



# MENA-OECD INITIATIVE HIGH LEVEL CONSULTATION

16 May 2011 ♦ Paris, France

## CONCLUSIONS



# Table of contents

## **A. Overview**

1. The MENA-OECD Governance Programme
2. The MENA-OECD Initiative High Level Consultation: main outcomes

## **B. Thematic areas of focus**

1. Democratic governance
2. Anti-corruption, integrity and the rule of law
3. Women empowerment and gender equality
4. Territorial development

## **C. Key instruments**

1. Regional dialogue
2. Peer review
3. Indicators
4. Capacity building

## A. OVERVIEW

### 1. The MENA-OECD Governance Programme

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Since 2005, the **MENA-OECD Governance Programme** has promoted policy reform efforts in 18 participating MENA countries through peer dialogue and the sharing of good practices between policy makers, private sector and civil society representatives in MENA and OECD countries.

The Programme is a **successful example of regional co-operation**. It generates impact through a comprehensive approach that involves regional dialogue, peer review, definition of reform priorities and assistance in implementation to policy reforms.

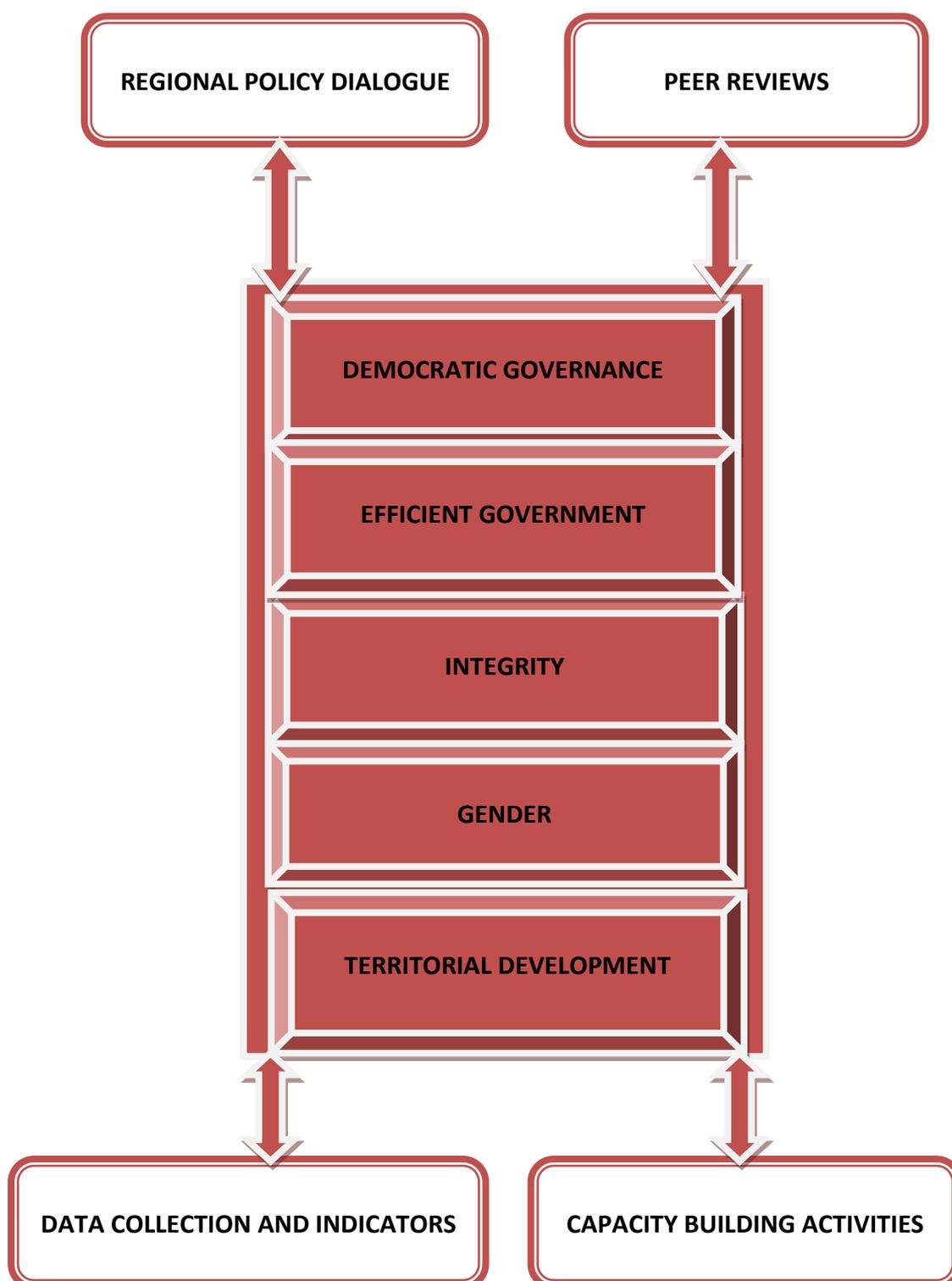
Past achievements provide good basis to undertake an open discussion on how better to promote the good governance agenda in view of the unprecedented political developments that the Arab region is witnessing. The **Arab Spring** has shaken up the MENA region during the last few months and has focused the global attention. Citizens have called for democracy, they have denounced corruption, and pointed out the incapacity of economic policies to create jobs and provide social cohesion. In this scenario, governments have to respond to new **dynamics and demands**, at the same time that they are involved in deep **processes of institutional reform**. Access to good practices, dialogue on policy options and peer support to the process of reform can only enrich the final outcomes and contribute the success of this transformation.



## 2. The MENA-OECD Initiative High Level Consultation: Main outcomes

Recent events in the MENA region have opened a window of opportunity to build more transparent and efficient governance and economic management systems. In this context, the MENA-OECD Initiative on Governance and Investment for Development organised a High Level Consultation on 16 May 2011, which provided an opportunity to discuss the impact of recent events in the region on the MENA-OECD Initiative on Governance and Investment for Development and provided inputs to its future orientation.

In the field of public governance, the MENA-OECD Initiative High Level Consultation developed key thematic areas of focus and raised the importance of policy tools:



## B. THEMATIC AREAS OF FOCUS

### 1. Democratic governance

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#### Building strong public institutions:

**Strong and accountable** state institutions, **openness** of government, **participatory** policy making and **social dialogue** are needed to respond to citizens' needs and aspirations and to rebuild **trust** in government. With unprecedented change occurring in the region, it is necessary to sustain and build on the **current momentum** that is calling for a more democratic governance, and adequately respond to the high expectations of citizens that have been voiced in the region.

#### Facing youth unemployment:

As Adam Smith said ***"No society can surely be flourishing and happy, of which the greater part of the members are poor and miserable."*** This statement is particularly true in the context of recent events that have shaken up the MENA region. Popular movement calls for re-focusing on the achievement of concrete results that contribute to areas that matter most to the public, in particular **job and wealth creation**, and **access to basic services**.

The MENA region is facing **alarming unemployment rates**, namely in the ranks of its youth.

Over half the population is under 25, and 65% are under 30. Furthermore, one out of four youth are unemployed, with a high gender inequality, as unemployment rates for youth females are 50% higher than for youth males. These unemployment rates are directly linked to political (un)stability.

MENA countries have voiced their request for OECD support in this field in order to

fully benefit from the potential this youthful population can bear. OECD member countries have extensive experience in this field and can offer policy tools to enhance employment opportunities by strengthening public institutions, reforming the legal framework for doing business and rebuilding trust in governments.



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It can also **build capacity** and give **technical support** and tailored policy advice on how to establish more participatory policy making processes, through consultation procedures and the use of ICT tools to enhance effective participation and accountability in policy making and how to create more open governments and elaborate road maps and strategies for democratic governance that can translate into concrete and tangible results. MENA

countries have requested the MENA-OECD Governance Programme to help in the **prioritization and sequencing** of reform actions to ensure a sustainable, comprehensive and successful road map for more democratic governance in the MENA region. Prioritization and sequencing are crucial to ensure that citizens' high expectations are not let down, and that reforms are sustained to achieve concrete results. The Programme has also much experience in the areas of **regulatory quality and legal and constitutional reforms**, which are crucial in paving the way towards the setting up of democratic institutions.



*H.E Mr. Nassif Hetti, Ambassador, Head of the Mission of the League of the Arab States, Dr. John D. Sullivan, Executive Director, CIPE, Dr. Sahar Nasr, Lead Financial Economist, MENA region, World Bank*

## 2. Anti-corruption, integrity and the rule of law

Demonstrators throughout the MENA region openly voiced their discontent and frustration with the blatant corruption in the region and denounced the ways in which **corruption hinders citizens' rights freedoms as well as economic and social development**.

Corruption in the MENA region has indeed reached unprecedented heights, and has a **highly detrimental impact** on citizens' everyday lives. In fact, corruption affects access to services, political representation and the public and private sector, **citizens' trust** in their governments and the **country's growth and development**. What used to be a taboo subject has now openly been discussed and debated throughout the region and placed as a core concern, namely concerning **public sector integrity and corruption of public officials**.

It is therefore essential to **refocus anti-corruption efforts on actions that yield concrete results**, and to effectively **put anti-corruption commitments into practice**.

Addressing the risks of corruption from **preventive stand point** is essential in the fight against corruption as prevention is a key safeguard in terms of anti-corruption

efforts. Effectively **implementing mechanisms to curb corruption** in line with international standards have for long lagged behind. Disseminating a **culture of integrity**, namely within the public sector is also crucial. Moreover, **enforcing the rule of law** is a fundamental step towards achieving more integrity and transparency in governments and public administration.



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The MENA-OECD Governance Programme has supported MENA countries in this area through in-depth **policy dialogue** and **peer reviews**. It has indeed reinforced **public sector core values** in many countries through the establishment of Codes of Conducts and Joint Learning Studies which play an essential preventive role, mapped out **risk areas of corruption** such as public procurement and conflict of interest and fostered dialogue and exchange of good practice in the region.

### 3. Women empowerment and gender equality

Women have been **at the heart of the revolutions** that shook the MENA region in the past few months and are **central in the transition process** that is occurring. Moreover, women make up around half of the populations in MENA societies, and **no society can reach its fullest potential if it ignores half of its citizens**.

Any real reform must therefore include their needs and demands and acknowledge the importance of gender equality to achieve a successful and sustainable process. Indeed, **ensuring that women have a voice in shaping public policy is crucial** for fostering social cohesion, ensuring effective and accountable governance and building inclusive growth in MENA economies.

The way forward in this area is to **safeguard earlier achievements** and **build on previous progress** and most importantly ensure that new reforms include **gender equality concerns** and **women empowerment** at the heart of the process. Indeed, recent political events in the MENA region can provide an **excellent opportunity** for women to play a greater part in public and civic life of their countries.

Tunisia was at the vanguard of such behaviour by recently issuing a decree requiring parity between women and men all candidate lists submitted for the elections to be held in July.

The way ahead in this area comprises of establishing **Peer Learning Programmes** to support countries in the implementation of preventive measures of the United Nations Convention Against Corruption, **developing practical tools and instruments** specific to the MENA region in order to overcome challenges in the implementation of anti-corruption measures and providing **technical support** to countries on how to implement specific measures and tools.



**Dr. Yusuf Mansur**, CEO Envision Consulting Group, Former CEO of the Jordan Investment Board, **Mr. Andreu Claret**, Executive Director, Anna Lindh Foundation, **Dr. Soukeina Bouraoui**, Executive Director, Center of Arab Women for Training and Research

The MENA-OECD Governance Programme acknowledges that **good governance is gendered governance**, and has worked to ensure that women's participation in all fields is enhanced. The Programme has achieved a great step in contributing to the **dissemination of good practices** and the **sharing of innovative and tailored gender equality initiatives** with stakeholders from the region. It has also supported the promotion of **gender mainstreaming and gender equality policies in public governance** by strengthening the strategic capacity of public officials and other key

decision-makers to implement **gender-sensitive policy frameworks**. Supporting the gathering of **gender-disaggregated data** and the development of **gender-sensitive indicators** is a key step for evidence-based decision-making. The MENA-OECD

Governance Programme will thus provide **capacity building** on this area all-the-while supporting MENA countries in the establishment of gender equality strategies and strategic vision.

#### 4. Territorial development



**Mr. Abouhani Abdelghani**, Director General of Housing, Architecture and Territorial Planning, Ministry of Housing, Urbanism and Territorial Planning, Kingdom of Morocco; **Mr. Hamzah Jaradat**, Economic Advisor to the Minister, Ministry of Finance, Jordan and National Coordinator of the MENA-OECD Governance Programme; **Mr. Joachim Olivera Martins**, Head of Division, Regional Development Policy Division, Directorate for Public Governance and Territorial Development, OECD; **Mr. Ghazi Gherairi**, Spokesman of the High Commission for the Realisation of Revolution Objectives, Political Reform and Democratic Transition; **Mr. Carlos Conde**, Senior Coordinator, MENA-OECD Governance Programme; and **Ms. Amal Larhlid**, Policy Analyst, MENA-OECD Governance Programme

Territorial development policies have been a **central component** in the recent events in the region. The Tunisian revolution was indeed set off from a remote area, where feelings of isolation and inequality impeding the mobilisation of local resources and human development reached unbearable levels. Failed or weak territorial policies, an area often **neglected by public policies** have thus played an important part in fuelling the recent revolutions in the MENA region, urgently calling for reforms in this area.

Addressing territorial challenges is key to ensure a better reallocation of wealth and power, enhance social cohesion and foster economic sustainable growth, **issues which are at the heart of public concerns**.

Territorial development strategies can support MENA countries in promoting sustainable economic growth and reduce disparities between territories and citizens.

The path towards democracy is directly connected to the enhancement of **institutional capacities at the sub national level**, where the provision of public services and economic development takes place. Decentralization processes require **strong capacity** at both the national and sub-national levels, and far from being a luxury or secondary objective, are to **priorities that can allow for more sustainable growth and development** and act as **catalysts** for achieving other key national objectives.

As there is no optimal model for successful territorial development policies, the MENA-OECD Governance Programme can ensure that **tailored and specific guidance and capacity building** to MENA countries on territorial development is made available as best fits the needs of each country. The

MENA-OECD Governance Programme has also been asked by MENA countries to help **bridge the capacity gap** related to expertise and technical know-how in the area of territorial development as well as the lack of adequate tools to establish successful territorial development policies.

## C. KEY INSTRUMENTS

### 1. Regional dialogue

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Good governance is a precondition for social integration and economic development. The MENA-OECD Governance Programme (hereafter: the Programme), created in 2005, supports progress with governance reform that matters for achieving global social and economic development objectives. The Programme is directed towards helping MENA countries strengthen their capacity to govern by improving policy-making systems and the performance of public institutions and by enhancing the efficiency, transparency and accountability of their public institutions, the management of public resources by the State, and the interaction between the public and private sectors as well as governments and their citizens.

The Programme provides a sustainable structure for regional policy dialogue among MENA countries. Oil rich countries intensively participate in the activities of the Programme on a self-funded basis and exchange experiences with other MENA countries. The uniqueness of the Programme lies in that:

- It is recognised as a trusted and solid partner in the MENA region;
- It is owned and managed by MENA countries with the support of the OECD Secretariat;
- It is demand driven and impact oriented;

- It benefits from experiences and good practices of both MENA and OECD countries.

In the past 5 years, the programme has confirmed to be a successful platform for regional (south-south) policy dialogue and cooperation (south-north) and managed to leverage on its extensive network of committed policy makers and practitioners from MENA and OECD countries to help improve citizens' lives and business operations by implementing concrete reforms aimed at addressing a selected range of policy issues. The outcomes of the Ministerial Conference of 2009 of the MENA-OECD Governance Programme and the strategic directions that emerged from the intense debate that characterised it, provide a comprehensive picture of the shift in approach that is at the heart of the second and current phase of the Programme implementation and that informs the approved program of work for its new third phase, from 2011 to 2015.

The Institutional Structure of the MENA-OECD Governance Programme is very convenient to enhance and reinforce regional dialogue. It coordinates **4 Working Groups and 2 Focus Groups**, respectively in charge of:

- Building capacities for integrity policies;
- supporting countries to go beyond e-government toward an open and innovative government;
- Promoting sound public management;
- making the most of regulatory policies to create conditions for social and economic development;

- Strengthening gender policies;
- Enhancing territorial development policies.

The work of the Programme is all the more important if analysed in light of the **recent social and political developments** that are taking place in the MENA region and that are the result of the willingness of the Arab civil society for more **open, transparent and democratic governments**.

## 2. Peer review

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While keeping in mind that regional dialogue is key, a tailored approach is required to better address the specific needs of countries in the MENA region. Peer reviews constitute such a tool par excellence, as they act as a mechanism for cooperation, dialogue and change. They provide countries with an opportunity to **actively engage in a dynamic process**, culminating in OECD recommendations on how their institutions and stakeholders can better work together to achieve policy and reform priorities. Peer reviews serve to **assess the potential for sustained reform progress**, foster **policy dialogue and mutual learning**, validate findings by drawing on the **knowledge database of policy practitioners** and provide **policy recommendations** in line with international good practices. Peer reviews are usually accompanied by capacity-building to support the translation of policy recommendations into action.

The Programme provides a platform to make systematic use of peer learning and policy advice instruments in order to support effective change, increase accountability, ensure greater efficiency on public administration processes and reinforce institutional capacities and competences. The Programme makes use

of OECD evidence-based tools promoting a whole-of-government approach to ensure that all parts of government are considered and involved in the reform process. The assessment of the selected areas and the implementation of the results are based on a comparative method to benchmark progress, identify good practice and coordinate domestic and international policies. To this end, the Programme takes also full advantage of the OECD as a hub of global knowledge, both in policy design and implementation, which combines the rich experience of 34 OECD member countries.

### The joint Learning studies:

A Joint Learning Study (JLS) is an innovative method for sharing knowledge on key policy issues between OECD and non-member countries, based on the well established OECD Peer Review System. It is a 'joint' activity which requires close co-operation between OECD and non-member countries. In order to ensure an in-depth policy discussion among peers and to foster dialogue among countries, experts from both OECD and participating countries are involved in the assessment process. The outcome of this collaboration is a JLS report, which covers specific areas of interest for

participating countries, adapting the OECD peer review methodology to a country context. Among the JLS published recently within the Programme:

- Implementing a Code of Conduct for the Public Sector in Jordan (2010)
- Designing and implementing a Code of Conduct in the Civil Service: Benchmarking the Palestinian draft Code of Conduct (2010)
- Enhancing Integrity in Public Procurement in Morocco, (2009)
- Mechanisms for collecting information on corruption in Morocco, (2009)
- Enhancing Integrity in Public Procurement in Yemen, (2009)

### 3. Indicators

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Promoting good governance requires better understanding of where countries stand and how they progress. An important component to measure progress in reforms is the collection and analysis of data. Developing analytical frameworks and indicators related to government performance is a complex challenge for the MENA region. Indicators are especially relevant in the current MENA context, as they can serve to measure and evaluate the impact of national policies and reforms and can help hold governments accountable.

To help shape the response to this challenge, the MENA-OECD Governance Programme is working on the establishment

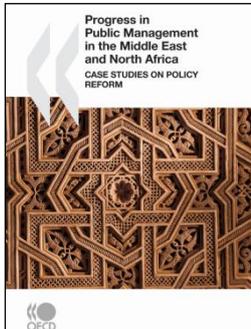
#### **The MENA-OECD Initiative to Support the Palestinian Authority (MIP):**

The MIP makes systematic use of peer learning and policy advice to accelerate effective change and modernisation of the Palestinian public sector. Launched in 2008, the MIP is now in its operational phase and is delivering in all areas, notably: Rising standards of human resource management by implementing a Code of Conduct for the civil service; Supporting the reinforcement of e-government to increase efficiency and effectiveness, availability of services, openness and transparency, and greater inclusions of citizens and business in the life of their institutions; Promoting Integrity and Performance in the PA through a Practitioners' Guide on public consultation in the law drafting process.

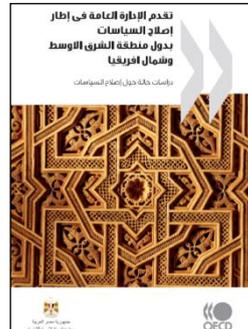
of the **MENA Governance Indicators and Capacities** Project, which will result in the publication of the **Arab Governance Busola**. The latter is a new and innovative flagship publication that the OECD Secretariat intends to produce, together with interested MENA and OECD countries, as a tool to evaluate ongoing reform trends and measure progress in public sector reforms.

Inspired by **OECD-PISA** in terms of policy impact and effectiveness and UNDP Arab Human Development Report in terms of political relevance and impact on media, this publication aims to become a global reference to understand developments in the Arab region.

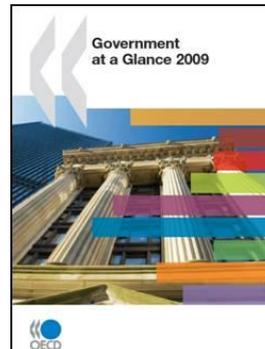
**Report on Progress in Public Management in the Middle East and North Africa: Case studies on policy reform (2010)**



**Translation into Arabic of report on Progress in Public Management in the Middle East and North Africa: Case studies on policy reform (2011)**



**“Government at a Glance” 2009**



**“Government at a Glance” 2011**



This project will benefit from the MENA-OECD Governance Programme’s regional platform for policy dialogue and exchange of good practices and its network of senior policymakers. It will be the continuation of a process that started with the **MENA-OECD Governance Programme’s Progress Report**, which has collected empirical information on policy making and implementation in the Arab region using for the first time OECD method and knowhow in this area.

#### 4. Capacity building

The Programme provides capacity building activities facilitating the dissemination of knowledge and increasing abilities and skills of public officials on specific issues jointly identified. By using the extensive publication activities of the OECD Secretariat and its wealth of knowledge product, the Programme organizes **high level seminars and technical workshops at the national level** with officials from both MENA and OECD countries. During these events, OECD instruments such as the **OECD Integrity Framework**, the **Recommendation on Guidelines for Managing Conflict of interest in the Public Service** or the OECD publications **“Rethinking e-Government Services: User-centered Approaches”** and **“Regulatory Oversight Bodies:**

The MENA Governance Indicators and Capacities AGB will benefit conceptually and methodologically from the OECD flagship publication “Government at a Glance”, a major exercise of collecting quantitative data and developing comparable indicators in the field of public governance.

**Strengthening the Institutional Settings for Regulatory Reform”** are used to inform the discussions and provide evidenced based policy options to MENA officials. These activities are fundamental for the whole Programme. The capacity building component of the Programme indeed ensures the successful implementation of the policy recommendations contained in OECD publications and tools as well as recommendations originally produced in the JLS and reviews and, most importantly, guarantees the long term sustainability of the specific public sector reforms that stem from the aforementioned recommendations.

## Regional Centers

As an integral part of its broader strategy to realise the outcomes of the regional policy dialogue and accelerate reform processes in the region, the MENA-OECD Governance Programme supports three regional centers as follows:

➤ **The Regional Centre for Public Policy Evaluation (RCPPE)/ Morocco**

The CREPP was launched in order to satisfy a growing demand for evaluation in the MENA region and to promote the practice of evaluation of public policies as part of good governance in MENA countries. Its mission contains the task to providing better and more evaluation training, finding means of transmitting and accessing knowledge about evaluation, and creating a forum where practitioners of evaluation can exchange. It is also responsible for generating demand for evaluation in MENA countries, to train and educate public servants and others with an interest in evaluation, to carry out studies, manage a pool of experts, ensure quality, advance methodology and be a repository of knowledge.

➤ **Regional Centre of Expertise on Regulatory Quality (RCEQR)/Tunisia**

Launched in May 2009, The regional center will i) support MENA countries in assessing the process of rule making, ii) provide advice on the rationale and techniques for introducing a systematic appraisal for new or existing regulations in the context of cultural and institutional traditions of MENA countries, iii) promote the case for a systematic review of proposed and existing regulations among regional policy and decision makers, iv) monitor, adapt and

disseminate good practices from the MENA region and beyond, v) and provide targeted training in regulatory impact analysis techniques (as adapted to the regional context) for government functionaries, magistrates, and private sector representatives engaged in the appraisal of new and existing legislative and regulatory texts.

➤ **Regional Centre on Tax and Financial Management/Egypt**

The center, created in 2008 by the Egyptian Government in co-operation with the MENA-OECD Initiative, provides capacity building and training on taxation and public financial management, specific to and immediately relevant to MENA's challenges in financial management. It carries out research on new trends in public finance and fiscal policy. The institute primarily trains managers and professionals in fine-tuning and implementing new public finance structures, methods, and concepts. The rationale behind the institute rests upon the need for trained personnel arising from the ongoing and planned changes in financial governance.