ACTIVE WITH

MENA

THE MIDDLE EAST AND NORTH AFRICA
The Middle East and North Africa (MENA) is a diverse region whose development potential has yet to be fully unleashed. Despite current geopolitical challenges, countries in the region benefit from a privileged geographic location situated at the crossroads of Europe, Africa and Asia; a young and increasingly educated population; and great potential in sectors such as renewable energies, manufacturing, tourism, and business development services.

Over the past decades, MENA countries have implemented reforms to increase economic openness, diversification and private sector development. Those reforms initially led to increased investment, trade and economic growth; but they were also incomplete and did not fully tackle broader structural economic and social issues. There is a need for more comprehensive reforms aimed at adopting inclusive and sustainable development models that offer better opportunities for all, notably for the young generation and for women. The transformation process remains unfinished and there is a continued demand from society for effective change. Developments such as the decrease in hydrocarbon prices accentuate the necessity of structural reforms in some countries, while it offers a window of opportunity to others. More importantly, conflict and the refugee crisis stress the need to regain stability, initiate reconstruction and provide opportunities for immigrant and host populations alike.

The OECD is actively engaged in supporting MENA countries in the design and implementation of ambitious reform agendas. The strong cultural and economic ties shared by MENA and OECD countries are the foundations of a decade-long partnership with the region. Building on internationally recognised tools, standards and work methods, this partnership has pioneered policy dialogue, peer learning and capacity building at the regional and country levels. It has focused on investment, public and corporate governance, decentralisation, transparency, integrity, SMEs and entrepreneurship, among other issues.

The MENA-OECD partnership has also fostered greater participation of non-governmental voices such as civil society and private sector representatives. It has also benefitted from increased co-ordination among international organisations, development banks and other multilateral institutions.

At the centre of the partnership is the MENA-OECD Initiative on Governance and Competitiveness for Development, launched in 2005 as a platform for joint work at the regional and country levels. With an extended mandate for 2016-2020, the fruitful and intense MENA-OECD co-operation will continue evolving to adapt to the development priorities of the region. Over the next five years our partnership will prioritise strategic areas including regional integration as a natural step for a better participation in the world economy and global value chains; nurturing sustainable and inclusive economic growth; strengthening governance; strengthening stability, peace and security; and importantly, fostering the participation of youth and women in the economy and public life. The partnership will further align our work with global efforts such as those reflected in the 2030 Agenda for Sustainable Development and the Sustainable Development Goals.

The OECD is proud of its ten years of co-operation with the region, and this brochure testifies to the scope and depth of our work together. In this challenging time, the OECD is committed to working even more closely with MENA economies to bring better policies for better lives and inclusive growth across the region.

ANGEL GURRÍA, OECD Secretary-General
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THE OECD AND THE MIDDLE EAST AND NORTH AFRICA

2 • ACTIVE WITH MENA
For millennia the MENA region has contributed to the historical, scientific and cultural progress of humanity. It is home to a youthful and dynamic population, holds a significant share of the world’s energy resources, and has the potential to boost trade and investment links around the world. The region also faces well-known challenges such as low economic diversification, an imperative need to improve education systems and infrastructure, complex political and governance scenarios and persistently high barriers to the economic and social wellbeing of important sections of society. The fragile and unstable situation in several MENA countries and the geopolitical tensions in the region have added to the complexity and urgency to addressing those challenges in a sustainable manner.

The OECD is actively engaged with MENA partners in addressing those challenges through well-proven work methods of regional dialogue, peer-learning and support for reforms.
The MENA-OECD Initiative on Governance and Competitiveness for Development

The Initiative facilitates co-operation between the OECD and the MENA region to promote policies for sustainable and inclusive growth. It addresses regional needs and development priorities, including the integration of women and youth through jobs and greater participation in policymaking. It also takes into account the region’s diversity by providing targeted support to individual countries. The Initiative builds on the OECD’s work method of policy dialogue, exchange of good practices and capacity building for the implementation of reforms.

Created at the request of MENA countries, the Initiative brings together MENA and OECD governments, the international community, civil society and the private sector. The Initiative is composed of two pillars, the MENA-OECD Governance Programme and the MENA-OECD Competitiveness Programme, and is governed by a steering group providing strategic guidance.

The Initiative adopts a horizontal approach to high-level dialogue and consensus building with working level technical assistance, analysis and capacity building through specialised policy networks. It deepens its impact through co-operation with regional and international partners and aligns its efforts with other international platforms.

The mandate to 2020 of the Initiative focuses on:

- Supporting **regional economic integration** to reduce economic fragmentation and facilitate countries’ integration into global value chains (GVCs).

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**MENA-OECD INITIATIVE**

- **Steering group**
  - (chairs: Tunisia, Spain and Sweden)

**Governance Programme**
- Public sector reforms for quality services, inclusive policy making and transparency

**Competitiveness Programme**
- More and better investment and private sector development for inclusive and sustainable growth

**Co-operation with regional/international partners**
- AfDB, The League of Arab States; European Commission; WB, IMF; AMF; UNDP; etc.

**Regional and national support through**
- A) Policy assessment
- B) Policy dialogue
- C) Policy advice and capacity building

**Co-operation with international initiatives**
- Deauville Partnership; SIGMA; Open Government Partnership; DAC-Arab providers of development co-operation; etc.
● Fostering **shared and inclusive economic growth** through policies to support decentralisation, greater investment in infrastructure, economic diversification, productivity and greater inclusion of women and youth.

● Strengthening the Initiative’s **linkages with the wider development agenda** through global initiatives such as the Sustainable Development Goals (SDGs) and deepened partnerships with regional and international organisations.

● Advancing the **development of countries in a fragile or conflict situation** through the sharing of knowledge, good practices, and support in reform implementation.

The Initiative covers Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestinian Authority, Qatar, Saudi Arabia, Tunisia, United Arab Emirates and Yemen.

www.oecd.org/mena
“At a time when MENA countries are facing political and economic challenges, the MENA-OECD Governance Programme is delivering on the needs and demands of governments and citizens in the region. Building on more than ten years of experience and aligned with the Sustainable Development Goals, our new mandate for 2016-2020 will leverage the power of the MENA-OECD Governance networks to provide implementation assistance in crucial areas such as youth, gender equality, open government, rule of law and service delivery. Spain has been a supporter of the MENA-OECD Governance Programme since the beginning and invites all OECD Member States to join the strategic partnership in fostering good governance in the MENA region.”

José Ignacio Wert, Ambassador of Spain to the OECD, co-chair of the MENA-OECD Governance Programme

“Tunisia looks forward to taking over the presidency of the MENA-OECD Initiative on Governance and Competitiveness for development. Tunisia is proudly assuming this mission, aware of the responsibilities it represents. As chair of the governance pillar, we are dedicated to creating new synergies between the countries of the region and favouring the sharing of good practices on key public governance issues to improve regional integration and inclusive growth. The chairmanship of this Initiative comes at a timely moment where Tunisia has committed to engage in a range of structural reforms and deploys efforts to respond to citizens’ aspirations for more transparency and responsibility, better integration opportunities and a fairer sharing of the fruits of growth.”

Abid Briki, Minister of Public Service and Governance Tunisia

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Abid Briki, Minister of Public Service and Governance Tunisia

“The OECD is very engaged in promoting the development and stability of the MENA region. Sweden supports the MENA-OECD Competitiveness Programme and has co-chaired it since 2011. It is with pride and honour that I can say that this Programme, which builds on policy dialogue, expert advice and analysis within dedicated regional networks, is a front-runner in addressing key policy areas. Those areas include investment and trade, gender equality and the rights of women in society, productive employment and business integrity. It is also dedicated to strengthening of civil society organisations in support of resilient, inclusive and sustainable development.”

Annika Markovic, Ambassador of Sweden to the OECD, co-chair of the MENA-OECD Competitiveness Programme
The MENA-OECD GOVERNANCE PROGRAMME supports public sector reforms in view of unlocking social and economic development and of meeting citizens’ growing expectations in terms of quality services, inclusive policy making and transparency.

The Governance Programme is a strategic partnership to share knowledge and expertise with a view to disseminating standards and principles of good governance and promoting trust and inclusive growth. Its regional and country-specific activities focus on open and inclusive government, efficient machinery of government, gender equality, local government and rule of law. Those activities tackle youth inclusion as a cross-cutting theme. The Governance Programme engages policy makers, civil society, independent institutions and parliaments. It also contributes to multilateral initiatives such as the Governance Pillar of the Deauville Partnership for Arab Countries in Transition and the Open Government Partnership.

www.oecd.org/mena/governance
www.tcmenaoecd.org/en

To support the dissemination of good practices and build capacities in the public sector, the OECD and the Italian National School of Administration (SNA) established the MENA-OECD Governance Programme Training Centre of Caserta in 2012. The mission of the Centre is to provide training courses to support the public administrations of the Arab countries and to promote the efficiency and effectiveness of the public sector and the principles of good governance. The MENA-OECD Governance Centre is officially part of the Action Plan on Open Governance and Anticorruption of the Deauville Partnership for Arab Countries in Transition (Governance Pillar). The Centre co-operates closely with other regional training institutes, such as the Arab Administrative Development Organisation (ARADO) of the State of Arab League and GIFT-MENA. The Centre is also part of the OECD Global Network of Schools of Government.
The MENA-OECD COMPETITIVENESS PROGRAMME contributes to improved business environments for more and better investment and the development of the private sector as an engine of sustainable and inclusive economic growth.

The Competitiveness Programme is based on an open and participative platform engaging governments, private sector representatives, donor agencies, international organisations and experts. Its activities promote greater international investment and trade while considering interconnections with and effects upon local economies, for instance through global value chains. The Competitiveness Programme’s activities also mainstream gender and youth elements in policymaking processes. Its work contributes to the efforts of the Deauville Partnership for Arab Countries in Transition, Euro-Mediterranean industrial co-operation and other initiatives.

www.oecd.org/mena/competitiveness
Support for Improvement in Governance and Management (SIGMA)

SIGMA is a joint initiative of the OECD and the European Union to provide support for strengthening public administrations and implementing governance reforms in EU Enlargement and Neighbourhood countries, including Algeria, Egypt, Jordan, Lebanon, Morocco and Tunisia.

Good governance and a well-functioning public administration are essential in building and sustaining trust in government and in creating the necessary structural reforms for increased living standards in society. SIGMA works towards building the capacities of the public sector, enhancing horizontal governance and improving the design and implementation of public administration reforms, including proper prioritisation, sequencing and budgeting. SIGMA co-ordinates closely with the MENA-OECD Governance Programme.

www.sigmaweb.org
The Deauville Partnership is a multilateral platform providing political and financial support to the six Arab countries in transition (ACTs): Egypt, Jordan, Libya, Morocco, Tunisia and Yemen.

The Deauville Partnership was launched in 2011 as an international effort sponsored by the then G8 to support MENA countries in their democratic and economic transitions following the Arab Spring. Over these years, the Partnership has provided a forum for co-operation in several policy areas, including good governance, civil society engagement, job creation, SME development, financial inclusion and women empowerment. It involves the G7 countries together with Russia, Arab Countries in Transition (Egypt, Jordan, Libya, Morocco, Tunisia and Yemen), Partner Countries (Kuwait, Qatar, Saudi Arabia, Turkey and the United Arab Emirates) and international organisations, including the OECD and the international financial institutions active in the region. The MENA Transition Fund was set up in 2012 under the Partnership to provide grants for technical co-operation to support the implementation of home-grown and country-owned reforms in ACTs.
The OECD has played a significant role in the Deauville Partnership from its early stages. On the one hand, the OECD has supported successive G7 presidencies in the formulation of policy priorities for the Partnership building on the expertise and networks of the MENA-OECD Initiative on Governance and Competitiveness and on the SIGMA Initiative. Most recently, the OECD worked with the 2015 German Presidency to prepare the Compact for Economic Governance, a strategic document laying down a policy framework for reform efforts in priority areas, namely macroeconomic stability and structural reforms, public sector efficiency, private sector development, and inclusive policy-making. The OECD is currently working with Tunisia and Egypt as pilot countries for the development of country-tailored implementation plans under the Compact.

The OECD is one of the main sources of hands-on policy advice and technical co-operation under the MENA Transition Fund, with the implementation of 20 projects supporting reforms in areas such as tax and domestic resource mobilisation, good governance and rule of law, women and youth economic and political participation, investment, SME development, and job creation. Several of these projects are implemented jointly with IFIs including the World Bank and the IFC, the Islamic Development Bank, the Arab Fund for Economic and Social Development, and the African Development Bank.

“The G7 Deauville Partnership is a unique platform for dialogue between Arab Countries in Transition, G7 members, regional partners and relevant international organisations. Despite the significant challenges confronting the region, the Partnership has accompanied MENA countries in their reform efforts to build stable, prosperous and inclusive economies. Since 2011, the Partnership has mobilised, including through the Transition Fund, political and financial support for reforms aimed at enhancing macroeconomic stability and promoting good governance, job creation, economic diversification and social cohesion. The OECD is a key partner of this in this important endeavour. The Organisation, under the coordination of the Sherpa and Global Governance Unit, has contributed to stimulate policy dialogue through initiatives such as the Compact for Economic Governance. Moreover, building on the experience and best practices at the OECD as well as its instruments and standards, our projects under the MENA Transition Fund are making a decisive contribution to promoting good and open governance, fairer and more transparent tax systems, a more conducive environment for investment and SME development, and greater participation of women in policy-making, just to mention a few examples. These initiatives attest to the OECD’s commitment to working with our Deauville partners to deliver better policies for better lives across the region.”

Gabriela Ramos, OECD Chief of Staff and Sherpa to the G20

www.menatransitionfund.org
The Morocco Country Programme

The Country Programme supports the Moroccan government in the design and implementation of essential reforms, helps bring the country closer to OECD policy standards and paves the way for greater participation in OECD bodies.

In June 2015, the OECD and the Government of the Kingdom of Morocco signed a Memorandum of Understanding on a two-year Country Programme. It consists of 16 projects, adherence to nine OECD legal instruments and reinforced participation in nine OECD bodies. It is built around three main policy areas: economic growth and competitiveness, social inclusion and public governance. This set of activities will give Morocco access to OECD expertise and recommendations to develop and bolster its reform agenda over the next two years in order to support strong, inclusive and sustainable growth.

“Over the past ten years, the Kingdom of Morocco and the OECD have enjoyed a productive relationship that has helped to deepen our strategic partnership and make it a platform for exchange of best practices and standards and a vector improvement of public policies.

The active role played by Morocco during its co-presidency of the MENA-OECD Initiative, its adherence to many instruments, as well as its participation in various OECD bodies show the quality of this co-operation, which has made a qualitative leap with the signing of the agreement of Country Programme in 2015.

The range of activities agreed in the framework of this programme will enable us to have information and key recommendations to strengthen our public governance at the national and local levels and consolidate our economic and social reform plan to achieve stronger, inclusive and sustainable growth.

I welcome the strengthening of our co-operation and I hope that improving the status of our country in different OECD committees will enrich their work and will allow us to take better advantage of it.”

Abdelilah Benkirane, Head of the Government of Morocco

The OECD Strategy on Development, adopted in the 2012 Ministerial Council Meeting, gives impetus to OECD’s founding mission of contributing to the development of all countries by sharing knowledge and policy experiences.

The OECD and UNDP jointly support the Global Partnership for Effective Development Co-operation (GPEDC), a multi-stakeholder partnership that brings together governments, business, civil society and other organisations committed to enhancing the impact of development co-operation. The GPEDC provides a unique global evidence base on the quality of development co-operation and is geared towards learning and sharing lessons, informed in particular by the results of the GPEDC Monitoring Framework.

MENA countries actively participate in the GPEDC. The Arab Coordination Group and Egypt sit on the Steering Committee of the Partnership since 2014. Several MENA countries (Algeria, Djibouti, Egypt, Kuwait, Morocco, Saudi Arabia, and Mauritania, among others) have endorsed Global Partnership principles since their inception in Busan (Korea) in 2011, and actively participated in the First High Level Meeting of the Global Partnership which took place in Mexico City in April 2014.

Countries of the region also engage in the GPEDC monitoring exercise: Egypt and the Palestinian Authority provided country-level data feeding into the first Global Partnership Progress Report (2014), and Egypt and Yemen have committed to provide data to the second Global Partnership Progress Report (2016, forthcoming). The Global Partnership Progress Reports track progress in improving the effectiveness of development co-operation in specific areas, such as country ownership and results, development of inclusive development partnerships, and transparency and accountability for development results.

“The 2030 Agenda for Sustainable Development provides an ambitious and holistic vision for global development. It applies to every nation in the world, requiring all stakeholders and policymakers to work for a better and sustainable world. In the DAC, we have worked together with people from different countries and organisations to better understand and learn what works and what does not. In recent years, we have also built up a regular and deepening dialogue with Arab donors, as Arab countries and institutions are the most significant sources of development finance outside of the DAC.”

Erik Solheim, Director, United Nations Environment Programme, and former Chair of the Development Assistance Committee

www.effectivecooperation.org
www.effectivecooperation.org/wordpress/hlm2014
Engagement with Arab providers of development co-operation

Arab countries and institutions have been providing substantial amounts of Official Development Assistance (ODA) and have considerable experiences to share on reducing poverty in developing countries.

The Development Assistance Committee (DAC) has been engaging with Arab providers of development co-operation, notably the Arab Co-ordination Group (ACG) institutions, to discuss development issues, identify ways to better co-ordinate activities, learn from each other’s experiences and become more effective in supporting developing countries’ efforts to deliver development results. The United Arab Emirates became the first DAC Participant in 2014, and other Arab countries are stepping up their engagement with the DAC. In fact, the UAE posted the highest ODA to Gross National Income ratio, at 1.26% (or USD 5.1 billion), in 2014.

Discussions between the DAC and Arab providers have been organised regularly since 2009. Those discussions provide an opportunity to debate a variety of topics, including energy, aid for trade, and the private sector. One of the key deliverables of these meetings has been the creation of a joint ACG-DAC Task Force on Energy, which explores collaborative ways to scale up activities that improve energy access in some countries in Sub-Saharan Africa.

The DAC also works with Arab providers on statistics and development finance. Three countries (Kuwait, the United Arab Emirates and Saudi Arabia) and four multilateral organisations (Arab Bank for Economic Development in Africa, Arab Fund for Social and Economic Development, Islamic Development Bank and the OPEC Fund for International Development) report on their development co-operation flows to the OECD. Other MENA countries receive ODA from both Arab providers and DAC members.

www.oecd.org/dac/dac-global-relations/engaging-arab-countries-and-institutions.htm

The OECD’s Global Relations Strategy seeks to make the Organisation a more effective and inclusive global policy network. We are committed to strengthening our work with the Middle East and North Africa and ready to support the region’s efforts in enhancing investment climate, modernising governance structures and operations, strengthening regional and international partnerships, and promoting inclusive economic growth. We are also committed to continue bringing the reform agendas of MENA economies closer to the global debate, including through the role of the OECD and its member countries in global governance structures such as the G20 and the G7. At the same time, the OECD looks forward to continuing to benefit from the region’s perspectives and experiences, which have proved important for enriching our policy debates.

Marcos Bonturi, OECD Special Representative to the United Nations.

“The MENA region and the OECD are engaged in a mutually beneficial partnership through the MENA-OECD Initiative. For the MENA region, the Initiative provides a channel to benefit from policy dialogue and peer exchange on key policy areas. For the OECD, the Initiative is a vehicle to benefit from new policy perspectives and engage with partners from this strategic region. With an extended mandate for 2016-2020, the Initiative will focus on fostering regional economic integration as a means to promote competitiveness and inclusive and sustainable economic growth.”

Paulo Vizeu Pinheiro, Ambassador of Portugal to the OECD, Chair of the External Relations Committee

“The strong cultural, social and economic ties between the Middle East and North Africa and the OECD make co-operation with the MENA region one of the Organisation’s strategic priorities. The OECD is engaged in supporting its MENA partners in addressing policy priorities, including the design and implementation of comprehensive reforms for inclusive growth and employment in the region. The MENA-OECD Initiative has notably deepened its engagement with the G7 Deauville Partnership for Arab Countries in Transition through regional projects and the strategic design of joint policy frameworks such as the Compact on Economic Governance. The OECD stands also ready to support the MENA region towards the achievement of the Sustainable Development Goals.”

Andreas Schaal, OECD Director of Global Relations
The current geopolitical, security and migration challenges facing the MENA region call for immediate responses. However, achieving enduring and inclusive growth will also require the implementation of structural reforms to ensure that economic growth creates opportunities for all and equitably distributes the dividends of increased prosperity. The OECD supports its MENA partners in the design and implementation of reforms for jobs, economic diversification and more resilient, inclusive and sustainable economies.

The OECD examines macroeconomic developments and structural policies of member and partner countries. The Economic Surveys, published biannually, analyse the overall economic situation in a country and put forward priority reforms. The Surveys also analyse in depth specific thematic issues, which are defined in collaboration with national authorities. The studies are conducted in close co-operation with national authorities and are based on intensive consultations with stakeholders, including with senior leaders of the country, hence increasing the impact of the messages at the highest political levels. The OECD is ready to work with MENA countries interested in undertaking Economic Surveys.

The OECD also produces economic forecasts during spring and fall, with a score by country summarising recent developments, the outlook for the next two years, as well as reform priorities. These forecasts and analyses are published in OECD Economic Outlook. An assessment of structural reforms and priorities for the future is summarised in the report Going for Growth. These studies are also based on continuous country monitoring by a team of economists and benefit from the contributions of other OECD experts.

The OECD also provides multidisciplinary and whole-of-government support for structural reforms. This support is especially relevant for countries undergoing extensive transitions and structural reforms and can greatly benefit MENA economies. The Multidimensional Country Reviews (MDCRs) identify obstacles to drivers of growth that also impede deeper determinants of economic development and the well-being of citizens. In the MENA region, Morocco has finalised the first phase of a MDCR, which consists in the identification of key reforms.

The 2015 report Tunisia: A Reform Agenda to Support Competitiveness and Inclusive Growth, undertaken at the request of Tunisian authorities, draws on the OECD’s expertise in comparing country experiences and identifying best
practices. Its results are helping the Tunisian Government to identify and implement the reforms needed to move forward with its economic transition and foster a more balanced, inclusive and sustainable growth. The report is part of the Better Policies Series, which tailors the OECD’s policy advice to the specific and timely priorities of a country or region, focusing on how governments can make reforms happen. A Better Policies brochure for the MENA region is to be presented during the MENA-OECD Ministerial meeting to be held in Tunis in October 2016.

The African Economic Outlook (AEO) is an annual publication jointly prepared and published by the African Development Bank (AfDB), the OECD Development Centre and the United Nations Development Programme (UNDP). The report surveys and analyses the economic performance of African economies. It provides information on the current state of economic and social development in Africa and projects the outlook for the coming two years. Its comprehensive and comparable data and analysis of 54 African economies includes Algeria, Djibouti, Egypt, Libya, Mauritania, Morocco and Tunisia. Every year the Outlook is launched at the African Development Bank’s annual meeting.

www.oecd.org/dev/mdcr.htm
www.oecd.org/about/publishing/betterpoliciesseries.htm
www.africaneconomicoutlook.org
Conflict and socio-political frictions can lead to enormous human, social and economic costs and create negative regional and international effects that disturb stability and economic activity. The OECD supports affected countries and the international community in dealing with pressing challenges and preparing the ground for economic recovery.

The instability and conflicts in Iraq, Libya, Syria and Yemen have caused incalculable human suffering, great damage to societies and a vast loss of economic activity. This has also led to great strain on neighbouring countries which are facing increasing pressure for the provision of services, infrastructure and jobs, not only for the refugees, but also for their local populations. This complex scenario calls for a concerted international response on several fronts including regaining peace and stability, providing humanitarian assistance, managing the influx of refugees and supporting the integration of newcomers into societies.

The OECD’s collaboration with the MENA region helps to address fragility and conflict and build resilience through strong institutions and sound economic policies. The OECD works with fragile and conflict-affected countries and economies at the regional and national levels. Activities for policy reform and capacity-building take into account the specific circumstances of fragility in those countries.

The conference Investment and inclusive growth in the midst of crisis: lessons learned and ways forward, organised in Beirut in May 2016, brought together representatives from the public and private sector from Lebanon, Egypt, Iraq, Jordan, Libya and Tunisia, as well as representatives from OECD countries and international organisations and the donor community. A strong consensus emerged that the private sector is key to strengthening the region’s resilience and that targeted government policies are needed to support its development. The conclusions from the conference will be integrated into the new mandate of the MENA-OECD Initiative which will be endorsed at the MENA-OECD Ministerial in Tunisia in October 2016. A new Task Force on Economic Resilience in Fragile Situations will be created to support countries affected by the crisis in addressing pressing issues expediently.

Through the project on Improving the business and investment climate in Iraq, the OECD is supporting the government of the country to foster private sector-led economic growth through capacity-building and policy dialogue activities to improve policies and institutions dealing with investment and the business environment. The report Promoting Investment in a Fragile Context, produced as part of the project, offers recommendations to strengthen the investment policy framework and developing investment promotion in a fragile situation.

The OECD collaborates with Libya Enterprise, the SME agency affiliated with the Ministry of Economy, in the elaboration of a comprehensive report on The Development Dimension: SMEs in Libya’s Reconstruction: Preparing for a Post-conflict Economy. The implementation of the actions identified will support the reconstruction efforts when stability is regained.

The OECD is also implementing a project to build judicial capacity to improve integrity, the efficiency and effectiveness of the court system and access to justice. The project is done in cooperation with Arab Fund for Economic and Social Development (AFESD) and the Ministry of Justice of Yemen.

The OECD supports its Member States and their partners to strengthen and integrate resilience through their strategies and programmes in the MENA region. This work aims to help improve people’s well-being in the face of recurrent shocks and stresses, and to develop longer term solutions to the drivers of fragility in the region. The OECD has been supporting the development of Sweden’s Regional Strategy for the Syrian
Building resilience in post-conflict situations

**Crisis.** This has involved the use of the OECD’s **Resilience Systems Analysis Framework** to support the development of Sweden’s ‘Whole of Syria’ development strategy. This strategy complements Sweden’s significant humanitarian investments and addresses longer-term issues, including social cohesion, to build resilience to on-going shocks and stresses. The OECD has also worked with the United Nations Country team in Lebanon to help humanitarian, stabilisation and development efforts to determine how to most effectively support vulnerable communities and institutions in the country, focusing on the resources and capacities that are needed to face the risks related to the crisis in Syria.

Finally, the Government of Jordan and the OECD are exploring new avenues of co-operation to support the **Economic Compact to Deal with the Syrian Refugee Crisis**, a new holistic approach between the Hashemite Kingdom of Jordan and the international community which would offer a whole-of-government approach on refugees and migration. Two of the key objectives of the Compact are increasing investment and supporting businesses to provide economic opportunities to refugees and host communities. The OECD is already assisting the government on both policy dimensions by helping Jordan implement legal and institutional reforms for investment; improve investment policy, promotion and services; and supporting the implementation of Jordan’s SME Strategy for 2016-2020 based on international good practices.

“**The National Investment Commission and other entities in the Government of Iraq and the OECD have been co-operating closely since 2007. We are grateful for all the support provided to us by the OECD over the years, in particular most recently on improving the business and investment climate. OECD advice on investment promotion and investment law, amongst others, has helped Iraq to attract more investment, to diversify our economy and to rebuild our country.”**

*Sami Al-Araji, Chairman, National Investment Commission of Iraq*

[www.oecd.org/mena/competitiveness/iraq.htm](http://www.oecd.org/mena/competitiveness/iraq.htm)
[www.oecd.org/mena/governance/yemen-mena-transition-fund-project.htm](http://www.oecd.org/mena/governance/yemen-mena-transition-fund-project.htm)
Enhancing youth skills, employability and inclusion

The MENA region registers one of the highest rates of youth unemployment in the world. In some countries nearly one out of two young people, especially young graduates are out of jobs. Equipping youth with relevant skills and removing barriers to their employment is a priority for most countries in the region.

The MENA region is characterised by a young and dynamic population representing around 30% of the total population. Yet, high unemployment and underemployment levels among young people and underrepresentation in decision-making processes are challenges present across the region. Increasing the levels of economic and social integration of youth, especially young women, would represent an important boost for the development of the entire region.

The OECD Action Plan for Youth provides a framework to adopt strategic perspectives to develop education systems and labour market arrangements that work better for young people. The report Investing in Youth: Tunisia (the second report extending the Action Plan for Youth to emerging economies, following Brazil), provides a detailed diagnosis of the youth labour market in Tunisia, including a focus on vocational education and training and entrepreneurship, within the context of Tunisia’s transition to a green economy. It takes an international comparative perspective, offering policy options to help improve school-to-work transitions. The report also provides an opportunity for other countries to learn from the innovative measures that Tunisia has taken to strengthen the skills of youth and their employment outcomes. An Investing in Youth review is being carried out for Morocco over the course of 2016 and 2017.
Effective public governance frameworks are key to support youth in their transition to adulthood and their full participation in political, social, and economic life. With a view to the legislative, institutional and policy framework and practices in place, the regional report *Youth in the MENA Region: How to bring them in* outlines pathways for governments to foster a more strategic approach to pro-youth outcomes. It suggests applying a ‘youth lens’ to open government tools and traditional sources of evidence to promote the participation of young men and women in decision-making. With a view to good practices in MENA and OECD countries, it provides policy recommendations to integrate a youth perspective in areas such as public sector integrity, public budgeting, regulatory policy, and local governance.

Under the **Youth Inclusion Project**, the OECD is analysing policies for youth in ten developing and emerging economies, including in the MENA region. The project takes a multi-sectoral approach to support countries in better responding to the aspirations of young people and strengthening youth involvement in national development processes. The project will shed light on what determines youth vulnerabilities and successful transitions. It will also strengthen national capacities to design evidence-based policies that promote youth inclusion and youth well-being.

“Almost a third of Egyptians are aged between 20 and 35 years, and every year, more than 500,000 fresh graduates join the workforce. I believe adamantly that these facts should not be addressed as challenges but regarded as potential assets. The actual challenge is to devise and implement policies that create jobs by making Egypt’s economy more competitive and leveling the playing field to promote the rising entrepreneurship spirit. In doing so, we should provide the conditions for youth talents to thrive and harness the power of innovation, while striving to promote gender parity. I am glad to work closely with the MENA-OECD Programme to support Egypt in this endeavour.”

Yasser Elnaggar, First Assistant Minister of Planning, Administrative Reform and Monitoring, Arab Republic of Egypt

www.oecd.org/youth.htm
Tackling gender inequality

Greater participation of women in the economy and in public life leads to stronger and more inclusive economic growth. One of the most important economic and social priorities for MENA countries is promoting gender equality and developing more equitable laws, policies, and institutions that are representative of the whole of society. The OECD assists the MENA region in this endeavour through a number of regional and national activities.

Building inclusive societies and investing in women increases productivity, improves women’s economic empowerment and reduces poverty and inequality. Addressing barriers to the participation of women in the economy and in public life of the MENA region is one of the most important priorities to unleash the development potential of Arab countries. The MENA-OECD Governance Programme supports women’s participation in policymaking as a means to strengthen responsive and equitable governance. This issue is of special importance for the Arab world since the regional average for women in legislative bodies in MENA countries is 17.9% - second lowest in the world. The OECD’s MENA Transition Fund regional project Promoting Women in Parliaments and Policymaking aims to maximise women’s integration into public life and the policy-making process in Egypt, Jordan and Morocco by leveraging open government policies and mainstreaming gender perspectives into parliamentary and local council operations. This project is complementary to the 2014 OECD-CAWTAR Report on Women in Public Life: Gender, Law and Policy in the Middle East and North Africa. The report provides evidence-based support on the state of gender equality across the MENA region and recommendations to governments on how to tailor policies in a way that improve gender balance and enable inclusive growth.

The Women in Government Platform was established in 2009 to ensure that gender considerations are integrated in all activities and working groups of the MENA-OECD Governance Programme. Furthermore, the OECD Council Recommendation on Gender Equality in Public Life governs future projects undertaken in the MENA region and set benchmarks for governments. The Recommendation requires adherents to enable equal access to leadership opportunities – including in parliaments, the executive, and judiciary and in public administrations, as well as to strengthen institutional capacities for mainstreaming gender equality across all policy areas.

Enabling people to create their own employment as well as jobs for others is fundamental to the emergence of a more entrepreneurial economy in which new firms respond to new needs. The OECD-MENA Women’s Business Forum, an inter-regional network of over 700 representatives from the businesswomen’s community and governments from the MENA region serves as a platform for research and policy dialogue.

Image courtesy of the World Bank
Its Women in Business 2014: Accelerating Entrepreneurship in the MENA region publication assessed women entrepreneurs’ access to financing and business development services. The forthcoming publication Women’s Economic Empowerment: The Impact of the Legal Frameworks of Algeria, Egypt, Jordan, Libya, Morocco and Tunisia determines whether and to what extent the legal frameworks regulating the status of men and women impact their economic participation. It highlights the complex interplay between different sets of rules, social norms and economic outcomes and offers concrete policy recommendations, building on OECD’s wider work on gender equality. The publication is intended to inspire policymakers to overcome legal barriers that impede a stronger involvement of women in the economy. The MENA-OECD Competitiveness Programme partners with regional and international stakeholders, such as the League of Arab States, the Union for the Mediterranean and UN Women to support synergies and complementarities in the respective actions.

The OECD Development Centre’s Social Institutions and Gender Index (SIGI) measures discrimination against women in over 160 countries spanning all regions of the world, including MENA. The SIGI captures discriminatory social institutions across five areas: Discriminatory Family Code, Restricted Physical Integrity, Son Bias, Restricted Resources and Entitlements, and Restricted Civil Liberties. While conventional indicators of gender inequality focus on outcomes such as employment and education, SIGI is unique in focusing on underlying drivers of inequality such as discrimination in the family, violence against women and women’s restricted access to land. Updated every two years, the SIGI is the only database to provide robust trend data on discriminatory social institutions.

www.oecd.org/mena/competitiveness/wbf.htm
www.oecd.org/dac/gender-development
www.oecd.org/mena/investment/womenempowerment.htm
Fostering skills through education and training

Governments seeking to design effective policies need evidence that is comprehensive, tailored to a country’s needs and internationally comparable. Growing participation in the OECD’s international education surveys is helping more and more countries in the MENA region address these needs and improve the impact of their education policies.

The Programme for International Student Assessment (PISA) assesses 15-year-old students in reading, mathematics and science. Over 70 countries and economies participate in PISA, including Algeria, Jordan, Lebanon, Qatar, Tunisia and the United Arab Emirates. Morocco and Saudi Arabia will participate in the 2018 round of PISA.

The Teaching and Learning International Survey (TALIS) provides information on the working conditions of teachers and learning environments in schools and insights for improving teacher policy. Abu Dhabi, Dubai and Saudi Arabia will participate in the 2018 edition of the survey.

The MENA region’s interest in higher education is reflected by the membership of institutions from Bahrain, Lebanon, Qatar, Saudi Arabia and the UAE in the OECD’s Programme on the Institutional Management in Higher Education (IMHE), a forum where education professionals exchange best practices and share reflections on the development of higher education internationally, nationally and locally.

The OECD is also providing tailored advice on education and skills policy to individual MENA countries. A 2015 Skills Beyond School Review in Egypt put the spotlight on post-secondary vocation education and training (VET) system and options for improving basic skills and strengthening employer engagement. A 2013 publication, Integrity of Public Education in Tunisia: Restoring Trust, used PISA data to analyse the accountability of schools and teachers in Tunisia and provide policy options to help strengthen trust in the public education system. The OECD is supporting Morocco in identifying ways to ensure the national evaluation and assessment system drives improvement in the quality and equity of school education.

It is important when investing scarce resources in skills development to ensure that these skills are needed by employers. Therefore, the OECD has been working with countries to help them improve the way that they anticipate, assess and respond to changing skill needs, and it stands ready to offer similar assistance to MENA countries. The OECD has also developed a World Indicators of Skills for Employment (WISE) database, which can be used to examine the skills challenges and performance of each country, including MENA countries, from a comparative perspective.

www.oecd.org/pisa
www.oecd.org/edu/school/talis.htm
www.oecd.org/edu/imhe
Effective regional, rural and urban development policies can help make growth more inclusive, sustainable and greener. While the drivers of disparities between regions in a country may vary, they often underline the specificities of urban vs. rural environments and the need to better link urban and rural development in national strategies.

New powers brought to local governments through decentralisation entail opportunities to better address local needs. To make decentralisation work, the capacities of public institutions at the local level need to be built to enable them to take up their new responsibilities and engage successfully with local business associations and citizens, as well as with the national government, to overcome prevailing regional disparities. The OECD supports MENA countries to strengthen governance at the local level. For example, in Jordan the OECD is helping the government by undertaking an assessment of the current governance arrangements and developing capacities to promote inclusive and effective policymaking and public service delivery. The OECD equally supports Morocco and Tunisia in their ongoing decentralisation efforts.

In addition, the OECD is ready to support MENA countries to improve their territorial development strategies. This could include MENA participation in the OECD’s flagship publications OECD Regional Outlook and OECD Regions at a Glance, which offer international trends and data on regional development. MENA countries could also participate in territorial, urban and rural policy reviews that address different elements of policy and help in the identification of development opportunities in specific regions and cities.

Participation in high level policy fora could also bring benefits for MENA countries and their cities. For example, the OECD Roundtable of Mayors and Ministers gathers national and local governments to identify policies for more resilient and inclusive cities in an increasingly urban era. The OECD Rural Development Policy Conference (RDPC) brings together policymakers and experts to identify good practices for the development of rural areas. Morocco has been a participant in the RDPC for almost 12 years and is now engaged in a dialogue with the OECD on territorial development policies as part of its OECD Country Programme. Tunisia has also expressed interest in producing territorial indicators that enable national development policies to be better tailored to the specific needs and opportunities of its regions.

www.oecd.org/gov/regional
www.oecd.org/gov/cities
www.oecd.org/effective-public-investment-toolkit
www.oecd.org/mena/governance/local-governance.htm
Increasing agricultural productivity and food security

In the face of volatile food prices, rapid population growth, and climate change, governments are increasingly recognising the value of greater investment in agricultural research and development as an essential element to increase agricultural productivity. The OECD supports countries in improving innovation, sustainability and competitiveness for commercial and smallholder farmers alike.

Egypt, Morocco and Tunisia are adherents to several of the OECD Agricultural Codes and Schemes. The Codes facilitate international trade through the simplification, harmonisation and implementation of globally-agreed certification procedures.

www.oecd.org/agriculture
www.agri-outlook.org

Agriculture in the Arab world is quite a diverse sector, whose contribution to GDP ranges from more than 14% in Egypt and Morocco to less than 1% in Kuwait and United Arab Emirates. The size of the rural population is likewise diverse, ranging from just above 1% in Qatar to almost 68% in Yemen. With high population growth rates and limited areas of arable land and water resources, the region is facing a clear challenge: how to ensure reliable access to nutritious sources of food.

While the region is a net importer of agricultural products – and thus dependent on trade for its basic needs in cereals, cooking oil and sugar, for example – border protection for agricultural products in some countries remains high. The OECD advises governments on moving toward targeted policy instruments that are tailored to specific objectives, equitable and minimally production- and trade-distorting.

The OECD and the Food and Agriculture Organisation of the United Nations (FAO) annually publish the OECD-FAO Agricultural Outlook, which assesses agricultural trends in OECD and selected non-OECD counties. The current edition of the report provides world market trends for biofuels, cereals, oilseeds, sugar, meats, fish and dairy products over the 2016-2025 period and contains an evaluation of recent developments, key issues and uncertainties in those commodity markets.

www.oecd.org/agriculture
www.agri-outlook.org
SMOOTH FUNCTIONING OF MARKETS
Enhancing the investment environment

Investment is an essential component of economic growth. It triggers technology transfers and productivity spillovers, assists human capital formation, fosters trade and improves competitiveness, with positive effects on growth and employment. The OECD and the MENA region actively co-operate to improve investment environments and policies to materialise the important development potential of the region.

FDI inflows to the MENA region decreased by more than 50% between 2008 and 2015, though differences across countries are significant. Intra-regional investment flows remain weak showing lack of integration and interconnectedness. MENA countries are undertaking reforms to boost investment. The OECD is supporting these efforts through policy tools, regional dialogue and country-specific projects.

Egypt, Morocco, Tunisia and Jordan are adherents to the Declaration on International Investment and Multinational Enterprises. The Declaration enshrines countries’ commitment to providing an open and transparent environment for international investment and encouraging positive contributions by multinational enterprises (MNEs) to economic and social progress. For each adherent, the OECD conducts Investment Policy Reviews (IPRs) which look at investment trends, restrictions and policies, and investment promotion and facilitation and other related areas as covered by the Policy Framework for Investment (PFI).

Building on these OECD instruments, the MENA-OECD Competitiveness Programme’s Working Group on Investment and Trade supports investment reform processes in the region through awareness raising, experience sharing amongst OECD and MENA stakeholders, and policy advice. The Competitiveness Programme is also working with the League of Arab States (LAS) to further promote the benefits of strengthened regional integration in the area of investment.

The Competitiveness Programme also directly supports countries in the implementation of tailored reforms through projects: Improving the Business and Investment Climate in Iraq; Investment and Competitiveness in Jordan; and Enhancing the Investment Climate in Egypt. The projects comprise supporting the design and implementation of reforms and building the capacities of institutions in charge of investment policy, promotion and services.

www.oecd.org/investment
www.oecd.org/investment/investment-policy/
www.oecddeclarationanddecisions.htm
www.oecd.org/investment/pfi.htm
www.oecd.org/mena/competitiveness investmentpoliciesandpromotion.htm
Promoting trade and integration in global value chains

International production, trade and investment are increasingly organised within global value chains (GVCs) in which the different stages of the production process are located across different countries. OECD analysis and recommendations help OECD members and non-members, including in the MENA region, increase and improve their participation in GVCs.

Trade in intermediate inputs makes up over 50% of goods and 70% of services trade. As a result, GVCs challenge how we understand globalisation and raise questions about how policies in a broad range of areas should be developed. The OECD-WTO Trade in Value Added (TiVA) database was developed to generate new insights about commercial relations among economies and the process of value creation. The 2015 edition of TiVA indicators covers 61 economies, including Saudi Arabia and Tunisia, and is broken down by 34 industries. Further efforts are being made to improve country coverage and provide new insights on the scale of regional value chains in the MENA region. Morocco will be included in the next update of the database.

These activities are also useful to explore the scope to improve statistical information systems in order to provide insights into the more complex dynamics of GVCs, for example concerning the role of FDI, the integration of SMEs, skills, jobs and the contribution of knowledge based capital. OECD work underscores that GVCs impact an economy’s competitiveness, and that investment in skills and knowledge-based assets is increasingly important in helping countries to move up or upgrade in value chains.

The OECD provides support for the MENA region as countries seek to move up global value chains and enhance the contribution of international investment and trade to their growth agendas. An OECD study on the Participation of Developing Countries in Global Value Chains included analysis of the MENA region. The study found that productivity, export sophistication and export diversification are positively associated with greater participation in GVCs. The study also highlighted the importance of trade and investment liberalisation.
The report *Upgrading Global Value Chains through Investment in Tunisia* assesses the country’s current integration in GVCs and identifies measures for the modernisation of the legal and institutional framework for trade and investment. The analysis builds on OECD tools such as TiVA and the Policy Framework for Investment (PFI). It notes the need for Tunisia to consider the complexity of GVCs in their entirety, including the role of services and the limitations of relying only on the offshore regime.

The OECD Development Centre hosts the Initiative for Policy Dialogue on GVCs, Production Transformation and Development. Morocco is a member of the Initiative and actively participates in plenary meetings allowing countries to exchange on policy experience and engage into peer learning. This platform gathers OECD and non-OECD countries to share knowledge and identify good practices to promote industrial development and upgrading of domestic production and innovation capabilities.

The OECD has also developed a set of Trade Facilitation Indicators (TFIs) to help governments improve their border procedures, reduce trade costs, boost trade flows, and reap greater benefits from international trade. The TFIs cover the full spectrum of border procedures for over 160 countries, including for 12 countries in the MENA region, allowing governments to devise targeted policies for improved capacity. The TFIs show that in the MENA region, governments could cut costs by up to 17.5% through comprehensive trade facilitation reform.

[oe.cd/tiva](http://oe.cd/tiva)
[www.oecd.org/trade](http://www.oecd.org/trade)
[www.oecd.org/trade/facilitation](http://www.oecd.org/trade/facilitation)
[oe.cd/gvc](http://oe.cd/gvc)
Fostering sound competition

**Competition policy contributes to growth and higher living standards.** The OECD works to strengthen competition law and policy as a means to support sustainable growth in member and non-member economies. The OECD is working with MENA countries to advance effective competition policies, as many laws and regulations in the region continue to restrict competition in the marketplace. Such anti-competitive regulations hamper productivity and innovation and can raise prices, harming the poorest consumers in particular.

Competition legislation is particularly important in countries where markets are highly concentrated and where barriers to imports are high. Competition in MENA countries can be weak because of state-sanctioned monopolies, sectors or markets protected by regulation or because of political influence in the case of state-owned companies or state-dominated markets. These countries need effective competition legislation, strong enforcement institutions, and pro-competitive structural reforms.

Egypt is a Participant in the OECD Competition Committee and is a regular contributor to its bi-annual meetings. Algeria, Bahrain, Egypt, Jordan, Lebanon, Morocco, Qatar, Tunisia and Yemen regularly attend the OECD’s annual Global Forum on Competition (GFC), which brings together high-level competition officials from all around the world, with more than 100 competition authorities represented. The GFC promotes a wider dialogue that encompasses the linkages between competition policy and other aspects of economic development, including employment and poverty alleviation.

In addition, the OECD regularly hosts meetings of the Africa Competition Forum (ACF), which includes representatives from all the North African competition authorities. The ACF allows for African competition authorities to exchange experiences and to hold capacity building seminars with an African focus, including North Africa.

Taking advantage of the OECD’s tools and instruments to promote pro-competitive regulatory reform can help MENA countries overcome economic challenges and improve growth. One of the instruments available to governments to develop their competition policies is an **OECD Peer Review** of a country’s competition law and policy. A Peer Review closely examines a country’s competition regime, assesses strengths and weaknesses, and sets out policy options and a roadmap for legislative and institutional reform where appropriate. This may be particularly useful for countries that seek to initiate reform.

In addition to this in-depth assessment of a country’s competition regime through the Peer Review, the OECD can also deliver **targeted technical assistance**. For example, the OECD is working with the Competition Council in Morocco to train public officials in fighting bid-rigging in public tenders. The OECD is also working with the Competition Authority of Egypt on training some of its officials to carry out a competition impact assessment of regulation, using the OECD’s **Competition Assessment Toolkit**.

**Guidelines for fighting bid-rigging in public procurement:**
www.oecd.org/competition/guidelinesforfightingbidrigginginpublicprocurement.htm

**Competition Assessment Toolkit:**
www.oecd.org/daf/competition
The Toolkit and the Guidelines are available in English, French and Arabic.
Improving financial education

The importance of financial literacy and the need to promote financial education are globally recognised to improve financial inclusion, foster individuals’ financial well-being and support financial stability.

MENA countries are starting to promote financial education as a powerful tool for economic growth and financial stability, as well as a starting point for more inclusive societies. Lebanon, Morocco and Saudi Arabia are developing or implementing a national strategy for financial education following OECD recommendations. Saudi Arabia detailed its plans for a national strategy in its contribution to the G20-OECD publication *Advancing National Strategies for Financial Education* and used OECD methodology to assess the financial literacy of their populations and develop their national strategies for financial education.

The OECD formulates financial education recommendations through the *International Network on Financial Education* (INFE) and through its participation in the work of the G7 and G20. Established in 2008, the OECD/INFE brings together experts from over 240 public institutions in over 110 economies in order to undertake analytical work and develop good practices. Egypt, Lebanon, Morocco, the Palestinian Authority and Saudi Arabia are members of the Network. Lebanon is an important partner, having hosted the 6th meeting of the OECD/INFE in 2010 and the OECD-Banque du Liban *International Conference on Financial Education: Building Financially Empowered Individuals* in the same occasion. Moreover, Egypt is a member of the OECD/INFE Expert Subgroup on the Role of Financial Education in Financial Inclusion.

A number of regional and bilateral events organised with local authorities include a Conference on Financial Literacy and Education in the Arab World in Morocco (with the Arab Monetary Fund and Bank Al-Maghrib) in 2016. In 2015, the OECD was invited to disseminate its work on financial education and financial consumer protection at the conference Catalysing Financial Education to Promote Financial Inclusion for Women and Youth in the MENA Region organised by the Centre of Arab Women for Training and Research (CAWTAR) in Tunis, as well at the Workshop of the Francophone Banking Union on financial education for MSMEs, jointly organised by the Union of Arab Banks.


BUDGETING, REVENUE COLLECTION AND EXPENDITURE
**Improving revenue collection and fiscal management**

**Effective and efficient fiscal systems have a fundamental role in providing for sufficient resources to overcome economic and social challenges and improve income distribution.** The OECD works with the MENA region to improve revenue collection and the redistributive capacity of taxes and expenditure.

The OECD undertakes a number of activities in which MENA countries are active participants. The **Turkey-OECD Multilateral Tax Centre** in Ankara hosts eight seminars annually on tax policy and administration topics to which officials from MENA countries are welcome. In addition, one or two seminars per year are specifically focused on issues affecting MENA countries. In 2015 the focus of the programme was on taxpayer service, discussing the most effective ways to enhance voluntary compliance and thus domestic resource mobilisation.

The OECD is undertaking a project with Tunisia on **Enhancing Domestic Resource Mobilisation through an Effective Tax System Design and Improved Transparency and International Co-operation** (2014-2016). The project’s objective is to assist the government to mobilise domestic resources to foster sustainable economic growth and income redistribution by improving the design of taxation policies and improving transparency and international co-operation. The OECD is also assisting the implementation of the international standards on transparency and information exchange, addressing **Base Erosion and Profit Shifting** (BEPS), with tax policy analysis and planning (including developing internationally comparable revenue statistics data) and with Tax Administration Reform and Improving Tax Compliance.

Access to comparable, detailed and up-to-date revenue data is a prerequisite for designing and administering tax policies that are efficient, attractive for investment, and progressive. The OECD’s **Revenue Statistics** project provides data for governments, researchers and citizens of OECD countries and an increasing number of other countries. This facilitates regional as well as global comparisons. Tunisia and Morocco participate in the first edition of **Revenue Statistics in Africa** (published in 2016). More countries from the region are welcomed to join this global project to create momentum for the launch of a MENA Revenue Statistics.

[www.oecd.org/ctp/tax-global](http://www.oecd.org/ctp/tax-global)
Enhancing tax transparency and compliance

Tax transparency is a priority for good governance and economic development. The OECD works closely with the G20 on this topic, seeking to motivate and inform effective collective action. The OECD stands ready to support MENA countries in the implementation of reforms in this area.

The OECD has developed international standards on transparency and exchange of information on request (EIOR) and more recently an international standard for automatic exchange of information on financial accounts (AEOI). The Global Forum on Transparency and Exchange of Information for Tax Purposes (GFTEI), with its 129 member jurisdictions, has been ensuring that the high standards of transparency and exchange of information upon request (EIOR) are in place around the world through its monitoring and peer review activities. More than 95 members of the GFTEI committed to automatically exchange information on financial accounts, beginning in 2017 or 2018.

The Global Forum has seven members in the MENA region (Bahrain, Kuwait, Morocco, Qatar, Saudi Arabia, Tunisia and the United Arab Emirates) and has in place a number of initiatives to assist them in implementing the international standards on transparency and exchange of information.

eoi-tax.org
www.oecd.org/ctp/beps

TRANSPARENCY AND EXCHANGE OF INFORMATION IN THE MENA REGION

Deauville Partnership projects: Tunisia and Morocco

- Raising awareness on the standards and their importance for the tax administration
- Improving legal framework and organisation to comply with the standards, including the set-up of exchange of information units
- Training tax auditors in effectively using exchange of information to tackle tax evasion

Africa Initiative

- Building capacity in transparency and exchange of information

Automatic Exchange of Information

- Commitment to implement the AEOI by 2018
Maintaining fiscal discipline, allocating resources to attain government objectives and achieving greater efficiency in public performance all have a crucial impact on overall national economic development and well-being. The OECD supports MENA countries in strengthening the efficiency and effectiveness of their budgeting and public procurement systems.

The OECD carries out research across the full range of budgeting issues through reviews of country budgeting systems, undertakes comparative analyses of specific aspects of the budgeting system across countries, and maintains a comprehensive database on International Budget Practices and Procedures covering 97 countries. The results of this work are published in the OECD Journal on Budgeting.

The OECD Working Party of Senior Budget Officials (SBO) convenes since 1980 to consider latest developments in international budget practice. The MENA-SBO Meeting, hosted annually by one country in the region, is a unique platform for MENA and OECD countries to discuss their challenges and explore ways to modernise governance structures and processes for more efficient, transparent and participatory public financial management (PFM). This requires a multi-pronged approach as outlined in the new OECD Recommendation on Budgetary Governance (2015). The 10 principles set out in the Recommendation provide a concise overview of good practices across the full spectrum of budget activity, and give practical guidance for designing, implementing and improving budget systems to make a positive impact on citizens’ lives.
The **MENA-OECD Governance Programme** is supporting the Tunisian government to implement its PFM reform to improve performance and accountability. This consists in assessing the Tunisian budget cycle and providing tailored recommendations and capacity building to develop an effective system of good fiscal governance. The OECD support to Tunisia has contributed to the adoption of the Organic Law on Budget which will make performance-based budgeting mandatory across the public administration. The OECD will continue to support the government and parliament in the process of adopting the law. Progress in budget transparency has enabled Tunisia to join the Open Government Partnership (OGP). The OECD continues to support the government in linking the budget to the broader economic and planning framework, and strengthening budget processes at the local level to support the decentralisation enshrined in the new Constitution.

The creation of the **MENA-OECD Network on Public Procurement** in 2012, in response to a call from the Deauville Partnership Governance Pillar, has provided a vehicle for identifying policy priorities, conducting capacity-building events and sharing insights from progress made. All Arab countries in transition (Morocco, Tunisia, Libya, Jordan, Egypt and Yemen) are part of the network.

The adoption of e-procurement solutions to improve competition and access to procurement opportunities, efficiency, transparency and accountability is also supported by the Network, with several countries making significant strides in this regard. The OECD has been providing training activities and events on diverse Public Procurement topics as well as additional events targeted to broad anti-corruption issues.

“The Budget reform can constitute a means to respond to the high expectations of citizens by fostering more transparent and efficient public management which allows for a greater visibility of policies and adds substance to the concept of democracy in a context of structural and economic obstacles.”

**Slim Chaker**, Former Tunisian Minister of Finance in the opening seminar “Towards new management of public finance in Tunisia,” 11 May 2015, Tunis

[www.oecd.org/gov/budgeting/oecdjournalonbudgeting.htm](http://www.oecd.org/gov/budgeting/oecdjournalonbudgeting.htm)

[www.oecd.org/gov/budgeting](http://www.oecd.org/gov/budgeting)


PUBLIC AND CORPORATE GOVERNANCE
Legal certainty and an efficient regulatory framework are important foundations for social and economic development. The OECD works with the MENA region to enhance the independence, autonomy and efficiency of the judiciary, improve access to justice and implement regulatory reform.

Enhancing the regulatory environment through systematic consultation, the use of regulatory processes and tools, and reviews of the stock of legislation is a common concern of MENA countries that have often inherited multiple layers of regulation. The OECD has developed a **Regional Charter for Regulatory Quality** (2009) providing MENA countries with a common framework of principles and good practice for regulatory management. MENA countries also benefit from the **OECD Recommendation on Regulatory Policy** (2012) which helps the implementation of systemic regulatory reform to meet public policy objectives in an effective and efficient manner.

The **Working Group on Regulatory Reform** of the MENA-OECD Governance Programme provides a forum for MENA countries and international experts to exchange good regulatory reform practices. Among its activities, the Working Group helps to strengthen legislative drafting skills to empower MENA countries to elaborate laws and regulations in line with best practices and in an inclusive and transparent manner. This includes the use of guidelines, policy or quality checks for drafting legislation, coordination between ministries of justice and other ministries and meeting training requirements.

The OECD also provides assistance to MENA countries to enhance public trust in the justice system by improving the performance of justice institutions, enhancing access to justice and evaluating the use of alternative dispute resolutions. This includes support to Egypt in the implementation of an automated case management system and ICT to reduce case backlog and to strengthen the provision of justice services. OECD’s justice work also facilitates the implementation of country commitments under the Sustainable Development Agenda (SDG 16), notably through the links between access to legal and justice services and dimensions of inclusive growth (e.g. health, employment).

www.oecd.org/mena/governance/rule-of-law.htm
Corruption is a key impediment to economic and social development and a threat to long-term stability. The OECD works with MENA partners in strengthening integrity and transparency, building trust and promoting accountability in the public and private sectors.

The MENA-OECD Governance Programme assists governments and independent institutions in promoting integrity and fighting corruption by evaluating integrity frameworks and providing capacity building and implementation support for legal and institutional reforms. It does so at the regional level through the Working Group on Civil Service and Integrity and the MENA-OECD Network on Public Procurement.

The Governance Programme also undertakes country-specific projects. For instance, based on an assessment of the integrity framework in Tunisia, it provided technical assistance to make effective use of risk management tools, strengthen internal control and auditing systems and align the draft law for the protection of whistle-blowers to international standards. Building on the experience of the Palestinian Authority, the Programme currently supports Tunisia in the implementation of a Code of Conduct for public officials.

The MENA-OECD Competitiveness Programme works to strengthen business integrity and corporate governance. The MENA-OECD Business Integrity Network (MOBIN) convenes the private sector, governments and civil society to assess challenges and progress in preventing corruption and promoting stronger integrity frameworks through practical tools and innovative solutions. Its work builds on the OECD Convention on Combating Bribery of Foreign Public Officials in International Business.

Enhancing Integrity for Business Development in the MENA region (Paris, 18 April 2016). “Family picture”, including Former Minister Kamel Ayadi (Tunisia), Commissioner Al-Yasiry (Iraq) and Ambassador Markovic (Sweden).
Transactions, the Recommendation for Further Combating Bribery and the Good Practice Guidance on Internal Controls, Ethics and Compliance.

The OECD organises training seminars on integrity for public and private sector representatives from across the MENA region. The seminars are hosted and supported by the IMF Middle East Centre for Economics and Finance (IMF-CEF) in Kuwait City. They present good practices and tools to strengthen integrity. Focus areas include the role of the judiciary and independent institutions (such as anti-corruption agencies), and engaging the private sector in corruption prevention through effective compliance programmes, internal control systems and collective action against corruption.

www.oecd.org/corruption
www.oecd.org/corruption/ethics
www.oecd.org/daf/anti-bribery/
  businessintegrityinthemiddleeastandnorthafrica.htm
www.oecd.org/mena/competitiveness/
  menaresponsiblusinessconductforum.htm
www.oecd.org/corruption/oecdantibriberyconvention.htm
www.oecd.org/mena/governance/integrity-and-anti-corruption.htm
www.oecd.org/gov/ethics/mena-oecdnetworkonpublic
  procurement.htm
Building open and innovative governments

Greater transparency and public participation in public life lead to better policies and services and promote public sector integrity. This is essential to strengthen the trust of citizens in the public administrations and to trigger more inclusive growth.

Open government, or the opening up of government processes and information for public scrutiny and citizens’ involvement, is now considered as a fundamental element of a democratic society. MENA countries are focusing on open government initiatives to reform their public sectors and are joining the Open Government Partnership (OGP) to find inspiration and to measure their reform progress. MENA citizens and civil society are changing their expectations of how policies and services are defined and delivered and are demanding more from their elected officials as well as from national civil servants.

“The path toward transparency, inclusiveness, and accountability is not an easy one, as it entails a paradigm shift that puts citizens at the heart not only of public policies but also of the very functioning of public administrations”

Angel Gurría, OECD Secretary-General, at the International Forum on Open Government, Paris, September 2014

The OECD, as a multilateral partner organisation of the OGP assists Jordan, Lebanon, Libya, Morocco, Tunisia and the Palestinian Authority in assessing institutions, policies and practices supporting the implementation of Open Government principles. Through Open Government Reviews the OECD provides a comprehensive assessment of legal, institutional, policy and implementation frameworks against OECD instruments and good practices in the fields of Open and Inclusive Policy Making, Digital Government Strategies and Public Sector Innovation.

The MENA-OECD Governance Programme, through its Working Group on Open and Innovative Government, provides capacity-building and regional dialogue to reinforce the effects that open and participatory policies can have on more inclusive outcomes that benefit all parts of the society, including women and youth.
The **MENA-OECD Civil Society Advisory Board** ensures broad participation of representatives from national and regional Civil Society Organisations from MENA and OECD countries in the definition of the priorities of the whole Programme.

The Working Group also promotes government innovation towards improving the quality and accessibility of public services while making a more efficient use of public funds. MENA public sector practitioners benefit from the OECD’s **Observatory of Public Sector Innovation** (OPSI), an online platform collecting and sharing experiences of public sector innovation.

Within the context of OECD support to the Palestinian Authority, the OECD recently supported the Ministry of Telecommunication and IT to draft its E-government Policy and Implementation Plan, which included the creation of a one-stop shop of priority services for citizens and business.

“The new Moroccan Constitution subscribes to the principles of open government in its governance system to support of the socio-economic development of the country. As a result of the OECD report, the needs in terms of open governance are better formulated and solutions are developed. NGOs have taken an initiative to create a network to share efforts in this area”.

**Abderrahim Foukahi**, Coordinator, REMDI, Moroccan Network for the Right of Access to Information


Risk management

Risk management is essential to promote better public governance frameworks and achieve improved economic performance. Citizens and businesses have high expectations of governments to provide safety and security, and to effectively manage negative consequences of exogenous shocks. In a context where the economic, environmental, technological and societal trends that drive major risks are quickly evolving, governments must adapt to new vulnerabilities, including in the MENA region.

The OECD High Level Risk Forum provides policymakers with a collaborative platform to improve preparation for large scale shocks to the economy and society. The OECD Recommendation on the Governance of Critical Risks sets the standard for risk governance. Morocco and Tunisia’s adherence to this instrument in May 2014 demonstrates the interest of the MENA region to update risk management policies and increase their resilience, as highlighted at the 14th Annual Conference of the Arab League Development Organisation (ARADO) on Co-operation in Establishing Resilience toward Global Risks in the Arab region.

The OECD launched in 2016 the OECD Review of Risk Management Policies in Morocco. Based on a peer review process, this report provides targeted policy advice and identifies novel practices to strengthen the management of critical risks in the country. This review could serve as a basis for future analyses of risk management policies in the MENA region. The OECD is also in discussions with MENA countries on the possibility of holding regional dialogues to reduce economic risks associated with illicit trade.

www.oecd.org/governance/risk
Effective corporate governance policies can help countries attract higher levels of investment and boost private sector development. By creating an environment of trust, transparency and accountability, good corporate governance is also indispensable for developing sound domestic capital markets that can help countries to finance investment in the real economy. The OECD works closely with MENA partners in strengthening corporate governance standards, including of state-owned enterprises.

The MENA-OECD Working Group on Corporate Governance supports the MENA region through initiatives where companies and investors identify ways to improve corporate governance. It also works with stock exchanges, institutional investors, capital market regulators and others to establish sound and efficient capital markets and supports reforms of state-owned enterprises by sharing information and experience on developing concrete reform plans at the state and company levels and supporting implementation by monitoring progress and stocktaking.

The Working Group’s activities draw upon the G20/OECD Principles of Corporate Governance and the OECD Guidelines for Corporate Governance of State-Owned Enterprises, which provide a shared language for the creation of trust and good corporate governance in a world of global finance and business. These instruments contain a wealth of practical experiences, including from the MENA region. The Principles and Guidelines do not prescribe a ‘one-size-fits-all’ approach. Instead, they provide a tool that can be adapted to different legal, social and economic contexts.

The activities of the Working Group on Corporate Governance are carried out in close co-operation with regional partners such as the Union of Arab Banks, the Arab Federation of Exchanges and the Union of Arab Securities Authorities, as well as national institutes of corporate directors, corporate governance centres, individual companies, investors and stakeholders. The Working Group also benefits from the experiences of similar regional work that the OECD supports in South East Asia, Southern Africa and Latin America.

www.oecd.org/nea/competitiveness/mena-corporate-governance.htm
INDUSTRY AND INNOVATION
Investments in knowledge-based capital (e.g. databases, design, brands and intellectual property) have implications for innovation, productivity growth and increasing living standards. The OECD stands ready to support the increasing number of MENA countries designing and implementing economic diversification strategies based on the knowledge economy.

OECD support to the region can be guided by tools such as the Innovation Strategy 2015 and the report The Innovation Imperative: Contributing to Productivity, Growth and Well-Being (2015). Those tools set out a concrete agenda to strengthen innovation performance and put it to use for stronger, greener and more inclusive growth for countries at all levels of development. It sets out five priorities for policy makers that together provide the basis for a comprehensive and action-oriented approach to innovation: (i) strengthen investment in innovation and foster business dynamism, (ii) invest in and shape an efficient system of knowledge creation and diffusion, (iii) seize the benefits of the digital economy, (iv) foster talent and skills and optimise their use, and (v) improve the governance and implementation of policies for innovation.

The digital economy now permeates countless aspects of the world economy, impacting sectors as diverse as banking, retail, energy, transportation, education, publishing, media or health. Governments therefore need to develop the digital economy in a strategic manner, expand its benefits and respond to key challenges such as reducing unemployment and inequalities and lifting people out of poverty. The OECD Digital Economy Outlook 2015 analyses the current generation of national digital economy strategies. This includes Egypt’s strategy for 2014-2020, “Achieve the digital economy through ICT, to provide prosperity, freedom and social equity for all”, which aims to transform Egypt into a digital society, further develop the ICT industry and establish Egypt as a global digital hub.
Supporting SME development and entrepreneurship

Small and medium-sized enterprises (SMEs) are vital components of the private sector and significant drivers of jobs and economic growth. They represent the overwhelming majority of firms globally, account for one-half to two-thirds of employment and contribute to value added, exports and innovation. In recognition of the importance of SMEs and entrepreneurs, MENA economies have put in place support measures to improve business environments, enhance SME policy co-ordination and effectiveness and enhance access to finance and enterprise support services.

The MENA-OECD Competitiveness Programme’s Working Group on SME Policy and Entrepreneurship seeks to support governments in boosting enterprise growth and access to finance, and in monitoring and evaluating SME policy impact. Working in close co-operation with the OECD-MENA Women’s Business Forum (WBF), the Group also has a special mandate to support and help foster women’s entrepreneurship. Representatives from the private enterprise sector participate actively in both initiatives.

The SME Policy Index for the Mediterranean Middle East and North Africa 2014, prepared jointly with the European Commission and the European Training Foundation, assessed the elaboration and implementation of SME policy in eight MENA economies. The assessment was based on a highly consultative process involving governments, the private sector, experts and donors. It covered key areas for enterprise development reflected in the Small Business Act for Europe.

In co-operation with the International Monetary Fund Middle East Centre for Economics and Finance (IMF-CEF), the Competitiveness Programme also promotes capacity-building for SME policy making through a yearly training course on Improving Policies and Access to Finance for SMEs. The course aims to share and discuss instruments, methodologies and good practices for SME development, including measures to facilitate access to finance for SMEs and entrepreneurs. Mid- to senior-level government officials in charge of SME and enterprise policies are beneficiaries of the training.

The Competitiveness Programme also supports SME policy development in the context of the Deauville Partnership. It has worked with Arab Countries in Transition in the development of SME Near-Term Action Plans identifying concrete activities to promote SME and entrepreneurship. The programme is also leading the implementation of Transition Fund projects on SME policies in Libya and Jordan.

- The SME Development Strategy for Libya contributes towards preparing the ground for private sector development for a post-conflict situation in the country by supporting the development of a SME strategy.
- The project SME Policy effectiveness in Jordan supports the implementation of the Jordanian SME Strategy for 2016-2020. It focuses on strengthening institutional coordination, public-private dialogue, SME statistics and monitoring and evaluation of policies.

www.oecd.org/nea/competitiveness/smepolicyentrepreneurshipandhumancapitaldevelopment.htm
Fostering infrastructure investment and public service delivery through Public-Private Partnerships (PPPs)

Decision makers worldwide agree on the importance of PPPs in achieving countries’ infrastructure and public service needs. Yet PPPs need a particular framework and the right approach by governments if they are to be successful. The challenge is to ensure that PPPs are affordable, represent value for money and are transparent.

Like the rest of the world, the MENA region is facing an infrastructure gap as well as fiscal constraints. The task is therefore to find a way to deliver growth-enhancing infrastructure which is both affordable for government and users and represents more value for money than the traditional way of procuring infrastructure. In the right circumstances, PPPs can deliver on these demands. PPPs are an important tool for decision makers to strengthen economic and social development. By harnessing private sector expertise and allocating risks to the parties best suited to manage them in a cost-effective way, governments can make great strides in ensuring value for money.

The OECD Network of Senior Infrastructure and PPP Officials was established to ensure that PPPs and capital investment projects bring value for money and that potential risks are managed properly. The Network has developed the OECD Principles for Public Governance of PPPs which help to examine institutional capacities, select PPP projects based on value for money and use the ordinary budget process to ensure fiscal sustainability.

The OECD also provides country-specific assessments and policy recommendations to governments wishing to strengthen or build their PPP and infrastructure governance framework through diagnostic tools that help identify strengths and weaknesses. With the support of the MENA Transition Fund, the OECD has provided tailored recommendations and hands-on capacity building to strengthen the legal, institutional and budgetary frameworks for the operationalisation of PPPs in Tunisia. The country adopted a new PPP law in November 2015, building on these recommendations. The operationalisation of the Tunisian PPP law will promote transparency, efficiency and effectiveness of public spending, and will help the government of Tunisia in meeting its public policy development objectives.

Building on the Policy Framework for Investment and the OECD Principles for Private Sector Participation in Infrastructure, the Investment Security in the Mediterranean (ISMED) Support Programme has provided tailored advice to governments in Egypt, Jordan, Morocco and
Tunisia on reducing framework risks of specific infrastructure projects and/or sectors, formulated region-wide policy recommendations and organised public-private policy dialogue workshops on removing barriers to PPP investments. In addition, the ISMED Working Group, as a platform for dialogue and co-ordination, sought to foster integrated approaches to innovative policy and financial tools to facilitate the development of PPPs in the MENA region.

www.oecd.org/gov/budgeting/ppp.htm
www.oecd.org/mena/competitiveness/ismed.htm
ENVIRONMENT AND ENERGY
Promoting green growth

Growing concerns over the environment and the depletion of non-renewable resources have led governments in developed and emerging economies to reshape their policies. Green growth is about fostering economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies. Fostering green growth, a central element of OECD support, is increasingly recognised in the MENA region as an integral part of sustainable development strategies.

Based on the Green Growth Strategy, the OECD advises member and partner economies on integrating green growth policy into the design and implementation of economic and environmental policies. The OECD has explored how green growth can be applied and fostered in developing country contexts. The report Putting Green Growth at the Heart of Development outlines a twin-track agenda for national and international action to achieve green growth in developing countries and includes examples of activities in Egypt, Jordan, United Arab Emirates, Morocco, and Tunisia.

Green growth is beginning to take root in the MENA region. Morocco and Tunisia are adherents to the OECD Declaration on Green Growth, which is now signed by 42 countries and the European Community. Relevant organisations from the MENA region are also encouraged to take part in the Green Growth Knowledge Platform (GGKP). The GGKP is a partnership between the Global Green Growth Institute, the OECD, UNEP, and the World Bank. The GGKP is a global network of researchers and development experts that identifies and addresses major knowledge gaps in green growth theory and practice. Through widespread consultation and world-class research, GGKP provides practitioners and policymakers with better tools to foster economic growth and to implement sustainable development.
The Development Assistance Committee (DAC) collects statistics and monitors ODA targeting the global objectives of the Rio Conventions and local environmental issues. These data are publicly available online at the activity-level and can be sorted by partner country and region – revealing how much aid flows to MENA, together with a range of descriptive information. Total bilateral aid commitments from DAC members targeting climate change adaptation and mitigation in the region reached USD 1.9 billion on average per year in 2010-13, representing up to 25% of the total bilateral ODA portfolio to the region. The UAE is the main provider of climate-related development finance, reaching up to USD 574 million in 2013 (8% of its ODA).

The Jordan Clean Energy Investment Policy Review (forthcoming, December 2016) aims to help policy makers strengthen the conditions for investment in renewable electricity generation. It takes stock of recent policy reforms and identifies policy priorities in Jordan and lessons learned for the MENA region. The report aims to create a stable pipeline of bankable projects in solar photovoltaic and wind energy. It focuses in the areas of investment policy; investment promotion and facilitation; competition policy; financial market policy; public governance; and other cross-cutting issues. The case of Jordan illustrates the importance of setting robust policies and predictable targeted incentive schemes. This review is a country-specific application of the OECD Policy Guidance for Investment in Clean Energy Infrastructure, which is a non-prescriptive tool to help governments identify ways to mobilise private sector investment in clean energy infrastructure, especially in renewable electricity. The Policy Guidance was annexed to the Communiqué of G20 Finance Ministers and Central Bank Governors at their meeting in October 2013.

www.oecd.org/greengrowth
www.oecd.org/dac/stats/rioconventions.htm
Combating climate change

The OECD has been working across multiple fronts to support efforts to tackle climate change, both at the international level through the UNFCCC process and at the state level to understand their policies and progress towards a low-emissions, climate-resilient future.

Since 1993, the OECD, together with International Energy Agency (IEA), has been supporting the UNFCCC process through the Climate Change Expert Group (CCXG), which has been providing impartial and rigorous analysis on climate change issues. It holds bi-annual climate change-focused Global Forums on the Environment—events and seminars held in an informal setting outside of the UNFCCC process which promote dialogue and enhance understanding between countries on technical issues being discussed in international climate change negotiations. Participants include country representatives and experts from a variety of countries, including from the MENA region. The CCXG’s work currently focuses on transparency of mitigation, adaptation and support within the UNFCCC framework. The OECD will continue to support the UNFCCC process, including in the run-up to the 22nd Conference of the Parties taking place in Morocco on 7-18 November 2016.

www.oecd.org/environment/cc
www.oecd.org/env/cc/ccxg.htm
Improving water governance

Managing scarce freshwater resources and ensuring access to water supply and sanitation is a significant challenge throughout the MENA region.

The OECD held policy dialogues in Jordan and Tunisia to diagnose the main governance and financing challenges to private sector participation in the water supply and wastewater sector and to provide ways forward to address these challenges. Several MENA stakeholders are also engaged actively within the OECD Water Governance Initiative (WGI), an international multi-stakeholder network of more than 100 delegates that gather twice a year in a policy forum. These include the Global Water Partnership-Mediterranean, the Union for the Mediterranean and the Mediterranean Institute for Water. The WGI aims to share on-going reforms and good practices in support of better water governance, including across north and south Mediterranean countries.

To help interested MENA countries put in place better water policies, the OECD has developed Principles on Water Governance, which set standards for the more effective, efficient and inclusive design and implementation of water policies and encourage governments to put them into action. The principles were endorsed by OECD Ministers in June 2015 and are available in 15 languages, including French and Arabic.

www.oecd.org/governance/oecd-principles-on-water-governance.htm

www.oecd.org/gov/water
Ensuring access to reliable and clean energy

Fostering the development of renewable energies is important for the creation of jobs, the satisfaction of increasing energy demand and the diversification of the economy. MENA countries need to put in place an effective policy framework to attract private investment in the sector and to reap the benefits of their favourable resource endowment, especially in regards to solar and wind energy.

Since 2010, the MENA-OECD Task Force on Energy and Infrastructure works to formulate policy recommendations to help spur investment in renewable energy in the MENA region, letting policy makers benefit from the private sector’s view and experience. The Task Force works to promote green growth and contributes to the OECD’s Green Growth Strategy, providing tailored recommendations for the Middle East and North Africa.

The publication Renewable Energies in the Middle East and North Africa: Policies to Support Private Investment makes the case for a stronger deployment of renewable energies in the region and identifies appropriate support policies to stimulate private investment and achieve the targets and goals defined by MENA governments.

The International Energy Agency’s 2015 Renewable Energy Market Report includes an assessment of renewable energy prospects in the region. In order to help promote energy efficiency, the IEA has worked with regional organisations, the Arab League and the Regional Centre for Renewable Energy and Energy Efficiency in Cairo to formulate a series of policy recommendations on energy efficiency which can be disseminated throughout the region. In addition, the Agency has researched and published an Insights Paper looking at ways
Ensuring access to reliable and clean energy

of supporting and accelerating the deployment of renewable energy and energy efficiency in a number of countries, including Morocco, Tunisia, Egypt and Jordan. This forms part of a wider EBRD-funded project that builds on the IEA methodology for assessing and monitoring the penetration of renewable energy and energy efficiency technologies.

In 2013 and 2014, the IEA conducted an in-depth review of Morocco. The review welcomed Morocco’s efforts to reduce both the energy import bill and greenhouse gas emissions by both diversifying into renewables (wind and solar as well as hydro-power) and by elevating energy efficiency to a national priority. Important steps have also been taken to reduce—and in some cases remove altogether—subsidies on fossil fuels. These are energy challenges which engage all countries in the MENA region. The IEA also remains fully committed to the Producer-Consumer Dialogue and the work of the International Energy Forum in improving the transparency of energy markets. To assist with providing advice on a range of issues such as market trends and policy reform, the IEA now publishes annual Medium-Term Market Reports on both gas and oil markets and comprehensive sets of energy data, including for the MENA region.

www.oecd.org/mena/investment/mena-oecdtaskforceonenergyandinfrastructure.htm
Annexes

PARTICIPATION IN OECD BODIES AND INTERGOVERNMENTAL ACTIVITIES

OECD co-operation with the Middle East and North Africa facilitates a greater participation of Arab countries in the work of OECD bodies. Associates participate in OECD bodies, including projects or the development or revision of OECD legal instruments, for an open-ended period, with the same rights and obligations as OECD members. Participants take part in OECD bodies for an open-ended period, except in discussions marked as confidential.

Scheme for Cereals – Egypt, Morocco, Tunisia

Committee on Consumer Policy – Egypt

Committee on Consumer Product Safety – Egypt

Advisory group for Co-operation with Partner Economies – UAE

Corporate Governance Committee (main committee only) – Saudi Arabia

Scheme for Crucifer Seed and other Oil or Fiber Species – Egypt, Morocco, Tunisia

Development Assistance Committee – Qatar, Saudi Arabia, UAE

Governing Board of the Development Centre – Egypt, Morocco, Tunisia

Committee on Digital Economic Policy – Egypt

Committee on Fiscal Affairs – Saudi Arabia (BEPS)

Global Forum on Environment – UAE

Global Forum on Tax Treaty – UAE

Global Forum on Transparency and Exchange of Information for Tax Purposes – UAE

Scheme for Grass and legume Seed – Egypt, Morocco, Tunisia

Green Growth and Sustainable Development Forum – UAE

Investment Committee Freedom of Investment Roundtable – Egypt, Morocco, Tunisia

Investment Committee in enlarged session for work related to the Declaration on international investment and MNEs – Egypt, Jordan, Morocco, Tunisia

Joint OECD/ITF Transport Research Committee – Morocco

Public Governance Committee – Egypt, Morocco

Working Party on Centres of Government – Egypt, Morocco

Working Party of Senior Digital Government Officials (E-Leaders) – Egypt, Morocco

Working Party of Senior Public integrity Officials – Egypt, Morocco

Working Party of the Leading Practitioners on Public Procurement – Egypt, Jordan, Morocco

Regional Development Policy Committee – Morocco

Working Party on Rural Policy – Morocco

Working Party on Territorial Indicators – Morocco

Working Party on Urban Policy – Morocco

Board of Participating Countries of the Teaching and learning international Survey (TALIS) – Saudi Arabia, UAE

Tourism Committee – Egypt, Morocco

Steel Committee – Egypt

A – Associate, P – Participant, O – Other form of participation
ADHERENCE TO OECD LEGAL INSTRUMENTS


Decision of the Council on Conflicting Requirements being imposed on Multinational Enterprises – Egypt, Jordan, Morocco, Tunisia

Decision of the Council on International Investment Incentives and Disincentives – Egypt, Jordan, Morocco, Tunisia


Decision of the Council Revising the OECD Scheme for the Application of International Standards for Fruit and Vegetables – Morocco

Decision of the Council Revising the OECD Schemes for the Varietal Certification or the Control of Seed Moving in International Trade – Egypt, Morocco, Tunisia

Declaration for the Future of the Internet Economy (The Seoul Declaration) – Egypt

Declaration on Automatic Exchange of Information in Tax Matters – Saudi Arabia

Declaration on Base Erosion and Profit Shifting – Tunisia

Declaration on Green Growth – Morocco, Tunisia

Declaration on International Investment and Multinational Enterprises – Egypt, Jordan, Morocco, Tunisia

Declaration on Propriety, Integrity and Transparency in the Conduct of International Business and Finance – Morocco, Tunisia

Istanbul Ministerial Declaration on Fostering the Growth of Innovative and Internationally Competitive SMEs – Algeria, Egypt, Jordan, Morocco, Tunisia

Paris Declaration on Aid Effectiveness – Djibouti, Egypt, Iraq, Jordan, Kuwait, Mauritania, Morocco, Palestinian Authority, Saudi Arabia, Syrian Arab Republic, Tunisia, Yemen

Recommendation of the Council concerning Member Country Exceptions to National Treatment and National Treatment related Measures concerning Investment by established Foreign-Controlled Enterprises – Egypt, Jordan, Morocco, Tunisia


Recommendation of the Council on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas – Morocco

Recommendation of the Council on Member Country Exceptions to National Treatment and Related Measures concerning Access to Local Bank Credit and the Capital Market – Egypt, Jordan, Morocco, Tunisia

Recommendation of the Council on Member Country Exceptions to National Treatment and National Treatment Related Measures in the Category of Official Aids and Subsidies – Egypt, Jordan, Morocco, Tunisia

Recommendation of the Council on Member Country Exceptions to National Treatment and National Treatment Related Measures concerning the Services Sector – Egypt, Jordan, Morocco

Recommendation of the Council on Member Country Measures concerning National Treatment of Foreign-Controlled Enterprises in OECD Member Countries and Based on Considerations of Public Order and Essential Security Interest – Egypt, Jordan, Morocco, Tunisia

Recommendation of the Council on the Governance of Critical Risks – Morocco, Tunisia

The Bologna Charter on SME Policies – Algeria, Egypt, Morocco, Tunisia

Third Revised Decision of the Council concerning National Treatment – Egypt, Jordan, Morocco, Tunisia

1. Not yet ratified
PARTICIPATION IN INITIATIVES AND NETWORKS

OECD Policy Dialogue on Natural Resource-based Development – Morocco

OECD Policy Dialogue on Global Value Chains, Production Transformation and Development – Morocco

“Interrelations between Public Policy, Migration and Development” project (OECD DEV, EU) – Morocco

“Revenue Statistics in Africa” project (OECD DEV, CTP) – Morocco and Tunisia

“Youth Inclusion” project (OECD DEV, EU) – Jordan

DIALOGUE AND DATA

The Trade Union Advisory Committee to the OECD (TUAC) is an international trade union organisation which has consultative status with the OECD, serving as the official voice of the labour movement at the OECD. TUAC collaborates with the MENA region through the integration of the Arab Trade Union Confederation in the International Trade Union Confederation (ITUC).

The Business and Industry Advisory Committee to the OECD (BIAC) is an independent business association devoted to advising policymakers at the OECD, and officially recognised by the OECD as representative of the OECD business community. In the MENA region, BIAC works with Morocco which has one organisation participating in the committee - Confédération Générale des Entreprises du Maroc (CGEM).

The involvement of MENA countries in the OECD Global Parliamentary Network is very recent with Jordan and Morocco taking part in meetings of the network in 2016. This Network aims at facilitating dialogue amongst parliamentarians on the enacting and implementation of reforms.

The OECD Emerging Markets Network (EMnet) is a business-oriented platform for dialogue and analysis of economic trends, business strategies, and policy challenges. With participation of OECD experts, private-sector executives and policy makers from emerging countries, EMnet provides networking and collaboration opportunities across these sectors. Each year, EMnet holds a meeting on Africa with the participation of North African countries. EMnet is also developing the Initiative Global Network of Foundations Working for Development (netFWD) in which philanthropic organisations from United Arab Emirates and Egypt are members.

www.tuac.org
www.biac.org
www.oecd.org/parliamentarians
www.oecd.org/dev/oecdemnet.htm
www.oecd.org/site/netfwd

News and information about OECD work and events involving the Middle East and North Africa are available at www.oecd.org/mena

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The OECD: A Global Policy Network

The Organisation for Economic Co-operation and Development (OECD) is an international organisation helping governments tackle the economic, social and governance challenges of a globalised economy. It provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD Member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States of America.