



PARLIAMENTARY ASSEMBLY OF THE BLACK SEA ECONOMIC COOPERATION
PABSEC

INTERNATIONAL SECRETARIAT

Doc.: GA60/LC60/REC186/22

RECOMMENDATION 186/2022*

“The Role of Parliaments in Stimulating Foreign Investments in the BSEC Member States”

1. The Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC) emphasizes the essential role of the investment activity, including attraction of foreign investments, for all the Member States of the Black Sea region, in terms of strengthening economic and social development and increasing competitiveness and sustainability. Effective foreign investment is a vital component to complement national and international development efforts. The main task for parliaments is to adopt laws that promote economic growth, support entrepreneurship and develop cooperation between all the interested parties.
2. The PABSEC acknowledges that one of the most important conditions in the process of attracting foreign investments is the improvement of national legislation, which provides for specific mechanisms and rules for the interaction between the state and a foreign investor, also the development of competition, the investment inflow and the introduction of modern technologies for a balanced development. All the countries in the Black Sea region have taken the necessary steps to create and implement the regulatory and institutional framework, but more efforts need to be mobilized to ensure the implementation of relevant laws and obligations.
3. The PABSEC stresses that conflicts and political insecurity affect the economic development, raise tension among the stakeholders, create confidence crisis in the investment field and generally retards safety assurances. Insecurity, in turn, undermines investor confidence, encourages the exit of foreign companies and a massive outflow of foreign investment. The lack of security and the presence of conflicts hinder the full development of domestic and international economic activities.

*Assembly debate, on 7 December 2022 (See Doc. GA60/LC60/REP/22, Report of the Legal and Political Affairs Committee “*The Role of Parliaments in Stimulating Foreign Investments in the BSEC Member States*”, discussed online, on 25-October 2022; Rapporteur: Ms. Tulay Kaynarca (Vice-chairperson) – Republic of Türkiye
Text adopted at the General Assembly, on 7 December 2022 in the Republic of Serbia

4. The PABSEC recalls the Recommendation 152/2016 on “International Investments in the BSEC Member States”, the Recommendation 101/2008 on “Foreign Investment and Economic Development of the BSEC Member States” and the Recommendation 38/1999 on “The Promotion and Protection of Investments in the Black Sea Region”, in which the Assembly encourages the parliaments of the Member States to improve the legislative framework, for ensuring a favourable climate for the stimulation of foreign investments.
5. The PABSEC notes that the positive economic dynamics, the political stability and the level of the technological development and innovations constitute crucial factors for the stimulation of the investment potential. While the foreign investments in the BSEC Member States have achieved significant progress, more attention should be paid to the implementation of appropriate measures for the establishment of a stable and favourable investment climate. The prospects for further development of the foreign investment field also depend on the effectiveness of the policies, envisaged in the investment strategies, as well as on the extent of the geopolitical challenges facing the Region.
6. The PABSEC underlines that the insufficient legislation and enforcement act as major obstacles, giving rise to risks to the investment in each country. In this regard, the elaboration of effective regulations, administrative and procedural mechanisms and the constant coordination among the investment actors are essential measures to mitigate the uncertainties in the investment sector. To this end, it is necessary that the interaction among the parliaments, governments and investment agencies, should be further enhanced.
7. The PABSEC welcomes the work carried out by the BSEC Organization, within the framework of the Working Group on Trade and Economic Development, in providing a balanced and mutually beneficial platform, for exchanging information on the current state of trade and economic affairs and for the elaboration of efficient measures for the development of cooperation in the BSEC region. The Assembly notes that attracting international investment, through the intensification of intra-regional trade, is a priority on the BSEC agenda and expresses the support to the implementation of the BSEC Economic Agenda – Towards an Enhanced BSEC Partnership, 2012.
8. The PABSEC encourages the efforts of the Business Council (BSEC BC), aiming to improve the business environment in the Black Sea region and to increase the investment activity within the business communities of the BSEC Member States. The PABSEC appreciates the positive contribution of the BSEC BC in strengthening the process of elimination of obstacles to enterprises and investments and creating equal opportunities, by the establishment of a favourable climate for local companies and foreign investors.
9. The PABSEC welcomes the activities of the Black Sea Trade and Development Bank (BSTDB) and its contribution for the development of regional cooperation, through the provision of trade credits and by financing projects of private and public enterprises. The focus of the BSTDB on financing operations, results in a positive impact on the regional cooperation and economic development of the BSEC region. The PABSEC expressed the hope that the BSTDB will do everything possible to assist the BSEC Member States in the process of post-pandemic economic recovery.
10. The PABSEC reiterates its support for the efforts of the parliaments of the BSEC Member States to improve the legal framework and create a favourable business and investment climate and to attract foreign investments. The Assembly also notes the need to mobilize national financial resources and promote sustained and sustainable economic growth, taking into account the different characteristics and specificities of each country.

11. **Therefore, the Assembly recommends** that the Parliaments and the Governments of the BSEC Member States:
- i. *further strengthen* the legislative framework to create favourable investment conditions that stimulate foreign investment and contribute to the increase of international competitiveness;
 - ii. *enhance* the legislative acts that ensure transparency and openness of the investment process, increase the trust of the investors, simplify the investment procedures, etc.;
 - iii. *provide* legislative support to comprehensive investment strategy, in priority areas of cooperation, in the BSEC region;
 - iv. *support* improvement of investor access to laws governing market access and operations, which can make foreign investment regimes more transparent for the potential investors;
 - v. *eliminate* regulatory, administrative and bureaucratic barriers and ease the procedures for steady attraction of foreign investments;
 - vi. *implement* a legal system that protect investors of any country to resolve all issues in the investment process, through independent courts;
 - vii. *intensify* the work on improving anti-corruption legislation in order to enhance control of the investment process, at all levels;
 - viii. *promote* setting up of platforms that provide comprehensive information on the investment activities, in the Member States;
 - ix. *establish* an institutional framework with a high level of coordination among parliaments, governments and the private sector;
 - x. *conclude* multilateral and bilateral agreements with countries interested in an investment partnership with the Member States;
 - xi. *provide* an efficient legislative support to the collaboration of the Member States with international financial institutions and development of priority investment projects;
 - xii. *render* the necessary support to the activities of BSEC Working Group of Trade and Economic Development in the sphere of regional trade and investments as well as a comprehensive exchange of information among the Member States;
 - xiii. *provide* the necessary support and assistance to the work of the BSEC Business Council and the Black Sea Trade and Development Bank (BSTDB), to stimulate foreign investment in the BSEC Member States;
 - xiv. *implement* effective policy measures to mitigate the economic consequences of the pandemic and address the topical geopolitical and regional challenges;
 - xv. *concert* efforts of the Member States to promote peace, stability and sustainable development to meet the topical challenges, facing the Region.
12. **The Assembly invites** the BSEC Council of the Ministers of Foreign Affairs, to consider this Recommendation.