

AGENDA



MENA-OECD ECONOMIC RESILIENCE TASK FORCE

Annual regional meeting

2-3 December 2019

German Federal Ministry for Economic Cooperation and
Development (BMZ)
Berlin, Germany



ANNUAL MEETING OF THE MENA-OECD ECONOMIC RESILIENCE TASK FORCE

CONTEXT

The MENA-OECD Economic Resilience Task Force brings together governments, bilateral donors, international organisations and representatives from the private sector and civil society in a collective effort to address the economic challenges faced by MENA countries affected by conflict or fragility. The task force aims to support these governments to develop more competitive economies with a strong private sector that can contribute to long-term resilience through diversification and job creation.

The MENA-OECD Economic Resilience Task Force was launched in 2017 and is co-chaired by Ministry of Economy and Trade of Lebanon, the German Federal Ministry for Economic Cooperation and Development (BMZ), and the Islamic Development Bank (IsDB).

The MENA-OECD Initiative

The *MENA-OECD Initiative on Governance and Competitiveness for Development* was launched in 2005.

Within the Initiative, the Competitiveness Programme supports governments undertaking reforms to spur private sector development as a driving force for growth and job creation. The main tools applied are policy dialogue, peer learning, and capacity building. Priority topics addressed are trade and investment, entrepreneurship, women's economic empowerment, business integrity, corporate governance, and economic resilience.

One of the objectives and value added of the Initiative is to bring together government, international organisations, and representatives from the private sector and civil society to promote social dialogue.

<http://www.oecd.org/mena>

FOCUS AREAS

At its first meeting in 2017, the task force identified a number of challenges for MENA countries affected by conflict or fragility. Since then, the task force has addressed the following core challenges as a set of overarching themes:

- ♦ Transformation of social contracts for long-term economic resilience.
- ♦ Macroeconomic policies and financing strategies for resilience.
- ♦ Socio-economic empowerment of women, youth and vulnerable groups, including refugees.
- ♦ Enterprise development in fragile contexts.

Addressing the above challenges requires a shared vision among all stakeholders of what needs to be done. The annual meetings provide a platform for participants to share and learn about the latest developments in addressing these core challenges. Topical issues may also be addressed.

The task force promotes policy dialogue, undertakes analytical work and provides technical assistance at the national level. Resources permitting, smaller regional and national meetings may also be organised during the year. The task force will build on the work in the various networks of the MENA-OECD Competitiveness Programme and on the OECD's work in fragility and resilience, particularly linking with the International Network on Conflict and Fragility (INCAF).

OBJECTIVES OF THE MEETING

The meeting will seek to develop greater clarity and build ownership among the various stakeholders present on the policies and measures that can be implemented to improve economic resilience in countries affected by conflict and fragility in the MENA region. More specifically, the meeting aims to achieve the following outcomes:

- ♦ **Build a vision for promoting inclusive economic development in MENA countries in conflict and fragility:** The task force will continue to draw on the work of the Working Groups in the MENA- OECD Competitiveness Programme in order to develop tailored and broadly owned economic policies that foster the development of the private sector in fragile contexts.
- ♦ **Build a deeper understanding of the task force's four core themes:** Following the annual meeting, the conclusions as well as the future direction of the four main themes will be shared with the stakeholders.
- ♦ **Connect to international initiatives:** Contribute to the discussions of the International Network on Conflict and Fragility (INCAF) – an OECD network –, providing country-based inputs and tailored recommendations for the region. Feed into other existing initiatives, such as the World Bank programme on Building for Peace, in order to increase the coherence of international efforts.

PARTICIPANTS

The task force gathers countries interested in discussing how economic and social policies can help address political instability and social unrest by building the basis for long-term resilience. The group currently counts on the permanent participation of Iraq, Jordan, Libya, the Palestinian Authority, Yemen and Lebanon. Additionally, experts from other countries in the region, as well as OECD countries and international organisations, are invited to share their experience.

As a multi-stakeholder platform, the task force gathers representatives from the public sector, private sector, civil society, academia and think tanks.

A **facilitator** will be in charge of moderating the different sessions to ensure coherence across the two days and to collect the key messages from the conference.

ACKNOWLEDGEMENTS

The organisers are most grateful for the support of the German Federal Ministry for Economic Co-operation and Development (BMZ) to the 2019 Economic Resilience Task Force meeting and for the support of the Swedish International Development Co-operation Agency (SIDA) to the overall MENA-OECD Competitiveness Programme.

PROGRAMME SUMMARY

MENA-OECD Economic Resilience Task Force

December 2-3, 2019

2 December 2019		3 December 2019	
8.30-9.00	<i>Registration</i>	8.30-9.00	<i>Registration</i>
9.00-9.30	Welcome remarks	9.00-10.30	Session 4: Empowering women in post-conflict situations
9.30-11.00	Session 1: Transforming social contracts for long-term economic resilience	10.30-11.00	<i>Coffee break</i>
11.00-11.15	<i>Coffee break</i>	11.00-12.30	Session 5: Reconstruction and institution building–inclusion, social cohesion and human capital
11.15-12.45	Session 2: Supporting SMEs through technology and access to finance	12.30-14.00	<i>Lunch</i>
12.45-14.00	<i>Lunch</i>	14.00-15.30	Session 6: Moving forward the resilience agenda–the role of international co-operation in crisis and transition
14.00-16.15	Session 3: Breakout Sessions: youth, infrastructure and investment promotion	15.30-15.45	<i>Coffee break</i>
16.15- 16.30	<i>Coffee break</i>	15.45-16.30	Closing and next steps
16.30-17.30	Reporting on Session 3		
19.00-21.00	Reception hosted by BMZ		

PROGRAMME Day 1 – 2 December 2019

8.30 – 9.00	<i>Registration of participants</i>
9.00 – 9.30	Welcome remarks
	Introduction by the facilitator.
9.30 – 11.00	Session 1: Transforming social contracts for long-term economic resilience
	<p>At the 2018 meeting in Jeddah, the task force agreed that social dialogue processes are essential for countries directly affected by conflict as well as countries going through transitions or affected by neighbouring conflicts. Broken social contracts are the root cause of conflict and fragility, and rebuilding them requires constant dialogue with all layers of society. A key step to foster such dialogue involves raising awareness and developing a culture of societal collaboration and inclusive political process. Informal or semi-formal platforms, structured exchanges on specific themes, and institutions such as Economic and Social Councils, like the one found in Lebanon, can enable this dialogue. They should therefore be at the very core of social policies in fragile countries. Examples from Morocco, Jordan and Libya will illustrate different experiences.</p> <p>Open discussion</p>
11.00 – 11.15	<i>Coffee break</i>
11.15 – 12.45	Session 2: Supporting SMEs through technology and access to finance
	<p>As unemployment rises and the government's ability to provide public sector jobs saturates, small and medium-sized enterprises (SMEs) support becomes key to build economic resilience. SME development in the region is, however, greatly constrained by limitations in terms of access to finance. Governments can create innovative financial tools to support SMEs in fragile contexts leading to job creation with specific positive social impact, such as the Subsidized Temporary Employment Programme (STEP) in Lebanon and the SANAD Fund for MSME. In addition, technology can also be leveraged to foster the development of SMEs, providing great advantages to entrepreneurs, such as allowing them to operate from remote areas and to reach international markets when local markets remain fragile. This session will explore the potential of ICT use in development assistance, discussing examples such as the Syria Digital Lab and reflecting on lessons learnt.</p> <p>Open discussion</p>
12.45 – 14.00	<i>Lunch break</i>
14.00 – 14.15	<i>Introduction to breakout sessions by facilitator</i>
14.15 – 16.15	Session 3: Breakout Sessions - youth, infrastructure and investment promotion
	<p><i>Breakout sessions will allow participants to actively discuss and go deeper on three topics: youth, infrastructure and investment promotion. A speaker will facilitate each session, introducing the topic and the key questions for discussion. Rapporteurs will share the main conclusions at the end of the day.</i></p>
	Themes
	<p>1. Supporting the youth building their future: The MENA region has one of the youngest populations in the world, constituting a major asset that can help unleash a strong growth potential. However, youth unemployment poses a major barrier to inclusive socioeconomic development and stability, as the unemployment rate in the region currently stands at 29%. This rate is the highest in the world, and problems are particularly acute in countries affected by conflict or fragility.</p>

	<p>2. Developing sound and forward-looking infrastructure plans: Many countries in the region are starting to address large infrastructure needs. In some cases, the priority is reconstruction of infrastructure damaged during war. In others, infrastructure deficit are due to lack of investment over time. In any case, it is imperative to put in place the right governance and financial mechanisms to ensure infrastructure is “fit for future” and leads to positive development spillovers.</p> <p>3. Attracting investment in fragile contexts: Fragility creates a vicious macroeconomic cycle by stifling foreign direct investment, trade and economic growth, thereby weakening an already volatile context and generating even greater fragility. Investment promotion can create economic opportunities that ultimately increase stability, but investment promotion agencies need to adapt their strategies to the context of fragility they operate in.</p>
16.15-16.30	<i>Coffee break</i>
16.30-17.30	Reporting from breakout sessions in plenary, interactive summary of the day and outlook by facilitator
19.00 – 21.00	<i>Reception on invitation by the Federal Ministry for Economic Co-operation and Development</i>

PROGRAMME Day 2 – 3 December 2019

3 December 2019	
8.30 – 9.00	<i>Registration of participants</i>
9.00 – 10.30	Session 4: Empowering women refugees in post-conflict situations
	<p>As agreed in previous meetings, integrating women in the economy is intrinsic to the concept of resilience. Women can greatly contribute to economic growth through their skills and knowledge, and empowering women economically has positive effects on the individual and the household. This is particularly important in contexts of fragility and conflict. The issue of women refugees in the context has achieved greater attention over the past years in countries like Jordan, leading to increasing resources and projects designed to support them. Reflecting on implementation challenges and success factors of ongoing/recent projects can be useful when thinking of replication and scaling up.</p> <p>Open discussion</p>
10.30 – 11.00	<i>Coffee break</i>
11.00 – 12.30	Session 5: Reconstruction and recovery: moving beyond physical infrastructure towards institution building, inclusion and human capital
	<p>Moving beyond the notion of simply rebuilding what was destroyed during conflict has become imperative in recent years. International organisations, as well as governments, have started to place greater emphasis on adopting a people-centred approach to reconstruction, one that directly addresses the conditions that most affect individuals to allow for a transition towards sustainable peace. This session will address the paradigm shift in reconstruction, examining the perspectives of different stakeholders, namely development institutions, governments and civil society. The session will start by exploring the work of institutions that have revisited their current practice. The Islamic Development Bank and the World Bank will present their recent publications on reconstruction and recovery. This will be followed by an open dialogue with government representatives, which will shed light into the link between the analysis and the practical situation in the region. The experience of the governments of Iraq and Libya will illustrate the current debate, including topics of anti-corruption and good governance. The session will proceed by examining the views of civil society activists. This final intervention will reinforce the reports’ recommendation to adopt a more bottom-up approach, aimed at mending the social fabric and promoting greater social inclusion and cohesion.</p> <p>Open discussion</p>

12.30 – 14.00	<i>Lunch</i>
14.00-15.30	Session 6: Moving forward the resilience agenda- the role of international co-operation in crisis and transition
	<p>The international development agenda has evolved over the past years to adapt to fragile situations, enhance resilience of society and state and ultimately work towards prevention of violent conflict. The best way to prevent societies from descending into crisis is to ensure that they are resilient. Thus, development assistance has to connect crisis response with empowerment and inclusive, sustainable development. This session will explore how new mechanisms have been developed to address country-specific needs and how key stakeholders can help support transition in MENA societies, regional dialogue and development. We will explore the examples of Germany's special funding instrument for transitional development assistance, UNESCWA's approach to transition and regional integration, as well as Lebanon's approach to Transition Finance. In addition there will be in-depth insight into the work carried out by the Development Assistance Committee (DAC) of the OECD.</p> <p>Open discussion</p>
15.30-15.45	<i>Coffee break</i>
15.45-16.30	Closing and next steps
	<ul style="list-style-type: none"> • Introduction to reflection and feedback session by the facilitator • The roundtable will provide the opportunity for participants to share their feedback with co-chairs and organisers. The facilitator will lead the session, starting with some time for participants to reflect about guiding questions, followed by an open roundtable to hold a joint discussion. • Closing