

Ministerial Meeting of the SEE Investment Committee

MAP REA and SEE 2020 Results

11 May 2018

Tivat, Montenegro

MAP on Regional Economic Area Goals

- I. Further *trade integration*, based on CEFTA Agreement and the instruments stemming from the Additional Protocols on Trade Facilitation and on Trade in Services
- II. Design and implement of a *regional investment reform agenda*, leading to greater harmonization of regional investment policies with the EU standards and best international practices
- III. Facilitate cross-border *mobility* of skilled professionals, students, researchers and academics, integrated into professional and academic EU networks.
- IV. *Digital integration* and unlocking access to the digital economy by integrating the region into the pan-European digital market



MAP - Investments Agenda - Priorities

- Develop and establish *a regional investment reform agenda*;
- Operationalize the Regional Investment Reform Agenda - RIRA, so as to *increase the harmonization of regional investment policies* with international/EU good practice standards;
- Set-up *targeted investment promotion* efforts to jointly promote Western Balkans as a coherent investment space and single investment destination;
- Identify the needs for financial market integration and propose adequate measures for its achievement;
- Introduce *smart specialization* to industrial development strategies.

RIRA Main Milestones

2017-2018 ongoing in parallel on a horizontal level: Sherpas meetings, MAP REA NCs meetings and briefings

July 2017: WB6 Trieste Summit - MAP REA

2017

November 2017: First regional Investment Policy Review with UNCTAD, guided by SEEIC-CEFTA JWGI

November 2017 – January 2018: FDI Mapping and Investor Database

April 2018: Individual Economy Consultations on RIRA, SEEIC CEFTA JWGI dialogue, SEEIC plenary dialogue

2018

January – March 2018: Investor survey

March – April 2018: Other regional working groups dialogue (investments/judiciary, investment promotion agencies, smart specialization, capital markets)

May 2018: SEEIC Ministerial RIRA Endorsement

2019

Next 2018-2019: Individual-economy action plans on RIRA

MAP REA Investments - Deliverables

Regionally-facilitated deliverables of MAP REA (Sofia – London):

- Consensus on regional investment reform agenda with pertinent set of policies;
- Reaffirmed mandate of SEEIC-CEFTA Joint Working Group on Investments;
- Established regional capital markets platform;
- Regional project initiative for financial markets coordination and diversification of access to finance through capital markets;
- Initiation of introduction of Smart Specialisation to industrial development strategic documents

Regional Investment Reform Agenda

SEE 2020 Priorities Reminder:

- Promote reforms in investment and industrial policies that would facilitate competitive economic environment of the SEE and support integration of the regional market into the global economy
- Support development of the appropriate governance and monitoring system of the sustainable economic reforms in the region
- Encourage alignment of regional priorities to those of the EU by acting upon horizontal priorities and communication of the SEE 2020

Assets:

- Legal base - CEFTA Agreement
- Political Commitment - SEE 2020
- Platform - RCC Secretariat / SEEIC
- Agreement and expertise - administrations and regional partners

Regional Investment Reform Agenda

RIRA Priorities:

- Develop and establish and operationalize the Regional Investment Reform Agenda, so as to increase the harmonization of regional investment policies with international/EU good practice standards;
- Promote the region as a unique investment destination to the global business community
- Facilitate higher inflow of investments into and throughout the region

Regional Investment Reform Agenda

Results - proposed reforms:

- Investor Entry and Establishment - Enhancing entry and establishment opportunities for investors and improving business establishment policies and procedures
- Investment Protection & Retention - Aligning the legal frameworks for investment, including IIAs, with inter-national good practice and EU standards and strengthening investment retention mechanisms in the region
- Investment Attraction & Promotion - Developing a regional investment promotion initiative and streamlining incentives, and improving their transparency and governance

Regional Investment Reform Agenda

Assets

- Regional Ownership
- Region's government participation
- Private sector participation
- Alignment with SEE 2020 priorities and CEFTA legal base
- Alignment with individual economy ERPs and EU-accession process
- Different developments on economy levels taken into account
- Ongoing existing agenda - building on existing initiatives
- Funding through the ongoing regional programme on investment policy and promotion developed through SEE 2020 programming process

Diversification of Financial Markets

Priorities:

- Create a regional “Capital Market Development Task Force” comprising policymakers and regulators to spearhead capital market development matters and enhance coordination on regulatory and supervisory regimes in the region and beyond
- Assess the need for development of a regional strategy for capital markets development

Deliverables:

- Working Group on Capital Markets: Ministries of Finance, Central Banks, Securities Commissions, Stock Exchanges
- Consensus on the need for regional cooperation
- Consensus on the need for development of a regional strategy for capital markets development
- Step further: proposal for a regional programme on capital markets development, so as to diversify financial systems in the region and boost investments

Diversification of Financial Markets

Regional Programme proposal:

- Determine the needs to development of capital markets, and articulate them into concrete reform proposals: regional strategy for development of capital market
- Address barriers and challenges to capital market development through targeted policy interventions on individual-economy levels
- Establish platforms for access to financing (i.e. crowdfunding, venture capital, etc.)
- Increase capacity of existing capital market structures and initiate establishment of capital market structures where non-existing
- Upgrade regional online trading platform

Strengthening industrial base of the region

Priorities:

- MAP REA: Establish regional dialogue and knowledge exchange on developing Smart growth strategies based on EU experience and support the development of smart specialization research and innovation strategies in the WB6 to ensure strategic structural investments and to build competitive advantage
- SEE 2020: Further dedication to industrial development under SEE 2020 and EU-integration process, and SBA implementation

Results:

- Interlinkages of SEEIC Working Group on Industrial Policy and regional Research and Development Platform
- Draft Roadmaps for the development of S3 where non-existing
- Development plans prepared where S3 existing

Supporting Strategic Sectors: Tourism Project

Priorities:

- Developing and promoting joint regional tourism offers by branding and marketing actions
 - Cultural Tourism - fortifications, roman archeological sites, WWII monuments
 - Adventure Tourism: Via Dinarica and Trans Dinarica trails
- Addressing barriers and challenges to regional tourism development through targeted policy interventions
- Implementing pilot projects supporting regional tourism products through small grants

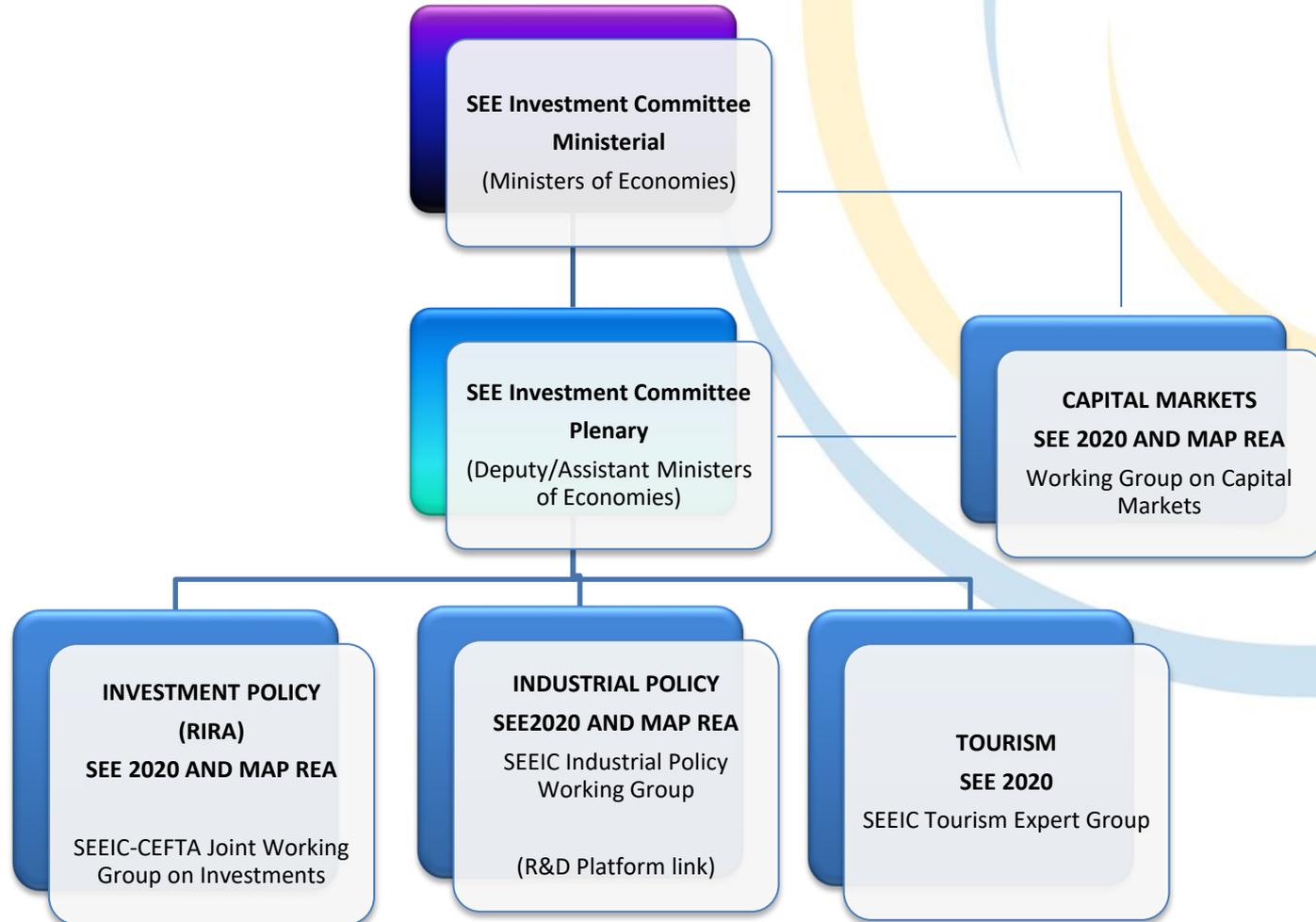
- Coordinating regional platform: SEEIC Tourism Expert Group
- EU funded (MC IPA)

Supporting Strategic Sectors: Tourism Project

Activities:

- Project team engaged
- Industry assessments for market niches - ongoing
- Individual economy consultations - May 2018
- Market niches focus groups - May/June 2018
- Regional routes proposal - June 2018
- Tourism Expert Group (project launch) - June 2018
- Joint regional routes - June 2018
- Small grants public call - July 2018
- Tourism fairs and product promotion and small grants implementation - fall 2018 and beyond
- Policy reform proposals - Fall 2018

SEEIC Structure







Thank you!

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