

OSCE PARLIAMENTARY CONFERENCE  
**THE ROLE OF PARLIAMENTS IN HUMAN  
AND ECONOMIC DEVELOPMENT IN SOUTH EAST EUROPE:**  
Implications for legislative work and possibilities for regional institutional co-operation

SARAJEVO, 2-4 OCTOBER 2003

**DRAFT AGENDA**

**Thursday 2 October 2003**

---

- Arrival and registration of the participants.
- 20.00 h.: Reception hosted by the Chair of the House of Representatives of the Parliamentary Assembly of Bosnia and Hercegovina.

**Friday 3 October 2003**

---

**08.45:** Plenary Opening Session.

1. Welcome address by the Head of the OSCE Mission to Bosnia and Hercegovina and the Chair of the House of Representatives of the Parliamentary Assembly of Bosnia and Hercegovina.
2. Opening speeches of the conference.
3. Assessment of the economic development in the Balkans and the Poverty Reduction Strategy Process (PRSP).

**10.30 - 11.00** Coffee break

**11.00:** Plenary session, co-chaired by the OSCE Office for Democratic Institutions and Human Rights and OSCE Office of the Coordinator for Economic and Environmental Activities.

Panel discussion "Lessons Learned" on legislative priority setting in economic transition as well as parliaments' role as inter-face with the social aspects of meeting new economic standards.

Questions and Answers

**13.00** Lunch

**14.30:** Parallel Workshops

1. The role of parliament and its relation with the government: monitoring the development of economic policies and executive oversight.
2. The role of parliaments in defining a legislative framework favorable to the creation of a viable business environment.
3. The role of parliaments in developing legislation and policies that protect the most vulnerable in society against shocks in periods of economic transition.

**16.00** Coffee Break

**16.30** Continuation of Workshops

**17.30** Short plenary session.

**20.00** Official reception hosted by the Head of the OSCE Mission to Bosnia and Hercegovina.

**Saturday 4 October 2003**

**08.45 - 11.30:** Three parallel Workshops

4. The Role of Parliament in Supporting an effective Regional Trade and Export Infrastructure
5. Regional cooperation between parliamentary committees dealing with human and economic development in the region of South East Europe
6. The role of parliament in supporting the Poverty Reduction Strategy Process (PRSP)<sup>1</sup> and facilitating its implementation

**11.30:** Coffee break

12.00: Closing ceremony

- Presentation of conclusions of workshops.
- Statement by the Organizers of the Conference
- Closing speech.

**13.00** Lunch + Departure of participants

---

<sup>1</sup> In Albania, the PRSP is now called "National Strategy on Socio-Economic Development".



OSCE PARLIAMENTARY CONFERENCE  
**THE ROLE OF PARLIAMENTS IN HUMAN  
AND ECONOMIC DEVELOPMENT IN SOUTH EAST EUROPE:**  
Implications for legislative work and possibilities for regional institutional co-operation

**SARAJEVO, 2-4 OCTOBER 2003**

## **INTRODUCTION**

Considerable attention and resources have traditionally been given by international organizations and donors to assist governments of countries in transition in terms of strengthening their capacities to develop appropriate policies aimed at socio-economic development and to support their abilities to deliver satisfactory levels of outputs based on those policies. Ministries have had their staffs trained in programming and budgeting, while donor funds have been used to support a wide variety projects in healthcare, education, infrastructure, community development and private enterprise development.

Whilst governments and their agencies are the executors of policies and programmes and, as such, are responsible for responding to the needs of the population, the parliamentary dimension has often been left out of the debate on policy choices and overlooked as recipients of technical capacity-building projects. For this reason, the missions of the Organization for Security and Co-operation in Europe (OSCE) in South East Europe have come together to sponsor a conference on the "Role of Parliaments in Human and Economic Development in South East Europe: Implication for Legislative Work and Possibilities for Regional Institutional Co-operation".<sup>1</sup>

It is recognised that there are numerous conferences that regularly bring together parliamentarians from the region within the frameworks of the OSCE, Council of Europe, European Parliament, Stability Pact or other initiatives. These conferences are largely of a political nature, however, that tend to focus on achieving agreements on overarching principles or generalised reforms. The Sarajevo conference, therefore, will be an opportunity for MPs from the region to discuss at a technical level common development issues confronting them and the ways in which they, as legislators, can engage themselves in the policymaking debate.

Following the fragmentation of the former Yugoslavia, a number of new states were created. Social dislocation and uneven development emerged following the introduction of the free market economy and the collapse of the social net. Albania also suffered greatly due to the collapse of the state and the economy in 1997. These countries are still going through a considerable process of economic, social and institutional transition. In view of the gradual reduction of international assistance across the region and the transfer of powers to local authorities, it is imperative that parliamentarians and regional authorities mobilise their own resources to generate development.

The Sarajevo Conference makes reference to many of the ongoing processes affecting the region, in particular the Stabilisation and Association Process (SAP) and the Poverty Reduction Strategy Process (PRSP). All countries of the region are engaged at various stages in the Stabilisation and Association

---

<sup>1</sup> The conference is being organized and/or endorsed and facilitated by the OSCE Missions in South East Europe, the OSCE Chairman in Office, the OSCE Office for Democratic Institutions and Human Rights (ODIHR) and the OSCE Office of the Coordinator for Economic and Environmental Activities. The conference is hosted by the OSCE Missions to Bosnia and Herzegovina and funded by ODIHR, OMiK and OSCE BiH. The conference has also the support of the Stability Pact SEE, World Bank, European Parliament and European Commission.

Process. The SAP is a regional approach of the European Union that offers a credible prospect of membership once conditions have been met in each country in terms of reforms strengthening the rule of law, reinforcing democratic institutions and promoting a free economy. The perspective of eventual membership of the countries in SEE was reinforced recently at the Thessaloniki Summit on 21 June 2003.

If the SAP represents a motor for regional integration and political and institutional reform, the ongoing elaboration and implementation throughout most of the SEE region of poverty reduction strategies (PRSPs), required by the World Bank and the IMF as a basis for concessional lending, is a means of addressing the underlying challenges of human and economic development. PRSPs are country-driven, multi-dimensional strategies based on a long-term perspective for poverty reduction involving broad-based participation by civil society and the private sector as development partners in all operational steps. Parliaments have been given an important role as stakeholders in the poverty reduction strategy process. These efforts at reducing poverty through a PRSP are also a means of achieving the Millennium Development Goals (MDGs) as established by the United Nations in 2000.

## **ROLE OF THE OSCE**

Although particular emphasis in the conference will be paid to developing themes related to human and economic development in the region, their broader relation to institutional development and political stability will be further explored. Reduction of poverty and economic growth should also be seen within the framework of conflict prevention and post-conflict rehabilitation, always in accordance with the OSCE's mandate and expertise.

The Sarajevo Conference aims to combine the OSCE's human dimension commitments with the economic and environmental dimension. Economic (and environmental) activities are an integral part of the OSCE's agenda, reflecting the organisation's comprehensive approach to security. In the Helsinki Final Act (1975), the Participating States in the CSCE expressed their conviction that "efforts to develop co-operation in the fields of trade, industry, science and technology, the environment and other areas of economic activity contribute to the reinforcement of peace and security in Europe, and the world as a whole." These issues constituted Basket II of the Helsinki Final Act, in which the Participating States agreed, among others, to promote trade, the exchange of economic and commercial information and industrial co-operation.

Economic development and the strengthening of trade and industrial co-operation among countries and regions cannot be achieved, however, without well-functioning institutions and a stable political situation. Democratic institutions and the development of the rule of law are included in the OSCE commitments to Human Dimension, which therefore extend beyond respect for human rights and fundamental freedoms. Consolidation of democratic institutions and strengthening of human rights and the rule of law fall directly under the mandate of ODIHR, which has developed a number of activities in this field.

The Missions of the OSCE in Bosnia and Herzegovina, Serbia and Montenegro, Kosovo and the Presence in Albania are all currently implementing capacity-building projects with the parliaments in their Area of Responsibility. Many of the components of these projects are directly applicable to the themes of the Sarajevo Conference and therefore can reinforce the concepts developed over the course of the conference workshops.

## **CONFERENCE THEMES AND WORKSHOPS**

The conference has been organised into a series of parallel workshops that are based on the broad themes of government-parliament relations, parliament's role in supporting private enterprise and parliament's role as a policy forum and legislator for social welfare and economic development programmes. The discussions within the workshops should be held at a practical and technical level through the use of good practices and a "lessons learned" approach.

The following workshops are based on these themes:

### **The role of parliament and its relation with the government: monitoring the development of economic policies and executive oversight**

With the focus of attention primarily fixed on the government and lacking resources, the full potential of parliament as not only a law-making body, but also a forum for policy discussion and debate, is often not realised. MPs, as representatives of the people, have an extremely important role in providing oversight of the executive and ensuring that the government remains accountable to the people. One of the fundamental roles of parliament in this respect is reviewing and approving the national budget. It should ensure that the allocation of resources is in line with the stated objectives and priorities of the government and that the money was spent in the appropriate way. In this respect, the role of the opposition in parliament is particularly important as it can act as a counterbalance to the will of the majority.

### **The role of parliament in defining a legislative framework favourable to the creation of a viable business environment**

Parliaments need to be attentive to providing a legislative framework that is conducive to allowing private enterprises to grow and flourish as the key means of furthering a country's economic development. Attention needs to be paid to drafting laws that ensure fair competition, fair taxation, and the rule of law as well as provide sufficient means to encourage the development of small and medium-sized enterprises (SMEs). SMEs represent the backbone of an economy and their development should be seen as an integral part of a viable economic system. At the Thessaloniki Summit, the countries of SEE endorsed the European Charter for Small Enterprises, adopted by the EU General Affairs Council in 2002, which will provide the framework for good practice in enterprise policy.

### **The role of parliament in developing legislation and policies that protect the most vulnerable in society against shocks and periods of economic transition**

It is important to point out that transition means more than just the transformation of structures of state ownership and markets. Transition also has produced new causes of poverty, including chronic unemployment, failure of the social safety net, changes in patterns of family solidarity, economic emigration and brain drain, and other aspects of demographic change. There has been an increase in social dependency just as welfare and state-backed forms of social insurance have necessarily been reduced and are disappearing. Reference in this workshop will be made to the falling living standards following the introduction of the free market economy, as well as to the existing pension system, and the deprived health and welfare structures. The development of a social protection policy framework able to counterbalance the negative effects of the transitional period is a challenge for governments and the politicians in parliament.

## **The role of parliament in supporting an effective regional trade and export infrastructure**

The countries of SEE have been engaged over the past two years to sign free trade agreements with one another as a means of stimulating regional economic development. It is important that parliaments understand the legislative changes that are necessitated by these agreements and the impact that they will have on other types of commercial legislation and how customs revenues, and by extension national budgets, will be affected. In addition, parliaments should give thought to developing favourable business climates for certain types of business in which they have a competitive advantage and how exporting industries can be fostered.

## **Regional co-operation between parliamentary committees dealing with human and economic development in the region of South East Europe**

With similar challenges and similar perspectives being offered by the European Union and other international bodies, the countries of SEE can benefit from regular co-operation. The regional dimension of the SAP, which has been enhanced greatly through the Stability Pact, is an important aspect that has begun to show results in terms of regional infrastructure projects, commercial and trade relations and political dialogue. The lessons learned from the development of one country's PRSP, for example, can be applicable in another and as similar institutional and economic reforms are necessary technical forms of co-operation between parliamentary committees can be beneficial. This workshop will look for ways in which co-operation can be achieved and sustained.

## **The role of parliament in supporting the Poverty Reduction Strategy Process (PRSP) and facilitating its implementation**

The PRSP was conceived to be a policymaking process characterised by an inclusive nature that relied upon bottom-up rather than traditional top-down government planning. The development of a country's individual strategy involves consultations with a large number of stakeholders including civil society groups, businesses, local governments and parliament. Parliament's role in the PRSP is critical as the strategy is to address the social and economic concerns of the population and to prioritise the means of combating poverty. MPs as elected representatives of the people have a responsibility in providing oversight of the government to ensure that the implementation of the PRSP continues to meet the needs of the most disadvantaged peoples. As the PRSP is updated on a regular basis, parliament plays an ongoing role in ensuring that the most appropriate priorities are identified and that they are adequately funded through the national budget.