



## INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

### MULTI-COUNTRY

### Regional investment policy programme



#### **Action summary**

Following the conclusions of the Vienna Summit to increase investments and of the South East Europe Ministerial meeting on Investment, the objective of the project is to contribute to the gradual harmonisation of the investment policies in the Western Balkans with the relevant EU and international standards, and to improve the attraction of the region for international investors.

The outcome of the programme is to establish a common investment reform agenda that aims at regional harmonization of investment policies and a set of specific policy level reform indicators, established to guide and track progress. Implementation of the investment reform agenda is meant to increase transparency, to attract higher investment and to allow the Western Balkans to move towards EU standards and regulations in the array of those particular policies that are affecting the investment environment. The programme would be implemented by the World Bank in close cooperation with the Regional Cooperation Council (RCC) and CEFTA. Regular discussions on the proposals for policy reforms would take place in the competent structures of the RCC and of CEFTA, as appropriate.

<b>Action Identification</b>			
<b>Action Programme Title</b>	IPA II Annual Multi-country Action Programme 2016		
<b>Action Title</b>	Regional investment policy programme		
<b>Action ID</b>	IPA 2016/037-900.01/MC/RegInvPolProg		
<b>Sector Information</b>			
<b>IPA II Sector</b>	9. Regional and territorial cooperation		
<b>DAC Sector</b>	15110 –Public sector policy and administrative management		
<b>Budget</b>			
<b>Total cost</b>	EUR 2.68 million (EUR 2.5 million + EUR 180 000)		
<b>EU contribution</b>	EUR 2.5 million		
<b>Management and Implementation</b>			
<b>Management mode</b>	Direct management		
<b>European Commission</b>	NEAR/A.3 Thematic Support, Monitoring and Evaluation		
<b>Implementation responsibilities</b>	NEAR/A.3 Thematic Support, Monitoring and Evaluation Head of Unit: Bernard Brunet		
<b>Location</b>			
<b>Zone benefiting from the action</b>	Western Balkans		
<b>Specific implementation area(s)</b>	Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo*, Montenegro, Serbia		
<b>Timeline</b>			
<b>Final date for contracting including the conclusion of delegation agreements</b>	31/12/2017		
<b>Final date for operational implementation</b>	31/12/2020		
<b>Policy objectives / Markers (DAC form)</b>			
<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>

\* This designation is without prejudice to positions on status, and is in line with UNSC 1244/1999 and the ICJ Opinion on the Kosovo Declaration of Independence

Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>

# **1. RATIONALE**

## **PROBLEM AND STAKEHOLDER ANALYSIS**

Some regions are more successful than others in attracting foreign direct investment (FDI). This is explained by a range of factors including the size, evolution openness and structure of the domestic market, the attractive costs and easy availability of factors of production (e.g. labour, energy and raw materials), as well as macroeconomic, institutional and political stability, foreign trade liberalization and membership in trade organizations, EU integration, subsidies for attracting FDI and quality of infrastructure.

The Western Balkans have had varied performances when it comes to attracting FDI. With few exceptions, inward FDI levels have been relatively low compared to other transition economies. Various measures and reforms have been undertaken in these economies in order to make business environment more attractive for foreign investors. In this context, the Western Balkans economies use diversified policies and incentives to attract FDI – from fiscal to financial, operational, tax incentives etc.

However, the lack of regional harmonisation, coordination and transparency of the policies, the poor state of infrastructure, the inefficient implementation of national legislation, and the corruption proved to be considerable disadvantages in the attempts to attract the limited investment resources. This affects negatively the sustainable economic development of all the IPA II beneficiaries in a context of a slow recovery from the global economic crisis.

Regional harmonisation and integration of investment policies for the economies of South East Europe (SEE) would reduce investors' time and costs to do business, to make the region more attractive, to create opportunities for economies of scale, to encourage geographically diversified businesses, and allow for an overall efficient allocation of resources within the regional markets. Progressive harmonisation and integration of investment policies ultimately would lead to increased intra-regional and foreign direct investment to the region.

Initial elements of a regional investment policy agenda are existent in SEE. The CEFTA free trade agreement aims at moving towards specific elements of a regional investment policy framework. In terms of the institutional structure, the South East Europe Investment Committee (SEEIC) within the Regional Cooperation Council (RCC) is established as an existing intergovernmental body formed to foster collaboration on investment matters among the economies of the region and fulfils the role of a regional policy advocacy platform. The Committee has been charged with overseeing the implementation of the regional developmental goals set out in the SEE 2020 Strategy. Together with other intergovernmental institutions, in particular the CEFTA Secretariat, it is assisting the individual governments in their investment and trade reform implementation efforts.

To make regional integration a reality, the economies of the region need to agree upon a regional agenda in selected specific policy areas related to investment. The policy reforms would then need to be implemented horizontally by each economy to harmonise the investment agendas in the region.

In the context of the SEEIC, Western Balkans have decided at the Ministerial meeting of 9 December 2015, to establish a regional dialogue aiming at developing recommendations for an investment policy reform agenda.

## **OUTLINE OF IPA II ASSISTANCE**

The action aims to define and support the implementation of a common investment policy reform agenda in the Western Balkans, aligned with EU standards and regulations. Under the existing structure of CEFTA and RCC, these reform efforts will be complemented with the implementation of targeted investment promotion activities to attract more investment in the form of FDI and intra-regional investments. The activities will be framed within the context of the SEE 2020 strategy and the Economic Reform Programmes (ERPs).

The activities envisaged by the EU assistance will be implemented by the World Bank Group's Trade and Competitiveness (T&C) Global Practice Group, which already assists economies and regions in matters of trade and investment integration. T&C supports clients to advance regional integration through – inter alia – assistance in the formulation of regional integration strategies, definition of legal frameworks on specific technical issues, and economic assessments of potentials for regional integration to guide member economies and regions in their strategies. In particular, T&C's assistance within this priority area is focused at providing support with the practical implementation and convergence of a regional ambition into pertinent national, sub-national and local rules and practices, hence assisting the economies reaping the benefits of regional integration.

In the context of SEE, the advisory and technical assistance to be provided by the World Bank will be implemented through an already existing T&C Western Balkans Investment climate and competitiveness project structure. T&C has staff presence and strong client relationships in each of the economies of the region, enabling close cooperation in the implementation of the proposed reforms.

The programme's outcomes will be subject to the review and analysis of the RCC's SEEIC and CEFTA Joint Working Group on Investments (JWGI). JWGI will have the role of the steering committee of the Action, will verify and approve the results of the Action, and it will guide the implementation. JWGI is comprised of representatives of the SEE ministries in charge of investment policies, ministries in charge of trade policies (CEFTA contact points), and investment promotion agencies. JWGI forwards its recommendations to the SEEIC. SEEIC is the RCC's structure composed of Deputy Ministers responsible for economy and the SEE 2020 Dimension Coordinator for the areas of Industrial and Investment Policy. All of the decisions of the SEEIC (based on proposals provided by JWGI) are subject to endorsement of the SEEIC Ministerial forum, meeting on an annual basis and comprised of SEE Ministers of Economy. The Ministerial forum provides the political endorsement and commitment of the SEE economies for the implementation of proposed policies, measures, and activities.

An Investment Advisory Council (IAC) consisting of representative of government/ministries for each of the selected specific policy areas related to investment and representatives of the private sector will be appointed by each economy. The purpose of having an IAC is to involve in the regional reform dialogue envisaged under this programme not only government representatives, but also business associations and other private sector representatives. Experts and potential investors from Member States will be invited to attend the IAC meetings.

## **RELEVANCE WITH THE IPA II MULTI-COUNTRY STRATEGY PAPER AND OTHER KEY REFERENCES**

The objective of the IPA II Multi-country Indicative Strategy Paper 2014-2020 (hereafter referred to as Strategy Paper) is to support efforts for improving the currently low levels of competitiveness, intra-regional trade and trade integration in global markets and the regional investment support. The Strategy Paper indicates that the regional level support is needed to enable and speed up investments in core projects which are relevant not only for the Western Balkan where the investment takes place, but for the entire region and/or the interconnection to the Union.

### Relevance with the SEE 2020 Strategy

The SEE 2020 Strategy provides the framework to guide national development plans towards greater regional integration in investment policy. The objective of the SEE 2020 Integrated Growth pillar is to deepen regional trade and investment links. Programming and implementation of the Integrated Growth pillar are largely based on CEFTA 2006 and its structures as well as SEEIC competences. The agenda of the Integrated Growth pillar reflects interdependence, interaction and synergies, in achieving the goal of increasing overall SEE intra-regional trade in goods by more than 140% and annual foreign direct investment (FDI) inflows to the region by at least 160%.

The action is fully aligned and contributes to establishing a free and open investment regime by removing intra-regional investment barriers, pursuing policies and actions that support the attraction and inflow of foreign direct investment (FDI), as well as intra-regional investments, and promoting further integration of the regional markets. Given the context of the SEE 2020 Strategy and the legal basis for cooperation on investments contained in the CEFTA Agreement (Articles 30-33). SEEIC and CEFTA are undertaking an active role in the field of investment policy, investment promotion through the scope of the SEEIC-CEFTA Joint Working Group on Investments (Joint WGI).

### Relevance with other key references

Interdependencies with other projects:

#### *- Economic Reform Programmes (ERPs)*

Starting in 2015, the European Commission has asked the IPA II beneficiaries to prepare Economic Reform Programmes (ERPs). ERPs comprise a macro-fiscal framework accompanied by priority structural reforms to boost competitiveness. The ERPs are the basis for joint policy recommendations to enlargement partners that are adopted each spring as an annual exercise. This is the flagship initiative of the economic governance pillar of the Enlargement Strategy. The first ERPs were submitted to the European Commission by all IPA II beneficiaries at the beginning of 2015 and policy recommendations were jointly adopted by EU and each Finance Ministers in May 2015. Improving the business environment and the climate of FDI are among the main priority areas that Governments should focus upon in the ERP structural reform agenda. In this context, the regional and national investment reform agenda will have to take into account the relevant recommendations of the EU Council made in the context of the ERP exercise.

*- Multi-Country Instrument for Pre-Accession assistance (IPA II) 2014-2020 – Strengthening the CEFTA Structures and their implementation capacities (2015-2017)*

Given the fact that the SEE 2020 Integrated Growth Pillar covers the goals, priorities and activities within the areas of trade and investments, and consequently having the CEFTA and SEEIC not only as the dimension coordinators of each respective dimension, but also as direct partners in the investment area within the scope of the SEE 2020 and under legal stipulations of the CEFTA Agreement (Articles 30-33 on investments), it is of natural consequence to have the programme proposed directly interlinked with the assistance scheme for CEFTA.

*- Organisation for Economic Co-operation and Development (OECD) Investment Compact:*

In implementing its activities, more specifically the narrowly targeted investor outreach activities, the programme will leverage relevant value- chain specific data and information on competitiveness to be developed under the OECD Competitiveness Project (agri-food and tourism).

*- United National Conference on Trade and Development (UNCTAD) – Investment Policy Review (IPR)*

Several outcomes of the UNCTAD project represent critical inputs for the programme, including contributions to the development of a regional standard for investment policy as well as the identification of implementation gaps (with a focus on legal aspects). These findings will form the basis for the identification and formulation of concrete and targeted investment policy reforms.

*- USAID Regional Economic Growth Project*

Specific activities envisaged under the USAID initiative are directed towards enhancing intra-regional trade and investments, and are designed in complementarity with already undertaken and planned activities by the SEEIC, so as to provide mutual support. Already designed programmes (World Bank Group (WBG), UNCTAD, OECD, etc.) are aimed towards coordination of investment policies and promotion efforts to increase the inflow of foreign direct investments into the region. Therefore, the USAID programme will be supporting regional cooperation in those policies and promotion efforts that are to improve the environment for the inter-regional investments.

*- Other WBG Technical and Advisory Assistance activities in the region:*

The programme will be closely linked with other ongoing WBG activities in the region, including technical and advisory assistance as well as lending, to maximize impact and ensure sustainability of achieved reforms. The WBG's regional portfolio, among others, in particular includes the following interventions:

A new regional technical and advisory assistance programme focused on competitiveness, in particular in the agribusiness sector, covering all economies in SEE;

Ongoing technical and advisory assistance programmes focused on investment climate and investment policy in Bosnia and Herzegovina and Kosovo;

Ongoing lending operations in Serbia (results-based lending focused on competitiveness and jobs) and the former Yugoslav Republic of Macedonia (development policy loan focused on competitiveness);

A new lending project in Kosovo focused on competitiveness and job creation; and

Planned lending operations in Bosnia and Herzegovina and Albania on competitiveness and exports;

In combination with the above outlined activities, the programme will provide for a comprehensive solution for the economies in the region, addressing different critical issues for increasing investment in targeted value chains, including policy, regulatory, supply chain, access to finance, and other relevant investment climate aspects. In particular for providing horizontal implementation (support of economy level reform implementation), the programme will rely on linkages with those other active or projected WBG activities in the region.

## **LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE**

The programme represents a partial follow-up of a previously EU-funded project, through the RCC-integrated and regionally institutionalized structure of the South East Europe Investment Committee (SEEIC). The programme offers direct horizontal implementation support at of key structural reforms envisioned at regional level, as linked to investment policy and FDI attraction.

One of the lessons of previous assistance programme is to ensure strong political support by the regional structures and all Western Balkans involved. The RCC flagship initiative on competitiveness – which includes the initiative on regional investment reform agenda - has been endorsed by all Western Balkans and their regional structures. The flagship initiatives should enable and incentivise different regional structures and national institutions to design common investment reforms that will allow for a wider-ranging impact across the region. The public-private sector dialog and the transparency among the region in regards to investment policies and incentives are weak. Private sector is weakly represented in designing the investment reforms. The active involvement of the private sector representatives in the dialogue with the governments was missing in previous initiatives and will be pursued under this action.



## 2. INTERVENTION LOGIC

### LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	
To contribute to the gradual harmonisation of the investment policies in the Western Balkans with the relevant EU and international standards, and to improve the attraction of the region for international investors.	<p>IMPACT indicators:</p> <ul style="list-style-type: none"> <li>• Overall ( intra and extra regional) FDI inflows</li> <li>• Inward FDI to GDP (%)</li> <li>• Investment Generated (IFC)</li> <li>• Gross fixed capital formation (measuring the investment/GDP per Western Balkan)</li> <li>• Foreign direct investment: Inward and outward flows and stock per Western Balkan ( annual)</li> </ul>	<ul style="list-style-type: none"> <li>• Investment Promotion Agencies, Business Registries, Statistical Agencies</li> <li>• National Accounts data set</li> <li>• SEE Monitoring Framework assisted by OECD: SEE 2020</li> </ul>	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
COMPONENT 1: Support with the development and implementation of a regional investment policy reform agenda, through a specific sectoral/policy approach, including the strengthening of the regional dialogue between the governments, the private sector and the policy advisors. Build capacity and support the identification and implementation of a set of specific reform measures to contribute to a greater harmonisation of the	<p>OUTCOME indicators:</p> <ul style="list-style-type: none"> <li>• # of governments that adopt the Regional Investment Agenda</li> <li>• # of recommended laws/ regulations/ amendments/ codes enacted or government policies adopted</li> <li>• # of recommended procedures/firm-level policies /practices/ standards that were</li> </ul>	<ul style="list-style-type: none"> <li>• WBG project data</li> <li>• Investment Promotion Agencies, Investor Tracking Systems, WBG project data</li> </ul>	CEFTA Structures have sufficient capacity to adopt the necessary legal framework to achieve results of the actions, thus securing their sustainability and RCC secretariat has

<p>regional investment framework.</p> <p>COMPONENT 2: Support with the horizontal implementation of economy level investment policy reforms in the economies of the region.</p> <p>COMPONENT 3: Support the implementation of narrowly targeted investment promotion efforts to help translate investment policy reforms into increased investments in specific regional value chains.</p>	<p>improved or eliminated</p> <ul style="list-style-type: none"> <li>• # of investor leads</li> <li>• # of financial commitments by investors</li> </ul>		<p>sufficient capacity to facilitate the adoption of the necessary legal framework by the CEFTA economies.</p>
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>Result 1: Regional reform agenda and appropriate regional frameworks to achieve regional harmonisation and alignment of regional investment policies with EU standards and regulations. A set of specific policy level reform indicators established to guide and track progress with regional reform implementation.</p> <p>Result 2: Improved level of investment policy reform implementation in the economies of the region;</p> <p>Result 3: Narrowly targeted investor outreach activities implemented to attract investment in specific regional value chains.</p>	<p>OUTPUT indicators:</p> <ul style="list-style-type: none"> <li>• Number of entities receiving advisory services</li> <li>• Number of private sector representatives and of intra- and extra-regional investors attending workshops, training events, seminars, conferences, etc., disaggregated by sex</li> <li>• Number of new laws/ regulations/ amendments/ codes/ government policies drafted or contributed to the drafting</li> <li>• Number of documented interests by investors from the EU and from the WB region</li> </ul>	<p>National/IPA and regional/SEEIC data</p> <p>WBG project data</p>	<p>CEFTA Structures have sufficient capacity to adopt the necessary legal framework to achieve results of the actions, thus securing their sustainability and RCC secretariat has the sufficient capacity to facilitate the adoption of the necessary legal framework by the CEFTA economies.</p>

## **DESCRIPTION OF THE ACTIVITIES**

### **Overall objective**

The overall objective of the programme is to contribute to the gradual harmonisation of the investment policies in the Western Balkans with the relevant EU and international standards, and to improve the attraction of the region for international investors. This will be achieved by supporting the establishment of a regional investment reform agenda, the horizontal implementation of investment policy reforms in the agenda and the implementation of narrowly targeted investment promotion activities. The proposed reform efforts will increase the intra-regional investment opportunities and the transparency of investment attraction practices among the targeted economies and enhance alignment with EU standards and regulations. The projected reforms will lead to greater connectivity, the development of regional value chains, and their effective integration into Global Value Chains (GVCs).

Ultimately, the program is targeted at unlocking higher levels of foreign and intra-regional investment, and at enabling faster economic growth and enhanced job creation.

The specific results targeted by the programme include<sup>1</sup>:

Increase FDI inflows and intra-regional investments by \$85 million by 2020;

Increase of investment leads and firm commitments to invest by 10% by 2020;

### **Specific objective**

The specific objective of the programme is to provide practical tools enabling the establishment and the adoption of a regional investment policy reform agenda in the context of the SEE 2020 Strategy and the Economic Reform Programmes (ERPs) adopted by all six Western Balkans economies.

Specifically, EU support will be articulated around three main programme components:

**COMPONENT 1:** Support with the development and implementation of a regional investment policy reform agenda, through a specific sectoral/policy approach, including the strengthening of the regional dialogue between the governments, the private sector and the policy advisors. Build capacity and support the identification and implementation of a set of specific reform measures to contribute to a greater harmonization of the regional investment framework.

This work will be implemented by leveraging existing regional dialogue mechanisms, in particular a business/investment advisory council to be established by the economies of the region with support of the RCC. With the technical support of the World Bank, the programme will adopt a specific sectoral/thematic approach in those policies that are conducive to investments and the areas of investment entry, investment protection and investment incentives (i.e. business registration, fiscal and financial incentives, arbitration, tax, customs, IPR, investment free zones, etc.). The selection of policies will be done in close coordination with the public (SEEIC CEFTA JWGI) and private sectors (business/investment

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<sup>1</sup> Based on WBG preliminary assessment, subject to verification and refinement in early project stage.

advisory platform). Experts, business associations and potential investors from the EU Member States will be invited to attend the network meetings in support to the alignment of regional investment policies with EU standards and regulations and to a better transparency of the region's investment agenda towards the EU Members States and investors.

**COMPONENT 2:** Support with the horizontal implementation of economy level investment policy reforms in the economies of the region, taking into account the priorities of the ERPs and the regional agenda, and aiming at the gradual harmonisation of investment policies to EU standards and regulations. This will entail assisting governments with the implementation of investment policy reforms on economy level addressing pertinent issues identified at the regional dialogue and ensuring de-facto reform implementation on ground.

**COMPONENT 3:** Support with the implementation of narrowly targeted investment promotion efforts to help translate investment policy reforms into increased investments in specific regional value chains. This will entail support with the implementation of narrowly targeted investment attraction efforts focused on one of the priority sectors defined in the SEE 2020 strategy.

## **Results**

Expected outputs of the implementation of this programme are:

*Result 1:* A regional investment reform agenda and appropriate regional frameworks to increase the regional harmonisation and alignment of investment policies within the Western Balkans and with EU standards and regulations.

A set of specific policy level reform indicators established to guide and track progress of the regional reform implementation.

Build the capacity of the already existing government agencies working in each of the economies to support investment activities with the technical expertise of the World Bank. Work closely together with the business/Investment Advisory Council under SEEIC, as well as with a network of experts from various institutions, including the public sector, business associations, researchers, etc.. to identify and prioritize key investment barriers and concrete measures to address them.

*Output 1.1* – Stocktaking of investment policy barriers that hinder the harmonisation of the regional space for investment. A comprehensive list of detailed investment policy barriers, with a focus on de-facto barriers.

Private sector participation – Implementation of targeted focus interviews with selected investors throughout the region to identify key barriers to investment and operations and to generate qualitative, anecdotal evidence on barriers; targeted analysis of data gathered through investor aftercare activities carried out by the regional investment promotion agencies to help identify specific barriers faced by existing investors in the region; targeted interviews and focus groups with investor associations and representative bodies, including Foreign Investor Councils (FICs), international chambers of commerce, etc.

The involvement of the private sector will interlink this project with the planned efforts of the RCC to establish a regional platform (in a form of a business advisory council) for private sector cooperation for the goal of involving on a larger scale private sector representatives from the SEE region in the RCC's activities. This regional body will be organised in sectoral/policy areas that are of importance for improvement of the investment climate in the region (not only investment laws per se, but also laws pertaining to the investment areas, such as tax laws, social contributions, incentives laws, IPR, customs, specific priority industrial sectors, etc.), with corresponding sub-committees (or different types of panel per sector/policy area). The project activities (and hence outputs) will liaise with this business regional body, which will also correspond to the SEE Investment Committee being in the centre of the process.

Categorization (by degree of complexity/obstacle) and rationalization of investment policy issues to be addressed through the regional reform dialogue.

*Output 1.2* – Set of specific policy level reform indicators developed to guide and track progress with reform efforts.

A structured list of policy level reform indicators and a database for the economies of the region, to be maintained by RCC, CEFTA and the WBG. Essentially the database serves as the baseline for the regional reform dialogue and for guiding and tracking progress with reforms implementation.

Functions as an ongoing mechanism to address implementation challenges and assist regional stakeholders in charge with the investment policy agenda to make progress in their work to establish a regional space for investment and achieve greater alignment with EU standards and regulations.

*Output 1.3* – Regional reform dialogue established under the RCC<sup>2</sup> and with the input of the working group of the IAC. The value added of involving investors is the bottom up approach of issues or opportunities overlooked by the governments and the establishment of a network among the participants.

- Institutionalised regional reform dialogue to address prioritised issues including regular reviews of progress with removal of barriers;
- Agreement on policy measures to be taken at economy level to ensure harmonization of investment policies across the region and better alignment with EU standards and regulations;
- Assessment of BITs among economies in the region to bring them to best practices, and ensure any discriminatory practices are identified;
- Proposed changes to BITs before RCC working groups to harmonise individual BITs among economies, in an effort to create common investment framework in the region.

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<sup>2</sup> The proposed programme intends to build on already existing structures and platforms under RCC, therefore logistical costs related to meetings (e.g. venue cost, delegate travel cost) will not be covered by the programme budget.

*Result 2:* Improved level of investment policy reform implementation in the economies of the region.

*Output 2.1* – Horizontal implementation of structural investment policy reforms at economy level.

- WBG advisory and technical support to governments with legal drafting, expert advice, impact assessments, cross-country comparisons, as well as procedural matters to prepare legal and regulatory changes on economy level to implement recommendations from Component 1 and support implementation of relevant measures contained in the ERPs. This support will be focused, but not limited to any one or more of the following key areas of investment policy:
  - Strengthening investor protections and guarantees, and the rule of law;
  - Removing barriers and obstacles to investment entry and establishment;
  - Strengthening investment attraction, facilitation and servicing activities, including investor aftercare;
  - Improving transparency, governance and effectiveness of locational incentives to attract investors;
  - Supporting the development and implementation of policies to foster linkages with the domestic economy;
- Assistance in preparing national Strategies and action plans for increasing competitiveness and attracting investments in targeted sectors and value chain(s).

*Output 2.2*– Institutional and stakeholder involvement:

- Provide a detailed mapping of relevant stakeholders, involving public and private sector stakeholders and potential investors both at the level of economy and at regional level.
- Establish a strong communications and outreach plan to engage with identified stakeholders, building on existing initiative under the RCC structure.
- Develop a strong consultation mechanism and inclusion of different stakeholders that will also serve as mechanism to inform private sector stakeholders of the proposed reforms.

*Output 2.3* – Investor aftercare

- Targeted investor aftercare activities: Institute a formal system for investor servicing and resolving investor grievances in each of the economies as a form of feedback loop from the private sector on key barriers to operations and investment. This system will allow different levels of government to actively participate in identifying investor’s issues and resolving them, enabling investment retention, re-investments and job creation.

*Result 3:* Narrowly targeted investor outreach activities implemented to attract investment in specific regional value chains.

*Output 3.1* –Narrowly targeted investment promotion activities focused on one of the priority sectors identified in the SEE 2020 strategy (agri-food).

- Clearly formulated value proposition for priority regional value chain ;

- Targeted outreach activities aimed at attracting investment to strengthen regional value chains and linkages to global value chains, foster technology spill-overs and generate employment in target sectors. This will include support with formulating appropriate strategies aimed at attracting FDI in select priority value chains, developing specific outreach plans, identifying potential target markets and investors, and will be underpinned by capacity building for government officials as required;
- Assistance with the implementation of 2 regional investment generation campaigns, including targeted outreach activities and regional events.

## **MEASURES/OPERATIONS/COMPONENTS TO ACHIEVE RESULTS**

The programme will be articulated around three main components:

**COMPONENT 1:** Support with the development and implementation of a regional investment policy reform agenda, including the strengthening of the regional dialogue between the governments, the private sector and the policy advisors. Build capacity and support the identification and implementation of a set of specific reform measures to contribute to a greater harmonization of the regional investment framework. This work will be implemented leveraging existing regional dialogue mechanisms, in particular an investment advisory council to be established by the economies of the region with support of the RCC. The work will undertake a specific sectoral/thematic approach in those policies that are conducive to investments and the areas of investment entry, investment protection and investment incentives (i.e. business registration, fiscal and financial incentives, arbitration, tax, customs, IPR, investment free zones, etc.). The selection of policies will be done in close coordination of dialogue with public (SEEIC CEFTA JWGI) and private sector (business/investment advisory platform).

The strengthening of the regional reform dialogue housed within the RCC, with the technical advice of the WBG and the advice of CEFTA will become a central element for supporting the development and implementation of appropriate regional investment policy frameworks and for driving the regional reform agenda. The dialogue will be used to define and track adherence to the regional standards and ensure alignment with EU standards and regulations, ultimately leading to a single investment space. Such a framework will allow reviewing the reform progress on detailed technical issues and will help set reform priorities on the economy level.

The proposed set of reform indicators functions as an ongoing mechanism to address implementation challenges and assist regional stakeholders in charge with the investment policy agenda. The set of reform indicators typically consists of three main elements:

- Stocktaking of investment policies of each economy, identify the level of diversification having the ultimate purpose the agreement on commonalities, all taking into account their converge to the EU rules and regulations.: The process will start with the compilation of a detailed list of implemented policies persisting on the ground in the region. This list will be focused on applied measures and de facto issues and will build on earlier analytical work undertaken by UNCTAD, OECD and other stakeholders. It will furthermore draw significantly on inputs from the private sector to identify key barriers and opportunities to investment through targeted interviews with

selected investors across the region and targeted outreach to investor associations and representative bodies, such as the Foreign Investor Councils (FICs), international chambers of commerce, etc. It will also build on the strong collaboration of Investment Promotion Agencies (IPAs) in the region that are aware of the reality on the ground. Finally, intelligence from WBG experts and staff working in the economies of the region will be taken into account. Building on the activities described above, the process will complement effectively existing data by accumulating specific information on existing investment practices to increase investment and to barriers on a very granular level required for in practice reform implementation.

- Categorisation and rationalisation of the diverse investment policies and reforms and of their issues to be addressed in a Reform Dialogue. The range of de facto reforms identified typically requires a thorough review, categorisation, and preparation of issues to allow arriving at a solid understanding of the pertinent issues amongst all stakeholders. In the initial phase, experts financed by the project will therefore prepare on a regular basis the information received in a practical and flexible form (database or similar), to be owned and operated by the SEEIC of the RCC and the CEFTA Secretariat.
- Reform Dialogue: To support the implementation of the regional reform agenda, propose new reforms to facilitate intra and extra-regional FDI attraction and remove investment barriers for regional investors. The identified issues will be fed into an existing dialogue mechanism led by the SEEIC of the RCC and the CEFTA Secretariat. The updated list of common reforms and issues can become a regular agenda item for repeated review of progress. Private sector stakeholders and representatives from the business community will be invited to join the meetings.

This component will be further implemented through the following activities:

Activity 1 – Stocktaking of investment policy barriers

- Compilation of a detailed list of reforms/practices and issues;
- Builds on existing data from UNCTAD, OECD, and IPAs;
- Supplements existing information with more granular data to be derived from focus interviews and targeted outreach to business community.

Activity 2 – Categorisation and rationalisation of investment policy issues:

- Review, categorisation and prioritisation of issues;
- WBG experts in collaboration with RCC and CEFTA;
- Establishment of a set of specific policy reform indicators and underlying database.



### Activity 3 – Regional reform dialogue<sup>3</sup>:

- Targeted results feed into existing regional reform dialogue mechanism led by RCC and CEFTA;
- Additional stakeholders from public and private sector will be included in the regional reform dialogue process as required by topic;
- Assessment of existing Bilateral Investment Treaties (BITs) in the region to bring them to best practices, and ensure any discriminatory practices are identified;
- Regular reviews of progress with removal of barriers.

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<sup>3</sup> The programme intends to build on already existing structures and platforms under RCC, therefore logistical costs related to meetings (e.g. venue cost, delegate travel cost) will not be covered by the programme budget.

### Stocktaking of Investment Policy Barriers

Collecting information on de facto barriers for regional investors that hinder the emergence of a regional space for investment, through different inputs:

#### Investment Promotion Agencies

- Take stock of concerns of investor leads
- Collect investor challenges identified in aftercare monitoring

#### UNCTAD

- Contributes findings of investment policy reviews, with a focus on de jure measures

#### Private Sector focus groups

- Comprehensive stock-taking of private sector concerns in regional investment activities

#### WBG expertise in all member states

- Intelligence and knowledge contributions of colleagues on the ground in SEE economies

### Categorization and Rationalization of Issues to be addressed in a

#### Reform Dialogue

- WBG experts to list and categorize the identified de facto issues in a manner that allows discussing them in a regular policy dialogue and addressing them through suitable reform measures.
- Preparation of all issues in a practical and flexible form (database or similar), owned and operated by the Investment Committee of the RCC and the CEFTA Secretariat.
- Information sharing with UNCTAD, OECD and other partners.

### Regional Reform Dialogue

In an existing dialogue mechanism led by the Investment Committee of the RCC and the CEFTA Secretariat, as a regular and repeated agenda item:

- Discussion of the updated list of de facto issues hindering the emergence of a regional space for investment.
- Review of reform progress in clearing away barriers, red tape, and inconsistent measures.
- Instructions to Investment Promotion Agencies and regulatory bodies to act in support of the establishment of a regional investment space.

**COMPONENT 2:** Support with the horizontal implementation of economy level investment policy reforms in the economies of the region, taking into account the priorities of the ERPs and the regional agenda, and aiming at the gradual harmonisation of investment policies to EU standards and regulations. This will entail assisting governments with the implementation of investment policy reforms on economy level addressing pertinent issues identified at the regional dialogue and ensuring de-facto reform implementation on ground.

A crucial aspect of regional integration initiatives is the implementation of the respective regional frameworks at the economy level. Regional rules may be found lacking implementation on the ground, meaning a lack of knowledge or respect for these rules in the economies of the region, or de facto non-application.

The programme will provide technical and advisory support with the implementation of reforms as identified and monitored by the regional reform dialogue on the economy level to ensure effective application of harmonised regional rules across the region. In doing so, the WBG will leverage its existing economy level investment climate engagements to complement and support the regional work described in this concept note. The scope of assistance on economy level includes:

- Closing the implementation gap between regional policy standards and existing economy level frameworks through horizontal implementation of economy level investment policy reforms: Advisory and technical support to governments with legal drafting, expert advice, impact assessments, cross-country comparisons, as well as procedural matters to prepare legal and regulatory changes on economy level to implement recommendations from Component 1. This support will be focused, but not limited to any one or more of the following key substantial areas of investment policy:
  - Strengthening investor protections and guarantees, and the rule of law;
  - Removing barriers and obstacles to investment entry and establishment;
  - Strengthening investment attraction, facilitation and servicing activities, including investor aftercare;
  - Improving transparency, governance and effectiveness of locational incentives to attract investors;
  - Supporting the development and implementation of policies to foster linkages with the domestic economy;
- Assistance in public consultations and preparing national Strategies and action plans for increasing competitiveness and attracting investments in targeted sectors and value chains.
- Inclusion of different stakeholders, in particular from private sector, in policy advocacy: Development of a comprehensive mapping of relevant stakeholders on economy and regional level and establishment of a targeted outreach and communications plan to engage key stakeholders in the reform dialogue. Organising targeted investor servicing and aftercare activities to harness direct private sector input into the reform process. The substantive scope of the economy level implementation support will be informed by the regional reform dialogue underpinned by specific, policy level reform indicators. As set out above, the initial investment policy diagnostics carried out by other donors will be complemented by additional analytical work on a more granular level, mostly focused on de-facto aspects. Notwithstanding

more detailed analysis, based on the WBG's experience with regional integration efforts elsewhere, the investment policy areas to be considered include, at a minimum: investment entry, investor protection and guarantees, investment incentives. Additional areas might be considered depending on consultations with the EU, RCC, CEFTA and governments of SEE economies. In driving the reform agenda, the WBG will focus on key areas that matter most for the private sector in South East Europe, as determined by the targeted investor focus groups implemented under Component 1 and private sector engagement activities under Component 2.

- This component will be further implemented through the following activities:

Activity 1 – Support with the implementation of reforms as identified and monitored by the regional reform dialogue (component 1)

- Targeted support to SEE economies with closing the implementation gap through legal, policy or procedural reforms;
- Leveraging existing WBG economy level investment climate engagements in the region, including technical and advisory assistance as well as lending, to maximize impact and ensure sustainability of achieved reforms.
- Support coordination of relevant government agencies.

Activity 2 – Build private sector input to reform agenda

- Harness private sector input to reform agenda through targeted consultation process and investor aftercare activities.

**COMPONENT 3:** Support the implementation of narrowly targeted investment promotion efforts to help translate investment policy reforms into increased investments in specific regional value chains<sup>4</sup>, including support with the implementation of narrowly targeted investment attraction efforts focused on one of the priority sectors defined in the SEE 2020 strategy (agri-food).

- To help translate improvements to the regional policy framework into concrete investments on the ground, the investment policy reform agenda will be complemented by a narrowly targeted investment promotion component, which will be focused on specific opportunities for joint regional action in this domain. In particular it will support the implementation of a small set of targeted investment promotion efforts focused on selected priority regional value chains within the target sectors of the SEE 2020 Strategy as an area of intervention that holds significant potential for regional cooperation and for increasing the region's visibility. The objective of a sectorial promotion effort would be to help maximize complementarities and minimise, if not completely avoid competition between the economies of the region in attracting investors in those sectors.
- Specifically, the programme will support the implementation of narrowly focused, highly targeted outreach activities aimed at attracting foreign investment into specific segments of select regional value chains to strengthen those value chains and help better link regional firms with global value chains. Attracting investment in the

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<sup>4</sup> Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo, Montenegro, and Serbia

specific targeted value chains will contribute to technology upgrading, improved market access and ultimately to enhancing the region's competitiveness in key sectors targeted by the SEE 2020 Strategy. It will furthermore enable aggregation at economy and regional level that will in turn help in trade integration and increased export competitiveness of the region.

- As a part of this component, the program will also provide narrowly targeted assistance with the identification and development of credible regional value propositions based on specific products, value chains, and/or sectors. These activities will complement and build on data and information on competitiveness to be developed by the OECD.
- The programme will be narrowly focused on providing funding and support to the orchestration of targeted outreach missions to potential investors. In doing so, it will effectively leverage the resources of existing WBG regional and economy level technical assistance programs focused on targeted investment promotion and investor outreach.
- This component will be further implemented through the following activities:  
Activity 1 – Support the implementation of narrowly targeted investment promotion efforts focused on one of the priority sectors defined in the SEE 2020 strategy (agri-food)
- Assistance with the identification and formulation of value propositions in priority regional value chains;
- Support with the design and implementation of targeted outreach activities aimed at attracting investment to strengthen regional value chains and linkages to global value chains;
- Assistance with the implementation of 2 regional investment generation campaigns, including outreach activities and regional events.

## **RISKS**

- Greater harmonization and integration of regional investment policies and the establishment of a single investment space and commitments is highly dependent on the political economy within the region and to a large extent beyond the immediate control of this project
- The programme is fully aligned with the South East Europe 2020 Strategy in that it is focused on increasing competitiveness and investment in the region's agribusiness and food processing sector and on linking local and regional value chains more effectively to global value chains. The programme is in line with individual economies' priorities and strategies, as improved competitiveness of the agribusiness sector and greater coherence for EU integration process are key policy objectives in all WB economies.

## **CONDITIONS FOR IMPLEMENTATION**

Main condition for the timely and successful implementation of the initiative is the full commitment by the beneficiaries, the World Bank, the RCC and the CEFTA to work towards the objective of setting up a regional investment agenda in the Western Balkans and follow up the adoption and the implementation of the agenda.

### **3. IMPLEMENTATION ARRANGEMENTS**

#### **ROLES AND RESPONSIBILITIES**

The Action will be implemented following the award of a direct grant to the WBG. The financial contributions will be provided by the European Commission, while the RCC will offer in-kind contributions of supervisory staff.

The Program will be headed by a WBG project leader (based in the region), supported by local World Bank country coordinators. The expertise of the WBG global and their regional experts in the area of investment policy and regional integration will be backed by the coordinating role of the RCC and their capacity of hosting regular meeting with the relevant government representatives (meetings of the SEEIC CEFTA JWGI, plenary meetings of the SEEIC and ministerial meetings of the SEEIC). The permanent Steering Committee members of the project are the relevant persons in Unit NEAR A3 of the European Commission, together with one responsible from the WBG, RCC and CEFTA. The Steering Committee will have regular meetings in line with the frequency and reporting agreed as per below.

#### **The means of communication of the Steering Committee:**

1. The Project Status Report aims to ensure follow-up of the project's methodology, progress and execution. The frequency of the status report is every three months. The scope of the report will be focused on providing a short and concise overview on key achievements and operational issues and will typically not exceed 1-2 pages. The report shall be sent on the 15<sup>th</sup> of the month for the previous three ended month/s. The Status Report would eventually feed in the annual Narrative Report.
2. Meetings or Video Conferences of the Steering Committee

The Steering Committee shall meet every three months. Each meeting should be set in the next 7 days from the receipt of the Project Status Report. The meetings would be preceded by an Agenda to be set by all parties and would be followed up by brief minutes of the meeting drafted and sent by the European Commission.

#### **IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING**

The programme will be implemented on a direct management basis through a grant with the World Bank to be signed in Q3 2016. The direct award is based on Article 190 (1)(f) of the Rules of Application, since a particular type of body on account of its technical competence and its high degree of specialisation is required. The RCC will conclude an internal Memorandum of Understanding with the CEFTA Secretariat on cooperation. The WBG, being directly contracted by the EC, will present the work, analysis and results to the review, endorsement, and implementation to the SEEIC CEFTA JWGI, including the private sector business/investment advisory platform.

## **4. PERFORMANCE MEASUREMENT**

### **METHODOLOGY FOR MONITORING (AND EVALUATION)**

The European Commission may carry out a mid-term, a final or an ex-post evaluation for this Action or its components via independent consultants, through a joint mission or via an implementing partner. In case a mid-term or final evaluation is not foreseen, the European Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The evaluations will be carried out as prescribed by the DG NEAR guidelines for evaluations. In addition, the Action might be subject to external monitoring in line with the European Commission rules.

The monitoring of the quality of implementation will be ensured at different levels:

- European Commission services will evaluate progress in the achievement of expected results on the basis of indicators outlined in the Action Document and specified in the Annex I to the Agreement and in the annual action plans. The progress status report and the Annual reports issued by international organisations engaged in the fields of competitiveness and trade such as e.g. The beneficiaries, the relevant Civil Society Organisations (CSOs), the World Bank (Doing Business Report), the OECD (SEE 2020 Monitoring Framework, FDI Restrictiveness Report) and the World Economic Forum (Global Enabling Trade Report) will be valuable to evaluate the achievement of the specific objective and progress towards the overall objective.

## INDICATOR MEASUREMENT

Indicator	Baseline (value + year) (2)	Target 2020 (3)	Final Target (year) (4)	Source of information
<b>Overall Objective:</b>				
<ul style="list-style-type: none"> <li>Overall ( intra and extra regional) FDI inflows</li> </ul>				
<ul style="list-style-type: none"> <li>Inward FDI to GDP (%)</li> </ul>				
Investment generated (EUR) <sup>5</sup>	<ul style="list-style-type: none"> <li>4.500 mln. USD (2014)</li> <li>3.387 mln. EUR (Based on average exchanges rate USD to EUR of 1.3285 In 2014 as published by the ECB (<a href="http://www.ecb.europa.eu">www.ecb.europa.eu</a>))</li> </ul>	<ul style="list-style-type: none"> <li>4.577 mln. USD (2020)</li> <li>3.445 mln. EUR (based on the same exchange rate as for base year)</li> </ul>	<ul style="list-style-type: none"> <li>4.577 mln. USD (2020) –</li> <li>3.445 mln. EUR (based on the same exchange rate as for base year)</li> </ul>	<ul style="list-style-type: none"> <li>UNCTAD investment data (WIR)</li> </ul>



<ul style="list-style-type: none"> <li>Foreign direct investment: Inward and outward flows and stock per Western Balkan ( annual)</li> </ul>				<ul style="list-style-type: none"> <li>Investment Promotion Agencies, Business Registries, Statistical Agencies</li> </ul>
<ul style="list-style-type: none"> <li>Gross fixed capital formation (measuring the investment/GDP per Western Balkan)</li> </ul>				
<u>Specific Objective:</u>				
# of governments that adopt the Regional Investment Agenda	0	6 (2020)	6 (2019)	Government decision on adoption of the Regional Investment Agenda
# of recommended laws/ regulations/ amendments/ codes enacted or government policies adopted	0	15 (2020)	15 (2020)	WBG project data
<ul style="list-style-type: none"> <li># of recommended procedures/firm-level policies /practices/ standards that were improved or eliminated</li> </ul>	0	15	15	WBG project data

• # of investor leads <sup>6</sup>	0	15	15	WBG project data
Number of financial commitments by investors	0	6	6	WBG project data
<u>Results:</u>				
• Number of entities receiving advisory services	0	24	24	WBG project data
• Number of private sector representatives and of intra- and extra-regional investors attending workshops, training events, seminars, conferences, etc., gender di	0	100 (out of which at least 40 women)	100 (out of which at least 40 women)	WBG project data
• Number of new laws/regulations/	0	18	18	WBG project data

amendments/ government drafted or contributed to the drafting	codes/ policies drafted or contributed to the drafting				
<ul style="list-style-type: none"> <li>Number of documented interests by investors from the EU and from the WB region</li> </ul>	0	24	24	WBG project data	
<ul style="list-style-type: none"> <li># of social media appearance used to promote the Regional Investment Agenda (events, publications)</li> </ul>	0	20	20	WBG project data	

## 5. CROSS-CUTTING ISSUES

### GENDER MAINSTREAM

Foreign investment in labour-intensive, largely export-oriented industries have had a significant impact on women's work and development. While there has been a positive relationship between women's employment and FDI in semi-industrialized Western Balkans, there is evidence that women may lose jobs to more highly qualified men as industries upgrade, or get pushed down the production chain into subcontracted work as competition forces firms to continually lower costs. There is a consensus on the importance of the economic and policy context for FDI in determining and influencing its eventual impact. This projects aims to integrate opportunities for both female and male representatives, by taking into account this dimension when supporting the regional investment reform agenda.

- Design: Targeted outreach and/or training for women;
- Design: Promotion of inclusiveness, dialogue and feedback mechanisms for women entrepreneurs through investor grievance mechanism;
- Tracking: Monitoring of gender-related development outcomes/impacts.

### EQUAL OPPORTUNITIES

- The programme will not discriminate in any activity it may involve with any person regardless of his/her race, colour, religion, national origin, sexual orientation, physical or mental disability, or age.
- Efforts should be made to make sure that there is an appropriate balance between female and male representatives of the stakeholders: CSOs, business associations, governments, potential investors etc.

### MINORITIES AND VULNERABLE GROUPS

Not applicable.

### ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)

The civil society (investors, business associations) will have an active engagement in the design of reform measures through consultative process and structured dialogue, as well as through targeted investor aftercare and grievance management activities.

### ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

There is no direct or indirect link to EU environmental acquis.

Climate action relevant budget allocation: EUR 0
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## **6. SUSTAINABILITY**

The decision of the RCC Secretary General in February 2014 to integrate and institutionalize SEEIC within the RCC Structures, as of 1 July 2014, provided solid grounds for the work of the SEEIC at least until the end of the decade, in terms of SEE 2020 implementation in the relevant areas, decision-making on investment related reforms and execution of regional programmes (already in the pipeline) within Integrated Growth Pillar and Competitiveness Dimension of the Sustainable Growth Pillar. RCC is an intergovernmental body, an “operational arm” of the SEE Cooperation Process (SEECF), and the decisions taken by the RCC Secretariat have the power of law for its Signatories as such decisions are stemming from the Agreement. Therefore, sustainability of the Action is additionally secured by the SEECF.

RCC and CEFTA will facilitate and monitor, under their existing structure the establishment and the adoption of the regional investment agenda. Given the positive dynamics among SEE partners and CEFTA parties for further trade and investment liberalisation, there is strong likelihood that IPA II beneficiaries will continue to implement the investment reform agenda beyond the life of the programme.

Finally, the implementation by the World Bank Group gives strength to the implementation capacity, and re-assurance that the agreed regional goals will be translated into economy level actions.

The ongoing WBG activities in the SEE region in the area of investment policy and investment climate include both technical advisory assistance as well as lending projects in all of the economies of the region. The WBG’s regional portfolio, among others, includes the following interventions:

- A regional technical advisory assistance programme focused on investment policy and competitiveness, in particular in the agribusiness sector, covering all economies in SEE;
- Economy-specific technical and advisory assistance programmes focused on investment climate and investment policy in Bosnia and Herzegovina and Kosovo;
- Ongoing lending operations in Serbia (results-based lending focused on competitiveness and jobs) and the former Yugoslav Republic of Macedonia (development policy loan focused on competitiveness);
- Lending operations under preparation in Albania, Bosnia and Herzegovina and Kosovo focused on competitiveness, job creation and exports.

In addition, the WBG has strong experience with regional investment policy work, including projects in the Economic Community of West African States (ECOWAS) and the East African Community (EAC).

## **7. COMMUNICATION AND VISIBILITY**

Communication and visibility will be given high importance during the implementation of the Action. The implementation of the communication activities shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the European Commission (DG NEAR) will have to be followed.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds.

The World Bank and the RCC Secretariat as well as the CEFTA Secretariat will give maximum visibility to the programme, through the RCC and CEFTA Secretariats website, social networks, meetings and public events. The financial investment of the European Commission will be mentioned as a trigger for the entire programme. In addition the mention that this is an EU programme will be added to all forms of information and communication. Furthermore, a significant part of the RCC's PR activities will be dedicated to the visibility of the programme and its results, through its various PR channels (visual/audio/electronic/printed/social media, etc.).

The one of the European Union and WBG logo, together with the RCC and CEFTA will appear on the cover of each paper or online publication. Distribution of reports, online newsletter and other public information will be coordinated between the European Commission, the RCC, CEFTA Secretariats and W through mailing lists which will be maintained by the RCC and CEFTA Secretariat and which will include parties within the European Commission, the EU Member States and the beneficiaries. The WBG will give strong visibility to the Program through its internal and external PR and communication resources.