



**Organization for Security and Co-operation in Europe
Economic Forum (Senior Council)**

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29 June 2004

ENGLISH only

Conference Services

TWELFTH MEETING OF THE ECONOMIC FORUM

Prague, 31 May to 4 June 2004

SUMMARY

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463rd Plenary Meeting

PC Journal No. 463, Agenda item 4

**DECISION No. 558
PLACE, DATE AND THEME FOR THE
TWELFTH MEETING OF THE ECONOMIC FORUM**

The Permanent Council,

Taking into account the Chairperson's Summary of the Eleventh Meeting of the Economic Forum,

Decides that the Twelfth Meeting of the Economic Forum will take place in Prague from 31 May to 4 June 2004. The theme of the Forum will be "New Challenges for Building up Institutional and Human Capacity for Economic Development and Co-operation".

Discussions of the Forum should benefit from input provided by other OSCE bodies and relevant meetings, including seminars, and deliberations in various international organizations.

A special session will be devoted to the integration processes in the OSCE region.

Moreover, taking into account its tasks, the Economic Forum will review the implementation of commitments in the economic and environmental dimension.

The organizational modalities will be further elaborated and submitted to the Permanent Council for adoption in due time.

When elaborating the organizational modalities for the Twelfth Meeting of the Economic Forum, due note will be taken of the work done within the framework of the Economic and Environmental Sub-Committee of the Permanent Council on further improvement of the efficiency and effectiveness of the Economic Forum.



**Organization for Security and Co-operation in Europe
Permanent Council**

PC.DEC/602
25 March 2004

Original: ENGLISH

501st Plenary Meeting

PC Journal No. 501, Agenda item 4

**DECISION No. 602
THE MAIN SUBJECTS AND ORGANIZATIONAL MODALITIES
FOR THE TWELFTH MEETING OF THE ECONOMIC FORUM**

31 May to 4 June 2004

The Permanent Council,

Pursuant to Chapter VII, paragraphs 21 to 32, of the Helsinki Document 1992, and to the OSCE Strategy Document for the Economic and Environmental Dimension of 2 December 2003 (MC(11).JOUR/2, Annex 1), and

Recalling its Decision No. 558 of 31 July 2003,

Decides that,

1. Within the framework of the overall theme, “New Challenges for Building up Institutional and Human Capacity for Economic Development and Co-operation”, and with regard to the preparatory process, the Twelfth Meeting of the Economic Forum will concentrate on the following main subjects:

- (a) Supporting the development of SME;
- (b) Stimulating foreign and domestic investment;
- (c) Professional skills needed for developing a market economy.

A special session will be devoted to the integration processes in the OSCE region.

2. Moreover, taking into account its mandate, the Economic Forum will:

- (a) Review the implementation of commitments in the economic and environmental dimension;
- (b) Discuss ongoing and future activities for the economic and environmental dimension in 2004/2005, in particular the work on implementing the new OSCE Strategy Document for the Economic and Environmental Dimension.

(c) Discuss on how to further enhance co-operation between the OSCE and international economic and environmental organizations and financial institutions.

3. The participating States are encouraged to be represented at a high level, by senior officials responsible for shaping international economic and environmental policy in the OSCE area. Participation of representatives from the business and scientific communities as well as other relevant actors of civil society in their delegations would be welcome.

4. As in previous years, the format of the Economic Forum should provide for the active involvement of relevant international organizations and encourage open discussions.

5. The following international organizations, international organs, regional groupings and conferences of States are invited to participate in the Twelfth Meeting of the Economic Forum: Asian Development Bank; Barents Euro-Arctic Council; Black Sea Economic Co-operation; Central Asian Co-operation Organization; Central European Initiative; Commonwealth of Independent States; Council of the Baltic Sea States; Council of Europe; Economic Cooperation Organization; Eurasian Economic Community; European Bank for Reconstruction and Development; European Investment Bank; GUUAM; International Labour Organization; International Monetary Fund; International Organization for Migration; North Atlantic Treaty Organization; Organization for Economic Co-operation and Development; Organization of the Islamic Conference; Organization of the Treaty of Collective Security; Shanghai Co-operation Organization; Southeast European Co-operative Initiative; South-East European Co-operation Process; Stability Pact for South Eastern Europe; United Nations Children's Fund; United Nations Conference on Trade and Development; United Nations Development Programme; United Nations Economic Commission for Europe; United Nations Educational, Scientific and Cultural Organization; United Nations Environment Programme; United Nations Industrial Development Organization; United Nations Office on Drugs and Crime; World Bank Group; World Customs Organization; World Health Organization; World Tourism Organization; World Trade Organization and other relevant organizations.

6. The Mediterranean Partners for Co-operation (Algeria, Egypt, Israel, Jordan, Morocco and Tunisia) and the Partners for Co-operation (Afghanistan, Japan, the Republic of Korea and Thailand) are invited to participate in the Economic Forum.

7. Upon request by a delegation of an OSCE participating State, regional groupings or expert academics and business representatives may also be invited, as appropriate, to participate in the Twelfth Economic Forum.

8. Subject to the provisions contained in Chapter IV, paragraphs 15 and 16, of the Helsinki Document 1992, the representatives of non-governmental organizations with relevant experience in the area under discussion are also invited to participate in the Meeting.

9. The Chair of the Forum will present summary conclusions drawn from the discussions at the end of the Meeting. The Economic and Environmental Sub-Committee of the Permanent Council will further include the conclusions of the Chair and the reports of the rapporteurs in its discussions so that the Permanent Council can take the decisions required for appropriate follow-up activities.



**Organization for Security and Co-operation in Europe
Economic Forum (Senior Council)**

12-EF(SC).JOUR/1
31 May 2004
Annex

Original: ENGLISH

1st Day of the Twelfth Meeting
12-EF(SC) Journal No. 1, Agenda item 1

**AGENDA OF THE TWELFTH MEETING OF
THE ECONOMIC FORUM**

**New challenges for building up institutional and human capacity for
economic development and co-operation**

Prague, 31 May to 4 June 2004

1. Opening plenary (open to the press)
 - (a) Welcoming remarks by the Chairperson of the Economic Forum
 - (b) Welcoming remarks by a representative of the Government of the Czech Republic
 - (c) Opening address by the Chairman-in-Office
 - (d) Welcoming remarks by the Co-ordinator of OSCE Economic and Environmental Activities
 - (e) Addresses by representatives of OSCE institutions
 - (f) Keynote addresses
 - (g) Discussion
2. Review of the implementation of OSCE commitments in the economic and environmental dimension
 - (a) Presentation of the report by the United Nations Economic Commission for Europe on the implementation of OSCE commitments focusing on the investment climate
 - (b) Discussion
3. Ongoing and future activities relating to the OSCE economic and environmental dimension

- (a) Presentation of the activity report by the Co-ordinator of OSCE Economic and Environmental Activities
 - (b) Discussion
4. Plenary session: Partnership with the business community for institutional and human capacity-building
5. Working Group A: Political commitment for institutional development and reform
 - (a) Creating awareness of the value of the environment through education and responsible economic development, including ecotourism
 - (b) Creating the framework for sustainable development through legislative reform and institutional capacity-building
 - (c) Improving the business climate by building local capacity and promoting co-operation
 - (d) Public-private dialogue and partnership (joint session of WGs A and B)
6. Working Group B: Capacity-building for the private sector
 - (a) Supporting entrepreneurship as a means of economic empowerment
 - (b) Strengthening the service and networking capacity of business organizations
 - (c) Public-private dialogue and partnership (joint session of WGs A and B)
7. Working Group C: Development of human capital as an investment for the future
 - (a) Reform in the field of education
 - (b) Supporting academic education and research through co-operation and exchanges
8. Special session: Integration processes in the OSCE region
9. Closing plenary session (open to the press)
 - (a) Rapporteurs' reports on the implementation review session, the working sessions and the special session
 - (b) Closing remarks by the Co-ordinator of OSCE Economic and Environmental Activities
 - (c) Concluding remarks by the Chairperson of the Economic Forum

Work Programme

Working hours:

Monday: 3–6 p.m.

Tuesday: 10 a.m. – 1 p.m. and 3–6 p.m.

Wednesday, Thursday, Friday:

9.30–11 a.m., 11.30 a.m. – 1 p.m. and 2.30–4 p.m., 4.30–6 p.m.

(Please also note special working hours.)

	Monday 31 May	Tuesday 1 June	Wednesday 2 June	Thursday 3 June	Friday 4 June
Morning		PL — Item 2	WG A — Item 5(a) WG B — Item 6(a) afterwards: WG A — Item 5(b) WG B — Item 6(a)	WG A — Item 5(c) WG C — Item 7(a) afterwards: WG A — Item 5(c) WG B — Item 6(b)	SS — Item 8 afterwards: SS — Item 8
Afternoon	PL — Item 1	PLs — Items 3, 4	WG C — Item 7(a) WG B — Item 6(b) afterwards: SE	WGs A and B — Items 5(d) and 6(c) WG C — Item 7(b) afterwards: SE SE	PL — Item 9

PL = Plenary meeting
WG = Working group
SS = Special session
SE = Side event

ANNOTATED AGENDA OF THE TWELFTH MEETING OF THE ECONOMIC FORUM

Monday, 31 May 2004

10 a.m. – 6 p.m. Registration for the Economic Forum

3–6 p.m. Opening plenary (open to the press) (Plenary Hall)

Welcoming remarks by the Chairperson of the Economic Forum,
Ambassador Ivan Naydenov, Director of the OSCE Chairmanship
Directorate, Ministry of Foreign Affairs of the Republic of Bulgaria

Welcoming remarks by the representative of the Government of the
Czech Republic, H.E. Cyril Svoboda, Minister for Foreign Affairs

Opening address by the Chairman-in-Office, H.E. Solomon Passy,
Minister for Foreign Affairs of the Republic of Bulgaria

Welcoming remarks by Mr. Marcin Świącicki, Co-ordinator of OSCE
Economic and Environmental Activities

Addresses by representatives of OSCE institutions:

- Mr. Christian Strohal, Director, ODIHR
- Mr. John de Fonblanque, Director, on behalf of
Mr. Rolf Ekéus, High Commissioner on National Minorities

Keynote addresses by:

- Ms. Brigita Schmögnerová, Executive Secretary of the United
Nations Economic Commission for Europe (UNECE)
- Mr. Marek Dąbrowski, Chairman of the Council of the CASE
Foundation, Centre for Social and Economic Research, Poland
- Mr. Oliver Wieck, Executive Director, German Committee on
Eastern European Economic Relations

Discussion, including statements

6.30 p.m. Reception hosted by H.E. Solomon Passy, Chairman-in-Office of the
OSCE, Minister for Foreign Affairs of the Republic of Bulgaria
(Toskánský Palác)

Tuesday, 1 June 2004

- 9 a.m. – 6 p.m. Registration for the Economic Forum
- 10 a.m. – 1 p.m. Review of the implementation of OSCE commitments in the economic and environmental dimension (Plenary Hall)
- Chairperson: Ambassador Ivan Naydenov, Chairperson of the Economic Forum
- Rapporteur: Mr. Denis Sidorenko, Permanent Delegation of the Republic of Belarus to the OSCE
- Presentation of the report by the UNECE on the implementation of OSCE commitments focusing on the investment climate by Mr. Abdur Chowdhury, Director, Economic Analysis Division, UNECE
- Discussion
- 1–3 p.m. Lunch break
- 3–4 p.m. Ongoing and future activities relating to the OSCE economic and environmental dimension (Plenary Hall)
- Presentation of the activity report by Mr. Marcin Świącicki, Co-ordinator of OSCE Economic and Environmental Activities
- Discussion
- 4–6 p.m. Plenary session: Partnership with the business community for institutional and human capacity-building (Plenary Hall)
- Chairperson: Ambassador Carlos Sanchez de Boado, Permanent Representative of Spain to the OSCE
- Rapporteur: Mr. Marc Baltés, Deputy Co-ordinator of OSCE Economic and Environmental Activities
- Keynote speakers:
- Mr. Charles William Maynes, President, Eurasia Foundation
 - Ms. Erika Mink, Environment Director, Europe, Tetra Pak
 - Mr. Michael Bleyzer, President and CEO, SigmaBleyzer, The Bleyzer Foundation, Ukrainian Growth Funds, Southeast European Growth Fund
 - Ms. Karen Bellis, LiveWire Global Co-ordinator, Shell International
 - Mr. Alois Flatz, Independent Sustainability Finance Adviser
 - Mr. Stefan Crets, Manager, Corporate Social Responsibility, Toyota Motor Europe

Wednesday, 2 June 2004

Parallel sessions of Working Groups A, B, and C

Working Group A: Political commitment for institutional development and reform

Working Group B: Capacity-building for the private sector

Working Group C: Development of human capital as an investment for the future

9.30–11 a.m. Session A1: Creating awareness of the value of the environment through education and responsible economic development, including ecotourism (Plenary Hall)

Moderator: Mr. Gilbert Dubois, Director, DG RELEX, European Commission

Rapporteur: Mr. David Swalley, Economic and Environmental Officer, OSCE Office in Baku

— Mr. Stefan Crets, Manager, Corporate Social Responsibility, Toyota Motor Europe

— Mr. Jon Kahn, Director, Ministry of Environment, Sweden

— Ms. Susan Snelson, Founder/Executive Director, Network for International Economic Development (NIED)

— Mr. Armands Pupols, Mission Programme Officer, Conflict Prevention Centre, OSCE Secretariat

Session B1: Supporting entrepreneurship as a means of economic empowerment (Gallery Hall)

Moderator: Mr. Jaroslav Kinach, Organisation for Economic Co-operation and Development (OECD) Adviser in Ukraine

Rapporteur: Ms. Katherine Brucker, United States Mission to the OSCE

— Mr. David Smallbone, Head of Centre for Enterprise and Economic Development Research, Middlesex University Business School, United Kingdom

— Mr. Bahridin Shermatov, Economic and Environmental Assistant, OSCE Centre in Dushanbe

— Ms. Srna Sudar Vilotic, Economic and Environmental Officer, OSCE Field Office in Podgorica, OSCE Mission to Serbia and Montenegro

11–11.30 a.m. Coffee break

11.30 a.m. – 1 p.m. Session A2: Creating the framework for sustainable development through legislative reform and institutional capacity-building (Plenary Hall)

Moderator: Mr. Gilbert Dubois, Director, DG RELEX, European Commission

Rapporteur: Ms. Wendy Hadwen, Delegation of Canada to the OSCE

— Ms. Sabine Hoefnagel, Senior Consultant, ERM International Development Services

— Mr. Daniel Ivarsson, Managing Director, FIDIC

— Mr. Dusan Vasiljevic, Economic and Environmental Officer, OSCE Mission to Serbia and Montenegro

Session B2: Supporting entrepreneurship as a means of economic empowerment (continuation of Session B1) (Gallery Hall)

Moderator: Mr. Jaroslav Kinach, OECD Adviser in Ukraine

Rapporteur: Ms. Katherine Brucker, United States Mission to the OSCE

— Mr. Andrey Shlevkov, Deputy Regional Representative for Europe, World Tourism Organization

— Mr. Goran Beus Richembergh, Central and East European Development Co-ordinator, International Youth Hostel Federation (IYHF)

— Mr. Yuriy Avksentyev, Head, State Committee for Entrepreneurship Support and Regulatory Policy, Ukraine

1–2.30 p.m.

Lunch break

2.30–4 p.m.

Session C1: Reform in the field of education (Plenary Hall)

Moderator: Ms. Sonja Moser Starrach, Special Representative of the Secretary General of the Council of Europe in Bosnia and Herzegovina

Rapporteur: Mr. Luis Francisco Martinez Montes, Permanent Mission of Spain to the OSCE

— Mr. Per Nyborg, Head, Secretariat of the Bologna Follow-up Group

— Ms. Olga Kuznetsova, Rector of the International Academy of Business in Almaty, Kazakhstan

— Ms. Věra Štastná, Chair of the Council of Europe's Steering Committee for Higher Education and Research (CD-ESR)

Session B3: Strengthening the service and networking capacity of business organizations (Gallery Hall)

Moderator: Mr. Michael S. Rattie, Senior Programme Manager, PantherlabWorks, University of Pittsburgh, Institute for Entrepreneurial Excellence

Rapporteur: Mr. Yaroslav Yurtsaba, Small and Medium-sized Enterprise Development Adviser, Office of the OSCE Project Co-ordinator in Ukraine

- Mr. Stefan Hlawacek, European Association of Craft, Small and Medium-sized Enterprises (UEAPME)
- Ms. Jeannette Kloetzer, Economic and Environmental Officer, OSCE Office in Yerevan
- Mr. Armen Gevorgyan, Vice-Minister for Trade and Economic Development of the Republic of Armenia

4–4.30 p.m. Coffee break

4.30–6 p.m. Side event (Gallery Hall):

Promoting entrepreneurship and opportunities for economic development for Roma and Sinti

Organized in co-operation by the OSCE/OCEEA, ODIHR CPRSI and Pakiv-European Roma Fund

Moderator: Ambassador Liviu Bota, Permanent Representative of Romania to the OSCE

Brief presentations:

- The Action Plan on Improving the Situation of Roma and Sinti within the OSCE Area and follow-up, in particular Chapter IV, “Addressing socio-economic issues”, by Mr. Nicolae Gheorghe, OSCE-ODIHR Contact Point on Roma and Sinti Issues
- Human capacity development and income generation in Romani communities – the Pakiv European Roma Fund approach, by Ms. Judit Bari, Pakiv European Roma Fund (Hungary)
- Promoting economic opportunities in view of alleviating tensions and preventing social crisis in times of social welfare reform – example of recent legislative reforms in Slovakia by Ms. Erika Adamová, Pakiv European Roma Fund (Slovakia)

Announced comments/background documentation on initiatives, programmes of international organizations – and/or national governments, non-governmental organizations (NGOs):

- Income generating activities in grassroots Roma communities in Romania, 1994–2003 AIDRom and Romani CRISS, Romania
- Contribution from the Czech Republic – Mr. Karel Holomek, President of the Association of Romanis in Moravia
- The Pakiv European Roma Fund – Experiences with economic development in marginalized Romani communities

Open discussion: Identifying ways to build strategic partnerships and joint actions in view of developing entrepreneurship and opportunities for economic development amongst Roma and Sinti

Representatives from donor/international organizations, governments, NGOs

Thursday, 3 June 2004

9.30–11 a.m. Session A3: Improving the business climate by building local capacity and promoting co-operation (Plenary Hall)

Moderator: Ambassador Colin Munro, Permanent Representative of the United Kingdom to the OSCE

Rapporteur: Ms. Louise Fluger Callesen, Permanent Delegation of Denmark to the OSCE

— Mr. Edilberto Segura, SigmaBleyzer Foundation

— Ms. Natia Natsvlshvili, Economic and Environmental Assistant, OSCE Mission to Georgia

Session C2: Reform in the field of education (continuation of Session C1) (Gallery Hall)

Moderator: Ms. Sonja Moser Starrach, Special Representative of the Secretary General of the Council of Europe in Bosnia and Herzegovina

Rapporteur: Mr. Luis Francisco Martinez Montes, Permanent Mission of Spain to the OSCE

— Ms. Claire Morel, Desk Officer for Tempus in Central Asia and the Caucasus, European Commission

— Ms. Aliya Ishmukhamedova, Economics and Business Education Specialist, Office of Enterprise and Finance, USAID/CAR

— Mr. Goran Petkovic, Associate Professor, Economic Faculty University of Belgrade, Serbia and Montenegro

11–11.30 a.m. Coffee break

11.30 a.m. – 1 p.m. Session A4: Improving the business climate by building local capacity and promoting co-operation (continuation of Session A3) (Plenary Hall)

Moderator: Ambassador Colin Munro, Permanent Representative of the United Kingdom to the OSCE

Rapporteur: Ms. Louise Fluger Callesen, Permanent Delegation of Denmark to the OSCE

- Mr. Aidan O’Leary, Head of Administration and Finance, OSCE Mission to Bosnia and Herzegovina
- Mr. Robert Mangham, Economic and Environmental Officer, OSCE-FO, Osh, Kyrgyzstan

Session B4: Strengthening the service and networking capacity of business organizations (continuation of Session B3) (Gallery Hall)

Moderator: Mr. Michael S. Rattie, Senior Programme Manager, PantherlabWorks, University of Pittsburgh, Institute for Entrepreneurial Excellence

Rapporteur: Mr. Yaroslav Yurtsaba, Small and Medium-sized Enterprise Development Adviser, Office of the OSCE Project Co-ordinator in Ukraine

- Mr. Michael Wancata, Deputy Director, Österreichische Kontrollbank, Austria
- Ms. Marina Ayvazian, Private Sector Programme Officer, Eurasia Foundation

1–2.30 p.m.

Lunch break

2.30–4 p.m.

Joint session of Working Groups A and B: Public-private dialogue and partnership (Plenary Hall)

Moderator: Mr. Frank van Beuningen, Policy Co-ordinator OSCE Desk, Department for Security Policy, Ministry of Foreign Affairs, the Netherlands

Rapporteur: Ms. Ledia Muco, Economic and Environmental Adviser, OSCE Presence in Albania

- Mr. Daniel Ivarsson, Managing Director, FIDIC
- Mr. Auron Pashaj, Director, IDRA, Albania and Mr. Belmir Agic, Director, Brcko District Development Agency, Bosnia and Herzegovina

Session C3: Supporting academic education and research through co-operation and exchanges (Gallery Hall)

Moderator: Mr. Rasto Ovin, Dean of the Faculty of Economics and Business in Maribor, Slovenia

Rapporteur: Ms. Nina Lindroos Kopolo, Associate Programme Officer, OCEEA

- Mr. Peter Wells, Programme Specialist, UNESCO-CEPES
- Ms. Andrea Harris, Vice President, Caucasus Region, Eurasia Foundation
- Mr. Eric Livny, Director, Economic Education Research Consortium, Moscow
- Mr. George Sharvashidze, Senior Programme Manager, HESP, Open Society Institute

4–4.30 p.m.

Coffee break

4.30–6 p.m.

Side Event/Donors' Meeting (Mirror Hall):

Anti-Trafficking Programme (ATP)
Public-Private Co-operation in the Prevention of Trafficking in Human Beings

Moderator: Mr. Frank van Beuningen, Policy Co-ordinator OSCE Desk, Department for Security Policy, Ministry of Foreign Affairs, the Netherlands

Presentation of the ATP

- ATP overview – Ms. Helen Santiago Fink, Senior Economic Affairs Officer, OCEEA
- Self-regulation of the private sector (Subprogramme I) – Ms. Astrid Winkler, Respect-Austria, and Mr. Reitinger Laska, Austrian Business Association for Small Tour Operators
- Awareness raising in countries of destination (Subprogramme II) – Mr. Ivo Kersten, Adviser, OCEEA
- Economic empowerment (Subprogramme III) – Ms. Cordula Wohlmutter, OSCE Project Co-ordinator in Ukraine

Discussion

Written Statement by Ms. Helga Konrad, OSCE Special Representative on Combating Trafficking in Human Beings

- Questions and answers
- Support announcements/pledges

Closing

4.30–6 p.m.

Side event (Gallery Hall):

Promoting co-operation with the Mediterranean Partners
(Interpretation into English/French available)

Moderator: Ambassador Janez Lenarcic, Permanent Representative of the Republic of Slovenia to the OSCE

Presentation on human capital development for market economy by Mr. Janez Malacic, Professor, Faculty of Economics, Ljubljana, Slovenia

Discussion

6.30 p.m.

Reception hosted by the Co-ordinator of OSCE Economic and Environmental Activities (Czernin Palác)

Friday, 4 June 2004

- 9.30–11 a.m. Special session: Integration processes in the OSCE region (part 1)
(Plenary Hall)
- Chairperson: Ambassador Ivan Naydenov, Chairperson of the
Economic Forum
- Rapporteur: Mr. Jörn Beissert, Permanent Mission of the Federal
Republic of Germany to the OSCE
- Mr. Vladimir Petrovitch Gutnik, Head, Centre for European
Research, IMEMO, Moscow, Russian Federation
- Mr. Willem Buiter, Chief Economist, European Bank for
Reconstruction and Development
- 11–11.30 a.m. Coffee break
- 11.30 a.m. – 1 p.m. Special session: Integration processes in the OSCE region (part 2)
(Plenary Hall)
- Mr. Rutger Wissels, Director, Directorate General Enlargement,
European Commission
- Ms. Zaire Chulanova, Co-ordinator of the Economic Group,
Institute of World Economy and Policy, First Kazakhstan
President Foundation, Kazakhstan
- 1–3 p.m. Lunch
- 3–4 p.m. Closing plenary (open to the press) (Plenary Hall)
- Rapporteurs' reports
- Closing remarks by the Co-ordinator of OSCE Economic and
Environmental Activities, Mr. Marcin Świącicki
- Concluding remarks by the Chairperson of the Economic Forum,
Ambassador Ivan Naydenov, Director of the OSCE Chairmanship
Directorate, Ministry of Foreign Affairs of the Republic of Bulgaria

OPENING ADDRESS BY THE CHAIRMAN-IN-OFFICE

Mr. Chairman,
Mr. Minister for Foreign Affairs of the Czech Republic Cyril Svoboda,
Mr. Secretary General,
Excellencies,
Ladies and Gentlemen,

It is an honour and a privilege for me to speak at the Twelfth Meeting of the OSCE Economic Forum. I am particularly satisfied to see high-level delegations of all participating States, representatives of international organizations, NGOs, leading businessmen and prominent academics at this gathering. This proves that we can do a lot in the future.

I would like to express my warmest gratitude to the Government of the Czech Republic and personally to the Minister for Foreign Affairs of the Czech Republic H.E. Cyril Svoboda for hosting this event and to commend the organizers of the Forum for their continuous efforts to make our stay in Prague both pleasant and fruitful. Thank you, Cyril! Thank you for being provocative! The OSCE would benefit if more of us followed your example.

During the last fifteen years the OSCE region has experienced many profound and far-reaching changes. The year 2004 has brought new landmark events, namely the enlargement of the European Union and NATO — the two main pillars of prosperity and security on the European continent. On 1 May the European map was redrawn after the EU embraced ten new member States and the road was paved for Bulgaria and Romania to join in 2007 with other countries to follow. This, the most ambitious expansion of the EU to date, is undoubtedly beneficial for the OSCE since it brings us closer to attaining the cherished dream of generations of Europeans — a united, strong and prosperous Europe without borders and dividing lines. The EU enlargement also carries new implications for the OSCE — it enables the Organization to more effectively assist a number of participating States in overcoming economic and social disparities and in achieving sustainable economic growth.

This year's Economic Forum will debate on the "New Challenges for Building up Institutional and Human Capacity for Economic Development and Co-operation". We promoted this theme because market economy institutions and adequate human resources are essential factors for sound economic development, regional security and co-operation.

The economic situation in different OSCE sub-regions varies. However, can we talk about a successful transition to market economy in Central Asia and Afghanistan, given the fact that in some countries the salary hardly reaches the required physical survival level? In a country from that region the average salary is only 9 USD per month. How could we talk about economic reforms in the absence of regional co-operation and of on-going dialogue with neighbouring States? The successful transition to market relations cannot be achieved within the realm of economy alone since it cuts across all spheres of social life. We cannot achieve market economy in a country without at least two different newspapers, two different radio or TV stations, expressing different ideas and values. Market economy calls for competition not only of goods, services and investment, but of ideas, visions and cultural values as well. And how can we talk about ecology, let alone about security and co-operation, when tons of landmines remain the dormant guards of boundaries between neighbours? The

mission of OSCE is to promote dialogue between neighbours rather than manage crisis postfactum.

The reforms leading to market economy are difficult and painful. More often than not, they entail high political and social costs. Their implementation has to be supported by clear vision and incentives. That is why the international community should offer to the region of Central Asia, Afghanistan included, a clear vision, relevant assistance and strong incentives, similar to the ongoing integration processes involving other OSCE sub-regions.

This is fully applicable to the region of South Caucasus. The offering of the Euro-Atlantic perspective to these countries will undoubtedly enhance the reform process there. We therefore welcome the fact that the European Union's New Neighbourhood Policy encompasses the region of South Caucasus, and support its implementation. We believe that this policy should give clear vision and incentives to other countries adjacent to the EU enlarged area.

The Western Balkans is another example which proves how incentives of Euro-Atlantic integration have brought stability and advancement towards democracy and functioning market economy. In this respect the stabilization and association process is playing a leading role. However, it is difficult to talk about functioning economy in the region of the Western Balkans while we still have the conflict in Kosovo unresolved. The standards-before-status policy obviously could be related to a clearer time framework and to the respective incentives and guarantees. During our recent visit to Kosovo with NATO Secretary General Mr. Jaap de Hoop Scheffer we strongly emphasized that no solution could be achieved through violence.

With regard to the sub-region of South-Eastern Europe, another main factor for functioning market economy is the development of modern network and infrastructure. Infrastructure projects contribute to building up a stable and perspective region, fully integrated in the European economic space. The main priority shall be the development of the European transit corridors, which are to contribute to the development of comprehensive communications among the countries in the sub-region. Let me now draw your attention to a fact that illustrates the situation of transport links in some parts of South-Eastern Europe. In the twenty-first century, it takes nine hours to reach Tirana from Sofia by car, the distance being only 550 km. Moreover, there is no air and railway connection even between Sofia and Skopje which is the heart of Trans-European Corridor No. 8. Even using aeroplanes it would take 12 hours to go from Varna to Belgrade or 13 hours from Burgas to Tirana. These figures are well above European standards.

I would like to bring to your attention the success story of the East Balkans where the strong determination to implement market reforms, the clear vision of Euro-Atlantic integration, the desire to foster regional dialogue and co-operation and the support of neighbouring countries have transformed the region into an area of political stability, security and economic advancement.

I look forward to extensive exchange of opinions on the contribution of integration processes to European stability and security, their compatibility, interrelation with globalization and perspectives at the special session of this year's Economic Forum.

The institutions dealing with business climate, facilitation of small and medium-sized enterprises, promotion of foreign investments and training of skilled staff have to become operational in all participating States but most of all in those which desperately need it. I hope that the Economic Forum will draw conclusions on this important issue, based on the deliberations of the three preparatory seminars.

The deficiency of professional skills needed for proper management and efficient operation of the institutions was among the motives that led the Bulgarian Chairmanship to include education among its main priorities in 2004. Education and the development of human potential in the public administration, the private sector or the academic realm is a major tool for ensuring economic advancement for each country, as well as more regional stability and security.

I strongly believe that education could be our best common investment for the future and therefore I would like to encourage you to discuss thoroughly the possibilities of further OSCE involvement in this field.

The partnership between public institutions and the business community on addressing the issues of institutional and human capacity-building is of paramount importance. That is why we are committed to engage in OSCE activities all sectors of society, and in particular the private business.

The Bulgarian Chairmanship believes that the OSCE role would be to facilitate these processes, and results can't be achieved without permanent interaction on economic and environmental issues with other international organizations and institutions with relevant expertise and resources.

Mr. Chairman,

I believe that the theme of the Economic Forum, the review of the implementation of the commitments, and the other issues on the agenda will stimulate us to focus on how to strengthen the economic and environmental dimension, how to make it more dynamic and results-oriented and how to enhance the OSCE's comparative advantage, its capacity to provide and mobilize assistance and advice, and its catalytic role for international co-operation. I hope that definite results and practical recommendations for follow-up activities will emerge as a result of our discussions over the next few days. This will be a practical contribution to improving the balance between the three dimensions of the OSCE's activities.

In closing, I would like to quote the eminent playwright George Bernard Shaw: "If you want to succeed in life, you should stand and look for circumstances you need. If you don't find them — create them!" This should be the legacy for the Economic Forum.

I wish you fruitful deliberations and a successful outcome! I personally will follow closely the major developments that will follow this meeting.

Thank you for your attention!



**Organization for Security and Co-operation in Europe
Economic Forum (Senior Council)**

12-EF(SC).JOUR/5
4 June 2004
Annex

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5th Day of the Twelfth Meeting

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**CONCLUDING REMARKS
BY THE CHAIRPERSON OF THE ECONOMIC FORUM**

Ladies and Gentlemen,

After five days of debates, allow me to share with you some thoughts regarding the areas of activities and the actions needed in order to further pursue our common goals of building security, stability and prosperity, on the basis of recommendations stemming from this Economic Forum.

We must continue to work with the constant intention of achieving practical results. The Economic and Environmental Sub-Committee has an important task in assuring the follow-up of our deliberations. As a next step, in accordance with its Decision No. 602, the Permanent Council will further consider the conclusions of the Forum in its discussions of future activities of the economic and environmental dimension in order to take the decisions required. A great number of responsibilities lies with the Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA).

The issues on the Forum's agenda — SME development, investment, education, human capital and institutional development — are important elements of the OSCE Strategy Document. It is up to the national Governments to give life and consistency to their commitments by, among other things, formulating specific requests and projects to be supported by the OSCE. The Organization should work with interested governments, and provide and mobilize advice and expertise to develop incentives for SMEs, and foreign and domestic investment, not least by improving the legal and institutional framework.

The Forum made a contribution to the identification of needs and gaps, and of instruments at our disposal. It clearly demonstrated that the OSCE has a role in promoting institutional and human capital development. The discussions at the Forum and the diversified participation are also a proof that the OSCE is not alone in this process.

In particular I want to emphasize the important contribution of the private sector to our debates. International conventions, national legislation and efforts on education, training, economic empowerment, local capacity building do not suffice if the private sector is not also actively involved. The OSCE can engage strongly in promoting the principles of the United Nations Global Compact. The promotion of corporate social responsibility, exchange of best practices, and increased dialogue and co-operation between governments

and the private sector will be beneficial for all. If these things are promoted, it will be possible to envisage developing and implementing programmes such as LiveWire or Green Pack. The private sector can contribute to and support activities developed by the OSCE. And last but not least, the OSCE can and should support, at all levels, the dialogue between governmental agencies and the business community, and private-public partnership initiatives, with a view to strengthening institutional and human capacity.

Stability and economic development can be enhanced by creating suitable institutions and implementing the right policies at all levels. Institutional change, policy reform, and the improvement of good governance should not be confined to macro-level measures. A positive example of this is the OSCE work with communities, as in Serbia and Montenegro with the city of Nis, to develop local or municipal strategies for sustainable development addressing the specific needs of the communities in question. I believe that the OSCE has a role to play in this regard. Our presence in the field is important for that purpose.

The OSCE has a distinctive role to play in targeting disadvantaged communities, areas, and minorities for entrepreneurial training. And the OSCE has experience in those areas, as numerous such activities have been developed and successfully implemented. Nevertheless, there is still need for action and for more programmatic approaches. Economic empowerment activities and direct support for areas in need should be complemented by initiatives aiming at the development of business associations and support organizations, such as chambers of commerce. The example of an OSCE activity in Armenia supporting the development of chambers of commerce provides a good model in this regard, and further activities of that kind should be envisaged.

Again and again corruption was mentioned as a serious problem. That is why good governance should remain high on our agenda.

Part of the discussions over the last days focused on tourism and its importance for both economic growth and sustainable development. In this connection, co-operation with the World Tourism Organization and other partners should be sought.

The Platform for Co-operative Security constitutes the basis of our co-operation with other partner organizations. The enhancement of OSCE's activities should be assured by means of the development of closer contacts between the OSCE and major international, regional economic and financial organizations and institutions, avoiding duplication of existing instruments and activities. To give only one example, I believe that that co-operation between the OSCE and the International Network for SMEs should be continued, and co-operation with the OECD, in the framework of the OECD Bologna process, should be further developed. I wish to take this opportunity to mention that during our Forum we for the first time established a video-link with the Business Symposium held back-to-back with the Second OECD Ministerial Conference on SMEs in Istanbul. Further consideration should be given to the modalities that will ensure the possibility of similar on-line dialogue when such events coincide.

The Special Session on integration was devoted to consideration of integration processes and possible implications for the OSCE. We share the view that greater role and

specific emphasis of the OSCE activities in the economic and environmental dimension should be attached to the sub-regions that are not fully involved in integration processes.

As you know, the Bulgarian Chairmanship made education one of its main priorities. I believe the Economic Forum contributed significantly to the understanding of the importance of the issue as well as to identifying some potential areas of involvement for the OSCE. The OSCE could facilitate the reform process and assist local governments in this process by providing a forum where best practices could be shared and information and knowledge exchanged between the Participating States. The OSCE could also play a vital role in promoting trans-border collaboration and networking among researchers in economic disciplines as well as promoting closer links between economic education and research, and the needs of the labour market. Facilitating mobility and regional and international co-operation among educational institutions, academic exchanges, quality evaluation systems could also be envisaged. I encourage the OCEEA to step up its efforts in this regard and develop a programmatic approach to be presented to the participating States.

The United Nations Economic Commission for Europe has traditionally been a key partner of the OSCE. We have very much appreciated their contribution to the review session this year, focusing on investment climate. The Chairmanship values the co-operation with the UNECE highly and expresses its hope that a Memorandum of Understanding between the OSCE and the Commission will soon be concluded. The OSCE should as well develop closer co-operation with international organizations, financial institutions, civil society and academics in assisting participating States in implementing and reviewing their commitments.

I also want to mention the three successful side events.

The side event on promoting entrepreneurship and economic development for Roma and Sinti stressed the necessity of specially tailored policies for these minorities and led to the conclusion that the OSCE could provide the framework for linking related initiatives. The OSCE YES Programme and the Fair Employment Programme can be tailored to serve the needs of Roma communities.

For the first time a side event took place on the margins of the Forum with the Mediterranean Partners. Discussions focused on human capital resource development. It was broadly agreed that follow-up to explore further co-operation would take place in, inter alia, the Mediterranean Contact Group.

With regard to the anti-trafficking side event, a follow-up to last year's Forum, I want to stress once again the Chairmanship's support for OSCE activities in this area. I want to thank in particular the delegations who made voluntary contributions for the Anti-Trafficking Programme and express the Chairmanship's appreciation for their support.

Ladies and Gentlemen,

It is the understanding of the Chair that there is a wide support, even consensus, regarding the theme proposed by the incoming Slovenian Chairmanship for the Thirteenth OSCE Economic Forum – “Demographic Trends, Migration and Integrating Persons

belonging to National Minorities: Ensuring Security and Sustainable Development in the OSCE Area". A final decision on the theme and other modalities will be taken by the Permanent Council in the next weeks. It shall allow the next Forum to be thoroughly prepared by, inter alia, preparatory seminars.

We noted with satisfaction the active presence of the representatives of a large number of international organizations and institutions. The participation of the civil society, academic, scientific and business community was also highly appreciated and extremely valuable. Let us express our gratitude for the presence of the Mediterranean and Asian Partners for Co-operation and thank them for their contribution.

Meanwhile it is worth drawing our attention to the fact that the level of participation of representatives from some OSCE participating States which in recent years have become focus of more substantial and diversified OSCE assistance in the economic and environmental dimension, was below our expectations.

Let me finally express profound gratitude to the Czech Government for its warm hospitality during our stay in Prague.

Allow me to express appreciation of the tireless efforts of the Office of the Co-ordinator of OSCE Economic and Environmental Activities and personally of Mr. Marcin Świącicki for the preparation, excellent organization and smooth conduct of the event. I would also like to note how grateful we are to the moderators, rapporteurs and other participants for their contribution. My special words of thanks go to the organizers, the interpreters, and the members of the logistic team who did their respective jobs so admirably.

Finally, I would like to thank all the participants who contributed to the discussions of the last few days.

Thank you for your attention.

CLOSING REMARKS BY THE CO-ORDINATOR OF OSCE ECONOMIC AND ENVIRONMENTAL ACTIVITIES

Distinguished Chairperson,
Distinguished Delegates,
Ladies and Gentlemen,

It is my pleasure to give you a brief summary and evaluation of the discussions we had in the plenary session, the review session, the three working groups, and the special session on regional integration processes, and furthermore of the side events and the reports which have just been presented by the rapporteurs. As you have heard, a wealth of proposals, ideas and recommendations have emerged over the last five days. Together with the Chair our office will carefully analyse all of them and submit respective follow-up proposals on activities to be pursued by the OSCE and its participating States to the Economic and Environmental Subcommittee in due course.

We are grateful to the United Nations Economic Commission for Europe (UNECE) for the professional contribution to the review of the implementation of OSCE commitments in investigating key features of the investment climate in the OSCE area. Comparing the situation of one State with those of its peers is a very enlightening and telling approach, and I am glad that some participating States contributed to this comparative analysis by providing the most recent figures on the latest developments in their countries.

Soon, the OSCE and UNECE will conclude an agreement which will give our already fruitful co-operation with UNECE the solid foundation it needs for the effective implementation of the provisions of the new Strategy Document for the Economic and Environmental Dimension. The Executive Secretary of UNECE, Brigita Schmögnerová and our Secretary General, Ján Kubiš, made further progress in the elaboration of this agreement when they met here at the Economic Forum at the beginning of this week.

Further progress has also been made in the implementation of the recommendations of last year's Economic Forum on Trafficking and of the provision of the OSCE Action Plan on Combating Trafficking in Human Beings. On the occasion of yesterday's side event on the Anti-Trafficking Programme, developed by my office in close co-operation with experienced partners, several delegations pledged funding with other delegations indicating that they will follow soon. I would like to thank you for this.

The desperate situation of Roma and Sinti communities is also one which calls for comprehensive action. The side event my office jointly organized with the ODHIR Contact Point on Roma and Sinti issues gave a strong stimulus to the implementation of the Action Plan on Improving the Situation of Roma and Sinti within the OSCE Area. In some parts of the OSCE area, up to 80 per cent of Roma and Sinti are currently unemployed. Urgent action is required.

During the plenary session we learned about encouraging examples of how the private sector contributes to the prevention of conflicts and to post-conflict rehabilitation. But the potential of the private sector is still largely untapped. The business community came up with numerous very interesting ideas for enhancing economic co-operation, improving the business climate, facilitating small and medium-sized enterprise (SME) development and

attracting foreign direct investment. Strengthening business associations such as chambers of commerce as genuinely independent partners for governments is one important and catalytic role the OSCE can play. Business associations are not only an important component in the tissue of organizations that makes up a civil society, they are also key partners in identifying obstacles for foreign and domestic investment, in promoting anti-corruption campaigns or streamlining business legislation so that they are also conducive for SME growth and development.

The development of SMEs is of utmost importance when fighting poverty and eradicating the root causes of conflicts. My office will further continue to facilitate SME development and actively promote SMEs and entrepreneurial spirit both in disinvested regions and among vulnerable groups. Economic empowerment is a crucial tool when addressing vulnerability factors and ensuring the peaceful solution of conflict. Increasing our partnership with the business community will multiply its impact.

Having organized for the first time a plenary session on the co-operation with the business community, we have launched a dialogue that my office will cultivate with a view to increasing our co-operation with the private sector. Both, OSCE participating States and the business community can only benefit from this co-operation when pursuing the common goal of peace and prosperity.

In order to achieve lasting results, increased efforts are required for upgrading education for market institutions and sustainable development. At this Economic Forum we have learnt about various successful educational projects in these fields. They are undertaken by NGOs, IOs and our field missions, and also in partnership with the private sector. "Green Pack" is one example. The OSCE, besides undertaking its own initiatives, can facilitate replication and dissemination of the best programme to a wider public.

Similarly, trade and economic integration are instrumental in promoting peace and prosperity all over the OSCE area. The special session on regional integration processes in the OSCE area we had a lively debate. We know that there are other multilateral and bilateral negotiations on lower barriers to trade and economic integration. The OSCE has sent them a strong signal that trade liberalization and economic integration also matter in terms of peace, security and stability. Our debates testify that there is a will of all participating States to make neighbourhood of the EU beneficial to all neighbours, minimize potential cost and extend economic co-operation and integration in the OSCE region. My office stands ready to assist participating States, inter alia, in the implementation of "trade facilitation measures".

Before concluding these remarks, Ambassador Naydenov, I would like to thank you personally, as well as your team, and in particular Mr. Lashev and Mr. Todorov, for your co-operation in the preparation of this Forum. The task was a challenging one, and the Bulgarian Chairmanship has led us to a very successful meeting this year here in Prague. This would of course not have been possible without all the event's many participants, and I would like to thank all of you for your invaluable support and contribution. I would especially like to thank our moderators, co-moderators, rapporteurs and lead speakers for engaging all of us in most stimulating discussions.

The contributions from the OSCE Missions, the business community and NGOs have confronted us with realities in the field and are thus of immense value for our future deliberations in Vienna, and I thank them for that. I am especially thankful to the team of my

office, to whom a great deal of the success of this Forum has to be attributed, and I would in particular like to thank Gabriel Leonte and Andrea Gredler for their invaluable support. I would also like to thank the OSCE conference services and our technical team from Vienna, and furthermore Ambassador Dana Huňátová, her assistant Iveta Džúriková and their dedicated team here in the Prague OSCE office. And last, but not least, I would like to thank our interpreters for their excellent work, their patience, and their dedication.

Mr. Chairperson, ladies and gentlemen, it was an honour and a great pleasure to be with all of you this year, and I am looking forward to our continuing co-operation. Thank you and I wish all of you a safe journey home.

NEW CHALLENGES FOR BUILDING UP INSTITUTIONAL AND HUMAN CAPACITY FOR ECONOMIC DEVELOPMENT AND CO-OPERATION

1 June 2004

Report of the Rapporteur of the Implementation Review Session

Agenda item 2: Review of the implementation of OSCE commitments in the economic and environmental dimension

- (a) Presentation of the report by the United Nations Economic Commission for Europe on the implementation of OSCE commitments focusing on the investment climate**
 - (b) Discussion**
-

Mr. Abdur Chowdhury, Director of the Economic Analysis Division of the United Nations Economic Commission for Europe (UNECE), presented the paper: *Investment climate: A UNECE report*. The report reviewed key features of the investment climate, such as foreign direct investment (FDI), the size of informal economies, macroeconomic stability, institutions, physical infrastructure and performances of participating States compared in terms of various factors affecting investment decisions.

Noting significant discrepancies in the area of investments among the OSCE participating States, the UNECE identified three building blocks for the creation of a favourable investment climate:

- (a) Macroeconomic stability based on prudent economic policies;
- (b) Efficient institutions (including good governance and the rule of law); and
- (c) Developed financial and physical infrastructure.

Market size, the availability of cheap and skilled labour and the presence of natural resources were mentioned among other factors important for attracting investments.

At the same time, the UNECE pointed out that a high level of protectionism, restrictions on the banking and finance sector, weak protection of property rights, the size of informal markets, excessive regulations, ineffective and discretionary application of tax rules and regulations, political instability, corruption and inflation discouraged investors.

The UNECE report concluded that the governments of participating States were largely responsible for creating and maintaining a favourable investment climate. In the view of the UNECE, the investment climate depends crucially on setting up institutions that are necessary to support economic growth and structural change.

The UNECE also suggested a methodology for carrying out further review of OSCE commitments in the economic and environmental dimension, as well as the creation of the new joint UNECE-OSCE early warning mechanism.

The report was generally well received, and many delegations underlined the importance of continuing co-operation between the OSCE and the UNECE. At the same time, a number of participants pointed out that the statistical data used by the UNECE was outmoded, and questioned the very pertinence of a statistical approach to measuring the implementation of commitments. Attention was also called to a contradiction between the factors identified by the UNECE and several individual performances of participating States.

The participants broadly agreed that improving the investment climate was an essential element for economic development and co-operation and supported the main conclusions of the UNECE report. The existence of advantages of a non-economic nature for attracting investments was mentioned by a number of participants.

Some delegations reported on the efforts they were undertaking to ensure the fulfilment of commitments relating to the investment climate and shared their national experiences.

A number of delegations supported the presented methodology for review of commitments based on identified clusters and called for the speedy conclusion of a Memorandum of Understanding (MoU) between the OSCE and UNECE.

The usefulness of the systematization of all OSCE commitments in the economic and environmental dimension and the importance of undertaking their comprehensive review was emphasized by one delegation, which proposed that an annual review event modelled on the annual review processes in the politico-military and human dimensions should be established. This view was not shared by other delegations, which advocated a more focused review and rational use of resources.

The implementation of the new OSCE Strategy Document for the Economic and Environmental Dimension was also discussed. The need for its full implementation throughout the OSCE area was stressed, and the idea of introducing annual work programmes of the Chairmanship in the economic and environmental dimension was put forward.

One delegation also raised the question of the need to implement all OSCE commitments, including those contained in the Bonn Document and related to property rights.

Recommendations

The OSCE participating States should increase their efforts towards the creation of a favourable investment climate by strengthening good governance, the rule of law and the institutional framework. Attention should be also paid to the implementation of sound macroeconomic policies and the development of infrastructure.

The OSCE should concentrate its efforts in assisting participating States in the implementation of commitments in the field of investments in the areas where it has expertise and resources, without duplicating the activities of other organizations. Specific emphasis

should be placed on the development of an efficient institutional framework. The creation of an OSCE website on economic legislation, including investment laws, could support this endeavour by disseminating legislative “best practices”.

The OSCE should develop closer co-operation with international organizations, financial institutions, civil society and academics in assisting participating States in the implementation of their commitments and in performing the review of commitments. In this regard, the OCEEA should intensify its efforts towards the conclusion of an MoU on co-operation with the UNECE.

The analysis of statistical data for the preparation of the review of commitments should be improved, *inter alia*, through advance submission by the governments of participating States of the relevant statistics for a particular review. OSCE field presences may play a role in assisting the UNECE in preparing reports on review of commitments by providing it with statistical data.

NEW CHALLENGES FOR BUILDING UP INSTITUTIONAL AND HUMAN CAPACITY FOR ECONOMIC DEVELOPMENT AND CO-OPERATION

1 June 2004

Report of the Rapporteur

Agenda item 4: Partnership with the business community for institutional and human capacity-building

The session was chaired by Ambassador Carlos Sanchez de Boado, who in his opening remarks stressed the importance of strengthening private-public partnerships. The OSCE Strategy Document had confirmed that approach in the spirit of the United Nations Global Compact, and together with the business community, international organizations could be instrumental in helping the members of the international community in their striving for peace, stability and prosperity.

The first speaker was Mr. Charles William Maynes, the President of the Eurasia Foundation, who stressed that the OSCE could play an important role while looking both east and west, and thus could set an example as a mentor and as an implementer in the transition process. Excellent co-operation was already in place with a number of OSCE field presences. With regard to Eurasia, the current changes were no longer revolutionary, but the trend was towards political consolidation. Government officials wanted to develop their own institutions, and not simply to copy existing models.

Business was of key importance for the process of recovery from the disintegration of the USSR. Long-term success could only be achieved through co-operation with neighbours, and the business community was already pushing the agenda for change. They should be encouraged to press forward, and to share lessons learned. The OSCE should strengthen its role in the development of business, and the mandates of field presences should be revised accordingly. One could for instance envisage assigning a business adviser to each head of mission. Several organizations seem to be scaling down their activities in the Eurasia region; the OSCE should be encouraged to assure continuation of its activities. The public-private partnership was a two-way exchange, not a one-way teaching exercise.

While existing partnerships with the OSCE should be further strengthened, the Eurasia Foundation was preparing to intensify its co-operation with the European Commission.

Ms. Erika Mink, Environment Director for Europe from Tetra Pak, presented Tetra Pak initiatives in the field of environment and capacity-building, taking the form of a number of private-public projects. Tetra Pak was a global company that acted as a responsible business leader. It was part of the Global Compact, and strove to share its knowledge through educational programmes around the world.

Tetra Pak maintained constant contacts with government authorities and stressed the importance of environmental legislation in order to ensure that international standards were

met and applied. Environmental capacity-building was a priority, and the firm sponsored educational programmes on how to handle materials and how to recycle. There was, however, a need for a wider stakeholder dialogue. An understanding of local conditions was required, and specific programmes responding to local conditions needed to be developed. Co-operation with the OSCE in that regard would be extremely desirable.

Mr. Michael Bleyzer, President and CEO of Sigma Bleyzer, said that, in most countries in transition, stakeholders knew what needed to be done, but the question was how to do it. Implementation was the key. It must be realized that all countries were interdependent. In order to reflect that fact, he had developed a matrix entitled “the brave new world”, by which he demonstrated the advantages but also the risks and challenges of interdependence. One of the greatest risks lay in the growing disparities between rich and poor nations, which led towards a dangerous polarization.

The most prized capacity in developing countries was the wealth-creation capacity. He argued that the value being created in the 28 most developed countries risked being destroyed in the rest of the world by unsustainable development. In order to create wealth, an improved business environment was required so as to allow inflows of foreign direct investments, which were the key to starting the engine.

There was no security and stability without wealth creation, and all parties needed to work together and strengthen their co-operation.

Mr. Alois Flatz, a consultant on sustainable asset management, stressed that, while the objective of the business community was to add value to investment objects in order to sell with profit, intangibles were becoming ever more important, and the way valuations with regard to business environments were done was changing dramatically. Long-term analysis was becoming increasingly complex, and there was a need for greater transparency.

Ecological and economic trends created changes in the market, and investors’ decision-making became more and more complicated. The equity risk premium was growing due to external factors such as environmental risks and terrorist attacks, which created a lack of confidence among investors. The risk of external shocks was at present at the same level as risks stemming from inflation.

Trust in corporate executives was also at an historic low, and therefore there was a need for actions to rebuild trust, and thus avoid social and political tensions. The OSCE could help to alleviate external shocks, thereby playing a very useful role in creating a positive business environment. He was currently involved in discussions on setting up a foundation, and invited the OSCE to participate in them.

Ms. Karen Bellis, LiveWire Co-ordinator from Shell International, presented the LiveWire Programme as one of Shells’ social investment programmes. The programme offered business start-up and career options for young people aged 18 to 30. It focused on capacity-building and passing on skills to the younger generation. It was partnership-driven and -delivered. Each LiveWire unit was local and owned by a local partner. Each country programme was thus unique, reflecting local needs for starting micro-businesses. The Programme was not sector specific; any legal business initiative was possible, and any young person with drive could participate. The Programme currently extended to 23 countries and could possibly serve as a model for OSCE activities. It had been started in 1982; more than

4.5 million people had profited from it, and a number of companies had been started up since and were very successful. It was a “4-win situation”: the benefits went to young people, NGO partners, government organizations and to Shell as a large company.

Mr. Stefan Crets, Manager for Corporate Social Responsibility at Toyota Motors Europe, gave an overview of the company’s general operations in Europe. It was a difficult task to marry the company’s contribution to sustainable development with its corporate agenda. Toyota promoted sustainable mobility and security. It sought to improve production processes through local solutions. The Earth Charter and Vision 2010 were guiding principles for Toyota. There was a need to engage in greater co-operation with other stakeholders; dialogue was crucial in order to combine social and business needs. Toyota was taking part in a number of environmental awareness projects with mutual benefits. It worked in particular with NGOs, and the Green Pack education programme developed together with the Regional Environmental Centre for Central and Eastern Europe was an excellent example of such co-operation.

Further partnerships were very much needed, and the OSCE could help by taking on a brokering role in that regard.

During the question and answer session which followed, a number of business representatives intervened, as well as representatives from participating States. The representative from Skanska Sweden stressed the importance of the Global Compact and the Dow Jones sustainability index. In his view, there were three reasons for a corporate code of conduct: to avoid risks, to strengthen the brand and to retain talented young people.

Further interventions underlined the importance of stakeholder dialogue and the active combating of corruption and bribery. It was also stressed that more balanced societies based on growth and sustainable development were needed. Investment promotion agencies could bridge the gap between the public and the private sectors and thus help to create a reliable business environment. For a number of governments, the challenge indeed lay in overcoming the distrust between the government and the business community. The OSCE could and should continue to play a role in confidence-building. It should also continue to encourage women to engage in professional activities, to promote internships within companies and to promote public-private partnerships to increase human and institutional capacity. But the private sector also had an important role to play and could and should lead by example.

WORKING GROUP A

2 and 3 June 2004

Report of the Working Group Rapporteurs

Agenda item 5: Political commitment for institutional development and reform

- (a) Creating awareness of the value of the environment through education and responsible economic development, including ecotourism**
 - (b) Creating the framework for sustainable development through legislative reform and institutional capacity-building**
 - (c) Improving the business climate by building local capacity and promoting co-operation**
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Rapporteur's report on Working Group A, Session 1

Creating awareness of the value of environment through education and responsible economic development, including ecotourism

Session 1 focused on how the OSCE could create awareness of the value of the environment through education and responsible economic development, including ecotourism. Four presenters provided examples of how the private sector and public organizations were currently endeavouring to create programmes supporting environmental education, ecotourism and sustainable development initiatives.

The first presenter, Mr. Stefan Crets, Manager of Corporate Social Responsibility for Toyota Motor Europe, outlined Toyota's philanthropic philosophy and a few philanthropic initiatives supporting environmental education. In dealing with the dilemmas of operating a global automobile manufacturing company, Toyota strove to create and implement pan-European philanthropic programmes to combine business and social benefits, leverage its core competencies, and build up a network of governmental, educational, and non-governmental partners. One example of that approach was Toyota's "Green Pack," a joint initiative with the Regional Environmental Centre for Central and Eastern Europe (REC). Green Pack was an innovative teachers' tool for environmental education and was an example of regional partnership between national ministries of education and the environment, and professional organizations such as environmental NGOs, teacher training colleges, schools and businesses.

The second speaker, Mr. Jon Kahn from the Ministry of the Environment of Sweden, presented information on the UN ECE's Education for Sustainable Development Strategy. He demonstrated clearly that government regulation and technological innovation was not enough to address and correct growing environmental threats, but that proactive steps must be

taken promptly in order to save future generations from otherwise inevitable environmental destruction. A key element in such a proactive strategy was the creation of a multi-disciplinary sustainable development curriculum and its implementation at all levels of educational systems. That approach would have a profound impact on human behaviour if begun early in the educational process and in all educational disciplines. Education for sustainable development had become a pillar of the UN ECE strategy currently being drafted as a result of the Kiev Conference on the Environment in 2003.

The draft strategy, which by necessity reflected a regional approach, encouraged the 55 participating States to develop and implement education for sustainable development in their educational systems. That comprehensive strategy would affect all aspects of education, from teaching tools and the integration process to the role of lawmakers, civil society, the media and educators.

Lastly, Mr. Kahn stressed the links between education for sustainable development and responsible tourism. Both tourists and tourism-providers alike must be aware of the environmental impact that tourism had on fragile ecosystems, particularly in countries where political systems had yet to develop regulatory systems that would protect fragile ecosystems from over-usage.

The third presentation, by Susan Snelson, a tourism development expert from the Citizen Development Corps, outlined the powerful stimulus that tourism and ecotourism could provide to developing economies, while limiting the impact of tourism on sensitive ecosystems. Development of tourism outside main population centres could be an effective means for such regions not only to improve their standards of living, and increase the employment of local populations and the tax revenues of local governments, but, if properly managed, it could also place an economic value on the use of natural resources. She stressed that governments of countries in transition must greatly increase their efforts to spread the reach of tourism outside major metropolitan areas so that tourists would reach more remote regions where ecotourism would prosper and leave their money with local populations. However, local and central governments must at the same time take great pains to safeguard the natural and cultural heritage of such areas in the face of greater tourist inflows in order to preserve them for future generations. The key to reconciling those two requirements was the establishment of economic development boards and tourism councils, and the involvement of local communities at all levels in the creation of tourism development plans and marketing plans for those communities. Educational workshops and training events could also be targeted at groups involved with the management and operation of tourism facilities in a whole range of tourism activities, including service training, managing bed and breakfast operations, proposal and brochure writing, and expansion of arts and crafts businesses. All such activities would have a profound effect on regional economic development and would guarantee greater community involvement in preserving the environment.

The fourth and final speaker, Mr. Armands Pupols, from the Conflict Prevention Centre of the OSCE Secretariat, brought together all of the preceding presentations in terms of why and how the OSCE could become involved in the promotion of ecotourism in OSCE participating States.

First, Mr. Pupols set forth four main reasons why the OSCE should be involved in the development of ecotourism:

- Income generation for remote and vulnerable population groups;
- Human capacity training and education for local communities — a goal of the Bulgarian Chairmanship;
- Promotion of cross-border co-operation — many instances of ecotourism in border areas;
- Development of ecotourism not necessarily a financial issue, but a political-administrative process, and one in which the OSCE could use its contacts with governments and civil society to promote policy and procedural recommendations. A low-cost/high-impact process.

Secondly, Mr. Pupols outlined a few ways in which the OSCE could have an impact on the development of ecotourism in OSCE participating States:

- It could use its broad base of contacts in government, civil society, the business community and the international donor community to help organize projects and promote ecotourism;
- The OSCE's field presence in Central Asia and the Caucasus would enable it to collect comprehensive information concerning current and potential areas for the development of ecotourism;
- Working with educational institutions, such as the OSCE Academy in Bishkek, the OSCE could help structure training components for tourism workers, including in areas such as management of ecotourism and environmental protection;
- The OSCE could also use its political contacts to help resolve some of the border and other administrative issues that effectively block the development of ecotourism;
- One note of warning however was that, in assisting private companies in tourism, the OSCE should take care not to give undue consideration to certain companies to the detriment of others.

In summing up, Mr. Pupols once again stressed that the development of ecotourism was relevant to the OSCE because it contributed to co-operation and security in OSCE participating States.

Although there was limited time for discussion, a few speakers raised relevant points for consideration.

A representative from the World Tourism Organization stated his gratitude that tourism had been placed high on the agenda of the Forum, as it was clearly an important vehicle of economic development. However, he stressed that an economic value must be placed on tourism resources so that over-use did not destroy tourism's very foundations. Thus, States must seriously work at perfecting legislation in that area in order to protect resources.

A representative from the Austrian delegation pointed out that some perspective must be maintained, in the sense that tourism perhaps was not a main driver of economic development and was very sensitive to external economic shocks.

Several speakers also stressed that ecotourism should be promoted to those target audiences that were already located in the country. On the one hand, those potential tourists were often already seeking tourism opportunities in the country. On the other hand, bringing ecotourists from distant locations often undermined the environment in very significant ways.

Finally, another speaker stressed that States should not concentrate on the creation of large hotels and accommodations, but should focus their legislative and infrastructure development on utilizing already existing tourism bases, such as private homes and bed and breakfast houses. That guaranteed that the income generated in communities stayed there and was not siphoned off.

Rapporteur's report on Working Group A, Session 2

Creating the framework for sustainable development through legislative reform and institutional capacity-building

Three presentations set the stage for discussion at the session. A representative of ERM International Development Services described efforts to bring environmental legislation in the countries of Eastern Europe, Central Asia and the Caucasus closer to the legal systems of the European Union. A principal challenge was to help those countries move from command and control legislative systems to compliance-based systems. Some elements of the EU's vast body of environmental law could serve to help countries in transition build appropriate frameworks of environmental law. Careful planning and analysis of gaps at the legislative, institutional and implementation levels could help build the most effective programmes for countries wishing to bring their environmental legislation closer to that of the EU.

The OSCE Mission to Serbia and Montenegro had developed an effective approach to raising public awareness regarding national environmental legislation. When a new item of legislation had been under development, the Mission had deployed a multimedia campaign to encourage public participation in the legislative process. More than 3,000 people had been engaged in all the local municipalities, and comments had been taken into consideration by the lawmakers, through an effective partnership at the local level between the public and private sectors. Considering that between 30 and 40 per cent of the population had noticed the campaign, the model could be used for other types of legislation.

The Mayor of Serbia's second largest town, Niz, explained how his community had been working with the OSCE to develop a sustainable development strategy whose long-term aim would be to reduce social tension and poverty while contributing to ecological rehabilitation.

The representative of the International Federation of Engineer Consultants made the business case for self-regulation and environmental due diligence by firms. Industry could encourage self-regulation by creating appropriate conditions, namely, by providing assistance, lobbying for legal and economic incentives, promoting appropriate regulations

and standards and encouraging management systems for sustainable development. Given those conditions, firms would be able to recognize that environmental management and sustainable development were precursors to long-term profitability.

In the discussion, questions were raised regarding the difficulties of promoting interest among different industries in self-regulation, and more importantly, the challenge of dealing with violations of a voluntary system. It was generally agreed that capacity-building should be a focus for the international and business community. The focus of programmes should be education of young people, but also promotion of public participation in industrial associations, as well as advocacy with national authorities.

Recommendations:

The OSCE should:

- Consider repeating the example of the Mission to Serbia and Montenegro's project to develop an environmental legislative guide, and encourage public participation in the legislative process, in co-operation with national and local stakeholders;
- Work with communities, as was done in Serbia with the city of Niz, to develop local or municipal strategies for sustainable development, taking into account the specific needs of those communities;
- Support capacity-building at the national and regional levels to enable countries to build the legal frameworks necessary to support environmental progress and sustainable development;
- Raise awareness of the extent to which industrial associations may have measures in place to promote self-regulation of businesses. This could be an area for co-operation with the OSCE in some countries;
- Encourage all governments to accord environmental legislation the high priority it deserves in their national administrations, and to ensure that a framework is in place to allow public participation and legal recourse in the implementation of this legislation.

Rapporteur's report on Working Group A, Sessions 3 and 4

Improving the business climate by building local capacity and promoting co-operation

The two first speakers, Edilberto Segura of SigmaBleyzer Foundation and Natia Natsvlishvili of the OSCE Mission to Georgia, made the case for increasing both foreign and domestic investment in order to promote economic growth and improve social conditions. The most important factor for attracting investment was identified as the creation of a better business environment. Stability and predictability, regional security and co-operation, coherent economic policies and enhanced governance and public administration, as well as liberalization and deregulation, were among the key determinants of a favourable business climate.

Mr. Segura advocated the establishment of a “private world fund”, a collective mechanism whereby investors could provide support to countries in improving their business environments. The “private world fund” would co-operate with national investment promotion agencies set up to support and co-ordinate policy reform and advocate sound, investment-friendly economic policies. He suggested that the OSCE might have a role to play in supporting such efforts.

Ms. Natsvlishvili, whose presentation focused on the Southern Caucasus, stressed the role of the international community in helping to make the necessary improvements to the investment climate, particularly through support for enhancement of the capacities of national governments and authorities. While the OSCE was already active in promoting an economic security system, and many international and bilateral organizations were helping to promote coherent economic policies, the international community, with national authorities taking the lead, should focus more on developing a comprehensive and co-ordinated package of measures designed to combat corruption.

The next two speakers, Aidan O’Leary of the OSCE Mission to Bosnia and Herzegovina and Robert Mangham of the OSCE Field Office in Osh, Kyrgyzstan, provided practical examples of what the OSCE could offer in relation to specific aspects of improving the business climate. Mr. O’Leary provided information on the current economic situation in Bosnia and Herzegovina and on the Government’s Poverty Reduction Strategy Paper, which aimed to increase economic growth to 5 per cent and restore the country’s international creditworthiness. The Mission, in co-operation with other international actors, could add value to that Strategy by supporting the carrying out of a survey to obtain feedback from potential investors, by assisting in exchanges of information and best practices and by supporting municipal and cantonal authorities in creating a business-friendly environment.

Mr. Mangham presented the results of a Conference on Dispute Resolution as an Instrument for Facilitating SME Operations in Business Environments, held in November 2003. One of the outcomes of the Conference had been a recognition that alternative dispute resolution mechanisms designed specifically for the Central Asian context would be useful in improving the business climate. It had been suggested that the OSCE could help identify such mechanisms and facilitate the implementation of a pilot scheme in Kyrgyzstan, as well as promoting exchanges of information among Central Asian participating States.

In the discussion, the view was widely shared that institutional and policy factors were paramount in creating an investment-friendly environment. Attention was called to the role of independent media and an effective judicial system, particularly in uncovering and combating corruption. Similarly, the importance of adequate salaries for public officials was stressed, and it was recognized that there was a legacy of overly large bureaucracies in many countries. It was emphasized that there were no blueprints for attracting investments, and that each country needed its own specific strategy, tailored to the industries targeted. Efforts to attract investments should not focus exclusively on foreign direct investment, but should also involve local firms. It was suggested that the OSCE, inter alia, through its field operations, could assist local firms and their organizations and chambers in promoting understanding of that fact. Both the OSCE and governments could facilitate the exchange of information on investment opportunities. The OSCE could also contribute to trade liberalization and facilitation of intra- and interregional trade. More generally, the need for effective

co-operation between international organizations and co-ordination of their work was stressed.

Recommendations:

- The OSCE, including its field operations, can help to promote better business environments by assisting in capacity-building and information-sharing regarding policies and institutions which would help participating States to attract investments.
- The OSCE could develop, in co-operation with other partner organizations, capacity-building and training programmes for public servants in economic and administrative fields, including practical professional training through twinning arrangements and study tours.
- The OSCE could consider promoting the concept of co-operation between investment promotion agencies and private investors.
- The OSCE should focus on the role of independent media and an effective judicial sector as parts of a comprehensive strategy to combat corruption, and should encourage participating States to accede to relevant international instruments in this regard.
- The OSCE could provide assistance to local firms and businesses wishing to gain access to government programmes offered to foreign investors.
- The OSCE could identify and facilitate implementation of alternative dispute resolution mechanisms as a way to improve conditions for SMEs.

WORKING GROUP B

2 and 3 June 2004

Report of the Working Group Rapporteurs

Agenda item 6: Capacity-building for the private sector

- (a) Supporting entrepreneurship as a means of economic empowerment**
 - (b) Strengthening the service and networking capacity of business organizations**
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Rapporteur's report on Working Group B, Sessions 1 and 2

Supporting entrepreneurship as a means of economic empowerment

Small and medium-sized enterprises (SMEs) have the potential to fulfil important economic and social roles in society. Economically, SMEs can generate employment, contribute to economic restructuring, increase competition, and help develop a flexible economic structure. Socially, SMEs can contribute to greater social inclusion and democratization, and enhance overall security. While the economic dimension is important, the social dimension is perhaps even more so.

Entrepreneurship can unleash personal potential and lead to greater self-fulfilment. Entrepreneurship includes women, ethnic minorities and youth and is a means of regenerating disadvantaged areas and communities, including border areas. Given the OSCE's comprehensive approach to security, this is an area that is ripe for OSCE involvement.

Specifically, the OSCE could:

- Target disadvantaged communities, areas and minorities for entrepreneurial training;
- Help build local institutional capacity, especially regarding local and regional policies having to do with SMEs. Business interaction with government is overwhelmingly at the local level;
- Facilitate cross-border trade co-operation;
- Work with other organizations to ensure long-term, sustainable assistance to SMEs. Many fail in the first few years. Thus they need help not only to get started, but also when they run into trouble;
- Work with governments to encourage advantageous terms (on loans, for example) for target groups.

Supporting entrepreneurship goes beyond helping businessmen. It includes reaching out to young people and teaching them about market economics, civil society and

democratization, and getting them interested in perhaps starting their own businesses. Civic education youth camps in Tajikistan fulfil this role. With 62 per cent of the Tajik population under the age of 25, and university a possibility for only 10,000 of the 60,000 who complete high school each year, Tajikistan suffers from an education deficit for young people. The summer youth camps increase basic knowledge and skills relating to the market economy, interest youth in it and help them understand the role of democratization in a country's transition from a command economy to a market economy. Moreover, with little for young people to do during the summer months, the camps provide a positive, productive activity.

The development of the Bjelasica and Komovi area in Montenegro is an example of successful ecotourism, with spin-off opportunities for SMEs that can capitalize on the tourist trade. Protecting and preserving natural treasures such as forests, lakes and wildlife areas permits responsible development of ecotourism facilities, such as hiking trails, camping areas, small hotels, and other businesses that support or benefit from tourism, e.g., manufacturing of food products from produce grown in the area (honey, jam, etc.). Sustainable development of this type gives local residents and businesses an important stake in maintaining natural resources, because, if the ecological attraction is spoiled, the ecotourism and related businesses will fail.

The discussion in the Working Group turned almost immediately to the problem of corruption, with several people noting that capacity-building and training for entrepreneurs would come to nothing if conditions in a country were not conducive to the development of business. Corruption, all agreed, was the single largest problem inhibiting the growth and development of business.

To combat corruption the OSCE can:

- Intensify its work to promote freedom of the media, and especially to change laws that prevent journalists from reporting credible allegations of official wrong-doing. In this connection, the OCEEA could work with the office of the Representative on Freedom of the Media to raise public awareness of the importance of freedom of the media and investigative journalism;
- Promote ethics and the development of codes of ethics. People need to learn at an early age about ethics and values, and there must be systems for encouraging people to do the right things for the right reasons.

The second session of Working Group B focused on tourism and its importance in relations to SMEs and sustainable development. Tourism is extremely important for almost every country in the world and accounts for some 5 per cent of global GDP. Most enterprises that support tourism are SMEs. In Europe, rural tourism, taking forms such as vacations or overnight stays on farms, has emerged as an income-generating opportunity in areas where agriculture is in decline.

Most of the International Youth Hostels are owned and operated by private individuals. Hostels are not only important as businesses for the proprietors, but they facilitate travel for a segment of the population that will continue to travel for 40 to 50 years. Hostels, therefore, help create customers who will be long-term consumers of tourist industry services.

In our desire to promote tourism, we must not neglect the industry's downsides. The OSCE might usefully play a role in raising awareness of the negative effects of tourism, with a view to developing strategies to mitigate them. Tourism can:

- Threaten local cultures;
- Force the displacement of poor communities when their land, for example, is taken for hotel construction;
- Threaten the environment; even ecotourism damages the environment in some fashion, so the focus inevitably is on damage limitation;
- Fuel growth in the sex trade to feed the demand of tourists.

Similarly, there are important factors that must not be overlooked when establishing an enterprise, especially in the tourist industry. The OSCE could usefully bring stakeholders together to address the following:

- Most entrepreneurs consider cost and quality, but **convenience** is often overlooked. Businesses must compensate for what is around them, or what is not;
- **Regulation:** should be flexible for market entry, but stringent for business operation;
- **Training:** must extend to policy framers. If they do not understand a business or industry, the structures that are put in place will be wrong;
- **Networks:** Tourist operations work better if they are linked, but most entrepreneurs are single operators; there is a need to strike a balance;
- **Reality check:** The plans of the planners do not always translate into the experience of the traveller;
- **The concept of “customer,”** which is integral to a successful business, is alien in many places.

Several comments underscored the importance of public-private collaboration in developing laws and regulations that govern the business community. Too often, regulations are developed by those who have little or no understanding of business or of SMEs. In Ukraine, however, the State Committee for Entrepreneurship Support and Regulatory Policy, an independent, non-governmental body, can suspend any text in relation to SMEs if the law is deemed to be harmful to SMEs. Draft laws are evaluated for their impact on business, in terms of direct financial costs (taxes and fees, for example), as well as for the burden of implementation. All citizens are entitled to see this analysis, which is useful in its own right, in addition to being an important tool for the development of civil society.

The OSCE could work with interested governments to:

- Develop a comprehensive set of specific incentives to attract foreign investment, including improving the legal and institutional framework to attract foreign direct investment through privatization programmes;

- Eliminate administrative and institutional impediments, especially in business registration, customs and taxation;
- Promote public-private partnerships to help establish a favourable investment climate, develop SMEs, implement poverty alleviation programmes and mitigate regional disparities;
- Facilitate the exchange of information on existing investment opportunities and on resources available, and the dissemination of this information through various networks;
- Increase the role of investment-promotion agencies and similar structures;
- Build capacity through training programmes and seminars, as well as through the publication and distribution of handbooks and studies on best practices relating to investment opportunities, and methods for attracting foreign direct investment and eliminating barriers to it.

Rapporteur's report on Working Group B., Sessions 3 and 4

Strengthening the service and networking capacity of business organizations

Business support organizations have an increasingly important role to play in a modern market economy. Their relevance is proportional to their ability to address the needs of the business community and represent their interests. These needs should be clearly spelled out and prioritized.

The OSCE's activities should focus on the following:

- Promoting the organizational, administrative and financial independence of business associations;
- Supporting initiatives aiming at the creation of new business associations in the less developed regions;
- Assisting participating States to raise their export capacity through legislative initiatives and institutional capacity-building, including support to trade and investment promotion agencies;

The OSCE should be more active in promoting business support organizations and helping them grow institutionally. To this end, OSCE could support the following initiatives:

- Supporting initiatives for the training of business associations' staff;
- Promoting exchange programmes that make for the use of best practices and disseminate best experiences;

- Training business associations to use lobbying for the effective promotion of the interests of their members and to speak on their behalf;

OSCE should create strategic partnerships with other international development organizations to capitalize on their experiences. The Eurasia Foundation, for example, has had extensive experience in the field with a variety of development projects. The coupling of this practical project management experience with OSCE political clout and ability to influence the decision-making process in the participating States would very likely produce a synergistic effect in the long run. A good example of such partnership could be the collaboration with the Eurasia Foundation in certain regions. The joint collaborative efforts of the OSCE and the Eurasia Foundation in Kazakhstan and Ukraine could serve as an example of such long-term partnership. This partnership could include, but would not be limited to, the following initiatives:

- Ecotourism development as a means of economic empowerment and acceleration of economic growth in the underdeveloped regions;
- Joint programmes aimed to help business associations to enhance their capacity to effectively serve their members and advocate on their behalf.

Chambers of Commerce (CoC) play an important role as a business support vehicle. It is important to realize that CoCs represent SMEs. Assistance to SMEs on an individual level is very unlikely to produce tangible results. Support to institutions such as CoCs has more impact. The OSCE might be involved in supporting the capacity of CoCs to deliver high quality services. The OSCE can specifically do the following:

- Conduct a comprehensive needs assessment in order to clearly formulate the needs of these institutions and design specific programmes that will fill existing gaps;
- Help CoCs to formulate their mission and develop portfolios of services designed to satisfy their clientele (information support, training, consulting);
- Glean additional knowledge from best practices and the experiences of others;
- Encourage exchange of information between the various CoCs in member countries.

The OSCE should also seek support from governmental agencies to promote SME development via their representative institutions. In doing so the OSCE should concentrate on the following:

- Support both regional and national development programmes since they address specific needs;
- Stimulate local initiatives and generally favour a bottom-up approach to make sure that no artificial superstructures are created;
- Pay particular attention to the needs of sector-specific associations.

JOINT SESSION OF WORKING GROUPS A AND B

3 June 2004

Report of the Working Group Rapporteur

Agenda items 5(d) and 6(c): Public-private dialogue and partnership

The discussions during the joint session of Working Groups A and B mainly focused on the elements and basic principles of a good public-private partnership, and on the concrete examples brought to the attention of the participants by the distinguished speakers from Albania, Bosnia and Herzegovina and the International Federation of Consulting Engineers.

During the session, the important role that business associations could play in a partnership if they were well organized and really active in the field was stressed.

Active business associations could provide a series of services such as competent and unbiased advice to government agencies; linkage between public clients and private operators; assurance of sustainability; capacity-building; and development of educational training and job-oriented programmes. They could also contribute through the development of standard documents and manuals on actions and policies to be implemented by their members. They could inject added value into the development system by consulting for the government and drawing business actors towards fair and successful practices. On the other hand, business associations could elaborate and provide the tools of good governance and transparency by introducing quality standards and integrity.

Examples of the active role that could be played by business associations in consulting with engineering associations on procurement issues, anti-corruption principles of ethics, corporate governance and risk management were brought to the attention of the participants.

Another issue discussed during the session was the existence of a real dialogue in the public-private partnership. It was considered very important that the dialogue be constructive and assure the sustainability and continuance of a partnership. For that reason, it was important that both the actors be active and bring added value to the dialogue, and make concrete suggestions and recommendations to be followed by the counterparts. In different countries, the dialogue between parties assumed different forms, but it was always crucial to securing transparency and good governance.

The issue of channels for information sharing and dialogue among private and public actors was looked upon as crucial to a fair and productive co-operation and partnership. Governments should help to create the conditions to ensure that such channels were established not only at the national level, but also at the regional and local levels.

On the other hand, the ability of private actors, and especially of business actors, to analyse the information and generate policy recommendations depended very much on their level of development, as well as on their operational status as independent of, or semi-dependent or totally dependent on, government structures.

Public actors should consider partnership with private ones as useful and should identify mechanisms whereby it would function in a timely manner. In that context, emphasis was especially placed by the speakers on the process of drafting of laws, as a case where the inputs and contributions from the relevant private actors should be elicited and obtained in time, before the draft laws reached the parliament.

An important role was attributed to the international community in stimulating economic development in developing countries. Special attention was devoted to the role the OSCE could play in facilitating dialogue and sharing information among the public and private actors, in the interest of a better development of economic and social reforms in the countries of the region.

Main recommendations of the joint session of Working Groups A and B:

- Dialogue should be promoted as fundamental for developing a real partnership among public and private actors;
- Mechanisms should be developed for partnership among business structures based on mutual trust and co-operation;
- Public-private partnerships should be established at all levels — national, regional and local — within the business community, between civil and public actors;
- Transparency and good governance should be promoted among all the actors in society, and not only the public ones;
- The organizational, administrative and financial independence of business associations should be promoted;
- Quality and integrity are the keys to partnership and good governance;
- The OSCE and other international organizations can play an important role in stimulating, promoting and strengthening the partnership between public and private actors.

WORKING GROUP C

Report of the Working Group Rapporteurs

2 and 3 June 2004

Agenda item 7: Development of human capital as an investment for the future

- (a) Reform in the field of education**
 - (b) Supporting academic education and research through co-operation and exchanges**
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Working Group C was entitled Human Capital Development as an Investment for the Future and consisted of three sessions. The two first sessions focused on reform in the field of education and the third session dealt with the topic of supporting academic education and research through co-operation and exchanges.

Rapporteur's report on Working Group C, Sessions 1 and 2

Reform in the field of education

The Moderator for both sessions, Ms. Sonja Moser Starrach, Special Representative of the Secretary General of the Council of Europe in Bosnia and Herzegovina (BiH) gave a comprehensive presentation, which started by praising the high level of co-operation between the CoE and the OSCE. Ms. Moser then moved on to reviewing the lessons learnt from the reform process in the field of education in BiH with a focus on its complicated political and administrative background and on the top priorities and pledges to be implemented. In doing so, she highlighted the importance of the Bologna Process and the Lisbon Convention as a framework for educational reform, particularly, but not exclusively, in transition countries. She finally emphasized that the goal of the reform process is to promote the achievement of four objectives: employability, competitiveness, mobility, and regional and international co-operation. In achieving those objectives she recommended that the CoE and the OSCE, together with other international organizations, keep on working together in a spirit of partnership.

Apart from the introductory remarks delivered by the Moderator, the content of the presentations by the keynote speakers in both sessions C1 and C2 can be broadly divided into two categories. The first one consisted mainly of the description of the reform processes in the field of education in some countries and regions of the OSCE area. In this vein, Ms. Olga Kuznetsova, Rector of the International Academy of Business in Almaty, also focused her contribution on analysing the context, trends and challenges in educational reform in Kazakhstan, particularly in the field of business education. She drew our attention to the need to strike a balance between standardization and flexibility when it comes to developing degrees and curricula. She also elaborated on the distinctive roles of the minister of education and high school institutions in the process of reform. Broadening the focus, Ms. Aliya Ishmukhamedova, Specialist in Business Education from USAID, made a

comparative analysis of the reform process in the field of education in the entire Central Asian region. She then identified two major areas where in her view change has to be introduced: the first involves loosening the control of the ministries of education over the universities' curricula and the second involves strengthening the links between universities and the market. Finally, Mr. Goran Petkovic from the Economic Faculty University of Belgrade explained the process of educational reform in Serbia and Montenegro. He highlighted the difficulties encountered and the need for technical assistance for completing that process.

The second category of contributions in the first two sessions had a more normative and horizontal character with an emphasis on international co-operation. In this respect, Mr. Per Nyborg, Head of the Secretariat of the Bologna Follow-up Group and Ms. Vera Stastná, Chair of the Council of Europe Steering Group for Higher Education and Research made two very comprehensive contributions on the subject of the Bologna Process. The objective of this process is to create a European educational area by the year 2010 by means of establishing legal standards for the recognition of qualifications in order to increase mobility. The Bologna Process, as they explained, is based on the assumption that education, including higher education, is a public responsibility and a public good provided by autonomous institutions. Both speakers mentioned the possibility that countries that are not members of the Council of Europe can participate in the process, using it as an incentive to fostering educational reform at the national level.

Ms. Claire Morel, Desk Officer for Tempus in Central Asia, proceeded to describe the nature and content of this programme for the development of higher education systems in partner countries of the European Union, particularly in Central Asia and the Caucasus. She recognized that Tempus has been subject to criticism for creating islands of excellence isolated from the rest of the educational systems, but at the same time enumerated a number of achievements such as stimulating innovation, helping in the reform process and linking it to the market, and creating networks between academic and non-academic institutions.

Rapporteur's report on Working Group C, Session 3

Supporting academic education and research through co-operation and exchanges

The third and final Session C3 was devoted to the topic of supporting academic education and research. The Moderator, Mr. Rasto Ovin, Dean of the Faculty of Economics and Business in Maribor, Slovenia, made some introductory remarks drawing from his own experience and research. He said that education and research have been hampered in many transition economies by the under-financing of university programmes, a lack of well-skilled academic staff, and a shortage of modern textbooks. He also stressed the importance of linking education in economics and business to the needs of the labour market. As a way of stimulating governments to carry out educational and institutional reforms and of supporting them when doing so, he proposed that the OSCE participating States share information and lessons learned and thereby make them more easily accessible to countries in transition.

A thought-provoking contribution was then delivered by Mr. Peter Wells, Programme Specialist from UNESCO-CEPES, who elaborated on the phenomenon known as brain drain in the context of the intellectual labour market and human capital. He mentioned that brain drain is not a problem per se, but on the contrary can be an asset, provided that local governments give incentives for expatriated luminaries to return to their countries and to contribute to development by disseminating knowledge acquired abroad. Then we have brain

circulation instead of brain drain, he said. But at the end of the day, there is no gain without pain, as Mr. Wells put it, and a difficult period ahead was still to be envisaged. The incentives for attracting and retaining skilled labour he called brain re-gain, and what OSCE could do to facilitate and promote brain re-gain is reflected in the recommendations below.

Ms. Andrea Harris, Vice-President for the Caucasus Region from the Eurasia Foundation, gave an overview of Eurasia's programmes in the South Caucasus. She highlighted the need to strengthen domestic professional research skills in a variety of areas including economics and business. The three university-based Research Resource Centres in Baku, Tbilisi and Yerevan launched by Eurasia offer local research fellows access to leading journals and research materials, IT equipment, up-to-date micro-level databases, and methodology training. The aim of the Centres is also to stem professional outmigration by providing professional development opportunities and an environment for trans-border professional intellectual exchange and networking.

Mr. Eric Livny, Director, Economic Education and Research Consortium in Moscow, devoted his contribution to an analysis of the reform process in education since the early 90s in countries in transition. He said that lack of resources is no longer the main issue, instead one ought to be concerned about the decline in the quality of education, given that there is little evidence that it is picking up. He considered this to be a reflection of an inadequate regulatory framework and excess demand for diplomas, which in turn reduces incentives to change and invest in high quality education, where the benefits are not immediately obvious. He also noted that business and economics education are new disciplines in the CIS countries, and therefore a strong research culture and closer links between academia and the labour market still need to develop. He particularly stressed the need to focus resources on the second-tier universities attended by the majority of students. He mentioned the fact that educational programmes being offered are of widely differing standards, and recommended that the donor community could be of assistance here by co-ordinating their efforts towards establishing uniform professional standards.

Finally, Mr. George Sharvashidze, Senior Programme Manager, HESP, Open Society Institute, presented the new Academic Fellowship Programme, which aims at promoting the retention and professional development of the next generation of academics. The programme focuses on course and teaching methodology development, the development of research skills, and integration of research into the teaching process.

All sessions were followed by interventions from the floor. Participants raised a number of issues relevant to the topic under discussion. In particular, comments were made about the activities, among others, of Tempus in Uzbekistan, the reform in the field of education in Kazakhstan and the situation in Serbia and Montenegro, Macedonia and BiH. Several participants coincided on two sets of comments. The first was that any reform process in the field of education is not to be considered as an imposition but as a two-way co-operation. The second, reiterated by a number of national delegations, was the expression of support for the OSCE Academy in Bishkek.

On the basis of the two presentations and the ensuing contributions and debates, the following recommendations for the OSCE could be identified:

1. The OSCE could provide advice to local governments in educational reform, particularly in the field of legislation but also in institutional and human capacity-building. The OSCE can assist in compiling and disseminating best practices and by providing a forum where those best practices can be shared.

2. In promoting educational reform, the OSCE can encourage and help in the implementation of the Bologna Process on a voluntary basis.
3. The OSCE could assist in facilitating mobility and regional and international co-operation among educational institutions by several means, particularly by backing the establishment of regional and international accreditation centres, and quality evaluation systems.
4. Educational reform, as encouraged by the OSCE, can be based on long-term, consistent policies of which the following principles, among others, could form an integral part:
 - (a) Developing curricula which keep a balance between an emphasis on academic quality and the technical skills required in a market economy. Promoting vocational training and entrepreneurial education can be considered a priority.
 - (b) Reforms, especially in transition countries, should pay particular attention to introducing high international standards.
 - (c) A constant dialogue among the different stakeholders has to be an integral part of the educational reform process. Public-private partnership has to be encouraged at every level in the education system.
 - (d) Fighting corruption practices and ensuring gender balance are policies to be included in any educational reform process.
5. The OSCE could facilitate closer interaction between ministries of education, higher learning and professional training institutions, and the labour market in developing educational programmes and training to reflect the new and evolving needs of emerging market economies. The OSCE could in this respect support the building of networks to promote the exchange of information, research findings and know-how as well as further access to internships, fellowships and faculty and student exchanges.
6. The OSCE could focus its efforts on measures designed to facilitate and promote “brain re-gain”, rather than on ways of stemming brain drain, which has a longer-term dynamic linked to socio-economic development at the national level. Such measures could include:
 - (a) Assisting higher education institutions to remain in contact and to track departing teaching staff, researches and graduating students by supporting:
 - (i) The creation of databases and effective record-keeping procedures both at institutional and national levels;
 - (ii) The introduction of a system of surveys to monitor student intentions and destinations at the time of graduation;
 - (iii) The creation of effective alumni associations;
 - (iv) The introduction of a system of “exit interviews” for departing faculty and researchers;

- (v) The creation of what might be called a “Friends of “X” Institution”, of former staff and students at home and abroad.
 - (b) Supporting the creation of returning student and researcher scholarships offering guarantees of employment at State higher education institutions and in the public sector on return to the country (with an emphasis on fast-track career progression in managerial capacities, both administrative and curricular).
 - (c) Urging governments to create repatriation packages and re-assimilation initiatives.
 - (d) Assisting national governments in the creation of national databases of vacant positions in higher education institutions and the public sector aimed specifically at the academic and intellectual labour market living abroad.
 - (e) Assisting national governments in the creation of network-building websites aimed at the academic and intellectual labour force living abroad, in the promotion of the job opportunities and packages available in their home countries, and in connecting different groups living in different countries, with a view to fostering joint ventures and research projects with home institutions.
 - (f) Creating avenues for tapping into the graduate student and academic labour market abroad, in order to seek their input in the reform processes of higher education systems and institutions in their home country. An example of this might be supporting the organization of reform and networking seminars in the home countries.
7. The OSCE could facilitate the creation of a donor consortium involving all major players to minimize duplication of effort.
8. The OSCE could co-operate with the Eurasia Foundation in the Caucasus and Central Asia and the Economic Education and Research Consortium (EERC) to support strengthening of economic research skills by:
- (a) Assisting clusters of young university faculty at second-tier universities in acquiring skills for applied research;
 - (b) Encouraging active research policy dialogue and exchange of knowledge and information by facilitating the organization of regular discussion forums, and targeted workshops and training sessions for academic and public sector researchers drawing on private sector as well as regional and international expertise;
 - (c) Promoting trans-border collaboration and networking among researchers in economic disciplines, and promoting closer linkages between economic education and research, and labour market needs.
9. The OSCE could support partner organizations in community outreach activities for alumni at local universities in subjects related to economic studies and environmental policy in the Central Asian and the Caucasus regions, thereby keeping up the professional skills and knowledge acquired.

SPECIAL SESSION ON INTEGRATION PROCESSES IN THE OSCE REGION

4 June 2004

Report of the Rapporteur of the Session

Agenda item 8: Special session

— Integration processes in the OSCE region

In his contribution Mr. Vladimir Gutnik, the Head of the Centre for European Research at the Institute of World Economy and International Relations (IMEMO), Moscow, Russian Federation, described integration as a response to globalization and increasing interdependence. He underlined the importance of regional and subregional integration approaches. In his opinion, it was of major importance to avoid new divisions in Europe. The dialogue between different integration approaches should be strengthened. The OSCE should play a role in encouraging such a dialogue. It could give NGOs and the business and scientific communities a forum in which to discuss related issues. The OSCE might also play a role in monitoring. It should develop objective indicators to measure the degree of success of an integration process. Activities of the Organization should contribute to the reduction of uncertainties and risks related to these processes. The OSCE should play a role in balancing the interests of all affected parties.

Mr. Willem Buiters, the Chief Economist of the European Bank for Reconstruction and Development (EBRD), pointed out that the prospect of EU membership had had a significant beneficial effect on the economic and social development of the candidate countries. He emphasized a need for closer regional co-operation and integration in areas without immediate prospects of EU membership. For landlocked countries regional integration was of even greater importance. Integration processes should not be defensive and inward-looking. He welcomed the efforts of the EU to strengthen relations and economic links with neighbouring countries. Ukraine, Belarus, Moldova, and the countries of the South Caucasus and Central Asia deserved special attention.

Mr. Rutger Wissels, Director at the Directorate-General Enlargement of the European Commission, reported about the successful experience of the EU. The enlargement process had resulted in a dramatic change for the better in the accession countries. In general, EU enlargement had also had a positive effect on neighbouring countries. The EU had an interest in co-operation with neighbouring countries in order to mitigate any negative side-effects. It would move with interested countries from enhanced co-operation to economic and political integration. This was a difficult and long-term process which would also require commitment from the neighbouring countries and would furthermore cover the fields of the rule of law, justice and home affairs, the integration of infrastructure networks and personal contacts. The EU was in the process of developing the European Neighbourhood Instrument which would be a means of concrete assistance.

Mrs. Zaura Chulanova from the Institute of World Economy and Policy in Kazakhstan gave an account of difficulties and progress in promoting economic integration in

Central Asia. Referring to the efforts of Central Asian countries to join the WTO, she underlined the importance of the compatibility of integration approaches with WTO regulations. She emphasized that a solid economic basis was the precondition of successful integration. Integration was necessary to eradicate poverty and improve standards of living. Integration processes in Central Asia would have to look at the following priorities: rational use of water and energy; promotion of trade; co-operation in transport and trade; intensification of direct economic ties.

The discussion largely focused on the role of the EU taking into account that it is the most significant and far-reaching integration process in the OSCE area. Nevertheless, several delegations also reported about other integration approaches in their area. It was underlined by several delegations and regional groupings that regional and subregional integration initiatives played an important role. One delegation stated that their participation in such a regional or subregional initiative had been helpful in paving the way to EU accession. A regional grouping asked for intensified co-operation between the EU and such regional and subregional integration initiatives.

Most delegations stated that EU enlargement had had a beneficial effect, also for countries which had not become members of the EU. Some of them pointed to risks and adverse effects, and appealed to the EU to work together with them on an equal footing to address this issue. They welcomed EU efforts to focus on the needs of new neighbours. The OSCE might play a role in strengthening dialogue between the EU and its neighbours. The European Commission reiterated its interest in pursuing such dialogue. In this respect two delegations drew attention to the role of EU regulations regarding visas and migrations.

One delegation welcomed the beneficial effects which the process towards EU accession had had on its economic and social development. In particular, the prospect of EU accession had facilitated the liberalization of foreign trade.

Another delegation emphasized the importance of preventing the emergence of new dividing lines in Europe. When deepening integration, the concerns of third countries should also be taken into account. The ideal of a single social Europe should be pursued. A common economic space including areas both east and west of Vienna was a useful instrument.

Two delegations expressed an interest in further economic integration in Central Asia. This would be instrumental in addressing economic and security concerns. Integration in Central Asia would contribute to peace and stability in the region.

Several delegations stressed that WTO compatibility was of great importance when pursuing integration with other countries.

Several delegations also emphasized the importance of good governance and the fight against corruption for the facilitation of integration processes. The importance of border issues was also highlighted. Efficient border management had to address security concerns and allow maximum mobility for goods and people at the same time.

A number of delegations welcomed the inclusion of a special session on integration processes in the agenda of the Economic Forum and suggested ways to continue discussion of this issue, namely through a further conference on the issue or through another special session at the next Economic Forum.

LOG OF CONTRIBUTIONS TO THE TWELFTH MEETING OF THE ECONOMIC FORUM

**Theme: New challenges for building up institutional and human capacity for
economic development and co-operation**

Ref. No.	Date of document	Originator	Title/Content	Lang.
I. Opening plenary, Monday, 31 May 2004				
EF.DEL/5/04	31.5.04	Thailand	Statement by Dr. Sorajak Kasemsuvan, Vice Minister for Foreign Affairs	E
EF.DEL/6/04	31.5.04	Holy See	Statement by Monsignor Ettore Balestrero, Head of Delegation	E
EF.DEL/7/04	31.5.04	CiO-Bulgaria	Opening Address by H.E. Solomon Passy, Minister for Foreign Affairs	E
EF.DEL/8/04	31.5.04	Ireland/EU	Statement by Ireland	E
EF.DEL/9/04	31.5.04	USA	Statement by Ambassador Stephan M. Minikes	E
EF.DEL/11/04	1.6.04	Switzerland	Statement	E
EF.DEL/14/04	1.6.04	Russian Federation	Statement by Mr. Andrey Denisov, Deputy Minister for Foreign Affairs	E/R
EF.DEL/24/04	1.6.04	Czech Republic	Welcoming Remarks by H.E. Mr. Cyril Svoboda, Deputy Prime Minister and Minister for Foreign Affairs	E
EF.DEL/25/04	1.6.04	Slovenia	Statement by Ambassador Janez Lenarcic, Head of Delegation	E
EF.DEL/28/04	1.6.04	Belarus	Statement by Ambassador Vistar Gaisenak, Head of Delegation of the Republic of Belarus	E/R
EF.DEL/34/04	2.6.04	European Commission	Statement by Mr. Gilbert Dubois, Head of the OSCE and Council of Europe Unit, Directorate-General External Relations	E
EF.GAL/8/04	31.5.04	HCNM	Address by Mr. John de Fonblanque, Director of the Office of the OSCE HCNM	E
EF.GAL/11/04	1.6.04	ODIHR	Address by Ambassador Christian Strohal, Director of the ODIHR	E
EF.GAL/13/04/ Corr.1	2.6.04	CoEEA	Welcoming Remarks by Mr. Marcin Swiecicki, Co-ordinator of OSCE Economic and Environmental Activities	E
EF.IO/5/04	31.5.04	UNECE	Towards a Strengthened Partnership; Keynote Address by Ms. Brigita Schmoegnerova, Executive Secretary of the United Nations Economic Commission in Europe	E
EF.IO/7/04	3.6.04	UNIDO	Fostering Sustainable Industrial Development through Institutional and Human Capacity-Building: Presentation by Mr. Haruko Hirose, Managing Director and Deputy to the Director-General	E
EF.NGO/38/04	22.6.04	Poland	Keynote Address by Mr. Marek Dabrowski, Chairman of the Council of the CASE Foundation, Center for Social and Economic Research, Poland	E
II. Plenary session: Review of the implementation of OSCE commitments in the economic and environmental dimension, Tuesday, 1 June 2004				
EF.DEL/10/04	1.6.04	Romania SEECP	Statement by Romania Chair-in-Office of South East European Co-operation Process (SEECP)	E
EF.DEL/12/04	1.5.04	Liechtenstein	Statement	E/G
EF.DEL/15/04	1.6.04	Russian Federation	Statement by Mr. Andrey Denisov, Deputy Minister for Foreign Affairs	E/R
EF.DEL/17/04	1.5.04	Switzerland	Focusing on the Investment Climate: Contribution by Switzerland	E
EF.DEL/26/04	1.6.04	Ukraine	Contribution by the OSCE Delegation of Ukraine	R
EF.DEL/29/04	1.6.04	Belarus	Statement by Ambassador Vistar Gaisenak, Head of the Delegation of the Republic of Belarus	E/R

Ref. No.	Date of document	Originator	Title/Content	Lang.
EF.DEL/35/04	2.6.04	European Commission	Statement on behalf of the EU	E
EF.DEL/44/04	3.6.04	Czech Republic	Reply to the Principality of Liechtenstein	E
EF.IO/1/04	24.5.04	UNECE	UNECE Report on Investment Climate	E
EF.IO/4/04	31.5.04	UNECE	Investment Climate: a UNECE Report, by Mr. Abdur Chowdhury, Director, Economic Analysis Division, PPP	E
III. Plenary session: Ongoing and future activities relating to the OSCE economic and environmental dimension, Tuesday, 1 June 2004				
EF.DEL/33/04	2.6.04	Russian Federation	Statement by Mr. Boris Timokhov	E/R
EF.GAL/4/04	24.5.04	OCEEA	Activity Report of the OCEEA (June 2003 - May 2004)	E
IV. Plenary session: Partnership with the business community for institutional and human capacity-building, Tuesday, 1 June 2004				
EF.DEL/27/04	1.6.04	USA	Statement	E
EF.NGO/2/04	31.5.04	SKANSKA/Sweden	Contribution by Mr. Axel Wenblad, Senior Vice-President; PPP	E
EF.NGO/4/04	31.5.04	Tetra Pak	Presentation by Mrs. Erika Mink, Environment Director, Tetra Pak; PPP	E
EF.NGO/5/04	31.5.04	BP/Statoil	Power System Situation Autumn-Winter 2002-2003 and some Aspects of Energy Security in Georgia	E
EF.NGO/6/04	31.5.04	Shell	A Shell Social Investment Programme by Mrs. Karen Bellis and Mrs. Sandy Ogilvie; PPP	E
EF.NGO/10/04	1.6.04	SigmaBleyzer	Presentation by Mr. Michael Bleyzer, President and CEO, SigmaBleyzer, The Bleyzer Foundation, Ukrainian Growth Funds, Southeast European Growth Funds; PPP	E
EF.NGO/13/04/ Corr.1	1.6.04	Toyota	Creating Awareness of the Value of the Environment through Education and Responsible Economic Development, including Ecotourism: Presentation by Mr. Stefan Crets, Manager, Corporate Social Responsibility, Toyota Motor Europe	E
EF.NGO/36/04	4.6.04	Asset Management	Contribution by Mr. Alois Flatz, Independent Sustainability Finance Adviser	E
EF.NGO/39/04	29.6.04	Eurasia Foundation	Mr. Charles William Maynes, President, Eurasia Foundation	E
V. Working Group A, Sessions 1 to 4, Wednesday, 2 June to Thursday, 3 June 2004				
EF.DEL/13/04	1.6.04	Liechtenstein	How to Improve the Investment and Business Climate	E
EF.DEL/16/04/ Corr.1	2.6.04	Morocco	Session A 2: Statement by Mr. Mohiedine El Kadiri	E/F
EF.DEL/18/04	1.6.04	Turkey	Background Information: Company Establishment in Turkey	E
EF.DEL/19/04	1.6.04	Switzerland	Session A 3: Statement by Switzerland	E
EF.DEL/37/04	2.6.04	Azerbaijan	Session A 3 and A 4: Proposals	E
EF.DEL/41/04	2.6.04	Armenia	Session A 4: Statement by Mr. Varazdat Karapetyan, President of CCI Gegharkunik	R
EF.GAL/10/04	1.6.04	OSCE Centre in Dushanbe	Background Information: OSCE Centre in Dushanbe, State Agency on Antimonopoly Policy and Development of Private Sector under the Government of the Republic of Tajikistan; Competitive Policy and Development of Private Sector by Amonu	E
EF.GAL/14/04	1.6.04	OSCE Mission to Georgia	Session A 3: Presentation by Ms. Natia Natsvlishvili; The Role of the International Community in Improving Investment Climate in the South Caucasus	E
EF.GAL/15/04	1.6.04	OSCE Mission to Serbia and Montenegro	Session A 2: Report by Mr. Dusan Vasiljevic, Head of the Economic and Environmental Department, OSCE Mission to Serbia and Montenegro; Development of Business	E

Ref. No.	Date of document	Originator	Title/Content	Lang.
EF.GAL/21/04	3.6.04	OSCE Mission to Bosnia and Herzegovina	Session A 4: Presentation by Mr. Aidan O’Leary, Head of Administration and Finance; PPP	E
EF.NGO/7/04	31.5.04	NIED	Session A 1: Presentation by Ms. Susan Snelson, Founder/Executive Director, Network for International Economic Development (NIED)	E
EF.NGO/8/04	31.5.04	NIED	Session A 1: Statement by Ms. Susan Snelson, President, Network for International Economic Development (NIED)	E
EF.NGO/12/04	1.6.04	NIED	Session A 1: Presentation by Ms. Susan Snelson, President, Network for International Economic Development (NIED)	E
EF.NGO/14/04	1.6.04	Toyota	Session A 1: Presentation by Mr. Stefan Crets, Manager, Corporate Social Responsibility, Toyota Motor Europe	E
EF.NGO/17/04	1.6.04	SigmaBleyzer	Report, Private Sector Role in Accelerating Foreign Direct Investment Flown to Developing Countries	E
EF.NGO/20/04	2.6.04	International Development Service	Session A 2: Presentation by Ms. Sabine Hoefnagel, Senior Consultant, ERM; PPP	E
EF.NGO/21/04	2.6.04	FIDIC	Session A 2: Presentation by Mr. Daniel Ivarsson, Managing Director; PPP	E
EF.NGO/22/04	2.6.04	FIDIC	Session A 2: Environmental Management Systems — The Business Case for Self Regulation and Environmental due Diligence	E
EF.NGO/27/04	3.6.04	SigmaBleyzer	Session A 3: Presentation by Mr. Edilberto Segura, SigmaBleyzer Foundation	E
EF.NGO/28/04	3.6.04	SigmaBleyzer	Session A 3: Presentation by Mr. Edilberto Segura, SigmaBleyzer Foundation; PPP	E
VI. Working Group B, Sessions 1 to 4, Wednesday, 2 June to Thursday, 3 June 2004				
EF.DEL/2/04	30.5.04	Österr. Kontrollbank	Session B 4: “The Experience of an Export Credit Agency”, by Mr. Michael Wancata	E
EF.DEL/3/04	31.5.04	Ukraine	Session B 2: Contribution by Mr. Jrij Avksentev, Head of Committee, State Committee for Regulatory Policy and Entrepreneurship Support	E/R
EF.DEL/4/04	31.5.04	Ukraine	Session B 2: Contribution by Mr. Jrij Avksentev, Head of Committee, State Committee for Regulatory Policy and Entrepreneurship Support; PPP	E
EF.DEL/21/04	1.6.04	Azerbaijan	Session B 1: Investment Opportunities in Azerbaijan — Oil and Non-Oil Sectors Development Prospects	E
EF.DEL/22/04	1.6.04	Azerbaijan	Session B 2: Investment Climate in Azerbaijan	E
EF.DEL/38/04	2.6.04	Azerbaijan	Session B 1 and B 2: Proposals	E
EF.DEL/39/04	2.6.04	Azerbaijan	Session B 3, B 4 and Joint Session: Proposals	E
EF.DEL/40/04	2.6.04	CEI	Session B 3: Presentation by Mr. Bohumil Dolejsi, Czech Republic Central European Initiative (CEI) Co-ordinator	E
EF.DEL/41/04/ Corr.1	3.6.04	Armenia	Session B 4: Statement by Mr. Varazdat Karapetyan, President of CCI Gegharkunik	R
EF.DEL/51/04	25.6.04	Armenia	Session B3: Contribution by H.E. Armen Gevorgyan, Vice Minister for Trade and Economic Development of the Republic of Armenia	E
EF.GAL/9/04	31.5.04	OSCE Mission to Serbia and Montenegro	Session B 1, Presentation by Ms. Srna Sudar Vilotic, Economic and Environmental Officer, OSCE Field Office in Podgorica, OSCE Mission to Serbia and Montenegro; PPP	E
EF.GAL/12/04	1.6.04	OSCE Centre in Dushanbe	Session B 1: Presentation by Mr. Bahriddin Shermatov, Assistant to the Economic Officer; PPP	E
EF.GAL/29/04/ Rev.1	24.6.04	OSCE Armenia	Session B3: Contribution by Ms. Jeanette Kloetzer, Economic and Environmental Officer, OSCE Office in Yerevan	E
EF.IO/2/04	30.5.04	WTO	Session B 2: Presentation by Andrey Shlevkov, Deputy Regional Representative for Europe; Tourism, a Force for Sustainable Social and Economic Development	E

Ref. No.	Date of document	Originator	Title/Content	Lang.
EF.IO/3/04	31.5.04	WTO	Session B 2: Mr. Andrey Shlevkov, Deputy Regional Representative; Tourism, a Force for Sustainable Social and Economic Development; PPP	E
EF.NGO/1/04	30.5.04	UEAPME	Session B 3: Contribution by Mr. Stefan Hlawacek, European Association of Craft, Small and Medium-sized Enterprises; PPP	R
EF.NGO/18/04	1.6.04	IYHF	Session B 2: Presentation by Mr. Goran Beus Richembergh, Central and East European Development Co-ordinator, International Youth Hostel Federation (IYHF); PPP	E
EF.NGO/19/04	2.6.04	Business School UK	Session B 1: Presentation by Mr. David Smallbone, Head of Centre for Enterprise and Economic Development Research, Middlesex University Business School, UK; PPP	E
EF.NGO/29/04	3.6.04	Eurasia Foundation	Session B 4: Presentation by Ms. Marina Ayzazian, Eurasia Foundation, Private Sector Programme Officer; PPP	E
VII. Working Groups A and B, Joint session, Thursday, 3 June 2004				
EF.NGO/11/04	1.6.04	IDRA	Presentation by Mr. Auron Pashaj, Institute for Development Research and Alternatives (IDRA), Albania	E
EF.NGO/23/04	2.6.04	Bosnia and Herzegovina	Presentation by Mr. Belmir Agic, Director, Breko District Development Agency, Bosnia and Herzegovina; PPP	E
EF.NGO/34/04	3.6.04	FIDIC	Presentation by Mr. Daniel Ivarsson, Managing Director; PPP	E
VIII. Working Group C, Sessions 1 to 4, Wednesday, 2 June to Thursday 3 June 2004				
EF.DEL/20/04	1.6.04	Switzerland	Session C 3: Presentation by Switzerland	E
EF.DEL/43/2004	3.6.04	Azerbaijan	Sessions C 1, C 2 and C 3: Proposals	E
EF.IO/6/04	2.6.04	Council of Europe	Session C 1: Presentation by Mrs. Sonja Moser Starrach, Special Representative of the SG of the CoE in Bosnia and Herzegovina; PPP	E
EF.IO/8/04	3.6.04	UNESCO-CEPES	Session C 3: Presentation by Mr. Peter Wells, Programme Specialist; PPP	E
EF.IO/10/2004	22.6.04	Council of Europe	Session C1: Ms. Vera Stastná, Chair of the Council of Europe's Steering Committee for Higher Education and Research (CD-ESR)	E
EF.NGO/3/04	31.5.04	International Academy of Business	Session C 1: Mrs. Olga Kuznetsova; Higher Education Reform in Kazakhstan: Connecting Business, Businessmen and Business Education	E
EF.NGO/9/04	1.5.04	Uni Belgrade	Session C 2: Presentation by Mr. Goran Petkovic, Associate Professor, Economic Faculty University of Belgrade, Serbia and Montenegro	E
EF.NGO/15/04	1.6.04	OSI	Session C 3: Presentation by Mr. George Sharvashidze, Senior Programme Manager, HESP, Open Society Institute (OSI); PPP	E
EF.NGO/16/04	1.6.04	University of Tirana	Session C: The Vocational Education and Training in the Republic of Albania	E
EF.NGO/24/04	2.6.04	Turkmenistan	Session C 3: Tempus Programme in Turkmenistan by Ms. Aina Choreklieva, National Tempus Office in Turkmenistan	E
EF.NGO/25/04	2.6.04	USAID/CAR	Session C 2: Talking Points by Ms. Aliya Ishmukhamedova; Economics and Business Education Specialist, Office of Enterprise and Finance	E
EF.NGO/26/04	2.6.04	USAID/CAR	Session C 2: Presentation by Ms. Aliya Ishmukhamedova, Economics and Business Education Specialist, Office of Enterprise and Finance; PPP	E
EF.NGO/30/04	3.6.04	Tempus	Session C 2: Ms. Claire Morel, Desk Officer for Tempus in Central Asia and the Caucasus; PPP	E
EF.NGO/31/04	3.6.04	Eurasia Foundation	Session C 3: Presentation by Ms. Andrea Harris, Vice-President, Caucasus Region; PPP	E
EF.NGO/32/04	3.6.04	Tempus	Session C 3: Report by Ms. Aziza Abdurakhmanova: Benefits of Long-Term Co-operation with EU Universities	E
EF.NGO/33/04	3.6.04	EERC	Session C 3: Presentation by Mr. Eric Livny, Director, Moscow; PPP	E

Ref. No.	Date of document	Originator	Title/Content	Lang.
EF.NGO/35/2004	3.6.04	Bologna Follow-Up	Session C 1: The Influence of the Bologna Process on Reform Processes in Higher Education in the Caucasus and Central Asia: Contribution by Dr. Per Nyborg, Head	E
IX. Special session: Integration processes in the OSCE region, Friday, 4 June 2004				
EF.DEL/1/04	30.5.04	Kazakhstan	Ms. Zaire Chulanova, Institute of World Economy and Policy under the Auspices of the Foundation of the First President of the Republic of Kazakhstan	E/R
EF.DEL/23/04	1.6.04	Georgia	Statement by Mr. Zurab Eristavi, Deputy Director of the International Economic Relations Department of the Ministry of Foreign Affairs; Integration Processes in the OSCE Region	E
EF.DEL/31/04	2.6.04	Jordan	Statement by the Ambassador of Jordan	E
EF.DEL/45/04	3.6.04	Croatia	Statement by Mr. Tomislav Vidosevic, Assistant Minister for Foreign Affairs	E
EF.DEL/46/04	4.6.04	Kazakhstan	Statement	R
EF.DEL/47/04/ Corr.1	4.6.04	Switzerland	Statement as Chair of EFTA	E
EF.DEL/49/04	4.6.04	Russian Federation	Statement	R
EF.DEL/50/04	4.6.04	Belarus	Statement by Belarus	R
EF.GAL/1/04/ Rev.2	2.6.04	OCEEA	Paper	E
EF.IO/9/04	4.6.04	CIS	Special Session: Statement by Mr. Vladimir Pokrovsky, Head of Department, Commonwealth of Independent States (CIS)	R
EF.IO/11/04	23.6.04	EBRD	Presentation by Mr. Willem Buiters, Chief Economist, EBRD	E
EF.IO/12/04	25.6.04	BSEC	Experiences and perspectives of the Organisation of Black Sea Economic Cooperation (BSEC)	E
EF.NGO/37/04/ Rev.1	4.6.04	IMEMO	Statement by Mr. Vladimir Petruvitch Gutnik, Head, Centre for European Research	E/R
X. Reports of the Rapporteurs				
EF.GAL/22/04	4.6.04	Rapporteur	Draft Report by the Rapporteur of the Plenary Session: Partnership with the Business Community for Institutional and Human Capacity-Building	E
EF.GAL/23/04	4.6.04	Rapporteur	Draft Report by the Rapporteur of the WG A: Political Commitment for Institutional Development and Reform	E
EF.GAL/24/04	4.6.04	Rapporteur	Draft Report by the Rapporteur of the WG B: Capacity-building for the Private Sector	E
EF.GAL/25/04	4.6.04	Rapporteur	Draft Report by the Rapporteur of the WG C: Development of Human Capital as an Investment for the Future	E
EF.GAL/26/04	4.6.04	Rapporteur	Draft Report of the Rapporteur of the Implementation Review Session: Review of the Implementation of OSCE Commitments in the Economic and Environmental Dimension	E
EF.GAL/27/04	4.6.04	Rapporteur	Draft Report of the Rapporteur of the Joint Session of WG A and B: Public-Private Dialogue and Partnership	E
XI. Side event: Promoting entrepreneurship and opportunities for economic development for economic development for Roma and Sinti				
EF.DEL/42/04	2.6.04	Slovenia	Policy of Integration and Development of Marginalized Communities: Statement by Prof. Dr. Mitja Zagar	E
EF.GAL/3/04	21.5.04	OCEEA	Background document for the side event promoting entrepreneurship and opportunities for economic development for Roma and Sinti, 2 June 2004, within the framework of the 12th Economic Forum	E
EF.GAL/17/04	2.6.04	ODIHR	Background Documentation	E
EF.GAL/18/04	2.6.04	ODIHR, Romania CRISS	Income Generating Programmes for Roma 1994-2000 Romania	E

Ref. No.	Date of document	Originator	Title/Content	Lang.
EF.GAL/19/04	2.6.04	ODIHR, Spolu Intern. Foundation	Proposed Background Documentation by Spolu International Foundation and its Partners	E
EF.GAL/20/04	2.6.04	ODIHR	Interlinks between OSCE Action Plan and the Main European Initiatives on Policy-making on Roma and Sinti	E
EF.GAL/34/04	25.6.04	Rapporteur	Report on the Side-event on Promoting entrepreneurship and opportunities for economic development for Roma and Sinti	E
XII. Side event: Anti-Trafficking Programme Public-Private Co-operation in the Prevention of Trafficking in Human Beings, Thursday, 3 June 2004				
PC.DEL/96/04	12.2.04	ECPAT	Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism	E
PC.DEL/278/04	19.4.04	BlinN	Addressing Trafficking in Human Beings, Promoting the Labour Inclusion of Female Victims of Trafficking	E
EF.GAL/5/04	26.5.04	OCEEA	Background Material: The Crimestoppers Potential in the Fight against Trafficking in Human Beings	E
EF.GAL/16/04	2.6.04	OCEEA	Programme Document	E
EF.GAL/32/04	26.6.04	Rapporteur	Report on the side event/donors' meeting on Anti-Trafficking Programme (ATP)	E
SEC.GAL/110/04	07.5.04	OCEEA	Young Entrepreneurship Seminars (YES), Overview	E
XIII. Side event: Promoting co-operation with the Mediterranean Partners, Thursday, 3 June 2004				
EF.DEL/30/04	2.6.04	Slovenia	Presentation by Mr. Janez Malacic, Professor, Faculty of Economics, Ljubljana, Slovenia; PPP	E
EF.DEL/48/04	4.6.04	Morocco	Statement by Mr. Mohiedine El Kadiri, Morocco	E
EF.GAL/33/04	26.6.04	Rapporteur	Report on the side-event on promoting co-operation with the Mediterranean Partners for Co-operation	E
XIV. OSCE Background documents and logistic information				
EF.GAL/2/04	2.5.004	OCEEA	Draft annotated agenda plus revised introductory note	E
EF.GAL/6/04	28.5.04	CIO-Bulgaria	Draft agenda	E
EF.GAL/7/04/ Corr.1	30.5.04	CoEEA	Draft annotated agenda	E
EF.GAL/30/04	24.6.04	OCEEA	Video Link with the Business Symposium "SMEs Competing in a Knowledge Economy" at the 2nd OECD Ministerial Conference on SMEs, Istanbul, Turkey	E
EF.INF/1/04	27.5.04	Czech Rep	Information on a spouses programme on the margins of the 12th Meeting of the Economic Forum	E
EF.INF/2/04/ Rev.1	24.5.04	CS	Provisional List of Participants	E
PC.DEC/558	31.7.03	CiO-Netherlands	Decision No. 558 on the place, date and theme for the 12th Meeting of the Economic Forum, 31 May to 4 June 2004	E
PC.DEC/602	25.3.04	CIO-Bulgaria	Decision No. 602 on the main subjects and organizational modalities for the 12th Meeting of the Economic Forum, 31 May to 4 June 2005	E
SEC.GAL/93/04/ Rev.1	04.5.04	OCEEA	Introductory note and draft agenda	E
SEC.GAL/94/04	22.4.04	OCEEA	Logistic information including registration form	E
SEC.GAL/96/04	23.4.04	OCEEA	Compilation of the speeches and documents from the three Preparatory Seminars for the 12th Meeting of the Economic Forum (distributed with CD-Rom)	E