



PARLIAMENTARY ASSEMBLY OF THE BLACK SEA ECONOMIC COOPERATION
PABSEC

INTERNATIONAL SECRETARIAT

Doc.: GA48/EC47/REC152/16

Recommendation 152/2016*
“International Investments in the BSEC Member States”

1. The Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC) stresses that stronger international investment cooperation is one of the key drivers in the development of current global economic relations. International investment cooperation must duly consider that national economies are closely intertwined within the global economic system, and that each state prioritizes its national investment policy as necessitated by its potential socioeconomic development.
2. The PABSEC is aware that the process of implementing the objectives of the BSEC and promoting economic growth in the region requires the establishment of favourable conditions for foreign investors. To facilitate such investment, each state should not only ensure transparency and access to all legislation applicable to foreign investment, but also accord fair and equitable treatment to foreign investors.
3. The PABSEC recognizes the need for further liberalization of trade and the free movement of capital in order to ensure sustained improvement of the investment climate in the region. Toward this end, the Assembly reaffirms its commitment to promoting closer regional cooperation, aimed at promoting an appropriate investment climate, and to improving the legislative framework pertaining to international investment.
4. The PABSEC recalls its Recommendation 38/1999 on *The Promotion and Protection of Investments in the Black Sea Region* and Recommendation 101/2008 on *Foreign Investment and Economic Development of the BSEC Member States*, and reaffirms its commitment to the provisions of these documents.

* Assembly debate on 30 November 2016 (see Doc.: GA48/EC47/REP/16, Report of the Economic, Commercial, Technological and Environmental Affairs Committee “International Investments in the BSEC Member States”, discussed in Antalya on 5–6 October 2016; Rapporteur: Mr. Ivan Kirilenko – Ukraine).

Text adopted by the Assembly in Belgrade on 30 November 2016

5. The PABSEC supports the work of the BSEC in promoting international investment and emphasizes the successful implementation of two regional projects: *Memorandum of Understanding for the Coordinated Development of the Black Sea Ring Highway* and *Memorandum of Understanding on the Development of the Motorways of the Sea in the BSEC Region*. These projects have contributed to strengthening intra-regional trade and promoting investment in the region. The Assembly notes that attracting international investment is a priority on the BSEC agenda, and calls for full implementation of the *BSEC Economic Agenda – Towards an Enhanced BSEC Partnership*, 2012.
6. The PABSEC recognizes the efforts of the Business Council (BSEC BC) in promoting cooperation between the private and public sectors in investment projects. The Assembly also lauds the cooperation between business communities of the region, highlighting the BSEC BC's potential to create a more positive investment climate.
7. The PABSEC welcomes the initiatives of the Black Sea Trade and Development Bank (BSTDB) and its contribution to project financing, including investment in the economic infrastructure, resulting in a positive impact on regional cooperation and development.
8. Despite these progressive developments, the PABSEC notes that the geopolitical situation in the region continues to be problematic. An uncertain economic future in some countries causes a corresponding decrease in the volume of foreign investment. Governments in the countries need to develop appropriate policies and take the necessary measures to revitalize foreign investment initiatives.
9. The PABSEC expresses its support for the efforts of individual Member States, as well as regional collective efforts within the framework of the BSEC, to promote international investments. The Assembly notes that national responsibility is essential to mobilize domestic and international financial resources and promote sustained economic growth and economic recovery.
10. **Therefore, the Assembly recommends** that the Parliaments and the Governments of the BSEC Member States:
 - i. *strengthen* public policies to boost international investment, and consistently implement these policies on schedule;
 - ii. *accelerate* the process of improving the legal framework so as to promote a favourable investment climate;
 - iii. *effectively reform* the public sector and eliminate bureaucratic barriers to the steady attraction of foreign investments;
 - iv. *harness* the mechanism of public-private partnership for more efficient use of resources for the development of the economic and social spheres and improvement of living standards;
 - v. *transform* the legal system to enable citizen of any country to resolve all issues through independent courts;

- vi. *establish* all necessary conditions to create a favourable investment regime that encourages the inflow of foreign capital and promotes international competitiveness;
- vii. *take* all possible measures to ensure transparency of the foreign investment process by adopting a clear procedure for privatization, strengthening anti-corruption measures, and ensuring free access to information;
- viii. *conclude* bilateral agreements with countries interested in an investment partnership with Member States,
- ix. *demarcate* the strategic economic sectors where access is limited to foreign investors due to the economic security of Member States and, where necessary, make appropriate legislative amendments through special laws and regulations;
- x. *design and develop* investment projects in the priority areas of cooperation in the light of the increasing role of the BSEC region;
- xi. *promote* a comprehensive exchange of information between Member States, and with other partners, on the investment environment and related activities, which could be used to build a joint database for future reference;
- xii. *enhance* cooperation with the BSEC BC and the BSTDB for assistance in preparing an investment policy, and for more active participation of the BSTDB in financing investment projects in the region;
- xiii. *cooperate* with international financial institutions in the financing and coordination of priority investment projects that could utilize existing financial instruments.

11. **The Assembly invites** the BSEC Council of the Ministers of Foreign Affairs to consider this Recommendation.