



Organization for Security and Co-operation in Europe

**Co-ordinator of OSCE Economic and
Environmental Activities**

Vienna, 23 June 2004

To: All OSCE Delegations
Partners for Co-operation
Mediterranean Partners for Co-operation

Subject: Report on the Side-event on Promoting co-operation with the
Mediterranean Partners for Co-operation

Attached herewith is the Report on the Side-event on Promoting co-operation with the
Mediterranean Partners for Co-operation held on 3 June 2004 on the occasion of the 12th
OSCE Economic Forum.

12th Economic Forum

Rapporteur's Report on the Side-event on

Promoting co-operation with the Mediterranean Partners for Co-operation

Gallery Hall, Czernin Palace, Prague, Wednesday, June 3, 16: 30 – 18:00

On 3 June 2004, for the first time, a side event with the Mediterranean Partners for Co-operation took place on the margins of the Twelfth Economic Forum in Prague. The aim of the meeting, chaired by Ambassador Janez Lenarcic, Permanent Representative of the Republic of Slovenia to the OSCE, was to promote co-operation with the Mediterranean Partners, given the interest they had expressed in the OSCE Economic and Environmental Dimension. Participants in the meeting included participating and Partner States.

The Chairman highlighted that education and human capital development, a priority of the OSCE Chairmanship, were essential key elements for economic development. The subject of human capital development had been expounded, in particular, in two preparatory seminars, in Bishkek and in Dublin, leading up to the Economic Forum.

To launch the discussion, a presentation was made by Professor Janez Malacic, Faculty of Economics, Ljubljana, Slovenia, on human capital development for the market economy with a special reference to the Mediterranean region. He focused, *inter alia*, on the concept and importance of human capital, investment in human capital as a means of human capacity building as well as ways to calculate returns on human capital investment. One of the main conclusions was the increased importance of human intellectual capacity building globally as well as in the Mediterranean region (EF.DEL/30/04). Representatives of MPCs informed of recent policies and progress in their countries with reference to human resource development.

In the ensuing discussion, the following main points were raised:

- The importance was mentioned of the interdependence of all kinds of capital, including political returns on investment and the development of human capital. Consideration should be given to establishing a network for the exchange of information on human capacity-building and related issues with a view to contributing in a positive way to relations with the Mediterranean Partners.
- It was broadly agreed that the side-event provided additional impetus to strengthening relations with the Mediterranean Partners. Participants recommended that this initiative be extended to other OSCE fora. For example, similar side-events could take place on the margins of the Human Dimension Implementation Meeting and the Annual Session of the OSCE Parliamentary Assembly. Follow-up to explore further co-operation on economic and environmental issues would take place, *inter alia*, in the Mediterranean Contact Group.
- Consideration should be given to how the OSCE could contribute to reference criteria for the EU's new neighbourhood policy. The OSCE's added value was to be found in its role as an inter-institutional bridge, a catalyst for international energies and resources and a promoter of regional transfrontier co-operation. Through its vast network of relations with international organizations and institutions, the OSCE could contribute to the initiation of multilateral co-operation activities that would help respond to the concerns of the MPCs in the economic and environmental spheres (EF.DEL/48/04, EF.DEL/16/04/Corr.1).
- For the second consecutive year, the World Economic Forum (WEF) had held its spring session on 15-17 May 2004 at the Dead Sea, Jordan. Politicians, economists and business leaders met to discuss world economic and business trends pertinent to the Middle East.

Participants included high-level representatives from several OSCE participating States and Mediterranean Partners. With a view to promoting relations in particular in economic co-operation, it was suggested that the OSCE might consider attending future World Economic Forum meetings in Jordan in order to gain a better understanding of the economic realities of the Mediterranean region. (EF.DEL/31/04).

At the end, the representative of the Bulgarian Chairmanship expressed thanks to the Slovenian Chairman and to the OSCE Secretariat for their efforts, and also appreciation for the successful debates and the interesting contributions from the Mediterranean Partners and participating States. He also expressed the Chairmanship's support for continuing the discussion and for follow-up actions. Other participants expressed their appreciation to the Chairman, also in his capacity as Chairman of the Mediterranean Contact Group, the Bulgarian OSCE Chairmanship and the OSCE Secretariat for having organized the event.