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REPORT

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

Enhancing Mutual Trust and Co-operation for Peace and Prosperity in the OSCE Region

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Introduction

Two phenomena unfolding worldwide have topped the international agenda for the last few years: climate change and migration. It is evident that these are neither emergencies nor transitory problems; they are structural issues for which the international community is required to provide strong and credible responses going forward.

This report examines these two major issues, the consequences of which impact every sector of our nations' economic and civil life.

Climate Change

At the COP 21 Paris Climate Change Conference, held between 30 November and 12 December 2015, solemn promises were made to reduce greenhouse gas emissions sufficient to contain global warming to within 2°C of temperatures prior to the industrial age. All nations undertook to commit themselves to drawing up policies that comply with these goals.

Alongside this objective, another major commitment was made: industrialized nations undertook to make an economic effort and fund environmental policies in the South of the world, to a decidedly significant sum. The figure mentioned was a total of USD 100 billion, starting from 2020. This commitment went beyond cash funds to include transfers of knowledge, technology, patents and know-how.

Paris was also a major step forward compared with the Kyoto Protocol in another way: all of the world's nations were called upon to become responsible for policies to combat climate change, applying a principle of "common but differentiated responsibilities". It featured a strong appeal to so-called emerging economies, first and foremost China, concerning the risks that climate change entails for humanity.

The COP22 Marrakesh Conference on 7-18 November 2016 was intended to draw up guidelines for action in order to meet the Paris objectives. Although the impetus of Paris was characterized as "irreversible", unfortunately the final declaration of the conference in Africa included very little that qualified as operational. The most commonly used verb in the final text was not "do" but "ask". Patience and determination are required, starting with an awareness that industrial nations must make a greater effort, even if this does not exempt others. The need for more-recently industrialized nations to follow their own independent paths must be respected, while at the same time a way must be found to orient their development in a direction compatible with the environment.

Green Growth

We must wait and see what attitude the new US administration adopts on this particularly delicate topic. While the world moves towards "green", environmentally-sound technological development and growth, the US government's decision to cancel the Clean Power Plan – the

significance of which cannot be ignored – is hardly encouraging. The risk is that environmental restrictions become less stringent and that we will witness a return to the use of coal, which is highly polluting. Research into new sources of energy, including by private enterprise, must take into consideration the fact that the future does not necessarily belong to fossil fuels and nuclear energy; that the well-being of the human community can be effectively ensured if research is oriented towards clean sources of energy.

At the Davos World Economic Forum in January, 13 major powers, transport and industrial corporations launched the Hydrogen Council, the first global initiative to support hydrogen. Europe too is committed to playing its part. A hardly-insignificant portion of the European Horizon 2020 programme pledges the disbursement of €5.4 billion annually.

According to the Bloomberg New Energy Finance (BNEF) Energy Outlook, by 2040 the world will be investing the huge sum of USD 3.4 trillion solely in the development of solar energy. The “Revolution...Now: The Future Arrives for Five Clean Energy Technologies” Report by the US Department of Energy (DOE) calculates that savings from clean energy could reach US \$50 trillion.

It should further be noted that one of the planning objectives of the Austrian Chairmanship of the OSCE is summed up in the expression, “greening the economy”. Development of renewables which have a reduced environmental impact dovetails with policies for protecting the environment and energy security. The International Expo in Kazakhstan, which runs until the end of November, focuses on energy and will give a strong fillip to energy-related issues. It is to be hoped that this major event offers a further boost to research and co-operation in this arena.

Energy and the Environment

Energy and the environment are closely interlinked, as is clear from a series of actions that the OSCE is pursuing in regions like Siberia and Central Asia, in part as a way of preventing conflicts. Transnational water basins are the most significant sphere in which this new form of co-operation is unfolding. The OSCE area’s most important water basins span the territories of multiple States. The OSCE has consequently started up major cross-border co-operation programmes to manage water networks in Central Asia and Siberia, oriented above all towards prevention and environmental risk management through early warning systems.

This includes Lake Baikal, which until recently was one of the world’s purest water reserves, but has begun to show evident signs of pollution. OSCE co-operation is being undertaken to avoid irreparable disasters such as the ones that befell the Caspian and Aral Seas to protect Lake Baikal and its complex hydrological and environmental system.

Migration

Major migrations from the world’s South to its North is a phenomenon underway today that is of great concern to public opinion in our countries. This phenomenon has many causes and many consequences.

The United Nations Refugee Agency reports that 65.3 million people were forced to flee their home country in 2016. Of these, approximately 21.3 million are refugees, over half of whom are less than eighteen years of age. Every day, conflict or persecution forces roughly 34,000

people to leave their homes. Around 1 in 113 of the world's population of some 7 billion is either an asylum seeker, internally displaced, or a refugee. This alarming fact should prompt us – especially those of us with public responsibilities – to come up with rational rather than emotional reactions.

It is common knowledge that it is not war alone that has set these millions of people on the move. For some, it is impossible to continue living in their own country because of the progressive degradation of their environment. The number of so-called “environmental refugees” is worryingly on the rise.

The United Nations Environmental Programme (UNEP) forecasts that by 2060, 50 million people will have fled Africa as “climate migrants”; the United Nations High Commissioner for Refugees (UNHCR) expects between 200 and 250 million climate refugees in 2050.

The outlook is extremely grave, making a complicated situation even tougher. We absolutely cannot ignore policy and projects to manage and protect the environment. Above all, the very survival of the human race depends upon protecting the environment.

We cannot ignore the effects that damage to the environment will have on demographics and, as a result, on our nations' economy and society.

Development and Wealth Disparity

Another cause of migration is the major disparity in the levels of development and wealth between the world's North and South. Parts of the planet still suffer food, water and energy supply problems, drought and famine. The world population is approximately 6.7 billion, with around 1.4 billion people living on less than USD 1 a day; 850 million human beings suffer from hunger (of whom approximately 820 million are in developing nations according to UN figures).

Despite the improvements about which experts talk, enormous disparities remain regarding development and living conditions between North and South – disparities that are as intolerable ethically as they are in terms of managing political and social processes. Around 82% of the world's 7 billion people live in non-OSCE nations, which have a per capita average GDP of approximately USD 5,000.

One point three billion people have no access to electricity (roughly half in Africa, half in the Far East). Two point six billion people use biomass to cook, risking serious damage to their health. The World Health Organization condemns the fact that around 4.3 million people die as a result of domestic pollution from using coal or biomass-fuelled stoves. Roughly 85-90 per cent of the world's energy resources are located in these countries. This vast potential for developing countries has unfortunately remained at a theoretical level. On the contrary, less than 20 per cent of the world's population lives in OSCE nations, which have an average per capita GDP equal to seven times the GDP of non-OSCE nations, despite the fact that they possess just 10-15 per cent of world resources.

It is currently estimated that around 13% of the world's population – as many as 790 million people – live below the poverty line and struggle with serious malnutrition problems. Almost half of this poverty is concentrated in sub-Saharan Africa.

It is hardly surprising that this is where the majority of the flow of people that has generated today's migration crisis comes from.

All of these problems are interlinked, and all of them require political solutions to adopt an over-arching approach. This kind of approach must be rooted in personal dignity: it is every person's right to live their life in dignity and security.

Refugees and Migrants

Bearing this in mind, we should perhaps rethink the distinction that normally is made in public debate between "refugees" and "economic migrants". As is commonly known, the Geneva Convention – a Convention that deserves to be defended – applies solely to "refugees". We must nevertheless act out of the principle that every person deserves to be rescued. Every person deserves to be helped. Every person deserves to be welcomed, and every person deserves to be integrated.

In Italy, multiple players work together in the integration process for immigrants: the Ministry of the Interior, the umbrella organization for Italy's municipalities, and associations that work in immigrant integration. This system, known as SPRAR (the Asylum and Refugee-Seeker Protection System) works proactively to integrate 26,000 immigrants.

In Italy, non-EU foreigners make up 8 per cent of the population and generate 8 per cent of Italy's Gross Domestic Product, that is to say around €100 billion. Italy's welfare entity calculates that foreigners cover pension payments to around 640,000 Italians.

The lesson is that if it is supported by bold, integration-led policy, immigration can generate wealth and opportunity; it can be a problem-solver rather than a problem-creator. As the OSCE Parliamentary Assembly has pointed out on many occasions, immigration and mobility are actually an enormous opportunity for economic growth and development.

Globalization

It would seem that the first time the word "globalization" was used was in a 1961 article in *The Economist* about the need for reforms in Spain. Today, the word arouses a sense of apprehension; it has taken on a predominantly negative connotation. In effect, economics based on financial flows and speculative bubbles has shown all of its limitations. The rules that accompanied the economic globalization process were adopted (and subsequently updated) at the so-called "Uruguay Round" of talks, which began in 1986 and ended in 1994. These negotiations continued over some years, leading to the foundation of the World Trade Organization (WTO) and new rules for international economy and finance. These rules conclusively broke down the borders of international trade, increasingly sapping the strength of a protectionist approach to economics based on tariffs and impediments to the free circulation of merchandise and capital.

It is impossible to ignore the fact that the idea of protecting national output and jobs has been gaining more and more ground among the public before it was adopted by politicians. We must acknowledge that this has gathered momentum in a country that we all consider to be a beacon of freedom and democracy, and a friendly nation to boot: the United States of America. Blame for the inability to harness globalization must fall on all players in politics and in the realm of economics and finance.

Major world institutions such as the International Monetary Fund and the World Bank, which were established to support economies in difficulty – and continue to undertake this task with skill and courage – are perceived negatively by citizens in many nations. Think of the annoyance that the so-called “Washington Consensus” – a framework of economic and administrative directives designed not as principles for interfering in a country’s internal affairs but to foster growth and development – has aroused in public opinion and sensibilities.

One factor acting against growth and development is corruption, against which we must strive and take a stand. Corruption impoverishes society and prevents the fair distribution of wealth. The OSCE is involved in a number of anti-corruption training drives, under the imprimatur of the UN Convention against Corruption (UNCAC). Efforts are directed towards identifying a best-practice approach from which all nations may draw inspiration. The OSCE is leading significant initiatives against corruption at regional and sub-regional level in Central Asia and Mongolia, Ukraine, the Western Balkans, Moldova and Russia. This issue also encompasses money-laundering and intercepting criminal financial flows towards so-called tax havens. To prevent and combat these criminal financial processes requires political will and shared measures. It requires clear and effective legislation; it also requires agencies specialized in fighting corruption that work with both national governments and the private investment sector.

International decisions on economic issues must restore people, their needs, and their interests to the heart of matters once more. It is not a question of policy that penalizes the markets but of policy that harnesses the role played by markets to serve economic and civil growth. It is only through growth that we may foster hope; it is only through hope that we may have faith in others, and without faith in others, progress is impossible.

Scientific Freedom

Scientific achievements are the core of development. Research doesn’t belong to elites; rather, it’s a substantial resource for all our citizens.

Education and research should be free from the influence of governments. Any legislation which could have a negative impact on the autonomy of education and risks shrinking scientific and academic freedoms would be at odds with the principles of the OSCE. Therefore, private academic institutions should not be faced with obstacles regarding their requirements to be registered and operate in any OSCE country. For the same reason, public universities have a duty to protect the freedom of teaching and free thinking.

The OSCE is committed to protecting the freedom and independence of research. Investment in science is an investment in all levels of our societies and protecting it is a duty of all OSCE participating States.

Conclusion

The dream of the entire globe sharing homogeneous living standards and basic rights underpins Agenda 2030, the action plan for people, the planet, and prosperity signed in September 2015 by the governments of the 193 UN Member States.

Zero poverty, zero hunger, health and well-being for all and for all ages, guaranteed high standards of education for all, achieving real global gender equality and drinking water guaranteed for every country in the world are just some of the items in the ambitious Agenda 2030 project.

Regardless of whether or not it is possible to achieve these goals, we must keep them in mind because they constitute a moral and civil imperative for people who, as we do, work in representative assemblies.