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REPORT

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

Strengthening Regional Security by Fostering Democratic and Inclusive Societies: The Role of the OSCE PA

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Introduction

We all aspire to live in a prosperous, clean, secure, free, just, and democratic world, in which co-operation thrives, and our children can pursue peaceful lives full of opportunities.

However, war has returned to Europe with all its horrific consequences, and the road to a peaceful and prosperous future has become longer and harder. The unprovoked and unjustified military invasion of Ukraine by the Russian Federation constitutes a grave breach of all international norms and principles, including the Helsinki Final Act, and as such represents a turning point in the history of Europe and the OSCE. This illegal war has brought immeasurable suffering to people, including torture and war crimes, as well as the destruction of the country's critical infrastructure. Moreover, the war in Ukraine has triggered economic distress, energy instability, food insecurity, and environmental degradation across the OSCE region.

At the same time, participating States are struggling with post-pandemic economic recovery, high inflation rates, new forms of poverty, and the challenges posed by climate change, which is increasingly impacting the security of our citizens through extreme weather events, droughts, heat waves, etc. In the face of all these crises, civil society and especially young people are becoming increasingly frustrated and distressed. Parliaments should hear their voices and concerns with a particular attention, as they represent a leading force of change for a better future. Overall, there is a growing consensus that we need to become more sustainable and more environmentally friendly in our development efforts; and that technology and science are instrumental to this end.

On our way to reach a peaceful and prosperous future, we must first and foremost focus on (re)establishing peace, while already planning to rebuild what has been lost or destroyed over the past year. We should conceptualize a new way of co-operation with each other, creating relationships of goodwill and trust, full of care and understanding of each other's worries and needs. Working together for the common good must be the priority of the OSCE Parliamentary Assembly.

Economic Security and Sustainable Economic Recovery

Economic security is a key aspect of the OSCE comprehensive security approach, as it impacts the daily lives of all citizens. The economic impact of the war in Ukraine had a ripple effect on the whole OSCE region, which stalled growth and caused rising inflation, adding to the already tense socio-economic context stemming from years of pandemic. The cost-of-living crisis cannot be disassociated from higher commodity prices, a direct impact of the Russian aggression against Ukraine. Europe's reliance on Russian natural gas has increased the risk of economic recession and social unrest after the outbreak of the war.

However, within every crisis also lies some new opportunities. The "perfect storm" we are experiencing – climate change, the war in Ukraine, and the Covid-19 pandemic - shall be our occasion to develop and implement sustainable economic recovery measures throughout our region. This does not mean solely building back greener; it entails creating a smarter and more resilient economic environment, using new technologies and innovative solutions. Indeed,

technological developments, digitalization and a more sustainable economy go hand-in-hand. Open data and digitalization have proven to be useful by allowing citizens to access information easily and to communicate more efficiently with their authorities, boosting civil society participation, ensuring greater equality and a smoother transition to a greener economy.

Ultimately, it is crucial to rethink the relation between economic development and its impact on the environment, and to find a more balanced and green development model to ensure sustainable economic growth across the region, as slowing down economic growth to ensure environmental efforts is undesirable.

In this regard, the OSCE PA Conference on "the Role of National Parliaments in Promoting Security and Stability through Green Economy, Connectivity and Sustainable Development in the OSCE Region", held in Baku (Azerbaijan) on 22-23 May 2023 provides an excellent opportunity for policy-makers to share key lessons learned in this field.

Women's full economic participation in society is also a fundamental element to build stable, sustainable, and prosperous societies. To that end, all states should increase social and labour protection of women and motherhood and ensure full and equal access to the economy and the labour market for women.

Good Governance and Economic Crimes

Promoting economic security is closely associated with ensuring good governance and fighting economic crimes. Our Assembly is committed to tackle issues related to corruption and money laundering and to promote good governance. Transparency should be a rule and not an exception across the OSCE, and it should cover all levels of public functions. To that end, the use of open data and digitalization to scale up the fight against corruption is key.

International organizations such as the OSCE should continue to take a strong stance against corruption and to promote efficient and tailored policies against economic crimes and support participating States in their implementation.

The adoption of the Supplementary Item 'Code of Conduct for Members of the OSCE Parliamentary Assembly' – sponsored by our Special Representative on Fighting Corruption - at the Birmingham Annual Session in July 2022 is an example of our renewed efforts to lead-by-example, promote transparency, and boost accountability inside our Assembly.

Protecting the Arctic

Within the Arctic region lies great economic potential, ranging from natural resources to fishing grounds and tourism. The greatest potential, however, may lie in the development of new trading routes across the region as the ice continues to melt. Such routes could shorten existing delivery times and alleviate pressure on some of the world's trade bottlenecks, such as the Suez Canal. At the same time, this fuels new geopolitical confrontations in the region. It is imperative to closely monitor developments in the Arctic region and ensure peaceful economic relations among relevant OSCE participating States, while protecting the delicate environmental circumstances of the Arctic.

Clean Energy Transition

Over decades, compelling links between environmental degradation and global security have become increasingly evident. Environmental problems affect people and countries in many ways. Besides global security, environmental degradation threatens public health, social cohesion, and development, to name just a few of the areas affected. Moreover, the world's reliance on fossil fuels, often supplied by authoritarian regimes, may lead to geopolitical tensions and, occasionally, conflicts.

Against this backdrop, a green energy transition which favours energy diversification makes our economies more resilient to individual fallouts and less dependent on unstable countries and authoritarian regimes. Clearly, it is an important step to undertake in order to ensure a cleaner and more secure future for the next generations and for our planet.

The clean energy transition therefore represents a top priority of our time. Intended as the global energy sector's shift from fossil-based systems of energy production and consumption (including oil, natural gas, and coal) to cleaner energy sources (such as renewables and low-carbon hydrogen), it implies gradual changes, structural ruptures, as well as systemic shifts, including reforms of energy markets to adequately integrate "prosumers" (households and enterprises acting as both producers of renewable energy and consumers).

However, energy systems are complex and affect every aspect of society, therefore it is critical to find the right timing for the transition. A swift transition to clean energy is as important as a sustainable and long-lasting one. Changing energy sources and systems without the required capacities and means to support the transition would likely result in a degradation of energy reliability and an increase in energy costs which ultimately, would negatively impact the citizens.

Science and technology play a central role in this context. The energy transition should leverage the latest scientific findings and technological developments aimed at, *inter alia*, improving energy efficiency across the board, reducing energy costs, developing and making economically viable new sources of clean energy, and capturing existing emissions. Research on options to better diversify energy production is key, from renewable energies that are already in use, to new energy sources. Nuclear fusion, which is significantly cleaner than conventional nuclear power, seems a particularly promising area of research, with many advanced international efforts and experiments on-going. Technological development and scientific progress are keys to support a transition that is both fast and well balanced, considering national circumstances and systemic linkages in society, economy and environment. To achieve this goal - clearly entailing profound economic, social, and cultural transformations in the coming decades, living up to social challenges and taking into consideration geopolitical differences - we will need strong political leadership, a common vision, and a shared sense of responsibility.

Ultimately, reliable and affordable energy is a prerequisite of economic growth, which is instrumental to stability and security in the OSCE space. Hence, while we advance our energy transition efforts, we must be cautious not to undermine the competitiveness of our economies vis-a-vis those of countries that benefit from lower production costs and less stringent environmental regulations, such as China and India. As parliamentarians, we must secure the economic competitiveness of our countries and of the OSCE region as a whole while creating strategies for an affordable and inclusive energy transition.

Energy for All

At the 5th Vienna Energy Security Dialogue, an international forum uniting decision-makers from business, politics, academia, and civil society to discuss the opportunities and challenges of the energy transition, the need to invest in affordability of energy and to place individuals at the core of the energy transition was repeatedly stressed. As one of the largest expenditures of households, citizens are particularly vulnerable to rising energy prices. We must prevent the development of new poverty traps and insist on the inclusion of all in mobility and society.

Therefore, unhindered access to, and affordability of, energy is a key factor to secure citizens' well-being and prosperity. Unfortunately, within the OSCE region there are still areas with limited access to electricity. In rural areas of Central Asia, for instance, more than half of the population are poorly connected to the national energy systems. For instance, 5,000 residential areas in Kazakhstan are still not connected to the central power grid, and residents often resort to burning coal to meet their household energy needs.[1] Hence, when setting common global targets, it is crucial to duly ponder the different national circumstances of each country and tailor strategies to best support local needs, thereby ensuring a more inclusive, fair, and efficient energy transition. Ultimately, it is critical that all OSCE countries have unhindered access to clean energy investments and programmes.

Energy Security and Critical Infrastructures

Together with the COVID-19 pandemic, the dramatic consequences of the war in Ukraine highlighted the need for countries to reinforce the security and resilience of their energy infrastructures and to strengthen their domestic capacity to build and apply clean technologies. 2022 was described as the year of the first global energy crisis by the World Energy Outlook as it was marked by an unprecedented energy scarcity.[2] Resilience of energy infrastructure is at the forefront of policymakers' concerns, and the OSCE PA has contributed to this conversation by organizing two debates on energy security during the Autumn and the Winter Meetings.

Several issues stem from this crisis. First, the energy crisis cannot be fully disassociated from climate change, as weather variations impact participating States' clean energy production capacities. Incorporating data on climate change and weather patterns to our knowledge of critical energy security could help to palliate this issue and better understand its nexus. Second, the war has highlighted the importance of improving cyber security as threats surrounding critical energy infrastructures have skyrocketed. Third, the energy crisis has raised both the cost and the urgency of achieving the energy transition, putting additional pressure on already weak economies. Finally, the destruction of the Nord Stream pipelines last September has demonstrated the fragility of our current energy systems and the need to better protect our critical energy infrastructure. The importance of transboundary infrastructure like submarine cables and pipelines should not be underestimated. A thorough international investigation on the destruction of the Nord Stream pipelines is therefore needed in order to ascertain responsibilities and avoid similar attacks on critical infrastructure in the future.

[1] Advancing Energy Security in Central Asia: Publisher Organization for Security and Co-operation in EuropeDate 9 March 2022; 513787_0.pdf (osce.org)

[2] IEA (2022), World Energy Outlook 2022, IEA, Paris https://www.iea.org/reports/world-energy-outlook-2022, License: CC BY 4.0 (report); CC BY NC SA 4.0 (Annex A)

Preventing Blackouts

Experts have warned that electricity networks are not currently designed to cope well with significant sudden variations of energy inputs from sources with different voltages, for example those dependent on the weather. This could trigger major blackouts, meaning a prolonged fall out of electricity due to network breakdowns.[3] Such a scenario poses a serious threat to our societies, which are highly reliant on electricity for almost any aspect of human life. Hence, it is key to upgrade our networks and promote clean and stable energy supply, while also preparing for the possibility of unexpected blackouts.

Energy transition to cleaner forms of energy production must duly consider the complex systems in which energy production is embedded in today's society, economy and environment. Pro-environmental policies must not necessarily be anti-industrial or anti-economy. In fact, economic development has often led to more environmental protection.

Climate Change and Environmental Protection

Climate change mitigation and adaptation encompasses a wide range of actions that aim to eliminate, or at least reduce the risks to people and society stemming from global warming, from food security to reacting to land erosion. Combating climate change is an uphill battle, but with combined efforts and suitable actions it is indeed possible to minimize the damage it causes. This was also underlined by the 2021 Ministerial Council Decision on Strengthening Co-operation to Address the Challenges Caused by Climate Change. In this endeavour, the Parliamentary Assembly is eager to work with the OSCE and its executive structures, as well as with the governments of the participating States, to increase existing synergies and add its distinct parliamentary contribution.

Technology plays an important role also in reducing green-house gases (GHG) emissions. Investment in critical technologies such as carbon capture and storage, direct air capture, and nature-based solutions to capture emitted GHG emissions can greatly help to reconcile, at least in the short-term, the growing need for reliable and affordable energy with the requirements of decisive climate action.

Considering that e-transportation carries clear public health benefits, especially in our cities, but does not necessarily entail a low CO2-footprint, for instance when the electricity used by e-vehicles comes from fossil fuels, it is pivotal to continue researching alternative green technologies in the mobility sector, such as hydrogen.

Both the construction and the long-term maintenance of residential and commercial buildings are responsible for a significant share of environmental pollution. Technical deficiencies in existing buildings, and avoidable design errors in new projects, often cause excessive energy and resource consumption, as well as CO2 emissions. Against this backdrop, it is pivotal to reduce the carbon footprint of our buildings, including by improving their design and construction, promoting their renovation and reducing their energy maintenance costs.

Finally, it is critical to continue improving climate science to combat climate change more effectively. There are still uncertainties in the prediction of future scenarios, which steer our

[3] Scholastica N. Emenike, Gioia Falcone, A review on energy supply chain resilience through optimization, Renewable and Sustainable Energy Reviews, Volume 134, 2020, https://doi.org/10.1016/j.rser.2020.110088. (https://www.sciencedirect.com/science/article/pii/S1364032120303798)

actions in the present, therefore there is a need to conduct more precise analyses and more focused modelling efforts to reduce these uncertainties. The public also needs to be adequately informed about climate change. Instead of anxiety-driving slogans, we need a fact-based dialogue in the fields of environment, politics and science, in order to enhance credibility and foster common action.

We must foster a science-based approach and duly highlight the progress achieved so far in our global efforts. Governmental awareness across the OSCE-region is high, key steps have been achieved, technological innovation is at a peak, and good news is already coming in. Rare species which were feared to be extinct, were spotted and documented again. Harmful chemicals have declined by just over 50 per cent in the mid-level of the stratosphere compared to the 1980s, and the Great Barrier Reef shows signs of recovery.[4] While working towards a clean and sustainable environment and planet, it is pivotal to embrace a balanced and science-based attitude in addressing these challenges.

Pollution as a Shared Liability

Pollution, hazardous waste and harmful radiation do not stop at borders. Neither does our responsibility for the pollution we cause. It is rather common that environmental risks stemming from industrial activities are partly borne by neighbouring countries, which in turn have no direct production benefits. The polluter must take responsibility, no matter where harmful effects occur.

Water pollution and water scarcity, as we see for example in the Aral Sea, are posing growing threats to the OSCE region. Needless to say, water is crucial for people to survive and for societies to thrive. It is a strategic natural resource directly impacting on security, as water (mis)management can trigger conflicts, or act as a threat multiplier in times of conflict. Climate change and poorly pondered human activities bare the potential to disrupt water security, making water scarcity a growing problem around the world. Water scarcity has direct implications on human health, sanitation, and political stability.

The OSCE region has approximately 150 rivers and lakes which are shared by two or more States, making co-operation on water management a crucial part of its mandate. Water management has a strong peacebuilding potential, as local environmental projects conducted across our region have proven to promote social cohesion, regional collaboration and enhance socio-economic factors. Hence, water diplomacy and co-operation between participating States is necessary to reconcile varying water needs in the interest of security. More practical solutions should be considered and implemented, such as the installation of wastewater treatment facilities to curb the levels of water pollution.

Adding to this, an alarming number of micro- and nano-plastic particles have been detected in virtually all ecosystems of the planet, including in some of the most remote areas of the world.[5] Last year, these particles were identified in various human organs, and even in their blood. While negative health effects of exposure to micro-plastic particles have already been demonstrated in various organisms, pathological effects on humans have yet to be established.

[4] https://www.euronews.com/green/2022/09/27/wolves-bears-and-bison-50-species-make-spectacular-comeback-in-europe
https://www.euronews.com/green/2022/08/04/australias-great-barrier-reef-shows-best-signs-of-coral-recovery-in-36-years
https://www.weforum.org/agenda/2018/08/planet-earth-has-more-trees-than-it-did-35-years-ago/

[5] https://www.unep.org/news-and-stories/story/plastic-leaching-farmers-fields-alarming-rate-new-report

It is therefore critical to step up research efforts in this field and put in place the appropriate countermeasures.

Globalization and Food Security

Globalization has made our societies more interdependent than ever before. Since the decisive factor of purchase is usually price, production centres have gradually shifted to places with lower production costs, including food production. This has increasingly exposed our societies to shocks deriving from unpredictable natural and geopolitical developments, such as the recent pandemic and the war in Ukraine. It has often also increased the ecological footprint of our goods, as delocalization of production often comes at the expense of environmental standards. Hence, it is critical that OSCE participating States regain control over the production of strategic/essential goods and services, such as food and medical supplies.

November 2022 marked the anniversary of the so-called Holodomor, a severe, arbitrary and systematic famine provoked by the Soviet Union in 1932 and 1933, which, according to various calculations, claimed the lives of 3.5 to 7 million people. In the current Russian war of aggression against Ukraine, we are also witnessing the use of hunger and deprivation as a weapon of war. As a key producer and exporter of grains and other essential food supplies, the unjust aggression war against Ukraine endangers the lives of millions. We support all attempts to secure food deliveries from Ukraine, despite the war and the upholding of production even under such difficult circumstances.

Addressing Demographic Challenges

In many OSCE participating States demographic challenges have emerged as a result of *inter alia*, lower birth rates and emigration trends. This has led to a disproportionately large group of older population, challenging the concept of passing on life from one generation to another. It also poses a democratic challenge, namely when an ageing population has a decisive voting power, shaping society without sufficient regard to the needs of younger generations. These demographic changes and the challenges they pose do not always receive the attention deserved by legislators. It is therefore very important to closely monitor these developments and put into place adequate responses. A multi-level dialogue aimed at identifying possible causes, likely consequences, and plausible sustainable strategies for remedial action is needed to ensure generational sustainability and structural solidarity.

Human Trafficking and ICT

Organized crime is seemingly always one step ahead. Trafficking of human beings has largely shifted to a technology-initiated crime, as one unintended consequence of rapid technological development has been the misuse of technology for the purpose of human exploitation. This phenomenon affects all OSCE participating States. As also recognized in the Birmingham Declaration adopted by the OSCE Parliamentary Assembly at the 29th Annual Session (2-6 July 2022), it is a matter of priority that OSCE participating States adopt policies and legislation that will prevent the misuse of technology for trafficking purposes.

Artificial Intelligence

ChatGPT, which stands for Generative Pre-trained Transformer, is an Artificial Intelligence chatbot that was recently launched and which has been fascinating users with accuracy of its human-style texts. It is crucial to carefully ponder the effects of this radical invention on education and public discourse. Issues such as plagiarism, the development of citizens' critical thinking and writing abilities, as well as risks associated with cybersecurity, are clearly at stake. Multi-stakeholder initiatives are urgently needed to properly assess the impact of such new technologies and AIs on our societies and their security, and regulate their development and use as appropriate.

Data Management

Data management issues have become central in our digital lives. Personal data is increasingly being stored and exploited by companies with very little transparency and regulation, thereby attaining power, which is not democratically legitimized. At the same time, data is a prominent resource which – when used meaningfully and shared transparently – can greatly enhance inclusiveness in our societies and boost scientific progress. An effective data-management strategy should entail the creation of a transparent legal framework for public data use and protection as well as infrastructures of responsible bodies, meeting the requirements of a highly complex digitalized world.

Inclusion and Participation

Digitalization of services in fields such as economy, public administration, education and health, brings new opportunities for freedom and prosperity. Naturally, it also comes with challenges, one of which is inclusion: participation depends on access to devices and the internet, as well as on the capacity and willingness to use them. Parliaments should spearhead efforts to develop strategies that ensure that digitalization will be employed for the benefit of all the people, leaving nobody behind.

We must ensure that all citizens have equal access to fundamental services, information, and essential goods, independent of their ability to use digital means. In particular, the elder generation and poorer or less educated people need to have a right to participate in the political, social and cultural life by analogous means. Therefore, as parliamentarians we need to develop legislation which obliges state institutions and providers of basic goods, such as energy, water, education, health to procure possibilities for citizens to approach them, get information, file applications, and voice their concerns by non-digital means as well. We also need to develop our understanding of human rights in the light of recent developments and declare and implement a human right to participate in the social, political, and economic life by non-digital means.

Medical Security

The origin of the Covid19/SARS virus has not yet been fully clarified. This incertitude has led to questioning the safety of laboratories engaged in so-called "gain of function" virology, in several participating States. Making a virus more dangerous in order to research its functionalities poses obvious security hazards. Re-adjusting the security standards of these laboratories and confronting ethical questions raised after the global pandemic are essential steps in this context.

Another issue that should not be overlooked is the decrease in manufacturing of medications in the OSCE region, due to the globalization of drug trade. Most of the world's medication is currently produced in China and India. This concentration of the market comes with risks, which include disruptions in supply chains, as was recently experienced in several European countries. Also, manufacturers can decide to stop producing a certain drug when it is no longer profitable enough, leaving buyers with very few alternatives. Diversification of sources of essential medicines must be a goal of our parliamentary work.

Ultimately, a comparative analysis of the different approaches of OSCE participating States vis-à-vis the COVID-19 pandemic could serve to develop a better understanding of this health crisis and prepare better for the next one.

Conclusion

Against this very articulated background, the OSCE PA Second General Committee shall continue to examine topical security threats related to the environment, economy, science, and technology, as well as to explore opportunities for co-operation within these fields to foster longer-term security, prosperity, and sustainable development in the OSCE region. Our Committee is quickly becoming the most forward-looking body of our Assembly. The multiple crises of our time have demonstrated the importance of the themes we are mandated to focus on and urges us to explore innovative ways to address them co-operatively. Co-operative security on economic affairs, science, technology and environment is more important than ever. All stakeholders are called to engage and commit themselves and join expertise and forces. I hope that this report is a small contribution to this process.