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REPORT

**FOR THE GENERAL COMMITTEE ON
ECONOMIC AFFAIRS, SCIENCE, TECHNOLOGY
AND ENVIRONMENT**

25 Years of Parliamentary Co-operation: Building Trust Through Dialogue

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Introduction

The nexus between the environment, economics and security has never been more acutely felt than it is today. In recent years, we have seen the cascading and interrelated effects of corruption, energy, climate change, food security and migration as contributing factors to destabilization in many areas of the OSCE region.

For instance, when looking at the current crisis in Syria, which is heavily impacting Europe and the broader OSCE area, we can trace its roots to a series of interconnected socio-economic, political, and environmental factors, including growing poverty, rising unemployment, lack of political freedom, corruption, a widening rural/urban divide, resource mismanagement, and the impact of water shortages on crop production.

It is our obligation as OSCE parliamentarians, recalling the comprehensive approach to security that OSCE participating States agreed to in the 1975 Helsinki Final Act, to rise above legalistic disputes and tackle the underlying causes of so many of our common security challenges, which today, more clearly than ever, have a component rooted in the economic and environmental dimension. As the Parliamentary Assembly noted succinctly in its very first Declaration adopted at the Budapest Annual Session in 1992, “security has an environmental aspect”.

Climate Change

2016 is an important milestone year for the OSCE Parliamentary Assembly, marking 25 years since parliamentary delegations met in Spain to adopt the Final Resolution of the Madrid Conference establishing the PA. But this year also marks an important 25th anniversary for the international community in another respect. In 1991, the Intergovernmental Negotiating Committee (INC) held its first meeting to tackle what was already seen at that time as a serious challenge to humanity, the threat of climate change. The following year, the INC adopted the United Nations Framework Convention on Climate Change (UNFCCC), and at the 1992 Earth Summit in Rio, the UNFCCC was opened for signature.

More than two decades later, the 2015 Paris Climate Change Conference (COP 21) concluded last December with the adoption, by consensus, of the Paris Agreement by the 195 countries represented at the Plenary Assembly. This historic Agreement, which is universal in character and must be deemed to be binding in every respect, will come into force in 2020. It sets out a new global action plan to put the world on track to stave off the worst effects of man-made climate change.

The Agreement sets out to achieve three main objectives:

- 1) to implement measures to keep the increase in global average temperatures to “well below” 2°C above pre-industrial levels, and simultaneously to step up efforts to limit the increase to 1.5°C;
- 2) to enhance the capacity for global adjustment to the consequences of climate change;

3) to guarantee funding to support climate change mitigation measures.

As important as the Paris Agreement is, it should be kept in mind that it only sets out to mitigate – not stop – the effects of climate change. We should pause then to reflect on the impact that climate change is already having around the world – effects that will likely worsen even if the Paris targets are met. As a UN report issued on the eve of COP 21 documented, weather-related disasters are becoming increasingly frequent, and “predictions of more extreme weather in the future almost certainly mean that we will witness a continued upward trend in weather-related disasters in the decades ahead”.

The OSCE Secretariat is increasing its attention on this issue, particularly in relation to the link between climate change and security and the possible impact of environmental degradation on migratory pressures. The OSCE, with its comprehensive approach to security could help to assess the potential environmental challenges and threats to security and stability that could be magnified by climate change. But to do so, and to further develop its early warning capacity, the Organization needs a clear mandate, agreed to by all the participating States, that would allow us to address the potential security implications of climate change through co-ordination with other international organizations and through the promotion of political dialogue aiming at contributing to the carbon reduction goals laid out in the Paris Agreement.

Migration

Migration is a sensitive issue which should be addressed at several levels. First of all, we should recognize that the political discourse about migration is worryingly distorted by demagogical approaches aimed at leveraging the most negative instincts of fear and mistrust. Hysteria impedes a frank and open discussion about migration, based on the economic evidence that in a globalized world where everything moves – goods, financial assets, production chains – facilitating the movement of skills and talents allows unlocking the economic potential of labour mobility. Considering the current demographic shifts, with the global population of those 60 years old and older expected to exceed the number of young people for the first time in history in 2050, greater labour mobility is part of the solution to address the talent shortages and encourage innovation. Therefore, a first level of action is to mobilize governments to promote and expand feasible, accessible, and effective labour migration policies.

We need to raise awareness through public discourse that migration is an integral part of our global economic environment and that it substantially contributes to economic growth and social development. There is a need to come together and discuss common issues concerning migration management and to find solutions that are mutually beneficial, equitable, and sustainable. As Polish sociologist Zygmunt Bauman has said, “The grandiosity of problems generated by globalization must go together with the available instruments and effective collective actions”.

For this we need political will and open dialogue. This includes stepping up efforts to: improve policy coherence between migration management, industrial and labour policies, economic development and environmental policies; encourage legal migration, including high- and low-skilled migration, through long-term and short-term schemes, while combating irregular migration; understand the demand and supply of labour markets; create conditions

for improved economic development and co-operation; facilitating integration of migrants in host societies and their reintegration on return to their countries of origin.

While humanitarian responses are important in the short-term perspective, we must complement those efforts with a long-term strategy for migration management. The United Nations' High-Level Plenary Meeting of the General Assembly on addressing large movements of refugees and migrants, scheduled for 19 September 2016, will represent the culmination of the on-going debate on migration at the international level. We want to be part of this debate.

Prevention of Corruption

Corruption has extremely negative impacts on society at large. Deepening economic disparities, lack of rule of law, weak governance, and corruption are among the factors that contribute to global threats such as terrorism, violent extremism, transnational organized crime, as well as to illegal economic activities. Corruption weakens trust in the political system. Popular dissatisfaction of gravely corrupted institutions may sometimes result in violent forms of reaction that may undermine political stability, impacting negatively on economic development and security. Supporting good governance and transparency are essential factors to prevent corruption.

Effective anti-corruption measures require combined efforts and strong alliances among governments, civil society, the business community, and academia to foster and enhance citizens' trust and social consensus on the non-tolerance of corruption. But most of all, what is profoundly needed is to redesign the entire matrix of social behaviour, so that corruption becomes not only illegal but ethically unacceptable.

In this regard we parliamentarians play a critical role. We can and must support the efforts of our governments and civil society actors and create a barrier to corruption with our private and public behaviours and actions. Indeed, improving the efficiency of public administration, especially if combined with greater transparency in public affairs and higher standards of integrity in the behaviour of public servants, is essential in mitigating corruption-related risks. Many OSCE participating States have introduced income- and asset-disclosure systems for public officials. But we need to do more to promote measures to effectively manage conflict of interest through the strengthening of asset declaration systems applicable to public officials.

Food and Water Security

2015 was an important year for the issue of food security. The Expo in Milan dedicated to the theme "Feeding the Planet" was a huge success with the public, surpassing the threshold of 20 million visitors. The Milan Expo saw the launch of the "Milan Charter", which has received widespread endorsement.

This instrument deals with three types of paradoxical situations:

- 1) combating food waste (about one-third of the food which the world produces is wasted);
- 2) reducing the share of crops used as livestock feed. This affects both the areas of land under fodder crops, and above all water use. As many as one billion of the world's

seven billion inhabitants still have no access to drinking water, leading to 4,000 child deaths every day;

- 3) the third development paradox is the simultaneous co-existence of starvation and binge eating. Every year, 36 million people die of starvation, while 3.4 million die of obesity (twice the 1980 figures), not to mention diseases relating to diabetes, heart disease, tumours connected with overeating, and unbalanced diets.

Together with food security, water security is a growing issue for the OSCE area, with certain regions in particular that are seriously prone to a water crisis. Central Asia, unfortunately, has been affected by two massive environmental disasters in recent years: the pollution of the Caspian Sea and the – by now – irreversible drying up of the Aral Sea. Erstwhile fertile and pollution-free areas have now become unproductive, poisoned lands. On the subject of protecting water resources, we need effective forms of international regulation to which the countries with vast strategic water resources and the largest water basins, above all, should subscribe. Such regulation should also envisage the fairer distribution and use of adequate financial resources for effective reclamation and basin depollution policies.

Energy

The need for superseding hydrocarbons as the world's primary energy source must be placed on our planet's environmental strategic agenda as a process to be managed and governed, not left to chance. This approach should embrace three areas of action – technological, economic and geopolitical. The OSCE could play a role in introducing conditions for sharing and co-operation in the energy sector, in order to manage and encourage technological progress. In this regard, intellectual property rights should not hinder the sharing of technological innovation, which should instead be made available to the world, in order to improve health, security, and quality of life.

It is also important to prevent financial shocks from upsetting the energy market, which will be difficult to sustain in the medium-to-long term. In the coming years, we will have to come to terms with a stagnant global demand for hydrocarbons, which, if properly managed, will not necessarily lead to budget deficits in hydrocarbon producing countries. If not well managed, however, it will likely lead not only to economic instability, but also geopolitical instability in various regions of the world.

Furthermore, it is necessary to foster new sustainable energy supplies in order to reduce the impact and the risks with the atmosphere. This year marks the 30th anniversary of the Chernobyl tragedy, which was the worst nuclear accident in our history and which destroyed for many years the life and economies of large areas in current Belarus and Ukraine. This tragedy must be remembered and remain a warning against the real risk of any possible environmental catastrophe. There will be no energy welfare without serious risk management and protection of the environment.

Economic Co-operation

It is against this background that Western countries must consider the difficult relations with the Russian Federation and ensure that they keep dialogue open so that solutions can be sought which genuinely respect the full rights of states, including Ukraine. But it should also be recognized that the imposition of sanctions against Russia, whatever the political rationale

behind them, have ripple effects across many countries' economies, and are arguably inconsistent with the spirit of Helsinki.

The 2008 financial crisis made it clear that economic relations affect the global geopolitical equilibrium. For this reason, excessively rigid austerity measures must be reconsidered, as they have failed to measure up to the current economic challenges. Such measures have been shown to depress economic activity, when what is needed is economic revival.

Conclusion

In the Helsinki Final Act of 1975, participating States recognized that “efforts to develop co-operation in the fields of trade, industry, science and technology, the environment and other areas of economic activity contribute to the reinforcement of peace and security in Europe and in the world as a whole”. More than four decades later, in the midst of crises and challenges on multiple fronts, we are reminded of how prescient these words were.

In this 25th anniversary year of the OSCE Parliamentary Assembly, let us redouble our efforts to ensure that OSCE's comprehensive approach to security includes a robust commitment to the economic and environmental dimension which, as we have seen in recent years, is integral to the broader security situation in the OSCE area and the world.