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**Agenda Item 4**

*From decisions to actions – Investment and enterprise development as  
catalysts for accomplishing the 2030 Agenda for Sustainable Development:  
(a) Investment*

**Presentation of the Investment Policy Review of South-East Europe**

**Statement by**

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

Excellencies,  
Distinguished delegates,  
Ladies and gentlemen,

It is my great pleasure to welcome you to UNCTAD for the presentation of the main findings and recommendations of the Investment Policy Review of South-East Europe. We hope that today's discussion with member States and the representatives of the investor community will provide the economies of the region with helpful comments and views to further improve their investment climate.

The IPR of South-East Europe was initiated at the request of the Regional Cooperation Council. Its beneficiaries are the economies of Albania, Bosnia and Herzegovina, Montenegro, the Republic of Moldova, Serbia and the former Yugoslav Republic of Macedonia, as well as Kosovo\* – United Nations Administrative Region as per Security Council resolution 1244 of 1999. It is the first IPR undertaken for a region and represents a milestone for the IPR programme and for UNCTAD.

This IPR is also a model of what can be achieved through cooperation and partnership. Several partners came on board to provide their expertise in the preparation of the report. This included not only the Regional Cooperation Council, but also the Central European Free Trade Agreement secretariat, the World Bank/IFC, the International Labour Organization, as well as all the participating economies. This cooperation extends today through video link from Belgrade, to jointly launch the IPR of South-East Europe during CEFTA Week, which is taking place at the same time as our event. The representations of the European Union delegations in Albania and Serbia are also joining in to participate in our discussion.

Ladies and gentlemen,

UNCTAD strongly encourages cooperation efforts in investment policymaking. The attraction of international investment can sometimes be seen as a zero-sum game, in which individual economies compete with each other for limited capital. The competition can be real, particularly as investment flows have failed to recover to their pre-financial crisis peak in 2007. In the not so distant past, the economies of South-East Europe have themselves experienced the harmful effects of a regulatory race to the bottom and fiscal incentives to the top aimed at investment attraction.

But taking a regional approach to attracting investment makes sense, even if economies may notionally be in competition with each other for investment. Multinational firms and investors operate and invest regionally, based on strategic decisions related to market size, regional production networks and infrastructure links. While recognizing that each economy will pursue its own efforts to attract investment, economies in a region can also meet the strategic needs of corporate investors by acting together. The news about tax optimization strategies adopted by multinational enterprises also reminds us that there is much to gain from international cooperation, including in the area of investment policy.

This IPR reminds us that economic cooperation and integration offer a way to improve the economic well-being of all economies. The review emphasizes regional cooperation in pursuit of improved investment policy and promotion practice to achieve a joint strategic goal: attract increased levels of investment that contribute to social and economic development and sustainable development in South East Europe.

Ladies and gentlemen,

Over the last two decades, significant reform efforts have been undertaken to open up the economies of the region to trade and investment and introduce market-based mechanisms. The region has taken huge steps towards improving its business environment, deepening trade integration, and harmonizing standards and legislation – as this review sets out. Further reform, however, is required in order to achieve the objectives, which the economies have set for themselves and the region in the South-East Europe Strategy 2020. In particular, we encourage the economies in the region to focus policy attention on some key priorities, which include:

1. Strengthening the national frameworks for FDI to pursue openness, clarity and responsible investment;
2. Modernizing the network of international investment agreements (IIAs);
3. Continuing progress in business and trade facilitation measures, by adopting e-government solutions to enhance the transparency and efficiency of regulations;
4. Consolidating the reforms of tax regimes and enhancing regional coordination in this area;
5. Orienting labour and skills policy towards addressing the region's unemployment and development challenges by fostering quality assurance, skills attraction, regional mobility and skills transfer;
6. Strengthening the competition authorities and promoting their cooperation across the region; and
7. Adopting a regional investment promotion initiative to complement national efforts in targeting regional FDI projects and regional value chains, and translating policy into performance.

Through the efforts of the Regional Cooperation Council Secretariat, the CEFTA Secretariat and UNCTAD, this IPR has already brought the economies of the region into closer collaboration with one another. The implementation of the recommendations of this report has already started. The IPR will also inform the Regional Investment Policy and Promotion Programme, which will address the priorities of the regional investment reform agenda. This agenda seeks to harmonize the region's investment policies with a view to increase transparency, attract higher investment flows and facilitate South-East Europe's convergence with EU standards and regulations.

Here, I wish to acknowledge again the role of the World Bank/IFC as one of our implementation partners, as well as the European Commission that will be funding the implementation of many of the report's recommendations. UNCTAD stands ready to provide technical assistance and advisory services on a range of the issues raised in the report.

I would also like to thank the Ministries, authorities and agencies of the participating economies, as well as the private sector and civil society representatives, who have offered their sustained support throughout the review process. Let me thank all our partners again, as well as the donors who have contributed to the IPR process, including the European Commission through the Regional Cooperation Council, and Sweden via UNCTAD's multi-donor trust fund.

I hope that the IPR recommendations will assist your efforts to improve investment policies in the region and harness the benefits of investment for advancing the sustainable development goals.

Thank you.