

Statement

from the Ministerial Meeting of the South East Europe Investment Committee

**“Sustaining Growth in SEE through
Development of Regional Economic Area”**

Tivat, Montenegro

11 May 2018

Organized by the
Government of Montenegro – Ministry of Economy and Regional Cooperation Council

MINISTERIAL STATEMENT

WE, the Ministers of the South East Europe Investment Committee (SEEIC) representing the Western Balkans Six economies,

on the occasion of the Ministerial Conference of the South East Europe Investment Committee (hereinafter: “SEEIC”) “Sustaining Growth in SEE through Development of Regional Economic Area” in Tivat, Montenegro, on 11 May 2018, in co-organization of the Government of Montenegro – Ministry of Economy and Regional Cooperation Council (RCC),

EXPRESSING our gratitude to the Government of Montenegro and its Ministry of Economy for co-hosting this Ministerial Meeting,

RECALLING our commitment to implement and monitor the progress of the South East Europe 2020 Strategy (hereinafter: “SEE 2020” or “Strategy”), as expressed in the Statements of the SEEIC Ministerial Meeting held in Bečići on 9 December 2015, Sarajevo on 21 November 2013, and Tirana on 9 November 2012,

ASSERTING our commitment to implement and monitor the priorities stipulated by the Multiannual Action Plan on Regional Economic Area (hereinafter: “MAP REA”), adopted by the region’s Prime Ministers at the Western Balkans six Summit in Trieste on 12 July 2017, particularly its Investment Pillar;

BELIEVING that the principles contained in the Bečići, Sarajevo and Tirana Statements remain valid, particularly the benefits of working together at the regional level in order to expedite our individual efforts to bring growth and prosperity to all our citizens,

RESTATING our commitment to further enhance regional cooperation in SEE on the basis of the principles of regional ownership, responsibility, all-inclusiveness, solidarity, and good neighbourly relations, in order to contribute to increasing the competitiveness and growth of the SEE’s economies,

REITERATING our determination to continue our joint endeavours at the regional level whilst associating them with relevant components of our individual economy-level reform agendas, reflected in the priorities of the Economic Reform Programs (ERPs);

TAKING ACCOUNT of different developments on individual economy-levels, particularly in fulfilment of the requirements stemming from the EU accession processes;

HAVING REGARD to relevant regional economic competitiveness-enhancing efforts including the EU macro-region strategies;

EMPHASISING the importance of fostering private-public sector dialogue in achievement of the goals of the SEE 2020 and MAP REA;

REITERATING the regional ownership of the SEEIC embedded in the RCC Secretariat,

ACKNOWLEDGING the leading role of SEEIC as the SEE 2020 Regional Dimension Coordinator for the pillars of Integrated Growth (investment dimension) and Sustainable Growth (competitiveness dimension), and the pertinent Flagship on Competitiveness,

RECOGNIZING the leading role of the SEEIC-CEFTA Joint Working Group on Investments as the main regional platform for implementation of measures stipulated by the MAP REA pillar on investments for development of the Regional Investment Reform Agenda (hereinafter: “RIRA”);

UPHOLDING the joint endeavours of the SEEIC Working Group on Industrial Policy and SEE Research and Development Platform in implementation MAP REA pillar on investments for introduction of Smart Specialization into the region’s strategic documents on industrial development;

COMMENDING the establishment of the Working Group on Capital Markets for implementation of the MAP REA pillar on investments in development of diversified financial market in the region;

SUPPORTING the growth of the priority sectors in the region through the efforts of the SEEIC Tourism Expert Group in tourism development and promotion within the context of the SEE 2020 Strategy;

APPRECIATING the support and valuable contribution provided by all relevant stakeholders including administrations, representatives of the regional organizations and the international community in the work of the SEEIC,

HAVE today agreed on this Joint Statement by which we:

1. ENDORSE the proposal for development of RIRA for greater harmonization of Western Balkans six investment policies with the EU standards and international best practices, within the framework of the SEE 2020 Strategy, CEFTA and EU pre-accession and accession processes;
2. AGREE to invest our best efforts in implementation of RIRA, involving but not solely being limited to the following measures on:

I. Investor Entry and Establishment

1. Enhancing entry and establishment opportunities for investors

1.1 Review domestic laws and regulations in the WB6 for inconsistencies with entry and establishment non-discrimination principles (Entry Gap Analysis) and publish a consolidated list of legal entry barriers to increase transparency for investors.

1.2 Use the above to inform a discussion on existing barriers to investment in the WB6 region.

2. Improving business establishment policies and procedures

2.1 Support the development of a business portal to catalogue, provide and compare information on procedures to establish and operate a business in the region by building upon the initiated and already existing cooperation of the region’s business registration agencies.

2.2 Compare, review and align where possible business registration requirements on regional level.

2.3 Facilitate and expedite work permit and affiliated procedures on economy level.

II. Investment Protection & Retention

3. Aligning the legal frameworks for investment, including IIAs, with international good practice and EU standards

3.1 Undertake a detailed mapping and in-depth comparative review of the WB6' international investment agreements (IIAs), with particular focus on BITs, benchmarking them with new generation IIAs to enhance alignment with reform-oriented standards in new generation IIAs / EU standards.

3.2 Perform a gap analysis of the economies' specific domestic investment legislations with their IIAs and new generation IIAs, based on a comprehensive analysis of the economies' legal investment frameworks that will be carried out after the adoption of the regional investment reform agenda.

3.3 Upgrade domestic legislations in line with standards provided in new generation IIAs.

3.4 Strengthen the mandate of the SEEIC-CEFTA Joint Working Group on Investments to establish it as a mechanism for regional exchange on IIA standards, modernizing IIAs, and, if deemed necessary by the participating economies, for enabling development of a strategic approach to negotiating / revising IIAs.

4. Strengthening investment retention mechanisms in the region

4.1 Upgrade established investor grievance mechanisms in interested economies, while taking into consideration the differing levels of development and support needed for capacity building.

4.2 Strengthen the mandate of the SEEIC-CEFTA Joint Working Group on Investment to establish it as a regional platform for exchange of experiences on managing grievances and preventing investment disputes.

III. Investment Attraction & Promotion

5. Developing a regional investment promotion initiative

5.1 Establish a regional framework for coordination and information exchange among individual economy investment promotion intermediaries (IPIs) or agencies (IPAs), considering the option of creating a coordination unit within the existing regional structures.

5.2 Support the development of a regional investment portal on regulatory requirements and investment opportunities across the region that builds on the existing regional investment portals, such as that of the WB6 Chamber Investment Forum and others, where deemed appropriate.

5.3 Support the individual economy investment promotion intermediaries to contribute effectively to the regional investment promotion initiative.

5.4 Undertake an in-depth sector scan to identify sectors and value propositions for regional investment promotion, with clear horizontal links to the MAP REA pillar on smart specialization.

6. Streamlining incentives, and improving their transparency and governance

6.1 Implement incentive standards and principles related to transparency, governance and predictability in accordance with the obligations stemming from the EU pre-accession process (chapter on competition and state aid)

6.2 Improve access to information on incentives by publishing economy level inventories that centralize key provisions and data related to these instruments.

6.3 Engage in peer-to-peer learning on methodologies for cost-benefit evaluation and experiences on incentives' governance and administration in the context of the SEEIC-CEFTA Joint Working Group on Investments.

6.4 Systematically engage in monitoring and evaluation of incentives to assess the effectiveness and cost-benefit considerations on economy level.

For successful implementation of the SEE 2020 and MAP REA initiatives, we further

3. FORWARD the endorsed RIRA to presentation, consideration and endorsement of the region's Prime Ministers at the occasions of the upcoming WB6 Summits in Sofia and London, taking place on 17 May 2018 and 10 July 2018, respectively;
4. CALL UPON the SEEIC-CEFTA JWGI in coordination of the implementation of RIRA;
5. SUPPORT the SEEIC economies to prepare and implement individual-economy plans and reforms in accordance with RIRA;
6. INVITE the SEEIC economies to continue close cooperation and coordination on individual-economy levels with MAP REA Coordinators and relevant line institutions for effective implementation of RIRA;
7. ENCOURAGE international and regional partner-organizations to complement their agendas with that of the RIRA, to facilitate the implementation of priority actions;
8. AGREE to maintain partnership among the participating economies of the SEEIC, and expanding partnerships beyond the region in successful implementation of RIRA;
9. INVITE the European Union for continuation of partnership in supporting the work of SEEIC in implementation of RIRA within the EU enlargement process, both on the regional and individual economy levels.

ADOPTED in Tivat, Montenegro, on 11 May 2018.

Attachment:

- Regional Investment Reform Agenda – RIRA
- Multi Annual Action Plan for Regional Economic Area – MAP REA
- SEEIC Ministerial Statements:
 - o Tirana, 9 November 2012
 - o Sarajevo, 21 November 2013
 - o Bečići, 9 December 2015

Interpretative statement from the Montenegrin delegation during the Ministerial Meeting of SEEIC:

Action 3.1. of the Investment Protection & Retention part of Regional Investment Reform Agenda (RIRA) should entail that this reform is in compliance with the EU rules and principles as reflected in the Stabilization and Association Agreements (SAAs) of WB6 economies.

Done in Tivat, on 11 May 2018