

**Opening Statement by The Hon. Donald J. Johnston,
Secretary-General of the OECD**

**MENA-OECD Investment Ministerial Meeting
13 February, 2006 - Dead Sea, Jordan**

Your Excellencies, Ministers, Ladies and Gentlemen,

It is my privilege to welcome you to this important milestone of the MENA-OECD Investment Programme. I would like to congratulate our Jordanian host, H.E. Sharif Ali Zu'bi, Minister for Trade and Industry and Dr. Maen Nsour, Chairman of Jordan Investment Board, for their leadership and commitment to the Investment Programme and His Majesty King Abdullah II for his patronage. On behalf of the Organisation for Economic Co-operation and Development and its member countries, I would also like to thank all Ministers and Senior Officials of MENA countries here today for inviting the OECD to support your governments as you carry forward this ambitious initiative.

I was very encouraged to see that at the recent World Economic Forum in Davos, world leaders continued to devote considerable attention to Middle East and North Africa. While we are all aware of the critical challenges faced by the region, we are also seeing significant progress in many areas. The momentum for reform is growing in many MENA countries, and that provides opportunities for all regional partners.

The MENA/OECD Investment Programme is part of a broader Initiative on Governance and Investment for Development. The other pillar - Good Governance for Development - aims at modernising government structures and processes in the region. Last year this governance programme was launched here at the Dead Sea by a meeting of Prime Ministers, Ministers, and Senior Officials from eighteen Arab countries, hosted by the Kingdom of Jordan. But while that meeting started a programme, the meeting today and tomorrow serves a different purpose. Ministers will recognise the significant progress already made over the past year, give strategic direction for work in the year ahead, and underscore their commitment to making this programme a success.

While the investment programme and the governance programme are conducted on separate tracks, there is a strong relationship between the two. For example, investors need an efficient, transparent, enabling regulatory environment, with a minimum of administrative procedures and delays. They need an effective legal regime and integrity in the public service. These are among the issues where the two programmes will co-operate closely.

I would now like to say a few words on the Investment Programme, particularly what makes it unique.

- It is led by Arab country ministers and senior officials, with the support of the OECD and its member countries.
- It is a results-based policy dialogue, involving policy officials from MENA countries and their OECD counterparts. There is no shortage of diagnoses of the problems facing the MENA region. This Programme, therefore, focuses on action: on ***policy formulation and implementation***.
- The Programme aims to help MENA countries to:
 - Identify investment opportunities and competitive advantages;
 - Build confidence among domestic, regional and international investors;
 - Support creation of an efficient institutional and legal infrastructure;
 - Promote and business integrity and government transparency; and
 - Identify projects for support by bilateral and multilateral donors.
 - It also focuses on breaking down the barriers to investment and doing business with the region.
- The Programme is inclusive; it is being taken forward in close co-operation with the Arab League, World Bank, the Islamic Development Bank and others. We are looking to strengthen further our partnership with other important regional institutions like the Gulf Cooperation Council.
- The Programme has the private sector and civil society as key partners – including the Arab Business Council, the Business and Industry Advisory Committee to the OECD and other business organisations, company representatives and private sector networks.

- Very importantly, the Programme creates regional networks and integrates Arab country policy officials into the OECD's global network.

In short, the ***Programme emphasises regional ownership, policy dialogue and strategic partnership with other regional and multilateral organisations.***

Two rounds of meetings of the 5 Working Groups of the Programme were hosted by MENA countries in 2005. Each Working Group was chaired by a MENA Government with a co-chair from an OECD country. The OECD and experts from OECD countries played a supporting role through participating in the Working Groups.

The participating countries have devoted considerable attention to the development of National Investment Reform Agendas, which constitute the heart of the Programme. These Reform Agendas build upon and leverage existing reform efforts. They set out a plan of action, provide the basis for dialogue among participating countries and for reviewing progress. They can also identify projects that can be supported through existing bilateral and multilateral assistance programmes.

This first MENA Ministerial Meeting on Investment will review what progress has been made in implementing policy measures to improve the investment climate. This meeting will also provide guidance on the next stages of the Programme:

- Right after my statement, we will have Panels on investment promotion, tax framework, financial sector development and corporate governance.
- Tomorrow, MENA countries will present their National Investment Reform Agendas.
- Also tomorrow, the MENA Delegations will be invited to adopt a Declaration on common approaches and good practices for attracting investment to the MENA region. The Declaration will serve as a framework for regional dialogue, capacity building and implementation of National Reform Targets in the second year of the MENA-OECD Investment Programme.

Let me say a few words on what the OECD can bring to this Programme.

The OECD offers unique forum to share experiences, best practices and lessons learned across a broad range of policy issues based on the 45 years of its history. This is what we offer to more than 70 non-OECD countries we work with today: policy advice, based on objective analysis, assistance in developing action plans for reform, monitoring implementation and creating regional and global networks. We do this all around the world, including in Russia, China and Brazil and on every continent. In our networks, people leading economic reform on tax, budget, investment and other policies in Cairo, Rabat, Bahrain, Beijing or Brasilia can work with their counterparts in Berlin, London, Washington or Tokyo. In so doing, we are helping countries around the world lay the building blocks of modern economies and societies.

Before I conclude, allow me to take advantage of this opportunity to thank again the Jordanian government for its crucial engagement in this Initiative. It was here in Jordan where the Programme was developed 18 months ago, and since then the Kingdom of Jordan has done a marvellous job in chairing the Steering Group of the MENA-OECD Investment Programme and in moving the ambitious reform agenda forward.

I wish you all a successful meeting and would like to invite you now to participate in the Panel sessions.