SECURITY AND HUMAN RIGHTS MONITOR

New Opportunities for the Neglected Basket?

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Abstract

This paper explores the historical marginalization and evolving significance of the OSCE's economic and environmental dimension—the so-called "second basket"—within the broader context of the Organization's three-dimensional approach to security. It traces the skepticism and underdevelopment that characterized this dimension during the Cold War and post-Cold War periods, contrasting it with the more institutionally and politically robust first (politico-military) and third (human rights) dimensions. The analysis highlights how shifts in global security threats—particularly the triple planetary crisis of climate change, biodiversity loss, and environmental degradation, alongside Russia's war of aggression against Ukraine—have created new opportunities for the second dimension to assert relevance. The paper details the OSCE's recent environmental initiatives, including climate-security programming and post-war recovery support in Ukraine, emphasizing the Organization's potential as a flexible and effective multilateral actor. It concludes by reflecting on the urgency of integrating environmental challenges into comprehensive security strategies and argues that the second dimension, once neglected, is now pivotal to the OSCE's future role in promoting stability, trust, and resilience across its participating States.

The neglected basket

For a long time, it seemed as if the OSCE's economic and environmental dimension – often referred to as "second basket" or "second dimension" – was treated as the Organization's stepchild. In particular during the Cold War period of the Conference on Security and Co-operation in Europe (CSCE), and once again with the deterioration of relations in the OSCE at the beginning of the new millennium, the second dimension suffered from a reputation as a Trojan horse. This perception was especially prevalent among many Western participating sStates: they feared that economic co-operation would not only provide benefits to Eastern economies but also serve to legitimate and strengthen the political regimes in power. Additionally, Western diplomats and politicians feared that fostering economic ties could distract from, and even undermine, the crucial focus on the human dimension, the so-called "third basket" or "third dimension". It was in this area that the central ideological struggle took place, and where significant political effort and attention were seen as most urgently needed.[1]

On the other side, and despite some reservations against the usefulness of closer economic engagement, Eastern European negotiators within the CSCE hoped to gain impulses for technical innovation and expansion of sales markets for their production from economic exchange with the West. Moreover, influential circles in the West anticipated gaining leverage over the Eastern European political system through economic engagement.[2] Hence, in the Final Act, the Organization's fundamental document, participating States expressed their conviction "that their 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."

1 See M.C. Morgan, *The Final Act. The Helsinki Accords and the Transformation of the Cold War*, Princeton University Press, Princeton 2018, chapter 6.

2 Regarding Eastern and Western positions, their internal discrepancies and the negotiation process of the second basket see M.C. Morgan, chapter 5.

Additionally, the concept of "Wandel durch Handel", namely "change through trade",[3] gained traction in the West as a strategy aimed at achieving political changes in the coercive regimes of Eastern Europe through sustained and constructive economic engagement. This policy strategy retained its attractiveness even after the fall of the Iron Curtain, shaping interactions between the West and Russia. However, the concept also had been harshly criticised since its inception, and in the eyes of many it was ultimately discredited following Russia's illegal annexation of Crimea in 2014 and the beginning of the war of aggression against Ukraine in 2022.

From an internal OSCE perspective, the second dimension developed unevenly in comparison to its two sister dimensions. This imbalance can be traced back to the outcomes of the CSCE's preparatory negotiations: while Soviet leaders "wanted to cooperate with the capitalists, but feared the consequences of doing so", Western negotiators approached the talks from a more confident position, because "they also understood, that the solution to their economic woes lay primarily in the capitalist world". Consequently, the "conference exposed the difficulties of reconciling the globalizing market place with the precepts of central planning" and the "shortcomings of Basket II made clear that Eastern and Western economic concepts remained worlds apart."[4]

The politico-military, or "first" dimension represented the core of Europe's new security order as introduced by the Final Act. It gained additional significance by the establishment of the Forum for Security Co-operation (FSC) in the early nineties, as the FSC functions as one of the OSCE's key decision-making bodies, alongside the Permanent Council (PC).[5] Furthermore, the period of détente during the first decade following the opening of Eastern Europe saw intensive activities in the field of arms control, amongst others through the creation of a wide range of confidence and security building measures, commonly referred to as "CSBMs".

The human dimension flourished especially in the aftermath of the Charter of Paris for a New Europe: It was in the nineties that the dimension's fundamental commitments were agreed and institutions were established, namely the Office for Democratic Institutions and Human Rights (ODIHR),[6] the High Commissioner on National Minorities (HCNM)[7] and the Representative on the Freedom of the Media (RFOM).[8] Equally important, critical monitoring tools like the Vienna and Moscow Mechanisms came into existence.[9] These commitments, institutions and mechanisms have retained their vital role as human rights watchdogs and as reform pillars for democracy and rule of law to this day.

Comparably meagre was the development of the second dimension. Although economic, scientific and environmental co-operation were included in the Final Act,[10] this dimension lagged both thematically and

3 The notion reverts to a speech of E. Bahr, long-standing associate of German Federal Chancellor W. Brandt, in 1963. E. Bahr promotes a strategic shift through rapprochement with Eastern Europe, initiating the so-called German "Ostpolitik", or policy of détente. See E. Bahr, *Wandel durch Handel (Tutzinger Rede)*, 15.07.1963. (Egon Bahr, Wandel durch Annäherung (Tutzinger Rede) – 1000 Schlüsseldokumente).

M.C. Morgan refers to the fact that also Soviet dissidents, e.g. A. Sakharov, favoured economic and scientific co-operation as means for mutual understanding and the reduction of the risk of war. See M.C. Morgan, p. 159.

4 M.C. Morgan, pp. 145, 166, 168.

5 Established by the Helsinki Summit Meeting in 1992.

6 Created by the 1990 Charter of Paris for a New Europe as the "Office for Free Elections".

7 Established by the Helsinki Summit Meeting in 1992.

8 Established in 1997 by Decision No. 193 of the Permanent Council.

9 Adopted at the 1989 Vienna Follow-up Meeting and the 1991 Conference on the Human Dimension.

10 See Conference on Security and Co-operation in Europe, *Final Act*, Helsinki 1975, p. 13 ff. 39501_1.pdf.

institutionally behind – even during the Organization's so-called "golden years" in the nineties. Additionally, effective tools or mechanisms are lacking. The main thematic forum of the second dimension is the annual Economic and Environmental Forum (EEF) early September in Prague, meanwhile downsized to one and a half days. In contrast, in the first dimension the FSC is meeting on a weekly basis and the Annual Security Review Conference (ASRC) lasts two days. The main event of the third dimension, the Human Dimension Implementation Meeting (HDIM), is organised every year for ten days.[11]

It was primarily participating States from Central Asia, as well as Eastern and South Eastern Europe, that placed particular emphasis on the second dimension. For these countries, economic co-operation, in particular the topic of connectivity, was always of outmost importance. In contrast, many Western European and Transatlantic States seemed to fear that placing too much emphasis on economic issues might compete with, or even undermine efforts in the areas of human rights, rule of law and democracy. The view of these States obviously prevailed throughout the nineties and into the early two-thousands, contributing to an overall imbalance regarding the development of the Organization's three thematic dimensions.

The position of the Co-ordinator of Economic and Environmental Activities was only established in 1997, followed by the adoption of the Strategy Document for the economic and environmental dimension in 2003.[12] The Co-ordinator, together with a regular staff of 25 forms the Office of the Co-ordinator of Economic and Environmental Activities (OCEEA), being one of several entities within the OSCE Secretariat under the supervision of the Secretary General. According to the latest agreed Unified Budget (UB) decision in 2021, the OCEEA manages a budget of € 3.7 mio. By comparison, the Secretariat's units being in charge for first dimension issues, i.e. the Trans National Threats Department (TNTD) as well as the FSC Support (FSCS) and the Communications and Technology Unit (CTU) dispose over a staff of altogether 43 people and a budget of € 6.0 mio. The three autonomous institutions of the third dimension collectively employ 191.5 regular staff and manage a budget of € 26.5 mio.[13] Even acknowledging that some of the OCEEA's administrative tasks are handled by other Secretariat units, the discrepancy in institutional and financial support remains striking.

New opportunities?

As a result, the Organization has historically focused far more on issues of hard security and human rights than on economic or environmental aspects of security, particularly in political terms. However, the unfolding triple planetary crisis, i.e. environmental pollution, climate change and loss of biodiversity, as well as Russia's war of aggression against Ukraine have the potential to reverse this trend, allowing the OSCE's second dimension to gain more attention and relevance and demonstrate the Organization's long-standing expertise, competence

11 EEF, ASRC and HDIM are obligatory events and need consensus on an annual basis. As agreement was increasingly difficult to reach, they have been renamed and organised as substitute events by several Chairpersonships. There was no consensus on EEF 2023, 2025, on ASRC 2023, and on HDIM 2021-2025.

12 See *Decision No. 194 Mandate for a Co-ordinator of OSCE Economic and Environmental Activities*, PC.DEC/194, 05.11.1997. PCED194.PDF; *OSCE Strategy Document for the Economic and Environmental dimension*, MC(11).JOUR/2, 02.12.2003, Annex 1. MC.GAL/3/03/Rev.1.

13 OCEEA: staff 25, budget € 2.2 mio; TNTD: staff 31; budget € 2.8 mio; FSCS/CTU: staff 12, budget € 1.3 mio; ODIHR: staff 142, budget € 16.2 mio; HCNM: staff 32.5, budget € 3.5 mio; RFOM: staff 17, budget € 1.6 mio. See *Decision No. 1413 Approval of the 2021 Unified Budget*, PC.DEC/1413, 18.08.2021. 497680.pdf.

Extra-budgetary funds in 2021: OCEEA: € 1.4 mio; TNTD: € 1.9 mio; ODIHR: € 4.3 mio; HCNM: € 0.5 mio; RFOM: € 0.4 mio. See OSCE, *Annual Report 2021*, Vienna 2022, pp. 68, 72, 74, 83, 86. 520912.pdf.

Figures regarding staff and UB partially differ between the two above mentioned sources. Furthermore, this compilation does not include Field Operations' share in OSCE's programmatic work.

and capability in this field.[14]

Rising concerns of participating States about the impact of the triple planetary crisis have already led to an increased attention for the second dimension, in particular its environmental component. For example, the only substantive decision adopted at the 2021 Ministerial Council in Stockholm addressed the "challenges caused by climate change".[15] On the one hand, the fact that participating States could reach consensus only on a single substantial issue illustrated how deeply geopolitical divisions had already taken hold. On the other hand, the decision itself underlined the trend of growing recognition among States of the nexus between climate and security.[16] Even on the eve of Russia's full-scale invasion of Ukraine, at a time when consensus in nearly all areas of the Organization had become elusive, participating States were still able to unite around an issue viewed as a shared and serious threat to common security.

The Stockholm Decision provided the OSCE with a strong mandate to engage actively in the field of climate and environment related security. In response, the OCEEA and the Organization's Field Operations implement a wide range of programmes and projects addressing climate change and its direct and indirect security implications. By tackling these global security threats, the OSCE is able to unfold its strength and comparative advantage as a multilateral and flexible platform and instrument: It operates across borders and regions, supports public institutions and state administrations, and particularly, co-ordinates and integrates these efforts with the expertise and engagement of civil society. The programmatic work illustrates the operational adaptability of the Organization. Despite the current political stalemate due to Russia's full-scale invasion of Ukraine, the OSCE is able to deliver tangible results on the ground. Several flagship projects exemplify this practical approach: The Dniester River Basin Management Project, for example, promotes cross-border co-operation of Moldova and Ukraine, with a focus on institutional co-operation and transboundary water governance.[17] Also, the OSCE-wide project on mapping climate change and security hotspots addresses challenges at an interregional level by promoting awareness-raising, capacity-building and knowledge exchange among a diverse array of governmental and non-governmental actors.[18] Another notable initiative, the project on climate change impacts on critical energy infrastructure brings together 50 institutions across 14 participating States. It supports them in risk mitigation, preparedness and planning for a resilient and sustainable energy transition, thus reinforcing the OSCE's role in helping States navigate the evolving

14 The Environment and Security Initiative (ENVSEC) is such an example. The OSCE launched this initiative already in 2003, comprising a vast variety of environmental topics, beneficiaries and implementing partners. See Environment and Security Initiative | OSCE.

15 *Decision No. 3/21 Strengthening Co-operation to Address the Challenges caused by Climate Change*, MC.DEC/3/21, 03.12.2021. MC.DEC/3/21.

16 A. Vogler points at the fact that "(a)pproximately 70 percent of national security strategy documents published between 2007 and 2020 referenced climate change". See A. Vogler: Addressing the Climate-Security Nexus at the OSCE; in: C. Friesendorf, A. Kartsonaki, (eds.), *OSCE Insights,* Nomos, Baden-Baden 2025, p.1. 9783748945857-04.pdf.

17 See D.M. Bogdan, Transboundary Water Management, Biodiversity and Climate Change and their Impacts on Local, National and Regional Security: Examples from the Dniester River Basin Shared between the Republic of Moldova and Ukraine, in: H. Lampalzer, G. Hainzl (eds.), *Climate.Changes.Security. – Navigating Climate Change and Security Challenges in the OSCE Region,* Schriftenreihe der Landesverteidigungsakademie No. 04/2024, Wien 2024, p. 137-155. (Bundesheer - Wissenschaftliche Publikationen - Climate.Changes. Security. - 2nd updated Edition).

18 *Strengthening Responses to Security Risks from Climate Change in South-Eastern Europe, Eastern Europe, the South Caucasus and Central Asia*; (Strengthening Responses to Security Risks from Climate Change in South-Eastern Europe, Eastern Europe, the South Caucasus and Central Asia | OSCE); and *Strengthening responses to security risks from climate change in South-Eastern Europe, Eastern Europe, the South Caucasus and Central Asia* Strengthening responses to security risks from climate change in South-Eastern Europe, Eastern Europe, the South Caucasus and Central Asia | adelphi

landscape of climate-related security risks.[19]

Additionally, the Organization managed to cope with the phenomenon of climate change on a purely political level. Based on the Stockholm Decision, and initiated by the Secretary General in 2023, the respective Chair-in-Office has organised since a climate and security conference every year.[20] Furthermore, the impacts of climate change and security related environmental issues have become regular agenda items in second dimension conferences and events.

An area still ripe for development is the correlation between climate change and conflict. Neither the OSCE's 2011 decision on the conflict cycle[21] nor the 2021 decision on climate change explicitly recognise climate change as an accelerator or cause of conflict despite a growing body of research which concedes that "both the consequences of biodiversity loss and climate change, as well as conflict and insecurity, are far-reaching and touch all aspects of human society" and that "nature and conflict are increasingly interacting".[22] In this respect, OSCE's participating States appear to be lagging behind. The conflict cycle's component of early warning could be extended to better encompass environmental factors, including human-made environmental disasters and the impact of climate change on tangible security challenges.

The prevention and management of environment-related security challenges bears also the significant potential for reinvigorating trust and confidence-building among participating States. The long-term threats emanating from environmental pollution and climate change necessitate cross-border, regional and multi-institutional co-operation. If participating States are serious about mitigating grave future security risks and preventing irreversible damages to ecosystems and human livelihoods, they are effectively compelled to co-operate. The OSCE provides a unique opportunity in this regard, offering both the political platform as well as the practical action. However, the opportunity must be actively seized.

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19 'Mitigating Climate Change Threats to Critical Energy Infrastructure', Office of the Co-ordinator of OSCE Economic and Environmental Activities, 10 April 2025. Accessed via https://oceea.osce.org/oceea/588993.

20 OSCE High-Level Conference on Climate Change, Vienna 07.07.2023; Chairpersonship's High-Level Conference on Climate Change, Malta, 21.06.2024; Chairpersonship Conference on Climate and Security, Espoo, 11.06.2025

21 "Taking into account that impediments to economic welfare and social development as well as threats to environmental security, including environmental degradation, natural and man-made disasters and their possible impact on migratory pressures, could be potential contributors to conflict"; in: *Decision No. 3/11 On Elements of the Conflict Cycle, related to enhancing the OSCE's Capabilities in Early Warning, Early Action, Dialogue Facilitation and Mediation Support, and Post-Conflict Rehabilitation*, MC.DEC/3/11, 07.12.2011 (MC.DEC/3/11).

22 L. Rüttinger, et al., The nature of conflict and peace: The links between environment, security and peace and their importance for the United Nations, WWF/Adelphi, Gland/Berlin April 2022, p.11. The nature of conflict and peace: The links between environment, security and peace and their importance for the United Nations | Climate-Diplomacy.

See also T.H.-Dixon, A reflection on 30 years of climate and conflict, in: T. Clack, et al., *Climate Change, Conflict, and (In)Security. Hot War*, Routledge, Abingdon/New York, 2024, chapter 16.

G. Mastrojenni, A. Pasini, *Effetto serra, effetto guerra*, Chiarelettere, Milano 2017, pp. 18, 37, 44-45, 53.

G. Mastrojenni and A. Pasini develop a circular model of climate change and conflict, p. 54.

A. Detges, *Climate and Conflict: Reviewing the Statistical Evidence. A summary for policy-makers*, Climate Diplomacy, Adelphi/Federal Foreign Office, Berlin March 2017 .Climate and conflict: reviewing the statistical evidence.

However, some researchers are still more hesitant, negating the "linear causation" as an "illusion" (T. Deligiannis, Decentring climate security: The research and policy implications of sudden-onset and slow-onset climate change, in T. Clack, et al., *Climate Change, Conflict, and (In)Security. Hot War*, Routledge, Abingdon/New York 2024, p. 127), or point to some remaining "knowledge gaps" (B. Mosello, et al., *The Climate change-conflict connection - The current state of knowledge of knowledge*, *Climate-Fragility Discussion Paper*, adelphi research, Berlin November 12, 2019, p.8. Climate-fragility Discussion Paper: (climate-diplomacy.org).

Moreover, efforts to mitigate and adapt to climate change present an additional tool of fostering inclusivity and cohesion across the OSCE region. To name just a few: Melting glaciers, water scarcity and drought in Central Asia and in Alpine regions of Central Europe, devastating wild-fires in the Mediterranean and throughout Northern Europe and North America, thawing permafrost in Siberia and all-over the OSCE's mountain areas, invasive species threatening the biodiversity of all OSCE regions and many other "centenary events" become alarmingly frequent and pose a growing threat to human security. Lastly, the melting of Arctic ice endangers coastal communities not only in the OSCE region, but across the globe, demanding urgent and co-ordinated international action.

The catastrophic impact of Russia's war of aggression against Ukraine on both the economy and the environment as well as the noxious emissions caused by this war, have also brought second dimension topics to the forefront of political and programmatic attention. Politically, all second dimension fora and events have since the onset of the war focused on examining its consequences.[23] On the operational level, significant programmes and projects, albeit financed by so-called extra-budgetary (or voluntary) contributions, have been launched to address the severe economic, environmental and climate related harm caused by the war. By documenting the devastating impacts, registering the widespread damage and mapping the broadly polluted areas, the various projects implemented by the OCEEA and OSCE's Support Programme for Ukraine do not only illustrate the disastrous dimension of the war, but also play a vital role in gathering evidence and data for future accountability mechanisms and reconstruction efforts.

The OSCE's role in rebuilding Ukraine is still to be defined. While its financial contribution will likely be limited, the Organization can nevertheless assume meaningful responsibility by concentrating on its above-mentioned strengths and comparative advantages. In doing so, the OSCE can provide effective support to a broad range of fundamental state functions and reform efforts. The second dimension is expected to play a significant role in the OSCE's assistance programme for Ukraine. Essential areas like energy security, food security, water management and reconstruction of war-damaged environment are fields of action, where the OSCE can offer targeted support, drawing on its valuable experiences and profound expertise.

Conclusion

The implications of climate change and environmental pollution constitute a global threat, indeed a "planetary" crisis. Consequently, any effective response must be global, with action rooted in multilateral co-operation. Yet, the currently prevailing global political climate seems to be regressing from previously achieved levels of ambition and action. Environmental and climate-related threats are frequently entangled in ideological debates, still ignored, downplayed, or attributed to the future, drawing the immediate political attention towards more conventional short- and mid-term challenges. Limited resources, institutional challenges and time constraints further narrow the manoeuvring space of international actors. Moreover, adaptation measures seem to prevail over mitigation efforts, namely addressing more the symptoms than the

23 E.g. special meetings of the Economic and Environmental Committee (EEC) were held on 19.06.2023 on "Russia's war of aggression against Ukraine - Environmental, humanitarian and economic consequences of the destruction of the Kakhovka HPP dam for the OSCE region", on 31.05.2024 on "Addressing the economic and environmental impacts of Russia's war against Ukraine, including the destruction of critical infrastructure and the consequent effects on security in the OSCE region" and on 27.06.2025 on "Environmental integrity – addressing environmental and maritime security, including supply chain resilience", focussing *inter alia* on Russia's shadow fleet.

Furthermore, a special PC meeting was organised on 06.06.2023 on the destruction of the Kakhovka dam and a special PC-FSC-EEC side event was held on 12.07.2023 on the same issue.

root causes of the triple planetary crisis. Nevertheless, as mentioned above, environment and climate related topics have considerably gained weight in the OSCE throughout the last years.

It remains to be seen whether in the long run environmental issues and climate challenges will be able to play the bridging role once envisaged for economic co-operation in the early days of the CSCE. The key difference between then and now lies in the urgency and imperative to act collectively: because failure to co-operate meaningfully on environmental threats nowadays will have irreversible damaging consequences in the mid- and long-term perspective. In addition, effective responses to these threats have become a key factor in any comprehensive approach to security, as it constitutes the organisation's professed security concept. Whereas for much of the OSCE's history the economic and environmental dimension of its work has been marginal, the issue now goes to the heart of security for many participating States. Therefore, they have a self-interest to co-operate, including by working through the OSCE.

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