



**“Western Balkans
Regional Investment
Policy and Promotion”
Implementing the Investment
Policy Aspects of the SEE 2020
Strategy**

Key Project Data

- **Objective:** contribute to...
 - an increase in direct investment (foreign and intraregional) of \$60 million (baseline year 2015) by 2020;
 - an increase in firm level investment leads and commitments of 10% by 2019 (baseline year 2015), both region-wide.
- **Context:** support with the implementation of the *Integrated Growth* pillar of the SEE 2020 Strategy and National Economic Reform Programmes (2015).
- **Geographic scope:** Albania, Bosnia and Herzegovina, FYR Macedonia, Kosovo, Montenegro and Serbia.
- **Project partners:** CEFTA, RCC and the EC.
- **Time frame:** 3 years + (Q2/2017-Q2/2020).
- **Funding envelop:** €2,5 million

Project Context

- This project is designed as part of the umbrella Program for Investment Climate and Agribusiness Competitiveness in Western Balkans (P599992).
Objectives:
 - increased investment in the region by \$85 million;
 - increased productivity of the agribusiness sector by 15%;
 - increased competitiveness of (SMEs) by reducing costs of business operations
- The project will leverage and complement existing WB projects and engagements as well as other donor programs in the region
- The work will leverage existing analysis by UNCTAD, OECD and other donors, in particular:
 - UNCTAD: regional and country-level Investment Policy Reviews
 - OECD: regular monitoring of the implementation of the SEE 2020 strategy

Project Objectives

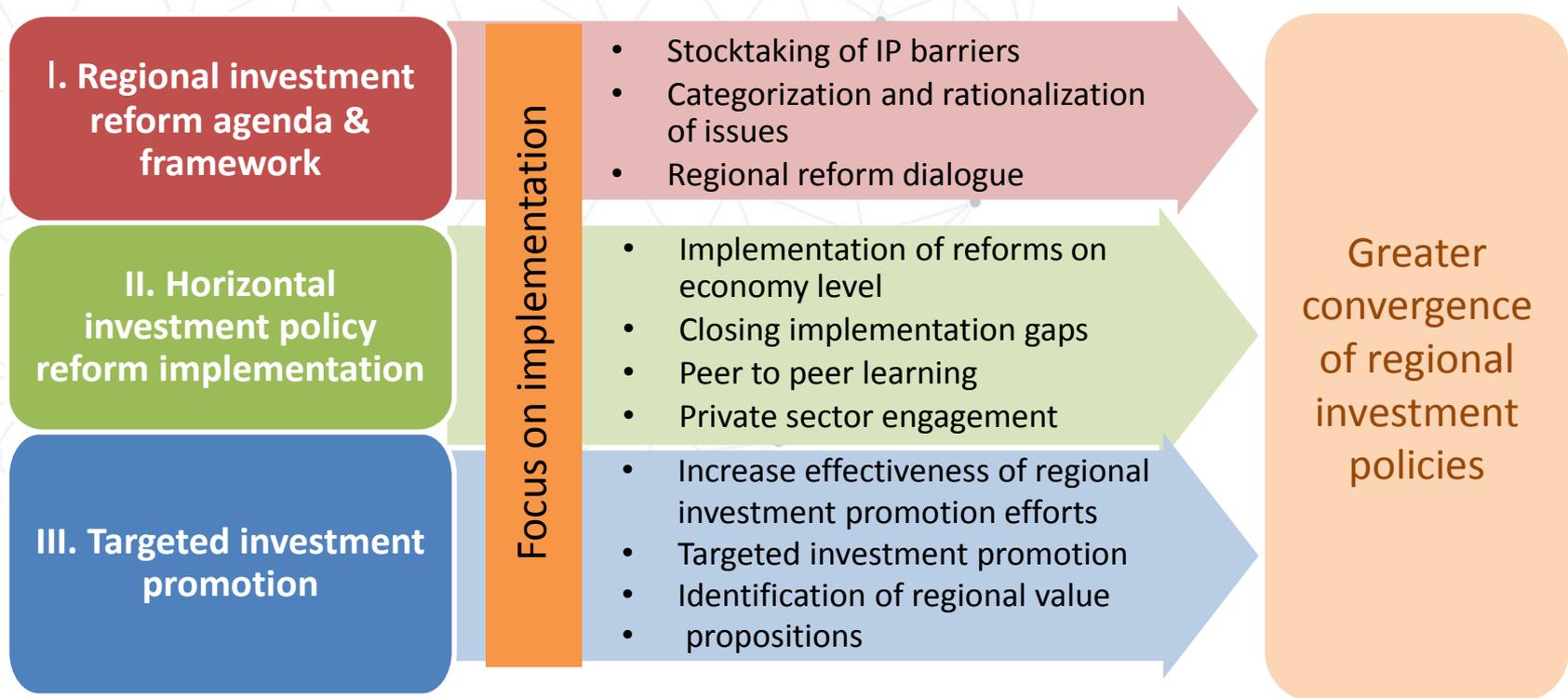
Greater convergence of regional investment policies and alignment with EC standards

- Removal of barriers to regional trade and investment
 - Higher degree of regional convergence
 - Greater connectivity and development of RVCs
 - Effective integration into Global Value Chains
 - Support with EU accession process
- Unlocking of higher levels of FDI and intra-regional investment
- Faster economic growth
- Enhanced job creation

Economic impact

Project Components

The Western Balkans Regional Investment Policy and Promotion project - Three core components



In driving the reform agenda, the project will focus on key Areas That Matter Most For The Private Sector In SEE.

The investment policy lifecycle



Supporting/related policies

Connectivity

Sector policies

IAs

Initial mapping of IPP issues in the region

Methodology

Mapping of key IPP issues based on a desktop research of three primary resources:

- **Private Sector perceptions** collected through business and investor associations (Foreign Investor Councils, AmCham reports, BIG4 reports) &
- **Existing research and analytics** by international and regional organizations (EC country reports, UNCTAD analysis, OECD, etc.)
- **Internal project documentation** of WB T&C engagements in the region

Categorization

The matrix is built upon the **Investment Life Cycle concept** used by IPP

Issues - highlights

- **Vision and Strategy:** countries seem to lack a coherent strategy or even a vision on how to effectively convert Investments into catalysts of mid and long term economic development.
- **Retention and Protection:** serious deficits in investment protection, specifically implementation of investor guarantess in practice (de facto) as opposed to legal protections.