



MENA-OECD
Competitiveness Programme

Activities Report 2018



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Executive summary

This document provides an overview of the key activities by the [MENA-OECD Competitiveness Programme](#) (the Programme) between April 2018 and May 2019. They are aligned with the MENA-OECD Ministerial Declaration adopted in Tunis in October 2016 which sets the priorities of the MENA-OECD Initiative on Governance and Competitiveness for Development (the Initiative) for its fourth mandate (2016-20).

Created in at the request of MENA countries in 2005, the Initiative facilitates co-operation between the OECD and the MENA region to promote policies for sustainable and inclusive growth. It brings together MENA and OECD governments, the international community, civil society and the private sector to address regional needs and development priorities, including the integration of women and youth through jobs and greater participation in policy making. It also takes into account the diversity of the region by providing targeted support to individual countries. The Initiative comprises two pillars: 1) MENA-OECD Governance Programme, 2) MENA-OECD Competitiveness Programme.

The ultimate objective of the MENA-OECD Competitiveness Programme is the creation of quality jobs, poverty reduction and more inclusive and sustainable economic growth. To accomplish this, the Programme promotes economic integration, private sector development and inclusive growth as drivers for stable and fair societies. Gender-specific activities and gender mainstreaming into all activities are also key features of the Programme and a major component of its identity.

To support these goals, the Programme uses the OECD model of policy dialogue and mutual learning in seven core regional fora, informed by solid analysis and the use of internationally recognised tools. The Programme's work builds on an established co-operation structure involving political leadership, strategic direction and technical policy networks. The Programme also supports countries economic development by implementing country specific projects. The policy discussions both at regional or national level are supported by analytical contributions, the exchange of good practices and set recommendations. The Programme also engages in trainings and support capacity building.

Since its launch in 2005 the Programme has achieved important results including:

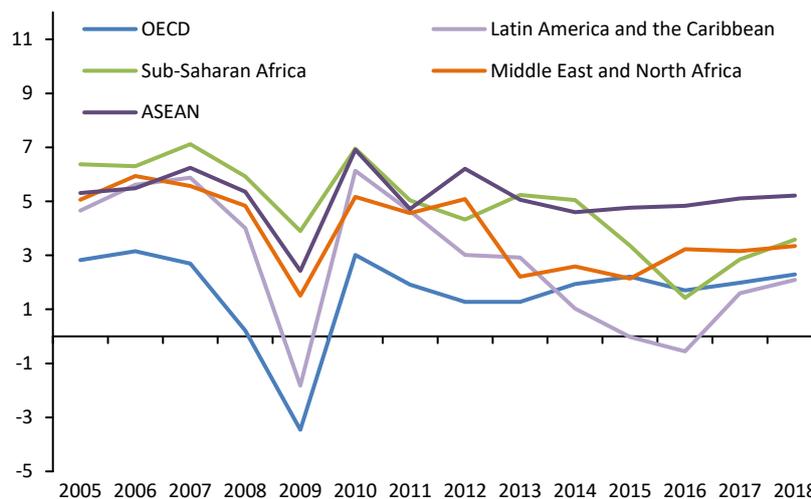
- Reinforcing the institutional conditions for regional integration by building strong regional networks of policy makers, civil society and private sector, which have a sense of common purpose, values and shared objectives.
- Influencing the content of the policy reform agenda and building capacity to deliver evidence-based policies, consultation mechanisms and a culture of evaluation and accountability.
- Delivering specific results in critical policy areas such as women's economic empowerment, investment, corporate affairs, entrepreneurship, anti-corruption and public-private dialogue.
- Advancing the agendas for inclusion and linking economic reforms to their social impact, for example, by focusing on quality investment and responsible business conduct; or by putting gender equality and women's economic empowerment at the centre of the economic reform policy agenda.

This document explains the most important activities of the Programme over the period April 2018-May 2019 at the horizontal and specific policy level. It also outlines how those activities are part of the Programme's efforts to attain its ultimate development objectives.

From policy dialogue to policy impact: The MENA-OECD Competitiveness Programme

With a privileged geographical location, a youthful population, natural resource wealth and other strategic assets, the MENA region holds great potential. Although efforts and situations differ significantly among MENA countries, many of them are undergoing reforms to capitalise on that potential, move away from statist economies and take advantage of the opportunities of international markets. Those efforts include opening up to trade and investment, promoting economic diversification, and investing in human, physical and intangible capital, among others. There have been positive results such as relatively good (though volatile) economic growth and investment, improved access to education and infrastructure development. Nonetheless, the region faces important challenges including attaining more competitive economies, creating jobs and providing opportunities, especially for youth and women.

Figure 1. Economic growth in MENA compared to other regions



Source: OECD Economic Outlook database and IMF World Economic Outlook database.

The MENA-OECD Competitiveness Programme is a strategic partnership between MENA and OECD economies to share knowledge, expertise and good practices. The Programme's objective is to contribute to the development of inclusive, sustainable and competitive economies across the region. It supports evidence-based reforms (see Box 1) to mobilise investment, private sector development and entrepreneurship as driving forces for inclusive growth and employment, building also on the need to integrate the region's increasingly well trained youth and women.

Box 1. Statistics in the MENA region

High-quality and reliable statistics are critical for informing the development of effective policies and for monitoring and measuring the implementation, impact and effectiveness, of development policies, which can in turn ensure effective and targeted use of valuable strategic resources.

In the recent years, MENA economies have seen significant improvements in their capacities and in their development of legal frameworks supporting the development of robust national statistical offices. Evidence however points to considerable differences across the region in key statistics required for sound policy making and, in particular, in developing robust development strategies that can deliver broad based and inclusive growth. On average, MENA countries are present in 26% of the OECD's most important indicators, including but not limited to well-known indicators such as TiVA, PISA, or indicators referring to trade or tourism. This percentage hides in fact the heterogeneous participation at the country level. For example, Saudi Arabia leads the MENA's presence and features in 78% of these indicators, while other countries appear only in roughly 10% of them.

To address this critical issue, on 15 April 2019, the MENA-OECD Competitiveness Programme organised with the support of the Tunisian Chairmanship the first MENA-OECD Regional Conference on Statistics. The objective of the event, which gathered representatives from national statistical offices and concerned ministries of 10 MENA countries, was to identify and discuss the region's most pressing challenges and needs of their statistical capacities and how to align them with the OECD's key competitiveness indicators. The conference attempted to pave the way for developing a common strategy for the region on the development of better statistics.

Since its start in 2015, the Programme has been a source of positive influence, including the examples listed below. As the Programme moves forward and evolves, its focus is increasingly placed on translating regional dialogue, analysis and capacity building into successful reforms that concretely contribute to more inclusive, sustainable and competitive economies. This will be the Programme's goal for the years to come.

Concrete examples of impact achieved by the Programme include:

- Bringing the MENA region closer to international standards and instruments: 17 countries have adhered to 36 OECD instruments. For example, by adhering to the [OECD Declaration on International Investment and Multinational Enterprises](#), Egypt, Jordan, Morocco and Tunisia have committed to providing an open and transparent environment for international investment and this has contributed to increasing FDI levels in these countries.
- Fostering reforms for the economic empowerment of women across the region: The Programme's analysis of how legal frameworks affect the participation of women in the economy has resulted in internal political dialogues in Morocco, Libya, Egypt and Tunisia which are leading to the implementation of specific actions.
 - Tunisia included in its new law on violence against women a specific provision on economic violence and economic discrimination based on gender, and a draft law establishing equality in inheritance is now being discussed by the Parliament.

-
- Jordan recently adopted amendments to the social security law that minimises the equality gap in social insurance coverage and might have a positive impact on the employability of women in the private sector.
 - Egypt adopted in 2017 a National Strategy for the Empowerment of Egyptian Women in 2030, which has a focus on women’s economic empowerment and is inspired by the OECD-MENA recommendations.
 - Accompanying reforms for more and better investment and trade.
 - Through analysis and capacity building, the Programme contributed to the revision of the by-law on FDI restrictions in Jordan, hence bringing that country closer to international standards in that area.
 - In Morocco, the Programme supported the merger of the export and investment agencies through a national dialogue with OECD peers.
 - In Algeria the investment promotion agency set up a reflection committee to enhance its performance based on the OECD Mapping of investment promotion agencies in the South Mediterranean.
 - Setting up more robust policies for SME promotion, which were practically inexistent before the Programme’s inception.
 - Through the implementation of SME action plans in Egypt, Jordan, Libya, Morocco and Tunisia.
 - By supporting the adoption of more coherent approaches to SME policy making in Egypt and Jordan.
 - Promoting reforms and policy actions to enhance integrity in business and reduce corruption.
 - Through the exchange of good practices and raising awareness on the importance of international standards and instruments in the fight against corruption in business, the Programme promoted adherence to the OECD Anti-Bribery Convention for target countries. Morocco has started to take concrete steps in this sense and Lebanon is also in the process of adhering to the Convention.
 - Morocco adopted in 2016 a National Strategy against corruption including a whole component on business integrity and is expected to undertake a review of its anti-corruption legislative framework in the coming months to bring it in line with OECD standards.
 - The Programme has also reinforced the capacities of the private sector in each target country to become key players of the fight against corruption, as demonstrated by the collective actions initiated by business associations to promote integrity.
 - Levelling the playfield for private and public enterprises through good corporate governance practices.
 - As a result of the Programme’s activities and in particular of the Working Group on Corporate Governance, Morocco is in process of updating its Code of Good Corporate Governance Practices using the G20/OECD Principles of Corporate Governance as a guide. Moreover, Morocco is

expected to update in the coming months the Code's Annex on the governance of State-Owned Enterprises using the OECD Guidelines on Corporate Governance of State-Owned Enterprises as a reference.

- Supporting countries in fragile situations.
 - By helping Iraq to develop and enact an Investment Law.
 - By supporting Libya with the creation of an inter-ministerial committee to develop and adopt an SME Law and implement a SME action plan.
- Helping the private sector to strengthen its voice in policy making.
 - By engaging private sector representatives in the discussions and activities of the Programme.

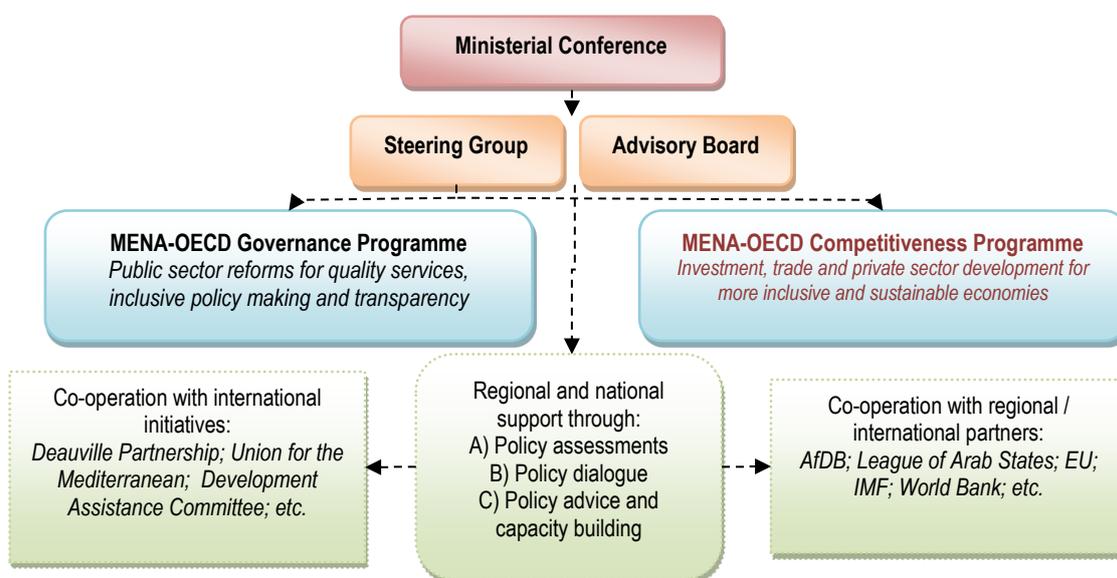


Mr. Andreas Schaal, Director of the Global Relations Secretariat of the OECD, Building Consensus for Economic and Social Reform, 27 February 2019, Lebanon

Activities and results of the MENA-OECD Competitiveness Programme: April 2018-March 2019

Reform agendas are driven at the national level and involve significant political and social efforts and compromise. However, experience around the world shows that regional co-operation and integration can also be important factors in boosting competitiveness, exploiting complementarities and increasing living standards. The experience of the MENA-OECD Competitiveness Programme shows that regional co-operation can help to address many of the most important challenges facing Arab economies at the regional and national levels. The governance structure of the MENA-OECD Initiative on Governance and Competitiveness aims to involve participating countries in a regular manner to provide strategic guidance (Figure 2).

Figure 2. The MENA-OECD Initiative on Governance and Competitiveness



The Programme’s overall objective is “to achieve more sustainable, inclusive and gender sensitive economic growth in the MENA region by creating better jobs and ensuring economic opportunities for women, youth and displaced people, and building more competitive economies based on a dynamic private sector, regional economic integration and enhanced participation in the global economy.”

To advance that objective the Programme couples whole-of-government efforts, including dialogue at the highest political level with strong analytical and evidence-based foundations to increase policy impact. The foundations of Programme activities feeding into reforms are regional policy dialogue, policy analysis and capacity building. The following sections describe the main activities undertaken by the Programme at the “horizontal” and policy level for the period April 2018-May 2019. The document also attempts to describe current progress towards the achievement of the development impact of the overall Programme and its individual policy documents.

Whole-of-government efforts, including dialogue at the highest political level

Ensuring the impact of the Programme requires a combination of constant policy advocacy at the **highest level** to promote economic reforms, technical co-operation, sharing good practices and adopting international standards. Engaging political leadership is indeed critical to implementing ambitious reform agendas and complex policies. It is also important to ensure a whole-of-government vision that contributes in a strategic manner to the agendas of economic and policy reform in the different countries. The Programme addresses all these levels, mobilising political leaders in an intense process of exchange and dialogue with rigorous technical actions to ensure the successful implementation of reforms.

With an average of 15 meetings per year, very often with ministerial participation, the Programme is able to promote its activities and identify new challenges and the emerging needs of the region, drawing directly on the experience and insights of key actors from the 19 participating MENA economies, and providing a coherent and strategic direction for regional collaboration. In addition, the OECD Secretariat and members are also fully engaged at the leadership level, as frequent high-level exchanges continue to happen at OECD headquarters or in the region throughout the year. The OECD is analysing its communications strategy to increase the visibility of its work, and 2018 results already show an increase of web traffic, social media engagement, and outreach of publications (see Box 2).

Box 2. Programme Communications Activities and Impact

In 2018, the Programme redesigned the [OECD-MENA web portal](#) (in English and French) to improve structure, access to content, and showcase OECD-wide regional work. During 2018 web traffic was up 92.6% compared to the previous year. There was also a strong interest in work supporting women's economic empowerment: the new [MENA-OECD Directory of Initiatives Supporting Women's Economic Empowerment](#) had the third most page views (after the "home" and "competitiveness" landing pages). Traffic to Women's Economic Empowerment Forum (WEEF) related pages represented 14% of total web traffic in 2018. Additionally, the [Business Advisory Board](#) and [SME](#) work attracted important traffic. Users from the region represent 26%, up 3% from 2017.

Accompanying the MENA website redesign, social media played a greater role in the overall communications strategy in 2018. For example, the last meeting of the WEEF was promoted on social media channels (Twitter, Instagram, Facebook and Flickr). Ten twitter messages generated 37,355 impressions, 355 engagements, of which 55 URL clicks. The WEEF was also covered by 16 Arabic, French and English speaking media outlets (print, online ad broadcast media) and figured in a Tunisian press release.

Three new reports were produced in 2018:

- [SME Policy Index: Mediterranean Middle East and North Africa 2018: Interim Assessment of Key SME Reforms](#) (English, French and Arabic) (a flagship report with 1830 downloads).
- [Morocco: Strengthening Integrity in the Energy, Transportation and Health Sectors](#) (English, French and Arabic).
- [Enhancing the legal framework for sustainable investment: Lessons from Jordan](#) (English) (more than 1000 views on LinkedIn).

In addition, the 2017 publication, [Women's Economic Empowerment in selected MENA countries: The impact of Legal frameworks in Algeria, Egypt, Jordan, Libya, Morocco and Tunisia](#) (English and French) continued to do well with 2757 downloads up 58% from 2017. The Arabic version was made available in Q4 2018.

Brochures also remain an important means for disseminating information. The [MENA-OECD Competitiveness Programme brochure](#) was updated with new content (in English, French and Arabic). The [Active with MENA brochure](#) (English, French and Arabic) is being updated but remains pertinent with 10,796 views in 2018.

For example, in February 2019 the Head of the Government of Tunisia, Mr. Youssef Chahed, held a bilateral meeting with the OECD Secretary-General and addressed the OECD Council (the highest decision making body in the governance of the Organisation). During his address, Mr. Chahed noted the important support the OECD provides to the economic transition of the newly democratic Tunisia. Reciprocally, the Secretary-General noted the inspiring role that Tunisia can play in the region and how this is concretely transmitted through Tunisia's Chairmanship of the MENA Programme. Mr. Chahed's address also raised awareness among OECD members of the importance OECD support to Tunisia plays in ensuring prosperity in the country.



Mr. Youssef Chahed, Head of the Government of Tunisia and Mr. Angel Gurría, Secretary-General, OECD, 14 February 2019, Paris

The Programme **Steering Group** (which also governs the overall MENA-OECD Initiative) met twice during the reporting period, providing strategic leadership and promoting a continuous engagement from MENA and OECD participants. The first meeting took place in March 2018 in Paris under the theme “Governance and competitiveness reforms for a more inclusive and resilient region”. In this meeting, among other decisions, the Steering Group:

- Asserted its support to strengthening public-private dialogue through the establishment of the Business Advisory Board (BAB) – launched later in September 2018.

- Agreed to a proposal to enhanced statistics and data assessment to assist MENA economies to integrate relevant OECD databases, other statistical communities and support national strategies for the development of statistics.
- Called for continued efforts to assess the impact of the activities of the Programme and measure progress in the implementation of reforms, as well as achieving greater visibility through enhanced communication and dissemination of results (see Box 2).

The Second meeting of the Steering Group took place in November 2018 in Tunis. The objective of this this meeting was to contribute to women's economic empowerment through strengthening the gender dimension of the Programme. In particular the Steering Group:

- Agreed to work towards a clear definition of gender mainstreaming to help guide and co-ordinate substantive actions in the area.
- Asked the Programme to work on the development of high-quality gendered data, to take stock, and assess existing regulations and their equal or differentiated impact on gender.

The **Advisory Board** of the Programme also met twice in 2018 to prepare the respective meetings of the Steering Group.

Overall, the horizontal activities of the Programme have continued to move towards its stated outcome and development objective (Table 1).

Table 1. Log-frame table horizontal activities

| Development Objective: Whole-of-government strategic vision to promote economic competitiveness, integration and women's economic empowerment. | | |
|---|---|---|
| Outcome 1: Improved understanding of linkages between policy dimensions by MENA governments and increased ownership of the Initiative. | | |
| Outputs | Activities | Indicators |
| <p>Output 1.1: Steering and coherence initiatives to foster overall competitiveness agendas and horizontal connections between policy areas</p> <p>Output 1.2: Strategic monitoring and evaluation initiatives to measure progress in the implementation of competitiveness policies</p> <p>Output 1.3: Whole-of government and strategic initiatives to mainstreaming gender equality at the regional level</p> <p>Output 1.4: Strategic initiatives to identify and shape emerging policy issues and priorities in view of a changing policy environment.</p> | <ol style="list-style-type: none"> 1. Two meetings of the Steering Group (March and November 2018) and two prior meetings of the Advisory Board to help to organise those meetings (January and October 2018). 2. Meetings with MENA authorities on policy discussions aiming to promote reforms in the field of competitiveness and inclusive growth. 3. Enhanced the participation of MENA countries in OECD Bodies, adherence to OECD instruments and inclusion in OECD statistics 4. Enhanced the co-operation with international and regional organisations 5. Developed mechanisms to better monitor and report the Programmes' impact. The first results of which are presented in this report. 6. Started consultations with the Programme's co-chair, region's experts and OECD relevant Directorates on pressing policy issues to be addressed under the coming work: 7. The Programme restructured its website to create a MENA regional platform (in English and French). Updated the MENA-OECD Competitiveness Programme brochure (in English, French and Arabic), created new branding for working group flyers and updated flyer content. | <ul style="list-style-type: none"> • 13 events organised or supported by the Programme in the context of enhanced economic competitiveness and inclusivity for the region. • 8 high-level missions from the OECD (S.G, DSG or Director level) to the region to promote competitiveness-related policy issues. • 15 ministerial and 1 presidential encounters to discuss enhanced collaboration between MENA countries and the Programme's working groups and fora, and raise key issues covered by the OECD. Youseff Chahed, Head of Government of Tunisia visited the OECD in February 2019. • 2 Ministers have proactively hosted and contributed to the organisation of 2 platforms of the Programme: Minister Sahar Nasr, Minister of Investment and International Cooperation of Egypt, co-chaired the WEEF and Minister Zied Ladhari, Minister of Development, Investment and International Cooperation of Tunisia, co-chairs the Programme and its Steering Group. In addition, 5 of the 7 Programme's Networks enjoyed or have secure ministerial participation. • 10 OECD Directorates and special advisory bodies were involved in the Programme's activities (BIAC, CFE, DAF, DCD, GOV, OSG, SDD, STI, TAD, TUAC) • Kuwait and Saudi Arabia became participants at the DAC. Bahrain, Oman, Qatar, Tunisia and the UAE adhered to the BEPS. Led by Morocco, 8 MENA countries finalised 13 adhesions to OECD instruments. • 3 MoUs signed or developed with the UfM, UN WOMEN, AMF). • 14 regional and international organisations involved in projects and events (African Development Bank, EU, IsDB, INCAF, UN Women, ILO, League of Arab States, Agadir Technical Unit, IMF, IFC/WB, UNDP, Hawkamah Institute for Corporate Governance, Arab Federation of Exchanges, Union of Arab Securities Authorities) • 2 consultations on 1)Competitiveness statistics; and 2) Quality infrastructure investment • 92,6% increase of traffic to the OECD-MENA website from 2017 to 2018 |

The contributions of the Programme to the multilateral agenda in the MENA region

The Programme constitutes an excellent platform for the OECD to be one of the most active international actors in the MENA region, bringing its policy expertise, international standards and convening capacity to advance multilateral efforts. For example, the OECD is one of the key actors in the international support provided through the Deauville Partnership for Arab Countries in Transition (i.e. those that witnessed revolutions or committed to implementing reforms after the “Arab Spring”). In fact, the OECD is the only non-financial institution (i.e. those lending funds) among the international organisations providing technical support to the beneficiary and donor countries participating in the Deauville Partnership.¹

For example, the OECD helped the development and monitoring of the implementation of a [Compact on Economic Governance](#), aimed at promoting good governance and a sound business climate in Arab Countries in Transition. Through the Programme, the OECD also helped Arab Countries in Transition to co-ordinate and identify key and very concrete actions to support SMEs and entrepreneurs as means to address unemployment and volatile economic activity. The MENA-OECD Working Group on SMEs and Entrepreneurship and its co-chairs (Italy and Tunisia) played a key role [identifying actions](#) and [monitoring reforms](#).

Through the Programme the OECD also provides important policy advisory and technical assistance to the European Union’s Neighbourhood Policy and the Union for the Mediterranean. For example, the Programme provides support to the EU through the [EU-OECD Programme on Promoting Investment in the Mediterranean](#), which aims to boost the quality and quantity of investment within the region by modernising investment policies, promoting inclusive investment strategies and building institutional capacity, among other objectives. That is also the case of the [SME Policy Index: The Mediterranean Middle East and North Africa](#), which provides a comprehensive tool to compare performance in this domain among countries and across time (the tool is applied every few years to monitor policy reforms).

In addition, the OECD is playing an active role in the activities of the “Summit of the Two Shores”, an initiative spear-headed by France and closely related to the process of the Union for the Mediterranean. For example, on 22-23 May 2019 the OECD co-organised a regional dialogue on “Shared views on key issues in the Mediterranean”, which included a roundtable that focused on Regional Economic and Social Challenges for Women and Youth. This conference aimed to foster a bottom-up approach for youth and civil society to submit proposals to the Heads of State Summit in order to have a results-based approach.

The Programme also works and co-ordinates with the United Nations system. In March 2019 the WEEF organised a session on Women’s Economic Empowerment in MENA at the 63 Commission on the Status on Women (CSW) at the UN Headquarters in New York. This event helped to bring at the forefront of the CSW the Programme’s efforts in this area (see section on Women’s Economic Empowerment). Other examples are the regular capacity building workshops for MENA officials held with the International Monetary Fund on Policies for Competitiveness, SMEs, and integrity.

¹ Donors include the G7 countries and some GCC countries; beneficiaries are Egypt, Jordan, Libya, Morocco, Tunisia, and Yemen; other international organisations involved include the World Bank, the IMF, the African Development Bank and the Islamic Development Bank.

Work is also done in collaboration with multilateral partners at the regional level. For example, the Programme has developed a special partnership with the Islamic Development Bank, which supports the work on Resilience. Another example in this area is the co-operation with the Hawkamah Institute for Corporate Governance, the Arab Federation of Exchanges and the Arab Monetary Fund in the work on corporate governance. The thematic sections in the following parts of the report include more details on all these efforts.

Analytical and evidence-based foundations to increase policy impact

The high-level discussions and whole-of-government work described above build on analytical and thematic work done to help the MENA region realise its full economic potential (Figure 3). The specific activities during the reporting period and progress towards the expected impact of the Programme are outlined in the following sections.

Figure 3. Policy focus of the MENA-OECD Competitiveness Programme



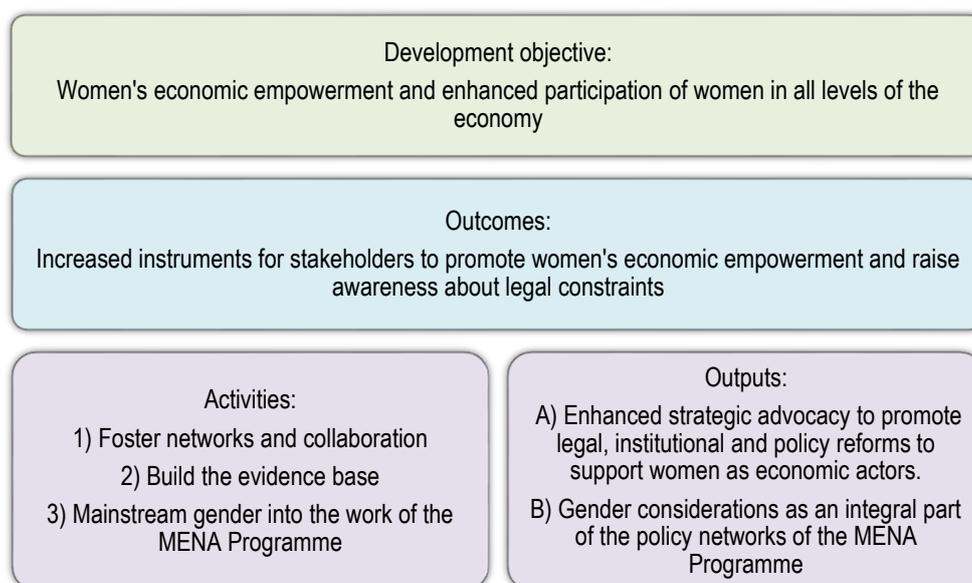
Women's economic empowerment

Overview

Gender equality and women's empowerment are essential for more productive and inclusive economies in the region. Through the [MENA-OECD Women's Economic Empowerment Forum](#) (WEEF) the Programme strives to support legislative and institutional reforms to increase women's economic empowerment in line with Agenda 2030 for Sustainable Development. The WEEF also helps to align national policies with international standards and best practices regarding women's rights.

Since its launch in Cairo in October 2017, the WEEF has played a pivotal role in increasing awareness of the importance of moving towards gender equality and has pushed for concrete reforms in this area. The WEEF builds on the efforts of the former MENA-OECD Women's Business Forum (WBF) which served as a regional platform for women's entrepreneurship. Its mission is, however, wider than that of the WBF as it tackles broader issues (e.g. not only women's entrepreneurship but women's participation in the economy) and convenes a more comprehensive audience. The figure below outlines the work and objectives of the WEEF.

Figure 4. Approach to women's economic empowerment



Impact

Over the past two years, the activities of the WEEF have been crucial to putting gender considerations at the centre of the policy agenda in several countries and across the activities of the Programme. In 2017, the Programme published a [report on how legal frameworks affect women's ability to participate in economic life](#).² It provides a

² *Women's Economic Empowerment in Selected MENA Countries. The Impact of Legal Frameworks in Algeria, Egypt, Jordan, Libya, Morocco, and Tunisia*, released at the 2017 MENA-OECD Women's Economic Empowerment Forum (WEEF).

comprehensive analysis of the legislative and institutional reforms strengthening women's status implemented after the 2011 uprisings and puts forward areas for further reforms. This work has become a major reference on this topic in the MENA region as experts and activists widely consult the material, especially the Arabic version. The report is accompanying the national debate processes on women's economic empowerment.

The WEEF has a strong focus on monitoring impact. Therefore, the Programme is currently working on a joint OECD-Arab Women Centre for Training and Research (CAWTAR) publication aimed at providing development practitioners and decision makers with an **analysis of recent legislative reforms that enhance women's economic empowerment in selected MENA countries**. The concept of the publication was presented at the 2018 WEEF where participants gathered in break out groups to provide feedback and inputs. The added value of this publication consists of providing actionable examples and practical tools to policy makers on legal reform that can encourage women's economic empowerment. Different stakeholders are being engaged and innovative partnerships are emerging.



Ms Gabriela Ramos, OECD Chief of Staff and Sherpa to the G20; Nésiha Labidi, Minister of Women, Family and Childhood, Tunisia; H.E. Zied Ladhari, Minister of Development, Investment and International Cooperation Tunisia; H.E. Marie-Claire Swärd Capra, Ambassador of Sweden to Algeria and co-Chair of the MENA-OECD Women's Economic Empowerment Forum; MENA-OECD Women's Economic Empowerment Forum, 13-14 November 2018, Tunis

Another WEEF priority is promoting **institutional reforms and enhancing gender policies** in different countries of the region. A number of countries are making considerable progress in this regard. For example at the 2017 WEEF, the Moroccan Minister in charge of General Affairs and Governance underscored that the OECD has been a key partner for Morocco's reforms and expressed the willingness of his government to continue pursuing this path. In addition, a component on women's economic empowerment has been included in the [OECD-Morocco Country Programme](#). It is the first time that an OECD Country Programme mainstreams gender aspects throughout its different components. Morocco also recently adhered to the OECD Recommendation on Gender Equality in Education, Employment and Entrepreneurship. At the 2017 WEEF, the Minister of Women and Social Development Affairs of Libya also expressed interest in further benefiting from the OECD support in the area of women's entrepreneurship in particular. Such support will be provided through a Libya SME project which will also focus on women's entrepreneurs.

The WEEF additionally provides opportunities for **South-South Co-operation**. For example, a Mauritanian representative from civil society mentioned that at the WEEF she exchanged with her Tunisian counterparts and would like to use their work on inheritance as inspiration for advocacy in her own country.



H.E. Ms. Néziha Labidi, Minister of Women, Family and Childhood, Tunisia, OECD Women's Economic Empowerment Forum, 13-14 November 2018, Tunis

Activities and results

In 2018 the WEEF continued fostering **networks, collaboration and policy dialogue**. The 2018 WEEF meeting took place under the High Patronage of the Tunisian Head of Government on 13-14 November in Tunis and brought together over 175 participants from 11 MENA countries, 9 OECD countries and international and regional organisations. The WEEF was held in the context of ‘Tunis, Capital of Arab Women’³ and revolved around the impact of legal frameworks on women’s economic empowerment and on data collection in this area. The WEEF served as a platform for exchanging experiences and best practices in terms of success factors and priorities related to legal reforms and policy implementation.

In addition to advising governments, the WEEF also serves as a co-ordination platform for different stakeholders. As an outcome of the WEEF, an agreement was made with the IMF to organise a joint training on women’s economic empowerment in the IMF Training Centre in Kuwait. The WEEF also resulted in enhanced collaboration with Oxfam, which agreed to participate in the ongoing OECD-CAWTAR research on recent legislative reforms (see section above) and to organise a joint event at CSW63 (see below). Different stakeholders were interviewed at the WEEF and a WEEF video is currently being finalised (Box 2).



Dr. Soukaina Bouraoui, Director, Arab Women Center for Training and Research (CAWTAR), OECD Women’s Economic Empowerment Forum, 13-14 November 2018, Tunis

³ Tunis was declared ‘Capital of Arab Women’ for 2018-2019 during the 37th session of the League of Arab States.

Box 3. Quotes from WEEF stakeholders and partners

'The OECD is a unique organisation that can bring everyone to the table even better than some of the multilateral banks or other organisations. It is an excellent organisation to help generate debate and dialogue and out of that debate and dialogue we can we can move faster forward. I very much salute the OECD for taking on the gender issue in the MENA region and to also help us to learn from the more advanced economies because we don't always have to compare the MENA region to the very poor or underdeveloped countries. With the OECD we're comparing ourselves to the best club in the world and that is very useful'. Nadereh Chamlou, Former Senior Advisor, The World Bank; and Co-Founder of The Billion Dollar Fund for Women.

'The spirit of partnership, 'win-win', is part of the value of respect. We know that everyone has experience. Everyone is rich in their culture, experience and exchange, and this mutual respect is fundamental. That's why when the OECD reached out to us to organise a joint event in Tunis, I jumped at the opportunity, because I felt that there is this mutual respect and that there is this will to learn from both sides'. H.E. Neziha Labidi, Tunisian Minister of Women, Family, Children and Seniors Affairs

'OECD is not only a powerhouse when it comes to data analysis, to statistics to programmatic work on the ground, but it has been an excellent convenor that brings everyone on the table. I think it would be very naïve of any one of us to think we can do it on our own, and I think this has been the starting point of OECD. So whenever we go, OECD brings with it UN agencies, civil society, academia and others. And for that, I'm very grateful to OECD'. Mohammad Naciri, UN Regional Director for Arab States

'What the OECD does with the WEEF, and with many of its other approaches to support countries within the MENA region, has helped us with learning from each other, giving strength to each other to continue to work and giving us tools. The importance of what OECD is doing is it's producing knowledge through research and reports through indicators and also giving us different tools for gender mainstreaming, which helps the countries to apply these tools within its context to be able to advance women's equality and women's rights'. Salma Nims, Secretary-General of the Jordanian National Commission for Women

Other policy dialogue events include:

- Building on the WEEF, the OECD Global Relations Secretariat organised an event on the occasion of the 2018 March on Gender where panellists discussed legal frameworks and women's economic empowerment in different regions of the world. OECD members expressed strong support for this work.
- In January 2019, the Programme participated in the Arab-DAC Dialogue in Kuwait City, which included a session on women's economic empowerment. As a concrete outcome of this session, an Arab-DAC taskforce on women's economic empowerment will be set up. This is undoubtedly an opportunity for the Programme to strengthen its relations with Arab donors and explore further synergies. The Programme is also co-ordinating its efforts with other donors active in the region. For example, it actively participates in the 'GAD Group' in Egypt, which is a co-ordination group of donors that works on gender equality in the country and tries to create synergies and avoid overlaps. Recently, the Programme joined a similar gender donor co-ordination group in Morocco.

- In February 2019, OECD leadership participated in a conference organised by Tunisia and the Sorbonne University entitled ‘*Arab Women: A Pillar of Peace, Stability, Security and Development*’. This enhanced the Programme’s relations with Tunisia and its support to events revolving around ‘Tunis, Capital of Arab Women.’⁴
- In March 2019, the Programme organised a side-event on ‘*Changing laws, changing minds. Women’s Economic Empowerment in MENA*’ at the 63rd Commission on the Status of Women (CSW) at the UN Headquarters. Oxfam, Tunisia, UN Women and CAWTAR co-organised the event, which gathered over 120 participants. At CSW, contacts were established with The Law Society of England and Wales as well as the World Bank Staff in charge of the yearly ‘Women, business and the law’ report, who both agreed to be peer-reviewers for the ongoing OECD research on recent legislative reforms. An OECD video with interviews of different CSW participants from MENA and OECD countries was prepared.

The WEEF also maintained its efforts to **building the evidence base** for women’s economic integration. As mentioned in the paragraph above, a substantive report was launched in 2017 on the impact of legal frameworks on women’s economic empowerment and a follow-up research on recent legislative reforms is currently being developed.

A paper was drafted on ‘Data Collection in Support of Women’s Economic Empowerment’ with the aim of analysing the main gaps in data needed to give a snapshot on women’s economic empowerment in Egypt, Morocco and Tunisia and to provide recommendations on how this gap could be closed. The paper also addresses how those countries could come closer to the [OECD Gender Data Portal](#)⁵. The document also looks into how these countries are tracking progress on international and regional commitments on women’s economic empowerment such as the Agenda 2030 for Sustainable Development. The findings of the paper were discussed at the 2018 WEEF. The paper will also be tabled at the April 2019 meeting on Statistics in MENA, organised by the Programme so that representatives from Statistical Offices of different MENA countries can provide further feedback for finalisation of the paper.

Based on the WEEF network, a [Directory of Initiatives](#) on Women’s Economic Empowerment was updated and finalised. The Directory was launched at the occasion of International Women’s Day in March 2018.

⁴ Tunisia was declared ‘Capital of Arab Women’ for 2018-2019 during the 37th session of the League of Arab States.

⁵ The OECD Gender Data Portal includes selected indicators shedding light on gender inequalities in education, employment, entrepreneurship, health and development, showing how far we are from achieving gender equality and where actions are most needed.



Mr. Carlos Conde, Head of MEA Division, Global Relations, OECD, OECD Women's Economic Empowerment Forum, 13-14 November 2018, Tunis

Mainstreaming gender angles into the activities of the Programme is another of the main tasks of the WEEF. Key activities during the reporting period included:

- Gender implications in trade and investment were discussed in the Working Group on Investment and Trade in November 2018. In preparation of this discussion, a substantive paper on the topic was prepared.
- The 2018 meeting of the Working Group on SMEs and Entrepreneurship included a session on Legal frameworks and SME policies in support of women entrepreneurs. The [SME Policy Index: The Mediterranean Middle East and North Africa 2018](#) also includes an analysis of measures to promote women's entrepreneurship.
- The Working Group on Corporate Governance created a focus group to foster gender balance in corporate leadership and enhancing board diversity. This focus group comprises key regional experts and aims at the identification of good practises and policy recommendations in this area for MENA countries.
- The BAB has put a special emphasis on the inclusion of female representatives of the private sector throughout all policy debates by inviting dedicated associations to its meetings and by adding gender-sensitive topics to its agenda. In addition, all analytical work in the framework of the BAB is paying special attention to the needs and concerns of female entrepreneurs.
- Debates around the need to adopt a gender approach into integrity policies are so far limited in the MENA region. To raise awareness on this topic, the 2019 meeting of the MENA-OECD Business Integrity Network (MOBIN) had a dedicated session on "Addressing gender issues in integrity policies". It provided a platform to reflect on the relationship between gender and integrity, the need to further

integrate the gender and integrity agendas for better policy outcomes, and the policies that have been developed so far in MENA countries.

- There is ample evidence that some groups in society, including women, are more affected by situations of fragility. The 2018 Meeting of the Economic Resilience Task Force included a focus on refugee women in selected MENA participants and a case study on Jordan is under preparation.

Table 2. Log frame table on women’s economic empowerment activities

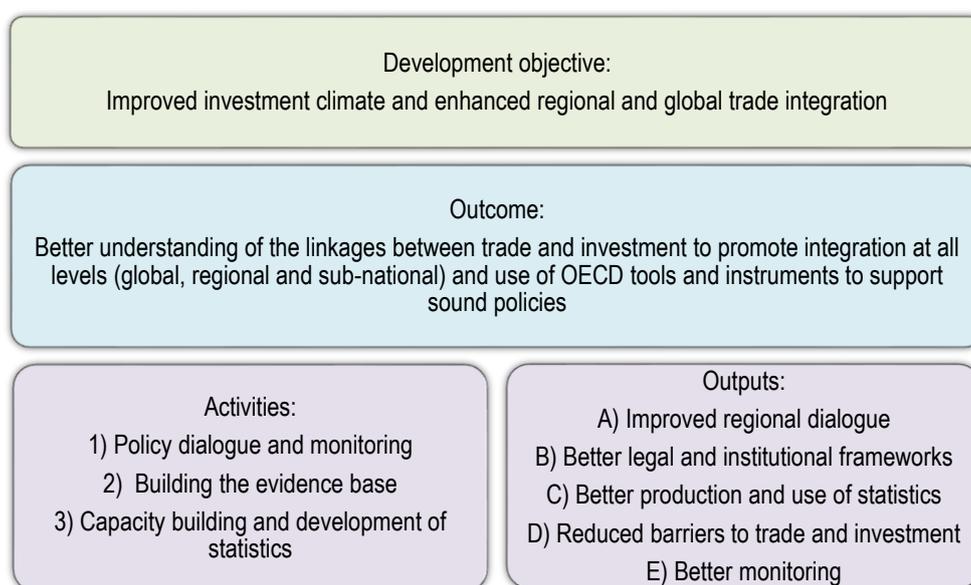
| Development objective: Women economic empowerment and enhanced participation of women in all levels of the economy. | | |
|--|--|---|
| Outcome: Increased instruments for stakeholders to promote women’s economic empowerment and raised awareness about legal constraints. | | |
| Outputs | Activities | Indicators |
| <p>Output 2.1: Enhanced strategic advocacy to promote legal, institutional and policy reforms to support women as economic actors</p> <p>Output 2.2: Mainstreamed gender equality across Working Groups and Policy Areas</p> | <ol style="list-style-type: none"> 1. A document on gender mainstreaming in the Competitiveness Programme was prepared and can inspire MENA countries on the aspects of gender mainstreaming. A background paper on data collection and analysis in support of WEE was prepared, suggesting that MENA countries already have some of the required data to contribute to the OECD Gender Data Portal. A research is ongoing on recent legal reforms in support of WEE in selected MENA countries. 2. National consultations around the publication that was launched in 2017 were carried out for Morocco, Jordan, Libya and Tunisia whereby stakeholders gained increased understanding of legal constraints regarding WEE. A GRS wide-event was organised on the occasion of the March on Gender where panellists discussed legal frameworks and WEE in different regions of the world. OECD members expressed strong support for this work. In the 2017 and 2018 WEEF, legal reforms are a key topic. 3. The WEEF has mobilised high level policy makers to enhance endorsement of gender equality policies. 4. In 2017 and beginning of 2018, a range of legal and policy reforms were carried out in different MENA countries. | <ul style="list-style-type: none"> • 6 meetings held towards producing gender-sensitive disaggregated data and relating policy papers • 1 Women Economic Empowerment Forum in 2018 (WEEF) • 15 consultations with representatives of key regional organisations to raise awareness over key measures supporting women economic empowerment • 2 national consultations on the impact of the domestic legal framework on women’s economic empowerment • 176 participants, including 136 women • 27 speakers, including 23 women and 2 Ministers |

Investment and trade

Overview

Trade and investment are essential drivers of productivity, innovation and, if accompanied with appropriate measures, more equal and inclusive economies. Yet, compared to other emerging regions such as South East Asia and Latin America, the MENA region remains less open and integrated to the regional and global economy. For example, including oil, intra-regional trade in intermediates amounted to around 7% of overall MENA trade in recent years. Furthermore, excluding oil this amounted to just 16%. Those figures are significantly below comparable estimates for East Asia, Europe and North America, where intra-regional trade accounts for most of the trade in intermediates and is importantly driven by regional value chains.

Figure 5. Approach to investment and trade



The [MENA-OECD Working Group on Investment and Trade](#) contributes to addressing this by promoting a regional dialogue connecting different stakeholders, discussing and comparing trends and reforms, and promoting the use of OECD tools on standards and statistics to better orient policies. This dialogue is complemented by national and regional activities supporting implementation of sound, inclusive and coherent reforms, notably the [EU-OECD Programme on Promoting Investment in the Mediterranean](#), and Jordan and Egypt projects on investment. The scheme below outlines the objectives of the investment and trade work stream.

Impact

To counteract the sharp decrease of FDI, the region has raised its investment standards by reforming their laws and institutions. The Programme has contributed to this wave of reforms in some countries. For example, Jordan adopted a new Regulation on non-Jordanian investments in June 2016 with the support of the OECD, which lifted some FDI restrictions that were identified as hindering the overall investment climate, reinforced legal

predictability by introducing a definition of foreign investment (absent in the Investment Law) following OECD guidance, and removed the discriminatory minimum capital requirement for foreign investors – a key improvement. Jordan’s ranking in the OECD FDI Regulatory Restrictiveness Index was slightly upgraded accordingly, even though Jordan still remains fairly restrictive compared to other countries that have adhered to the OECD Declaration on International Investment and Multinational Enterprises. In Morocco, the Programme supported the merger of the export and investment agencies through a national dialogue with OECD peers. In Algeria, the investment promotion agency mentioned that it has set up a reflection committee to enhance its performance based on the OECD Mapping of investment promotion agencies in the South Mediterranean.

Showcasing these reforms through the regional dialogue, notably the Working Group, has then impacted other countries to reflect on and engage in similar reforms, while the OECD is becoming a reference point for advice on investment reforms and dissemination of good practices in the region (e.g. requests from Lebanon, Palestinian Authority, Algeria and Libya).

The OECD is also contributing to better calculation of FDI statistics improving international comparability, through reports, workshops and participation in the OECD Working Group on international investment statistics. The Working Group which is addressing for the second year trade issues is becoming more impactful in interconnecting trade and investment and is better able to gather a larger community of high-level and experienced policy makers.

Activities and results

In terms of **policy dialogue and monitoring**, the Working Group on Investment and Trade met in the Dead Sea, Jordan on 27-28 November 2018 under the theme “Making trade & investment policies work for all”. The meeting focused in particular on the impact of trade and investment on MENA societies; MENA economies’ integration into GVCs; promotion of inclusive trade and investment policies in the region, with a focus on gender; and key challenges and processes for effective implementation of investment reforms. Thirteen MENA countries were represented – 4 at the ministerial level (Jordan, Tunisia, Saudi Arabia and the Palestinian Authority). The 120 participants recognised that the meeting was an opportunity for debates and networking. They called for more policy actions on diversification (focusing on sectors, markets and value chains), on the business community contribution to economic co-operation (hence the role of the MENA-OECD BAB), on data (hence the use of OECD statistical and benchmarking tools) and on integrated and coherent strategies.



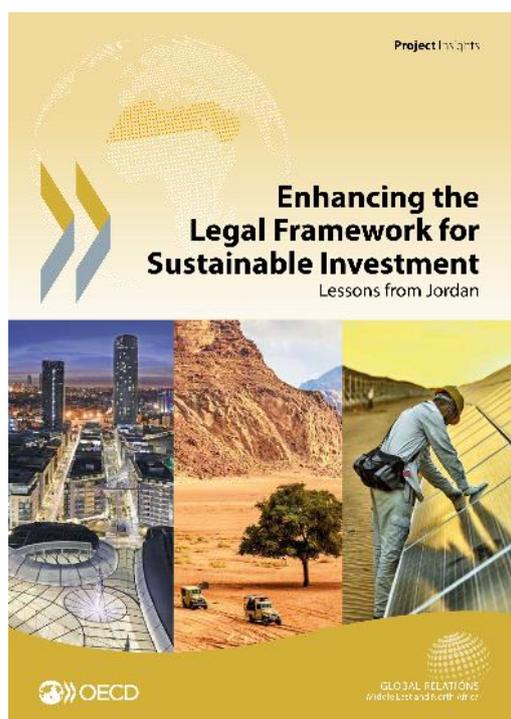
Working Group on Investment and Trade, 27-28 November 2018, Dead Sea, Jordan

During the reporting period, the EU-OECD Programme on Promoting Investment in the Mediterranean organised four regional workshops and three national workshops were organised on institutional reforms of investment promotion agencies (Rabat, January 2018), business linkages (Beirut, April 2018), managing investment disputes (Cairo, June 2018), FDI statistics for Jordan (November 2018) and mapping of investment promotion agencies (Paris, October 2018). The latter was organised back-to-back with the session of the Investment Committee, which ensured a wider participation of MENA representatives in the Committee and a greater exposure and visibility of the countries in the international arena. The four MENA adherents to the OECD Declaration and Decisions on International Investment and Multinational Enterprises (Egypt, Jordan, Morocco and Tunisia) are progressively abiding more with its requirements. While Egypt and Tunisia recently announced the appointment of their National Contact Point (NCP) for the implementation of the MNE Guidelines, Morocco has a well-functioning NCP which start to inform cases and which head is sitting in the bureau of the OECD Working Party on Responsible Business Conduct.



MENA-OECD Conference on Promoting Quality Infrastructure Investments in the MENA Region, Suez Canal, Egypt, 19-20 March 2019

Recognising the crucial role of quality infrastructure investments for inclusive growth and development in the region, the OECD Competitiveness Programme organised the first regional policy dialogue on quality infrastructure investments in Cairo on 19-20 March 2019. The meeting was opened by Dr. Hala El Said, the Egyptian Minister for Planning, Monitoring and Administrative Reforms, Mr. Asem El-Gazzar, Minister of Housing and Urban Utilities, Admiral Mamish Mohab, the Chairman of the Suez Canal Economic Zone, and Minister Mr. Kotaro Suzuki from the Embassy of Japan in Egypt. The meeting was jointly supported by the OECD and the Government of Japan as funding partner of the MENA-OECD Competitiveness Programme, and builds on ongoing G20 discussions on quality infrastructure. During the second day of the workshop, a field visit was organised to the Suez Canal to showcase the Egyptian infrastructure experience. Delegates recognised the importance of quality infrastructure investments in the region and requested the OECD to promote this topic more systematically through sharing examples of best practices and experiences from other countries and regions.



Concerning activities to **build the evidence base**, the Project Insights *Enhancing the legal framework for sustainable investment: Lessons from Jordan* was launched during the Working Group on Investment and Trade meeting in November 2018. The report reviews the achievements already realised, and identifies the remaining challenges and future steps to build a sound investment framework to attract more and better investment, with the view to support the authorities' efforts to reform Jordan's investment climate. It also presents important lessons on investment reforms and reform implementation, which could serve as a foundation for further work at both a regional and a country level.

Two background papers were also tabled on "Trends and Reforms in Investment and Trade Policies in the MENA region" and "The Integration of the MENA Region into Global Value Chains: Harnessing Economic and

Social Benefits". Further evidence is being gathered on the issue of gender mainstreaming in trade and investment policies. Contributions from the private sector on the obstacles to business linkages are also sought feeding MENA-OECD BAB (see corresponding section below). Under the EU-OECD Programme on promoting investment in MED, five substantive papers have been drafted to support the regional seminars organised.

A **capacity-building** workshop on investment disputes has also been carried out for Egyptian policy makers in the framework of the MENA Transition Fund Project on the investment climate in Egypt (Cairo, June 2018), and the OECD is conducting the second Investment Policy Review of Egypt under this Project.

Table 3. Log frame table on investment and trade

| Development objective: Improved investment climate and enhanced regional and global trade integration. | | |
|---|--|---|
| Outcome: Better understanding of trade and investment policies linkages to promote integration at all levels (global, regional, national and sub-national) and use of OECD tools and instruments to support sound policies. | | |
| Outputs | Activities | Indicators |
| Output 3.1 Policy actions to implement better legal and institutional frameworks in investment and trade policies, supported by stronger awareness about the importance of quality and responsible investment | <ol style="list-style-type: none"> 1. Investment and trade policies are regularly assessed in background papers prepared for regional and national activities, and continuous monitoring of reforms. 2. Regional and national activities conducted during the reporting period focused on capacity-building and peer-learning between MENA policy makers and OECD Members countries representatives. Good practices on investment policies from other countries are collected and developed in the policy reports prepared for the regional seminars, and have been presented during the different activities. 3. The participation of policy makers of the region into various global fora and OECD events, including the Investment Committees also helped building their capacities, providing an opportunity for MENA countries to be exposed to the OECD work and to engage into policy discussions with OECD members' countries. 4. OECD tools and statistical instruments have been presented to MENA policy makers, in particular the TiVA database, the FDI Restrictiveness Index, and the Service and Trade Restrictiveness Index (STRI), as well as the Product Market Regulation Database. | <ul style="list-style-type: none"> • 1 working group meeting (27-28 Nov. 2018): 120 participants • 1 regional conference on promoting Quality Infrastructure in the MENA region (19-20 March 2019): 74 participants • 4 regional seminars on: <ul style="list-style-type: none"> ○ Business linkages, GVCs and local development ○ Investment dispute management and prevention ○ Trends and practices on investment promotion ○ Measuring FDI and its impact • These 4 regional seminars brought together 367 participants • During the 4 regional events, 125 participants filled in the evaluation questionnaire to assess the quality of the event. Among these 125 responses, 58 participants strongly agreed and 63 agreed that the regional seminars were productive and successful. • 5 national workshops on: <ul style="list-style-type: none"> ○ Promoting inclusive investment for local development in Lebanon ○ investment dispute management and prevention in Egypt ○ Reforming Libya's business climate: the role of SME and investment policies ○ FDI statistics in Jordan ○ FDI statistics in Tunisia • 1 Project Insights: "Enhancing the legal framework for sustainable investment: Lessons from Jordan" (official launch in Amman 27-28 Nov 2018) • 3 draft background notes for the WGIT on Trends in investment and trade policies in the MENA region; Integration of the MENA region in Global Value Chains: Harnessing the economic and social benefits; and Gender mainstreaming considerations relative to trade and FDI. • 4 Background papers for the EU-OECD regional seminars on (i) Making GVCs more inclusive in the MED region; (ii) Stocktaking of investment dispute management and prevention in the MED region; (iii) the |

geography of FDI in MED; (iv) Foreign investment contribution to the SDGs in MED.

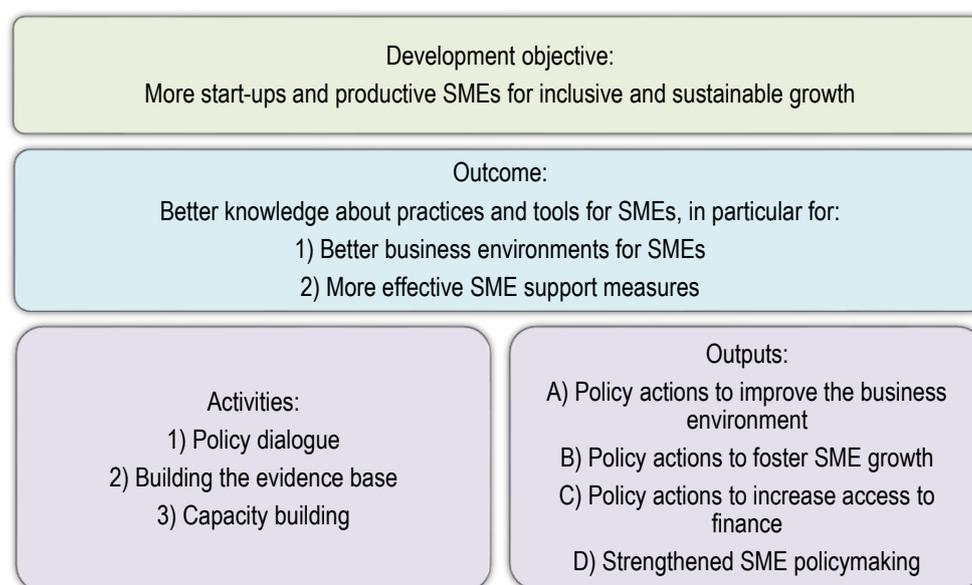
- OECD Mapping of MED Investment Promotion Agencies completed for 8 countries (questionnaire and report)
 - 1 background note for the Egypt Transition fund Project on investment dispute management and prevention in Egypt
 - 3 FDI statistics review (based on the OECD FDI benchmark definition (Tunisia and Jordan); 2 countries included in TiVA (Morocco and Tunisia).
 - Update of the FDI Restrictiveness Index for 8 countries
 - 18 economies included in the Trade Facilitation Indicators.
-

Micro, small and medium-sized enterprises and entrepreneurship

Overview

MENA countries face two broad priorities to promote jobs and economic dynamism through start-ups and SMEs: improving business environments and providing effective support programmes to SMEs and entrepreneurs. The [MENA-OECD Working Group on SME and Entrepreneurship Policy](#) uses international tools and good practices to strengthen policies and materialise the development potential of SMEs and entrepreneurs. It recognises the important role that SMEs can play in fighting inequality and enhancing inclusiveness by creating jobs and sources of income for millions. It also recognises the positive impact that SMEs can have in productivity growth and competitiveness. The SME Working Group pursues this mission by facilitating policy dialogue, policy analysis for the identification of reforms, and building capacity for effective implementation (see Figure 6).

Figure 6. Approach to SME and entrepreneurship policy



Impact

The Programme has been instrumental in the setting up of more robust policies for SME promotion, which were practically inexistent before the Programme's inception. For example, with the leadership of Italy and Tunisia (the co-chairs of the SME Working Group) a number of countries identified and implemented during 2013-2017 concrete actions for SME development through country specific action plans. Those actions include specific support on access to finance (e.g. Egypt, Jordan, Morocco and Palestinian Authority), entrepreneurship (e.g. Egypt, Morocco and Tunisia), regulatory improvements (Jordan, Morocco and Tunisia) and public procurement (Jordan and Morocco).

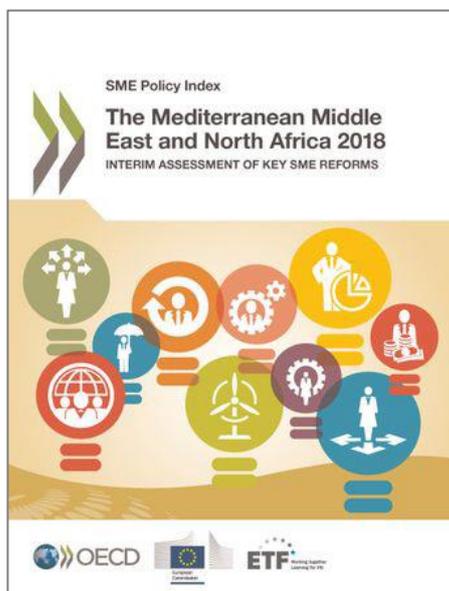
In addition, over the years, the Programme has tracked SME policy evolution through comprehensive policy reviews in [2008](#), [2014](#) and [2018](#). Those reviews, which use a common methodology (the SME Policy Index), inform policy reforms at the regional and national level. For example, as a result of this policy tracking Egypt is introducing a more

coherent approach to SME policy making through the establishment of a consolidated SME agency and the development of a SME strategy. Other countries such as Jordan and Lebanon have engaged in similar reforms.

The Programme has also helped to increase the voice of MENA countries into OECD work in the area. For example, [Algeria](#) took part in the [2018 OECD SME Ministerial Conference](#) in Mexico, where the Minister of Industry presented the national strategy in this area.

Additionally, over the past seven years the Programme has trained over 400 government representatives from MENA countries through two yearly capacity building seminars on SME policies and access to finance and on Policies for Competitiveness with the IMF Centre in Kuwait. The workshops help to disseminate good practices and standards on improving business environments and strengthening targeted support for SMEs and entrepreneurs.

Activities and results



To continue **building the evidence base**, during the reporting period the SME Working Group completed the regional assessment [SME Policy Index: The Mediterranean Middle East and North Africa 2018](#), which is the third assessment of this type conducted in the MENA region (the previous ones were performed in 2008 and 2014). The assessment is the only regional benchmark of SME policies for the MENA region undertaken in periodic intervals of time. The exercise helps the region as a whole, and individual countries to identify concrete areas of co-operation and reform in the four priority themes of the SME Working Group (improving business environments, fostering SME creation and growth, access to finance and better SME policy making). For example, the SME Policy Index calls on MENA economies to strengthen the building blocks of

SME policy such as the adoption of official SME definitions, reinforcing SME statistics (which are present but not internationally harmonised in several countries) and strengthening SME policy coherence (as opposed to the current dispersion of a myriad of different SME programmes implemented by various agencies, donors and others). The SME Policy Index provides a concrete agenda for the overall region and for individual countries, as well as for donors supporting SMEs in the region. Supporting individual MENA economies in the implementation of those reforms is a mission for the MENA Programme in the years to come.

In terms of **policy dialogue**, the 10th meeting of the SME Working Group took place in July 10-11 in Tunis, hosted by the Ministry of Industry and Commerce of Tunisia. Fifty-five participants joined, including representatives from the public and private sector from ten MENA countries (Algeria, Bahrain, Egypt, Jordan, Lebanon, Libya, Morocco, the Palestinian Authority, Tunisia and the UAE), as well as OECD countries (Italy, Czech Republic and Poland), and international organisations (ETF, EIB, ILO, UNIDO and the Union of Arab Banks). The meeting focused on three themes: sharing lessons learned from the implementation of policy reforms to support SMEs and entrepreneurs; discussing recent

initiatives to support women entrepreneurship; and analysing different models of cluster policies.



10th Meeting of the MENA-OECD SME Working Group in Tunis, 10-11 July 2018, Tunis

Participants noted the progress made in SME policy over the past years, for example the adoption of a SME Law in Algeria, the establishment of a lead SME agency in Egypt and the approval of an action plan for SME development in Libya. They also discussed progress on access to finance such as the establishment of registries of immovable assets in Jordan, the UAE and the Palestinian Authority. The Working Group also agreed on the need to address the underlying factors that result in such large gender gaps, as well as the specific obstacles women face when wanting to start or run a business.

The Programme also continued providing **capacity building** for better SME and entrepreneurship policies through its two yearly training courses in co-operation with the [Centre for Economics and Finance](#) (CEF) of the International Monetary Fund in Kuwait City. The first course took place in April 2018 and focused on Competitiveness Policies in the MENA region. The course benefited 35 mid- to high-level officials from the MENA region, who learned and exchanged on policies for private sector development. The second training took place in November 2018 and dealt with specific SME policies and access to finance. It also benefited 35 mid- to senior-level officials from MENA countries.

Table 4. Log frame on SMEs and entrepreneurship

| Development objective: More start-ups and productive SMEs that create decent jobs and lead to inclusive and sustainable development including vibrant women's entrepreneurship. | | |
|---|---|--|
| Outcome: Increased knowledge and use of good international practices and policy tools to support SMEs, and increased engagement of the private sector, including business women associations. | | |
| Planned outcomes | Activities | Indicators |
| <p>Output 4.1: Policy actions to improve the business environment by reducing burdens for SMEs and start-ups and to address legal and administrative barriers for women entrepreneurs</p> <p>Output 4.2: Policy actions to foster SME growth through participation in GVCs, business development services and access to markets, as well as targeted actions to promote women-led SMEs and start-ups</p> <p>Output 4.3: Enhanced legal and regulatory environment for access to finance, and improved availability of finance, including for women entrepreneurs</p> <p>Output 4.4: Improved access to finance through legal reforms and practices of the financial sector</p> <p>Output 4.5: Promotion of better SME policy making, including by mainstreaming gender issues in SME policies.</p> | <ol style="list-style-type: none"> 1. One meeting of the MENA-OECD Working Group on SME and Entrepreneurship Policy in July in Tunis to discuss good practices and recent reforms; barriers to women's entrepreneurship and the development of clusters and industrial SMEs. 2. Finalisation and release of the SME Policy Index: The Mediterranean Middle East and North Africa 2018, a comprehensive assessment of SME and entrepreneurship policies in seven countries. The report was done over twelve months of close consultation with MENA countries and in co-operation with the European Training Foundation and the European Union. 3. One training course on Competitiveness Policies in MENA countries in collaboration with the IMF and with the participation of 35 mid to senior level MENA officials. 4. One training course on SME policies and access to finance in collaboration with the IMF and with the participation of 35 mid to senior level MENA officials. | <ul style="list-style-type: none"> • One policy dialogue with the participation of 55 representatives from the public and private sector from ten MENA countries (Algeria, Bahrein, Egypt, Jordan, Lebanon, Libya, Morocco, the Palestinian Authority, Tunisia and the UAE), as well as OECD countries (Italy, Czech Republic and Poland), and international organisations (ETF, EIB, ILO, UNIDO and the Union of Arab Banks). • One report with policy analysis and recommendations covering seven MENA countries and four thematic areas (the building blocks of SME policy, improving business environments, enhancing access to finance and fostering entrepreneurship and SME growth). • Two capacity building workshops with the participation of seventy officials from across the region. |

Corporate governance

Overview

Sound corporate governance helps to build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth and more inclusive societies. Those are essential areas for the MENA region to achieve more diversified, competitive and resilient economies driven by the private sector and by well-run and efficient state-owned enterprises. The [MENA-OECD Working Group on Corporate Governance](#) serves as a knowledge platform that promotes equity market development for growth companies, enhances transparency and disclosure, improves the corporate governance of state-owned enterprises and supports women's participation in corporate leadership in the Middle East and North Africa. Supporting implementation of international standards embodied in the [G20/OECD Principles of Corporate Governance](#) and the [OECD Guidelines on Corporate Governance of State-Owned Enterprises](#), participants in the Working Group share experiences that are adapted to the region's policy reform priorities. These discussions benefit from comparative analytical work that supports reforms at national and regional levels. This approach (shown in the figure 7) promotes regional co-operation and mutual learning amongst international and regional public institutions as well as the private sector.

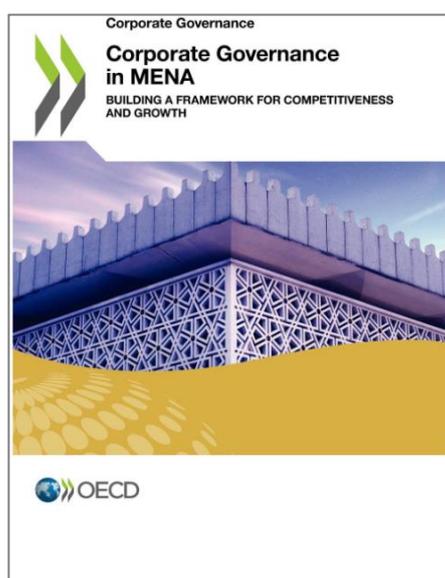
Figure 7. Approach to corporate governance



The activities of the Working Group on Corporate Governance are grounded in the core work, standards and official bodies of the OECD, in the form of the [OECD Corporate Governance Committee](#) and the [OECD Working Party on State-Ownership and Privatisation Practices](#).

Impact

The activities of the OECD in general and the Working Group on Corporate Governance in particular have produced concrete results. For example, the G20/OECD Principles of Corporate Governance are used by the International Finance Corporation (IFC) – which is a member of the Working Group – in its capacity building activities in Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco, Saudi Arabia, the UAE, the Palestinian Authority and Yemen. Corporate governance toolkits, the development of new corporate governance codes and reform commitments all follow the framework of G20/OECD Principles. Along these lines, the Second Arab Capital Markets Conference in March 2019 organised by the Union of Arab Securities Authorities (UASA) included a session on “Implementing the G20/OECD principles: what are the challenges in the MENA region?”.



Those activities are also helping national reform efforts. Morocco is in process of updating their 2008 Moroccan Code of Good Corporate Governance Practices, and will use the G20/OECD Principles of Corporate Governance as a guide. Morocco is also expected to update the Code’s 2012 Annex on the Governance of State-Owned Enterprises, using the OECD Guidelines on Corporate Governance of State-Owned Enterprises as a reference. In addition, under the Patronage of H.E. Dr Ziad Fariz, Governor of the Central Bank of Jordan, the Association of Women on Boards was established in Jordan in January 2019. The person in charge, Iman Al-Damen, is part of the Working Group Focus Group on Women in Corporate Leadership.

Activities and results

The Working Group on Corporate Governance relaunched in December 2017 with a three-year work horizon to: discuss challenges for reform in 2017; identify policy options in 2018; and propose strategies for implementation in 2019. In this framework, the Working Group operates in four key thematic areas addressed by respective Focus Groups: increasing access to capital and capital market development; improving transparency and disclosure; supporting gender balance in corporate leadership; and governance of state-owned enterprises.



Dr. Ashraf Gamal El Din, CEO, Hawkamah, MENA-OECD Working Group on Corporate Governance, 17-18 April 2019, Paris

Taking the lead as co-chair of the Working Group, (the other co-chair being the UAE Securities and Commodities Authority - SCA), the Portuguese Securities Commission hosted a meeting in Lisbon on 4-5 July, 2018. Building on the Focus Group work, four thematic reports were presented at the meeting to give stakeholders an opportunity to discuss the progress of the work on compiling data and analysis on corporate governance in the region to propose policy options for reform. Improved practices for disclosure and transparency will help companies attract domestic and international investors, contributing to their due diligence. Improved corporate governance frameworks will help listed companies in the region attract capital, and thus increase their capacity to innovate, create jobs and support growth. Improved gender balance in the boardroom will increase the talent pool for company performance and boost integrity in the decision-making process. Finally, since state-owned enterprises make up a large part of MENA economies, better data and understanding of state ownership practices will help make sure SOEs are on a level playing field with both domestic and international competitors.

The 2019 Meeting of the MENA-OECD Working Group on Corporate Governance in Paris, organised back to back with the OECD Corporate Governance Committee, identified strategies on the implementation of the policy options established in 2018. Access to capital will benefit from improved investor protection and financial reporting, as well as from increased transparency in the management of abusive related party transactions. Supporting the investor relation officers within listed companies can help to further improve uptake of transparency and disclosure policies in MENA jurisdictions. Sharing knowledge and practical tools, as well as greater male ownership of reforms and involvement in awareness raising campaigns, can advance gender balance in corporate leadership. Last, strengthening board professionalism and independence is key for improving SOEs' performance in the region.

Additionally the Working Group presented the findings of its new report ‘[Corporate Governance in MENA: Building a Framework for Competitiveness and Growth](#)’. The publication, available also in Arabic and French, will serve as a platform for next steps in the programme. It identifies actionable areas for reform and to help policy makers implement policies aligned with international standards, using the Recommendation on the G20/OECD Principles of Corporate Governance and the Recommendation of the OECD Council on Guidelines on Corporate Governance of State-Owned Enterprises (OECD Guidelines on State-Owned Enterprises).

Table 5. Logframe on Corporate governance

| Development objective: Levelling the playing field for private and public enterprises through good corporate governance practices. | | |
|--|---|--|
| Outcome: Increased use of international standards on corporate governance. | | |
| Planned outcomes | Activities | Indicators |
| <p>Output 5.1: Raising awareness and providing evidence about the importance of good corporate governance to promote competitive economies</p> <p>Output 5.2: Policy actions to promote capital market development for private sector growth</p> <p>Output 5.3: Legal and institutional reforms, implementation and initiatives to improve the corporate governance of state-owned enterprises</p> <p>Output 5.4: Actions to promote policy reforms and good practices to improve women’s participation in corporate leadership.</p> | <p>1. The Working Group on Corporate Governance brings together stakeholders from securities regulators, ministries, stock exchanges, corporates, institute of directors, as well as regional organisations to share good practices, compile data on country reform practices and discuss how they measure up to international standards, using the G20/OECD Principles of Corporate Governance and OECD Guidelines on Corporate Governance of State-Owned Enterprises as a reference. Government officials of some countries are also invited to participate in meetings of the Corporate Governance Committee and Working Party on State-Ownership and Privatisation Practices.</p> <p>2. In 2018, the OECD has administered a survey of corporate governance frameworks to record frameworks in line with the categories of the G20/OECD Principles of Corporate Governance in all MENA programme countries. The OECD also organised 4 thematic focus groups bringing together regional experts to identify policy options for reform in key areas: access to capital for listed companies; improving transparency and disclosure practices; supporting gender balance in corporate leadership; and governance of state-owned enterprises (SOEs) in MENA economies</p> | <ul style="list-style-type: none"> • 2 Corporate Governance Committee meetings; 2 Working Party on SOEs meetings; • 1 regional roundtable hosted by the co-chair in Lisbon, Portugal on 4-5 July. • 87 participants, representing 16 countries came to the July 2018 meeting in Lisbon. • 19 countries, including Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestinian Authority, Qatar, Saudi Arabia, Tunisia, United Arab Emirates and Yemen, participated in consultations on women’s participation in corporate leadership, transparency and disclosure, SOE corporate governance reform, and access to finance for growth companies; as well as in stocktaking of corporate governance frameworks of listed companies in MENA. • 4 thematic report on access to capital for listed companies; improving transparency and disclosure practices; supporting gender balance in corporate leadership; and governance of state-owned enterprises (SOEs) in MENA economies were presented at the 2018 meeting in Lisbon; • One publication to be released in 2019 combining the thematic work into a single output and narrative. • The G20/OECD Principles of Corporate Governance and the OECD Guidelines on Corporate Governance of State-Owned Enterprises are the basis for the analytical work and discussions. |

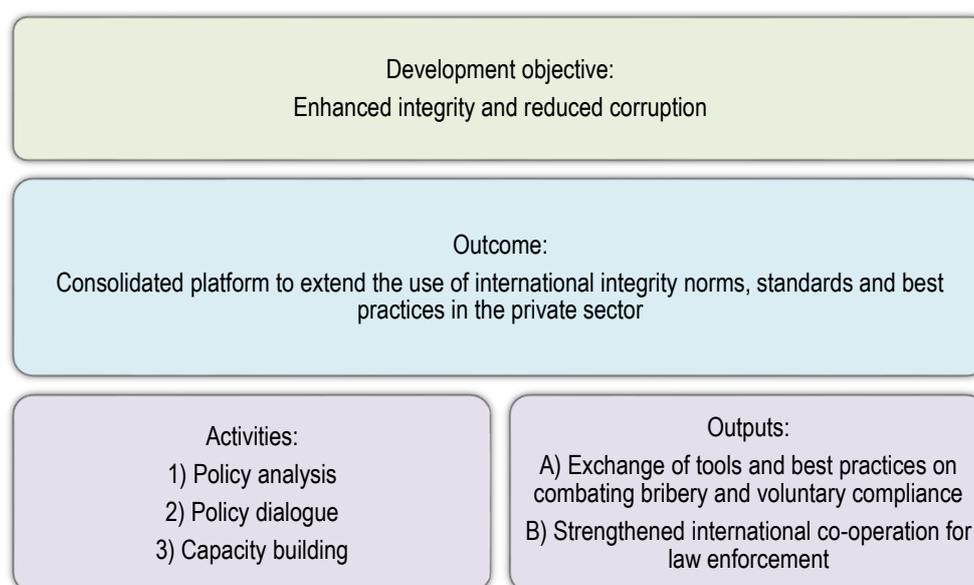
Business integrity

Overview

Corruption is a world-wide challenge with complex social, political and economic dimensions. In the MENA region, a number of countries have made the fight against corruption a priority by passing laws and adopting strategies to combat corruption. However, progress in eliminating this problem remains limited and corruption still stands as a major obstacle for doing business in the region. Strengthening integrity is central to the development of competitive and open economies in which growth and opportunities are sustainably and equitably distributed. Strengthening business integrity and fighting corruption will be essential for establishing investors' confidence and levelling the playing field for doing business.

The [MENA-OECD Business Integrity Network](#) (MOBIN) brings together regional businesses and public anti-corruption officials to build awareness about the need to fight corruption and develop a culture of integrity. It does so by providing a framework for peer learning, sharing tools and best practices. The scheme below outlines the approach of the MOBIN.

Figure 8. Approach of the MENA –OECD Business Integrity Network



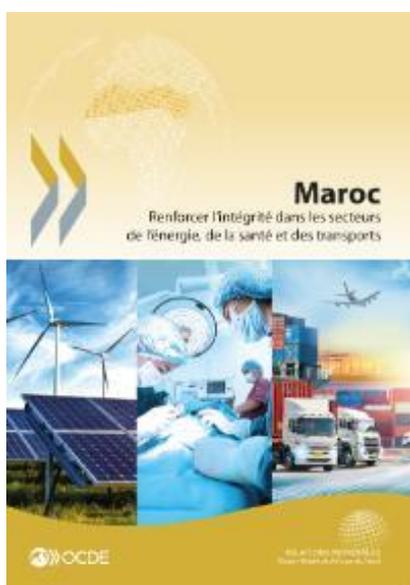
Impact

The progress achieved in this domain is very significant in terms of raising awareness and informing a new generation of anti-corruption policies makers and practitioners, which have emerged in the region since 2011.

Overall the dialogues taking place in the framework of the Network meetings allowed increasing exposure of the region to core international standards and instruments on anti-corruption.

As a result, several countries in the region have showed interest in adhering to the OECD Anti-Bribery Convention⁶ to fight corruption in business. Morocco in particular has started to take some direct action in that sense and will shortly undertake a comprehensive review of its anti-corruption legislative framework to upgrade and enhance it, which will be funded by the country itself in the context of the renewed Morocco Country Programme. Lebanon has also expressed its interest to adhere to the Anti-Bribery Convention.

This work has also supported concrete reforms and actions to fight corruption. New legislation and national strategies have been conceived in a number of MENA countries, which are in line with OECD recommendations. In particular, Morocco adopted a National Strategy against corruption in 2016 and included a whole component on Business integrity, which refers expressly to the OECD and its support in that field. Lebanon and Kuwait are also interested in implementing their new anti-corruption strategy according to international best practices and standards disseminated at MOBIN meetings.



In particular, the Programme has worked to mobilise the private sector and civil society and improve their capacities to become actors of change at an individual and collective level. Awareness of the key role that the private sector can play in the fight against corruption has significantly increased. Key initiatives taken by business associations with the support of the OECD to promote integrity in some countries have been showcased in regional meetings. For example in December 2018, Moroccan energy, health and transport companies and federations signed Declarations of Intention to engage in anti-corruption collective actions in their respective sectors. This is the direct result of the work performed under the OECD Project “Strengthening the Business Integrity in Morocco” and was discussed in the last Network meeting.

The participation of MENA delegates into various global fora and OECD events, in particular the OECD Global Integrity Forum, also helped build their capacities, providing an opportunity for MENA countries to be exposed to international developments in the anti-corruption area and to engage into policy discussions with peers from OECD members’ countries.

The MOBIN is also actively contributing to increase networking and co-operation among MENA and OECD law enforcement agencies.

Activities and results

In terms of **policy dialogue**, the annual meeting of the MOBIN provides a unique regional platform to exchange good practices and experiences between MENA policy makers and businesses and OECD countries to promote a culture of integrity.

The 2019 MOBIN meeting (Paris, 18-19 March 2019) focused on public private dialogue (PPD) as a tool to make impactful reforms to fight against corruption. This year’s dialogue

⁶ Convention on Combating Bribery of Foreign Public Officials in International Business Transactions

followed last years' strong demand to learn more about international practices when using public-private dialogue to promote integrity in the MENA region. To respond to this demand, a draft **Report on ongoing public-private dialogues in the field on anti-corruption in the MENA region** was developed in 2018 following a broad consultation process involving both government officials and business representatives from the region, and discussed during the Meeting. The Report provides a first assessment of the state of play of PPD on anti-corruption in the region, highlights the gaps and requirements for engaging in an effective public-private dialogue, and identifies preliminary paths for action. Practical examples of anti-corruption collective actions that involve public and private sectors in innovative partnerships were also discussed, with a focus on the experience conducted in Morocco in the strategic sectors of health, transport and energy, and in Egypt. The OECD presented a **Manual on the key factors for success when implementing anti-corruption collective action** which provides MENA countries with concrete guidance on the steps to follow and the pitfalls to avoid in order to implement impactful collective action to fight corruption.

The meeting also raised awareness on the need to extend the public and private sector dialogue to apprehend the links between corruption and money-laundering. Finally it provided a platform to reflect on the ways to enshrine gender into anti-corruption policies.

A study tour to the French Anti-Corruption Agency was also organised in the context of the 2019 annual meeting of the MOBIN for a targeted group of MENA delegates, to allow practical exchanges of experiences and good practices with peers on the fight against corruption



MENA-OECD Business Integrity Network (MOBIN) Meeting, 18-19 March 2019, Paris

MENA delegates also participated in an inter-regional Roundtable on Anti-Corruption and Business Integrity aimed to foster a comparative policy discussion of significant governmental and private-sector initiatives to enhance business integrity in Eastern Europe and Central Asia, Middle East and North Africa, Sub-Saharan Africa and Asia and the Pacific.

In the margins of the MOBIN meeting and throughout the year, several consultations were held with government officials of MENA countries who expressed interest in learning more on international integrity norms, standards and best practices to tackle corruption and increase transparency. In particular exchanges took place with Lebanese key actors with views to promoting Lebanon's rapprochement with the Anti-bribery Convention.

Concerning **capacity building** activities, in the context of the MENA-OECD Competitiveness Programme's agreement with the International Monetary Fund Middle East Centre For Economic and Finance Training Centre in Kuwait City, the yearly course training on "Public and private sectors' alliances in the fight against corruption in MENA and GCC countries" was delivered to about 40 law enforcement experts from several MENA countries (Algeria, Morocco, Tunisia, Egypt, Jordan, Lebanon, Libya, Palestinian Authority, Iraq, Saudi Arabia, Kuwait and Sudan) from both the public and the private sectors in January 2019.

Table 6. Logframe on Business Integrity

| Development objective: Enhanced integrity in business and reduced corruption. | | |
|--|--|--|
| Outcome: Consolidated platform to extend the use of recognised integrity norms, standards and best practices among the private sector. | | |
| Planned outcomes | Activities | Indicators |
| <p>Output 6.1: Active exchange of tools and best practices on combating bribery and on voluntary corporate compliance with beneficiary countries</p> <p>Output 6.2: Strengthening international co-operation for law enforcement</p> | <ol style="list-style-type: none"> 1. The 2019 MOBIN meeting allowed an active exchange on public-private dialogue (PPD) as an important tool to combat bribery, with an interactive roundtable on this topic, the presentation of a report on on-going practices and needs in MENA countries and the sharing of best practices from OECD countries. It also provided MENA participants with concrete guidance on collective action and practical examples of such voluntary initiatives initiated by business associations to enhance integrity in Morocco and Egypt. 2. A study tour was organised to the French Anti-Corruption Agency set –up in 2017, which allowed exchanges of experiences on collaboration of a governmental body with companies regarding compliance programmes. 3. MENA policy makers and representatives from the private sector also participated to an inter-regional Roundtable on Anti-Corruption and discussed private -sector and government efforts to promote Anti-Corruption and integrity in business in different regions : Eastern Europe and Central Asia, Middle East and North Africa, Sub-Saharan Africa and Asia and the Pacific. Besides MENA participants attended the OECD Integrity Global forum. 4. A training was held in January 2019 in Kuwait for MENA law enforcement officers, which focused on strengthening co-operation among relevant stakeholders in the fight against corruption and money laundering. Experts shared experiences of collaborative processes and how they could be replicated in the MENA region and could inspire new policy approaches. | <ul style="list-style-type: none"> • 1 regional MOBIN meeting with 99 participants from 12 MENA countries including 35% of women , 20 participants from the private sector and 5 from civil society • 93% of the 2019 MOBIN participants agreed or strongly agreed that the event was “productive and successful”. • 1 Study Tour at the French Anti-Corruption Agency with 25 MENA participants from 10 MENA countries. • Participation of approx.30 MENA participants to an inter-regional Roundtable on anti-corruption and business integrity with participants from Asia-Pacific, Eastern Europe &Central Asia, Latin America, and Sub-Saharan Africa. • 1 training of approx. 40 participants , including 9 women, 30+ law enforcement officers from the region and 5 private sector representatives. • Production of 1 analytical report on PPD on anti-corruption in MENA and dissemination of 2 reports on business integrity in Morocco. |

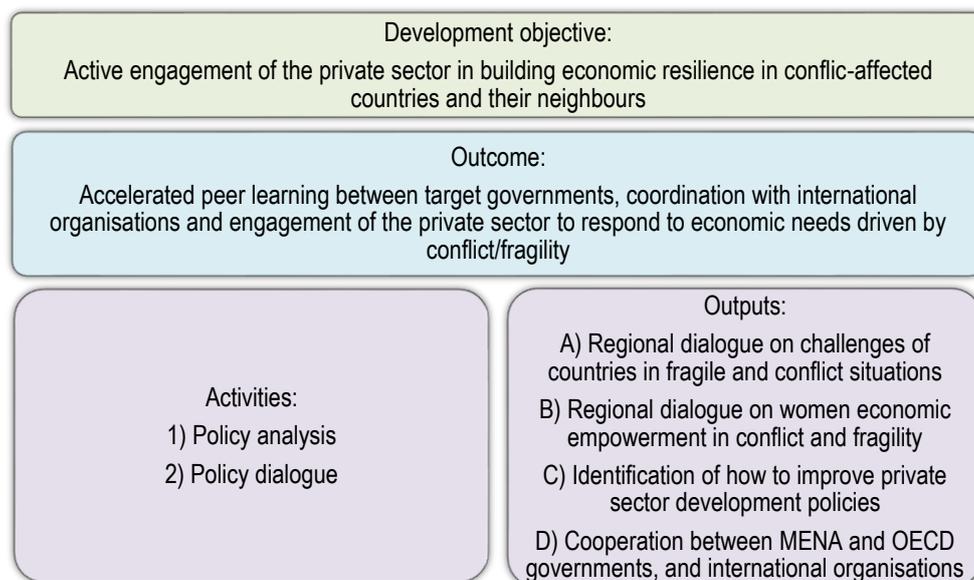
Resilience in fragile situations

Overview

Political instability, conflicts and the refugee crisis have considerably affected the economic prospects of the MENA region. This challenging situation calls for a concerted and urgent response by MENA economies, in collaboration with the international community, to regain stability and lay the foundations for a more inclusive development model. An urgent reaction that nevertheless has to be connected to long-term social and economic development policies.

The [MENA-OECD Economic Resilience Task Force](#) aims to contribute to this response by aligning the work of the Programme with the needs of economies most affected by conflict and fragility in the region, be it directly (Iraq, Libya, Yemen or the Palestinian Authority) or indirectly (Jordan and Lebanon). Its objectives are to bring together key stakeholders and promote peer learning and policy dialogue on economic policies needed in fragile and conflict affected states; to promote analytical work to advance the discussion; and to identify lessons learned and provide support to governments at the national level adapting to local needs.

Figure 9. Approach to economic resilience



Impact

The creation of the Economic Resilience Task Force has come to consolidate pre-existing work with fragile economies, and one of the aims is to channel the lessons learned and share them among regional peers. Concrete results of work in fragile economies include the enactment in 2015 of the 2nd Amendment to the 2006 Investment Law in Iraq, which included the OECD's recommendations, or the creation in 2017 in Libya of an inter-ministerial committee to develop and discuss a draft SME law, as well as the adoption by 18 institutions of a Short-term Action Plan for SME policies the same year.

The Economic Resilience Task Force has already managed to influence the policy agenda and deepen the knowledge on how to adapt economic policies in fragile and conflict affected settings. A policy area that has seen most progress is that of investment. Fragile economies cannot adapt business as usual investment promotion policies, they have to address concerns foreign investors may have, and there are different mechanisms to do so. Governments can: 1) strengthen their investment legal framework to reduce uncertainty and mitigate risks for investors; 2) adapt investment promotion policies to attract and retain private investment; 3) improve and expand risk mitigation tools; 4) promote a responsible conduct by the private sector; and 5) enable investments in the infrastructure sector.

Although economies in contexts of conflict or fragility share many challenges, the specific context obliges to have deep local context knowledge. One of the key features of the Task Force is to bring the discussions down to the country level, while still enabling a regional discussion and exchange of experience. In order to do so, the Task Force has developed an innovative methodology building on the wealth of knowledge from the [States of Fragility](#) report and the economic expertise of the Competitiveness Programme. During the 2018 annual meeting, two country cases were presented for the first time covering Libya and Lebanon. Part of the programme was dedicated to discussing the two country cases among participants, which led to fruitful exchanges and more concrete discussions.

Finally, this stream of work has advanced in the alignment of the work that multiple stakeholders are undertaking in fragile and conflict affected economies in the MENA region, including governments, international organisations, donors, private sector and civil society. The co-chairmanship by Lebanon, Germany, and the IsDB already reflects such a mission. The diverse participation in the annual meetings and the development of partnerships with other organisations, such as UNDP, shows there is a need for regional platforms of this nature. The Task Force is also leveraging the OECD's Development Assistance Committee and specifically the International Network on Conflict and Fragility (INCAF) to connect donors to this regional conversation where beneficiary governments sit at the table.



H.E. Mr. Mansour Bteich, Minister of Economy and Trade; Mr. Charles Arbid, President, Economic and Social Council of Lebanon; H.E. Ms. May Chidiac, Minister of State for Administrative Reform (OMSAR); Building Consensus for Economic and Social Reform, 27 February 2019, Beirut, Lebanon

Activities and results

On **policy dialogue**, the latest meeting of the Task Force took place on 4-5 December 2018, in Jeddah, hosted by the IsDB. The main theme was the need to rebuild a social contract as the basis for recovery and reconstruction, and mechanisms to support community building in such settings. Discussions focused on critical topics identified in previous gatherings, such as supporting SMEs as an engine of job creation in fragile contexts, strengthening policies to attract FDI to these economies, and addressing the specific needs of women in conflict settings.

During the 2018 regional meeting, the Islamic Development Bank (IsDB) shared its draft strategy on conflict and resilience, and a session was dedicated for participants to provide comments, which have since then been incorporated.

The OECD's Global Relations Secretariat and the Development Co-operation Directorate worked closely on this effort to ensure synergies with the Development Assistance Committee (DAC). Both directorates have jointly developed the agenda for the 2018 annual event and the OECD has been briefing the members of INCAF of the ongoing work to link both groups.



MENA-OECD Economic Resilience Task Force Meeting, 4-5 December 2018, Jeddah, Saudi Arabia

Regarding **policy analysis**, one of the novelties of the 2018 meeting was the development of country case studies in order to focus the discussion and facilitate the identification of actions for the future. To support this process, the OECD developed two country case studies for Lebanon and Libya, analysing the challenges faced in the two economies and preliminary recommendations going forward.

Additionally, the Task Force has analysed and provides ways of action on how governments and other actors can co-operate to [attract investment in fragile situations](#), and how [private sector associations can positively contribute](#) in this type of context. The German Development Institute contributed to the annual event with a short policy note on how to [rebuild social contracts](#) in countries that have undergone deep transformations as a basis for long-lasting resilience. An innovative methodology was developed with the Development Co-operation Directorate to enable country-level discussions. Two case studies analysed policies that can contribute to [building resilience in Lebanon and Libya](#).

Table 7. Logframe on Resilience in fragile situations

| Development objective: Active engagement of private sector in building economic resilience in conflict-affected countries and their neighbours. | | |
|--|--|--|
| Outcome: Accelerated peer learning between target governments, co-ordination with international organisations and engagement of the private sector to respond to economic needs driven by conflict/fragility | | |
| Planned outcomes | Activities | Indicators |
| <p>Output 7.1: Policy dialogue, on key priorities covering the specific challenges of countries in fragile and conflict situations</p> <p>Output 7.2: Analysis on how to promote the role of the private sector contributing to the resilience agenda</p> <p>Output 7.3: Capacity building activities to support governments improving policies that can lead to private sector development in fragile contexts</p> <p>Output 7.4: Analysis and policy dialogue about women economic empowerment in contexts of conflict and fragility</p> | <ol style="list-style-type: none"> 1. The second annual regional meeting took place on 4-5 December 2018 and was hosted by the IsDB at its headquarters in Jeddah. It gathered 65 participants from MENA (Jordan, Libya, Lebanon, Saudi Arabia, Tunisia and the Palestinian Authority) and OECD members (Germany, the Netherlands and Sweden). International and regional organisations also participated (World Bank, UNDP, ILO, SESRIC, Saudi Fund and AGFUND), as well as representatives from the private sector, civil society and academia. 2. The meeting focused on key topics to promote economic resilience in fragile MENA settings including the need to establish new social contracts, empower women economically, engage with private sector organisations, and leverage external sources of finance, including FDI. Two country cases were analysed in depth: Lebanon and Libya. The session addressing gender implications was chaired by Ambassador Sward-Capra, co-chair of the Women Economic Empowerment Forum. | <ul style="list-style-type: none"> • 1 annual meeting in Jeddah (December 2018) with 65 participants (including 22 women) • 4 ongoing background notes: FDI, SMEs, country notes for Libya and Lebanon to be disseminated. • Participation of international organisations in annual meeting: World Bank, ILO, UNDP, AGFUND, IsDB, SESRIC. • 1 session gender-specific session took place during the annual meeting. • Liaison with INCAF to report on work. |

Public-private dialogue

Overview

Enhancing the competitiveness of the MENA region must be accompanied by the promotion of inclusive growth and decent work opportunities for all. This requires strong partnerships between government, the businesses community and labour organisations. In 2018 the Programme launched the [MENA-OECD Business Advisory Board \(BAB\)](#), which aims to strengthen the voice of businesses in policy making in the region and provides a platform for private sector involvement in the activities of the Programme. To ensure a broader dialogue, the MENA-OECD Competitiveness Programme reaches out to trade unions in co-operation with the Trade Union Advisory Committee (TUAC).

Figure 10. Approach to public-private dialogue



Impact

Regional dialogue with the private sector has increased through the creation of the Business Advisory Board and the upcoming launch of the Youth Business Associations platform. The notion of public-private dialogue as a fundamental process to develop sound and effective economic policies is being integrated across the different Working Groups and networks of the Programme. A report on public-private dialogue initiatives to improve business integrity standards was developed and presented at the MOBIN meeting in March 2019. A background note was presented at the Economic Resilience Task Force 2018 annual meeting on the role of private sector associations in fragile contexts. Members of the BAB have been participating in the policy dialogue events on women economic empowerment, economic resilience, business integrity and investment and trade.

New initiatives are being developed around the issue of public-private dialogue and broader social mobilisation. The Egyptian Junior Business Association (EJB) has requested the OECD's support to develop a National Business Agenda through a process of consultation and dialogue. The EU is requesting the OECD to support the creation of a formal Public-

Private Dialogue platform in Libya. The Federal Ministry for Economic Cooperation and Development of Germany has also asked the OECD to explore possible ways of further developing the issue of dialogue and rebuilding social contracts in the MENA region.

Activities and results

In order to create a space for regional **policy dialogue** on the topic, the MENA-OECD Business Advisory Board (BAB) was launched on 20-21 September 2018 in Madrid, during an event hosted by the Confederation of Employers and Industries of Spain (CEOE) – co-chair of the initiative together with the Tunisian Confederation of Industry, Trade and Handicrafts (UTICA).



MENA-OECD Business Advisory Board (BAB) Launch, 20-21 September 2018, Madrid, Spain

Nearly 200 participants joined from 20 economies, including business organisations and public officials from MENA participants (Algeria, Egypt, Iraq, Jordan, Lebanon, Libya, Mauritania, Morocco, Oman, the Palestinian Authority, Tunisia and Yemen); OECD Member countries, including France (MEDEF), Germany (BDI), Israel (MAI), Italy (Confindustria), Portugal (CIP), and Spain (CEOE); and regional organisations (Businessmed, CIPE, and the Union for the Mediterranean). The Business Industry Advisory Committee (BIAC) actively supported the organisation of the event.

The BAB emphasises the essential role of public-private dialogue in enhancing economic policy making to promote more sustainable and inclusive growth. This is particularly important in MENA countries where there is a need to improve the businesses environment, reduce trade barriers, and increase benefits for groups left behind, especially women and youth. The MENA-OECD Competitiveness Programme is working to link the BAB to the other WGs and networks. In order to do so, focus groups are being created to formalise such collaboration.

One of these focus groups will be dedicated to youth business associations. On 24-25 January 2019, a first meeting took place to create this specific platform, and it should be formally launched in June 2019. The Youth Business Platform will be co-chaired by the Spanish *Confederación Española de Asociaciones de Jóvenes Empresarios* (CEAJE) and

the Tunisian *Centre des Jeunes Dirigeants d'entreprise de Tunisie* (CJD Tunisie). It will bring together those associations who cater to young business owners and entrepreneurs, which tend to face particularly acutely the existing barriers in their respective economies.

The work of the BAB is fed with **policy analysis** conducted by the OECD. For the 2018 launch event, a [mapping exercise](#) was conducted to identify the key characteristics private sector associations in the region. This background note will be complemented with new background notes focusing on PPD examples from the region (especially from Morocco and Tunisia), as well as on initiatives to support women's economic empowerment developed specifically by business associations. Additionally, a policy brief is underway to reflect the priorities of youth business associations, among which is the issue of informality.

In terms of **capacity building**, a study tour was organised for the youth business associations to visit Station F, the "largest start-up campus" in the world. A facilitated session was organised to identify key bottlenecks for young business-owners and entrepreneurs in some MENA countries. The Programme is planning to organise a webinar for youth business associations in the coming month. Additionally, the Foreign Office of Germany is financing a new project for the OECD to support the Economic and Social Council of Lebanon, which is related to broader dialogue than that between the private sector and the government. On 17 April 2019, the first seminar, "Actors and methods of social dialogue", gathered 70 participants, and representatives from France, Spain and Côte d'Ivoire to discuss the role of Economic and Social Councils (ESCs) and equivalent institutions in different countries; as well as introduce different tools to facilitate stakeholder engagement.



BAB, First meeting of MENA-OECD Youth Business Organisations, 24-25 January 2019, Paris

Table 8. Logframe on Public-private dialogue

| Development objective: Enhanced social dialogue on competitiveness policies. | | |
|---|--|---|
| Outcome: Strengthened dialogue between governments, private sector and trade unions and improved capacities of private sector associations. | | |
| Planned outcomes | Activities | Indicators |
| <p>Output 8.1: Active participation of trade unions in the regional policy dialogue</p> <p>Output 8.2: Measurable mainstreaming of gender considerations in social dialogue</p> <p>Output 8.3: Sustainable initiatives to ensure public private dialogue at the regional level to promote economic integration and competitiveness.</p> <p>Output 8.4: Partnerships and collective actions undertaken by the private sector at the national level to improve the quality of policy advocacy and the collaboration with governments in competitiveness related policies.</p> | <ol style="list-style-type: none"> 1. The BAB was successfully launched in September 2018 in Madrid, with a high level event hosted by the Spanish employers' organisation, CEOE. The event gathered about 200 participants and had high-level government representation as well as the head of many of the key business organisations from MENA countries. 2. Discussions in the launch of the BAB reflected a high level of consensus on the need to have a strong public-private dialogue mechanism. Some countries are more advanced, but there is a common trend. Political issues and fragmentation hinder further progress in this direction in some countries, but here is a clear commitment and willingness. 3. An initial mapping of business organisations in the MENA region identified the main characteristics in terms of the type of business organisations prevalent in each country (e.g. employers' organisations vs. chambers of commerce), the level of organisation or fragmentation, and some initial analysis on successful examples of business organisations involved in policy making. The objective is to continue deepening the analysis and disseminating it with the members of the BAB. 4. A first meeting of youth business associations took place in Paris on January 2019 following the demand at the BAB launch event. The goal was to create a specific platform for this demographic and to formally present it in the next annual meeting of the BAB. The platform will be co-chaired by Tunisia (CJD Tunisie) and Spain (CEAJE). A study tour was organised to visit Station F, one of the world's largest start-up campus and a very innovative French private sector initiative. | <ul style="list-style-type: none"> • 1 launch event in Madrid (September 2018) with 200 participants (including 70 women) • 1 meeting of youth business associations in Paris (January 2019) with 24 participants (including 8 women) • 1 mapping of business organisations completed • 1 speaker from IndustriALL thanks to TUAC and co-ordination on social dialogue panel • BAB members participated in the WG1, WG2, MOBIN, WEEF and ERTF; focus groups being created by thematic area • 5 issues addressed during the BAB (gender, corporate governance, investment, SMEs, resilience) • One study tour organised for the youth business associations to Station F (start-up campus) with interactive workshop session. |

Synergies between regional and country work

The Programme continues to use its regional capacity and experience to engage economies and stakeholders at the national level, looking to support national processes of reform.

For example, from 2015–18 **Morocco** and the OECD carried out a [Country Programme](#), which is a comprehensive set of interconnected projects to improve competitiveness, governance and social inclusion. The Programme has been successfully completed, and now the Moroccan authorities and the OECD are starting the implementation of a second phase.

Based on this and other Country Programme experiences, **Egypt** has requested the implementation of a similar effort. The Egyptian authorities, the OECD and other stakeholders such as the private sector, OECD countries and multilateral bodies are currently defining the scope and structure of a Country Programme that will kick off in the coming months.

The OECD has also been lending its support for the successful development of the **Suez Canal Economic Zone (SCZone)**. The first Phase focused on developing a Needs Assessment Report and a detailed Action Plan to assist the newly established SCZone Authority in the incorporation of good international practices and standards in the governance, management and development of the Zone. Based on a successful Phase I and upon the request of the SCZone, the OECD has recently embarked on Phase II of this project which focuses on providing tailored advice for the implementation strategic development objectives with a specific focus on the regulatory and institutional environment as well as infrastructure and connectivity.

Country Programmes are not the only form of bilateral co-operation. From 2012-17 **Tunisia** and the OECD undertook extensive work under a Memorandum of Understanding covering areas such as investment, governance and tax policies. In this framework, for example, Tunisia became the first country in the region to undertake an [OECD Economic Survey](#), which is a flagship OECD product analysing structural issues and proposing structural reforms for a more inclusive, productive and sustainable economy.

Work is also conducted through specific projects. For example, regional work on investment and SMEs has served as springboard for collaboration with **Jordan**. One case is the [Investment Policy Review of Jordan](#), its subsequent adherence to the [OECD Declaration on International Investment](#) and follow-up work on [investment in clean energy](#) and further improvements to the investment policy framework and reform implementation. Another case is the implementation of a project to Improve SME Policy Effectiveness in Jordan through increased public-private dialogue, better SME statistics and better impact evaluation.

In **Lebanon**, and in the context of the participation of the OECD in the CEDRE conference (see section on Whole-of-government efforts, including dialogue at the highest political level), support is being provided to the Economic and Social Council of Lebanon (ESC) and key stakeholders to effectively lead social dialogue efforts on the country's priorities. The role of the ESC is to voice the views of the private sector, trade unions and vocational associations vis-à-vis the government by issuing non-binding opinions over dossiers submitted by the Prime Minister or at its own initiative. The ESC was only reactivated in October 2017 after 15 years of suspension. In light of this, the OECD will develop capacity-building seminars and a study tour, bringing together Economic and Social Council peers (Belgium, Ivory Coast, the EU, France, Germany, Spain and Morocco); mobilising a pool

of international experts to share different tools for holding consultations, ensuring transparency and using available data for evidence-based analysis; and addressing key policy areas that are a priority for the government including anti-corruption policies, the social impact of fiscal reforms and initiatives to improve the business climate.

Financial narrative: leveraging donors' support

The MENA-OECD Competitiveness Programme enjoys funding from various donors. Since, 2011, Sweden has been its main donor for its regional activities. Thanks to this support, the Programme managed to launch and feed regional policy dialogues and conduct substantive activities, forming the uniqueness of the approach. SIDA also leveraged to implement project-specific and country-specific activities. For example, following the WEEF report on the legal frameworks on women's economic empowerment, the Ministers of Morocco, Lebanon, Libya and Egypt committed to implementing the report's recommendations. Recently in Morocco, a 'Declaration of Intention' to engage in anti-corruption collective action was signed by Moroccan energy, health and transport companies and federations, in the presence of the Government, testifying the joint will to promote integrity and fight corruption in these sectors.

The European Union is also funding regional activities, though with different coverage (9 beneficiary economies) and more technical work (investment promotion and SMEs).

As seen in Table 9, total funding and expenditures for the period 2016-20 from SIDA contributions and other resources (EU, Deauville Partnership, IMF, etc.) account for over 12 million euros. These funds are used for both supporting the regional and national interventions of the Programme. This includes:

1. Funding the participation of selected MENA participants to the policy exchanges and strategic activities of the Programme: Steering Group, Advisory Board and policy networks. Participants from GCC, OECD and other countries come at their own costs.
2. Contributing to the funding of the OECD Secretariat – which in the case of work with non-members is in its majority funded by voluntary contributions such as those of SIDA or the EU. This includes staff time working directly in the MENA-OECD Programme (at the management, technical and support levels) and travel costs to participate in events in the region or other countries. Also funding the engagement of experts (fees, contracts and travel). For example, recent meeting at the UN funded OECD staff and experts, but other resources were also used.
3. Funding the implementation of outputs (e.g. WEEF reports) or contributing significantly to outputs (translations).

The organisation of events is sometimes partially or entirely funded by host countries and organisations when those events are held outside the OECD Headquarters, creating a sense of ownership, leadership and contribution (e.g. the WEEF and the SME Working Group in Tunisia). Regional and international organisations also fund activities. For example, the IsDB funded the meeting of the Resilience Task Force and the IMF the training courses in its Kuwait center – the IMF partially funds the missions of OECD staff, experts and fully the participation of representatives from the MENA region.

Table 9. Voluntary contributions to the MENA-OECD Competitiveness Programme in 2016-2019

Approximate figures in EUR

| Donor Country/Organisation | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---|-----------|-----------|-----------|-----------|---------|-------------------|
| Regional Projects | | | | | | |
| SWEDEN - General Programme | 345,000 | 1,253,000 | 1,254,000 | 1,253,000 | | 4,105,000 |
| SWEDEN - Gender | 310,000 | | | | | 310,000 |
| EU - Programme on Investment in MED | 100,000 | 900,000 | 900,000 | 900,000 | 200,000 | 3,000,000 |
| EU - SME Policy Index | | 150,000 | | | | 150,000 |
| IMF - Training at the Kuwait Center for Economics and Finance | 24,000 | 36,000 | 36,000 | 36,000 | 36,000 | 168,000 |
| JAPAN - WG Investment and Trade, dialogue on infrastructure | | 55,000 | 50,000 | | | 105,000 |
| DUBAI - WG on SMEs | 64,000 | | | | | 64,000 |
| ISLAMIC DEVELOPMENT BANK - Resilience Task Force | | | 59,000 | | | 59,000 |
| Total Regional Projects | 779,000 | 2,394,000 | 2,240,000 | 2,189,000 | 236,000 | 7,902,000 |
| Country Projects | | | | | | |
| TRANSITION FUND - SMEs, Jordan | 296,000 | 396,000 | 396,000 | 100,000 | | 1,188,000 |
| TRANSITION FUND - SMEs, Libya | 237,000 | 237,000 | 236,000 | 344,000 | 144,000 | 1,198,000 |
| TRANSITION FUND - Investment, Egypt | 350,000 | 350,000 | 350,000 | 175,000 | | 1,225,000 |
| EU - Suez Canal Economic Zone project, Egypt | | 300,000 | 98,000 | 300,000 | | 698,000 |
| GERMANY- Economic and Social Council, Lebanon | | | | 250,000 | | 250,000 |
| Total Country Projects | 883,000 | 1,283,000 | 1,080,000 | 1,169,000 | 144,000 | 4,559,000 |
| Total All Projects | 1,662,000 | 3,677,000 | 3,320,000 | 3,358,000 | 380,000 | 12,461,000 |

Conclusions: placing the foundations for the next stage of the MENA-OECD Competitiveness Programme

Over the past two decades, the MENA region has introduced a number of institutional and economic reforms to give the private sector a greater role in the economy and in society in general. The OECD is glad to contribute to this important process of change through the MENA-OECD Competitiveness Programme. As noted in this report, the Programme facilitates high-level and frank dialogue among key regional actors, the OECD and its member states. Some important examples during this reporting period (April 2018-May 2019) include the visit of the Tunisian Head of Government to the OECD HQs and various encounters at the ministerial level.

During the reporting period, the Programme also continued to provide in-depth analysis of key issues, building on international standards and expertise. This included the finalisation of a thorough assessment of SME policies in seven MENA countries, the continuation of a comprehensive analysis of legal reforms for women's economic empowerment and the release of a number of analytical papers on investment and trade-related issues, to mention a few activities. That analytical work was closely linked to numerous technical co-operation exchanges in the key areas addressed by the Programme, including meetings of the regional thematic networks and other technical events at the regional and country levels.

The activities over the past months contribute to the permanent efforts of the Programme to yield "bigger picture" results such as the adoption of measures to facilitate international trade and investment, hence helping the region to better participate in the global economy; or the introduction of mechanisms to fight corruption and strengthen integrity as a means to provide a more efficient business environment. These greater results also include continuing to push for greater awareness and actions to facilitate the integration of women in the economy or to support entrepreneurs and SMEs to create value.

Looking towards the next months and few years, the Programme will continue addressing vital policy issues for the competitiveness of MENA economies and the resulting impact on incomes, jobs and opportunities. The Programme will continue to focus on its main policy areas, but it will also consider the evolving nature of economy and society, including the implications of technological change, automation, digitalisation and other megatrends. The Programme will also call on all its participants and partners for a continued and increased engagement in its activities, and for a closer tracking of the implementation and impact of the reforms and actions it contributes to in the MENA region.

The MENA-OECD Competitiveness Programme is funded by:

