

SOUTH EAST EUROPE INVESTMENT COMMITTEE

Working Group on Investment Policy and Promotion

Terms of Reference

5 February 2013

Introduction

As per conclusions of the 10th meeting of the South East Europe Investment Committee, held on 24-25 April 2012 in Sarajevo, and in line with the targets of the South East Europe 2020 (SEE 2020) adopted by the Western Balkans Economies on 9 November 2012, the Secretariat is putting forward a proposal for the establishment of a Working Group on Investment Policy and Promotion (hereinafter: "WGIPP") under the auspices of the South East Europe Investment Committee (SEEIC).

Objectives

WGIPP will operate as a standing Working Group of the SEEIC, ensuring continuity of the activities and assisting in the achievement of SEEIC's objectives contained in the Work Programme. The emphasis of WGIPP's activities will be on defining the SEE region (Western Balkans, in particular) in economic terms on a global map, promoting it as a good investment destination, and attempting to re-brand the image of SEE so to leverage the region globally and build a perception of an attractive business location.

Furthermore, WGIPP will work in support to the development and prospective implementation of the investment related aspects of the SEE 2020 Strategy, specifically in respect to the first pillar of the Strategy – Integrated Growth - aimed at increasing the level of regional trade and investment integration and doubling of FDI inflows by the end of the decade, as stipulated by the aforementioned Ministerial Statement.

Composition and Structure

The WGIPP will be operating under the auspices of the SEEIC and will consist of the officials from the SEEIC members (Albania, Bosnia and Herzegovina, Croatia, The Former Yugoslav Republic of Macedonia, Montenegro, Serbia, and Kosovo*). Other members of the SEEIC will be encouraged to nominate their representatives as well, in the interest of better coordination of activities. The members of the WGIPP shall be nominated by the respective SEEIC Economic Team Leaders, anticipating **two members**, namely representatives of the IPAs on a managerial and operational level and/or investment-related sectors of the respective Ministries.

The SEEIC / RCC Secretariat will do its utmost to ensure full participation by beneficiary economies in the WGIPP.

* This designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo declaration of independence

Mandate

Taking into account similar activities undertaken in the past, WGIPP will aim to set the grounds for future regional investment promotion and facilitation schemes and possible applications in the SEE, where regional investment promotion agencies (IPAs) will have a crucial role, along with the support of the relevant Ministry from each of the respective economies. The cooperation between IPAs is expected to be comprehensive and task-oriented, with a focused approach on identification of sectors of the regional economy that act as growth pillars for all members. WGIPP should agree upon and roll out a work programme for regional actions in the area of investment promotion and investment policy cooperation (and coordination where appropriate), as well as to help identify priority sectors for joint targeted action.

Challenges of mobilizing financial resource and fair and natural competition between IPAs will be taken into consideration, and WGIPP will work together on identifying the means and possibilities for cooperative activities that will maintain the individuality in attracting FDI for each of the economies, while not hindering regional cooperation in investment promotion.

The SEEIC will provide primary oversight of WGIPP to ensure it contributes to the achievement of SEEIC's objectives. RCC Secretariat will act as a secretariat to the WGIPP, organizing its meetings, facilitating its activities and soliciting support and inputs from external parties to help inform its proceedings.

The main areas of WGIPP's involvement will include, but will not be limited to:

- Promoting investment opportunities in the SEE region;
- Working in a coordinated manner on development of regional promotion mechanisms, in line with investment promotion priorities with each of the individual economies; jointly preparing a plan of activities;
- Further strengthening cooperation between IPAs on all levels, increasing the level of information exchange;
- Promoting fair and transparent competition between Western Balkans economies in investment promotion;
- Explore more formalized investment cooperation structures, such as the re-establishment of a regional network of IPAs in a formalized manner of cooperation by revising and renewing MoU among regional IPAs;
- Finding prospects for calibration of different needs of regional economies and finding elements of sectors of economy that could be mutually promoted and brought into focus of the SEEIC;
- Enable staff trainings, exchange of information and peer meetings;
- Develop regional investment promotion tools, such as website, publications, events, etc;
- Developing communication tools that will convey the objectives, activities and achievements of the investment promotion priorities in the region;
- Mobilizing support from donors for a targeted regional investment promotion effort.

Rules of procedure

The WGIPP will meet at least two times per year in plenary form, and when necessary in task force format, and will serve as a body where senior investment promotion experts from the Western Balkans can exchange ideas, lessons learnt, and best practices to improve the business image of the region. Results and achievements of the WGIPP will be presented to the participating economies at

the plenary sessions or the Ministerial meetings of the SEEIC and in other forms agreed upon by the members.

WGIPP may invite private sector representatives, international and regional initiatives, and other committed donors and relevant institutions to attend its meetings as necessary.

The WGIPP is set up with the expectation of providing the SEEIC with specific inputs in the form of minutes from its meetings, reports, actions plans, position papers and/or other deliverables relating to the subject matter of the WGIPP. SEEIC co-chairs will call upon the WGIPP meetings in a timely manner and their representatives will chair the working group meetings. RCC Secretariat will prepare minutes of all WGIPP meetings which will be distributed to Working Group members within 10 working days from the day of the meeting. WGIPP members will have 5 working days to submit comments; if no comments are received by the RCC Secretariat within 10 working days, the minutes will be considered final.

Remarks

This Mandate Note on the Working Group on Investment Policy and Promotion of the South East European Investment Committee is subject to changes and modifications as per agreements among the members of the SEEIC.

Annexes

Annex 1 – Minutes of the 10th SEEIC Meeting held on April 23-24 2012 in Sarajevo

Annex 2 – Ministerial Statement adopted by the Ministers of the SEE Economies on 9 November, in Tirana, Albania