

Draft conclusions

The Steering Group of the MENA-OECD Initiative for Governance and Competitiveness for Development met on 18 June 2019 in Tunis. This meeting convened Ministers, high-level government officials, as well as representatives from the private sector and civil society from both OECD and MENA economies, under the topic “Partnering for shared prosperity”.

The Steering Group was a unique opportunity for 200 participants from 13 MENA economies and 14 OECD economies to come together to discuss the strategic priorities for a sustainable and inclusive economic development of the region. The Steering Group assessed the progress achieved during the implementation of the Initiative’s current mandate, spanning 2016-2020, and, by building on the impact and results achieved so far, reflected about the Initiative’s key priorities for 2020, in view of the fifth mandate renewal for the period 2021-2025.

With its young population and its strategic trade position, the MENA region has great economic potential. Nevertheless, economic growth remains feeble and was recently reported under 2% with projections pointing towards further decline. Additionally, a considerable percentage of the population remains marginalised within the labour market and public life: youth unemployment is at 25% while female labour participation is at just 22%. Participants agreed that structural reforms must be implemented swiftly in order to create economies and societies that are more resilient in the medium and long-term. In particular, participants underscored the importance of targeted policy reforms in the field of public governance and competitiveness. They stressed that inclusive, transparent and accountable institutions and policies and new partnerships between government and civil society are critical to create favourable conditions for more inclusive policy outcomes. Participants highlighted that measures supporting the private sector are essential in enhancing job creation and fostering bottom-up growth. The Steering Group came to the consensus that, in the years to come, the Initiative must play a key role in accompanying the economies and societies of the region in the formulation and implementation of such measures in order to achieve the regions goal of creating sustainable and inclusive growth.

In this context, participants welcomed the continuing relevance of the Initiative – 15 years after its launch – as a vehicle of positive change, regional integration and policy reform based on good practices and international standards. In particular, they noted that in the past years, the Initiative succeeded in developing an innovative and much-needed regional approach for the development of MENA economies and societies. Participants encouraged the Initiative to maximise the potential of its work by further reinforcing, in the future, the link between the regional and the national dimensions. In this and other respects – since the Initiative relies on voluntary contributions – securing proper funding in the future will be indispensable for the successful implementation of the activities, and to achieve many of the objectives that were mentioned during the meeting.

The first plenary session of the Steering Group Meeting was dedicated to the discussion of the region’s strategic priorities for a shared prosperity. Participants stressed the importance of national reform programmes in the region, in line with the international framework for action encapsulated in the United Nation’s Agenda 2030. They highlighted the need to reduce the opportunity gaps for inclusive growth and development, especially those linked to gender, age and economic resources. The session hence stressed how territorial development, sustainable infrastructure, and good governance – to name a few thematic areas – can contribute to a more inclusive social and economic development. Furthermore, participants noted that the Initiative should continue its work on fragile and conflict-affected areas, with a view to enhance stability and positive regional spillovers, as well as to start envisioning their future pathways to economic development.

During the second plenary session, discussions centred on the challenges and opportunities carried along by the digital transformation in the region. Speakers agreed that the impact of technologies like Big Data Analytics, Artificial Intelligence, and Blockchain have the potential to critically transform the economies and societies of the region, touching on matters like effective governance, inclusive access, openness, transparency and engagement, productivity, infrastructure, taxation, supply chains, SMEs and diversification. Recent OECD work on the matter in other regions proves that the Initiative has a lot of knowledge capacity to offer to the region, to ensure that the digital transformation does not exacerbate the marginalisation of the MENA region, but instead enhances connectivity and integration at the regional and global scales (e.g. benchmarking against the OECD Recommendation of the Council on Digital Government Strategies).

The Steering Group meeting hence continued with a series of fruitful parallel breakout sessions, discussing policy priorities for the respective pillars of the Programme, the Governance and the Competitiveness Programmes. More detail on the discussions related to the two Programmes are below.

Finally, the Steering Group concluded its meeting by discussing the future strategic orientation of the Initiative, with a view to the development of the priorities for the fifth mandate, which is envisaged to start in 2021. To advance these reflections and further progress on this endeavour, the participants agreed on the principle to organise a MENA-OECD Ministerial Conference focussed on this objective, to be held in late 2020. The Steering Group praised the success story of the Initiative as platform for multilateralism in the region based on the unique OECD methods of peer-learning. In this respect, their encouraged the Initiative to strategically adapt – both organisationally and thematically – to the changing needs and emerging issues of the region. It was also auspicated to promote a holistic approach of development and growth in the entire MENA region.

Competitiveness Programme

During one of its two parallel sessions to discuss priority issues for the MENA-OECD Initiative, the Steering Group focussed on the achievements, activities, priorities and future of the Competitiveness Programme. The session was chaired by H.E. Mr. Erdem Basçi, Ambassador of Turkey to the OECD and Ms. Kalthoum HAMZAOU, Director General for Multilateral Cooperation, Ministry of Development, Investment and International Cooperation, Tunisia, co-chairs of the MENA-OECD Competitiveness Programme.

The Steering Group welcomed the progress of the Competitiveness Programme in what was a very fruitful and successful year for its activities and achievements. The Programme continues to deliver very concrete results in the areas of investment, SMEs, business integrity, corporate affairs and public-private dialogue, while promoting the mainstreaming of women and youth economic inclusion in all aspects of public policy. The participants praised the programme's flexible working methods, which range from peer-learning and good-practice sharing, to technical cooperation and policy advocacy at the highest level of government.

Participants expressed their appreciation of the broadening of the programme's thematic focus, in particular by including quality infrastructure, and enhanced statistics and data assessment. In this respect, the Programme notably organised a regional policy dialogue on Promoting Quality Infrastructure Investment in March 2019 in Cairo, as well as a meeting on Statistics in MENA in April 2019, gathering senior policy makers, experts and relevant stakeholders from the region. The Steering Committee welcomed these developments and highlighted the need for the Programme to remain open to the needs of the beneficiaries and the emerging challenges of the region to guarantee its future relevance.

The attention of the Programme to the economic empowerment of marginalised groups, and more generally to the private sector was also greeted by the participants. This was exemplified by activities through the MENA-OECD Women Economic Empowerment Forum, the MENA-OECD Business Integrity Network, as well as the MENA-OECD Youth Business Associations Platform, a new platform launched in January 2019. These platforms not only attest to the Initiative's high consideration for job creation and inclusiveness, but also represent real-life impacts on the quality of policies and the economic performance through structured private-public dialogue and analytical work carried out across the MENA.

As for the private sector, participants welcomed the success of the MENA-OECD Business Advisory Board (BAB), which was launched in 2018 and met for the second time during these MENA-OECD Days. The meeting included a Business-Government Summit as well as thematic discussions among private sector representatives, and it served as an occasion to present the new Youth Business Associations platform. Participants during the BAB meeting agreed that although there is no longer a confrontation between the public and private sector, there is a "need to reach an intelligent coexistence between" both sectors in order to unleash the economic potential of the region. The BAB committed itself to support private sector organisations in their policy advocacy role and to continue to create spaces for public private dialogue at the regional level.

The Steering Group also discussed the MENA-OECD Working Group on SME and Entrepreneurship Policy, including the results achieved over the past and the future orientations. The co-chairs of the Working Group (Tunisia and Italy) noted that during its ten years of experience and ten meetings, the SME Working Group influenced positively the reform agendas of various MENA countries by providing a setting for reflection, discussion and exchange among policymakers. Participants also welcomed the focus on the main challenges and priorities to facilitate the use of digital technologies by entrepreneurs, including women. They pointed to the future thematic priorities, including increasing efforts to improve business environments, strengthening access to finance, reinforcing institutions and specific thematic priorities including responsible business conduct and SMEs and digital technologies and entrepreneurship.

Participants also acknowledged the important progress concerning the assessment of impact and the growing focus on evaluation accorded by the Competitiveness pillar. They welcomed the introduction of a monitoring tool for reform implementation in the Programme, which is now operational, the evaluation of the Morocco Country Programme, as well as the upcoming impact evaluation of the whole Competitiveness programme, planned for the second half of 2019 and supported by the Swedish International Development Cooperation Agency (SIDA).

With regard to the future strategic orientations, the participants emphasised the following priorities:

- Build on the MENA-OECD Business Advisory Board to engage the private sector in a systematic manner and deliver a joint vision to the governments in the region on what are the key priorities to unleash the potential of the private sector.
- Engage the youth throughout the different activities of the Competitiveness Programme, and strengthen the role of the Youth Business Associations platform.
- Continue the efforts to improve business environments, access to finance and markets and engage in new work on the digital transformation of SMEs and responsible business conduct and SMEs;
- Mainstream emerging topics such as statistics and economic indicators, or connectivity infrastructure.
- Further advance the topic of women economic empowerment both through the Women Economic Empowerment Forum and as a transversal topic through the other working groups.
- Increase cooperation with Sub-Saharan African countries building on North African countries, which can act as powerful bridge.

In conclusion, the Steering Group welcomed the growing collaboration of the Programme with various international and regional organisations. These include the European Union, notably in the realm of investment promotion, as well as the Union for the Mediterranean – with whom the OECD signed a Memorandum of Understanding in 2018 to intensify cooperation on a number of crucial policy areas. The Steering Group finally called for the Competitiveness Programme to continue adapting its thematic focus to address crucial emerging challenges for the region, with an ambitious and long-term vision that can shape the regional development agenda for the years to come.

The participants thanked all MENA and OECD countries for their contributions and expressed their gratitude for the financial support received by the Swedish International Development Cooperation Agency (Sida), the European Union, Germany, Japan, the MENA Transition Fund of the G7 Deauville Partnership, Morocco, the International Monetary Fund and the Islamic Development Bank. They also called for improving donor's coordination at the country and regional levels.

Governance Programme

The Governance Programme organised four high-level events on the sidelines of the Steering Group meeting to help identify the strategic orientations for the Programme in 2019-20 and for the renewal of the Programme's mandate in 2021.

On 17 June, the Governance Programme organised a consultation meeting of civil society partners to discuss how CSOs in the region can partner to shape the Programme's directions and activities.

In the afternoon, civil society representatives and government officials from MENA and OECD countries assembled in a "Citizen Cabinet" to discuss how digital technologies can be harnessed to improve public policies and services for shared prosperity. The recommendations from the session were presented during the Steering Group meeting and will feed into the renewal of the fifth mandate of the Programme for 2021-2025.

On 19 June, inspiring speakers from the region shared their vision and personal experience, in a TED talk format, and provided insights into governance approaches to address the marginalisation of vulnerable and marginalised groups.

Finally, the Programme organised a regional dialogue on risk governance in the MENA region to identify gaps and possible ways forward to improve the governance of critical risks and increase MENA countries' resilience to major disasters.

During the Steering Group meeting, the parallel session of the Governance Programme co-chaired by Riadh Moakher, Secretary General of the Government of Tunisia, and Rupert Schlegelmilch, Permanent Representative of the EU to the OECD, co-chairs of the MENA-OECD Governance Programme, focused on the achievements of the Programme and strategic priorities for the future.

The Steering Group underlined the significant progress the MENA-OECD Governance Programme has made in delivering on the Tunis Declaration as well as the impact of the Programme on the ground. In particular, participants welcomed the strong relationship between the Public Governance and Regulatory Policy Committees and the activities of the Programme. Most notably, participants acknowledged the achievement of the Governance Programme in bringing MENA countries closer to OECD instruments; providing regional comparative evidence, opportunities for regional dialogue and implementation support in support of the objectives set out in the 2030 Agenda for Sustainable Development, the G7 Deauville Partnership and the Open Government Partnership, among others.

The participants acknowledged the regional reports on access to information and youth empowerment delivered by the regional working groups and networks in 2018-19 and encouraged the Programme to engage in data collection in line with the methodology of the OECD Government at a Glance series. Benchmarking the progress of MENA countries against OECD good practices and standards was seen as a powerful exercise to stimulate reform and foster mutual knowledge exchange and good practices.

Participants acknowledged the effective links between the regional working groups and the implementation support provided by the Programme on the ground. Delegates acknowledged the diversity of themes covered by the Programme¹ and the synergies created between them, for instance by mainstreaming youth empowerment and gender equality objectives across the working groups. Moreover, the participants welcomed the continued partnership with the UAE through the World Government Summit and new projects with Abu Dhabi (regulatory impact assessment), Algeria (public procurement), Tunisia (good governance/integrity) and Saudi Arabia (performance management) along with regional projects on public communication and media (Jordan, Lebanon, Morocco and Tunisia).

Joint activities with the Support for Improvement in Governance and Management Initiative (SIGMA), a joint initiative of the OECD with the EU, such as the Rabat Conference on public service delivery in June 2019 were highly welcomed. Participants also acknowledged the excellent partnership with Italy and the MENA-OECD Governance Programme Training Centre of Caserta and encouraged MENA countries to leverage further the Centre to build capacities and skills among public officials in support of national reform.

Participants highlighted the convening power of the Programme and the synergies created with various regional and international partners, for instance with UN agencies to support Egypt in delivering on the SDG commitments (MAPS Engagement). In this respect, participants also welcomed the opportunity of becoming part of the OECD SDG Hub. Participants also welcomed the collaboration between the Programme and regional organisations in the implementation of projects and activities, including with the Islamic Development Bank, the African Development Bank and the Arab Fund for Economic and Social Development. The strong participation of civil society throughout all activities was applauded.

With regard to the future strategic orientations, the participants emphasised the following priorities:

- Design and deliver inclusive policies and services for vulnerable and marginalised groups
- Mainstream further youth empowerment and inter-generational justice objectives across the regional working groups and issues such as climate change. Youth could chair the annual regional conference on youth empowerment in MENA.
- Strengthen women's access to leadership in public life and support governments in preventing and tackling violence against women
- Bolster the role of independent institutions (e.g. Supreme Audit institutions, national anti-corruption agencies, access to information commissions) in increasing the transparency and accountability of the public sector especially in regards to election campaigns and conflict of interests.
- Reinforce synergies with the MENA-OECD Civil Society Partners to consultations on the strategic orientation of the Programme and strengthen the work on social dialogue.
- Support the role of public institutions in post conflict recovery and reconstruction with a focus on the subnational level
- Foster public sector innovation and the use of new technologies in public government (e.g. artificial intelligence, blockchain, etc.) for greater efficiency in the delivery of services
- Strengthen the capacities of local authorities and local governance arrangements in delivering policies and services with an emphasis on improving citizen trust and satisfaction

¹ Open government (i.e. strategic support to the national open government agenda, public communication and media, open government at local level), public sector integrity, youth empowerment, gender equality, regulatory policy and rule of law, public procurement and financial management, local governance and building institutional capacities in post-conflict settings.

- Develop indicators to evaluate the progress in implementing access to information laws and integrity reforms and support independent institutions (mediators, ombudsmen)
- Support MENA countries in moving closer to the OECD Recommendations on Open Government, Digital Government Strategies and the Draft Declaration on Public Innovation and encourage governments to promote synergies between these sectors
- Assist MENA countries in improving the administration of access to justice services and in ensuring a strong rule and quality of law
- Promote sensible government action to reduce illicit trade, informal economies and create more inclusive and transparent economies
- Support the design and implementation of effective risk management measures
- Continue to support MENA countries in adhering to OECD good practices in the area of public financial management, regulatory policy and public procurement

The participants welcomed the monitoring system of the Initiative and the regular updates of the log frame system.

The participants thanked all MENA and OECD countries for their in-kind contributions and expressed their gratitude for the financial support received between 2016 and 2019 by AECID/Spain, the United States of America, Italy, the United Arab Emirates, Qatar and Kuwait (all regional dialogue) and by Germany, the United Kingdom, Middle East Partnership Initiative/ US Department of State, the MENA Transition Fund of the G7 Deauville Partnership, Switzerland, European Union, United Arab Emirates and Saudi Arabia (all country projects).