

Working Groups Evaluation Sheet: Achievements and Next Steps (December 2005) -

The MENA-OECD Investment Programme has so far conducted two rounds of meetings of its five Working Groups. The following matrix summarises the agreed Outputs, the next steps identified by the first round of meetings, the achievements as of August 2005 and the next steps agreed upon during the second round of meetings:

- WG 1: Transparent and open investment policies, 1-2 February 2005, Dubai; 12-13 September, 2005, Bahrain
 WG 2: Encouraging investment promotion agencies and business association as driving forces for economic reform, 2-3 February 2005, Dubai; 13-14 September, 2005, Manama
 WG 3: Providing a tax framework for investment and assessing tax incentives, 26-27 January 2005, WG3, Bahrain; 6-7 September, 2005, Cairo
 WG 4: Promoting policies for financial sector and enterprise development in support of economic/investment diversification, 7-8 February 2005, Jeddah; 17-18 September, 2005, Jeddah
 WG 5: Improving corporate governance, 14 February 2005, Amman; 14-15 September 2005, Rabat

The output results agreed upon during the second round of meetings of the five Working Groups in September has been reported by MENA coordinators to the Steering Group (SG) meeting on October 3, 2005 in Istanbul. The SG has provided guidance on the implementation of the outputs and made further suggestions of next steps. All Working Groups commented on the draft Recommendations for regional action which were presented during the Ministerial Meeting in February 13-14 2006 in Amman.

| Working Group | Agreed Outputs | WG meetings January/February 2005: Next steps | Achievements (as of August 2005) | WG meetings September 2005: Next steps |
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| <u>Working Group1:</u> Open and Transparent Investment Policies | <p><u>Output 1: Synthesis report on Regulatory Treatment of International Investment in MENA countries</u></p> <p>The report will help measure the regulatory treatment of international investment in MENA countries against OECD and other recognised international benchmarks.</p> <p>It will assess such measures as (i) general screening of FDI entry, (ii) foreign ownership ceilings in certain sectors, (iii) exceptions to national</p> | <p>1) Revise the matrix for country submissions of the June 2004 OECD preliminary inventory of national treatment measures www.oecd.org/dataoecd/30/28/32298493.pdf</p> <p>2) Ask MENA delegates to update information as contained in the June 2004 OECD preliminary inventory of national treatment measures and make additional information submissions based on a questionnaire on FDI restrictions in relation to the OECD instruments and using the OECD self-evaluation Framework for Investment Policy Transparency www.oecd.org/dataoecd/15/13/16793978.p</p> | <p>1) Investor Survey developed and circulated.</p> <p>2) Based on MENA country submissions and internal data, second draft of Regulatory Treatment Synthesis report finalised (in progress).</p> <p>3) Set of regional recommendations are being developed.</p> <p>4) Country targets for defining negative lists established in draft National Reform Agendas of MENA countries.</p> <p>5) Investment Charter for Ministerial meeting drafted.</p> | <p>1) Provide further investigations on restrictions to FDI, screening and approval procedures for FDI, administrative obstacles to investment, real estate acquisition, M&A, transparency.</p> <p>2) Update the information contained in Regulatory Treatment Synthesis report.</p> <p>3) Establish 2 task forces under Output 1:</p> <ul style="list-style-type: none"> • FDI screening, remaining restrictions to FDI and real estate acquisition; • Joint Task Force with Governance Pillar of the Initiative on the |

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| | <p>treatment after FDI establishment, (iv) performance requirements for foreign investors; and other administrative barriers.</p> <p>It will also assess investment policy transparency measures, including publication of relevant laws and regulations and consultations on draft laws and regulations.</p> | <p>df</p> <p>3) Collect feedback from BIAC and other private sector organizations.</p> <p>The World Bank's "Doing Business in MENA" and any other available surveys will be used to document non-discriminatory administrative barriers to investment.</p> | | <p>removal of administrative obstacles to both foreign and domestic investment.</p> |
| <p>WG 1</p> | <p><u>Output 2: Working with Investment Treaties</u></p> <p>An inventory of international investment agreements (BITs and investment chapters of FTAs) signed by MENA countries to be compiled. It will assess the coverage of these agreements in such areas as market accession/liberalisation commitments; standard of investment protection after establishment; MFN clauses; performance requirements; safeguards; labour/ environment clauses; investor-state dispute settlement; bottom-up or top-down scheduling of commitments.</p> <p>The inventory will also report on the views of investors and governments on the effectiveness of these treaties for promoting investment in</p> | <p>1) MENA countries will provide country submissions on the content of their existing International Investment Agreements to the OECD Secretariat in a common format to be developed by the Secretariat.</p> <p>2) Arrange MENA submissions of information using an OECD Investment Committee template for reporting on and analysing investment agreements, and collection of BIAC, ABC and other private sector feedback.</p> <p>3) Based on the draft inventory, a WG1 legal expert meeting will be organised in order to share experiences and exchange views on emerging trends in international treaties, and prospective future developments in the region.</p> | <ul style="list-style-type: none"> • Expert Group meeting conducted in June in Rabat. • Recommendations for next steps developed by the Expert Group. • Inventory of MENA Countries' international Investment Agreements drafted. Revised version presented to the September meeting of the WG. | <p>1) Increase common understanding amongst MENA countries on core provisions of International Investment Agreements (IIAs);</p> <p>2) Provide analytical work on core provisions and new features in IIAs;</p> <p>3) Use the Expert Group as a forum for exchange between OECD and MENA experts;</p> <p>4) Draft a source book with reference material on investment treaties and conduct, using to the extent possible existing programmes, training on investment treaties.</p> |

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| | the region. | | | |
| WG 1 | <p>Output 3: Promoting Integrity in Business Transactions</p> <p>Development of concrete steps to promote integrity in business transactions from the point of view of governments and the private sector, and deter bribery with a view to contributing to a better investment climate.</p> <p>Identification of key priorities for action addressing corruption (in cooperation with co-chairs of WG1 and coordinator countries from MENA and the OECD).</p> | <p>The draft stock-taking report on this subject will be revised, based on the results of the Panel Discussion held on 2 February 2005 and further inputs to be received from MENA partners.</p> <p>Under the aegis of the WG a Task Force will be set up, led by Jordan.</p> | <ul style="list-style-type: none"> • Task Force meeting conducted in Bahrain in June which initiated first regional dialogue on business integrity issues: combating bribery of public officials. • Recommendations for next steps presented to the September meeting of the WG. • Stock-Taking Report on ‘Business Ethics and Anti-Bribery Policies’ in 17 MENA countries and jurisdictions finalised. • A regional action plan on anti-bribery legislation and measures to promote business integrity in the Middle East and North Africa (MENA) developed. | <p>Continue efforts of the Task Force:</p> <ul style="list-style-type: none"> • to develop and implement the action plan • to broaden its basis amongst MENA countries and • to increase participation by private sector and civil society. |
| WG 1 | <p>Output 4: Assessing incentives-based strategies to attract investment to the MENA Region (Same as outputs 1 and 2 of WG3 and output 3 of WG2)</p> <p>Report taking stock of FDI specific financial and regulatory incentives and assessing options for enhancing their cost-effectiveness in the MENA region.</p> | <p>This output area will be undertaken as a joint work involving WG1, 2 and 3 experts.</p> <ol style="list-style-type: none"> 1) Arrange MENA submissions of information using the questions in the <i>OECD Checklist for Foreign Direct Investment Incentive Policies</i>, and collection of BIAC and other private sector feedback. 2) Establish a Task Force linking the relevant work concerning investment determinants on tax and non-tax incentives. 3) Egypt and Bahrain have volunteered to chair this Task Force, coordinate the implementation of the activity and present the preliminary results to the MENA | <ul style="list-style-type: none"> • First meeting of the Task Force on Investment Incentives conducted in June in Bahrain. • Questionnaire developed and circulated. • Recommendations presented to the September WG meeting. • Draft report elaborated on MENA countries’ use of investment incentives. | <ul style="list-style-type: none"> • See Working Group 2, Output 3 |

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| | | Ministerial in February 2006. | | |
| WG 1 | <p>Output 5: Improving International Investment Statistics</p> <p>Assess the consistency of FDI statistics of MENA countries with international standards and identify measures to improve their FDI data collection and dissemination.</p> <p>Establishment of a Task Force of MENA FDI statistics experts to (i) review the current status of statistical systems to measure FDI to and from MENA countries and identify shortcomings; (ii) establish a system to disseminate FDI statistics (prepared in accordance with the OECD Benchmark Definitions of FDI and the IMF) as a complement to the OECD Statistical Yearbook; and (iii) promoting dialogue and capacity building assistance between MENA, OECD and other international partners.</p> | <p>Development of a draft mandate for the Task Force, led by Lebanon in co-operation with Egypt.</p> <p>Organisation of its first meeting before summer recess.</p> <p>Invitation to other international/regional partners working on FDI statistics.</p> <p>This output area will be undertaken jointly WG2 (See below).</p> | <ul style="list-style-type: none"> • Task Force meeting conducted in Cairo end of June. • Questionnaire developed and circulated. • Recommendations for next steps presented to the meeting of WG in September. | <ol style="list-style-type: none"> 1) Continue task force efforts on improvement of FDI statistics (data collection and dissemination/methodology); 2) Develop a handbook for use by national statistical authorities. |
| <p>Working Group2:</p> <p>Encouraging investment promotion agencies and business</p> | <p>Output 1: An effective communication/information tool and assessment of "Who Is Doing What"</p> <p>1) Development of a practical portal to serve the immediate</p> | <p>1) Relevant partners will continue consultations on how best to realize the implementation of the portal in a step-by-step approach. Linkages will be established with the existing database. Meanwhile, the OECD website will be used to post all relevant documentation.</p> | <ul style="list-style-type: none"> • New Programme Website (step 2) developed and online. • Inventory of organizations working in the region in progress. • Preparations for step 3 (comprehensive portal | <p>Develop and use the webpage for heightening the visibility of the MENA participants (Agencies and Ministries) in the Programme. The Secretariat will:</p> <ul style="list-style-type: none"> • Issue a Brochure presenting the Programme and develop a |

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| <p>associations to act as driving forces for reform</p> | <p>needs of the programme as a communication tool among participants and as an electronic on-line library of basic documents.</p> <p>2) Preparation of a factual report on 'who's doing what' in MENA region on IPA issues on the basis of inputs from MENA countries and other partners.</p> <p>The report will benefit from a UNIDO concept paper, reviews and suggestions from investors and bilateral assistance organisations, in addition to other regional and multilateral partners working on investment promotion related issues in the MENA region.</p> | <p>2) Syria and Jordan will coordinate the establishment of the portal and the report in cooperation with OECD, UNIDO and the World Bank/MIGA and present it to the MENA Ministerial in November 2005.</p> | <p>in co-operation with other International Organisation) under way.</p> <ul style="list-style-type: none"> • Use of the Investment Centre in Bahrain for information gathering and translation. | <p>comprehensive document informing about the key elements and output of the Programme;</p> <ul style="list-style-type: none"> • Develop communication tools to promote the Programme and to support the IPAs, for example by a regular newsletter. |
| <p>WG 2</p> | <p><i>Output 2: Assessment of Challenges faced by MENA IPAs, and Development of Investment Promotion Guidelines for the MENA Region</i></p> <p>A survey of all MENA IPAs to diagnose the common constraints, their relative importance and identify the potential solutions and needs for capacity building.</p> | <p>Development and implementation of a survey concept and questionnaire based on OECD successful practice guidelines.</p> <p>Development of a synthesis report based on the survey results.</p> <p>Development of the key conclusions and framework for discussion at a regional experts meeting in Dubai.</p> <p>This work will follow the above steps and provide a reference and 'self-analysis'</p> | <ul style="list-style-type: none"> • Questionnaire developed and circulated. • Report drafted on strengths and weaknesses of MENA IPAs. • Drafting recommendations for MENA IPAs (in progress). • Country targets for reforming institutional investment promotion established in National Reform Agendas of MENA countries. | <p>1) Request Participating Countries to provide further data and update the data already contained in the report on strengths and weaknesses of MENA IPAs;</p> <p>2) Organize two Workshops on:</p> <ul style="list-style-type: none"> • Policy Advocacy functions of IPAs as well as a • The organization of efficient one-stop shops in IPAs. |

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| | <p>The survey will be jointly developed and carried by the MENA IPAs, investors and international partners.</p> <p>A customised framework on investment promotion guidelines for MENA will also be developed against which MENA IPAs would be assessed on the basis of existing principles and guidelines (OECD, MIGA, UNIDO, WAIPA and ANIMA).</p> <p>Future capacity-building needs to be identified as well as recommendations for action at national and regional levels.</p> | <p>framework for IPAs. This framework will ideally be reviewed and updated as necessary on an annual basis.</p> | | |
| WG 2 | <p><u>Output 3:</u> Assessing incentives-based strategies to attract investment to the MENA Region (Same as output 4 of the WG1)</p> <p>Development of a report taking stock of FDI specific financial and regulatory incentives and assessing options for enhancing their cost-effectiveness in the MENA region.</p> | <p>This output area will be undertaken as a joint work involving WG1, 2 and 3 experts.</p> <p>1) Arrange MENA submissions using the questions from the <i>OECD Checklist for Foreign Direct Investment Incentive Policies</i>, and collection of BIAC and other private sector feedback.</p> <p>2) Establish a Task Force linking the relevant work concerning investment determinants on tax and non-tax incentives.</p> <p>3) Egypt and Bahrain have volunteered to chair this Task Force, coordinate the implementation of the activity and present</p> | <ul style="list-style-type: none"> • First meeting of the Task Force on Investment Incentives conducted in June. • Recommendations developed to be presented to the September WG meeting. • Draft report elaborated on MENA countries' use of investment incentives. • Country targets for reform of incentive system defined in National Reform Agenda of MENA countries. | <ol style="list-style-type: none"> 1) Finalise and publish the study on incentives and free zones based on national contributions; 2) Organise self evaluation and peer review of the investment and zone policies of volunteer countries, against the background of the OECD Checklist for FDI Incentives Policies and WG2's conclusions on incentives; 3) Explore the possibility, jointly with WG1 and WG3, of establishing a consultative mechanism for addressing cross-jurisdictional aspects of investment incentives; 4) Develop a methodology enabling |

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| | | the preliminary results to the MENA Ministerial in February 2006. | | countries to assess better the costs and benefits of free economic zones; 5) Continue work on non-tax incentives and encourage exchange by regulators with the private sector while drafting incentive regimes. |
| WG 2 | <p>Output 4: Investment success stories in the MENA Region</p> <p>Development of an annual compendium of successful investment stories in the MENA region. The objective is to project a positive image of the MENA region to investors and encourage the adoption of best practices.</p> <p>The success stories will be evaluated by different stakeholders through a standardised approach.</p> <p>Establish region-wide awards scheme for " the investors of the year " in each MENA country and at regional level (a range of national, regional and sectoral awards is envisaged).</p> | <p>Preparation of draft outlines and criteria for common selection of company case experiences.</p> <p>Draft several case studies as example for other MENA IPAs to follow.</p> <p>Completion of the success stories compendium and publication in English, French and Arabic.</p> <p>Development of objective criteria for the awards and procedures for implementation.</p> <p>Launch of the awards scheme and high profile media event.</p> | <ul style="list-style-type: none"> • Proposal for national 'Investment of the Year Awards' for business has been developed. • National awards for each participating country granted during the Business Day, 13-14 February: the largest employment creator, the best innovator. 23 companies across the region awarded. • Jury for proposing investment projects constituted. | <p>1) Make the Investor of the Year Award a yearly event to highlight successful investments.</p> |
| WG 2 | <p>Output 5: Regional network of business associations. Organisation of a MENA Investment Summit.</p> <p>Development of a regional network among IPAs and</p> | <p>Preparation of an inventory of existing business organisations in MENA region, especially those dealing with investment.</p> <p>Organisation of the first network meeting in Istanbul, hosted by the Turkish Chambers</p> | <ul style="list-style-type: none"> • MENA-OECD Business Network has been established. • Business database has been established, including: MENA/OECD companies, business associations, chambers of commerce, law firms, | <p>1) Strengthen co-operation with the G8 Investment Task Force and other business associations and chambers of commerce representing business in the MENA region.</p> |

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| | <p>business representatives to (i) interact among themselves; (ii) work in cooperation with OECD-based businesses through BIAC; and (iii) provide contributions to the MENA-OECD Initiative. The network will build on the ones that already exist.</p> <p>Organisation of an “OECD-MENA Regional Investment Forum” in conjunction with the MENA Ministerial meeting benefiting from UNIDO’s practical experience hosting such events.</p> | <p>of Commerce and Industry on 28 June.</p> <p>Draft agenda for the “OECD/MENA Regional Investment Forum” in Jordan (currently holding the MENA chair of the Steering Group).</p> | <p>consultants.</p> <ul style="list-style-type: none"> • The G 8 Investment Task Force (ITF) led by the Arab Business Council has been established. Co-operation of the MENA-OECD Programme with the ITF has been intensified. • TOBB proposal for capacity-building with MENA Chambers of Commerce further elaborated. • Business Forum day, 16 November: sponsorship plan and agenda developed. • Country targets for strengthening of business associations established in National Reform Agenda of MENA countries. • Organised a Business Day on 13 February 2006. • Drafted Business Statement presented to the Ministers at the Ministerial Meeting February 13-14 2006. | <p>2) Follow-up with TOBB proposal on strengthening MENA countries’ Chambers of Commerce service and policy advocacy functions.</p> |
| <p>WG 2</p> | <p><u>Output 6: Improving International Investment Statistics</u></p> <p>Assess of the consistency of FDI statistics of MENA countries with international standards and identify measures to improve FDI data collection and dissemination</p> <p>Establishment of a Task Force of MENA FDI statistics experts to (i) review the current status of statistical systems to measure FDI to and from MENA countries</p> | <p>Development of a draft mandate for the Task Force, led by Lebanon in co-operation with Egypt.</p> <p>Organisation of its first meeting in Lebanon before summer recess.</p> <p>Invitation to other international/regional partners working on FDI statistics.</p> <p>This output area will be undertaken jointly with WG1</p> | <ul style="list-style-type: none"> • Task Force meeting conducted in Cairo end of June. • Questionnaire developed and circulated. • Recommendations for next steps developed to be presented to the meeting of WG in September. | <ul style="list-style-type: none"> • See Working Group 1, Output 5 |

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| | and identify shortcomings; (ii) establish a system to disseminate FDI statistics (prepared in accordance with the OECD Benchmark definitions of FDI and the IMF) as a complement to the OECD Statistical Yearbook; and (iii) promoting dialogue and capacity building assistance between MENA, OECD and other international partners. | | | |
| <p><u>Working Group3:</u></p> <p>Providing a Tax Framework for Investment and Assessing Incentives</p> | <p><u>Output 1:</u> Synthesis report on tax systems and tax incentives in MENA countries; and broad (preliminary) observations on elements/ features potentially in conflict with goals of project.</p> <p>The report will focus primarily on corporate tax incentives, and will cover MENA countries participating in the tax questionnaire</p> | <p>Finalization of the tax questionnaire, gathering of MENA country responses, and drafting of outline of the synthesis report for consideration at the next WG3 meeting. Presentation of preliminary results at the Ministerial meeting in 13-14 February 2006 (conditional on resources).</p> | <ul style="list-style-type: none"> • First meeting of the Task Force on Investment Incentives conducted in June. • Recommendations developed to be presented to the September WG meeting. • Draft report elaborated on MENA countries' use of investment incentives. • Country targets for reform of incentive system defined in National Reform Agenda of MENA countries. | <p>1) Revise and agree on "Policy Considerations on the Use of Investment Incentives in the MENA Region" developed by the Task Force on Incentives, for consideration during the Steering Group meeting.</p> <p>2) Update National Reform Agendas to reflect policy considerations.</p> |
| <p>WG 3</p> | <p><u>Output 2:</u> Synthesis report on non-tax (financial/regulatory) incentives for investment in MENA countries.</p> <p>This work will cover MENA countries participating in a non-tax incentive questionnaire, to be developed in collaboration with WG1</p> | <p>Finalization of the non-tax incentive questionnaire, gathering of MENA country responses, drafting of outline of synthesis report for consideration at the next WG3 meeting and future WG1 and WG2 meetings. Presentation of preliminary results at the Ministerial meeting in November 2005 (conditional on resources).</p> | <ul style="list-style-type: none"> • First meeting of the Task Force on Investment Incentives conducted in June. • Recommendations developed to be presented to the September WG meeting. • Draft report elaborated on MENA countries' use of investment incentives. • Country targets for reform of incentive system defined in National Reform Agenda of MENA | <p>1) Revised and agree "Policy Considerations on the Use of Investment Incentives in the MENA Region" developed by the Task Force on Incentives, for consideration during the Steering Group meeting.</p> <p>2) Update National Reform Agendas to reflect policy considerations.</p> |

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| | and WG2, drawing on existing OECD work. Joint work by WG1, WG2 and WG3 on assessing the role and effects of incentives will be co-ordinated by a Task Force, to be chaired by Bahrain and Egypt. | | countries. | |
| WG 3 | <p>Output 3: Report on barriers to investment, preliminary policy related observations in relation to the goals of the project.</p> <p>This work will be based on an investor survey to be developed in collaboration with WG1 and WG2 and will draw on findings of similar surveys undertaken recently by other groups (e.g. World Bank).</p> | <p>Development of an investor survey to address tax and non-tax (e.g. regulatory framework) impediments to investment, dissemination of survey, gathering of investor responses, drafting of outline of a report for consideration at the next WG3 meeting</p> <p>Presentation of preliminary results at the Ministerial meeting in November 2005 (conditional on resources).</p> | <ul style="list-style-type: none"> Investor survey circulated and first results collected. Results to be merged with WG 1, Output 1. | <ol style="list-style-type: none"> Revise and agree on “Recommendations on Frameworks to Support Development of National Tax Policy Reform” for Steering Group meeting. Recommend amendments to draft Ministerial in the areas of incentives and tax policy reform. |
| WG 3 | <p>Output 4: Capacity building seminars and workshops.</p> <p>WG3 delegates have been invited to participate in six events on taxation of relevance to the work of WG3, organised by the OECD CTPA. Separate seminars/workshops targeted at WG3 may be organised for late 2005 and 2006.</p> | <p>Preparation of workshop materials, organisation and delivery of seminars and workshops.</p> <p>(letters of invitation for 2005 ‘outreach’ events have been issued)</p> | <ul style="list-style-type: none"> Workshops on tax treaties, large taxpayer units and tax analysis conducted. | <ol style="list-style-type: none"> Evaluate participation by MENA countries in four events sponsored by OECD Multi-lateral tax Centres for in put into 2006 programme. Depending on results of evaluation, continue participation in similar events in 2006. Support creation of MENA tax network in 2006 as a tool to assist in the implementation of tax and incentive policy reforms. |
| <p>Working Group4:</p> <p>Promoting policies</p> | <p>Output 1: Assessing Economic Diversification of MENA Countries</p> | <ol style="list-style-type: none"> A one page outline of the synthesis report for the Steering Group meeting on 4 April. | <ul style="list-style-type: none"> Report on strategies for Economic Diversification in the MENA region drafted and finalized. | <ol style="list-style-type: none"> Create a think-tank network attached to the Jeddah Economic Forum to concentrate on designing competitiveness policies and identifying |

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| for financial sector development and enterprise development in support of diversification | <p>A stock-taking assessment report on the basis of presentations and discussions at the meeting as well as MENA country submissions, which will be provided to the OECD Secretariat.</p> <p>The report will set out the status of diversification efforts in MENA countries, identify the priority areas at national and regional levels, and propose to the MENA Investment Ministerial Meeting a series of actions that can be undertaken to address these issues.</p> | <p>2) Draft report to be discussed at a regional experts meeting before the Ministerial.</p> <p>3) Presentation of the results to the MENA Investment Ministerial meeting in November 2005.</p> | | <p>labour, education and product market improvements;</p> <p>2) Identify competitive advantages of the region a and present at the Economic Forum Panel;</p> <p>3) Establish a Task Force on Privatisation and Public-Private-Partnership to elaborate best practice of MENA countries' privatization strategies and develop proposals for the efficient organization of Public-Private Partnerships for infrastructure development.</p> |

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| WG 4 | <p><u>Output 2: Financial Sector Development of MENA Countries</u></p> <p>Efforts leading up to the Ministerial will be focused on two particular areas: capital market development and equity finance for SMEs including venture capital.</p> | <p>1) Brief description note outlining major issues in capital markets and equity finance for SMEs will be submitted to the 4 April SG meeting.</p> <p>2) A Task Force meeting prior to the Ministerial meeting will discuss the findings and identify the need for further actions.</p> <p>3) Following consultations amongst Steering Group members and international organisations a tentative work programme for the next 3 years can be approved by the Ministerial.</p> | <ul style="list-style-type: none"> • Task Force meeting conducted in May in Abu Dhabi. • Recommendations for next steps and work programme elaborated to be presented to the next meeting of the WG in September. • Report on challenges for reform of the financial markets in selected MENA Countries with recommendations elaborated (in progress). • Employment creation and entrepreneurship finance: report and regional action programme. • Financial sector reform targets part of MENA countries' National Reform Agenda. | <p>1) Invite MENA countries to participate in the OECD outreach programme for the fixed income sector of capital markets;</p> <p>2) Revise the overview report presented to the Working Group and the priorities for reform taking into account current developments affecting the structuring of MENA capital markets;</p> <p>3) Organise the following workshops:</p> <ul style="list-style-type: none"> • An overview workshop on structure and regulation of securities market (2006); • A workshop on integration of Capital Markets in MENA countries (2006); • A workshop on Financing of Enterprise Creation and Enterprise Development/ effective regulatory environment for fostering investment banking/venture capital creation (2007); • Workshop on specialized SME financing instruments/institutions (2006) |
| WG 4 | <p><u>Output 3: Improving the Policy Environment and Building Capacities for Entrepreneurship and SME Development</u></p> <p>Common agreement was reached about the need to foster entrepreneurship and the creation of new businesses and to strengthen micro-enterprise and SME</p> | <p><u>Module 1: An Entrepreneurial Business Environment for Start-ups & SME Growth</u></p> <p>1) A one-page outline of the synthesis report for the Steering Group meeting on 4 April.</p> <p>2) Development of a survey concept and questionnaire based on the OECD Working Party on SMEs & Entrepreneurship good practices in the area of a conducive Entrepreneurial Business Environment (EBE).</p> | <p><u>Module 1</u></p> <ul style="list-style-type: none"> • Conference on Women Entrepreneurship conducted mid-July in Istanbul. • Recommendations developed to be presented to the meeting of the WG in September. | <p>1) Create a task force responsible to identify concrete steps on implementing actions on women entrepreneurship during 2006/2007;</p> |

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| | <p>development in the region. It was proposed that the initial actions should focus on the following, taking into account the existing programmes of the World Bank Group and UNIDO, partners to this initiative (<i>N.B. Existing OECD country bilateral programmes, as well as EU programmes, should also be taken in to account</i>):</p> <p>1) Developing proposals for a MENA-customised policy framework conducive to entrepreneurship and SME development (<i>an Entrepreneurial Business Environment</i>), building on the OECD Bologna Process and the Istanbul SME Ministerial Declaration, discussions at WG4 meeting and MENA OECD country submissions;</p> <p>2) Promoting Women's Entrepreneurship, through capacity building workshops. <i>The 1st workshop will be aimed at building awareness, assessing case studies from MENA countries, exchanging experiences, and developing policy recommendations.</i></p> | <p>3) Preparation of the synthesis report based on the survey results on how to create an Entrepreneurial Business Environment for firm creation and growth at national and local levels in the MENA Region.. The OECD CFE Secretariat will work with MENA co-ordinator countries (Bahrain and Tunisia) and interested partners, including the World Bank, UNIDO, Islamic Development Bank and the Arab League to prepare the questionnaire and synthesis report.</p> <p>4) Presentation of the recommendations at the MENA Investment Ministerial in February 13-14 2006.</p> <p><u>Module 2: Promoting Women's Entrepreneurship in MENA Countries</u></p> <p>1) For the Steering Group meeting on 4 April: a one-page programme outline of the <i>Workshop</i> on increasing the awareness of the economic and social impact of women's entrepreneurship, including a capacity building component; this Workshop will take place in Istanbul on 11-12 July 2005.</p> <p>2) The OECD CFE Secretariat will work with MENA co-ordinator countries (Bahrain and Tunisia) and interested partners, including the World Bank, UNIDO, Islamic Development Bank and the Arab League, to develop the programme and draft the Workshop's recommendations</p> <p>3) Presentation of the recommendations at the MENA Investment Ministerial meeting in February 2006.</p> | <p><u>Module 2</u></p> <ul style="list-style-type: none"> • SME barriers questionnaire elaborated and circulated. • Report on barriers to SME development in selected MENA countries elaborated (in progress). • SME support programmes part of MENA countries' National Reform Agendas noted. | <p>2) Evaluate the experiences gained with the mis-a-niveau programmes in North-Africa.</p> |

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| <p><u>Working Group5:</u></p> <p>Improving Corporate Governance</p> | <p><u>Output 1:</u> A MENA Regional Corporate Governance Survey</p> <p>Development of a MENA Regional Comparative Corporate Governance Survey discussing comparative, qualitative and factual information on ownership structures, legal and institutional frameworks and voluntary initiatives.</p> | <p>The OECD Secretariat will work with MENA countries and interested partners, including the Union of Arab Banks (UAB) and the Centre for International Private Enterprise (CIPE), to develop a comparative survey on the state of corporate governance frameworks, laws, policies, regulations, standards and voluntary initiatives to promote corporate governance.</p> <p>The OECD will explore the establishment of a survey team, as recommended at the Amman meeting.</p> <p>Country questionnaires on the legal corporate governance framework will be circulated in March.</p> <p>Drafting will start at the end of April and input and guidance from the survey team will be sought in preparation for the first draft of the survey, to be presented at the September meeting of WG5.</p> | <ul style="list-style-type: none"> • Questionnaires on Corporate Governance submitted to Algeria, Bahrain, Jordan, Oman, Kuwait and Tunisia (in progress). • Directory of corporate governance for MENA countries (in progress). • Report on the corporate ownership structures of selected countries drafted (in progress). | <ol style="list-style-type: none"> 1) Analysis of responses, received from Algeria, Bahrain, Egypt, Jordan, Lebanon, Morocco, Oman, Kuwait, Qatar and Tunisia. 2) Preparation of an introductory chapter to the Survey on the relevance of corporate governance to the MENA region and its importance in terms of attracting investment and in contributing to enterprise performance. 3) Further research to complete the initial data gathered on MENA ownership structures. |
| <p>WG 5</p> | <p><u>Output 2:</u> MENA survey of Corporate Governance of Banks</p> <p>Survey of corporate governance of MENA banks - recognising their important role in the region in imposing financial discipline, in efficiently allocating capital and encouraging good corporate governance of borrowers.</p> | <p>The Union of Arab Banks will undertake a regional survey of corporate governance in the banking sector, in co-ordination with other relevant national, regional and international institutions.</p> <p>The International Finance Corporation, through its Bank Corporate Governance Program, will carry out technical assistance and advisory services as well awareness-raising to support better bank corporate governance.</p> | <ul style="list-style-type: none"> • Concept paper for a MENA survey on corporate governance of Banks. • Improvement of corporate governance of banks defined as a priority for country National Reform Agenda • Proposal of the Union of Arab Banks for a corporate social responsibility initiative for the financial sector. | <ol style="list-style-type: none"> 1) The UAB will pursue the development of the bank corporate governance survey, including through a series of country meetings. 2) The IFC will expand its initiative on bank assessments on corporate governance from Lebanon and Jordan to the GCC and other countries in the region. |

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| | | The IFC, IFSB and UAB will explore avenues for co-operation in these efforts. | | |
| WG 5 | <p>Output 3: Development of National Corporate Governance Codes</p> <p>Several MENA countries highlighted recent efforts or plans to develop national corporate governance codes. Jordan's initiative for the development of a corporate governance code, following the recommendations of the recent WB ROSC was welcomed.</p> | <p>A Task Force will be established to advise MENA countries, on their request, on the elaboration of corporate governance codes.</p> <p>The OECD will explore opportunities for technical assistance with bilateral donors.</p> <p>The Global Corporate Governance Forum will make available to interested MENA countries its Toolkit on Codes, which has been published in September 2005. The toolkit can serve in the development, drafting, implementation, monitoring and review of MENA codes.</p> | <ul style="list-style-type: none"> • Overview and concept paper, called a Toolkit on Corporate Governance Codes drafted by the Global Corporate Governance Forum (in progress). | <p>1) Support for campaigns and initiatives on the design and promotion of corporate governance codes through the GCGF network of experts.</p> |
| WG 5 | <p>Output 4: Corporate Governance of non-listed companies</p> <p>Corporate governance of non-listed companies is considered a priority in the region and MENA countries will examine the relevant frameworks and practices with a view of formulating recommendations for reforms.</p> | <p>Organisation by the OECD of a global meeting on corporate governance of non-listed companies, including family-owned (April 19-20, 2005, Istanbul). MENA participants will be invited to consider appropriate follow-up in the MENA region. In particular, MENA countries' work on corporate governance codes as they apply to non-listed companies will be shared at the Istanbul meeting.</p> | <ul style="list-style-type: none"> • MENA country participation in meeting on corporate governance of non-listed companies. • Improvement of corporate governance of non-listed companies defined as a priority for country National Reform Agendas. • Synthesis report and conclusions of the meeting to be presented to September 2005 Working Group meeting. | <p>1) Further analysis on corporate governance of non-listed companies to be taken into consideration for the MENA corporate governance survey.</p> |
| WG 5 | <p>Output 5: Corporate Governance of State-owned Enterprises</p> <p>Consideration of specific corporate governance issues arising from the management of state-owned assets.</p> | <p>At its next meeting, WG5 will consider the relevance of the OECD Guidelines on corporate governance of state-owned enterprises and how they can be applied in the MENA region, along with other issues, such as non-listed companies, banks and progress with the comparative corporate governance survey.</p> | <ul style="list-style-type: none"> • Improvement of corporate governance of SOEs defined as a priority for country National Reform Agenda. | <p>1) Conclusions on CG for SOEs following the September 2005 Working Group meeting.</p> <p>2) Further research on corporate governance of SOEs in the MENA to support the analytical part of the comparative corporate governance survey.</p> |

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| WG 5 | <p><u>Output 6: Awareness-raising</u></p> <p>Awareness-raising is an ongoing requirement in promoting sound corporate governance practices. To this end, several institutions are working to raise awareness through institutes of directors, training programmes for market participants, economic journals, etc.</p> <p>Participants noted that the new joint World Bank/IFC Corporate Governance Department will continue to make contributions to international policy dialogue and reform on corporate governance, investment climate and international financial architectural issues.</p> | <p>CIPE will develop a regional communication programme in Arabic, English and French, including through its hawkama.net internet site to facilitate information exchange. Together with its partners from the Global Corporate Governance Forum and the OECD, CIPE will contribute to the MENA RCGF (MENA Regional Corporate Governance Forum).</p> <p>The WB/IFC Corporate Governance department will:</p> <ul style="list-style-type: none"> - disseminate important findings and policy recommendations of World Bank work - support private sector efforts to strengthen corporate governance in the region - help to coordinate corporate governance reform efforts in the region and provide leverage funding for the MENA RCGF through the Global Corporate Governance Forum's Trust Fund. | <ul style="list-style-type: none"> • Corporate governance institute established in the United Arab Emirates to serve as a regional facility for research, training and capacity building. | <p>1) Potential areas for co-operation between Working Group 5, the Institute and other MENA countries will be explored.</p> |

