

Final, 14 February 2006

DECLARATION

**‘ATTRACTING INVESTMENT TO MENA
COUNTRIES –
COMMON PRINCIPLES AND GOOD PRACTICE’**

MENA-OECD Investment Programme

**Ministerial Meeting of the MENA-OECD Investment Programme in Jordan on 13 -
14 February 2006**

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Preamble

PARTICIPATING COUNTRIES from the Middle East and North Africa Region (MENA);

CONVINCED of the urgent need to spur economic growth, development and social progress across countries in the MENA to meet the needs of rapidly growing populations;

AFFIRMING that sustainable development depends fundamentally on mobilizing private capital from inside and outside the region;

RECOGNISING the right of governments to regulate economic activities in their territories and to determine the pace of their economic reform progress;

CONVINCED that broad based economic reform, including in particular improvements to the investment climate, is essential to increase foreign and domestic investment in the region;

CONVINCED also of the need for immediate action based on concrete targets and reasonable timeframes;

BELIEVING that a regional dialogue and integration of national policies across the region will complement and reinforce improved policies at the national level;

TAKING NOTE of the progress achieved under the MENA-OECD Investment Programme as well as the Good Governance for Development Initiative in Arab Countries;

STRESSING the importance of co-ordination of the reform process within national governments;

ACKNOWLEDGING that the OECD, its Member countries and other international organisations can provide valuable support to the efforts of governments in the region to create favourable conditions for increased domestic and foreign investment through the MENA-OECD Investment Programme;

AFFIRMING the importance of close coordination with other international initiatives supporting economic reform in the region;

AWARE of the important contribution that the business community and other elements of civil society can make to these efforts;

REAFFIRMING AND BUILDING on the commitments made by MENA and OECD countries to participate and support the MENA-OECD Investment Programme;

Are in support of the following common principles and good practices :

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Common Principles and Good Practices

The Participating Countries recognise that the following common principles and good practices, applied in accordance with national laws and international obligations, contribute to a favourable climate for international, regional and domestic investment:

- Transparency and predictability of national policies, laws, regulations, administrative practices and statistics affecting foreign and domestic investment;
- Encouragement to brief the business community and to discuss planned regulatory changes;
- Provision of sufficient and necessary information on laws and regulations and other guidelines affecting investment including foreign investment;
- Enhancement of the protection of property rights, intellectual property rights, and contractual rights;
- Liberalisation of existing restrictions, if any, to repatriation of capital and of the proceeds of the investments;
- National treatment for established foreign investments; fair and equitable treatment of investment; protection of investors' rights and compensation for all categories of expropriation;
- Openness to foreign investment and access by investors to facilities necessary for investment and the movement of key personnel for the purpose of investment;
- Promotion of business integrity with preventive measures targeting the private and the public sector and strengthening of anti-bribery legislation, enforcement measures and awareness-raising efforts;
- Effective competition policies by providing for clear, transparent and non-discriminatory competition laws and an efficient and independent competition authority;
- Recognition of internationally agreed principles of corporate social responsibility;
- Establishment of investment promotion agencies equipped with sufficient resources as part of an overall investment promotion strategy;
- Encouragement of established business and civil society representatives to act as advocates of investment policy reform;
- Evaluation of current and proposed investment incentives;
- Transparent, stable and fair tax systems as important elements of the investment climate;
- Economic diversification efforts to create the conditions for infrastructure, private sector development, employment creation and the enhancement of human resources within functioning market systems;
- Sustained efforts towards modernisation of financial systems to meet the challenge of employment creation and technological advance by broadening the range of financial services and products that are available and aligning supervisory practices with global standards;
- Development of human resources in order to broaden the skill base for entrepreneurship;

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- Development of effective frameworks and policies for entrepreneurship, including the promotion of women's entrepreneurship, and for a thriving small and medium-sized enterprise (SME) sector that contributes to job creation, economic growth and social cohesion;
- Encouragement of efforts by government, private sector and professional bodies to improve corporate governance in all sectors of the economy, in line with internationally agreed best practices.

Implementation

In accordance with the above principles, Participating Countries:

Welcome the work of the five Working Groups of the MENA-OECD Investment Programme and compliment the efforts of experts from governments inside and outside the region, international organisations, business and other elements of civil society who have participated in this work;

Welcome the assistance and support by the business community.

Note the recommendations of the Working Groups in the areas of their respective responsibility which provide guidance for future work and the selection of priorities for the National Investment Reform Agendas;

Welcome the specific investment reform targets which have been announced and encourage governments in the region to continue their efforts to identify and implement in a co-ordinated manner reform targets that can be achieved within the next year;

Continue to support the MENA-OECD Investment Programme and encourage governments from outside the region to continue their support for the Programme and the reform objectives of governments within the region;

Encourage the constructive involvement of business representatives and other elements of civil society in discussions with Governments on the improvement of the investment environment;

Invite international and bilateral initiatives to support economic reform efforts within the region and to coordinate their efforts to improve the prospects for governments in the region to achieve their reform objectives. For this purpose invite other international organisations to meet in early 2006 with the Steering Group of the Programme to decide on closer strategic co-operation.

Request the Working Groups to continue their work to provide for a continuing dialogue within the region, and with participants outside the region, to maximise the benefit to countries within the region from the experiences of others in designing and implementing their National Investment Reform Agendas.

Follow-up

The Participating Countries will meet again in the first half of 2007 at Ministerial level to review progress achieved in implementing this Declaration. They will make use of the Country Economic Teams and the National Investment Reform Agenda to follow up the implementation of this Declaration. The participating countries mandate the Steering Group and the Working Groups to continue their efforts to implement the agreed action plans and output targets.

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The Participating Countries call upon the international community, in particular OECD member countries, to provide technical and financial support to help them meet the objectives of this Declaration.