

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)
AND
THE REGIONAL CO-OPERATION COUNCIL SECRETARIAT (RCC)

Background

The OECD Investment Compact for South East Europe was created in 2000 to support countries in South East Europe in their endeavour to increase growth, investment and employment through targeted business climate reforms.

Between 2000 and 2007, the OECD Investment Compact's governing body was the Steering Committee, co-chaired by the OECD Secretariat, and an OECD member country. In 2007, the Steering Committee was replaced by the South East Europe Investment Committee (SEE IC), a regional body co-chaired by a country of the region, an OECD member country and the OECD Secretariat. The SEE IC has become the leading regional forum for peer learning and decision-making about reforms in favour of investment and competitiveness.

The RCC was officially established in February 2008 as a successor to the Stability Pact for South East Europe. The RCC focuses on the promotion and enhancement of regional co-operation in the region and is a focal point for regional co-operation in South East Europe.

As SEE countries are increasingly engaged in reforms encouraged by the OECD, the SEE IC members endorsed, at the Fifth Meeting of the SEE IC held on 16 November 2009, the proposal by the OECD to hand over the management of the SEE IC to the RCC, as from January 1, 2012.

The OECD and the RCC reaffirm their intention to collaborate more closely and to reinforce economic development and stability in South East Europe. For the purpose of this cooperation, the Organisation for Economic Co-operation and Development and the Regional Co-operation Council (hereafter referred to collectively as, "the Parties", and individually, as "Party") have agreed on the present Memorandum of Understanding (MoU).

Article 1
Purpose

This MoU between the OECD and the RCC provides the framework for co-operation between the Parties in respect of the economic development and reform processes in South East Europe and sets forth the modalities of such collaboration.

The purpose of this MoU is, in particular, to ensure the continuing role of the SEE IC as a regional forum for peer dialogue driving reform in the domain of investment climate and competitiveness, as well as an implementing body for the SEE 2020 strategy, to be endorsed at the SEE Ministerial on 23-24 November 2011.

Any activities conducted under this MoU are subject to their inclusion in the Parties' respective programmes of work and budget. They shall be carried out in accordance with their respective rules and practices.

The work programme for the cooperative activities between the Parties, as well as the two-year work programme for the SEE IC referred to in Article 2 will be decided jointly by both Parties.

Article 2 **Responsibilities of the RCC**

The RCC shall achieve the goal stated in Article 1 through the activities and means of co-operation included in the following areas:

1. Management and organisation of SEE IC work
 - Host the two annual Steering Committee meetings of the SEE IC, attended by senior government officials (at Deputy Minister or State Secretary level) from each beneficiary economy;
 - Prepare the agendas and high-quality background materials for the above-mentioned meetings; liaise with the beneficiary governments aimed at agreeing agendas and establishing priority areas of work for the SEE IC;
 - Ensure high level participation of speakers and experts – both from the region and from the broader pool of international experts – to address key policy and institutional issues relevant to investment policy;
 - Prepare and distribute the summary records as a follow-up to the meetings.
 - Host working group (WG) meetings each year aimed at servicing the SEE IC on specific issues, such as tax policy analysis, human capital development, investment promotion, innovation and/or other areas as deemed necessary by the SEE IC members.
 - Prepare a rolling two-year work programme for SEE IC and its working groups in co-operation with the OECD Investment Compact for South East Europe and in the context of the implementation of the SEE 2020 vision. Such work programme will be decided jointly by the RCC and the OECD.
 - Maintain regular communication with – and when necessary soliciting support from – donor organisations interested in providing financial resources for projects and programmes identified by the SEE IC.
 - Nominate a liaison officer who will be working on a daily basis with the OECD Investment Compact.
 - Ensure a smooth transition of the countries chairing the SEE IC after each two-year term, by English alphabetical order.
2. Political Support and Institutional Strengthening
 - a) Increase and maintain political, technical and financial support among all SEE and international stakeholders for investment-related reforms in the region.
 - b) Ensure an appropriate mandate for the SEE IC and its different working groups.
 - c) Strengthen links between the SEE IC and relevant regional political and economic processes.
 - d) Instigate necessary support structures for the SEE IC.
3. Work to identify priority investment related reforms, to be pursued in SEE as part of the two-year rolling work programme. and to monitor progress.
4. Any other cooperative activity agreed by both Parties.

Article 3 **Responsibilities of the OECD**

Subject to the availability of funds, the OECD Investment Compact for South East Europe will be responsible for:

1. Assisting the RCC liaison officer for the preparation of the two first plenary SEE IC meetings, and transferring the know-how and all necessary information for this purpose.
2. Supporting identification of priority investment related reforms to be pursued in SEE as part of the two-year rolling plan.
3. Providing analysis and tailored guidelines on specific policies required to address priority reforms.
4. Monitoring and evaluation of progress made and provision of customised support to address weaknesses.
5. Providing active analytical support to help the SEE IC fulfil its role as an implementing body of the SEE 2020 strategy. This implies the development of specific indicators adapted to monitor the implementation, the data collection using its tripartite methodology (assessment by government, the private sector and independent experts), prioritising the most relevant reforms, capacity building and assistance to implementation.
6. Maintaining its policy analysis role for projects pertaining to business climate and competitiveness issues to be implemented in South East Europe.
7. Assisting the co-chairs of the SEE IC in the managerial issues related to the effective functioning of the SEE IC.
8. Any other cooperative activity decided by both Parties.

Article 4 **Financing**

Each Party is responsible for the funding of the activities carried out by that Party under this MoU.

Article 5 **Co-ordination**

The implementation of this MoU will be co-ordinated by Ms. Carolyn Ervin, Director for Financial and Enterprise Affairs, OECD and Ms. Jelica Minic, Deputy Secretary-General of the RCC.

Article 6 **Intellectual Property Rights**

The Parties recognise the importance of protecting and respecting intellectual property rights. This MoU does not grant the right to use materials belonging to, or created by, either Party outside the framework of the collaborative activities contemplated by this MoU.

The OECD will have full copyright and other intellectual property rights over all papers, documents and publications that may be produced in the framework of this co-operation by the OECD and its experts. The RCC may use this material for the preparation of research papers and related research activities with the prior written consent of the OECD and provided the source of the material is clearly stated.

Article 7 **Disclosure**

The Parties may disclose to the public this MoU in accordance with the Parties' relevant policies.

Any sharing of confidential information between the Parties will be subject to their respective policies and procedures relating to the disclosure of confidential information. Each Party will take any action to protect confidential and/or classified information of the other Party. In particular, any confidential information pertaining to either Party in the course of the performance of this MoU shall not be used by the other Party except for the purpose of performing its activities under the terms of this MoU, and shall not be disclosed to any third party without the prior written permission of the Party to which it pertains.

Article 8 Responsibility

Each Party will be responsible for its activities and for its staff members, including for their acts and omissions.

In particular, a Party will not be liable for any damage or injury to any of the other Party's staff. Each Party ("the First Party") will hold the other Party and its staff harmless from any claim or damages, however caused, arising in connection with the activities carried out by the First Party or its staff.

Article 9 Settlement of Disputes

Any dispute arising from, or in connection with, this MoU including the interpretation or application of any provision contained herein, shall be settled amicably by the Parties.

Article 10 Duration - Amendment

This MoU shall enter into force on the date of signature by both Parties, for a period expiring on 31 December 2013. It may be renewed tacitly for further periods of no more than two years.

This MoU can be terminated by either Party by providing a 90 days written notice to the other Party.

This MoU may be amended, in writing, by mutual agreement of the Parties.

Drawn up in duplicate.

For the RCC

Mr. Hido Biscevic
Secretary General




Signature:

Date: 24. 11. 2011.

For the OECD

Mr. Angel Gurría
Secretary General



Signature:

Date: 24/11/2011.