



**MENA-OECD  
INVESTMENT  
PROGRAMME**

# ***Next Steps for the Working Group: MENA-OECD Proposal***

Barcelona, 19 May 2008

***Working Group 2 on SME Policy,  
Entrepreneurship and Human Capital  
Development***



# MILESTONES



# Milestones 2009

**MENA-OECD  
INVESTMENT  
PROGRAMME**

## Meeting 1: Bahrain, 18 Nov '08

- Constituted working group
- Developed activity areas
- Define scope for future activities

## Meeting 2: Barcelona, 18 May '09

- Define high-impact regional project and develop for Ministerial meeting
- Develop synergies with exiting and future initiatives

## Meeting 3: Tunis, Oct '09

- Validate results of regional project
- Prepare recommendations for ministerial

**MENA-OECD Investment Programme 3<sup>rd</sup> Ministerial Meeting, Nov '09**



# PROPOSED WORK PROGRAMME

# Proposed Work Programme

**Activity 1:** Encourage entrepreneurial activity by promoting longer term structural reforms through business climate development strategies

-2 pilot countries by  
November 2009  
  
- Expansion to other  
countries in 2010 and  
2011

**Activity 2:** Produce recommendations on how to improve access to finance and better support high growth enterprises

November 2009

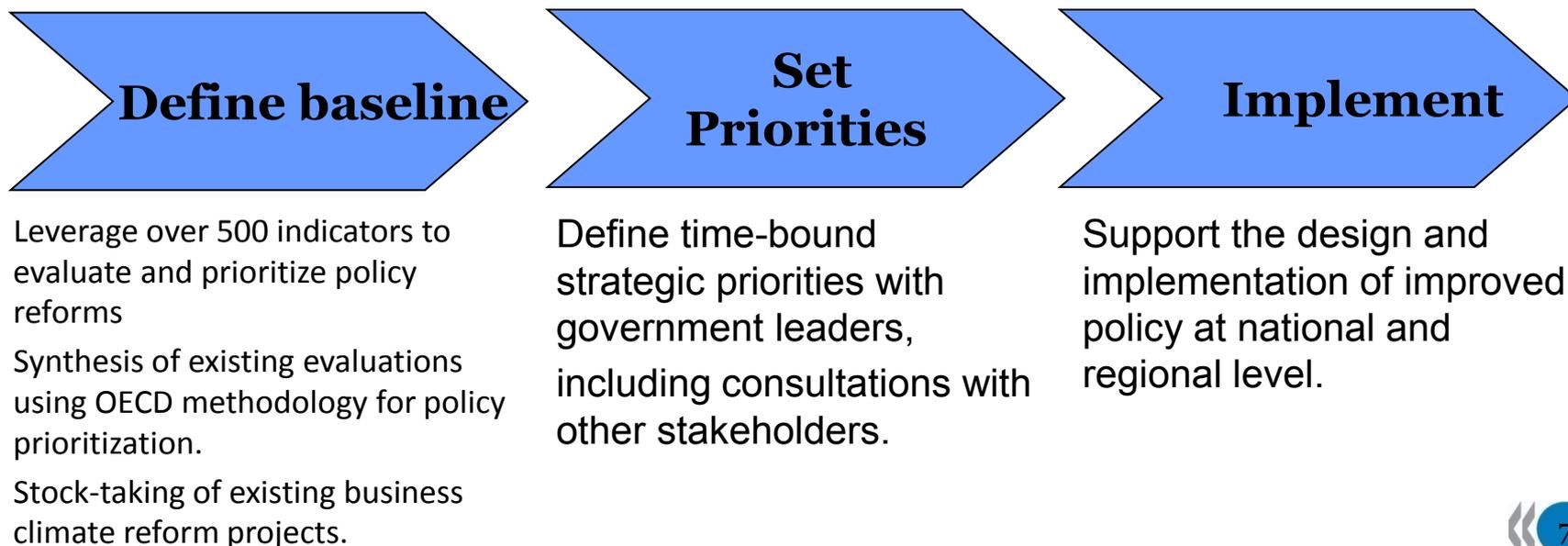
**Activity 3:** Produce recommendations on how to improve business skills for entrepreneurs in the MENA region

November 2010

# ACTIVITY 1: BUSINESS CLIMATE DEVELOPMENT STRATEGY (BCDS)

# BCDS: Target and Approach

- The Business Climate Development Strategy (BCDS) is a **process** that defines **where** and **how** a country should reform to improve the business climate and country competitiveness.
- It is targeted at improving the **business environment to increase investment** and competitiveness, thereby contributing to **growth** and **employment**
- It is a **co-operative and systematic approach** following three steps:





# Flight plan for BCDS Implementation in MENA

Covering all policy areas that can support investment and business climate reforms

Launched  
BCDS

Egypt  
Morocco

Planned  
BCDS

Tunisia  
Iraq  
Lebanon  
Bahrain  
Algeria  
Jordan

Range of Policy Areas

- I. Business Operational Environment**
1. Investment Policy and Promotion
  2. Privatisation Policy
  3. **Tax Policy and Administration**
  4. **Trade Policy and Facilitation**
  5. **Better Business Regulation**
  6. **SME Policy and Promotion**

- II. Business Integrity**
1. Anti-corruption
  2. Corporate Governance
  3. **Business Law and Commercial Conflict Resolution**

- III. Factor Markets**
1. **Infrastructure**
  2. **Human Capital**
  3. **Access to Finance**

## ACTIVITY 2: POLICY RECOMMENDATIONS TO IMPROVE ACCESS TO FINANCE AND SUPPORT HIGH GROWTH SMEs

# MENA-OECD Proposal for high-impact project

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**Project proposal:** Develop policy recommendations to support high growth enterprises and improved access to finance. These recommendations can include guidelines for the monitoring and evaluation of targeted programmes which support high growth SMEs

**Purpose:** Support implementation of concrete policies and share an approach and common methodology to support action at the country or regional level

**Benefit:** Creating an *enabling environment* for high growth SMEs. Better allocation of scarce public resources.

# Guidelines should incorporate Good Practices

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- Sound research to identify and understand the market failure
- Statistical and factual evidence
- Review of current policy experiences
- Wide-spread consultation process with the stakeholders
- Policy coordination and policy consistency
- Define intermediate and final targets, allocate budgets and HR in line with targets, assign clear tasks
- Monitor implementation and assess policy impact

# Adapting Guidelines to MENA Region

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**Who:** MENA-OECD Secretariat will develop and coordinate the project

**What:** Use Working Group 2 to develop Guidelines for the MENA region based on OECD good practice

**When:** June through October 2009

**Where:** Participating countries (to be determined)

**How:** Peer Review missions in a set of pilot countries WG2 meet again in October to validate results. Present results at the MENA-OECD Ministerial meeting.

# Cooperation with other Initiatives

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Possible synergies with:

- Union for the Mediterranean - Develop proposal for collaboration based on WG2 proposed activities
- EC Working Party on Euro-Med Industrial Cooperation
- Invest in Med
- Others (to be discussed)