



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT



The MENA-OECD Investment Programme

MENA Phase II : Achievements and Examples of Outputs

Steering Group Meeting,
3 May 2010



**MENA-OECD
INVESTMENT
PROGRAMME**

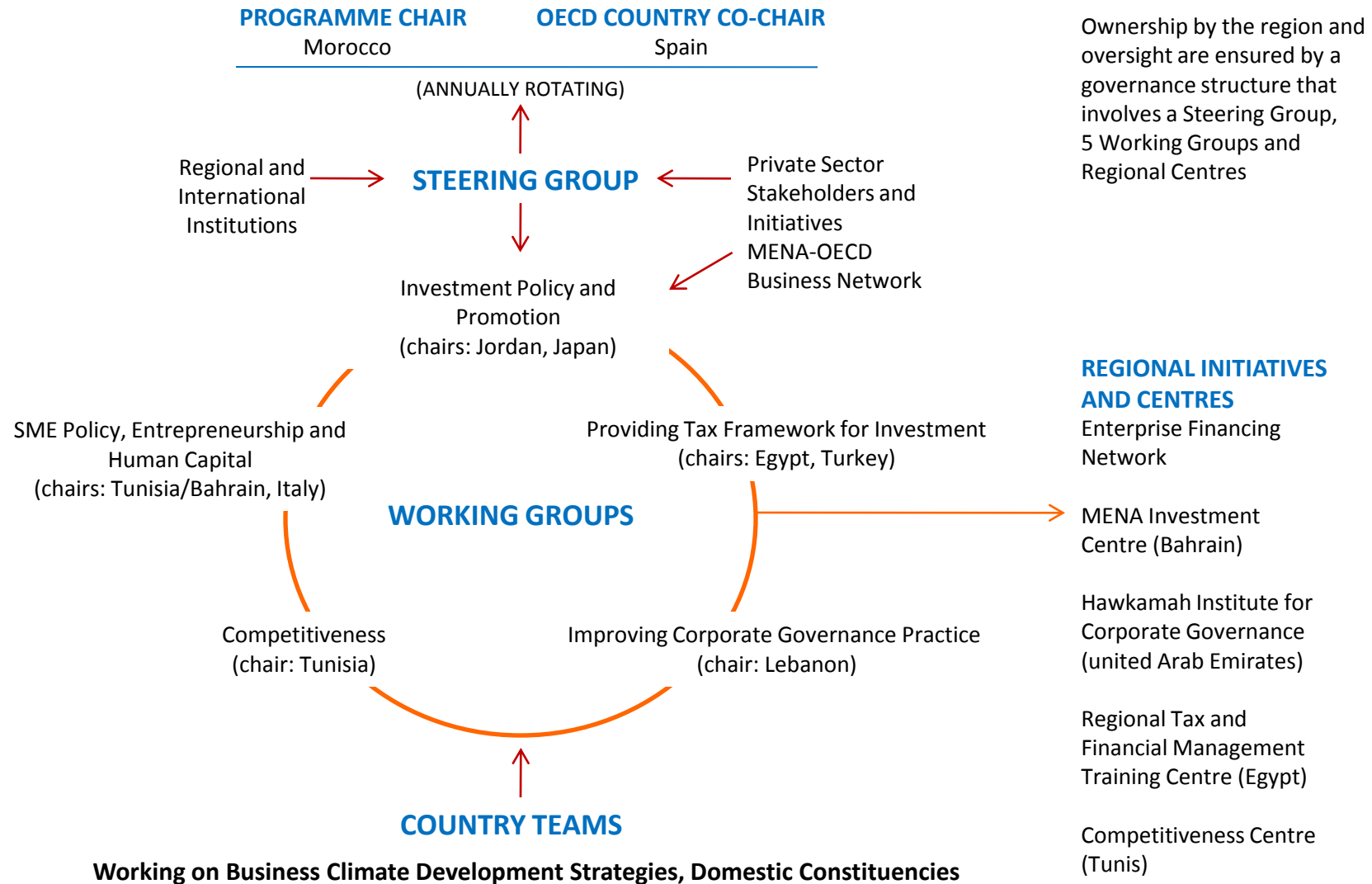


I. Structure of the Programme: Core Functions

Core Functions of the Programme

1. Deepening Regional Policy Dialogue and Capacity Building
2. Fostering Peer Advice and Partnerships for Reform at National Level
3. Monitoring and measuring progress
4. Anchoring the Programme in regional centers and networks
5. Encourage inclusion of horizontal/new themes

I. Structure of the Programme: Co-ownership



I. Structure of the Programme: Two Track Approach

MENA follows a “Two Track Approach”

Regional approach

- The OECD offers its expertise in the creation of a **Peer dialogue** to foster regional integration
- Common challenges that exist on the **regional level** are addressed through a comprehensive approach
- Effective and sustainable process for regional co-operation, based on the **Steering Group** and **expert Working Groups**

Country-specific approach

- Assistance in **defining country-specific priorities** for reform including recommendations of how to implement them (Business Climate Development Strategy)
- Ongoing support in the **implementation phase** of policy reforms to remove sector-specific barriers to private sector development

II. Regional Achievements: Regional Centres

Centres

Regional Activities

MENA Investment Centre, Bahrain

- Investment policy and promotion training
- Hosting the MENA-OECD Enterprise Financing Network
- Providing research and data collection capacities (OECD Depository Library)

Hawkamah, Dubai

- Hosting Working Group 5 of the Programme
- Providing training on corporate governance standards
- Support dissemination, drafting, implementation of corporate governance codes

Tax and Financial Management Centre, Egypt

- Provide training on tax administration, modeling of tax policy alternatives, and international tax instruments
- Building up research capacity on regional trends in tax policy reforms.

Centre for Competitiveness, Tunis

- Publish regional competitiveness report;
- Collect best practice on how MNEs grow in MENA;
- OECD Depository Library

II. Other Regional Achievements

Main Regional Achievements

- Established **regional forum for dialogue and peer review** amongst MENA countries on investment climate issues.
- Political endorsement of regional business climate policy agenda over **3 Ministerial Meetings**.
- Increased the visibility of new regional priorities such as women in business, responsible business conduct and integrity, and green growth.
- Support improving the image of the MENA region as **investment destination** and confidence in the international investor community.
- Integrate MENA countries into **OECD instruments, tools and dialogue foras** (e.g.: Declaration on Investment, Corporate Governance Principles, double taxation model agreement, Freedom of Investment project).

III. Examples of Country-specific Achievements: BCDS

Country Coverage:

Egypt, Morocco, further: Tunisia, Yemen, Jordan, UAE

Define Baseline

- Synthesis of existing evaluations including main accomplishments/challenges.
- Stock-taking of business climate reform projects.

Develop Strategy

- Define with government leaders strategy on where and how to improve the business climate and country competitiveness.

Support Implementation

- Provide targeted assistance in the design and implementation of reform, mobilising relevant expertise and resources from the OECD and the World Bank.

Examples of achievements

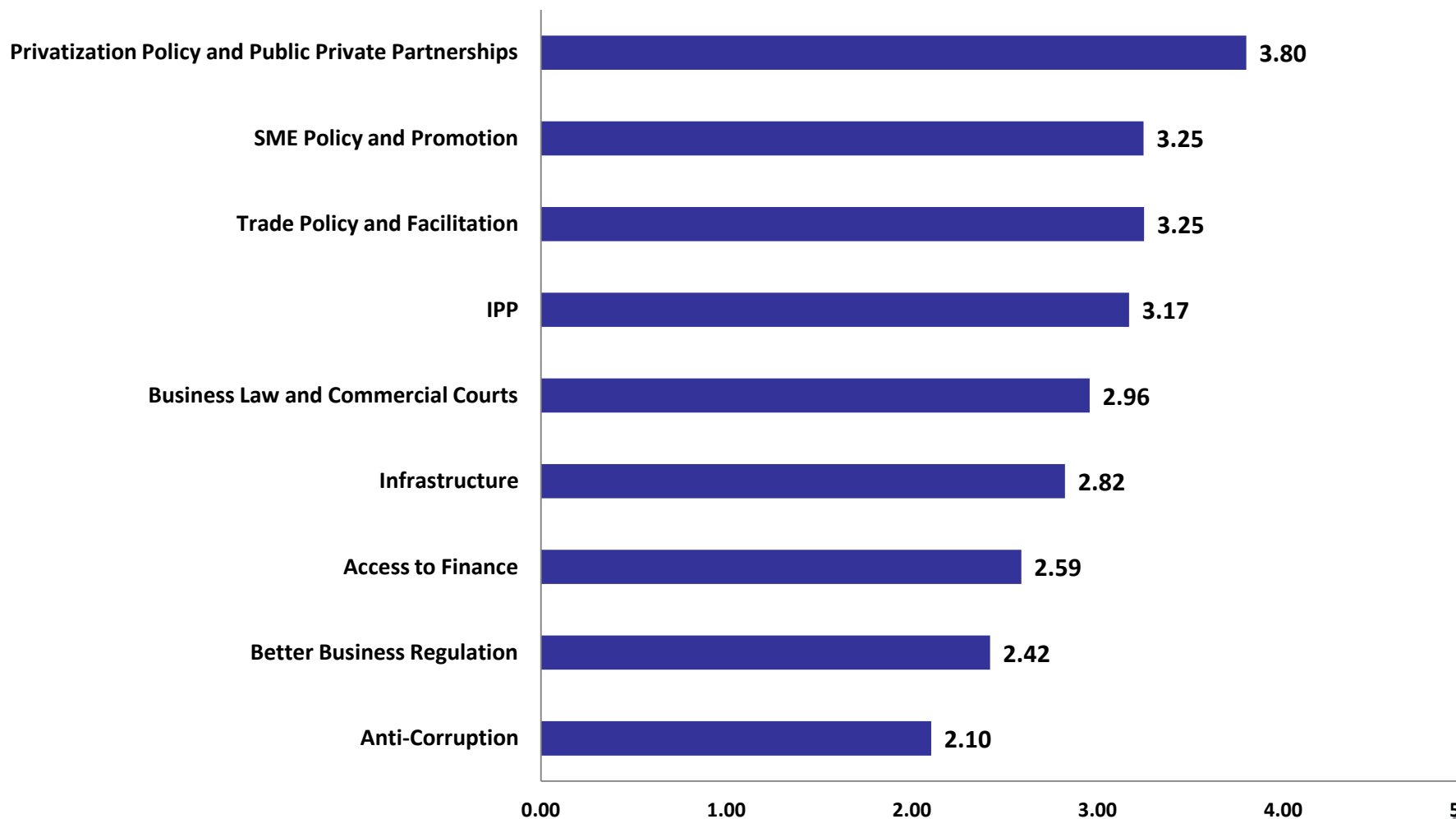
- Egypt: Adherence to the OECD Declaration on International Investment and Multinational Enterprises. Efforts to reduce exceptions to national treatment. Re-design of Free Economic Zones system.
- Jordan: A new investment law is currently pending parliament approval. Jordan has applied for adherence to the OECD Declaration on International Investment and Multinational Enterprise.
- Morocco: Morocco adhered to the OECD Declaration on International Investment. The first Moroccan Code of Corporate Governance has been adopted.
- UAE: The federal government plans to introduce a new federal investment law and to define its relation to the federal company law, considering the opening of more sectors to FDI.

Future focus

- Conducting additional Business Climate Development Strategies including a sector specific focus.
- **Greater emphasis on support in implementation** of policy recommendations through training/coaching.

IV. Example of Results: BCDS Morocco

Morocco Weighted Dimension Scores



IV. Example of Results: MENA-OECD Iraq Project

Two Pillars

Investment

Key Achievements:

- Supported the design and setup of the National Investment Commission (NIC) including interactions with other agencies on the issue of infrastructure financing.
- Provided inputs into the implementation regulation for the Iraqi Investment Law
- Provided capacity-building for Iraqi negotiators of Investment agreements through training
- Integrated Iraq's investment officials into regional expert networks

Anti-Corruption

Key Achievements:

- Main sources of corruption/legislative framework for integrity and fighting corruption reviewed.
- Drafted Proposal to implement anti-corruption policies in government procurement of key Iraqi ministries – link to Paris Declaration on Aid Effectiveness
- Integrated Commission of Public Integrity and Inspector Generals into regional networks

Third Phase to focus on deepening the implementation of better Investment Policies

IV. Example of Results: Insolvency Reform

2009 Communiqué on Insolvency and Creditor Debtor Rights Systems Reform in MENA

The 2009 regional symposium on insolvency laws supported by MENA-OECD issued a regional Communiqué – first in the region addressing the issue.

Key action items of the insolvency work going forward are:

- Produce analytical policy oriented research material (2 per year), focusing on developing a regional real life case study on insolvency/restructuring and cross border insolvency, the economic cost of not doing restructuring;
- Work on the statistics in the region for out of court settlements/Informal workouts and other topical issues;