

In this issue

What's new

OECD Private Sector
Development Division

Investment Compact
Ministerial Conference 2008

Events

1st Meetings of the SEE
Investment Committee
Working Groups

2nd Meeting of the SEE
Investment Committee
Meeting

Activities

Investment Reform Index 2nd
Edition

Defining and Strengthening
Sector Specific Sources of
Competitiveness in the
Western Balkans

FDI Strategy for Moldova

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Compact Newsletter, please
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Private Sector Development Division at the OECD

The OECD launched a new Private Sector Development Division (PSD) in its Directorate for Financial and Enterprise Affairs on 17 September 2007. The objective of the division is to increase sustainable growth and employment through better policies to improve business climates. The activities of the Investment Compact for South East Europe fall within the scope of this Division. The Division is headed by Mr. Anthony O'Sullivan, who also remains Head of the Investment Compact programme.

Investment Compact Ministerial Conference 2008

A high level conference on 'increasing investment and competitiveness in South East Europe' will be held in Belgrade on 11-12 February 2008. The conference will be attended by ministers of economy of SEE and OECD countries. Participants will include Prime Minister of Serbia V. Kostunica, Minister of Economy of Serbia M. Dinkic, OECD Secretary-General A. Gurría, and Stability Pact Special Co-ordinator E. Busek. The event is organised by the Investment Compact and the Ministry of Economy and Regional Development of Serbia, Co-Chair of the Investment Compact. The conference will comprise of a business forum, the annual SEE Investors of the Year Awards and a ministerial meeting. The agenda of the conference is available on the Investment Compact website at [Draft Ministerial Agenda](#).

First meetings of the SEE Investment Committee Working Groups

The first meetings of the four SEE Investment Committee Working Groups took place between July and October 2007. Participants discussed progress on the design of the 'How-to' guidelines, specific country case-studies and the Working Groups' programme of work for 2008. The meetings were attended by experts from all SEE countries, OECD-member countries, Investment Compact partners and the OECD. More information on the Working Groups is available at [SEE Investment Committee](#).

Second meeting of the South East Europe Investment Committee

The 2nd SEE Investment Committee Meeting was held in Paris on 12 November 2007. Participants notably discussed the preliminary results of the four SEE IC Working Groups and the next generation of the Investment Reform Index (see below). All the documents distributed during the meeting are available at [2nd Meeting of the SEE Investment Committee](#).

Investment Reform Index 2nd Edition

Following the successful completion in 2006 of the first Investment Reform Index evaluation, the Investment Compact will conduct a second evaluation in 2008-2009. Existing indicators are currently being fine-tuned and indicators for new policy areas (financial sector development, infrastructure, corporate governance, labour policies) are being designed. Two rounds of assessments will be conducted: 5 countries in 2008 and 4 countries and UNMIK/Kosovo in 2009.

Defining and Strengthening Sector Specific Sources of Competitiveness in the Western Balkans

Implemented with the World Bank 'Invest in the Western Balkans' programme, this project seeks to define and strengthen the most competitive sectors in the Western Balkans. The first phase of the project focuses on strategy and road-map development to improve the competitiveness of these countries in 4 sectors: automotive components, textile and garment, information and communication technology (ICT), and business process outsourcing (BPO). The second phase focuses on addressing specific barriers to competitiveness in these sectors. The following barriers have been identified during the first phase:

- Human capital across all sectors;
- Delays in custom procedures and electricity shortages in some countries for textile and garment;
- Lack of automotive standards accreditation and poor infrastructure in some countries for automotive components;
- Limited or expensive telecom infrastructure and lack of investment promotion focus for ICT and BPO.

These findings are based on a survey of more than 4000 companies and on sector-specific focus groups in countries of the region.

FDI Strategy for Moldova

This project aims to design and implement a FDI strategy for Moldova and will be finalised shortly. By 15 December, Moldova will have:

- A comprehensive and interactive database of foreign and mixed companies operating in the country, allowing for pro-active matching of supply and demand needs;
- Undertaken a skills assessment for the BPO and ITO sectors, followed by recommendations for each priority sub segment;
- Will have identified over 20 BPO and ITO companies registered in Moldova and interested in providing services/products to western firms.

The project will be finalised in February 2008 through a road show during which Minister of Economy and Commerce of Moldova I. Dodon will travel to London and Paris to meet representatives of the private sector and promote Moldova as an investment destination.

About the Investment Compact

The **Investment Compact** is a programme designed to improve the investment climate and to encourage private sector development in South East Europe. It operates under the auspices of the Stability Pact for South Eastern Europe and the OECD.

The programme's donors are Austria, Belgium Flanders, the Central European Initiative, the Czech Republic, the European Commission, Ireland, Italy, Norway, Slovenia, Switzerland and the United States.