



Organization for Security and Co-operation in Europe

The Secretariat

Office of the Co-ordinator of OSCE Economic and  
Environmental Activities

Vienna, 12 December 2003

## Second Preparatory Seminar for the Twelfth OSCE Economic Forum

### “Stimulating Foreign and Domestic Investments”

Dublin, Ireland, 16-17 February 2004

#### Introductory Note

According to the OSCE Permanent Council Decision No. 558, the theme of the Twelfth Meeting of the Economic Forum, that will take place in Prague from 31 May to 4 June 2004, will be “New Challenges for Building up Institutional and Human Capacity for Economic Development and Co-operation”.

**The seminar in Dublin, second in a series of three preparatory seminars leading up to the Economic Forum, will take place on 16-17 February 2004 and will focus on “Stimulating Foreign and Domestic Investments”.**

Investments, as well as trade, represent an important link between economies and countries, stimulating and consolidating co-operation in other areas. Investments accelerate economic growth, contribute to generating prosperity and stability, therefore being an important element of conflict prevention.

As investors look for stability and try to avoid unnecessary risks, lack of investments should be considered as an early warning indicator. When private companies or individuals do not invest it means they perceive present or future risks; they do not trust the environment is stable or predictable enough; they do not see prospects for economic development.

Despite a general improvement of the investment climate since the early '90s, countries' performances in the field of stimulating investments have varied across the OSCE region. Statistics reflecting the level of foreign investments in different countries and regions show numerous discrepancies and indicate that these discrepancies are aggravating with time. According to the Transition Report 2003, recently published by the EBRD, the cumulative Foreign Direct Investment (FDI) inflows per capita over the period 1989-2002 have totalled 1767 USD in Central eastern Europe and the Baltic States, 358 USD in South-eastern Europe and 242 in CIS. This new polarisation, the existence of countries and regions with relatively modest or fluctuating levels of investments may have serious security implications. Deepening economic disparities between and also within countries is recognized as a threat and a challenge by the new OSCE Strategy Document for the Economic and Environmental Dimension.

Other statistics and indicators, ranking countries according to their performances in implementing market oriented reforms, rule of law, fighting corruption, or according to the incidence of negative

phenomena such as organized crime and various forms of trafficking also indicate a certain polarization. There is a direct strong statistical correlation between lack of investments and lack of rule of law and poor market reforms, between lack of investments and corruption, organized crime and trafficking.

To no surprise, the amount of investments, both foreign and domestic, in times of open conflict, political turmoil and instability, or even if such a risk is only perceived, is extremely limited, if not zero. Moreover, in such situations capital is leaving the country, which might destabilize even more a fragile economic situation. Once that occurs, investors' confidence has to be again regained – requiring considerable time and effort. Widespread corruption or the proliferation of organized crime have often the same negative impact on investments as open conflicts.

Attracting foreign investments as well as creating a transparent local environment to encourage domestic savings and investments have been considered top priorities by many countries in transition. Both foreign and domestic investments need a favourable business environment. This behoves transition countries to pursue policies of good governance and rule of law to attract investments.

A number of transition countries are still undertaking difficult economic reforms, including the privatization of state owned enterprises, and attempting to address serious infrastructure and environmental concerns. In some countries conflict situations have exacerbated these challenges.

International assistance is not sufficient to address the development needs of transition countries and does not provide for sustainable economic growth. Long term growth and socio-economic stability can not be achieved without stimulating private sector investments. Foreign direct investment (FDI), Diaspora remittances, and local savings and investment are all critically important sources of capital to foster economic development and growth.

The Yerevan seminar on SME development touched upon the necessary conditions for stimulating domestic investors. SMEs are a driving force for economic growth but their capacity is limited. Foreign capital is needed to fill the gap.

The seminar in Dublin will continue to discuss the necessary conditions for stimulating investments, both in foreign and domestic, yet focus on what attracts foreign direct investments (FDI) in particular.

To this aim, a first plenary session will try to assess the investment climate by looking into a series of determinant factors for the investment decision, such as good governance and the rule of law, predictability and stability, and consequently, those of corruption, instability, organized crime etc.. The session will try to highlight the relationship between risks, stability and security on the one hand and investments on the other. Once the challenges are identified, the seminar will focus on shaping possible responses and solutions.

One Working Group will deal with creating the necessary conditions for both foreign and domestic investment and will discuss topics such as:

- legal and institutional framework and financial infrastructure – reducing barriers to investment, non-discriminatory legislation, development of the banking sector, role of investments promotion agencies, partnership with business associations, etc;
- international and regional co-operation - the importance of relevant conventions, harmonizing practices, trade liberalization, regional infrastructure, creation of integrated regional markets, facilitating cross-border movement of people and goods etc;
- policies and measures in key areas - free trade zones, special investments areas, tax incentives, business incubators, industrial sites, etc;

The other Working Group will focus on the qualitative benefits foreign investments can bring to an economy, and therein identify the measures needed to maximize these benefits. The working group will focus on topics such as:

- The impact of foreign investments (including diaspora remittances) on the domestic private sector development - increase competitiveness, spill over effects, development of SMEs, development of local supply and sub-contracting networks, technology transfer, industrial restructuring, how to diversify FDI, to invest more outside extracting industries, etc;
- The role of FDI in human resources development - job creation and skills development, professional reconversion, know how transfers, improving managerial skills, creating opportunities for youth, including internships and employment opportunities, etc;
- The role of FDI in promoting higher environmental standards and environmental responsibility – promotion of environmental friendly investments and effect on domestic economy, etc.

Furthermore, a second plenary session will focus on the co-operation between governments, private sector, and international organizations in promoting good governance, conflict prevention and post conflict situations. The session will discuss, *inter alia*, the added value the private sector can bring in addressing the socio-economic aspects of conflict prevention and post conflict rehabilitation as well as how to direct/attract FDI in specific regions (rural areas, depressed areas, areas posing environmental risks, etc) and how to target socially vulnerable groups. The UNECE's concept for a regional compact and the presentation, on 3 October 2003, in the Economic and Environmental Sub-Committee, of the book "Conflict Prevention – the untapped potential of the business sector" will serve as a starting point for the discussion.

The seminar will provide an opportunity for sharing of experience and lessons learned in the field of stimulating investments, in line with the new commitments stipulated in the newly adopted OSCE Strategy Document for the Economic and Environmental Dimension.

The seminar will bring together representatives of governments and state institutions, international organizations, business sector, civil society and academic community. A substantial contribution from representatives of the business sector would be highly appreciated. The OSCE participating States are strongly encouraged to include in their respective national delegations representatives of the private sector. OSCE field presences will also have an important contribution to the discussions.

All participants are expected to present concrete proposals on how the OSCE/OCEEA could be instrumental in the field of stimulating investments. Recommendations and suggestions emerging from the seminar will be further discussed in the Economic and Environmental Sub-Committee of the Permanent Council.

**Please find attached a draft agenda and the organizational modalities of the seminar.**

Further updates of the agenda and organizational modalities will be circulated to the delegations and participants in due time. Information on the seminar – including registration forms, a regularly-updated program and organizational modalities – are also available on the OSCE web site: <http://www.osce.org/eea>

**For further information please contact the Office of the Co-ordinator of OSCE Economic and Environmental Activities:**

**Mr. Gabriel Leonte,**  
**Tel: + 43 1 514 36 776,**  
**Fax: + 43 1 514 36 96,**  
**E-mail: [gabriel.leonte@osce.org](mailto:gabriel.leonte@osce.org)**

**Ms. Andrea Gredler**  
**Tel: + 43 1 514 36 575,**  
**ax: + 43 1 514 36 96,**  
**E-mail: [andrea.gredler@osce.org](mailto:andrea.gredler@osce.org)**



Organization for Security and Co-operation in Europe

The Secretariat

Office of the Co-ordinator of OSCE  
Economic and Environmental Activities

Vienna, 30 January 2004

Twelfth OSCE Economic Forum  
“New Challenges for Building up Institutional and Human Capacity for Economic  
Development and Co-operation”

**Second Preparatory Seminar:**  
“Stimulating Foreign and Domestic Investments”  
Dublin, 16-17 February 2004

**DRAFT ANNOTATED AGENDA**

**Sunday, 15 February 2004**

- 18.00                      **Registration of participants** – Hotel Alexander, Dublin
- 19.30                      **Welcoming Reception hosted by the Co-ordinator of OSCE  
Economic and Environmental Activities**, Aston Suite, Hotel  
Alexander, Dublin

**Monday, 16 February 2004**

- 09.00 – 09.45            **Opening Plenary Session** (open to Press)
- Welcoming Addresses and Introductory Speeches by:
    - ❖ H.E. Mary Harney, Deputy Prime Minister of Ireland/EU Presidency, Minister for Enterprise, Trade and Employment
    - ❖ H.E. Lubomir Ivanov, Deputy-Minister of Foreign Affairs of the Republic of Bulgaria/OSCE Chairmanship
    - ❖ Mr. Marcin Swiecicki, Co-ordinator of OSCE Economic and Environmental Activities

10.00 – 11.30            **Plenary Session: Risks, Security and Investments**

Keynote Addresses: assessing the investment climate from a risk/security perspective; what is attracting/detering investments; the link between security risks and investments; good governance and the rule of law; challenges and opportunities;

Moderator:        H.E. Lubomir Ivanov, Deputy-Minister of Foreign Affairs of the Republic of Bulgaria/OSCE Chairmanship

- ❖ Mr. Peter D. Sutherland, Chairman, Goldman Sachs International, Chairman, BP p.l.c.
  - ❖ Mr. Sean Dorgan, Chief Executive of IDA Ireland
  - ❖ Mr. Alexander Italianer, Director, DG ECFIN, European Commission
  - ❖ Mr. Djoomart Otorbaev, Deputy Prime Minister of the Kyrgyz Republic
- Discussion

**11.30 – 12.00                      Coffee Break**

*WG A and WG B sessions will meet in parallel-*

**- Working Group A – Creating necessary conditions for investments**

Moderator:        Mr. Alexander Italianer, Director, DG ECFIN, European Commission and  
                         Mr. Eero Vuohula, Advisor, DG RELEX, European Commission

**- Working Group B – Maximising benefits from investments**

Moderator:        Mr. Dick Ryan, Manager of the Planning Division and Secretary of the  
                         Board, IDA Ireland

**12.00 – 13.30                      Session 1 of WG A and WG B**

**WG A – Legal and institutional framework and financial infrastructure**

- ❖ Mr. Djoomart Otorbaev, Deputy Prime Minister of the Kyrgyz Republic
- ❖ Mr Francois Ettore, Lead Economist, European Agency for Reconstruction
- ❖ Mr. Adnan Rovcanin, Ph.D., Faculty of Economics, University in Sarajevo, BiH
- ❖ Ms. Natia Natsvlishvili, Economic and Environmental Assistant, OSCE Mission to Georgia

**WG B - Impact of foreign investments on domestic private sector development**

- ❖ Mr. Gabor Hunya, Economist, Vienna Institute for International Economic Studies
- ❖ Mr. Michael Bleyzer, President & CEO, SigmaBleyzer, The Bleyzer Foundation, Ukrainian Growth Funds, Southeast European Growth Fund
- ❖ Mr. Berndt Heymanns, Vice President Europe, Middle East, Central Asia, DEG - German Investment and Development Company, Cologne
- ❖ Mr. Krunoslav Placko, Assistant Minister of Economy, Division for Investments, Croatia

**13.30 – 15.00                      Lunch break**

**15.00 – 17.00                      Study Visit to:**

**Dublin Docklands Development Authority (investment site, special economic zone) /  
The Digital Hub (pilot project for developing high tech industries)**

**17.00 – 18.35                      Session 2 of WG A and WG B**

**WG A – International and regional co-operation**

- ❖ Ms. Yuejiao Zhang, resident Director general, European representative Office, Asian Development Bank
- ❖ Dr. Costas Masmanidis, Secretary General, BSEC Business Council
- ❖ Mr. Declan Murphy, Programme Director, Investment Compact for South East Europe

**WG B – Impact of FDI on human resources development**

- ❖ Mr. Claude Potelle, Chairman, Corporate Resources International, Brussels
- ❖ Mr. Serik Amirov, Marketing Director, Samsung Electronics, Almaty, Kazakhstan
- ❖ Mr John Fitz Gerald, Research Professor, Economic and Social Research Institute, Dublin.

**19.00 - State Reception hosted by the Department of Foreign Affairs of Ireland at the Chester Beatty Library.**

**Tuesday, 17 February 2004**

**09.00-10.30 Session 3 of WG A and WG B**

**WG A - Key policies and measures**

- ❖ Mr. Alan Bevan, Principal Economist, Office of the Chief Economist, EBRD
- ❖ Mr. Brian Whitney, Assistant Secretary, Department of Enterprise, Trade and Employment, Ireland
- ❖ Ms. Oksana Slusarenko, Advisor to the Vice Prime Minister of Ukraine
- ❖ Mr. Jan Atteslander, Federation of Swiss Industrial Holding Companies, Vice-Chair of BIAC Committee on Multinational Enterprises and Foreign Investment

**WG B – Impact of FDI on environment**

- ❖ Dr. Andreas Dally, Loccum Protestant Academy, Germany
- ❖ Mr. Jeyhun Mammadbeyli, Executive Director, Business Development Alliance, Azerbaijan
- ❖ Mr. Alket Mancka, Expert, Client Service Department, Foreign Investment Promotion Agency, Albania

**10.30 – 11.00 Coffee break**

**11.00 – 13.00 Plenary session: Strengthening the partnership of Governments, Private Sector and International Organizations for good governance, conflict prevention and post conflict rehabilitation**

Moderator: Mr. Fank van Beuningen, Policy Co-ordinator, OSCE Desk, MFA, the Netherlands

- ❖ Mr. Daniele Ganser, Center for Security Studies, Swiss Federal Institute of Technology
- ❖ Mr. Geoffrey Hamilton, Regional Adviser, UNECE
- ❖ Ms. Eleonore Kopera, Managing Director, Business Humanitarian Forum
- ❖ Mr. Pierre Daures, Executive Vice-President, Bouygues Group, Chairman of BAC/SEE
- ❖ Ms. Susan Simpson, Director Europe, International Business Leaders Forum

**13.00 – 14.30 Lunch break**

**14.30 - 15.30 Closing Plenary: Reports and Recommendations**

- **Reports by the Rapporteurs of the Working Groups**
- **Discussion**
- **Closing remarks**



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**Visit by Organization for Security and Co-operation in Europe to  
the Dublin Docklands Development Authority,  
Custom House Quay, Dublin 1,**

**15:00 – 17:00, Monday, 16 February 2004**

#### **AGENDA**

- 15.15**            **Guests Arrive / Serve coffee/tea in conservatory**
- 15.30**            **Presentation by Mr. Peter Coyne, Chief Executive of DDDA, on the development of docklands, including social/economic and physical development of the area**
- 16.00**            **Question/Answer session**
- 16.15**            **Site visit (weather permitting) or longer question/answer session**
- 16.45**            **Guests depart**

#### **Dublin Docklands Development Authority**

*The Dublin Docklands Development Authority was created by the Dublin Docklands Development Authority Act 1997 to lead a major project of physical, social and economic regeneration in the East side of Dublin. The Project extends over 520 hectares, at the core of which were former Dockland areas comprising some 100 hectares of substantially derelict or low value industrial land. The various communities lying in the area outside of this core comprised some 17,500 people. Although there was a very strong and active sense of community, the area had severe economic and social problems. In particular, unemployment was averaging 30%.*

*The Docklands Project is radically changing the whole area, not only through major phases of mixed use property development but also by involving local people in the planning and by fostering and investing in educational and other social interventions. These interventions aim to develop social and economic capacity in order to ensure that the Area development is truly sustainable.*

*For more information on the **Dublin Docklands Development Authority** please refer to: [www.ddda.ie](http://www.ddda.ie).*



**Visit by Organization for Security and Co-operation in Europe to  
The Digital Hub, 10-13 Thomas Street, Dublin 8**

**15:00 – 17:00, Monday, 16 February 2004**

**AGENDA**

- 15.15**            **Guests Arrive**
- 15.20**            **Presentation on The Digital Hub by Mr Philip Flynn, Chief  
Executive Officer of The Digital Hub**
- 15.45**            **Questions & Answers Session**
- 15.55**            **Tour of Digital Depot – Group 1  
Tea & Coffee – Group 2**
- 16.20**            **Tour of Digital Depot – Group 2  
  
Tea & Coffee – Group 1**
- 16.45**            **Guests depart**

**The Digital Hub**

*The Digital Hub is an initiative of the Irish government to create an international digital enterprise area in Dublin city. The sponsoring partners are: the Government, through the Department of Communications, Marine & Natural Resources, Dublin City Council, Enterprise Ireland and IDA Ireland.*

*Through the Department of Communications, Marine & Natural Resources, EUR130 million of public funds has already been committed for The Digital Hub and for Media Lab Europe, a third-level research and education centre already located in The Digital Hub. The core development of approximately nine acres, is located within the historic Liberties area in Dublin's city centre.*

*The objectives of the Digital Hub are set out in The Digital Hub Development Act enacted in July 2003. They are:*

- To create state-of-the-art infrastructure to cluster leading-edge Irish and international digital media companies in a core development located in Thomas Street.*
- To facilitate new connections between the creative, technological, research and development, educational and community sectors for collaboration and value added outputs.*
- To design and deliver a sustainable, vibrant and inclusive living and working environment to benefit the local and enterprise communities in the core development.*
- To deliver the project through public sector investment, public private partnership developments, and community participation.*

*For more information on The Digital Hub the please refer to: [www.thedigitalhub.com](http://www.thedigitalhub.com)*





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**REGISTRATION FORM**

for the StudyVisit to:

**Dublin Docklands Development Authority / The Digital Hub**

**15:00 – 17:00, Monday, 16 February 2004**

**Thank you for returning this form the latest by Friday, 6 February 2004 to:**  
Ms. Andrea Bradshaw, email: [andrea.bradshaw@iveagh.gov.ie](mailto:andrea.bradshaw@iveagh.gov.ie), Fax: + 353 1 478 5928.

First Name:	
Last Name:	
Institution:	
Country:	
Kindly indicate which site you wish to visit:	Dublin Docklands Development Authority <input type="checkbox"/>
	<b><u>OR</u></b>
	The Digital Hub <input type="checkbox"/>

**Buses will depart from the Dublin Castle (conference venue) on Monday 16 February 2004, at 15:00.**



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## **INVITATION TO THE EXHIBITION**

**on the occasion of the OSCE Seminar  
“Stimulating Foreign and Domestic Investment”**

Participant are kindly invited to display posters, brochures and audio-visual materials (videos) illustrating the activities and projects of their country, company and/or organization(s) related to the theme of the seminar “Stimulating Foreign and Domestic Investment”.

A small part of the Conference Hall will serve as the Exhibition venue.

We would be grateful if you could inform in advance about the material you intend to display.

(contact Ms. Andrea Gredler: Tel:+43 1 51436-575; Fax: +43 1 51436-96;  
Email: [andrea.gredler@osce.org](mailto:andrea.gredler@osce.org)).

Thank you.

The Organizers



Organization for Security and Co-operation in Europe

The Secretariat

Vienna, 30 January 2004

**LOGISTIC INFORMATION**  
**(Registration – transfers at airport)**

1) REGISTRATION – only on Sunday, 15 February 2004 !

**The seminar badge only – along with an ID – will give access to the conference venue at Dublin Castle, on Monday 16 February morning, due to stricter security provisions during the Irish EU chairmanship. All participants are therefore kindly requested to register on Sunday, 15 February 2004 at the Hotel Alexander in Dublin.**

Registration will be open from 18:00 until 22:00 at the Alexander Hotel, Merrion Square, Dublin 2, Ireland (Tel: +353 1 6073700).

For arrivals in Dublin city later than Sunday 15 February 2004, 22:00, registrations will be processed at the airport of Dublin (OSCE/Irish EU Presidency desk).

**Access is strictly denied to anyone not pre-registered (announced) and not included on the list of participants. We therefore strongly advise to send in advance the registration form (attached to the Organizational Modalities) to the OSCE Secretariat, OCEEA (contact: Ms. Andrea Gredler , Tel: +43 1 514 36 575, Fax: +43 1 514 36 96, e-mail: [andrea.gredler@osce.org](mailto:andrea.gredler@osce.org))**

2) TRANSFER AIRPORT –DUBLIN CITY

**Welcome OSCE/Irish Presidency Desk** at Dublin Airport in Arrival Hall (*on left side just next to the exit door after the custom control*) will provide participants with all necessary information about the transfer to Dublin city (Hotel). Participants will receive a voucher (free-of-charge) for the “Air Coach” (bus) and a city map indicating their respective bus stops. Air Coach provides a 24-hour service between the Airport Dublin and the city (every 15 minutes between 4.30am and midnight, and hourly between 00.00 and 4.30am. [http://www.aircoach.ie/.](http://www.aircoach.ie/))

Hotel Alexander: Stop Merrion Square North (just across the entrance of the Hotel)

Hotel Paramount: Stop Grafton Street – Trinity Colleague (7mn walk from the Hotel).

The same coach service will be provided for the return to the Airport at departure.

3) TRANSFERS from Hotel Alexander to Dublin Castle:

Shuttle service from Hotel Alexander (Merrion Square) to Dublin Castle/conference venue. available on Monday (16.02.) and Tuesday (17.02.), departures 8:15 am and 8:25 am.



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## **CULTURAL PROGRAMM**

**Tuesday, 17 February 2004**

15.30: Conference closes

16.00: Delegates depart by bus for a visit to see the Book of Kells, a 9th Century manuscript of the Gospels, renowned world-wide for its rich and varied illustrations. It is on display in the Old Library in Trinity College. The current exhibition in the Colonnades, 'The Book of Kells: Picturing the Word' places this national treasure in its historical and cultural context.

16.45: Tour finishes, free time for delegates!

The cost for the tour will be EUR5.50 (specially negotiated group rate).

To determine interest in this excursion, we would be grateful if delegates would sign up by lunchtime, Monday 16 February.

Links to the Book of Kells and visitor info for Trinity College:

<http://www.tcd.ie/Library/kells.htm>