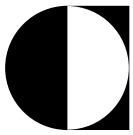
CARNEGIE EUROPE

# REVIVING THE OSCE

## European Security and the Ukraine Crisis

Stefan Lehne

SEPTEMBER 2015



CARNEGIE
EUROPE

# REVIVING THE OSCE

## European Security and the Ukraine Crisis

Stefan Lehne

© 2015 Carnegie Endowment for International Peace. All rights reserved.

Carnegie does not take institutional positions on public policy issues; the views represented herein are the author's own and do not necessarily reflect the views of Carnegie, its staff, or its trustees.

No part of this publication may be reproduced or transmitted in any form or by any means without permission in writing from Carnegie Europe or the Carnegie Endowment. Please direct inquiries to:

Carnegie Endowment for International Peace
Publications Department
1779 Massachusetts Avenue NW
Washington, DC 20036
P: +1 202 483 7600
F: +1 202 483 1840
CarnegieEndowment.org

Carnegie Europe
Rue du Congres 15
1000 Brussels
Belgium
P: +32 2 735 56 50
F: +32 2 836 62 22
CarnegieEurope.eu

This publication can be downloaded at no cost at CarnegieEurope.eu.

CP 249

# Contents


About the Author v

Summary 1

From Confrontation to Cooperation and Back Again 3

The OSCE's Return to Relevance 5

Implementing a Complex Peace Agreement 8

Two Possible Scenarios for Ukraine 10

A New Opportunity for OSCE Reform? 12

Moving Forward in Ukraine 14

Managing a Difficult East-West Relationship 16

Conclusion 18

Notes 21

Carnegie Europe 22

## About the Author

**Stefan Lehne** is a visiting scholar at Carnegie Europe in Brussels, where his research concerns European foreign and security policy.

From 2009 to 2011, Lehne served as director general for political affairs at the Austrian Ministry for European and International Affairs. Prior to that position, from 2002 to 2008, he served in the General Secretariat of the Council of the European Union as director for the Balkans, Eastern Europe, and Central Asia. Previously, he was head of the Task Force for Western Balkans and Central Europe. He has held a number of other appointments in the Austrian Ministry of Foreign Affairs and was a researcher at the Austrian Institute for International Politics.

## Summary

After years at the margins of international diplomacy, the Organization for Security and Cooperation in Europe (OSCE) has suddenly regained political relevance because of the Ukraine crisis that began in 2014. The organization turned out to be the most appropriate framework to manage the crisis and prevent further escalation. To continue to play a useful role in resolving this issue and in easing tensions between Russia and the West, the OSCE needs to adjust its way of working and strengthen its toolbox.

### New Relevance but Old Constraints

- As the relationship between Russia and the West deteriorated at the end of the 1990s, the OSCE's role declined. The organization's arms control regime eroded, its debates on human rights relapsed into ideological confrontation, and its work on promoting economic cooperation never got off the ground.
- The Ukraine crisis has revived the organization. While political crisis management has been left mainly to a few capitals working with the parties to the conflict, the OSCE's monitoring mission in Ukraine has become an essential factor of stability. Violence has not stopped, however, and the mission's work remains hampered by insufficient cooperation from the parties.
- The OSCE has also assumed an important role in facilitating negotiations on implementing the Minsk agreement, which contains a road map for a political settlement. However, little progress has been made so far.

### The Way Ahead for the OSCE in Ukraine

**Reduce the gap between high-level political crisis management on Ukraine and the OSCE's implementation of the Minsk accord.** This will ensure that the OSCE receives tasks that are relevant to the situation on the ground and that the body is equipped to accomplish.

**Enhance the OSCE monitoring mission's capabilities for stabilizing the situation.** Develop more stringent and verifiable rules for the withdrawal of heavy weapons from the conflict zone. Enhance the mission's role in defusing local hot spots. Strengthen the OSCE's planning, recruitment, logistical support, and financing arrangements.

**Broaden the context for the search for a political solution.** Implementing the Minsk agreement remains a key priority. But a genuine political solution must go beyond the Minsk package. It will have to deal with Ukraine's future economic and security relations with the West and Russia and provide a modus vivendi for Crimea.

**Strengthen the OSCE's contribution to reforms and good governance in Ukraine.** There is a clear need for a more focused approach and for more coordination of the various projects run by parts of the organization on the ground. Equally important are more joint efforts with other parts of the international community.

## From Confrontation to Cooperation and Back Again

By the time the Ukraine crisis struck in spring 2014, the Organization for Security and Cooperation in Europe (OSCE) had become a backwater of international diplomacy. Over the past twenty years, the dream of a community of values and a space of equal security for all, as embodied by the OSCE documents of the 1990s, has faded away. As a result, the organization has been increasingly left at the margins of European politics.

The Ukraine crisis turned a worsening relationship between Russia and the West into an acute crisis. Russia's annexation of Crimea and its involvement in asymmetric warfare in Ukraine's eastern Donbas region violated some of the central principles of the OSCE documents, posing a direct challenge to everything for which the organization stood. Yet, paradoxically, this massive setback to East-West relations suddenly revived the OSCE's political relevance, as the organization offered the best available framework for managing the crisis and avoiding further escalation.

**By the time the Ukraine crisis struck in spring 2014, the OSCE had become a backwater of international diplomacy.**

This dual function—offering at the same time a standard of international behavior and means for reducing tensions arising from the violation of the standard—goes back to the organization's beginning. The OSCE's predecessor, the Conference for Security and Cooperation in Europe (CSCE), originated in the 1970s as an early manifestation of détente policy. The series of conferences sought to reconcile the sharply different approaches of the two sides in the Cold War. Moscow celebrated the CSCE's Helsinki Final Act, which was signed in August 1975—just over forty years ago—as a recognition of the territorial status quo in Europe.[1] The West, meanwhile, highlighted the contradictions between the human rights commitments contained in the document and the harsh reality in Eastern Europe, and it used the act as an instrument to promote systemic change.

This role as a forum of dialogue and cooperation on the one hand and as an ideological battleground on the other characterized the work of the Conference for Security and Cooperation in Europe right up to the end of the Cold War.

When the East-West confrontation came to an end in 1989–1990, some political leaders such as the then German foreign minister Hans-Dietrich Genscher or the then Polish prime minister Tadeusz Mazowiecki briefly envisaged the CSCE becoming a centerpiece of Europe's future security order, replacing

military alliances. However, such ideas became irrelevant when in July 1990 the Soviet president, Mikhail Gorbachev, agreed that the reunited Germany could remain in the North Atlantic Treaty Organization (NATO). From that moment on, it was clear that while the institutions of the Eastern bloc would crumble, those of the West would survive and eventually be extended toward the East, leaving little space—or, indeed, need—for institutional innovation.

When at the Paris Summit in 1990 the CSCE was institutionalized—it was eventually renamed the OSCE in 1995—the organization was certainly not conceived as the most important building block of the new European order. But with a large membership reaching from Vancouver to Vladivostok and with a broad concept of security ranging from military matters to economic cooperation to human rights, the OSCE was meant to complement other institutions and strengthen the overall cohesion of the highly differentiated European institutional architecture.

A cooperative atmosphere prevailed in the early 1990s. The normative commitments adopted at that time reflected the triumph of Western liberal democracy. The OSCE's institutions and mechanisms—such as the Office for Democratic Institutions and Human Rights (ODIHR), the High Commissioner on National Minorities, and the Representative on Freedom of the Media, in addition to the field presences set up in many participating states—were all part of an overarching toolbox to promote and monitor the implementation of the organization's liberal agenda.

**The community of values proclaimed by the OSCE's documents clashed with the realities of authoritarianism and poor governance.**

However, the community of values proclaimed by the OSCE's documents clashed with the realities of authoritarianism and poor governance that continued to prevail in a number of participating states. And as the years went by, many of the countries emerging from the former Soviet Union reverted to a more traditional notion of sovereignty and increasingly resisted the meddling of the OSCE in what they considered their internal affairs.

During the disintegration of the Soviet Union, the OSCE gained a number of additional members and played a modest but useful role in managing the crises accompanying this process. Such crises erupted over the disputed status of Nagorno-Karabakh, over Moldova's breakaway territory of Transnistria, and, following the Russian-Georgian War of 2008, over Georgia's secessionist regions of Abkhazia and South Ossetia. On each of these issues, the OSCE became a key factor in mediation efforts that helped manage the crises but could not prevent them from turning into protracted conflicts. The tensions generated by these conflicts would severely handicap the organization's decisionmaking up to the present.

At the same time, one of the greatest achievements of the CSCE process, the elaborate regime for conventional arms control, eroded as the territorial configuration changed after the collapse of the Soviet Union. And the

organization's purported role in promoting economic cooperation remained extremely weak.

The early years of the twenty-first century marked further decline. A number of Central and Eastern European countries joined the European Union (EU) and NATO. Moscow saw the NATO-Russia Council, a mechanism for consultation between the Atlantic alliance and Russia, and the former Group of Eight (G8) as more attractive forums to manage its relations with the West. For a resurgent and assertive leadership in Moscow, the OSCE reflected a period when Russia had been weak and dependent on the West.

In his 2007 speech at the Munich Security Conference, Russian President Vladimir Putin accused Western states of "trying to transform the OSCE into a vulgar instrument designed to promote the foreign policy interests of one or a group of countries."[2] He also attacked the OSCE's "bureaucratic apparatus" for acting without any responsibility toward member states and in cahoots with Western-oriented nongovernmental organizations. And when the then Russian president Dmitry Medvedev in 2008 launched an abortive initiative for a new European security treaty, the effort initially aimed at replacing the OSCE with a fresh institutional framework.

Fears regarding color revolutions of the sort seen in Eastern Europe and Central Asia in the early 2000s deepened the resentment of Moscow and like-minded governments of the OSCE. They criticized the lack of balance between the OSCE's security, economic, and human rights dimensions and the one-sided focus on human rights issues east of Vienna. Consequently, these governments insisted on constraining and, in some cases, downgrading the organization's field presences on their territories. The rhetoric of OSCE meetings increasingly seemed like a throwback to the East-West confrontation of the 1970s and 1980s. For the past ten years, the annual meetings of the Ministerial Council, which brings together the foreign ministers of participating states, have been unable to reach agreement on a political communiqué.

The OSCE suffered not only from increasing pushback from the East but also from diminishing buy-in from Western governments. The drawdown of the field presences was partly due to a lack of seconded personnel and financial support from Western countries. The continued existence of the organization was not called into question—only Canada flirted for a while with leaving the OSCE. But, preoccupied by challenges in the EU and NATO, Western governments did not pay much attention to or spend many resources on the OSCE, whose budget has declined significantly over the past ten years.

## The OSCE's Return to Relevance

Despite these weaknesses, the OSCE was well positioned to play a significant part in diplomatic efforts to manage the Ukraine crisis. In contrast to the Russian-Georgian War of summer 2008—when the then French president Nicolas

Sarkozy, holding the EU's rotating presidency, led mediation efforts and the EU established a monitoring mission to supervise the ceasefire—the EU has been perceived by Moscow as a party to the Ukraine conflict from the very beginning. From Moscow's point of view, the EU had triggered the crisis by offering a political and economic Association Agreement to Ukraine, and people demonstrating on the Maidan, or Independence Square, in Kiev had waved EU flags. An operational role for NATO in Ukraine was even less acceptable to Moscow. By contrast, the OSCE had the considerable advantage in Moscow's eyes of being an inclusive forum, of which Russia was a member and in which it had a veto, because the organization made decisions by consensus.

On February 24, 2014, following the worst bloodshed in Kiev, Didier Burkhalter, who as Swiss foreign minister held the OSCE's rotating position of chairman in office for that year, addressed the United Nations (UN) Security Council. There, he proposed missions to assess Ukraine's needs and human rights situation as well as the establishment of an international contact group. Shortly afterward, the OSCE began sending observers to Ukraine.

The organization established a full-scale field operation, the Special Monitoring Mission (SMM), by a consensus decision on March 21. The operation's rapid deployment—the first monitors were on the ground in less than twenty-four hours of the decision—was a significant achievement for an organization with limited operational capacity and experience.

Initially established to contribute to stability throughout Ukraine, the mission soon had to focus its efforts on the conflict between Ukrainian government forces and Russian-backed separatists in the Donbas region. This involved serious risks, including two episodes of hostage taking. Uncertain cooperation by the parties to the conflict and inadequate access to the combat areas hampered the work of the monitors. The rapidly changing situation on the ground and the complexity of dealing with an asymmetric conflict involving multiple actors required constant adjustments in the mission's deployment and operations. Beyond simply observing developments, OSCE monitors frequently engaged in local dialogue facilitation to defuse tensions and restore stability.

Despite some criticism from Moscow regarding what it perceived as a pro-Ukrainian bias in its reporting, the SMM is widely acknowledged as a major factor of stability and deescalation in eastern Ukraine. In an environment dominated by war propaganda, the mission became a valued source of objective and public information about developments on the ground. At each step in its crisis management efforts, the organization's role was confirmed and its tasks were expanded.

In July 2014, the OSCE deployed a second, much smaller observer mission to monitor two border crossings on the Russian-Ukrainian frontier, at Gukovo and Donetsk. As the Ukrainian authorities subsequently lost control of Ukraine's entire border with Russia, and Moscow blocked an extension of the mission to other border crossings, this operation's relevance remains very limited.

Another OSCE institution, the ODIHR, also rendered a crucial service by observing the Ukrainian presidential election in May 2014 and the parliamentary election in October 2014. In a postrevolutionary situation marked by an open conflict in parts of the national territory, strong international involvement was essential in providing these elections with the necessary legitimacy.

The role of the OSCE in political crisis management has changed over the course of the conflict, as international efforts have gone through various formats and constellations.

In February 2014, the foreign ministers of the so-called Weimar Triangle of Germany, France, and Poland negotiated a peaceful transition with the then Ukrainian president Viktor Yanukovych, a plan that was immediately rendered obsolete by the collapse of the Ukrainian regime.

In April, the foreign ministers of the United States, Russia, and Ukraine and the EU's foreign policy chief came together in Geneva and adopted a statement on the deescalation of the crisis.[3] But as Russia was neither ready to accept a prominent role for Poland nor keen to work with the EU, both the Weimar Triangle and the Geneva format proved unsustainable approaches to managing this crisis. Thus, once again, an opportunity for the OSCE opened up.

**The role of the OSCE in political crisis management has changed over the course of the conflict.**

Burkhalter went to Moscow in May for talks with Putin and presented a peace plan. This initiative resulted in a brief round of talks among Ukrainian actors, headed by the German diplomat Wolfgang Ischinger, who acted as an OSCE envoy. Some weeks later, in June, a Trilateral Contact Group was established among Russia, Ukraine, and the OSCE, facilitated by OSCE Envoy Heidi Tagliavini. This mechanism also involved a structured dialogue with the separatists from the Donbas.

The OSCE's prominent role at this stage was helped by the fact that Switzerland had an ambitious and capable diplomatic service and that the country worked well with Germany, which throughout the crisis has displayed the strongest leadership and engagement among Western countries. That Burkhalter was both foreign minister and president of Switzerland at the time also helped, as it allowed him to interact with Putin directly. For Berlin, the OSCE was almost the perfect partner, because the organization did not constrain Germany's own leadership role but offered a flexible infrastructure for the implementation of its initiatives.

The OSCE-led contact group continued to work on operational matters, but as the military conflict escalated again in the summer of 2014, top-level crisis management was taken over by the leaders of Germany, France, Russia, and Ukraine. The group was called the Normandy format, as it first came together at a meeting commemorating the seventieth anniversary of the Allied landings in Normandy during World War II.

Talks on that level, together with direct contacts between Ukrainian President Petro Poroshenko and Putin, prepared the ground for a first agreement on ending the conflict. That accord was concluded on September 5 in Minsk.[4] Adopted by the Trilateral Contact Group, the agreement called for an immediate ceasefire, self-government of the separatist-controlled territories of the Donbas, the release of prisoners, an amnesty for persons involved in the separatist uprisings, an inclusive national dialogue, and a plan for the region's economic recovery. The OSCE was tasked with monitoring the ceasefire and providing permanent monitoring at the Ukrainian-Russian border.

However, hopes that the agreement would end the conflict were disappointed. Fighting continued intermittently, and apart from a partial exchange of prisoners, none of the other elements was implemented. Still, the Minsk agreement survived as the framework of reference for a solution. At the beginning of 2015, the leaders of the Normandy format countries and the members of the Trilateral Contact Group agreed on a package of measures for the implementation of the Minsk accord. This new document covers the same elements as the original deal but at a greater level of detail and with a number of timelines.[5]

**Frequently, little consideration was given to the question of whether the OSCE was adequately equipped to fulfill the tasks it was assigned.**

Regarding the first stages of implementation, there were specific provisions on the withdrawal of heavy weapons from the conflict zone, to be verified by the OSCE monitoring mission. Additional steps are to be completed by the end of 2015: the key components of a political settlement, the holding of local elections, the enactment of certain constitutional reforms (to be agreed on with representatives of the Donbas separatists), and the return of control of the Russian-Ukrainian border to the Ukrainian authorities.

## Implementing a Complex Peace Agreement

The Minsk implementation package was emblematic of the OSCE's role in the Ukraine crisis. The major decisions were made not in the framework of the organization but among the members of the Normandy format and by the local actors, namely the government in Kiev and the representatives of the Donbas separatists. But the OSCE was the toolbox of choice for facilitating the implementation of these decisions.

Once again, Tagliavini figured among the signatories of the agreement, and once again, the OSCE was given numerous tasks in assisting in the deal's implementation. The Special Monitoring Mission was supposed to monitor the new ceasefire and the withdrawal of heavy weapons and foreign troops. The ODIHR would observe the local elections in the Donbas provinces of Donetsk and Luhansk. The Trilateral Contact Group was asked to set up working groups that would elaborate on the various elements of the agreement.

Frequently, little consideration was given to the question of whether the OSCE was adequately equipped to fulfill the tasks it was assigned. A case in point was the SMM's role in monitoring the withdrawal of the heavy weapons of all sides. Even though the monitoring mission was reinforced and its technical capacity was enhanced through the use of drones and satellite images, it still experienced enormous difficulties. The parties to the conflict were not ready to inform the mission of the numbers and locations of their heavy weapons and denied the mission access to significant parts of their territory.

Still, the Minsk implementation package—different from the original agreement—brought about a limited reduction of military activity. Despite almost-daily violations of the ceasefire and the risk of renewed escalation, the overall military situation has become more stable. Through its constant monitoring and reporting and its local facilitation efforts, the OSCE mission remains a key factor for maintaining the fragile peace in eastern Ukraine.

Attention has therefore shifted to the other tasks assumed by the OSCE in the framework of the Trilateral Contact Group. Since May 2015, OSCE representatives have been chairing four working groups dealing with the political, economic, security, and humanitarian aspects of the Minsk agreement. The groups' task is to turn the various largely unspecified components of the accord into a viable peace process.

The devilish complexity of the Minsk implementation package lies in the sequencing of the various elements. According to the agreement, the modalities of local elections would be defined through a dialogue with representatives of the separatists, whom the Ukrainian authorities consider utterly illegitimate. Immediately following these elections, the process of returning control of the Russian-Ukrainian border to the Ukrainian authorities would begin, but would only be concluded after the adoption of constitutional reforms. These reforms would include special rules for the separatist-controlled parts of the Donbas and would again require the agreement of representatives of these areas.

The return of control of the border to the Ukrainian authorities is decisive for reestablishing the government's authority over the entire Donbas region. Such a move would limit Russia's ability to freely deliver military and other support to the separatists. The postponement of this step until after local elections and constitutional reforms have taken place must have been Poroshenko's most painful concession at Minsk.

Regarding constitutional reform, many separatist leaders initially expressed a clear preference for a complete break with Ukraine and either a union with Russia or separate statehood. Under pressure from Moscow, they showed willingness to engage in discussions on a future of the Donbas within Ukraine. Yet the separatists are aiming not just for local self-government but also for a say on important decisions concerning the future orientation of Ukraine, a demand Kiev is resisting vehemently.

The local elections involve serious risks for both the Ukrainian government and the separatists. Given the dismal economic and social conditions in Donetsk and Luhansk, the provinces' current leaderships cannot be sure they will win clean and internationally monitored elections. Kiev, meanwhile, risks legitimizing political leaders it considers enemies of the state. Establishing the legal framework and setting the modalities for these elections, including tough questions such as how the large number of displaced persons can participate in the vote, will require difficult negotiations.

**The task of the OSCE's mediators to help resolve this tangle of thorny problems would be very difficult under the best of conditions.**

The task of the OSCE's mediators to help resolve this tangle of thorny problems would be very difficult under the best of conditions. The almost-daily violations of the cease-fire make it even more challenging. Despite an intensive rhythm of working group meetings in Minsk, very little concrete progress has been achieved so far. While steps toward a further military stabilization seem to be within reach, it will be extremely difficult to overcome the deadlock on the political elements of the Minsk agreement. There is a marked tendency both in Kiev and in the separatist-controlled territories to tackle some of the key aspects of the package, through unilateral action. Even if the negotiation process can be kept on the road, the deadline given in the Minsk package for achieving a comprehensive political settlement—the end of 2015—appears quite unrealistic.

## Two Possible Scenarios for Ukraine

From a longer-term perspective, in essence two scenarios for Ukraine can be envisaged. The OSCE would have a significant role in either scenario. More importantly, whichever way the Ukraine crisis develops will also shape the OSCE's future.

The first scenario assumes continued tense and difficult relations between the West and Russia. If Putin's long-term objective remains to see a government emerge in Kiev that ends the country's pro-Western orientation and pivots toward Russia, then a frozen or half-frozen conflict in the Donbas might be more helpful than a political solution to current problems.

In the negotiations of the Trilateral Contact Group on the implementation of the Minsk agreement, Russia is refusing to engage as a party to the conflict. Instead, it is withdrawing to the role of a mediator—similar to the OSCE—that cannot be held responsible for any lack of agreement between Kiev and the separatists. Moscow's calculation might be that if the military situation remains reasonably stable and the political negotiations are bogged down (for which Kiev might be blamed as much as the separatists), then the support within the EU for maintaining sanctions against Moscow will eventually break down.

Moscow might also calculate that the current leadership in Kiev is unlikely to make sufficient progress on reforms and economic consolidation to turn Ukraine into a success story. Given the depth of the country's economic decline, its long-standing and structural governance deficits, and the divisions within the political elite, this is a plausible scenario. Russia can also contribute to this situation through its trade and energy leverage and through the pressure point of the frozen conflict. Eventually, the current leadership in Kiev will have used up its political capital, and the political climate in the country might change in Russia's favor.

It is uncertain whether such a plan would work. Many observers have noted that the crisis has fostered in the great majority of the Ukrainian population a much stronger sense of Ukrainian identity and a fierce determination to shape their own future. While the heavy economic and social cost of the crisis could lead to political instability, it is far from clear that Moscow would be the beneficiary.

Most of Russia's history has been marked by a tendency to push its rule or at least its zone of influence outward from its heartland until it meets strong countervailing forces. After the setback of the collapse of the Soviet Union, Putin now seems to be renewing this tradition. As the patriotic fervor triggered by the annexation of Crimea has shown, this policy is clearly a popular one, at least in the short term. But as long as Moscow pursues its present course, relations with the major Western powers and institutions are bound to be difficult.

**In a darker future scenario, one of the OSCE's main tasks would be damage limitation.**

In this scenario, one of the OSCE's main tasks would be damage limitation. Assuming that Russia continues to play an adversarial game but has no interest in a massive escalation of the conflict, the OSCE's political and security instruments can serve as channels of communication and help develop measures to ensure a minimum level of stability. The organization's other function would be to offer Western governments a platform for holding those responsible for the breach of the OSCE's principles accountable and for maintaining the pressure for a fair and just political solution.

The second scenario would involve a change of heart of the leadership in Russia. Moscow would realize that the current confrontation involves prohibitive risks and costs and that a cooperative partnership with the West is necessary for the modernization of Russia. Such a reset could only occur if the West responded positively to this kind of Russian opening. Western nations would need to dismantle punitive measures swiftly and demonstrate a readiness to take Russian security interests into account. The West would have to go for inclusive solutions that offered Russia and its partners in the Eurasian Economic Union an important stake in cooperative relations.

The first step toward reconciliation between Moscow and the West would have to be a strong commitment to a political solution of the Ukraine crisis.

Such a solution would have to go beyond the Minsk agreement, which only relates to the situation in the Donbas, and would require top-level talks, possibly in the Normandy format but potentially also with the direct participation of the United States. It would have to include arrangements to ensure that Ukraine's participation in European integration can be combined with a mutually beneficial relationship with Russia. It might involve guarantees by Kiev not to seek membership in NATO and new and credible assurances by Moscow to respect the sovereignty and unity of Ukraine. Crimea would constitute a major sticking point. It is as difficult to imagine Moscow returning Crimea to Kiev's rule as it is to envisage Kiev relinquishing its claim over the territory. But at least some kind of agreement on a temporary modus vivendi would have to be part of an overall political settlement.

In this scenario, the OSCE could serve as a broad framework for negotiations of a comprehensive settlement and play a leading role in facilitating and monitoring its implementation. This could for several years be the organization's central task. However, a political solution to the Ukraine crisis could also generate the necessary confidence to convince Russia to abandon its zero-sum approach toward its neighbors, in which each step taken by these countries toward Western institutions is perceived as a threat to Russia's sphere of influence. This could open the door to a step-by-step solution of the various protracted conflicts, a process in which the OSCE could yet again play a prominent role.

From today's point of view, this benign scenario requires a great deal more imagination than the darker one described above. But it would be wrong to dismiss such a positive turn of events altogether. Relations between Russia and the West have gone through significant swings over past decades. Russia remains an essential partner on many items on the international agenda and continues to be in permanent communication with the key Western countries. Overcoming the hurdle of the Ukraine crisis would require a far-reaching adjustment of current policies, but this does not appear altogether out of reach.

Whichever scenario finally prevails, one outcome is clear. Just as the Ukraine crisis has initiated the renewal of the political relevance of the OSCE, the further development of this conflict will also largely determine the future fate of the organization.

## A New Opportunity for OSCE Reform?

In December 2012, the OSCE launched the Helsinki +40 Process to give a new impetus to the work of the organization in the context of commemorating the fortieth anniversary of the Helsinki Final Act. To complement this process, the OSCE established a high-level panel on European security as a common project, chaired by Wolfgang Ischinger. In June 2015, this panel delivered an interim

report on the lessons learned from the Ukraine crisis.[6] This document focused mainly on operational issues. A final report on the broader issues of security in Europe and in the OSCE area will be presented toward the end of 2015.

This is not the first time the OSCE has sought to redefine its role. In 2005, another high-level panel delivered a report with recommendations that remained without political follow-up.[7] The Corfu Process, launched in 2009 not least to respond to Moscow's call for a new security treaty, achieved some progress in reinvigorating the organization and culminated in the Astana OSCE Summit in December 2010—the first such meeting in eleven years. But no agreement was reached on the Astana Framework for Action, which was supposed to encompass the reform agenda for the coming years.

As these examples show, there is widespread awareness among the OSCE's member states of the need to adjust the organization's mandate, structure, and working methods for a changed political context. However, both sufficient political energy and agreement on the direction of travel have been lacking.

The situation in 2015 is significantly different. The OSCE has become relevant again—not because the West and Russia have overcome their differences, but because their relations declined to a point at which both sides needed to turn to the organization's crisis management tools to contain the risks of a dangerous escalation.

At the present time, the OSCE's work is completely dominated and to some extent paralyzed by the Ukraine crisis. The rhetorical exchanges between Russia and Western countries have become more heated and have spilled over into so far relatively calm areas of work. The diplomatic mechanisms dealing with the various protracted conflicts in Russia's neighborhood remain deadlocked, as developments in Ukraine could have repercussions on these other disputes too.

Almost the only field where there is still effective cooperation between Russia and the West is the operational work on the OSCE crisis tools regarding Ukraine. Decisionmaking on extending the SMM's mandate, on strengthening the monitoring mission's capacity, and on implementing the other elements of the OSCE's engagement has been remarkably smooth and constructive. That is because Russia and the West share an interest in enabling the mission to perform its stabilizing role.

**There is widespread awareness among the OSCE's member states of the need to adjust the organization's mandate, structure, and working methods for a changed political context.**

During the course of the crisis, this is unlikely to change. The OSCE will continue to be an essential element of the efforts to stabilize the situation. Depending on the course of developments, the organization's role may even increase further. However, as long as this acute challenge dominates the agenda, there will be little chance for serious efforts on the longer-term reform of the organization.

The panel of eminent persons currently examining these questions includes high-profile personalities from the Western and the Russian camps. The group's

initial paper on the lessons learned from OSCE crisis management in Ukraine was useful, though of limited ambition. Yet, given the current polarization among member states, the panel is unlikely to achieve agreed conclusions on the future perspectives of the organization. At best, it will present an interesting variety of options and diverse viewpoints.

Germany's assumption of the OSCE chair in January 2016 will be potentially more promising. For one, it will bring the political level of crisis management on Ukraine, in which Berlin has been a leading actor, closer to the operational dimension handled by the OSCE. This could allow the OSCE to have a stronger political role and at the same time strengthen the effectiveness of the organization's operational action.

In addition, should the overall situation of East-West relations permit it, Germany would certainly be ideally suited to give a fresh impetus to the work of the organization. As a leading EU member state with strong relations with Washington and Moscow, Berlin has a better chance than any other capital to break through the existing stalemate and help the OSCE find a new sense of direction and purpose.

## Moving Forward in Ukraine

### Deescalating the Conflict

Notwithstanding considerations concerning the OSCE's longer-term institutional future, crisis management in Ukraine is likely to remain at the top of the agenda for quite a while.

Enhancing stability through the OSCE monitoring mission and, in particular, achieving a genuine and sustainable ceasefire will remain the most urgent tasks. The security working party of the Trilateral Contact Group is rightly focusing on implementing and extending the withdrawal of heavy weapons from the line of contact in eastern Ukraine. More stringent rules for information exchange and improved access for the OSCE monitors are essential in moving toward this objective.

Another promising approach would be to aim at defusing local hot spots through enhanced monitoring, combined with outreach to the local population and reconstruction projects. The conflict started as a series of local confrontations and only gradually turned into a struggle for territory. Facilitating local deescalation might therefore help in reducing overall hostility.

As the crisis has gradually shifted toward a half-frozen conflict, the SMM has taken on some features of a peacekeeping operation—even though, as a civilian mission, it is not well equipped to fulfill that role. There are strong arguments for maintaining the current configuration of the mission, in particular

its efficient working relations with the parties and its excellent record in ensuring the security of the monitors.

However, the objective of ending the fighting has not been achieved. Should violence escalate again, it might become necessary to consider a more robust type of presence including military components. This would allow the SMM to undertake a stronger role in keeping the parties apart and to help deescalate local hot spots.

Setting up the SMM was quite an achievement, but it required a lot of improvisation and many ad hoc decisions. The development of the Ukraine crisis will probably require further adjustments of the mission. This calls for strengthening the overall capacity of the OSCE's Conflict Prevention Center and for reinforcing the arrangements for planning, recruitment, logistical support, and financing.

### Supporting the Search for a Political Solution

Facilitating the work of the Trilateral Contact Group, which is charged with preparing the implementation of the Minsk agreement, will remain another key challenge for the organization. Whether the process moves forward or gets bogged down depends on Moscow, Kiev, and the separatists in the Donbas.

It is too early to assess how well the OSCE chairpersons perform their role as facilitators of the dialogue. So far, the parties have shown little willingness to engage in results-oriented substantive talks. However, the OSCE needs to do its part to build momentum. This could include offering expert advice to the parties and involving other organizations—such as the Council of Europe, the EU, or the UN refugee agency—that can be helpful. Even more important will be to ensure permanent active support for the process from the political level in the key capitals.

If the Minsk package is seen as a rigidly sequenced program of steps, it is likely to remain stuck. If, however, it is conceived as a menu of important elements of an eventual solution, then progress can be achieved. Possibly the most promising element would be the holding of new elections in the separatist-controlled parts of the Donbas. This step should be prioritized, because well-prepared and internationally supervised elections would produce legitimate leaders whom the Kiev government could accept as interlocutors. This in turn would allow the other items on the agenda to move forward more easily.

### Fostering Reform and Good Governance

The OSCE's presence in Ukraine is highly diverse. The Office of the Project Coordinator in Ukraine runs a broad array of activities ranging from supporting legal reform to fostering national dialogue. The OSCE Chairmanship, the envoy leading the Trilateral Contact Group, the ODIHR, the high commissioner on national minorities, and the representative on freedom of the media,

as well as various parts of the OSCE Secretariat, are all active on the ground. While all these OSCE actors have their own mandates, there is a need for enhanced coordination to ensure complementary and coherent engagement with the local authorities.

The same requirements exist regarding the manifold other international actors present. The crisis has brought about considerable mobilization of assistance and advice as well as a proliferation of initiatives and projects. Without strong coordination, all these efforts risk overstretching the limited institutional capacity of the Ukrainian authorities. The leaders at the June 7–8 Group of Seven (G7) summit in Germany announced an initiative for a stronger coordination mechanism based in Kiev.[8] The OSCE should be associated with such efforts.

## Managing a Difficult East-West Relationship

The current crisis in relations between Russia and the West has implications reaching far beyond Ukraine. Russia's entire western and southern neighborhoods from the Baltics to Central Asia could give rise to additional hot spots. A number of states in the post-Soviet space such as Belarus and Kazakhstan as well as Mongolia now show greater interest in the OSCE than in the recent past. The protracted conflicts in Transnistria, Abkhazia, South Ossetia, and, in particular, Nagorno-Karabakh have the potential to flare up again. Succession crises in Central Asia, possibly combined with questions relating to the Russian-speaking populations of these states, could trigger new tensions.

**The instruments that the OSCE has deployed successfully in Ukraine might be needed elsewhere.**

Sanctions, countersanctions, and the remilitarization of East-West relations—manifested by armament efforts, forward deployment, more frequent exercises, military overflights, and submarine activities—contribute to a tense and risky environment.

The instruments that the OSCE has deployed successfully in Ukraine might be needed elsewhere. The organization should put together a well-equipped toolbox to deal with existing and new challenges. This involves developing the OSCE's capacities in addressing the different phases of the conflict cycle, ranging from early warning, crisis management, and conflict resolution to postconflict rehabilitation and reconciliation. Enhancing the Conflict Prevention Center's ability to start and run civilian as well as military operations deserves particular attention. Overall, strengthening the powers of the OSCE's secretary general in managing crises would ensure greater continuity and better leadership.

It might also be useful to revise the Vienna Document on Confidence- and Security-Building Measures. Dating back to 1990, this agreement provides for inspections and data exchanges to increase the transparency of conventional

forces. While the document was regularly updated, it was never adjusted to the much smaller armies and different force structures of the twenty-first century. A number of revisions might make the document more relevant to the changed circumstances of today: lowering the threshold for notifications of military activities; enhancing the provisions for inspections and evaluation visits; including naval and rapid reaction forces; and taking account of the new roles of special forces and drones. In view of the overall heightened level of military activities, particular emphasis should be placed on the prevention of military incidents.

Reviving conventional arms control, a central piece of the OSCE's agenda in earlier decades, will probably have to wait even longer. Russia has distanced itself from the Treaty on Conventional Armed Forces in Europe, which aimed to lower the levels of armaments in the West and Russia. Moscow would only be ready to restart negotiations on arms reductions on a completely new basis, whereas the West maintains that certain principles of the treaty remain valid. There appears at present little interest on either side to break the deadlock.

There is greater potential for progress on transnational security challenges such as cybersecurity, counterterrorism, violent extremism, trafficking, and organized crime. Weak state structures in Central Asia, Eastern Europe, and the Western Balkans and insufficient arrangements for regional cooperation hamper efforts to deal with such problems. Most OSCE participating states are affected by these phenomena, and there is a considerable convergence of interests among members, irrespective of the current East-West polarization. Progress in confronting these challenges can therefore also mitigate the tensions affecting the relations between Russia and Western states and contribute to rebuilding confidence.

Improving the quality of governance and strengthening the rule of law are key elements in the struggle against many transnational threats. Therefore, these efforts are closely related to the OSCE's human dimension and could help overcome the rather sterile ideological confrontation currently dominating the relevant debates in the OSCE.

There are already many OSCE activities relating to transnational threats, but they often do not go far beyond the organization of seminars. Concrete cooperation projects include a set of confidence-building measures for cyberspace and the OSCE Border Management Staff College in Dushanbe. The objective must now be to strengthen and operationalize this dimension of the OSCE's work, using the potential of the field missions that still exist in a number of participating states. There is a broad variety of ideas for useful projects. Setting clear priorities and ensuring sufficient financing will be crucial.

## Conclusion

The quality of the relationship between Russia and the West is the key factor in determining the future of the OSCE. As a comprehensive and inclusive forum, the organization offers a platform for dialogue between the two sides, but its capacity to influence the quality of their relations is rather limited. The really important decisions are ultimately made in national capitals or in other organizations.

However, the Ukraine crisis has demonstrated the comparative advantages of the OSCE in situations in which Russia and the West are antagonists or back different sides in a conflict but have a shared interest in containing risks and avoiding escalation. In such situations, the OSCE offers the most appropriate framework for managing the crisis. No other body could replace it. It could well be that the relevance of the OSCE will therefore remain greatest on rainy days in the East-West relationship.

If this is true, every effort should be made to enable the organization to perform this particular stabilizing role in the best possible manner. This means in the first instance strengthening the OSCE's political and operational engagement in the Ukraine crisis. But it also involves developing the organization's crisis management toolbox to be better prepared for other challenges and enhancing the instruments to foster military transparency and confidence building.

Should the political will for a genuine reset in the relationship between Russia and the West emerge, the OSCE would certainly play a significant role in the transition, in particular by helping resolve the various protracted conflicts. It is harder to imagine what role the organization would play in the longer term. Ideas about a new grand bargain between Russia and the West, involving a fundamental redesign of the European security architecture in which the OSCE might assume a central place, lack plausibility. The existing Western institutions such as NATO and the EU are likely to maintain their relevance and would eventually rebuild their partnerships with Russia.

The OSCE's comparative advantages—its inclusive nature and its consensus-based decisionmaking—would retain their value. But the reverse side of these strengths is considerable weakness in terms of leadership and effectiveness, which limit the potential of the organization. At times of East-West harmony, other organizations probably have more to offer to Russia and its allies. A broad, inclusive trade arrangement between the EU and the Eurasian Economic Union, for instance, could well be at the heart of a reconciliation between Russia and the West, but it will hardly be negotiated at the OSCE in Vienna.

Rather than envisaging a far-reaching restructuring of the organization, it would make more sense to ensure that the various international and regional organizations dealing with European security issues operate in a complementary manner with the best possible synergy among them. Only joined-up

efforts of the OSCE, the UN, the EU, NATO, the Council of Europe, and others can ensure genuine and sustainable stability in the OSCE region.

Under a positive scenario, the OSCE would eventually become a normal regional arrangement as envisaged by Chapter 8 of the United Nations Charter, promoting a broad array of useful but politically unspectacular projects to foster cooperation and security among participating states. However, unfortunately, these happy days will not come about soon. The OSCE's firefighting task of helping manage a difficult and dangerous relationship between Russia and the West is far from finished.

# Notes

1 Helsinki Final Act, Organization for Security and Cooperation in Europe, August 1, 1975, http://www.osce.org/mc/39501.

2 President of Russia, "Speech and the Following Discussion at the Munich Conference on Security Policy," February 10, 2007, http://archive.kremlin.ru/eng/speeches/2007/02/10/0138_type82912type82914type82917type84779_118123.shtml.

3 U.S. Department of State, "Geneva Statement on Ukraine," April 17, 2014, http://www.state.gov/r/pa/prs/ps/2014/04/224957.htm.

4 Protocol on the results of consultations of the Trilateral Contact Group, Organization for Security and Cooperation in Europe, September 5, 2014, http://www.osce.org/home/123257.

5 Package of Measures for the Implementation of the Minsk Agreements, Organization for Security and Cooperation in Europe, February 12, 2015, http://www.osce.org/cio/140156.

6 Lessons Learned for the OSCE From Its Engagement in Ukraine, Organization for Security and Cooperation in Europe, June 2015, http://www.osce.org/networks/164561?download=true.

7 Organization for Security and Cooperation in Europe, *Common Purpose: Towards a More Effective OSCE*, June 27, 2005, http://www.osce.org/cio/15805?download=true.

8 Leaders' Declaration G7 Summit, June 7–8, 2015, https://www.bundesregierung.de/Content/EN/_Anlagen/G7/2015-06-08-g7-abschluss-eng_en.pdf?__blob=publicationFile&v=3.

## Carnegie Europe

**Carnegie Europe** was founded in 2007 and has become the go-to source for European foreign policy analysis in Brussels on topics ranging from Turkey to the Middle East and the Eastern neighborhood to security and defense. Carnegie Europe's strong team of scholars provides unparalleled depth of analysis and thoughtful, carefully crafted policy recommendations on the strategic issues facing the European Union and its member states.

---

The **Carnegie Endowment for International Peace** is a unique global network of policy research centers in Russia, China, Europe, the Middle East, and the United States. Our mission, dating back more than a century, is to advance the cause of peace through analysis and development of fresh policy ideas and direct engagement and collaboration with decisionmakers in government, business, and civil society. Working together, our centers bring the inestimable benefit of multiple national viewpoints to bilateral, regional, and global issues.

BEIJING BEIRUT BRUSSELS MOSCOW WASHINGTON

# THE GLOBAL THINK TANK

CARNEGIE EUROPE

CarnegieEurope.eu