

Steering Group meeting, 22 November 2012

MENA-OECD Initiative on Governance and Investment for Development

Draft Conclusions

The first Steering Group meeting of the MENA-OECD Initiative since the 2011 events in the MENA region has been opened by the co-chairs who called on the MENA-OECD Initiative to support the new governments and all MENA economies to foster good governance and investment for more employment and better institutions.

The Steering Group meeting was the occasion to nominate H.E. Mr. Ricardo Diez-Hochleitner, Ambassador, Permanent Representative of Spain to the OECD, as OECD co-chair of the MENA-OECD Governance Programme, along with H.E. Mr. Anders Ahnlid, Ambassador, Permanent Representative of Sweden to the OECD, co-chair of the MENA-OECD Investment Programme.

The Steering Group meeting was also honored by the presence of H.E. Mr. Mohamed Najib Boulif, Minister delegate to the Head of Government in charge of General Affairs and Governance, Kingdom of Morocco, chair of the MENA-OECD Investment Programme, and H.E. Mr. Abdelaâdim Guerrouj, Minister delegate to the Head of Government in charge of Civil Service and Modernisation of the Administration, Kingdom of Morocco, Chair of the MENA-OECD Governance Programme.

In the opening session, the co-chairs highlighted the need to adapt the Initiative to the new realities in the MENA region and provide a more targeted offering of policy reform advice.

Joint Session

Participants

- Welcomed the launch of new initiatives on Investment Security in the Mediterranean (ISMED), mainly funded by the European Union with contribution of € 1.5 million, the Caserta Center to build capacities for good governance, the new network for public procurement and other new projects and networks.
- Underlined that policy reforms benefit from consultation and open dialogue with civil society and the private sector.
- Acknowledged the work conducted by the Initiative over the last two years on a technical level in a series of regional and country-specific meetings.
- Welcomed the series of high-level consultations conducted by the Initiative over the last two years to receive guidance from regional partners on priorities for the Initiative.

Investment Pillar:

Participants:

- Welcomed the findings of the *Annual Conference of the Women's Business Forum* and of the *Conference on fostering youth and women's employment* held on 21 November 2012 and agreed that targeted measures, both by the private sector and governments, are necessary to ensure job creation for youth and women noted that governments should focus in the long run on an enabling environment for the private sector, providing required education for the youth and creating a level playing field on the labour market for women and youth.
- Welcomed reports by the MENA economies and co-chairs on the MENA-OECD Investment Programmeregional networks, namely:
 - Working Group on Investment Policies and Promotion: noted the adherence of Tunisia and forthcoming possible adherence of Jordan to the OECD Declaration on International Investment; underlined the importance of advancing regional trade and investment integration and discussed a network to look into the issue as part of the WG's activities; reported on the "Cairo Action Plan for Improving Investment Frameworks" and follow-up activities; took note of the draft report of the Energy Task Force on *Policies to support private investment in renewable energy in the Middle East and North Africa*.
 - Working Group on SME, Entrepreneurship and Skills Development: stressed the need to improve access to finance for SMEs; supported the Near-Term Actions Plans on concrete actions for SME development prepared in the framework of the Deauville Partnership; welcomed the launch of the publication on *New Entrepreneurs and High Growth Enterprises in the Middle East and North Africa*; stressed the importance to conduct the second SME policy assessment, based on the EU Small Business Act, in the Mediterranean Neighborhood Countries in cooperation with the European Commission, European Training Foundation (ETF), the European Bank for Reconstruction and Development (EBRD) and the EIB (European Investment Bank).
 - Business Integrity: recognised that two work streams need to be covered: corporate governance (already covered by the Programme with increasing attention to the governance of state-owned enterprises), and the fight against bribery and corruption, recently recognised as a priority in the region; welcomed the Programme's effort to support public-private dialogue, the coordination among businesses for establishing preventive business integrity measures as well as the increased collaboration with UNDP'S Regional Programme on Anti-Corruption and Integrity in Arab Countries ; noted the announcement of the forthcoming publication by the Business Integrity Network in Egypt.
 - Women in the economy: welcomed the conclusions that were distributed at the *Annual OECD-MENA Women's Business Forum (WBF) Conference* held the day before the Steering Group meeting; welcomed the launch of the report on *Women in Business: Policies to Support Women's Entrepreneurship Development in MENA*; recognised the

importance of the work of the WBF as a hub for exchange and dialogue between public and private institutions.

- Stressed again the need for a more proactive private sector engagement in the Programme, in particular with the newly founded business associations representing SMEs.
- Welcomed the Programme's support for outputs developed in the context of the Deauville Partnership process in the areas of SMEs and investment.
- Supported the programme of work and outputs for the MENA-OECD Investment Programme until 2015 with a focus on investment policies and SMEs development for job creation, business integrity and women in the economy, taking into account new suggestions made by participants.
- Acknowledged the partnerships with other organisations such as UNDP'S Regional Programme on Anti-Corruption and Integrity in Arab Countries, UfM, EIB, EBRD, IMF/Kuwait Centre, IsDB, MIGA, WB and the European Commission.
- Acknowledged that several MENA and OECD countries have provided significant in-kind support by hosting regional meetings of the Programme. Welcomed the voluntary contributions of Sweden, the United States, Japan, Turkey, France, the Czech Republic, Spain, the United Kingdom, the European Commission and Siemens to the Programme and encouraged other donors to join.

Governance Pillar:

Participants:

- Underlined the importance of good governance for **inclusive and sustainable growth**. Strengthening **transparency, accountability, public participation** and **social development** will be crucial to address the urgent needs of citizens and support the ongoing democratic transitions, promote inclusive growth in the region and improve integration into the world economy.
- Encouraged the coordination and a comprehensive, integrated approach of the MENA-OECD Governance Programme with other initiatives such as the **Deauville Partnership – Governance Pillar**, and the **Open Government Partnership**.
- Welcomed the reports on the work programme of the **working groups**, the regional networks, and the **country-specific projects** of the MENA-OECD Governance Programme.
- Welcomed, in particular, the launching of the E-government Review of **Egypt**, the Programme to support the **Palestinian Authority** in the field of regulatory policy, e-government and integrity, the project on integrity in **Tunisia** as well as the project on budget transparency in Tunisia and the legislative drafting project in **Iraq**. The participants welcomed the project to facilitate the participation and accession to the Open Government Partnership of **Jordan, Libya, Morocco** and Tunisia. They congratulated the Government of Morocco for hosting the international conference to launch the OGP project, held on 8 November 2012 in Rabat.

- Supported the work programme and outputs for the Programme until 2015 to focus on the following **strategic themes**:
 - open and clean governments
 - efficient machinery of government and a strategic state
 - gender equality
 - territorial development
- Supported the **strategic orientation of the MENA-OECD Governance Programme** and in particular, stressed the importance of applying instruments and tailored support for **implementation** to ensure results of the Initiative. Participants called for:
 - Strengthening the dialogue on public policy within the existing regional networks;
 - Supporting national policy reforms through **peer reviews** and **capacity building activities**, including **training**;
 - Ensuring that the programme of work is **demand-driven**;
 - Developing **national action plans** that integrate cross-cutting themes and methodology.
- Welcomed the **financial contributions** of Belgium, France, Germany, Italy, Norway, South Korea, Spain, Turkey, the United Kingdom and United States to the Programme and encouraged other donors to join. Participants acknowledged that several MENA and OECD countries have provided significant in-kind support by hosting regional meetings of the Programme.
- Following the proposal of the two co-chairs, participants supported to set up an **informal reflection group**. Its key objective is to strengthen mechanisms for effective delivery on policy priorities in view of the changes in the region. Participants took note of the invitation of the Egyptian representative to host the first meeting of the Reflection group. The co-chairs will submit the suggestions of the informal reflection group to the next Steering Group meeting.