

MENA-OECD Investment Programme

Working Group 1 Meeting

Hosted by Dubai Development and Investment Authority (DDIA)

1 - 2 February 2005

Dubai, United Arab Emirates

“Open and Transparent Investment Policies”

Summary of Discussions and Results

The Working Group 1 meeting of the MENA-OECD Investment Programme on “Open and Transparent Investment Policies” was held on 1-2 February 2005 in Dubai, United Arab Emirates. Participants included the following countries, territories and organisations: Jordan, Egypt, Morocco, Palestinian Authority, Syria, Saudi Arabia, Bahrain, Algeria, Dubai, Djibouti, Lebanon, US, France, Japan and World Bank, Council for Arab Economic Unity, United Nations Development Programme and private sector representatives from the region. The importance of better private sector participation and contribution to the output areas was stressed, including through the G8 Investment Task Force.

Discussion focused on concrete outputs that WG1 would generate by the time of the MENA Investment Ministerial meeting in autumn 2005, including:

Output 1: Regulatory Framework for International Investment in MENA countries

1. Delegates noted the World Bank's "Doing Business in MENA" Survey, which identified the regulatory policy uncertainty as a top constraint for investors. Delegates welcomed the OECD Secretariat preliminary inventory (“Regulatory Environment for International Investment in MENA countries”) of available information which they thought could help measure the regulatory treatment of international investment in MENA countries against international benchmarks.
2. A number of suggestions were made to further streamline the matrix, update the analysis and expand parts related to transparency enhancing measures, particularly with regard to exemptions to national treatment.
3. MENA delegates were invited to review the findings following the annexed matrix of the draft report and provide updated information to the OECD by early March 2005 so that a revision could be distributed before the summer recess.

Delegates noted Bahrain's submission, which represents a good example of the requested information.

4. Delegates agreed that the draft report should also be submitted for review and suggestions to other partners, including in particular domestic and foreign business community. They further agreed to add to item 13 "Measure to enhance investment policy transparency" of the draft report another requirement regarding "dialogue, briefings and consultation with the business community during the drafting of laws and regulations ". The final version of the report will be presented to the MENA Investment Ministerial meeting in autumn 2005.
5. The OECD Secretariat and chairs of WG1 will work together with MENA countries to establish a checklist of possible priority policy measures as a reference basis for their "National Action Plan". A methodological note will be made available to the Steering Group meeting, which could serve as a common format.
6. Egypt and Bahrain have volunteered to take the lead for coordinating the Implementation of this Output.

Output 2: Working with Investment Treaties

1. MENA countries were invited to provide country submissions on the content of their existing International Investment Agreements to the OECD Secretariat. For this purpose, the Secretariat will send a letter asking possible information on their experience with a common format for responses by early March. Delegates noted Morocco's submission in this regard, which provides a good example of the requested information.
2. The OECD Secretariat will compile such information and produce an inventory of investment treaties of MENA countries and a stock-taking report with analytical comments including investors' views on the merit and effectiveness of these treaties. The final version of the report will be presented to the MENA investment Ministerial meeting in autumn 2005.
3. Morocco has volunteered to take the lead for coordinating the implementation of this Output.
4. The OECD Secretariat, co-chairs of WG1 and coordinator countries will consider a meeting of experts in order to share experiences and exchange views on emerging trends in international treaties as agreed among OECD and MENA countries, and the possibility of regional cooperation.

Output 3: Promoting Integrity in Business Transactions

1. Under the aegis of this WG a task force will develop concrete steps to promote integrity in business transactions and deter bribery with a view to contributing to a better investment climate.
2. The OECD Secretariat will revise its stock-taking report based on the results of the Panel Discussion held on 2 February 2005 and further inputs to be received from MENA partners. The final version of the report will be presented to the MENA Investment Ministerial meeting in autumn 2005.
3. The OECD Secretariat will help MENA countries to identify key priorities for action addressing corruption in cooperation with co-chairs of WG1 and coordinator countries from MENA and the OECD.
4. Jordan has volunteered to take the lead for coordinating the completion of this Output.

Output 4: Assessing Incentive-based Strategies to attract Investment

1. The members of WG1 will be informed of the outcomes of WG2 and WG3 through the Secretariat. This output will be prepared by a Task Force headed by Bahrain and Egypt.

Output 5: Improving Foreign Direct Investment Statistics

WG1 recommends that there is value in considering a Task Force of FDI statistics experts proposed by Lebanon.

Common to all Outputs

The results of this meeting will be reported to the Steering Group (SG) meeting tentatively scheduled for 4 April 2005. The SG will provide guidance on these actions and preparation for the MENA Investment Ministerial meeting in autumn 2005.