



**Third informal meeting of EU-Balkans Discussion Group  
27 Jan 2011, Embassy of the Czech Republic, London**

A short update of the project: by Rudi Guraziu, Chief Executive, IBDE

**Your Excellencies,  
Ladies and Gentlemen,**

Allow me at the outset to express my sincere gratitude to Ambassador Zantovsky for hosting this luncheon and for inviting Mr Fischer to share with us EBRD's view on the possibilities of enhancing investment in the Western Balkans. IBDE values enormously the support of all the embassies involved, FCO, and EBRD. In particular we are pleased that this project has been identified as being complimentary to EBRD's objectives in the Western Balkans including their joint project with the European Commission and the European Investment Bank - **the Western Balkans Investment Initiative**. There is no doubt that increased involvement and participation of all stakeholders in the regional integration for sustainable socio-economic development helps us identify authentic regional interests and assure ownership of these processes and outcomes.

During our December meeting kindly hosted by Ambassador Brix, I provided a detailed brief on how the IBDE envisages the enhancement of political and economic cooperation in the Balkans and what would be the role of the EU Embassies in this process. Today, I would like to highlight briefly some of the main points made during our last meeting particularly since we are joined by new participants.

I note with appreciation that this initiative has been identified as being in line with the EU priorities toward the Western Balkans and that enhanced business investment in the Balkans is crucial for political stabilisation and economic integration of the region. This would ultimately enhance the livelihoods of the people on the ground and would contribute directly to lasting economic prosperity, peace and security.

I am also pleased to say that the approach we are pursuing during our discussions is clearly **regional**. This is crucial, as the project has put regional economic cooperation at its core, aiming to improve the visibility and the image of the region in the quest to increase foreign direct investment, as well as networking between businesses and diplomats. As it was noted during our previous meeting this is particularly important considering that attracting multinationals is not an easy job.

At our last meeting we agreed that we should look at the possibility of organising a Western Balkans Investment Promotion Conference in London - similar to the events hosted by the Vienna Economic Forum. As possible partners for the Investment Conference we identified the EBRD, interested London Embassies and a media partners (i.e. The Economist or the FT). Once we have formally agreed that this should go forward - and I hope that we will be able to discuss this issue in more detail today - IBDE will commence putting together a proposal and seek to engage other possible partners including the media and the business community both in the EU and the Balkans. In this regard, as was noted during our previous meeting, it would be useful to identify a limited number of priority regional projects; eg. infrastructure (road, energy, including long-term maintenance), tourism and remittances (95% of which are currently informal and which would benefit from a regional formal instrument), then invite businesses: such as banks, investment funds and other operators interested in investing in the region. As regards remittances we have already started to research into the possibility of formalising this complex but important sector.

We also felt that the private sector should be encouraged to participate and, in this context, companies from EU member countries based outside the UK would also be invited at our future meetings/events. In terms of economic outside perception, it was noted that an initiative along the lines of the "Vienna Initiative" launched at the height of the financial crisis to create a coordinated framework to deal with problems arising from the crisis (which did much to alleviate a comparable situation for Central and Eastern Europe), could be very beneficial for the region's growing banking sector. This would not only send a reassuring message to potential investors that the region is enhancing its macroeconomic policies in sustaining economic stability but also it will ensure businesses in particular that the banking sector in these countries is continuing to expand and closely cooperate while remaining stable and profitable.

Finally the issue of funding needs positive consideration. At our last meeting it was noted that the issue needs to be addressed on a case-by-case basis. Additionally, IBDE has introduced a membership scheme in its quest to attract this necessary financial support and we hope that present supporters will encourage their national governments and businesses to contribute.

Thank you for your attention