

Comprehensive Matrix of Outputs from MENA-OECD Investment Programme Working Groups

WG 1: Transparent and open investment policies, 1-2 February 2005, Dubai

WG 2: Encouraging investment promotion agencies and business association as driving forces for economic reform, 2-3 February 2005, Dubai

WG 3: Providing a tax framework for investment and assessing tax incentives, 26-27 January 2005, WG3, Bahrain

WG 4: Promoting policies for financial sector and enterprise development in support of economic/investment diversification, 7-8 February 2005, Jeddah, Saudi Arabia

WG 5: Improving corporate governance, 14 February 2005, Amman, Jordan

The output results of the five Working Group meetings will be reported by MENA coordinators to the Steering Group (SG) meeting scheduled for 4 April 2005, in Paris. The SG will provide guidance on the implementation of the outputs as well as discuss the preparation of the upcoming meetings including the MENA Investment Ministerial meeting mid- November 2005.

Working Group	Agreed Output	Description of Output	Next Steps	Timeline
Working Group 1: Open and Transparent Investment Policies	<i>Output 1: Synthesis report on Regulatory Treatment of International Investment in MENA countries</i>	<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 treatment after FDI establishment, and (iv) performance requirements for foreign investors; and other administrative barriers. It will also assess investment policy transparency measures, including publication of relevant laws and regulations and consultations on draft laws and regulations</p> <p>A checklist recommending possible priority policy measures as a reference basis for the "National Investment Reform Agendas" of MENA countries will be developed in the report.</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 the meaning of OECD instruments and using the OECD self-evaluation Framework for Investment Policy Transparency www.oecd.org/dataoecd/15/13/16793978.pdf</p> <p>3) Collection of BIAC and other private sector feedback on information thus gathered will be arranged.</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>Timeline applying to all WGs:</p> <p>1) Meetings of the task forces or expert meetings to be conducted under the guidance of the WGs before the summer break (end of July).</p> <p>2) Working Group meetings in the first half of September where preliminary results need to be presented.</p> <p>3) Steering Group meeting at the beginning of October where final results must be approved to be submitted to the Ministerial and further actions proposed.</p> <p>4) Ministerial meeting in mid-November:</p>
WG 1	<i>Output 2: Working with Investment Treaties</i>	<p>An inventory of international investment agreements (BITs and investment chapters of FTAs) signed by MENA countries. 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 the region.</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>	

Working Group	Agreed Output	Description of Output	Next Steps	Timeline
WG 1	<u>Output 3: Promoting Integrity in Business Transactions</u>	<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 and UAE.</p>	
WG 1	<u>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)</u>	<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> <p>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.</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 the preliminary results to the MENA Ministerial in autumn 2005.</p>	
WG 1	<u>Output 5: Improving International Investment Statistics</u>	<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 in Lebanon before summer recess (possible dates 7 & 8 June 2004).</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>	

Working Group	Agreed Output	Description of Output	Next Steps	Timeline
Working Group 2[*]: Encouraging investment promotion agencies and business associations to act as driving forces for reform[†]	<i>Output 1: An effective communication/information tool and assessment of " Who Is Doing What"</i>	<p>1) Development of a practical portal to serve the immediate 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 IPA issues in the MENA region.</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 data base. Meanwhile, the OECD website will be used to post all relevant documentation.</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>	
WG 2	<i>Output 2: Assessment of Challenges faced by MENA IPAs, and Development of Investment Promotion Guidelines for the MENA Region</i>	<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>The survey will be jointly developed, carried out and assessed by 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>Development of a survey concept and questionnaire based on OECD successful practice guidelines.</p> <p>Implement survey.</p> <p>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' framework for IPAs. This framework will ideally be reviewed and updated as necessary on an annual basis.</p> <p>The future needs framework could form a 1-2 year programme for consideration and build on progress to date.</p>	

* These agreed output areas will be submitted by coordinating MENA countries to the SG meeting, 4 April 2005. Consultations will continue on further refinement of the agreed outputs. Delegates will provide suggestions and feedback as called for in the output areas.

† Delegates agreed that there was a need to streamline the proposed output areas and sharpen their focus. In this context, it was proposed that Output 1 and 2, Output 3 and 4, Output 6 and 8 should be merged in light of their objectives and relevance to one another.

WG 2	Output 3: Assessing incentives-based strategies to attract investment to the MENA Region (Same as output 4 of the WG1)	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.	This output area will be undertaken as a joint work involving WG1, 2 and 3 experts. 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 Ministerial in autumn 2005.	
WG 2	Output 4: Investment success stories in the MENA Region	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. The success stories will be evaluated by different stakeholders through a standardised approach. 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).	Preparation of draft outlines and criteria for common selection of company case experiences. Draft several case studies as example for other MENA IPAs to follow. Completion of the success stories compendium and publication in English, French and Arabic. Development of objective criteria for the awards and procedures for implementation. Launch of the awards scheme and high profile media event.	
WG 2	Output 5: Regional network of business associations and organisation of a MENA Investment Summit	Development of a regional network among IPAs and business representatives to (i) interact among themselves; (ii) work in cooperation with OECD-based business through BIAC; and (iii) provide contributions to the MENA-OECD Initiative. The network will build on the ones that already exist. Organisation of an "OECD/MENA Regional Investment Forum" in conjunction with the MENA Ministerial meeting benefiting from UNIDO's practical experience hosting such events.	Preparation of an inventory of existing business organisations in MENA region, especially those dealing with investment. Organisation of the first network meeting in Istanbul, hosted by the Turkish Chambers of Commerce and Industry on 28 June. Draft agenda for the "OECD/MENA Regional Investment Forum" in Jordan (currently holding the MENA chair of the Steering Group.	

WG 2	Output 6: Improving International Investment Statistics	<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 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 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>	
Working Group 3: Providing a Tax Framework for Investment and Assessing Incentives	Output 1: 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.	The report will focus primarily on corporate tax incentives, and will cover MENA countries participating in the tax questionnaire.	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 November 2005 (conditional on resources).	
WG 3	Output 2: Synthesis report on non-tax (financial/regulatory) incentives for investment in MENA countries.	<p>This work will cover MENA countries participating in a non-tax incentive questionnaire, to be developed in collaboration with WG1 and WG2, drawing on existing OECD work.</p> <p>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.</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).	
WG 3	Output 3: Report on barriers to investment, preliminary policy related observations in relation to the goals of the project.	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).	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 Presentation of preliminary results at the Ministerial meeting in November 2005 (conditional on resources).	
WG 3	Output 4: Capacity building seminars and workshops.	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.	Preparation of workshop materials, organisation and delivery of seminars and workshops. (letters of invitation for 2005 'outreach' events have been issued)	

<p>Working Group 4: Promoting policies for financial sector development and enterprise development in support of diversification</p>	<p><i>Output 1: Assessing Economic Diversification of MENA Countries</i></p>	<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>1) A one page outline of the synthesis report for the Steering Group meeting on 4 April.</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>WG 4</p>	<p><i>Output 2: Financial Sector Development of MENA Countries</i></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. A report to Ministers would contain a comprehensive assessment of the needs of the MENA country reform and policy recommendations. Possible topics include the legal and institutional infrastructure for capital markets, government bond markets, and equity trading systems including regional integration of exchanges development of institutional investors, collective investments and venture capital. Banking rehabilitation and privatisation are potential additional subjects. Depending on resources, training seminars or technical assistance missions are also possible.</p> <p>A task force will be established led by Saudi Arabia, Jordan and Egypt and composed of interested MENA/OECD countries as well as financial institutions including Arab Monetary Fund, Arab Financial Forum, European Investment Bank, World Federation of Exchanges, International Organisation of Security Commissions, Eurasian Federation of Stock Exchanges, International Monetary Fund, Islamic Development Bank, Union of Arab Banks and World Bank Group, to take stock of the current situation, identify the constraints and develop proposals for action to be submitted to the Ministerial meeting in autumn 2005.</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>	

<p>WG 4</p>	<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 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><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. 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). 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. 4) Presentation of the recommendations at the MENA Investment Ministerial meeting in November 2005.</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 November 2005.</p>	
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<p>WG5: Improving Corporate Governance</p>	<p><i>Output 1: A MENA Regional Corporate Governance Survey</i></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 creation 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 June – July meeting of WG5.</p>	
<p>WG 5</p>	<p><i>Output 2: MENA survey of Corporate Governance of Banks</i></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> <p>The IFC, IFSB and UAB will explore avenues for co-operation in these efforts.</p>	
<p>WG 5</p>	<p><i>Output 3: Development of National Corporate Governance Codes</i></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 will be published in April 2005. The toolkit can serve in the development, drafting, implementation, monitoring and review of MENA codes.</p>	

WG 5	<u>Output 4: Corporate Governance of non-listed companies</u>	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.	Organisation by the OECD of a global meeting on corporate governance of non-listed companies, including family-owned, to take place on April 19-20, 2005 in Istanbul. MENA participants will be invited to consider appropriate follow-up in the MENA region. In particular, MENA country work on corporate governance codes as they apply to non-listed companies will be shared at the Istanbul meeting.	
WG 5	<u>Output 5: Corporate Governance of State-owned Enterprises</u>	Consideration of specific corporate governance issues arising from the management of state-owned assets.	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.	
WG 5	<u>Output 6: Awareness-raising</u>	<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. 	