

AGENDA

Regional seminar

Improving the use of investment incentives in the MED region

1-2 July 2019

Hotel Sheraton, Amman

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**EU-OECD PROGRAMME ON
PROMOTING INVESTMENT
in the Mediterranean**

Background

The EU-OECD Programme on Promoting Investment in the Mediterranean, launched in October 2016 in Tunis, aims to implement sound and attractive investment policies and establish effective institutions in the Southern Mediterranean region, with a view to attract quality investments and support job creation opportunities, local development, economic diversification and stability.

The Programme, implemented by the OECD (the MENA-OECD Competitiveness Programme and the Investment Division of the Directorate of Financial and Enterprise Affairs), is governed by an Advisory Group, co-chaired by the European Commission and the OECD, with the participation of representatives of beneficiary countries, the Secretariat of the Union for the Mediterranean and other regional partners.

Objective

This seminar will explore the use of tax and financial incentives to attract investment in the MED region. It seeks to address: the types of incentives granted, their effectiveness at achieving their stated goals, their potential adverse effects, as well as the governance and institutional coordination in the area of investment incentives. Participants will share country experience in using tax incentives and in seeking alternative strategies to attract investors.

Governments widely use a mix of incentives in an effort to stimulate domestic and foreign investment, as well as encourage investment in certain activities. Yet evidence on the response of investors to incentives is mixed. Tax incentives tend to be overly generous and often not cost-effective, raising questions about their effectiveness in advancing policy objectives. Monitoring the composition and generosity of investment incentive regimes in the Mediterranean region is a first step to allow for a better assessment of what types of incentives potentially enable positive economic and social spill-overs and which design features maximise their chances of success.

Participants

The seminar will convene senior policymakers from the Ministry of Finance, Ministry of Investment, and other relevant ministries (e.g. Ministry of Mining), IPA practitioners, businesses representatives, international experts and multinationals operating in the MED region. The meeting will consist of interactive roundtables and peer-learning sessions with EU member states and emerging countries. Participants will benefit from a focused exchange of perspectives among practitioners as well as with experts, and hold an evidence-based and forward-looking discussion.

Documents

- Background note: Mapping Investment Incentives in the MED region
- Joint IMF, OECD, UN and World Bank report on the [Effective and Efficient Use of Tax Incentives for Investment](#)

Website

www.oecd.org/investment/promoting-investment-in-the-mediterranean.htm



**EU-OECD PROGRAMME ON
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Monday 1 July 2019

Hotel Sheraton, Amman

08:30-09:00 **Registration**

09:00-09:30 **Welcoming remarks**

- Fareedon Hartoqa, Acting Chairman, Jordan Investment Commission
- Othman El Ferdaous, Secretary of State in charge of Investment, Ministry of Industry, Investment, Trade and the Digital Economy, Morocco
- Sirpa Tulla, Head of Economic Cooperation, EU Delegation to Jordan
- Marie-Estelle Rey, Senior Advisor, Middle East and Africa Division, Global Relations, OECD

09:30-10:30 **SESSION 1: Tax policy and investment incentives in the MED**

This session introduces the workshop and sets the scene for future discussion by outlining the concepts and common rationales for investment incentives. It gives a brief overview of tax policy and tax revenues in the Southern Mediterranean region and the types of investment incentives governments use. It aims to encourage a discussion on what incentives target (investment in a particular location, sector or activities) and the specific instruments used.

Speakers:

- Luisa Dressler, Economist, Centre for Tax Policy and Administration, OECD
- Sarah Marion Dayan, Investment Policy Analyst, OECD

Interactive discussion

10:30-11:00 COFFEE BREAK

11:00-12:00 **SESSION 2: Benefits and costs of tax incentives for investment**

This session establishes a framework for the analysis of the benefits and costs of tax incentives. This includes assessing their economic impact, how they affect the tax system's ability to raise revenue, their distributional consequences. The session also discusses the impact of tax incentives on effective tax rates, and empirical evidence on the effectiveness of tax incentives.

Speakers:

- Luisa Dressler, Economist, Centre for Tax Policy and Administration, OECD

Interactive discussion

12:00-13:30 LUNCH BREAK

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13:30-15:30

SESSION 3: Governance and institutional coordination of investment incentives

The objective of this session is to encourage dialogue between different institutional actors involved in deciding, implementing and administering investment incentives. Particular attention is given to the case of investment zones (such as Special Economic Zones or Free Zones). In an interactive discussion, participants will share their challenges and policy solutions to coordinating investment incentive policies.

Panel discussion:

- Ellen Harpel, Centre for Regional Analysis, Schar School of Policy and Government, George Mason University
- Ali Hammad, Independent Tax Policy Advisor
- Samet Akyuz, Investment Office, Presidency of the Republic of Turkey

Interactive discussion

15:30-16:00

COFFEE BREAK

16:00-18:00

Interactive session: Country experiences using tax incentives

Each country is invited to present a case study of a tax incentive in their country, noting its rationale and a short analysis of its effectiveness, estimated revenue costs, potential unintended consequences, or suggestions for improvement (Continued on Day 2).

Interactive discussion

Tuesday 2 July 2019

Hotel Sheraton, Amman

09:00-10:30

SESSION 4: Incentives for extractive industries

This session explores the use and challenges of investment incentives granted to extractive industries. It will also discuss recent international advances to improve the use of incentives in the area.

Speakers:

- Alain Charlet, Independent Expert for the OECD, the World Bank and the IMF & H el ene Francois, Project Manager & Investment Policy Analyst, OECD
- Joachim Mayenda, Tax Inspector, Democratic Republic of Congo
- Assia Elgouacem, Economist, Environment Directorate, OECD

Interactive discussion

10:30-11:00

COFFEE BREAK

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11:00-13:00

Interactive session: Country experiences (cont.)

Each country is invited to present a case study of a tax incentive in their country, noting its rationale and a short analysis of its effectiveness, estimated revenue impacts, potential unintended consequences, or suggestions for improvement. (Continued from Day 1).

Interactive discussion

13:00-14:30

LUNCH BREAK

14:30-16:30

SESSION 5: Reporting on and monitoring of tax incentives

Tax incentive analysis and reporting can create accountability and transparency. It can also support the evaluation of tax incentive effectiveness and efficiency that is necessary to move reforms forward. The objective of this session is to discuss countries' experience reporting on and monitoring the use of tax incentives. Practitioners from different countries will share their experience and discuss challenges and opportunities related to reporting and analysing tax incentives for investment.

Speakers:

- Luisa Dressler, Economist, Centre for Tax Policy and Administration, OECD
- Samudera Putra, Directorate for Tax Regulation, Ministry of Finance, Indonesia
- Ellen Harpel, Centre for Regional Analysis, Schar School of Policy and Government, George Mason University

Interactive discussion

16:30-17:00

Closing remarks, next steps of the Programme and tour de table

OECD/EU

Group picture



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