



IBDE

INTERNATIONAL BUSINESS & DIPLOMATIC EXCHANGE

EU-Balkans Discussion Group



International Business and Diplomatic Exchange

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The International Business and Diplomatic Exchange (IBDE) is a non-profit organisation designed *to enhance global business and diplomatic partnership* through facilitating dialogue between business and the diplomatic corps - to their mutual advantage. Bridging the gap between business and governments is the game change for diplomats today, and this is the focus of **IBDE** worldwide.

Since consultation is at the heart of the integration process, each IBDE project can act as a facilitator in the dialogue between business and diplomacy, bringing together groups for discussion and providing members with targeted research on topics of **regional** significance.

In today's increasingly interconnected global economy foreign services, governments and businesses need each other's special expertise to be effective in the global market place. On the one hand, diplomats must master the working of the business world in order to become fine "Business Diplomats", and on the other, global companies must acquire diplomatic expertise to be able to forecast and plan for international crises so as to adjust their trading activities when they occur. They also need to know how to operate appropriately within diverse cultural and societal environments with an adequate knowledge of international politics to underpin their competence in international business.

The IBDE makes a practical contribution to meeting these challenges. It offers consultative forums as a rapid response to diplomatic and business needs, facilitating cross-fertilization of ideas between business people, diplomats, politicians, academics and representatives of NGOs, ensuring that expertise is diffused across professional boundaries. IBDE is a 'just in time' organisation, responding and adapting its services to the expressed needs of its membership, in particular the smaller nations, thus enabling them to have an impact beyond their current sphere of influence.

IBDE will pursue its project by rigorously maintaining its political, cultural and religious neutrality, remaining within the limits set by the law.

EU-BALKANS DISCUSSION GROUP - OVERVIEW

BACKGROUND

European integration stands alongside comprehensive and sustainable growth as overarching goals for the Balkans. Therefore, socio-economic development, sound public finance, external assistance management, enhanced consultation among all stakeholders and anti-corruption should be considered as major regional priorities. **That is, regional cooperation and the pursuance of sound economic policies in order to attract more foreign direct investment are fundamental for the region's progress towards European integration.**

Numerous donors, such as United Nations, World Bank, EBRD etc, provide assistance in the Balkans for carrying out reforms, developing policy, translating international commitments to national programmes, supporting service delivery and decentralization, meeting gender equality commitments and supporting a market economy. The EU supports governments in addressing those challenges arising from the Stabilization and Association Agreement (SAA), the World Trade Organization, and other trade agreements. Capacity building and policy support will continue to enable Balkan governments to develop trade and to attract foreign direct investment. The private sector should be encouraged to engage in socially inclusive activities and to promote corporate social responsibility.

The magnitude and complexity of these challenges requires greater cooperation and constructive dialogue among all stakeholders within a civil forum.

As the Balkans progresses towards European integration the IBDE EU-Balkans Discussion Group is one of those rare opportunities which enables key players from the international business and diplomatic community to provide input and encourage the necessary political and economic reforms the region needs. At the end of the day, European economic and political integration is only possible if all parties engaged in the process including businesses and diplomats are willing to aim for solutions that benefit everybody.

OBJECTIVES

The **IBDE's** "EU-Balkans Discussion Group" objectives are in line with EU priorities for an active role in the EU overall integration policy and commitment to working closely with and to encourage Western Balkans countries to work closely together for stronger economic and political relations. In addition the project would assist in providing informative consultation and raising awareness of the business community about possibilities and potentials the Balkans countries offer to do good business through increased foreign direct investment that the region needs.

The specific rationale of the IBDE 'EU-Balkans Discussion Group' is to enable regular engagement of the EU-Balkans Ambassadors, including Turkey, with the local and international business community based in the UK. This will strengthen regional political and economic cooperation - which remains essential for the stability and development of the region - and assist the Balkans to provide suitable conditions for more foreign direct investment. By focusing on regional cooperation portraying the region as a block (for trading or investment) the EU-Balkans project will maximize the Balkans appeal to multinational businesses. Ultimately, the IBDE EU-Balkans Discussion Group aims to contribute toward enhancing regional integration into EU markets, particularly since Western Balkans transport corridors are increasingly becoming relevant to the European market.

London, the headquarters of IBDE, is a particularly well-suited location for this task. The ambassadors to the Court of St. James constitute among the most influential members of the worldwide diplomatic community. London is also the location for a preponderance of multinational corporate headquarters. In addition, London is a financial hub where the global lines of communication intersect. In essence both London and **IBDE** are all about networking.

Among the key areas which the IBDE will focus are:

- **Perception Gap** – the lack of awareness within the international business community of what the region is actually achieving. This is an area where seminars and investment forums organized under IBDE auspices can significantly bridge this “gap”. The Ambassadors from the region, who rank among the best-informed and influential citizens of their respective countries, can make a significant contribution within the focused context envisaged by IBDE.
- **Visibility** – this can be the “value-added” benefit for participating countries, communicating their regional investment opportunities not only through IBDE’s forums and seminars but in the IBDE online magazine Exchange, which is already drawing interest from world class advertisers in its inaugural issue.
- **Networking** – IBDE sponsored meetings can highlight and encourage bilateral agreements, building on the fact that the region is speaking as a region. That is the road to opening bigger investment markets for everyone.
- **Research** – the IBDE and its Exchange magazine can be the launch pad for the wide dissemination of its research and information concerning investment potential in the Balkans (that IBDE has been designed to serve). With the support of funding from **IBDE** member embassies and businesses extensive research papers can be prepared and worldwide experts will contribute to this effort with their research articles through IBDE’s Exchange magazine. This is part of **IBDE’s** mission to ensure that its members’ investment needs and opportunities are rigorously examined and promoted to the worldwide business community.

The research areas that the IBDE will focus offering insights to the wider global diplomatic and business community are:

- **Foreign Direct Investment:** With an ever increasing globalised economy, it seems that smaller countries are facing a number of difficulties in attracting large investors on their own. Some multinationals or other major companies are simply not informed or miss-informed; therefore, they hesitate to participate in single investment forums. Another reason would be the small size of countries, their population numbers, hence the limited consumer market provided. This is IBDE’s strongest point in championing a sense of shared opportunity and marked throughout the Southeast Europe. The EU-Balkans Discussion Group is a positive step in this direction, aiming to promote the Balkans “en bloc” and raise the awareness that the region is making good progress in cross border economic cooperation and that within the next decade the Balkans will be part of a market of half a billion as it progresses toward European economic and political integration.
- **Energy:** The need for energy simultaneously creates a necessity for cross border cooperation. Some countries in the Balkans have plenty energy resources, coal and oil but mostly (greener energy) hydropower. Indeed, the region has the potential to become one of the main hydropower energy hubs in Europe. Furthermore there are some countries of the Balkans that have a great role to play in the proliferation of energy through pipelines and electricity systems.
- **Infrastructure:** Regional transport corridors, sea routes and overall transportation policy rank alongside economic integration as fundamental to the development not only of the region but of the EU as a whole. Further, the exchange of goods and the expansion of the tourism sector create a need for better infrastructure

such as roads, railways and airlines. The international financial institutions and businesses would be prepared to assist with infrastructure projects. The global importance of this investment issue is reflected in a comment from President Obama, speaking on Sept. 13th: “you can’t have a first class economy without a first class infrastructure”.

- **Tourism:** The Balkans area offers a huge tourist potential, with splendid beaches and beautiful mountains which are still under-used in the overall huge international demand to spend time in recreational areas of nature and culture. A common promotion strategy to present the Balkans with all its attractions to the wider international business community would be a step forward.
- **Education, Science and Research:** The importance of investment in education, research and development is crucial in keeping the brain drain at the lowest but also in generating a well-educated and skilled workforce - professionals needed by the regions economy - offering at the same time adequate conditions in attracting **brain gain** to contribute to the overall socio-economic development of the region. Human resources - in particular the youth – are the engine of future growth, and this is a great asset that the Balkans has to offer to the wider international business community.
- **Agriculture:** The Balkans has a vast unexploited agricultural potential. Hundreds of thousands of hectares could be returned to cultivation without putting excessive pressure on natural resources. For most crops and animal products, yields could be increased significantly. Recent years have seen a rapid increase of investment funds targeting agribusiness in developing and transition economies. Funds include a wide range of vehicles including private equity funds and public funds seeking strategic food security investments. While some funds invest in primary agriculture and land acquisition, others target SMEs along the agricultural value chain or rural microfinance institutions. The Balkans also offers good potential for organic agriculture.

MEETINGS

The **IBDE** is not a political entity, but is institutionally focused on networking among ambassadors as representatives of their individual governments and between these diplomats and the business world. It will specialize in face-to-face meetings for invited representatives from business and the diplomatic corps focusing on selected and carefully researched topics, with follow-up reports for the attendees and articles for the worldwide readership of the **IBDE's** online magazine, **Exchange**.

EU-Balkans Discussion Group meetings are organised through a planned annual program but will also be responsive to input from participants, as well as to issues that suddenly arise and dominate the international/regional political and business agenda. They are open to EU/Balkans Heads of Mission, senior UK government officials as well as senior business executives with an interest in Southeast Europe. Conclusions from our meetings and seminars will be offered in our reports and disseminated to respective governments at the request of the IBDE Board.

FINANCING

- IBDE requires initial financing through the provision of seed funding by businesses and embassies as well as other donors
- Ongoing financing is provided by a system of annual contributions through income from membership, conferences, seminars, investment forums, research, publications, application to trusts, foundations, governments, embassies, corporate and other sponsors, which are strictly regulated.

Contributors and participants are not paid fees because every activity ensures mutual benefit, so that forums are very cost effective.

For information on how to register to participate at our events please contact us at info@ibde.org stating your interest, name, position and affiliation.