlighted the issue of 'employment' among these. The target of creating one million jobs between 2010 and 2020 was put forward by the RCC. A special team was established to assist national authorities on the issue of employment. Mr. Svilanovic emphasized that there was a very good level of co-operation between the OSCE and the RCC. He mentioned that the RCC operated in a very practical way in order to avoid overlapping with the OSCE. He added that, through intensified co-operation in the region, a ground for politicians to deal with sensitive issues could be prepared.

*Mr. Jan Zurek* noted that the Czech Republic takes the 31<sup>st</sup> place in the recent World Economic Forum Competitiveness index. He underlined that over the last two years the country has showed some significant changes due to better work of the state police and attorneys on combating corruption. Mr. Zurek talked about initiatives in this field in the Czech Republic such as a Platform for Transparent Business, the Coalition for Transparent Business and Reconstruction of State that had a positive impact on the improvement of good governance in the country. He commended the presence of the Foreign Chambers of Commerce, such as the American and German Chambers and their work in the Czech Republic. He stressed that were potential risks of corruption related to EU subsidies.

*Mr. Stefan Füle* noted the importance of the implementation of good governance. He shared his experience on good governance when he was EU Commissioner on Enlargement. For example, EU candidate countries were assisted to having good economic governance, strengthening administrative capacity, and improving their investment framework. Moreover, good governance was part of two chapters of the EU accession negotiations. At regional level, by e.g. improving the investment framework in the Western Balkans, a platform for interaction between the EU, institutions, member states and international financial institutions was created with the aim to establish one single pipeline for projects and programmes. The speaker emphasized the good co-operation between the EU and the Regional Cooperation Council (RCC). He stressed that OSCE could be seen as a platform to meet the needs of participating States.

Then, the floor was opened for discussion.

*Mr. Alexander Chuplygin, Deputy Head of the OSCE Mission to Bosnia and Herzegovina*, underlined that corruption presented a challenge to the economic development of Bosnia and Herzegovina. Mr. Chuplygin stressed that the OSCE Mission has a potential to assist Bosnia and Herzegovina in combating corruption by its expertise and political leverage. Furthermore, Mr. Chuplygin briefed on the work of the mission.

*Ambassador Sian Macleod, Head of the UK Delegation to the OSCE*, rose the question what the OSCE could do to make a difference in the field of good governance.

*The representative of Bosnia and Herzegovina* noted that good governance had an influence on economic sustainability, security and other aspects in the region. He mentioned that the issue of good governance was a challenge in Bosnia and Herzegovina.

*The representative of Turkey* reacted to the statement of Mr. Füle on compliance to the EU acquis. Turkey was in a process of integration to the EU. The country was introducing and implementing necessary legislation on the issues, which were discussed today. She emphasized that Turkey would be an active member of the OSCE and would give importance to strengthening of the second dimension including the issue of good governance.

*Mr. Goran Svilanovic* answered the question by the UK saying that the support by the UK in the field of judiciary reforms was highly appreciated. He noted that the RCC was working together with a center in London dealing with judiciary reforms. He informed that the UK was planning to start a programme in Montenegro related to codification of civil law with the participation of regional experts. He commended the work done by the UK and thanked for all the efforts and also mentioned the good partnership between the RCC and TEPAV in Turkey. He noted that the RCC, which is driven by the idea 'one region-one economy', saw the OSCE as a reliable partner. He emphasized the importance of intensifying co-operation.

*Mr. Jan Zurek* highlighted the importance of implementing laws. He underlined the crucial role of a certain positive culture towards good governance.

*Mr. Stefan Füle* highlighted three issues, which are important on good governance: the need of coherence in addressing good governance; addressing good governance in conflict areas and offering benefits to those who were affected in internal conflicts; the third issue, besides any differences, was related to avoiding new dividing lines in Europe. He mentioned

the importance of reaching out to partners beyond the OSCE area. Mr. Füle emphasized the significance of strengthening the Second Dimension and recommended a better integration of all three dimensions.

## *Session II: The way to Hamburg*

**Moderator:** Ambassador Vuk Žugić, Permanent Representative of the Republic of Serbia to the OSCE and Chairperson of the OSCE Economic and Environmental Committee

**Rapporteur:** Mr. Uroš Milanović, Attaché, Permanent Mission of the Republic of Serbia to the OSCE

### **Introduction:**

- **Dr. Gernot Erler**, Special Representative of the Federal Government of Germany for the 2016 OSCE Chairmanship, Member of the German Bundestag

*Ambassador Vuk Žugić*, Permanent Representative of the Republic Serbia to the OSCE and Chairperson of the OSCE Economic and Environmental Committee, opened the discussion and suggested that Delegations commented on potential deliverables for a Ministerial Council Decision in Hamburg, based on the Food-for-Thought Paper, which was circulated by the 2016 OSCE German Chairmanship (CIO.GAL/150/16). He called upon Delegations to have an open discussion with regards to a potential MC Decision and gave the floor to Dr. Gernot Erler, Special Representative of the German OSCE Chairmanship.

*Dr. Erler* emphasized the importance of trust-building and security in the OSCE region, particularly having in mind developments in certain areas and a deterioration of relations among participating States. He suggested that the Second Dimension should be used as a catalyst for co-operation and confidence building. The Food-for-Thought Paper was based on the discussions during the First and the Second Preparatory Meetings of the EEF, as well as the Chairmanship event which was organized in Berlin, focusing on the topic of “good governance and labour exploitation in supply chains”. Dr. Erler expressed his wish that the Delegations would provide input on the topics specified within the document, more specifically on good governance, transparency and business climate, economic connectivity, good governance in supply chains as well as public-private partnerships, combating money laundering and financing of terrorism.

*The representative of the European Union* said that, in general, all the mentioned elements of a potential MC document stated in the Food-for-Thought Paper (FFT) were supported. The Delegation was ready to engage in positive spirits in negotiating on the document.

*The representative of Switzerland* underlined their support on the topic of good governance and connectivity, in particular the topic of combating corruption. Switzerland called upon participating States to voluntarily exchange review documents and best practices, in line with the implementation of relevant UNCAC provisions. Switzerland strongly supported the idea of having an MC deliverable, which would encompass both, economic connectivity and trade facilitation, and highlighted that the FFT-Paper was a good basis for negotiations.

*The representative of France* called upon strengthening of the economic and environmental dimension, which will, in turn, lead to the strengthening of security in the OSCE area. They fully supported potential deliverables based on good governance and connectivity as well as the suggestions made by the Swiss delegation on the exchange of review documents. France suggested that more emphasis should be given to the protection of environment in global

supply chains, and called upon the German Chairmanship to include some of the elements from the Paris Agreement on Climate Change in the draft MC document in Hamburg.

*The representative of Belarus* positively assessed the potential deliverables, as suggested in the FFT-Paper, particularly the issue of connectivity and good governance, which were closely connected topics. However, Belarus stated an apparent difference of opinions amongst participating States with regard to the meaning of ‘connectivity’. Belarus called upon the incoming OSCE Chairmanships to keep the topic of economic connectivity high on their agendas. With regard to a potential MC document, Belarus urged the delegations on reaching a document, which will bring an added value to the OSCE.

*The representative of Armenia* also supported the topics of good governance and connectivity, highlighting its connection to security while diminishing tensions. He suggested that the Chairmanship could include references on the role of field operations, civil society, the Aarhus Centres and the ENVSEC initiative in the draft MC document as they delivered practical results on the ground.

*The representative of Turkey and Georgia* gave their support to the MC Deliverables in the FFT-Paper, and stated that they would constructively approach the process of negotiations.

*The representative of Serbia* supported the priorities of the German Chairmanship and the potential deliverables. He emphasized the importance of good governance and labour exploitation in supply chains, and called for further detailed deliberations on this topic in the Second Dimension. He expressed hope that the Ministerial Council in Hamburg would reach consensus on a comprehensive document, which would build upon the existing OSCE Commitments to bring added value to the Organization.

*The representative of Austria* called upon the strengthening of the Second Dimension and praised the results and discussions of the previous First and Second Preparatory meetings of the EEF. He also positively assessed the debate during the business conference, which was organized as a Chairmanship event in Berlin, stating that it was stimulating for the participating States. He stressed the importance of the Second Dimension and its underutilization and untapped potential. Austria also called for strengthening of the OSCE Field Operations.

*The representative of the USA* gave its support to the priorities of the German Chairmanship and potential deliverables in the FFT-Paper, suggesting that the discussions during the year have generated enough “matter” in order to have a meaningful Ministerial Council document. He would positively approach the negotiating process on a Ministerial Council Decision within the Second Dimension.

*The representative of Kazakhstan* supported the potential deliverables as well, but highlighted the issue of economic sanctions imposed against one of the OSCE participating States and its incompatibility with the topic of economic connectivity. With regard to some concerns raised by one Delegation on the topic of water management, he noted that good water governance could be a topic of discussion, but could be rather tackled under the incoming Austrian Chairmanship as it was closely linked to green technologies.

*The representative of the Russian Federation* stressed the importance of the topic on economic connectivity, and underlined that this topic might revive discussions within the Economic and Environmental Dimension. He stated that the suggested deliverables in the

FFT-Paper were a good basis for a Ministerial Council document. Russia was ready to engage actively in the negotiating process. However, the problem of economic sanctions, which were being implemented towards the RF by some OSCE participating States, was highlighted. He suggested focusing on several concrete topics in the field of good governance, rather than having generalized discussions.

*The representative of Canada* expressed its support for the potential MC document deliverables, and highlighted the need to focus on the rebuilding of trust. He believed that the MC document needed to have a strong link to security issues. The OSCE had to avoid a duplication of work of other international organizations. Canada was ready to constructively engage in deliberations on a draft document. He reiterated the importance of field operations, Aarhus Centres, and the Environment and Security Initiative (ENVSEC) as most relevant assets on the ground. With regard to the issue of sanctions, he stated that the sanctions are being imposed due to the actions of the Russian Federation in Ukraine. They would be removed once the Russian Federation returned Crimea to the Ukraine and stopped supporting the separatists in Donbass.

*The representative of Ukraine* stated the reasons for imposing sanctions and calling upon the Russian Federation to cease with the occupation of Crimea, Sevastopol and Donbass.

*The representative of the Russian Federation* specified that it did not consider the points made by the Delegations of Canada and Ukraine as valid, since it was only the UN Security Council, which had the authority to impose sanctions upon other countries. He concluded by stating that the OSCE's Economic and Environmental Forum was not a proper forum for these discussions.

*The representative of Slovakia* highlighted the necessity of strengthening the OSCE Second Dimension in order to restore confidence and rebuild trust and security throughout the region.

*Dr. Erler* underlined the fact that no Delegation was against having the mentioned deliverables within a Ministerial Council document in Hamburg. The general remarks showed support for the points made in the FFT-Paper. He expressed his wish to have a substantive MC document. The FFT-Paper was an excellent and ambitious basis for this. He called upon participating States to implement the topic of good governance in supply chains in order to more effectively combat human trafficking, stressing the importance of all three OSCE dimensions on security.

*Ambassador Vuk Žugić* concluded the Meeting by reiterating to the participating States to work on strengthening of the Second Dimension, highlighting the support, which was shown on potential deliverables of an MC document in Hamburg. He emphasized the significance of the topic of good governance and economic connectivity which should stay high on the agenda of the incoming OSCE Chairmanships.



*Session III: The role of the private sector in fighting corruption, money-laundering and financing of terrorism for strengthening stability and security*

**Moderator:** Dr. Eric Frey, Managing Editor, Der Standard, Austria

**Rapporteur:** Ms. Zuhra Bektepova, Economic Affairs Officer, Office of the Coordinator of OSCE Economic and Environmental Activities

**Speakers:**

- **Mr. Drago Kos**, Chair of the OECD Working Group on Bribery in International Business Transactions
- **Mr. Tseesuren Nyamdorj**, Deputy Director, Commissioner in charge, Independent Authority Against Corruption of Mongolia, (IAAC), Mongolia
- **Dr. Marcin Walecki**, Head, Democratization Department, Office for Democratic Institutions and Human Rights (ODIHR)
- **Mr. Michael Nagl**, Manager – Global Investigations, Western Union Payment Services Ireland Ltd., Austria
- **Mr. Nazar Kholodnytskyi**, Deputy Prosecutor General, Head of the Specialized Anti-Corruption Prosecutor's Office, Ukraine

*Dr. Eric Frey, Managing Editor, Der Standard*, introduced the topic of the Session: the role of the private sector in fighting corruption, money-laundering and financing of terrorism for strengthening stability and security. He gave examples of how transparency, accountability and good governance could positively impact the investment climate, and how the private sector could be a partner in strengthening good governance.

*Mr. Drago Kos, Chair of the OECD Working Group on Bribery in International Business Transactions*, spoke about private sector integrity. He underlined that according to the 2013 Edelman Trust Barometer, only 50% of businesses were trusted to do what was right, less than 1 in 5 believed that business leaders would tell the truth, when confronted with difficult issues. The speaker underlined that the issue of trust between government and private sector remained sensitive and actual. He stated that the largest “truth gap” was perceived in the USA and China. Mr. Kos noted a number of consequences of this lack of trust, such as the application of sanctions for non-existing or weak compliance systems, an absolute lack of positive rewards for effective compliance systems, and no real will for co-operation. He listed a number of basic elements of private sector's integration, such as managements' commitments to combat corruption, companies' anti-corruption strategies, professional assistance in the area of corporate integrity, whistleblowing, positive motivation for effective compliance systems, and others. Mr. Kos briefed on how the OECD supported and assisted in developing private sector integrity, in particular through the activities of the OECD Working Group on Bribery in International Business Transactions. He emphasized that a peer-review monitoring system was considered by the NGO Transparency International as the ‘gold standard’ of monitoring. The speaker elaborated on the co-operation between the OSCE and the OECD in the area of private sector integrity, which consisted of developing joint initiatives, working on joint projects, organizing joint conferences and meetings in order to avoid overlapping and integrating its efforts. In conclusion, he underlined that significant improvements in the societies' integrity could not be achieved without improvements in the corporate integrity.

*Mr. Tseesuren Nyamdorj, Deputy Director, Commissioner in charge, Independent Authority Against Corruption of Mongolia* gave an overview on the national policy on combating corruption, which affected not only governmental structures, but also the media and the private sector. He briefed on main activities undertaken by the Independent Authority on prevention corruption and anti-corruption policies. He underlined that the private sector had a potential - both to cause corruption and to fray this phenomenon. The speaker stated that the national policy of Mongolia was oriented towards strengthening public-private partnerships. Mr. Nyamdorj emphasized that the government of Mongolia elaborated on improving existing facilities for business in order to minimize the government's intervention in private sector activities through an advance regulatory and legal framework in this area. He briefed on the State Concept of Mongolia on Sustainable Development, adopted in 2016, which anticipated combating corruption through implementing the National Plan against Corruption. He underlined that this National Plan considered developing anti-corruption programmes for private and political parties, aimed to improve business' competitive capabilities.

*Dr. Marcin Walecki, Head, Democratization Department, Office for Democratic Institutions and Human Rights (ODIHR)* stressed that corruption affected all OSCE participating States. He underlined that mistrust influences public affairs and harmed public-private partnerships. The speaker mentioned several types of corruption in the private sector and different political dimensions, in particular the abuse of state resources, forcing the private sector to pay 'protection money' and political contributions for favours, contracts or policy change. He underlined that 'either democracy controls the money or money will control the democracy'. In this regard, Dr. Walecki spoke about ODIHR's efforts on combating corruption. He mentioned a joint project "Money on Politics" in South-Eastern Europe, implemented together by OCEEA and ODIHR. He underlined that this project was aimed at assessing the level of co-operation between relevant anti-corruption bodies in selected OSCE field mission areas in South-Eastern Europe to identify key challenges and existing gaps and to discuss what kind of mechanisms could be used to improve anti-corruption efforts. Dr. Walecki also stressed the importance of international legislation implementation in the area of combating corruption, in particular the UN Convention against Corruption, recommendations made by the Group of States against Corruption (GRECO) of the Council of Europe. He emphasized that time has come for the third generation of reforms focused on improving standards and assisted for better co-operation among existing international and internal anti-corruption institutions. In conclusion, Dr. Walecki highlighted that the OSCE should continue to assist its participating States in combating corruption, to elaborate concrete solutions and to provide technical assistance in this area.

*Mr. Michael Nagl, Manager – Global Investigations, Western Union Payment Services Ireland Ltd.*, informed on Western Union (WU) as a unique money transfer company, which had over 165 million consumers in 200 countries and territories and moved \$85 billion between consumers in 2014. He underlined that the sound financial inclusion strategy required a proper risk assessment and solid AML/CFT controls. He highlighted that every online transaction provided an unlimited possibility for criminal use, in particular linked to corruption. The speaker briefed on efforts undertaken by WU in order to implement a robust global AML/CFT regime and the 'Know your customer (KYC) Programme' designed to deter, detect, and report criminal threats in compliance with applicable regulations & FATF standards. Mr. Nagl stressed that WU's AML/CFT Risk Assessment Unit, Internal Financial Intelligence Unit and other relevant structures were designed to identify, analyse, and manage ML/TF threats, vulnerabilities, and risks, utilize risk assessment tools to deliver actionable, all-source intelligence analysis, and promote the collaboration with e.g. Anti-Terrorist Units. He underlined that WU attached great importance to provide its experts with Customized

AML/CFT training programmes aimed at advancing professional capacities. In conclusion, the speaker emphasized that international and regional organizations should foster initiatives that lead to deep co-operation with the private sector in the spirit of partnership and trust, introducing reasonable and harmonized controls and eliminate blind spots, while fortifying security through a fluid exchange of knowledge and best practices.

*Mr. Nazar Kholodnytskyi, Deputy Prosecutor General, Head of the Specialized Anti-Corruption Prosecutor's Office of Ukraine*, informed that the 2014-2017 Anti-Corruption Strategy was adopted by the Government of Ukraine aimed at strengthening the legal framework on combating corruption and to enhance effectiveness of relevant institutions. He briefed on activities undertaken by the newly established Specialised Anti-corruption Prosecutor's Office and the National Anti-Corruption Bureau of Ukraine in combating corruption. The speaker noted that all activities of these two anti-corruption bodies were aimed at the prevention, detection, cessation, investigation, and solving of corruption offenses committed by senior officials authorized to perform state functions. He underlined that in eight months, 28 indictments have been submitted to the court against judges, Members of the Parliament, public servants, lawyers, and commercial companies.

The floor was opened for discussions.

*The representative of Raiffeisen Bank* stressed that involvement of financial structures in the process of combating organized crimes was especially important. He mentioned that public-private partnerships were important to enhance mutually beneficial co-operation, including in the area of combating corruption. He underlined the importance of the implementation of relevant legal regulations against corruption.

*The representative of Germany* asked Mr. Kos to share some best practices on positive motivation of private companies to integrate in these fields. He also raised the issue of legal instruments available to discriminate those countries, which did not require a legally binding policy.

*Mr. Kos* answered that Italy was an example of successful practices in motivating private sector integration, where the existence of a compliance system was a precondition for access to public procurement. He stressed that there were a number of member states who should still be pushed forward to implement basic requirements related to legal persons.

*The representative of Kazakhstan* agreed that private companies with good compliance systems should have relevant advantages. She enquired who should define if compliance systems were effective. She stressed that a process of providing access to public procurement and other benefits could also create conditions for corruption. She remarked that money service businesses are often used by organized crime groups to financing of terrorism. She noted that it was vitally important for government structures to establish partnerships with these companies to prevent and to combat money laundering and the financing of terrorism.

*The representative of Georgia* focused on Georgia's experience in fight against corruption, money-laundering, financing of terrorism and the involvement of the private sector. He noted that in 2015 Georgia had successfully met all benchmarks in relation to the fight against corruption as provided by the EU-Georgia Visa Liberalization Action Plan. He informed about the legislative reforms carried out following the recommendations by the OECD-ACN and GRECO, focused on combating corruption and enhancing transparency and accountability of public services.

*The representative of Italy* noted that combating corruption was vitally important to implement the Sustainable Development Goals. She mentioned that the OSCE Handbook on Combating Corruption had an effective guide on legal tools and best practices on prevention and fighting corruption. She underlined the importance of public-private partnerships in suppressing corruption.

*The representative of Austria* requested Mr. Kholodnytskyi to elaborate on experience of co-operation with the OSCE Project Co-ordinator in Ukraine and to identify a particular area, where the OSCE could reinforce its efforts. Mr. Kholodnytskyi responded that the Specialized Anti-Corruption Prosecutor's Office Media stood ready to co-operate with international partners including the OSCE Project Co-ordinator in Ukraine.

*The representative the United States of America* underlined the importance of the topic on money in politics and asked Mr. Kholodnytskyi to elaborate on the situation of bribes in the area of public purchases and procurement. Mr. Kholodnytskyi responded that the private sector informed the anti-corruption agencies of the Ukraine on bribe cases in the sphere of government procurement.

In response to the questions raised, *Mr. Kos* responded that national public prosecution service or specialized private companies could assess the effectiveness of the compliance systems while using OECD's standards. In this respect he noted the political will of the Government of the Ukraine in combating corruption and its effective activities and reforms of existing legal instruments.

*Mr. Nagl* responded that Western Union offered its co-operation with relevant authorities of many countries in line with combating money laundering and the financing of terrorism. He underlined that close collaboration was important to prevent any criminal transaction and, in addition, to protect customers' data.

*Dr. Frey* asked Mr. Walecki how the OSCE could contribute to a particular way in combating corruption. Mr. Walecki responded that the OSCE provided technical assistance for a number of anti-corruption agencies, implemented by the OCEEA, OSCE Field Operations. He noted the OSCE Handbook on Combating Corruption, which should be translated in other languages, and would be used in developing a number of targeted training courses. He emphasized that it was important to strengthen OSCE efforts in combating corruption in a holistic approach.

*Dr. Frey* asked Mr. Nyamdorj how the OSCE could assist Mongolia in combating corruption. Mr. Nyamdorj responded that the OSCE's expertise in drafting of the new Concept on combating Corruption would be very much appreciated.

*The representative of Armenia* proposed to involve the Office of the OSCE's Representative on Freedom of the Media to the discussions on combating corruption. Investigative journalism could be a possible barometer to reflect if the anti-corruption government's efforts were successful or not as well as the public opinion in this regard. He underlined that an investigative journalism could be considered as a prevention tool.

#### *Session IV: Trade facilitation measures and good governance in supply chains*

**Moderator:** Mr. Walter Kemp, Vice President and Chief Operations Officer, International Peace Institute

**Rapporteur:** Mr. Tarash Papaskua, Counsellor, Permanent Mission of Georgia to the OSCE

**Speakers:**

- **Ms. Ana Hinojosa**, Director of Compliance and Facilitation, World Customs Organization (WCO)
- **Ms. Asli Gurates**, Customs expert, Transport Facilitation and Economics Section Sustainable Transport Division, UNECE
- **Ms. Natascha Weisert**, Senior Policy Officer, Division for Sustainability Standards, Federal Ministry for Economic Cooperation and Development, Germany
- **Ambassador Madina Jarbussynova**, OSCE Special Representative and Co-ordinator to Combat Trafficking in Human Beings
- **Mr. Carlos Grau Tanner**, Director General, Global Express Association

*Ms. Ana Hinojosa, Director of the Compliance and Facilitation Directorate at the World Customs Organization (WCO) spoke about the WCO's initiatives on trade facilitation. She noted that WCO's key objective was to ensure the smooth flow of cargo and goods across the borders of its 180 member countries. The WCO pursued this goal through the promotion of trade facilitation and security, ensuring fair and efficient revenue collection, the protection of the society through combating crime and terrorism and achieving institutional and human resource development. She highlighted a number of conventions that the WCO managed, e.g. the revised Kyoto Convention establishing global standards for processing cargo across borders, the Istanbul Convention and others related to harmonizing procedures. She particularly stressed the importance of digital customs as means of transformation to an automated way of processing various documents. Among the important tools the WCO had developed to help its member states, she noted the Single Window compendium as well as the WCO data model used by customs authorities through the so-called ASYCUDA customs administration programme. She also highlighted the WCO's Mercator Program of 2014, which aimed at helping the customs administrations of its members to implement the customs related articles of the WTO Trade Facilitation Agreement. The Mercator programme provided e.g. tailor-made technical assistance and capacity building; achieving harmonized implementation based on WCO's global standards; and ensuring effective co-ordination among all stakeholders. Particular emphasis was made on the Time Release Study, which provided for a critical performance measurement and the evaluation of the processing time of cargo across the entire cargo cycle. In terms of technical assistance missions, it was noted that the WCO had delivered around 180 such missions to more than 70 countries in the past two years. With a view to combating illicit financial flows and trade based money laundering, the importance of international co-operation and synergies was stressed, including with WTO, OECD, and other international partners. Co-operation with the OSCE was underlined in organizing regional workshops on the increasing transit potential of Central Asia and the South Caucasus. According to Ms. Hinojosa, to ensure further safety and security of growing*

electronic transactions, the WCO had established the Working Group on E-commerce, which was scheduled to meet on 21-23 September 2016.

*Ms. Asli Gurates, Customs expert, Transport Facilitation and Economic Section Sustainable Transport Division of the UNECE* spoke about the role of the UNECE in harmonizing and simplifying procedures to promote trade facilitation. She highlighted the long lasting commitment with the OSCE to help its 57 member states to align their customs procedures. She noted that UNECE's work in harmonizing and simplifying procedures to promote trade facilitation was not limited to generating regulatory frameworks. It acted as a policy dialogue platform between state bodies, NGOs and private sector. It produced substantial analytical work and provided important advisory services and technical assistance to its members. With a view to ensuring harmonization of border crossing and transportation related legal provisions and procedures, she emphasized the important role of UNECE conventions such as the 1975 TIR Convention, 1982 Convention on Harmonization of Frontier Controls of Goods, 1972 Customs Convention on Containers, and 1954 and 1956 Convention on Temporary Importation of Private and Commercial Road Vehicles. She noted that while the 1975 TIR convention contained important articles ensuring transport security, the work was ongoing to revise it and to include modern instruments to further enhance transportation security. In terms of the OSCE's role in facilitation of trade, she suggested that the OSCE should encourage participating States to accede to the UNECE Border Crossing Facilitation Conventions; support capacity building activities for proper implementation of UNECE Conventions as well as projects such as the Computerization of the TIR system, which would strengthen the stability and security in border crossings.

*Ms. Natasha Weisert, Senior Policy Officer, Division for Sustainability Standards, Federal Ministry for Economic Cooperation and Development, Germany* spoke about efforts to promote labour, social, and environmental standards in global supply chains. She noted that as almost 500 million people are engaged in global supply chains worldwide, it had a clear link with the UN SDG's for 2030, namely SDG 8, 10, 12, and 17. She stressed that putting global supply chains on top of the Agenda through "Action for Fair Production" was the priority of the German G7 2015-Presidency and would remain during Germany's G-20 Presidency in 2017. Ms. Weisert spoke about the multi-stakeholder approach and the importance and benefits of applying common standards across different actors of the global supply chain. She mentioned the German efforts, which were undertaken at national, European, global as well as partner-country level. She paid particular attention to the need to improve social and environmental conditions in the textile and garment industry supply chains. In this regard, she stressed the important work carried out within the Partnership for Sustainable Textiles initiative and efforts undertaken at the G7/G20, EU, OECD levels as well as jointly with the ILO. She noted that the Partnership for Sustainable Textiles Initiative, which united 180 entities and made up to 55% of the market, was a voluntary initiative. Yet, it imposed rigorous and rigid monitoring on its members with a possibility for sanctions in case of failures to meet their commitments. According to Ms. Weisert, the total volume of current projects, which were carried out together with the partners, including the ILO amount to 300 million Euros and covering 25 countries with a particular emphasis on South and South-East Asia. In terms of challenges, she identified the need to avoid duplication and contradictory initiatives. Concerning the role of the OSCE, Ms Weisert noted the importance of capacity building, maintaining the focus on competencies within its mandate with some potential entry points including fighting corruption, ensuring transparency, procurement, and sensitizing and integrating OSCE traditional partners and stakeholders to engage in existing sustainable global supply chains initiatives.

*Ambassador Madina Jarbussynova, OSCE's Special Representative and Coordinator for Combating Trafficking in Human Beings* spoke about the prevention of trafficking in human beings (THB) in supply chains. She stressed that human trafficking represented a cross dimensional issue, which posed a transnational threat. She noted that the OSCE's Economic and Environmental Dimension could play an important role in preventing this scourge, the risks of which were very real. As factors to prevent THB, she underlined the importance of increasing economic competitiveness, fighting corruption, ensuring transparency and the creation of a level playing field for businesses. She briefly reviewed the magnitude of the problem of THB - with figures by ILO estimating that 21 million people being in forced labour, 68% from which are in labour exploitation. She noted that some OECD members have adopted legislation and undertaken initiatives, which obliged state institutions and business to combat trafficking in supply chains, especially through public procurement and transparency measures. She commended the initiative of Germany to bring the issue of THB in supply chains forward among its G20 presidency priorities. She stressed that governments must take proactive decisions and not to wait until a tragedy or a scandal occurs. Ambassador Jarbussynova underlined the importance of adhering to international labour and social standards as key to preventing THB. To this end, she called on the OSCE participating States to ratify the 2014 Protocol to the ILO convention 29 on forced labour. She also highlighted the 2011 UN Guiding Principles on Business and Human Rights, which contained state and corporate responsibility to protect human rights. While speaking about the leading role undertaken by the OSCE and her office in particular, she noted that the OSR/CTHB started to implement the project: "Preventing Trafficking in Human Beings in Supply Chains through Government Practices and Measures" with the financial support of Austria, Germany, Switzerland, and the Netherlands, and a valuable contribution of the OCEEA. The project aimed at providing the OSCE's participating States with practical tools to enact preventive measures and build up capacity to implement these measures. She stressed that her office will organize five workshops, the first already having been held in Berlin in September and the second to be held in the margins of the EXPO2017 in Astana next year. She also highlighted the importance of the high level conference: "Prevention of trafficking in human beings for labour exploitation in supply chains" held in Berlin on September 7-8, in which 180 participants from 35 OSCE participating States as well as representatives of relevant international organizations took part. According to the Special Representative, fighting THB must be of a strategic nature and it could have great effects if companies will be correctly incentivized by the governments, as they are the largest consumers of public procurements. She stressed that no government should allow products to be produced through child slavery and abuse.

*Mr. Carlos Grau Tanner, Director General of Global Express Association (GEA)* spoke about the public-private partnerships in promoting connectivity and trade facilitation. He briefed the participants on the Global Express Association, which united four express delivery carriers: DHL, FEDEX, TNT and UPS, providing its services to ensure an express delivery. He noted that the effective performance of border authorities was key to trade facilitation, as despite all the means that GEA deployed, borders did remain as bottlenecks. In this context, he spoke about the importance of improving the customs capability index by countries, which measured ten key performance indicators. He noted that out of 140 countries, most were in the range of 5-6, which showed that their performance required some improvement. He also noted that, according to last year's study by a London based leading consultancy, an improvement of the index by factor 1, e.g. from 5.5 to 6.5, was estimated to increase the country's international trade in the medium term by 4.4 %, with a growth factor being linear to the improvement of the index. Mr. Tanner said that there was a historical chance to improve trade facilitation. In this context, he underscored the need for countries to

ratify the WTO Trade Facilitation Agreement (TFA). 91 countries have currently ratified the WTO TFA and it required 110 ratifications to enter into force. He also stressed that the WTO TFA provided the possibility to seek technical assistance, for which there were so-called ABC commitments, with A-a country being ready and complying with articles of the WTO TFA; B-need more time to fulfil and C-need time as well as assistance, both technical and financial. He stressed that the donor community had available resources and was ready to improve trade facilitation, develop connectivity, and yield massive benefits associated with it. On the public-private partnerships, Mr. Tanner noted that the Treaty foresees the obligatory creation of a national committee to oversee the implementation of the TFA. In this process, it would be crucial to having an institutionalized national dialogue with the business sector. On the role of the OSCE, Mr. Tanner noted that the OSCE could contribute through capacity building, particularly in simplifying the border procedures.

The floor was opened for statements and questions by the Delegations.

*A representative of the East European Security Research Initiative* highlighted the importance of the Association Agreements between the EU and the Eastern Partnership countries, namely Ukraine. He stressed that Ukraine's implementation of the Association Agreement could be seen as a manifest example of the country's attempts to overcome serious economic and security challenges. He noted that Ukraine's experience could be useful for other affected countries, namely Georgia and Moldova, where the Association Agreement including the Deep and Comprehensive Free Trade Areas (DFCTA) with the EU had already entered into force. He stressed that there was a need to practical recommendations for Ukrainian small and medium-sized businesses on how to adapt to EU laws. In this regard, he noted the important role the OSCE field presence could play, namely the PCU, through allocating financial resources and providing capacity building. On the role of the OSCE, he underlined that the OSCE Economic and Environmental Dimension could serve as a platform to facilitate closer ties among the participating States grounded on shared commitments to security and stability.

*The representative of the USA* inquired whether and in what way the UNECE has been involved in working with the Office of Co-ordinator of Economic and Environmental Activities.

*The representative of the EU* asked the representatives of the WCO and the UNECE to elaborate on the results of the joint activities done with the OSCE. What could the OSCE further do to involve the private sector, e.g. in capacity building?

*The representative of Germany* referred to the Second Preparatory Meeting of the 24<sup>th</sup> EEF held in May in Berlin, where one of the concrete proposals suggested the close involvement of the private sector in the work of the OSCE field missions, while training customs officers in digitalization, and fragmented supply chains. The question was addressed to Mr. Tanner and Ambassador Jarbussynova.

*The representative of Switzerland* inquired on the role of trade facilitation to enhance regional co-operation in the OSCE, whether regional trade facilitation committees could be established similar to national committees. He also asked how WCO and OSCE could work closer together, e.g. if WCO's regional office on capacity building in Baku could work with the field missions or the OSCE Border Management and Staff College in Dushanbe.



*Ms. Asli Gurates* noted that UNECE and OSCE have done enormous work on border crossing facilitation, especially with a focus on border security after 11 September, 2001. She also mentioned that the two organizations have organized several activities on capacity building, especially for transition economies, with a view to the implementation of border crossing conventions. She noted that the UNECE has also contributed to the OSCE work on enhancing security in supply chains as well as the OSCE handbook on border crossings. On measuring the results of joint activities, Ms. Gurates noted that no specific studies have been undertaken on these issues. With regard to the involvement of the private sector, Ms. Gurates noted that the situation has improved nowadays and the transportation sector was better organized. She highlighted that the OSCE could help to inform private companies about the latest transport facilitation agenda and could help to raise their demands in the national transport facilitation committees.

*Ms. Ana Hinojosa* reiterated that borders divide and customs connect. She reviewed the WCO's work on the digital customs maturity model, undertaken with international partners. She underlined the importance of the establishment of national committees on trade facilitation as envisaged by the WTO TFA as a means to bring all relevant stakeholders together and to resolve issues. On the question how the OSCE could contribute to better utilizing the private sector, she highlighted the crucially beneficial work that the body within the WCO, the Private Sector Consultative Group, has been doing.

*Mr. Carlos Tanner* clarified that the WTO TFA provided for the establishment of national trade facilitation committees. Governments were not prevented from establishing them on a regional level, too, which was the case with the Association of Southeast Asian Nations (ASEAN) where trade facilitation at a regional level was very high on the agenda. Mr. Tanner informed that the GEA was already co-operating with field missions. However, due to the limitations of resources, most of the efforts were channelled through the public-private-sector-initiative called 'Global Alliance on Trade Facilitation', where the GEA was contributing through trainings.

*The representative of Austria* noted that still a lot needed to be done in the field of customs management with regard to the waiting time at borders in the OSCE area, including Central Europe and Austria. He inquired on the main issue in customs administration: should be paid more attention to capacity building or good governance in customs?

*The representative of Armenia* noted that the main challenge of the OSCE remained how to turn trade and connectivity into confidence and co-operation and this way solve political issues in the OSCE area. He said that connectivity should ultimately unite people and create better regional environment to address political disputes. In this context he noted that the ASEAN has managed to have good cooperation and address disputes. He also stressed that connectivity was not bypassing but uniting.

*The representative of Georgia* informed on the government's priority to create fair, simple and reliable business partnerships. Trade facilitation have been the basis for a transparent environment, eradication of corruption, reducing time for import and export procedures, provision of a single window service for business, etc. She noted that the Parliament of Georgia has ratified the protocol of amendment to insert the WTO TFA into Annex 1A of the WTO Agreement. Relevant notifications concerning A, B, C categories were provided to the WTO. Georgia had very good relations with the regional countries and expressed hope that trade facilitation on regional level will continue, especially considering the potential of revitalizing the old Silk Road route.

*Mr. Carlos Tanner*, in responding to the question of the representative of Austria, stressed that it was neither capacity building nor fighting corruption, but rather both, as capacity building and fighting corruption go hand in hand. Both were needed and important.

*Session V: Good environmental governance and its impact on economic development, stability and security*

**Moderator:** Ms. Marta Szigeti Bonifert, Executive Director, Regional Environmental Center for Central and Eastern Europe

**Rapporteur:** Ms. Jenniver Sehring, Environmental Affairs Adviser, Office of the Coordinator of OSCE Economic and Environmental Activities

**Speakers:**

- **Mr. Marco Keiner**, Director, Environment Division, UNECE
- **Ms. Lyazzat Ryssymbetova**, Representative of the Commissioner of the International Specialized Exhibition Astana EXPO-2017 “Future Energy”, Kazakhstan
- **Prof. Pavel Danihelka**, Head of the Laboratory of Risk Research and Management, Faculty of Safety Engineering, Technical University of Ostrava, Czech Republic
- **Mr. Jan Lüneburg**, Head of Democratization Department, OSCE Mission to Serbia
- **Ms. Olga Zakharova**, Manager, Aarhus Centre Minsk, Belarus

*Ms. Marta Bonifert*, the moderator, introduced the session by stressing that good environmental governance was the gluing factor for green economy and sustainable development.

*Dr. Marco Keiner*, Director, Environment Division, UNECE, started his presentation by underlining that environmental sustainable development was the answer to meet the challenge of boosting growth, ensuring access to energy and food for all, and at the same time fight climate change and environmental degradation. But it needed a new economic paradigm. While economic growth has improved millions of lives, it has also led to the exploitation of resources at an unprecedented rate. He reminded that today, we are consuming 150% of available resources per year and warned that climate change would cause an estimated 200,000 additional deaths per year between 2030 and 2050. In order to achieve sustainable development, moving to green economy was considered a promising avenue. The green economy transition directly relates to the 2030 Agenda. Mr. Keiner commended that the countries of the pan-European region have taken concrete steps already. In order to boost it further, policies at national level need to be developed and implemented in a coordinated manner, which requires regional mechanisms. At the Eighth Environment for Europe Ministerial Conference held in Batumi, Georgia, in June 2016, Ministers and Heads of Delegations endorsed the voluntary Pan-European Strategic Framework for Greening the Economy and welcomed the Batumi Initiative on Green Economy (BIG-E). Mr. Keiner saw the primary role for regional organizations such as OSCE and UNECE in managing the transition to sustainable development patterns as a coordinating one. While it was up to citizens and states to determine priorities, regional institutions could negotiate joint actions and support implementation across boundaries. The key role of the OSCE related to the production of information, the negotiation of policy and regulatory measures, and supporting their implementation. Due to the transboundary nature of many environmental, social and economic challenges, international institutions could play a crucial role in connecting countries. The UNECE supported, with its capacity building and knowledge sharing work,

countries to achieve necessary behavioural changes, for example related to the UNECE Water, Espoo and Aarhus Conventions. With respect to the latter, the Aarhus Centres, supported by the OSCE, contributed to establish a culture of public participation. OSCE and UNECE should continue to working together for the benefit of the countries in the region, also in framework of ENVSEC.

*Ms. Lyazzat Ryssymbetova, Representative of the Commissioner of the International Specialized Exhibition Astana EXPO-2017 “Future Energy”, Kazakhstan*, underlined the importance of sustainable development, green economy, energy efficiency and green research. Economic co-operation and a healthy environment would guarantee development without conflict, and the OSCE in this context could facilitate better compatibility of regional economic and environmental integration processes in order to create a common security space from Vancouver to Vladivostok. She further referred to the outcomes of the OSCE Summit in Astana 2010 on the indivisibility of security. Ms. Ryssymbetova presented Kazakhstan’s efforts to develop a green economy, such as the Concept on Transition of the Republic of Kazakhstan to Green Economy, the Green Bridge Partnership Programme, and the Strategy of Sustainable Energy of Future Kazakhstan. Specific attention was given to the electric power sector. Ms. Ryssymbetova further presented the upcoming EXPO 2017 on “future energy” that would be held in Astana and was expected to give an impetus for promoting green economy and renewable energy. She informed that, together with the incoming Austrian Chairmanship, the Second Preparatory Meeting of the 25<sup>th</sup> Economic and Environmental Forum 2017 is planned to be held in the framework of the EXPO. The EXPO would contribute to address the most pressing emerging challenges, including global warming and climate change, fair opportunities for economic development, energy security, distribution of resources, access to water, protection of biodiversity, and promotion of justice. After the EXPO, its infrastructure is planned to be used for the establishment of an international centre on green technology and investment projects under auspices of UN and the Astana International Financial Centre (AIFC).

*Prof. Pavel Danihelka, Head of the Laboratory of Risk Research and Management, Faculty of Safety Engineering, Technical University of Ostrava, Czech Republic*, presented the Czech key policies related to environmental security and sustainability. He first outlined that security was an inherent part of sustainability and its three pillars (economy, environment, society) and reminded of the different time and space horizons of crisis management (short-term, bottom-up) and sustainability (long-term, top-down) as two important aspects of security. These different horizons and the different actors in both spheres were interconnected and had to be linked by policies and actions and sustained by a multi-disciplinary, complex and multi-stakeholder strategy for sustainable development. He introduced the Czech Republic’s strategies to foster good environmental governance, including the Strategic Framework for Sustainable Development (2010), with half of its priorities related to security, and the Conception of Environmental Security (2015). He underlined that, in order to reach sustainable development and environmental security, good governance was needed, in particular co-operation among government resorts and involvement of other stakeholders. It also required the harmonization of legislation to be able to balance and avoid internal conflicts among different resorts. In the Czech Republic, the National Platform for Disaster Risk Reduction was created as a special body for supporting environmental security governance. The Platform included Ministries, academia and other institutions (e.g. the hydro-meteorological service; the fire rescue service) and aimed at supporting all actions related to the reduction of human, social and economic losses caused by natural disasters. In concluding, Prof. Danihelka referred to the international dimension of environmental

governance, which was well seen by the OSCE and had a long tradition there, and the co-operation with UNECE in this respect.

*Mr. Jan Lüneburg, Head of Democratization Department, OSCE Mission to Serbia*, gave an overview on the legal framework and strategic documents (e.g. National Strategy for Sustainable Development; Guidelines for Inclusion of CSOs) that regulate the relations between authorities and citizens and provide for the engagement of the public in sustainable economic development. These were backed by institutional mechanisms such as the Aarhus Centers network, which was established with significant support from the OSCE Mission to Serbia (OMIS). They helped to overcome hesitance by local governments to include civil society. As a result, local and national authorities have for example created liaison staff for CSOs, the Municipal Green Councils, the Green Parliamentary Network and the “Green Seat” (for CSO representative) in the Environmental Parliamentary Committee. He also outlined ongoing activities related to promoting inclusive sustainable development policies, such as the re-instatement of a State Fund for financing environmental projects and the amendments of several environmental-related laws, providing new impetus for the development of green economy. These efforts were accompanied by new strategic documents related to circular economy and stakeholder engagement. By 2030, at least 50% of communal waste should be recycled. The OSCE Mission to Serbia supported the activities in the field of green economy, for example through an online training course and a public campaign to promote circular economy principles. For further enhancing green economy and environmental governance, it would need to improve the sustainability of projects after the project cycle ended. This also needed additional resources from participating States, to put the importance of the Second Dimension, as stressed by many Delegates, into action. For better implementation of laws, the full spectrum of existing mechanism should be used, e.g. the Green Councils. Finally, he stressed that inclusion of the public does not stop processes, but prevents problems from the beginning and, therefore, recommended to include the public as early as possible. He concluded by stressing that we should continue to work with those mechanisms that have proven successful, for example the Aarhus Centers, and make them sustainable.

*Ms. Olga Zakharova, Manager, Aarhus Centre Minsk, Belarus*, introduced the work of the Aarhus Centre Minsk, which was established in 2005 as a joint project of the Ministry of Natural Resources and Environmental Protection of Belarus (MNREP) and the OSCE Office in Minsk. It served as a platform for co-operation on environmental issues, including in the framework of the environmental impact assessment. It served as a mediator in the settlement of environmental disputes and supports to the MNREP in the preparation of legislation related to the environmental decision-making or to other provisions of the Aarhus Convention, and in the preparation of a national report on the implementation of the Aarhus Convention. Further, the Aarhus Centers promotes the adherence to the PRTR Protocol and Amendment on GMOs, participates in the activities of the governing bodies of the Aarhus Convention, the OSCE and other international organizations and takes part in the implementation of international technical assistance projects. She further presented the project "Strengthening the implementation of the Aarhus Convention in the Republic of Belarus", financially supported by Sweden, aimed at improving the implementation of the provisions of the Aarhus Convention in the Republic of Belarus. It included seminars and round tables in all parts of Belarus as well as creating a model public hearing. Practical recommendations would be developed for stakeholders aimed at minimizing tensions that may arise between the parties and preventing the occurrence of conflict in decision-making relating to the environment.

The floor was opened for discussion.

*A representative of an academic institution in Serbia* presented its activities related to chemical leasing, a new innovative circular business model, which is able to reduce consumption of toxic material and waste considerably. He stressed that circular economy could reduce negative impacts of industries on the environment and improve economy, human health and security.

*The representative of Kazakhstan* underlined the importance of green economy and the use of renewable sources of energy, and the active participation of civil society in Kazakhstan on these issues. He thanked the OSCE Programme Office in Astana for its support, in particular for training of more than 3000 women. He asked how the access and use of environmental information could be improved and asked for OSCE support to assess the available information and make them accessible in an understandable form in order to be used by the public and for decision-making.

*The representative of the United States of America* asked Mr. Lüneburg, if the experience in Serbia was emblematic for other field operations as well.

*Mr. Lüneburg* answered that the problems in terms of resources were voiced by colleagues from all field operations. The Second Dimension has been targeted by ACMF as an area for increased efficiency. Also the high turnover of international staff was a problem, which is partly related to the lack of attractiveness of the secondment package, and often leads to the loss of invaluable experience.

*Mr. Keiner* mentioned that today air pollution was a main factor of decreased quality of human health. One main outcome of the Batumi Conference was the Batumi Action for Cleaner Air, which included voluntary commitments and annual monitoring. With regard to access to information, he explained that for example for the EXPO-2017, implementation of the Aarhus Convention with support of the Aarhus Centers could be made by participatory planning, so that people could see how plans impacted their properties, health, lives, etc. The Aarhus Convention guaranteed the access to such information, also through access to justice.

*The representative of Armenia* stressed the importance of regional co-operation since environmental challenges did not respect national borders, like the floods in the Western Balkans have shown. He asked Mr. Lüneburg if the OMIS promoted the networks of Aarhus Centers in the Western Balkans at regional level, and Ms. Zakharova, if the Aarhus Centre Minsk limited its activities to Belarus or developed closer co-operation in Eastern Europe.

*The representative of Switzerland* emphasized the Swiss engagement in reinforcing sustainable environmental governance in the OSCE, e.g. through the MC Decision on Enhancing Disaster Risk Reduction in 2014 and financial support to projects of the OCEEA and field operations. He supported Mr. Lüneburg that verbal commitments to the Second Dimension need to be followed by actions and means, and need to be transformed by the participating States into sustainable policies. He asked Mr. Keiner how the co-ordinating role of organizations like UNECE and OSCE could be ensured in practice.

*The representative of Serbia* asked Mr. Lüneburg how they worked together with other field operations in South Eastern Europe in order to promote regional co-operation and how the OMIS could help to raise public awareness with regard to the Aarhus Convention.

*Mr. Lüneburg* replied that the five Aarhus Centres in Serbia were a good tool to promote the Aarhus Convention, for example by developing guidelines for municipalities on how to involve the public in decision-making. The OMIS supported regional co-operation, also with support of the OCEEA, e.g. through the Annual Aarhus Centres Meeting or within a current project on DRR that linked neighboring municipalities in transboundary basins.

*Mr. Keiner* explained that the co-ordinating role of regional organizations was to provide a platform for countries to come together in a systematic way, like the EEF does. This allowed talks and discussions about different approaches for the same responsibilities. Co-ordination was also important among international organizations, to avoid duplication and ensure efficient use of resources.

*Ms. Zakharova* explained that explaining the rights and duties under the Aarhus Convention was a permanent process as officials are often replaced. She underlined the importance to work with other countries and international organizations, also to learn from their experience, for example how other Aarhus Centres have set up their websites to spread information. The contact to the Aarhus Convention Secretariat was important for getting the right information.

*Prof. Danihelka* commended the principles of the Aarhus Convention, but pointed out that problems could arise in particular with regard to events such as chemical accidents, when certain laws could also contradict each other, e.g. the law on information and law on security.

*The representative of France* said that the OSCE could contribute to the achievement of the SDGs, notably through the field operations. The emphasis on connectivity was crucial. France would be in favor of green connectivity, enabling to create cleaner transport and energy networks with less greenhouse gas emissions. Only green connectivity was sustainable and compatible with the goals of the Paris Agreement on Climate Change. She called to encourage all stakeholders to promote good environmental governance in investment decisions and to eliminate inefficient subsidies to fossil fuels. She stressed that economic development and the fight against climate change were compatible, and that the OSCE should encourage the potential for innovation.

*The representative of Georgia* referred to the Eighth Ministerial Conference Environment for Europe (EfE) in Batumi in June, with 600 Delegates from 50 countries and its important results, including the Pan-European Strategic Framework for Greening the Economy, the Batumi Initiative on Green Economy (BIG-E), and the Batumi Action for Cleaner Air. She informed that Georgia was in the process of joining the OECD Green Growth Declaration and has signed the Paris Climate Change Agreement.

*Ms. Bonifert* summarized the discussions by stating that (1) there was no plan B, only plan A, and these were the SDGs; (2) we should learn from good practices such as EXPO-2017, the Czech experience or the Aarhus Centres, and (3) efficiency should not go against effectiveness: it would be important to enable field operations and Aarhus Centres to implement their job on the ground, nobody else could do it better.

*Review of the implementation of the OSCE commitments relevant to the theme of the 24<sup>th</sup> Economic and Environmental Forum*

**Moderator:** Dr. Halil Yurdakul Yiğitgüden, Co-ordinator of OSCE Economic and Environmental Activities

**Rapporteur:** Ms. Tatiana Varacheva, Office of the Co-ordinator of OSCE Economic and Environmental Activities

**Speakers:**

- **Mr. Alexey Stukalo**, former Deputy Co-ordinator of the Office of the Co-ordinator of OSCE Economic and Environmental Activities
- **Mr. Patrick Taran**, President, Global Migration Policy Associates
- **Prof. Stephen Stec**, Visiting Professor, Department of Environmental Science and Policy, Central European University, Hungary

*Dr. Halil Yurdakul Yiğitgüden, Co-ordinator of OSCE Economic and Environmental Activities*, opened the session by underlining that the review reports on the implementation of the OSCE commitments presented each year at the Concluding Meeting of the Economic and Environmental Forum in Prague serve as an important reference document for the decision-making process on how to advance policy objectives of OSCE participating States in the respective fields. He introduced the topics addressed in this year's report and outlined its structure.

*Mr. Alexey Stukalo* introduced the good economic governance chapter of the review report. He mentioned that in the OSCE context, the concept of good governance was introduced as a commitment in the 2003 Maastricht Strategy Document and then elaborated in the 2012 Dublin Ministerial Council Declaration on Good Governance. He informed that the report contained examples of measures taken by the participating States to simplify certain procedures or reduce the time required for them, what made business regulation more efficient. The paper also outlined the "level of consultation" around new regulations and provided examples of improvement of investment regime transparency. As for the recommendations on possible further steps, the speaker drew attention to assisting disinvested regions, disadvantaged communities and vulnerable groups in attracting investment, business development and entrepreneurial training. Mr. Stukalo referred to the latest Ministerial Council Decision on the Prevention of Corruption adopted in Basel in 2014 and emphasized that prevention helped to eliminate or, at least, reduce probability of cases where one would have to suppress corruption. In reviewing the implementation of commitments related to combating corruption by the participating States the OSCE could rely on the documents of its partner organizations, such as the UNODC and the OECD. He stressed that the OCEEA has established good working relations with the EBRD and UNCITRAL on enhancing public procurement regulations. Mr. Stukalo emphasized that the OCEEA could strengthen its co-operation with the OECD, another important player in this field. The paper also suggested that a cross-dimensional approach and the concept of integrity should be further promoted. Integrity in public service implies more than the absence of corruption and refers to the application of generally accepted values and norms in daily practice. The area of AML/CFT was difficult for a review by the OSCE, since it was dominated by the FATF and the FATF-style regional bodies. In this sphere, the OSCE could build upon the OSCE Handbook on



Data Collection in Support of Money Laundering and Terrorism Financing National Risk Assessments (NRAs) and continue to assist its participating States in conducting the NRAs.

*Mr. Patrick Taran* emphasized the importance of the OSCE commitments in the area of migration governance that addressed all key elements of good governance on migration in line with the OSCE comprehensive approach to security. The commitments fully accorded with the themes of connectivity and co-operation of the OSCE 2016 German Chairmanship and the United Nations 2030 Sustainable Development Agenda and anticipate actions to implement the relevant Sustainable Development Goals (SDGs) and Targets. Mr. Taran recalled the relevant OSCE commitments on migration governance. The speaker stated that these commitments addressed four fundamental thematic areas of migration governance, in particular: 1) strengthening regulation and policy to optimize benefits; 2) protecting migrant workers and their families; 3) enhancing skills, participation and integration of migrants; and 4) promoting international dialogue and co-operation. He also outlined the main elements of these thematic areas. Mr. Taran presented some measures taken by the participating States to implement OSCE migration commitments, in particular with regard to adherence to international standards, improvement of national policy frameworks, and facilitating labour mobility. Mr. Taran outlined that the support provided by the OSCE/OCEEA to the participating States in implementation of the commitments was conducted in four main pillars, namely: building the knowledge base; providing practical guidance, capacity-building, trainings, and advisory support; supporting formulation and implementation of policies and initiatives; and facilitating dialogue and co-operation. The speaker emphasized that the OSCE should revitalize its activities in all four pillars. In particular, it could support good governance legislation and policy based on commitments, obtaining accurate, comprehensive and comparable data and analysis, addressing the needs and challenges facing by youth in migration. The emphasis needed to remain on gender-sensitive policy, practice and support. The OSCE could play a particularly valuable role in bridging gaps across different levels and actors of government, social partners and civil societies. It was crucial that the OSCE continued an inclusive, systematic, politically-sensitive and response-oriented dialogue on migration and mobility concerning the OSCE participating States. Overcoming hostile narratives on migration was another area the OSCE/OCEEA could engage in. The report made a reference to the scope and need of a greater role of the field operations, strengthening planning and co-ordination with and among them and improving responsiveness.

*Mr. Stephen Stec* pointed out that good environmental governance increased security and laid the foundation for sustainable investments and enhanced competitiveness. He brought attention to the key documents that outlined the OSCE commitments in the field of good environmental governance, including the 2003 Maastricht Strategy Document, the 2007 Madrid Declaration on Environment and Security, and several other Ministerial Decisions. The speaker highlighted the existing global framework for good environmental governance that has been built at the global conferences culminating in the adoption of 2030 Agenda for Sustainable Development, the 2015 Paris Agreement on Climate Change and the Sendai Framework on Disaster Risk Reduction. The most relevant regional frameworks for environmental governance stem from a number of UNECE multilateral environmental agreements. The EU's environmental *acquis communautaire* guided environmental governance for members of the European Union or countries aiming at EU accession. Mr. Stec emphasized the high level of performance of OSCE participating States on the Environmental Democracy Index (EDI). The speaker informed about the high level of adherence to international commitments by the OSCE participating States and the measures taken at the national level to enhance environmental governance. These measures included

the adoption of national sustainable development strategies and action plans, adaptation strategies and plans to address climate change, implementation of reporting and compliance mechanisms, introduction of amendments to the relevant legislation as well as building public-private partnerships. The speaker explained some OSCE projects related to environmental governance emphasizing the role of the Environment and Security Initiative (ENVSEC) and the network of Aarhus Centres. He highlighted that the level of implementation of good environmental governance in the mining, energy and waste sectors remained comparatively low. The international framework for corporate accountability relied primarily upon voluntary standards and private international law. He pointed out the challenges related to inspection powers and monitoring capacities. Public awareness about environmental challenges and public participation should be further enhanced. Finally, he listed a number of concrete recommendations for the OSCE that referred, *inter alia*, to promoting good environmental governance, enhancing public participation and transparency, reinforcing the capacities of the Aarhus Centres, making increased use of environmental co-operation in diminishing tensions as part of confidence-building and conflict prevention, supporting the implementation of multilateral environmental agreements and implementation of environment-related SDGs, addressing the challenges related to climate change, supporting the outcomes of the 2016 Environment for Europe Ministerial Conference in Batumi, engaging youth, promoting gender perspective in activities related to environmental governance, as well as continuing co-ordination and co-operation with partners, strengthening partnerships, and providing a platform for in-depth engagement with the private sector and multi-stakeholder dialogue.

The floor was opened for discussion.

*The representative of the OSCE 2016 German Chairmanship* inquired where the OSCE could do more in the area of public procurement and posed a question regarding further priority areas of the OSCE where it could add value.

*The representative of Belarus* informed about the national strategy on sustainable development for the period until 2030, adopted in Belarus in 2015. He asked about future prospects and possible steps that could be taken by the OSCE to attract investments in the disinvested regions.

*The representative of the incoming Austrian Chairmanship* was interested to hear examples of best practices from the field operations and the areas where more efforts and resources should be invested next year.

*The representative of Ukraine* recalled the OSCE Maastricht Strategy Document that acknowledged the crucial role of good governance for well-being, stability and security in the OSCE region and stipulated that ecological disasters resulting in particular from terrorist threats may pose serious risks to security and stability. She pointed out that addressing the issues of good governance, in particular good environmental governance, should include analysis of the risks and possible responses to the challenges in this area in the context of conflict, thus strengthening the link with the security mandate of the OSCE.

*Mr. Stukalo* noted the importance of public procurement with regard to combating corruption emphasizing that some recommendations on this matter were mentioned in the OSCE Handbook on Combating Corruption. He pointed at the limited role of the OSCE in the area of public procurement, which was a very technical issue. However, the OSCE should stimulate its work in this area to attract attention of governments to this sphere. He stressed

that the OCEEA has been supporting the EBRD and UNCITRAL Initiative on Enhancing Public Procurement Regulation in the CIS Countries and Mongolia and invited the participating States to consider the support to and the partnership with this Initiative by the OSCE as the whole. One of the main aims of this initiative was the support to the UNCITRAL Model Law on Public Procurement and the OSCE could co-operate closer with the OECD in this area. Mr. Stukalo emphasized that the OSCE should not duplicate the work of other organizations when it comes to increasing investments and improving investment climate. However, the OSCE could provide assistance aimed at increasing investments to vulnerable areas. He commended the work done by the OSCE field presence in Armenia in providing support to the disinvested regions of the country.

*Mr. Taran* brought to attention the activities of the field operations in Central Asia in supporting participating States in developing migration governance. He stressed the current need for enhanced OSCE engagement to support coherency of the international work aimed at supporting participating States in improving migration governance. The Secretariat of the Eurasian Economic Union could benefit from discussions with the OSCE in developing a migration and labour mobility regime. Mr. Taran highlighted that the OSCE could play a particular role in this area based on its background, commitments and standing with the governments and within the region and relying on field operations, the OCEEA and other relevant OSCE executive structures and institutions.

*Mr. Stec* emphasized that the topics of the review report are interlinked, such as corruption and good environmental governance or climate change and migration. He pointed out that the OSCE could contribute by introducing the security perspective to the processes related to the implementation of SDGs, adaptation to climate change, and following up to the Batumi Conference. The speaker highlighted the relevance of the Aarhus Centres that could become a platform for reaching out these initiatives and discussions to the public and should be further supported.

*Dr. Yiğitgüden, Co-ordinator of OSCE Economic and Environmental Activities*, invited colleagues from field operations to present activities in the field of mining.

*A representative of the OSCE Centre in Bishkek* mentioned the activities of the Aarhus Centres in Kyrgyzstan in the field of radioactive waste and mining. She emphasized the expansion of the network of the Aarhus Centres in the country and highlighted the intention to widespread their activities in 2017.

*A representative of the OSCE Office in Yerevan* highlighted the development of a set of country-specific green growth indicators and methodology for measuring them in collaboration with the OECD and mentioned that, by the end of this year, the Office would complete a national report on green growth indicators' measurements in Armenia. He stressed that next year the OSCE Office in Yerevan was planning to support the government in introducing the Extractive Industries' Transparency Initiative (EITI).

*Dr. Yiğitgüden, Co-ordinator of OSCE Economic and Environmental Activities*, brought the attention to the Conference on Preventing Trafficking in Human Beings for Labour Exploitation in Supply Chains that he attended last week in Berlin. At the conference, he stressed the close link between issues related to human trafficking, corruption and public procurement and underlined the importance of the UNCITRAL Model Law on Public Procurement. He expressed the hope that more countries would be able to introduce

provisions to their public procurement legislation that would allow to combat both corruption and human trafficking.

## *Session VI (Panel Debate): Good migration governance and labour market integration*

**Moderator:** Mr. Erik Tabery, Chief Editor “Respekt”, Czech Republic

**Rapporteur:** Ms. Teresa Albano, Economic Affairs Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

### **Speakers:**

- **Prof. Rainer Münz**, Adviser on Migration and Demography to the European Political Strategy Centre, European Commission
- **H.E Ms. Nilza de Sena**, Vice-Chair of the Committee for Economic Affairs, Science, Technology and Environment, OSCE Parliamentary Assembly
- **Mr. Renald Grégoire**, Counsellor for Immigration, Embassy of Canada in Austria
- **Dr. Martin Gleitsmann**, Head of Social Policy and Health Department, Federal Austrian Economic Chamber, Austria

*Mr. Erik Tabery* introduced the discussion by highlighting that international migration governance represented currently a major challenge as the global competition for talents is accelerating in an increasingly interconnected world. He added that there was no one single policy, no one blue-print solution that could be replicated. Yet, there were inspirations that could be drawn from interesting experiences that the panel debate would try to distill and offer for a common reflection.

*Prof. Rainer Münz, Adviser on Migration and Demography to the European Political Strategy Centre, European Commission*, underlined that in his intervention he would express his own personal opinions and not the position of the European Union. He opened his reflection by underlining how the debate on migration had been recently overtaken by the debate on refugees’ protection. However, in order to “*put things into perspective*”, by mentioning the current overall number of international migrants – 250 million – Prof. Münz highlighted that this number represents the 3% of the global population. The immediate consequence of this piece of information was that it implies that 97% of the current world population stays in the country of origin. Today 250 million individuals only, live outside the country in which they were born, including 16 million refugees. Prof. Münz summarized the main reasons for these individuals to move, as follows:

1. Economic: people want to improve. Migration is the quickest and the most effective way to achieve improvement, development and growth. This means also to strive for better working conditions, higher salaries, access to credit and entrepreneurial opportunities, including a more transparent and efficient business environment;
2. Education: the possibility to access quality education opportunities represents a huge driver of migration movements;
3. Family reunification: currently this reason represents the highest percentage of entries in the European Union and accounts for a significant driver of migration in the world;
4. Humanitarian: while armed conflicts and complex emergencies are growing – and the Syrian represents one of the many ongoing crises - the future will also see more people moving pushed by reasons linked to the degradation of the environment and the climate.

In taking the floor, *Mr. Renald Grégoire, Counsellor for Immigration, Embassy of Canada in Austria*, wondered if Canada could be considered as a success story. Indeed Canada's geographical isolation allowed a more effective planning of migration flows. Annually, the government established the ceiling for entries: in 2016 an overall number of 300,000 newcomers were allowed to enter the country, 65% for economic reasons, and the rest for family reunification and humanitarian reasons. However, this system proved to be inadequate vis-à-vis the increasing global competition for skills, the aging population – a growing concern in Canada too – and the consequent need for young and skilled workers to keep the level of prosperity for the whole Canadian population. Hence a point system - an express entry channel - was recently created in order to manage the intake of highly skilled professionals. The express entry was an online mechanism that allows the selection of future migrants according to their profile and offers advantages of greater rapidity – the overall procedure lasts approximately 6 months – and transparency.

According to *Dr. Martin Gleitsmann, Head of Social Policy and Health Department, Federal Austrian Economic Chamber, Austria*, labour markets were not only in need of highly skilled workers but also of lower skilled ones. Indeed, Mr. Gleitsmann underlined how the availability of work was a key factor for employers. In this regard, he mentioned that currently 42% of Austrian employers encounter difficulties in finding the profile of workers that they need. With regard to highly skilled workers, in order to attract new talents, the Austrian government has established the “Red Card” system, taking inspiration from the Canadian model. Similarly to the Canadian “express entry”, the Red Card system was a point mechanism that allowed highly-skilled workers from non-EU countries to enter, work, and get established in Austria with their family members. To obtain the Red Card there was no need to prove the knowledge of the German language, although language skills allowed gaining more points. Yet, what Dr. Gleitsmann underlined, there was still a lack of vision in dealing with the overall migration phenomenon, including refugees. He then concluded by describing a recent positive experience: mentoring of migrants. Newcomers were mentored and accompanied in their integration process by long-term, experienced migrants. The project was producing very positive results and there was the intention to improve and expand this approach.

In taking the floor, *H.E Ms. Nilza de Sena, Vice-Chair of the Committee for Economic Affairs, Science, Technology and Environment, OSCE Parliamentary Assembly* underlined how policy responses to migration were often hostages of ungrounded myths, and first of all of the myth that migration was negative for the European Union. On the contrary, she claimed that it was widely proved that migration was a positive factor for economic growth, as it fostered the creation of new jobs and the transfer of knowledge and the flourishing of prosperity, including in the country of origin. Therefore, there was a strong need to understand the fears around migration and how to make integration an empowerment experience for the individuals and the societies involved. Ms. de Sena referred to the Portuguese experience with migrants, which was substantially different from the current migration scenario in Europe, considering the Portuguese history of immigration, being Portugal a country of destination of migration flows from the former colonies such as Brazil, Angola, and Mozambique.

Speaking about successful integration in the labour market, *Prof. Münz* underlined that two main factors had an impact on migration policies. The first factor related to the matching of the migrant's skills and the needs of the labour market and whether this matching happened before individuals enter the destination country. Prof. Münz stressed that one of the elements for the success or the failure of migration policies consisted of the pre-departure selection

process. The second factor related to the management of expectations from the side of migrants. According to Mr. Münz, integration did not depend only on the willingness of the newcomer, and not only from the legislation in place in that country. Successful integration depended greatly from what Prof. Münz called “the body language” of the hosting society, the inner - and often hidden - feelings towards foreigners and the attitude towards change, more in general. Despite the formal recognition of rights, the integration process would fail if confronted with a hostile stance of the hosting society. On the other hand, a successful integration depended on the flexibility of individuals in adapting to a new language, new habits and customs. Therefore, it was important to consider different elements at different levels of action in order to promote successful migration and integration policies.

*Mr. Renald Grégoire* echoed Prof. Münz’s considerations by confirming that the recent Canadian “Express Entry” system has indeed improved chances for successful integration. The system allows for the so-called “educational credentials’ assessment” aimed at the recognition of individual’s skills and certificates. He also confirmed that in the case of refugees, the integration challenges were different, due to the different entry mechanism. Major efforts needed to be directed towards the acquisition of necessary linguistic skills as well as technical knowledge for their labour inclusion.

In line with Mr. Grégoire’s considerations, *Dr. Martin Gleitsmann* observed that Austria was currently experiencing the highest unemployment rate of unskilled workers in recent years. He underlined that some of the key contributing factors rely in the lack of contacts and social skills. This is the reason behind the recent project “Mentoring from migrants”, still under implementation. Mentors and mentees were selected from the migrant community. Mentors guided and supported mentees in their labour inclusion process, be it an apprenticeship or a business enterprise. Mr. Gleitsmann underlined that one of the most delicate aspects was the matching of the right mentor with the right mentee. He then mentioned some results of this initiative: 1,500 mentoring partnerships; more than 50% mentees entered successfully the labour market. Indeed, one of the many possible ideas to better integrate migrant workers in the labour market.

The moderator solicited the panellists to elaborate on the role of the OSCE in the field of migration governance. *Ms. de Sena* was the first to take the floor and underlined that the OSCE PA had paid great attention to the topic this year, in particular at the last session of the OSCE PA in Tbilisi in July. An *ad hoc* committee chaired by the Swiss MP Lombardi was also established in view of promoting an in-depth reflection and dialogue on this matter beyond the current crisis, considering some key structural drivers of migration such as demographic shifts and low birth rates in many areas of the OSCE region. She stated the need to offer newcomers quality services at an early stage, including social and linguistic services - as well as proper orientation on the values and principles governing the hosting societies - as relevant factors for a successful integration process.

In reply to the moderator’s question related to the negative narrative that surrounded migration and the progressive resistance against migrants, *Prof. Münz* replied that indeed many countries showed a “split personality” when dealing with migration-related issues. Their attitude was positively proactive when addressing the issue of facilitating the mobility of their own nationals abroad, while they resisted the entry of third-country nationals. Such an approach failed to understand that these aspects were the two faces of the same coin. He underlined that usually migration policies were decided unilaterally. Rarely sending and receiving countries negotiate together such policies through common agreements. The added value of the OSCE would be its role derived to facilitate a dialogue on this topic; and on the

other side, the OSCE's participating States included countries of origin and destination, not exclusively gravitating around the EU. Therefore the OSCE represented a unique platform for dialogue on migration-related issues, which, so far, had not existed at international level. Prof. Münz, then, added, that this latter element might change as the UN General Assembly, for the first time, would address on 19 September 2016 the issue of large movements of people. The IOM would become a related, specialized agency of the UN system on migration-related issues. This would be a new element in the international diplomacy. In the future, this new setting would need to be tried out in a multilateral environment. The OSCE had a key role to play in this newly born sector of "migration diplomacy", facilitating dialogue among countries that often may have diverging and conflicting interests and visions.

The panel was then opened to questions and inputs from the floor.

*The representative of the UK* asked the panellists from Canada and Austria about integration of migrants into hosting societies. Considering that integration was a two-way process, the UK delegate asked how countries of destination could better prepare their population to accept and integrate newcomers by communicating the positive contribution of migrants to the receiving societies. *Mr. Grégoire* replied mentioning two concepts: education and information. The panellist underlined that the positive attitude of the hosting society also depended on the communication strategy about migration as well as how transparent and fair the immigration system was. In Canada, a positive image of migrants was constantly promoted among the public. This contributed enormously in shaping a welcoming environment for the approximately 20% of the Canadian population with a migrant background. In the Canadian society, the interaction with migrants happened on a daily basis. For those countries with a lower percentage of migrants, the panellist again underlined transparency, information and education as key factors to increase a positive attitude towards newcomers in the hosting society.

As for Austria, *Mr. Gleitsmann* added that the presence of migrants could foster the internationalisation of the Austrian enterprises. He underlined that the export of Austrian products could benefit greatly from the role of migrants as bridge-builders. On the other side, *Mr. Gleitsmann* acknowledged the contribution of the many low-skilled migrant workers particularly in the building of infrastructures. He indeed recognized that Austrian infrastructures would not function without migrant workers who accepted those jobs that Austrian nationals were no longer willing to do. *Mr. Gleitsmann* underlined the difficulty to communicate this positive contribution of migrant workers to the Austrian economy and society. He recognized that politicians were not always willing to communicate such positive impact of migrant labour force.

*The representative of Romania* then took the floor and asked what the OSCE could do more in this area of its mandate.

*Ms. de Sena* underlined that the OSCE could improve its unanimous resolutions in this field. She highlighted that all governments should be encouraged to include migrants and refugees in the national labour markets at the earliest possible stage. She underlined how the OSCE, including the OSCE PA, could contribute in the development of common policies, being this one a critical aspect. Indeed, *Ms. de Sena* explained that the current migration flow differed from the one in the 1990's and would require new policy tools to be addressed adequately.

*The representative of Turkey* took the floor to inform the audience about the initiatives of Turkey vis-à-vis the current crisis in the Middle East. The delegate underlined that Turkey



has kept an open-door policy during the current Syrian conflict. Up to now a record number of 2.7 million persons have been received in the country, the highest number of refugees hosted in one country according to UNHCR. Up to 12 billion dollars were spent so far to provide for the needs of Syrian migrants. In January 2016, Turkey reformed its legislation and allowed Syrian migrants to access the national labour market, in line with the UN Convention on the rights of migrant workers and the members of their family of which Turkey is signatory. Since then, the Turkish Employment Services have been engaged in skills' mapping, matching labour market needs and vocational training.

In taking the floor, *the representative of Serbia* asked whether there was a *de facto* contradiction between the human rights' conventions, of which the Global North-West is signatory, and the attitude of Global Northern-Western receiving countries towards migrants. While *the representative of Armenia* asked whether the OSCE PA conducted field visits in sensitive borders and if the *ad hoc* Working Group on migration got involved with parliamentarians of the Mediterranean Partners for Cooperation.

In reply to the first question, the panellists indeed recognized that the current attitude of many receiving countries *de facto* contradicted the many human rights instruments that were produced particularly in the past century. The panellists also observed that there was an urgent need to think over social systems in order to address the new challenges related to a globalized labour market.

In his reply to the question posed by the representative of Armenia, Prof. Münz informed that the OSCE PA carried out field visits in Turkey, Lampedusa (Italy) and Calais (France). Yet, he underlined that these visits did not relate to the topic of economic migration but to the humanitarian aspect of the current Syrian crisis.

Regarding the use of the OSCE as a platform of dialogue, Prof. Münz concluded that the OSCE had a key role to play in the field of facilitating dialogue in the field of migration governance. He indeed highlighted that "listening" was what mainly had been missing so far. He added that dialogue meant to listen to the other side, to take into consideration what the other side wants and needs. And this was recognized as a critical area where the OSCE could play a significant role. Enhanced dialogue and diplomacy would be what the migration discourse would benefit greatly from and an area where the OSCE could meaningfully contribute to.

## *Concluding Plenary Session – Follow-up to the 24<sup>th</sup> OSCE Economic and Environmental Forum*

**Moderator:** Ambassador Eberhard Pohl, Chairperson of the OSCE Permanent Council, Permanent Representative of Germany to the OSCE, 2016 OSCE German Chairmanship

**Rapporteur:** Ms. Alena Baur, Attachée, Permanent Mission of Austria to the OSCE

### **Speakers:**

- **Ambassador Eberhard Pohl**, Chairperson of the OSCE Permanent Council, Permanent Representative of Germany to the OSCE, 2016 OSCE German Chairmanship
- **Dr. Halil Yurdakul Yiğitgüden**, Co-ordinator of OSCE Economic and Environmental Activities
- **Ambassador Florian Raunig**, Head of the Task Force for the 2017 Austrian OSCE Chairmanship, Ministry of Foreign Affairs, Austria

*Ambassador Eberhard Pohl* provided an overview of the discussions held during the Concluding Meeting on various aspects of good governance. With reference to the momentum created by the Chairmanship Business Conference on 18/19 May in Berlin, he stressed the importance of the strong involvement of the private sector in the discussions of the Economic and Environmental Forum and expressed his gratitude to the incoming Austrian Chairmanship for continuing the active participation of the business community and for building upon the priorities of the 24th Economic and Environmental Forum. With a view to the upcoming Ministerial Council in Hamburg, Ambassador Pohl concluded by calling upon participating States to proceed in the good spirit shown at the Ambassadorial Retreat in Krems, the Informal Foreign Ministers Meeting in Potsdam as well as at the session “The Way to Hamburg” during the Forum meeting and to constructively engage in the discussions towards a substantial Ministerial Council Decision in Hamburg that reflected the interlinkages between good governance, connectivity, economic exchange as well as stability and security.

*Dr. Halil Yurdakul Yiğitgüden* highlighted that the Forum had revealed the importance of the concept of connectivity, with its good governance aspects, in promoting peace, strengthening co-operation and ultimately stimulating economic growth. Furthermore, the Forum had demonstrated that good governance required governments to be transparent and accountable vis-à-vis their citizens, which was, however, still not the case in many OSCE countries. As regards migration, he stressed the need for a coherent and long-term approach as well as for the political will to discuss common issues concerning migration management. According to Dr. Yiğitgüden, the challenges represented an opportunity to further enhance co-operation in the fields of labour migration, integration of migrants into host societies, improved protection as well as combating illegal migration and, in addition, to make good use of the many tools provided by the OSCE. Moreover, the Forum had clearly shown that good environmental governance was a key factor in the promotion of sustainable development. He then pointed to the upcoming EXPO 2017 on “future energy” in Astana and the Eight Environment for Europe Ministerial Conference that was held in Batumi in June 2016. In addition, Dr. Yiğitgüden continued, the Forum had reconfirmed the expertise and added value of the OSCE

as shown in the case of the Aarhus Centres and the activities of field operations when it came to good environmental governance. In this context, Dr. Yiğitgüden elaborated on the annual Aarhus Centres Coordination Meeting on 21-23 November 2016 in Vienna which represented a link between the theme of the Chairmanship in Office and the theme of the incoming Chairmanship, which would focus on greening the economy. He concluded by calling for greater financial and human resources in the Second Dimension and by emphasising the great potential of the Second Dimension as regards the establishment of trust and confidence.

*Ambassador Florian Raunig* presented the 2017 Chairmanship priorities for the Economic and Environmental Dimension, declaring that Austria would like to build upon the achievements of the German Chairmanship with the overarching goal of further strengthening the Second Dimension. He, then, outlined the incoming Chairmanship's main theme „Greening the Economy and Building Partnerships for Security“, including the following four sub-topics: reducing environmental risks, resource efficiency and renewable energy fostering energy security, business partnerships, and good governance for security as well as economic participation for strengthening security. As regards „Building Partnerships“, he explained that this aspect aimed at continuing and building upon the concept of „Connectivity“ as put forward by the German Chairmanship. He underlined the equal emphasis on economic and environmental aspects of security and their interconnection. While giving a short overview of the planned activities for 2017, Ambassador Raunig informed the participants that the incoming Chairmanship intended to co-organise a Business Conference together with the Austrian Chamber of Commerce, as being done by the current Chairmanship in office. He concluded by emphasising the need for more engagement by participating States as well as for strengthening the Secretariat and field missions by allocating additional financial and human resources.

The floor was opened for discussion.

*The representative of Belarus* underlined that the discussions at the Forum had clearly accentuated the need for and relevance of the Second Dimension. After expressing Belarus' full support for the priorities chosen by the incoming Austrian Chairmanship, as they reflected continuity with respect to the efforts undertaken by the German Chairmanship, he concluded by stating that Belarus attached high importance to the concept of economic connectivity and would double up its efforts towards its further enhancement.

*The representative of Slovakia, on behalf of the European Union,* stressed that the Forum had shown the relevance and added value of the OSCE in the field of good governance as well as the merit of increased co-operation.

*The representative of Armenia* emphasized the fact that the lack of good governance could cause political tensions and conflicts. Moreover, he affirmed that the confidence-building potential of the Second Dimension was still untapped, and that good governance was crucial for protecting human rights. He underlined that the OSCE disposes over the mandate (e.g. the 2003 OSCE Maastricht Strategy, the 2012 Dublin Declaration on Good Governance, and the 2014 Basel Decision on Prevention of Corruption) and the tools (OSCE executive structures and their partners, such as networks of Aarhus centres and the ENVSEC) to promote cooperation at regional and local level in these fields. He concluded by saying that Armenia would support any initiative to further enhance connectivity.

*The representative of the United States of America* highlighted the importance of the Forum's theme and subscribed to the general remarks that stressed the profound effects of good

governance on various aspects such as the business climate, sustainable economic development, environmental issues and energy as well as the fight against corruption, money laundering and terrorism financing. Moreover, he underscored that the United States attached great importance to the concept of greater economic connectivity and referred to its efforts to strengthen connectivity in the Caucasus and Central Asia. He also underlined the need for sufficient political will for connectivity to play its part in rebuilding trust and restoring security. In this context, he addressed the argument put forward by different participating States during the Forum that economic sanctions would run counter to the concept of connectivity by noting that the question of economic sanctions should not be linked with the economic and environmental dimension and should be discussed in appropriate fora. In conclusion, the representative expressed his full support to the Chair and stated the United States' willingness to constructively engage in the discussions regarding the preparation of a substantial Ministerial Council decision.

*The representative of the Holy See* welcomed the synergies between good governance, a favourable business climate and sustainable economic development created during the Forum process. Highlighting the impacts of climate change and the need for a sustainable use of natural resources, he noted that social exclusion and environmental degradation represented two specific challenges in the Second Dimension. Furthermore, he called upon the participants to meet the challenges posed by the high influx of migrants and refugees with a sense of co-operation and solidarity while taking into account the principle of the common good. He concluded by emphasising the need to put an end to social and economic exclusions and by assuring the incoming Austrian Chairmanship of his full support in focusing on the sustainable use and sound management of natural resources.

Responding to the United States' remarks, *the representative of the Russian Federation* deemed it inappropriate to bring up the issue of economic sanctions in this session and put forward the Russian Federation's position with regard to the territory of Crimea.

*The representative of Ukraine* expressed Ukraine's full support to the position of the United States regarding the issue of sanctions whereupon she outlined Ukraine's position as regards the territory of Crimea.

*The representative of the Czech Republic* thanked all participating States, speakers and moderators for their interesting contributions and expressed his pleasure at having hosted another Economic and Environmental Forum in Prague.

# ANNEX I:

## Annotated Agenda



Organization for Security and Co-operation in Europe  
The Secretariat

Vienna, 13 September 2016 20 December 2016

## 24<sup>TH</sup> OSCE ECONOMIC AND ENVIRONMENTAL FORUM

“Strengthening stability and security through co-operation on good governance”

### CONCLUDING MEETING

**Prague, 14 – 16 September 2016**

Venue: Czernin Palace, Loretánské nám: 5, 118 00 Prague

### ANNOTATED AGENDA

**Wednesday, 14 September 2016**

**11:30 – 13:00**            **Welcome Buffet**

**13:00 – 14:30**            **Opening Plenary Session** (*open to the press*)

#### **Welcoming remarks:**

- **Ambassador Eberhard Pohl**, Chairperson of the OSCE Permanent Council, Permanent Representative of Germany to the OSCE, 2016 OSCE German Chairmanship
- **H.E. Lubomír Zaorálek**, Minister of Foreign Affairs, Czech Republic
- **H.E. Lamberto Zannier**, Secretary General, OSCE

#### **Keynote speech:**

**Dr. Gernot Erler**, Special Representative of the Federal Government of Germany for the 2016 OSCE Chairmanship, Member of the German Bundestag

**Moderator: Ambassador Eberhard Pohl**, Chairperson of the OSCE Permanent Council, Permanent Representative of Germany to the OSCE, 2016 German OSCE Chairmanship

**Rapporteur: Ms. Brigitte Krech**, Economic and Environmental Affairs Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities

### Statements by Delegations / Discussion

**14:30 – 15:00** Coffee/Tea break

**Presentation of the OSCE Handbook on Protecting Electricity Networks from Natural Hazards** (Gallery Hall)

**15:00 – 16:00** **Session I (Panel Debate): Good governance, business climate and sustainable economic development**

#### Selected topics:

- Good governance and its impact on business climate, sustainable economic development, stability and security
- Fostering good governance and integrity in the public and private sector
- Triangular co-operation between public sector, private sector and civil society in strengthening good governance

**Moderator: Dr. Eric Frey**, Managing Editor, Der Standard, Austria

**Rapporteur: Mr. Mery Mukazhan**, Second Secretary, Permanent Mission of the Republic of Kazakhstan to the International Organizations in Vienna

#### Speakers:

- **Mr. Štefan Füle**, Special Envoy for the OSCE and the Western Balkans, Ministry of Foreign Affairs, Czech Republic, former Commissioner for Enlargement and Neighbourhood Policy
- **Mr. Goran Svilanović**, Secretary General, Regional Cooperation Council
- **Mr. Jan Žurek**, Managing Partner, KPMG, Member of the Governmental Council for Sustainable Development, Czech Republic

### Discussion

**16:00 – 16:30** Coffee/Tea break

**16:30 – 18:00            Session II: The way to Hamburg**

**Moderator: Ambassador Vuk Žugić**, Permanent Representative of the Republic of Serbia to the OSCE, Chairperson of the OSCE Economic and Environmental Committee

**Rapporteur: Mr. Uroš Milanović**, Attaché, Permanent Mission of the Republic of Serbia to the OSCE

**Introduction:**

- **Dr. Gernot Erler**, Special Representative of the Federal Government of Germany for the 2016 OSCE Chairmanship, Member of the German Bundestag

**18:30                            Reception hosted by the 2016 German OSCE Chairmanship**  
at the Embassy of the Federal Republic of Germany, Vlašská 347/19,  
118 00 Praha 1.

## Thursday, 15 September 2016

**09:30 – 11:00**      **Session III: The role of the private sector in fighting corruption, money-laundering and financing of terrorism for strengthening stability and security**

### **Selected topics:**

- Promoting integrity in the private sector
- Best practices on public-private co-operation in promoting good governance and fighting corruption
- Engaging private financial institutions and the corporate sector in combating corruption, money laundering and financing of terrorism

**Moderator: Dr. Eric Frey**, Managing Editor, Der Standard, Austria

**Rapporteur: Ms. Zuhra Bektepova**, Economic Affairs Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

### **Speakers:**

- **Mr. Drago Kos**, Chair of the OECD Working Group on Bribery in International Business Transactions
- **Mr. Tseasuren Nyamdorj**, Deputy Director, Commissioner in charge, Independent Authority Against Corruption of Mongolia, (IAAC), Mongolia
- **Dr. Marcin Walecki**, Head, Democratization Department, Office for Democratic Institutions and Human Rights (ODIHR)
- **Mr. Michael Nagl**, Manager – Global Investigations, Western Union Payment Services Ireland Ltd., Austria
- **Mr. Nazar Kholodnytskyi**, Deputy Prosecutor General, Head of the Specialized Anti-Corruption Prosecutor's Office, Ukraine

## **Discussion**

**11:00 – 11:30**      Coffee/Tea break

**11:30 - 13:00**      **Session IV: Trade facilitation measures and good governance in supply chains**

### **Selected topics:**

- Trade facilitation, border management and digital transformation
- Harmonizing and simplifying procedures in order to promote trade facilitation and strengthen good governance



- Regulatory frameworks in promoting labour, social and environmental standards in supply chains
- Public-private partnerships in promoting connectivity and trade facilitation

**Moderator: Mr. Walter Kemp**, Vice President and Chief Operations Officer, International Peace Institute

**Rapporteur: Mr. Tarash Papaskua**, Counsellor, Permanent Mission of Georgia to the OSCE

**Speakers:**

- **Ms. Ana Hinojosa**, Director of Compliance and Facilitation, World Customs Organization (WCO)
- **Ms. Asli Gurates**, Customs expert, Transport Facilitation and Economics Section Sustainable Transport Division, UNECE
- **Ms. Natascha Weisert**, Senior Policy Officer, Division for Sustainability Standards, Federal Ministry for Economic Cooperation and Development, Germany
- **Ambassador Madina Jarbussynova**, OSCE Special Representative and Co-ordinator to Combat Trafficking in Human Beings
- **Mr. Carlos Grau Tanner**, Director General, Global Express Association

**Discussion**

**13:00 – 14:30** Lunch break

**14:30 – 16:00** **Session V: Good environmental governance and its impact on economic development, stability and security**

**Selected topics:**

- Good environmental governance, sustainable development and green economy
- The role of national environmental regulatory frameworks for economic growth, stability and security
- Resource efficiency and innovation for sustainable economic development
- Enhancing transparency and stakeholder participation in environmental decision-making

**Moderator: Ms. Marta Szigeti Bonifert** Executive Director, Regional Environmental Center for Central and Eastern Europe

**Rapporteur: Ms. Jenniver Sehring**, Environmental Affairs Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities

### **Speakers:**

- **Mr. Marco Keiner**, Director, Environment Division, UNECE
- **Ms. Lyazzat Ryssymbetova**, Representative of the Commissioner of the International Specialized Exhibition Astana EXPO-2017 “Future Energy”, Kazakhstan
- **Prof. Pavel Danihelka**, Head of the Laboratory of Risk Research and Management, Faculty of Safety Engineering, Technical University of Ostrava, Czech Republic
- **Mr. Jan Lüneburg**, Head of Democratization Department, OSCE Mission to Serbia
- **Ms. Olga Zakharova**, Manager, Aarhus Centre Minsk, Belarus

### **Discussion**

**16:00 – 16:30**            Coffee/Tea break

**16:30 – 17:30**            **Review of the implementation of the OSCE commitments relevant to the theme of the 24<sup>th</sup> Economic and Environmental Forum**

#### **Selected topics:**

- Presentation of the Review Report
- Forward looking discussion on the Review Report's main findings and recommendations

**Moderator: Dr. Halil Yurdakul Yiğitgüden**, Co-ordinator of OSCE Economic and Environmental Activities

**Rapporteur: Ms. Tatiana Varacheva**, Office of the Co-ordinator of OSCE Economic and Environmental Activities

### **Speakers:**

- **Mr. Alexey Stukalo**, former Deputy Co-ordinator of the Office of the Co-ordinator of OSCE Economic and Environmental Activities
- **Mr. Patrick Taran**, President, Global Migration Policy Associates
- **Prof. Stephen Stec**, Visiting Professor, Department of Environmental Science and Policy, Central European University, Hungary

### **Discussion**

**18:00**                      **Reception hosted by the Co-ordinator of OSCE Economic and Environmental Activities** in the Gardens of the Czernin Palace

## Friday, 16 September 2016

**09:30 – 10:30**      **Session VI (Panel Debate): Good migration governance and labour market integration**

### **Selected topics:**

- Demographic shifts, labour market needs and migrant workers' skills
- Effective labour migration policies and its contribution to economic growth, stability and security
- Global competition for talents and innovative migration policies
- The role of the private sector in good migration governance

**Moderator: Mr. Erik Tabery**, Chief Editor "Respekt", Czech Republic

**Rapporteur: Ms. Teresa Albano**, Economic Affairs Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

### **Speakers:**

- **Prof. Rainer Münz**, Adviser on Migration and Demography to the European Political Strategy Centre, European Commission
- **H.E. Ms. Nilza de Sena**, Chair of the Committee for Economic Affairs, Science, Technology and Environment, OSCE Parliamentary Assembly
- **Mr. Renald Grégoire**, Counsellor for Immigration, Embassy of Canada in Austria
- **Dr. Martin Gleitsmann**, Head of Social Policy and Health Department, Federal Austrian Economic Chamber, Austria

## **Discussion**

**10:30 – 11:00**      Coffee/Tea break

**11:00 – 12:00**      **Concluding Plenary Session – Follow-up to the 24<sup>th</sup> OSCE Economic and Environmental Forum**

- General Discussion
- Closing statements

**Moderator: Ambassador Eberhard Pohl**, Chairperson of the OSCE Permanent Council, Permanent Representative of Germany to the OSCE, 2016 OSCE German Chairmanship

**Rapporteur: Ms. Alena Baur**, Attachée, Permanent Mission of Austria to the OSCE

**Speakers:**

**Ambassador Eberhard Pohl**, Chairperson of the OSCE Permanent Council, Permanent Representative of Germany to the OSCE, 2016 OSCE German Chairmanship

**Dr. Halil Yurdakul Yiğitgüden**, Co-ordinator of OSCE Economic and Environmental Activities

**Ambassador Florian Raunig**, Head of the Task Force for the 2017 Austrian OSCE Chairmanship, Ministry of Foreign Affairs, Austria