

**MENA-OECD**  
**Enterprise Financing Network**

Action Plan, 3<sup>rd</sup> May 2006

## Background

The MENA-OECD Investment Programme aims at mobilising private investment as the driving force for economic growth and employment throughout the Middle-East and North Africa Region. Under this Programme a Working Group composed of government officials, international organisations and the private sector is looking into ways of enhancing the use of financing instruments for fostering entrepreneurship in order to close the private sector investment gap in the region. One of its first conclusions was that new ways have to be explored to finance innovative entrepreneurial activities.

The **MENA-OECD Enterprise Financing Network** aims to improve the regulatory conditions for financing entrepreneurship using the MENA-OECD Investment Programme as a forum for exchange of good practice between MENA and OECD business and government representatives. It **aims to foster entrepreneurship finance** in the region by:

- Creating a platform to connect entrepreneurs, financiers, research bodies and government regulators;
- Providing ways for private sector participants to effectively participate in key investment policy reforms relevant to financing entrepreneurship

### **Key Objectives:**

- Strengthening the network between MENA and OECD private and public partners
- Defining key comparative advantages for the MENA region as a whole and on a sub-regional level - support cluster development highlighting the role of science and technology centers
- Identifying key regulatory challenges for Private Equity/Venture Capital firms and innovative entrepreneurs, integrating them into the MENA-OECD Investment Programme and using the media to transport these messages
- Liaising with MENA regulators to shape the regulatory framework for the financing industry and encouraging the developments of capital markets – using the Programme’s networks for that purpose
- Engaging investment promotion agencies in cluster development and enterprise financing activities
- Training Entrepreneurs in presenting their business plans and proposals for forming clusters and approaching their governments for support
- Bringing together financiers and entrepreneurs to facilitate identification of specific business opportunities
- Foster effective use of financing instruments by women entrepreneurs

**Action Items**

The Network could agree on the following action items to start implementation:

Activity	Description/Action Steps	Date
<p><b>Continue enlarging the Enterprise Financing Network</b></p>	<ul style="list-style-type: none"> <li>- Establish a database of contacts of Network participants and an electronic forum for exchanging information</li> <li>- Liaise with Network participants to establish additional contacts to broaden the network</li> <li>- Liaise especially with networks of the Arab diaspora in OECD countries</li> <li>- Compile a list of Business Angel Networks in OECD and MENA countries and integrate contacts into the website of the MENA-OECD Investment Programme</li> </ul>	<p>ongoing</p>
<p><b>Develop recommendations and action plans to address legal and regulatory issues</b></p>	<ul style="list-style-type: none"> <li>- Identify key regulatory problems experienced by foreign and domestic PE/VC investment in each MENA country</li> <li>- Work on disclosure and corporate governance practices with the MENA Corporate Governance Institute</li> <li>- Develop recommendations for improvements and simplifications of commercial, company and collateral laws</li> <li>- Foster property protection including intellectual property</li> <li>- Address related court procedures and mechanisms of alternative dispute settlement</li> </ul>	<p>ongoing</p>
<p><b>Compile a report on MENA experience with clustering for innovation</b></p>	<ul style="list-style-type: none"> <li>- Draft report and disseminate to the Network contacts for feedback</li> <li>- Obtain and incorporate the feedback of relevant MENA regulators</li> <li>- Organise a policy workshop for interested public sector participants to discuss the study findings</li> </ul>	<p>Draft report September 2006</p>
<p><b>Develop a set of policy recommendations and integrate them into the MENA-OECD Investment Programme</b></p>	<ul style="list-style-type: none"> <li>- Strengthen capacity for the financial sector development items in the country-specific investment reform agendas developed under the Programme</li> <li>- Develop further recommendations on key issues of financial regulation and the development of equity finance and venture capital operations</li> <li>- Finalise the text of the MENA Investment Policy Brief on Venture Capital, including</li> </ul>	<p>Ongoing  Ministerial meeting first half 2007</p>

**MENA-OECD Investment Programme**

	<p>Network participants' comments at the launching meeting</p> <ul style="list-style-type: none"> <li>- Address the risk mitigation side of financing instruments involving guarantee schemes</li> <li>- encourage further work on the promotion of innovative research and educational programs on enterprise finance</li> <li>- Present recommendations at the next Ministerial meeting of the MENA-OECD Investment Programme</li> </ul>	
<p><b>Contribute to the Entrepreneurship Finance Award for the 2007 Ministerial Meeting of the Programme</b></p>	<p>Network to provide input in preparation of the Ministerial Meeting, and in particular on formulating the Framework for the 2007 Entrepreneurial Finance Award. This award is envisioned to take the form of a joint prize awarded to a team comprising a finance company, an entrepreneur financed by the latter, and a research institution which participated in the innovation process.</p>	<p>4<sup>th</sup> quarter of 2006-1<sup>st</sup> quarter of 2007</p>
<p><b>Organise an Enterprise Financing/Technology development conference in partnership with UNIDO and the World Summit on Innovation</b></p>	<p>The Enterprise Financing Network conference is envisioned to be an event, bringing together entrepreneurs, finance companies and regulators to be organised in co-operation with key partners.</p>	<p>4<sup>th</sup> quarter of 2006</p>
<p><b>Disseminate the results of the networks activities</b></p>	<ul style="list-style-type: none"> <li>- Elaborate MENA Investment Policy briefs on specific issues of entrepreneurial finance</li> <li>- periodical newsletter to be prepared by an editorial board</li> <li>- working with regional media networks to disseminate information on business and finance developments</li> </ul>	<p>ongoing</p>