

INVESTMENT POLICY STATEMENT

OF THE WESTERN BALKANS ECONOMIES

on the occasion of the Western Balkans Summit,

RECOGNIZING the vision of the joint approach to furthering economic cooperation in the Western Balkans and enhancing competitiveness through a structured agenda for regional economic integration, encompassing: promoting trade integration, introducing dynamic investment inflow to the region, facilitating regional mobility, and creating a digital integration agenda, as stipulated by the Multi-annual Action Plan for a Regional Economic Area in the Western Balkans (MAP REA);

RECALLING commitments stemming from other relevant regional processes, within the framework of the Central European Free Trade Agreement (CEFTA) and South East Europe 2020 Strategy (SEE2020), as well as from the individual-economy levels, such as EU pre-accession processes;

REITERATING the commitment under Multi-annual Action Plan for a Regional Economic Area in the Western Balkans (MAP REA) to develop and implement the Regional Investment Reform Agenda (RIRA) in order to, *inter alia*, facilitate the uptake by economies of the Western Balkans of economic development strategies linked to smart growth based on knowledge and innovation, using EU experience and smart specialisation platforms, green growth, the development of value chains, technology transfers and building a knowledge-based digital economy;

REGARDING Regional Investment Reform Agenda (RIRA) as a comprehensive framework for achieving greater development and reforms of investment policies in the Western Balkans and alignment with EU standards, while focusing on a targeted set of reforms that are politically feasible, economically necessary and that will generate tangible results in the near term;

HAVING Individual Reform Action Plans (IRAPs) for RIRA implementation in each of the Western Balkans economies adopted and in implementation;

TAKING formalization of the RIRA process envisioned as the next step in stating the readiness for and importance of regional cooperation on investment policy and promotion, after the region has concluded the coordinated efforts to reform the investment policy frameworks in Western Balkans economies to international and especially EU standards;

AIMING to improve the cooperation of the Western Balkans economies taking into consideration the challenges of the EU accession of the economies and the common goal of presenting the Western Balkans region as a unique investment destination

PAYING DUE ACCOUNT to the specificities, sensitivities and complexities of each Western Balkans economy;

CONFIRMING the right of every Western Balkans economy to regulate all the aspects relating to investments with a view to meeting individual policy objectives and to promote sustainable development objectives;

SEEKING to promote, facilitate and protect investments that foster the sustainable development of Western Balkans economies;

TAKING into account the Sustainable Development Goals (SDGs) and the Investment Policy Framework for Sustainable Development of the United Nations Conference on Trade and Development (UNCTAD);

TAKING into account obligations that all or some Western Balkans economies have taken under relevant international instruments;

REAFIRMING readiness and commitment to continue joint work in this area on a Western Balkans level;

WE, the Prime Ministers of the Western Balkans economies, agree over the following non-binding principles as a guidance for investment policymaking in our Region:

- Recognizing the critical role of investment as an engine of economic growth in the global economy, *avoiding protectionism* in relation to cross-border investment.
- Establishing and/or maintaining open, *non-discriminatory, transparent and predictable conditions* for investment.
- Having investment policies which provide *legal certainty and protection* to investors and investments.
- Keeping *regulation* related to investment *transparent* with the opportunity for all stakeholders to participate in a timely manner.
- Striving to achieve *harmonization of investment policies* and other policies that impact investments with those of the EU, aimed at fostering investment, consistent with the objectives of sustainable development and inclusive growth.
- Reaffirming the right to regulate for legitimate public policy purposes.
- Having investment policies *promoting and facilitating the observance* by investors of international best practices and applicable instruments of *responsible business conduct* and corporate governance.

WE, the Prime Ministers of the Western Balkans economies,

AGREE to develop the standards for international investment agreements, based on the EU principles;

INSTRUCT, for this purpose, our representatives in the RCC (SEEIC)-CEFTA Joint Working Group on Investment to prepare a proposal which would contain the following elements:

- Analysis, within the scope of RIRA of the current situation in the Western Balkans economies on concluded international investment agreements (IIAs) including ISDS cases against Western Balkans economies;
- Modalities and next steps proposed in addressing key challenges in cooperation with European Commission, based on the MAP REA and EU standards and principles;
- Regionally acceptable standards for negotiating international investment agreements in line with the investment policy framework and standards of the European Union.

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ENDORSED in Poznan, Poland on 5 July 2019