



Programme of Work

2016-2020



MENA-OECD COMPETITIVENESS PROGRAMME

PROGRAMME OF WORK 2016-2020

This document describes the planned objectives and thematic areas of focus of the MENA-OECD Competitiveness Programme for the period 2016-2020. It is presented at the MENA-OECD Ministerial Conference in Tunis on 4 October 2014 and accompanies the Activities Report 2011-2016.

The document outlines the Programme's new framework of engagement with the region. This framework seeks to build up an innovative approach to addressing some of the most pressing policy issues and advancing a transformational reform agenda that will benefit economies and peoples of the region. The framework acknowledges the wide set of institutions, factors and policies that are inter-linked and multidimensional by nature.

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Supporting the competitiveness agendas of MENA countries for 2016-2020

MENA countries need to be able to compete in the global economy through higher productivity levels. The final goal is to generate high levels of inclusive and sustainable growth, provide jobs and improve living standards. Some of the main obstacles hindering competitiveness in the region are lack of integration into the global economy, high levels of unemployment, and oversized public sectors. The recent decrease in oil prices underlines the need for diversification, particularly for Arab oil exporters. Adding to these structural deficiencies, the intensification of conflicts in the region is having a major economic cost and it will take a long time to recover pre-conflict growth levels.

The determinants of competitiveness comprise a wide set of institutions, factors and policies that are inter-linked and multidimensional by nature. MENA countries need to improve their capacity to attract and retain investment, as well as ensuring that FDI's positive spillovers reach the local economy. An ambitious trade agenda will be essential to increase trade openness, facilitation and export diversification. In order to reduce dependence on the public sector, it is necessary to **allow the development of a vibrant private sector** including SMEs. Supporting firms accessing GVCs and enabling the development of high value-added sectors will be critical to attain diversification and improve the competitiveness of MENA economies. Given the low rate of women's labour force participation in the MENA region, their economic empowerment represents significant growth potential.

However, the political economy of undertaking the needed structural reforms is extremely complex. Reforms inevitably create winners and losers and clash with vested interests, generating opposition. For this reason, **governments need to build social consensus**, integrating the private sector and other actors through strong public-private dialogue mechanisms.

Building on the **lessons learned** and taking into account the urgent challenges the MENA region is facing, the MENA-OECD Competitiveness Programme has developed a renewed framework of engagement with countries of the region. This revised scenario is the result of intensive and extensive consultations among stakeholders undertaken in 2015. The new framework seeks to build up an innovative approach to addressing some of the most pressing policy issues and advancing a transformational reform agenda that will benefit economies and peoples of the region.

The Programme will dedicate particular emphasis to supporting key policy priorities underpinning inclusive growth and regional integration, by mobilising cutting-edge policy tools and instruments. The **regional approach** will remain a distinctive feature of the Programme to promote the harmonisation of domestic policy frameworks and foster regional integration.

In recognition of the heterogeneity among countries in the region, the Programme will also adopt **sub-regional and country-level approaches** in order to accommodate for domestic and local characteristics. Country-specific work will feed into discussions at the regional level by facilitating the sharing of lessons learned and good practices.

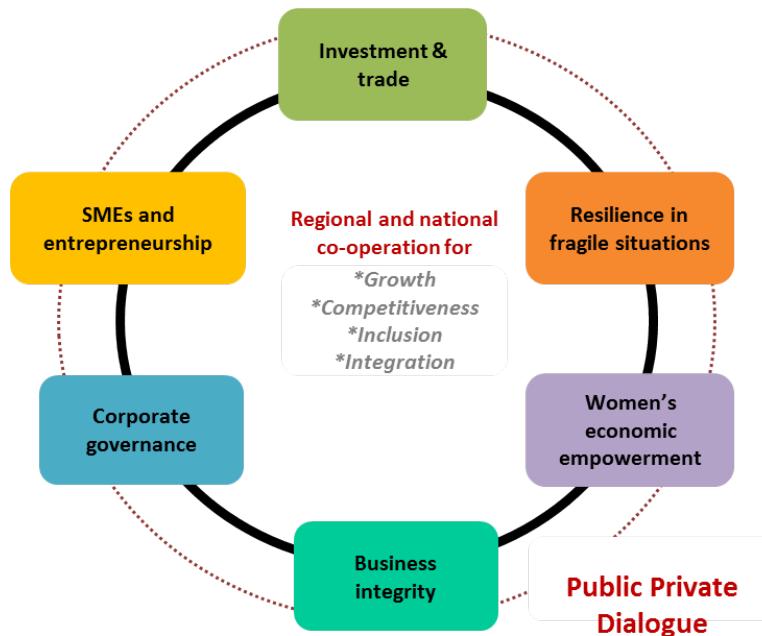
In terms of substance, the Programme will keep focusing on its core **areas of expertise** (women economic empowerment, investment policies, SME policy and entrepreneurship, integrity and corporate governance) while connecting and mainstreaming **gender and youth** sensitive policies into all areas of work. **Policy interactions** to increase competitiveness will also be considered (e.g. linkages between trade and investment, connections between foreign investment and entrepreneurship opportunities, better corporate governance and capital market development, etc.).

The overall objective of this approach is to support the development of policies that create economic opportunities for all, including marginalised youth and women, by fostering enterprise and private sector

development in support of inclusive growth. Creating better economic prospects through socially responsible trade and investment, the development of enterprises ensuring decent working conditions and regional economic integration will support sustainable growth and development. Furthermore, it is on the premises that a human rights-based agenda cannot go without a roadmap for economic development, that stability and improved living conditions are preconditions to establishing free societies and supporting ongoing democratic processes, that the Programme will work to encourage effective, transparent and accountable institutions for public-private and social dialogue.

The Programme will also seek to further **engage non-governmental actors** from the region, starting with the private sector and civil society organisations, in the regional policy fora. Integrating economies can only win from open approaches in which governments work together with the private sector and the civil society. In a context marked by fragmented, dispersed and sometimes conflicting or rival organisations (e.g. with those politically-connected firms or entities), the Programme offers a neutral platform where the private sector, trade unions and other stakeholders team up to voice mutual interests and inform the policy agenda by providing “reality check” advice to policy-makers on reform priorities. Greater inclusion and participation of the private sector will strengthen the capacity of the region’s civil society organisations to effectively act upon and demand accountability, shape opinions and co-operate internationally. This is also a key element of the paradigm shift taken by the UN Sustainable Development Goals (SDGs). In the MENA region, the 2015 Nobel Peace Prize awarded to the Tunisian National Dialogue Quartet¹ exemplified the need to support regional efforts aiming at promoting social dialogue as a tool towards stability, inclusive growth and development.

The MENA-OECD Competitiveness Programme in 2016-2020



To achieve its objectives, the Programme will continue building its work on the OECD’s working methods, notably:

¹ The General Union of Tunisian Workers (UGTT), the Tunisian Union of Industry, Trade and Handicrafts (UTICA), the National Confederation of Tunisian Lawyers and the Tunisian Human Rights League.

- Rigorous economic and policy analysis to inform national and regional dialogue for the identification of reforms.
- Peer learning and exchange of good practices that guide the implementation of those reforms.
- Development of internationally recognised legal and statistical instruments and tools.
- Capacity building to implement and monitor reforms.

The Activities Report of the MENA-OECD Competitiveness Programme for 2016-2020 presented with this Programme of Work 2016-2020 includes a detailed description of the Programme's methodology, governance and past activities and results.

The following sections describe the policy areas and thematic priorities for the Programme for 2016-2020.

Governance of the MENA-OECD Competitiveness Programme

The MENA-OECD Governance Programme and the MENA-OECD Competitiveness Programme are the two pillars of the MENA-OECD Initiative on Governance and Competitiveness for Development.

In close co-ordination those pillars address essential areas for the development of the MENA region through thematic working groups and networks of stakeholders from MENA and OECD countries. Those working groups and networks are overseen and provided with strategic directions by an Advisory Group and a Steering Group. Ministerial conferences provide high level backing and inputs to the activities of the whole Initiative.

Ministerial Conferences

Political engagement and commitment are expressed by Ministers and top government officials at periodic ministerial conferences, which allow for the identification of multi-annual strategic orientations and policy priorities at the highest level and the adoption of ministerial declarations.

Steering Group and Advisory Group

The Initiative is governed by a Steering Group which meets in principle once a year to review progress made, discuss the work programme and provide guidance for future work. The Steering Group is open to the participation of all MENA and OECD countries, as well as relevant international and regional organisations. It meets in a plenary session and in thematic separate sessions to allow for targeted discussions on governance and competitiveness issues and is also instrumental in preparing for ministerial meetings.

The Steering Group is led by the co-chairs of the Governance Programme and the Competitiveness Programme; it is assisted by the Advisory Group. The co-chairs as well as the other members of the Advisory Group ensure ownership and involvement from both the OECD and MENA sides. Their role is to lead strategic discussions in the Steering Group, contribute to the formulation of agendas and strategic documents, report to committees, and represent the Initiative, as appropriate.

Investment and Trade Policies

Better investment and trade policies are a priority area to increase the MENA region's integration in the world economy while promoting the development of the local economy.

Openness to trade and investment has an important development potential if it leads to greater economic activity in the domestic economy. Yet, the MENA region as a whole has to recover the investment levels registered before the global crisis and needs to increase its intraregional and international trade. FDI inflows to the region decreased by 50% between 2008 and 2015, although with significant differences across countries. Intra-regional trade and investment flows remain weak, showing lack of integration and interconnectedness. At the same time, some investment regimes have led to dual economies in which only some regions or sectors have benefited from increased investment levels.

Reforms in the MENA countries are taking place to foster the trade agenda and improve investment frameworks. However, trade and investment, the twin and complementary engines for revitalising the economy and boosting regional integration, are still lagging behind. MENA countries need to pursue an interconnected approach to trade openness and facilitation while boosting investment as a powerful development enabler.

Objectives on investment and trade for 2016-2020

The Programme's activities in this area for 2016-2020 will support the region to promote trade and investment openness while improving connectivity, building production capacities, creating jobs, developing skills, adding value and supporting a greater and better integration in global value chains (GVCs). To attain this, the Programme will expand the thematic priorities covered by its Working Group on Investment Policies and Promotion, which is now the **Working Group on Investment and Trade**. Its aim is to:

1. Foster the policy dialogue around the trade and investment nexus to enhance policy coherence and harmonisation, and;
2. Expand relevant OECD tools to MENA countries to support policy orientations, implementation and evaluation (those OECD tools are underlined in the rest of the text).

The activities of the Programme will be structured around thematic priorities: trade and investment policies, facilitation, and agreements, as well as better participation in GVCs.

Thematic priorities on investment and trade for 2016-2020

To support the improvement of **trade and investment policies**, the Programme will:

- Emphasise the need for coherent and harmonised trade and investment policies and frameworks (legal and institutional) to foster sustainable and inclusive growth using the OECD's updated Policy Framework for Investment (PFI).
- Focus on *quality investment*, that is, investment with impact on jobs and positive spill over effects on the local economy and territorial development.

- Target responsible investment through promotion of business integrity and responsible business conduct based on the OECD Guidelines for Multinational Enterprises (to which four MENA countries adhered).
- Strengthen the policy advocacy role of the private sector in improving the investment climate leveraging the work of the MENA-OECD Business Advisory Board which includes members of the Women's Economic Empowerment Forum.

To facilitate a greater and better **participation in GVCs**, the Programme will:

- Foster production and collection of trade and investment statistics based on international standards (e.g. the OECD Benchmark Definition of FDI).
- Progressively integrate MENA countries into the Trade in Value-Added (TiVA) initiative and map backward and forward linkages to measure value chain activity and design a regional value chain strategy.
- Develop extensions to statistical data used for TiVA to reveal the scale and channels of enterprise integration (in particular the MNEs-SMEs linkages) and the upstream and downstream contributions made by FDI, to orient policy options.

To help in the reduction of unnecessary costs and **facilitate trade and investment**, the Programme will:

- Analyse the OECD Trade Facilitation Indicators for the 13 MENA countries that are covered and identify areas of improvement at the regional level.
- Identify and assess ground-level obstacles and regulatory restrictions to investment (legal and administrative requirements, closed sectors, equity participation, local content, investment screening including for national security purposes, exchange control, personnel restrictions, etc.). This will involve the inclusion of more MENA countries into the FDI Regulatory Restrictiveness Index and showcase the impact of lifting certain restrictions.
- Promote exchange of experiences between MENA and OECD investment promotion agencies (IPAs) to upgrade their expertise.

To help partners in achieving more effective **trade and investment agreements**, the Programme will:

- Monitor international investment agreements and investor-State disputes in the region.
- Support a regional policy dialogue on the international investment regime, build capacities of negotiators, and enhance participation of MENA policy-makers in the OECD Freedom of Investment Conferences.
- Foster a concerted approach towards ways of promoting greater regional investment integration, including through enhanced co-operation with the Arab League and other regional organisations (Agadir Technical Unit, Arab Maghreb Union, etc.)

The activities will be undertaken through a co-operative approach to trade and investment integration with all relevant actors, including governments, regional institutions and the private sector.

SME and Entrepreneurship Policy

Entrepreneurs and SMEs have an important role in ensuring more competitive, sustainable and inclusive economies. As such, they are also central actors in ensuring that increased trade and investment result in a more competitive domestic economy.

The development of a vibrant private sector is essential for the MENA region to build more diversified and robust economies and to address important challenges such as lack of employment opportunities, inequality and unbalanced territorial development. Micro, small and medium-sized enterprises (SMEs) and entrepreneurs are fundamental components of the private sector and are major sources of jobs, income and goods and services. SMEs and entrepreneurs can also drive productivity, competitiveness and innovation by introducing new ideas, new products and services and new business models.

Low rates of enterprise development in MENA show that much needs be done to foster entrepreneurship and SME growth. For example, enterprise creation, an important driver of jobs, is very low in the MENA region: less than one enterprise per 1000 working age people is created every year, compared to around four in OECD countries. The vast majority of enterprises are micro firms contributing little to formal employment, value added and productivity growth.

Objectives on SMEs and entrepreneurship for 2016-2020

The Programme's activities for 2016-2020 will continue supporting the region to enhance SME and entrepreneurship policies through regional dialogue and peer learning through its **Working Group on SME and Entrepreneurship policies**. The Working Group engages policy makers from key institutions in charge of enterprise policy, such as ministries of industry and economy, SME development agencies, and investment promotion agencies.

Given the importance of fostering a greater participation of women and youth in MENA economies, the Working Group will consider these dimensions as intrinsic elements in all relevant activities, including those related to entrepreneurship policies, access to finance, business development services, improved legal and business environments and evidence-based policymaking. The Women's Economic Empowerment Forum (WEEF) and the Business Advisory Board (BAB) will provide advice to the activities of the Working Group in this regard.

The activities of the Programme in this area will be structured around thematic priorities: improving business environments for SMEs and entrepreneurs, promoting the creation and growth of new firms, facilitating access to finance, and fostering more effective and efficient SME policymaking.

Thematic priorities on SMEs and entrepreneurship for 2016-2020

To aid in the improvement of **more conducive business environments** for entrepreneurship and SME growth, the Programme will:

- Help in reducing unnecessary administrative burdens for entrepreneurs and SMEs by, for instance, facilitating regulatory impact assessments, the promotion of e-government and one-stop shops and specific tools that ensure a proper consideration of SMEs' concerns during the early stages of policy making.

- Facilitate the sharing of experiences in the establishment of horizontal or inter-institutional initiatives to identify and address deficiencies in the business environment, especially those with greater negative effects on SMEs. Regional and international experience and practices will inform this work.
- Help to identify and reduce or remove administrative, legal or other barriers for women entrepreneurs, including young women, to start and expand their businesses. This work will be carried out in collaboration with the Women's Economic Empowerment Forum (WEEF) and the Business Advisory Board (BAB).
- Support in the identification of incentives and disincentives to the formalisation of SMEs, especially given the well-known costs of informality in terms of foregone growth and business opportunities due to lack of access to credit, financial services, public procurement, government support programmes, etc.

To support policies and measures for **entrepreneurship and SME growth**, the Programme will:

- Aid MENA partners in the identification of actions to promote the participation of small firms in the regional and global economy. Emphasis will be placed on good practices to increase SME participation in regional and global value chains (e.g. by promoting business linkages between foreign investors and SMEs). This work will benefit from synergies with the activities of the Working Group on Investment and Trade and will consider OECD-wide work on global value chains.
- Help MENA countries in the development of non-financial support services for SMEs at different stages of the business life cycle and for different economic activities. These could include training and consultancy services, marketing, technology transfers and upgrade, innovation, etc.
- Support particular actions for a greater access for women and young entrepreneurs to business development services, along the lines of the activities foreseen in the previous point. This work will be carried out in collaboration with the Women's Economic Empowerment Forum (WEEF) and the Business Advisory Board (BAB).
- Support policies for increasing SME access to the domestic market, including by promoting SME access to public procurement opportunities (e.g. through cutting tenders into smaller lots, better informing SMEs of public procurement opportunities, e-procurement, ensuring that payments are made on time, etc.).

To help MENA partners to facilitate **access to finance** for SMEs and entrepreneurs the Programme will:

- Support the implementation of measures to improve the legal and regulatory framework for access to finance (e.g. improving credit information systems, registration systems for moveable assets, addressing high collateral requirements, etc.). Synergies could be developed with the Union of Arab Banks, the Arab Monetary Fund, the World Bank, the African Development Bank, national research institutes and other organisations.
- Help to increase the effectiveness, availability and reach of specific measures to promote access to bank financing such as credit guarantee schemes, non-bank financing (microfinance, leasing, factoring, etc.), venture capital and business angel networks.

To support in the development of **more effective and efficient SME policy making** the Programme will:

- Contribute to comprehensive and coherent approaches to SME policymaking by supporting partners to improve institutional co-ordination and public private dialogue (e.g. implementation of SME strategies or multi-stakeholder action plans).
- Promote evidence-based policy making by strengthening the capacity of MENA countries to collect, analyse and disseminate data on SMEs and entrepreneurship, building on tools such as the OECD-Eurostat Entrepreneurship Indicators Programme (EIP) (which develops and disseminates SME indicators) and the OECD Scoreboard on Financing SMEs and Entrepreneurs (which documents the state of access to finance and monitors SME financing trends). This work could eventually lead to the inclusion of interested MENA countries in those OECD tools.
- Help to strengthen capacities to monitor and evaluate the impact of SME policies and programmes. This would help to address the very limited and sporadic evidence on the impact of SME policies in the MENA region. The OECD Framework for the Evaluation of SME Policies and Programmes and country experiences will be a particularly useful tool in this regard.

Corporate Governance

Good corporate governance is an essential building block for countries that want to boost competitiveness, attract capital, develop the private sector and promote investment. It also responds to the calls of stakeholders and citizens for equal opportunities and fight against corruption and cronyism.

Strengthening corporate governance is a priority in the MENA region where a business culture of trust, transparency and accountability needs to be strengthened. As the recognised international standard setter in corporate governance, the OECD has established a number of regional networks around the world to support policy dialogue, identify reforms and build institutional capacity.

For the MENA region, access to these discussions and resources will be a value-added. Of particular concern in the MENA region is corporate governance in the omnipresent state-owned enterprises (SOEs) that if well run have the potential to play a positive role in sustainable development and regional integration. If left unreformed, they will remain a burden on public finance and a source of endemic corruption. Reforms in this area can usefully be guided by the OECD Guidelines on Corporate Governance of State-Owned Enterprises.

Objectives on corporate governance for 2016-2020

Building on a decade of well-established contacts with multiple stakeholders in the region, the **Working Group on Corporate Governance** will continue to contribute to creating an environment of trust, transparency and accountability, which is also critical for developing sound capital markets that can serve the real economy. The aim of the Working Group is to:

- Foster a policy dialogue around good corporate governance of private and state-owned enterprises to enhance a level-playing field, and
- Expand relevant OECD tools to MENA countries to support policy evaluation and orientations.

Particular attention will also be paid to women's consideration regarding corporate governance and women on boards. This work will be supported by the Women's Economic Empowerment Forum (WEEF) and the Business Advisory Board (BAB).

The work will be carried out in close co-operation with regional partners, such as the Hawkamah Institute, the Union of Arab Banks, the Arab Federation of Exchanges and the Union of Arab Securities Authorities as well as national institutes of corporate directors, corporate governance centres, companies, investors and stakeholders. International institutions such as the World Bank Group will also be involved. The Working Group will also benefit from the experiences of similar regional initiatives that OECD supports in South East Asia, Southern Africa and Latin America, as well as the expertise of the OECD Corporate Governance Committee and the Working Party on State Ownership and Privatisation.

The activities of the Programme in this area will be structured around thematic priorities: building a knowledge platform on corporate governance, promoting capital market development for private sector growth, and improving the corporate governance of state-owned enterprises.

Thematic priorities on corporate governance for 2016-2020

To build a **knowledge platform on corporate governance**, the Programme will:

- Foster exchange of data and analysis in MENA countries and compile an inventory of corporate governance rules, regulations, and practices in the region.
- Use the updated G20/OECD Principles of Corporate Governance as a reference to undertake a comparative stock-taking of progress and challenges in MENA.
- Develop commonly agreed priorities for reform to underpin peer reviews and country specific recommendations.
- Promote exchange of experiences between MENA and OECD securities regulators as well as stock exchanges to upgrade their expertise.

To promote **capital market development for private sector growth**, the Programme will:

- Support data collection and information gathering to better understand the financing needs of growth companies, building on the new chapter of the G20/OECD Principles of Corporate Governance. Co-operation with the Working Group on SME and entrepreneurship policies under its activities on access to finance could prove useful.
- Promote gender balance in senior management and in boards by developing analytical work and guidelines.
- Develop guidance on board evaluations, nomination and election.

To help MENA partners to **improve the corporate governance of state-owned enterprises**, the Programme will:

- Analyse the direct role assigned to SOEs in development strategies and industrial policy, using the experiences from other economies with similar developmental experiences as a benchmark.

- Use the OECD Guidelines on Corporate Governance of State-Owned Enterprises, undertake SOE reviews and develop diagnostic tools assisting public authorities and development agencies in improving SOE performance.
- Develop targeted guidance on SOE reform (based on the Guidelines) aimed at individual MENA countries' stated priorities. Areas that could be covered include clarifying and improving the state's role as an owner; enhancing transparency and accountability; and professionalising SOE boards of directors.
- Develop guidance for SOEs' involvement in PPPs and for raising efficiency.

Economic Resilience in Fragile Situations

Promoting economic resilience implies increasing the ability of households, communities, and societies to withstand shocks and stresses, recover from such stresses, and work with national and local government institutions to achieve transformational change for sustainability.²

Recent political instability, conflicts and the refugee crisis have considerably slowed down the economic prospects of several countries in the MENA region. This challenging situation calls for a concerted and urgent response by MENA countries, 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 private sector can play an important role addressing the immediate needs resulting from conflict and fragility, for example through infrastructure projects and service delivery. At the same time, policies that promote economic diversification, encourage private sector activities and create decent jobs and opportunities will be essential for the MENA region to be more resilient.

Objectives on economic resilience in fragile situations for 2016-2020

The OECD has been increasingly involved in supporting governments to face the challenges of the ongoing humanitarian crisis. One of the priority actions identified through this involvement is the need to promote private sector development as a way to build economic resilience in the region.

Responding to this demand, the MENA-OECD Competitiveness Programme will create a **Task Force on economic resilience in fragile situations**. The objective of this Task Force is to enhance the role of the private sector to address the specific needs of countries affected by conflict and to help them rebuild their economies. Both the needs of refugees and internally displaced persons, and those of host communities need to be addressed in parallel to avoid local pressures that can result in further destabilisation. Moreover, the immediate response to the crisis should be connected with long-term needs and include a development angle.

Thematic priorities on economic resilience in fragile situations for 2016-2020

The Task Force will promote **regional policy dialogue, sensitisation and awareness** in a concerted and coordinated manner with affected countries and partners. The Task Force will convene regularly in

² Definition from the Resilience Agenda, agreed in Amman on November 2015.

flexible formats addressing specific themes or priority areas to support economic resilience through private sector development.

The Task Force will also have a role in **coordinating, implementing and monitoring policy actions** with representatives of the countries affected by conflict, OECD countries and international and regional partners. The Programme has already engaged into a co-operation with UNDP and UNESCWA leveraging its expertise on private sector development.

The work of the Task Force will also build on country-specific projects carried out by the Programme: the project on “Improving the business and investment climate in Iraq” (ended in June 2016) and the project on “SME development strategy in Libya” (on-going). These two projects enhanced the experience of the Programme in promoting investment and SME development in fragile environments and delivering concrete outcomes adapted to the present and future situation.

Already a number of issues could be addressed by the Task Force, including integration of refugees through entrepreneurship and SME policies, with a particular focus on vulnerable groups such as women and youth; legal and institutional investment frameworks to create a sound and predictable environment; investment promotion tools adapted in fragile contexts; enhanced market access to boost exports; labour regulations for refugees and migrants; the role of special economic zones; or public private partnerships to deliver services in areas with strong migrant influx.

Women’s Economic Empowerment

Building inclusive societies by investing in women increases productivity, and reduces poverty and inequality. Gender equality in the workforce represents a significant resource for economic growth and development both at national and company level.

Governments in the MENA region are increasingly aware of the importance of broadening the inclusion of all groups of society. The surge of public activism in recent years created momentum for reforms. Constitutional changes in some countries addressed gender equality. Yet, inequalities persist in society as reflected in the low inclusion of women into the economy. Indeed, employment and entrepreneurship remains a largely untapped source of growth in the MENA region. Despite a growing share of highly qualified women in the region, women continue to face a large number of difficulties in accessing economic opportunities. The female working population is the lowest in the world (24%), while unemployment among women is the highest (18%). More women work in public employment than in the private sector, where the bulk of women’s activities are informal.

Objectives on women’s economic empowerment for 2016-2020

Since 2009 the OECD-MENA Women’s Business Forum (WBF) convenes representatives from MENA and OECD governments, the private sector and civil society committed to improving policies for women’s entrepreneurship. The WBF has worked on the identification of policy gaps for the support of women entrepreneurs, the improvement of access to finance and business development services, and connecting women entrepreneurs to business contacts and opportunities.

To ensure the inclusion of a gender perspective in all of its policy areas, the Programme will create for its new phase a **Women’s Economic Empowerment Forum (WEEF)**, which will build on the work of the WBF while adopting a wider policy approach involving a broader participation of representatives from government agencies relevant to enhancing women’s economic empowerment. By adopting a more horizontal and comprehensive view the WEEF will strengthen the analytical capacity of the Programme to

identify and support comprehensive and articulate reforms for a greater and better participation of women in the economy. The WEEF will also help to raise awareness and buy-in for reforms to materialise the development and competitiveness potential of women's economic empowerment.

The WEEF will enhance collaboration with international organisations actively supporting gender equality, including notably the Union for the Mediterranean, UN Women or the League of Arab States or CAWTAR, involving them in the analytical and policy reform discussions.

Thematic priorities and activities on women's economic empowerment for 2016-2020

Mainstreaming gender aspects in all of the thematic areas of the Programme will involve:

- Providing advice and inputs to the **Working Group on SME and entrepreneurship policy** so that policies for women entrepreneurship are an integral part of the Working Group's activities, particularly in key matters such as improving business environments for women entrepreneurs, easier access to finance, access to business development services and business networks, etc. Specific activities will include:
 - The promotion of policy dialogue with a gender perspective through thematic sessions and meetings back-to-back with the Working Group.
 - The inclusion of gender angles in the analytical work of the Working Group.
 - The provision of technical support and capacity building for the integration of gender-related issues in SME policymaking.
- Raising awareness, in the context of the **Working Group on Investment and Trade**, that sound investment and trade frameworks and trade facilitation can have an important effect on women's economic empowerment by providing greater opportunities for enterprise creation and employment.
- Considering the need to enhance the role of women in boards under the activities of the **Working Group on Corporate Governance**.
- Identifying women's specific economic needs in fragile state situations in preparation of the **Economic Resilience Task Force** discussions. On one hand, women are disproportionately affected by conflict and, but at the same time, supporting women can have exponential benefits. For instance, women play a critical role in post-conflict rebuilding efforts since they are often the only breadwinners left. Women tend to be more trusted in society since they tend to participate less in violent acts during war.

The constituency of the WBF, now under the WEEF, will also take part in the new MENA-OECD **Business Advisory Board**, given its experience in public-private dialogue (PPD) and to ensure that all policy areas debated take fully account of women's observations and concerns and that policy recommendations pay due attention to women economic empowerment.

Other activities of the WEEF will include:

- Mapping institutions involved in women empowerment as well as those that would require to be involved in discussions on gender equality.

- Raise awareness and work with countries towards adapting their national legal frameworks to international and constitutional commitments.
- Encourage governments to ensure women's easy and effective access to justice and support the enforcement of the legislative provisions through domestic awareness-raising and capacity-building, reinforcing control mechanisms, and supporting the establishment of courts competent for minor litigations or relatively low value where procedure would be simplified.
- Work with countries towards producing gender-sensitive disaggregated data by strengthening the statistical system and reporting of statistics.

In the coming years the Programme will continue developing **analytical work to reinforce evidence based policy making**. This work will take account of the OECD's experience in fostering women's economic empowerment, including the [OECD Gender Initiative](#) which promotes equality in education, employment and entrepreneurship.

The Programme will also take into account the work of the MENA-OECD Governance Programme linked to the [OECD Council Recommendation on Gender Equality in Public Life](#). The activities will also take due consideration of the work by other players such as UN Women, the League of Arab States or the Union for the Mediterranean.

Private sector mobilisation and social dialogue

The promotion of private sector development and inclusive growth requires strong partnerships between government, the businesses community and civil society. Effective and transparent “reform coalitions” contribute to building capacity, strengthening the advocacy role of non-governmental organisations on reform priorities and informing the agenda of governments to foster innovation, entrepreneurship and competitiveness.

Building institutional frameworks in which the private sector, organised labour and other stakeholders can participate and effectively contribute to the decision-making process is essential to produce better policy outcomes. Social dialogue with non-governmental stakeholders is also an essential component of a business-friendly environment and contributes to building mutual understanding.

In the MENA region, such participatory mechanisms are lacking, weak or poorly-designed. The private sector across MENA countries remains fragmented and dispersed while the large informal sector is not represented in private sector associations. This is why partners and stakeholders of the Programme have systematically pleaded for providing a structured, sustainable and well-informed platform for private sector mobilisation as a pre-requisite for effective social dialogue.

Objectives on public-private dialogue for 2016-2020

The Programme will institutionalise its relations with the MENA labour organisations to ensure their contribution to the policy dialogue about competitiveness reforms. It will support the setting up of a regional platform for private sector engagement; and will organise structure social dialogue at the regional level on the policy areas covered by the programme

Thematic priorities on public-private dialogue for 2016-2020

The Programme will strengthen its **collaboration with trade unions to promote social dialogue** and to facilitate a greater consensus on long-term national development strategies and create shared ownership of policy reforms at all stages of the policy cycle. This work will include the active involvement of MENA country labour unions, with the support of the Arab Trade Unions Confederation³ and the Trade Union Advisory Committee to the OECD (TUAC). These organisations will be involved in all relevant activities of the Programme, including Working Group and Steering Group activities, and will be regularly consulted in the elaboration of the Programme's analytical work.

Unlike the labour sector, where the Arab Trade Unions Confederation acts as a regional platform and represents the views of the national unions, the private sector suffers from problems of organisation and lack of structured voice in the MENA region. To facilitate the participation of private sector associations in its work, the Programme will also create a **MENA-OECD Business Advisory Board (BAB)**, which will have a double goal:

1. To enrich the policy dialogue carried out in the Working Groups and policy networks; and
2. To serve as a forum to reflect on the actual status of private sector representing bodies and of existing models of dialogue with the public sector.

The OECD Business and Industry Advisory Committee (BIAC) will be an important partner in the creation of the BAB.

The institutionalisation of public-private dialogue (PPD) within the Programme will be carried out in the following manner:

- **Mapping exercise:** A roster of business associations will be created on a country basis to have diverse representation and include organisations that bring together larger and smaller businesses, representing different sectors, from larger, formal and well-structured entities to smaller business clubs, including women business associations from the MENA-OECD Women's Business Forum.
- **Concept paper:** A document will be prepared based on the mapping exercise. Additional consultations will take place with private sector associations in some pilot countries, such as Morocco and Jordan, which represent different models in the region – the former having a consolidated private sector association and strong public-private dialogue mechanisms, the latter being more fragmented. The concept paper will:
 1. Analyse the current status of business associations and trade unions representation and dialogue mechanisms and compare models in the region.
 2. Identify main topics relevant for the Programme's Working Groups. Overall, the view of business associations is particularly important in pointing to barriers to private sector development and social inclusion, identifying reforms to enhance the business climate, regional competitiveness and decent working conditions. It will be important to narrow down the discussion in order to make consultations with the private sector effective. For example, a potential area of interest related to the Working Group on Investment and Trade is the

³ The Arab Trade Unions Confederation is the regional branch of the International Trade Union Confederation (ITUC)

application of the Responsible Business Conduct by multinational enterprises in the region. Related to the Working Groups on Investment and on SMEs, policy-makers in the region have indicated special interest in further exploring how can FDI spillovers to the local economy be maximised (MNE-SME linkages, local employment, innovation).

3. Present successful models from other regions to stimulate sharing of experiences and peer-learning.

- **Promotion of PPD within each Programme Working Group:** Building on different modes of consultation and operation, each working group will integrate a mechanism of consultation with business associations and trade unions, represented by TUAC and ITUC. These consultations will provide policy advice on the key thematic priorities identified (in the form of policy papers or common positions). Business associations and trade unions will be consulted before meetings of the Working Groups and will actively participate in those meetings.
- **Capacity-building to strengthen private sector associations:** Private sector organisations need to be well organised and prepared to be able to advocate effectively and make their voices heard in the policy-making process. This entails strong knowledge of the technical dimensions of the issues to be discussed, as well as of the process itself. The Programme will provide capacity-building and training to improve the policy advocacy role of private sector organisations to address existing gaps. The trainings will build on good practices from the MENA region and from the OECD, and will also facilitate building links between the organisations of different countries.

Promoting Business Integrity through PPD

As a working party of the PPD, the existing **MENA-OECD Business Integrity Network** is a regional platform to promote policy dialogue in support of a stronger, cleaner and fairer business climate. This network promotes the exchange of experiences, best practices and solutions available to combat bribery and corruption and build up compliance approaches for business, primarily with the business community, but also by engaging in PPD in support of the needed policy reforms. During the last meeting of the Network (April 2016), participants confirmed the 2015 Steering Group conclusions, stressing that business integrity should be a priority of the MENA-OECD Competitiveness Programme.

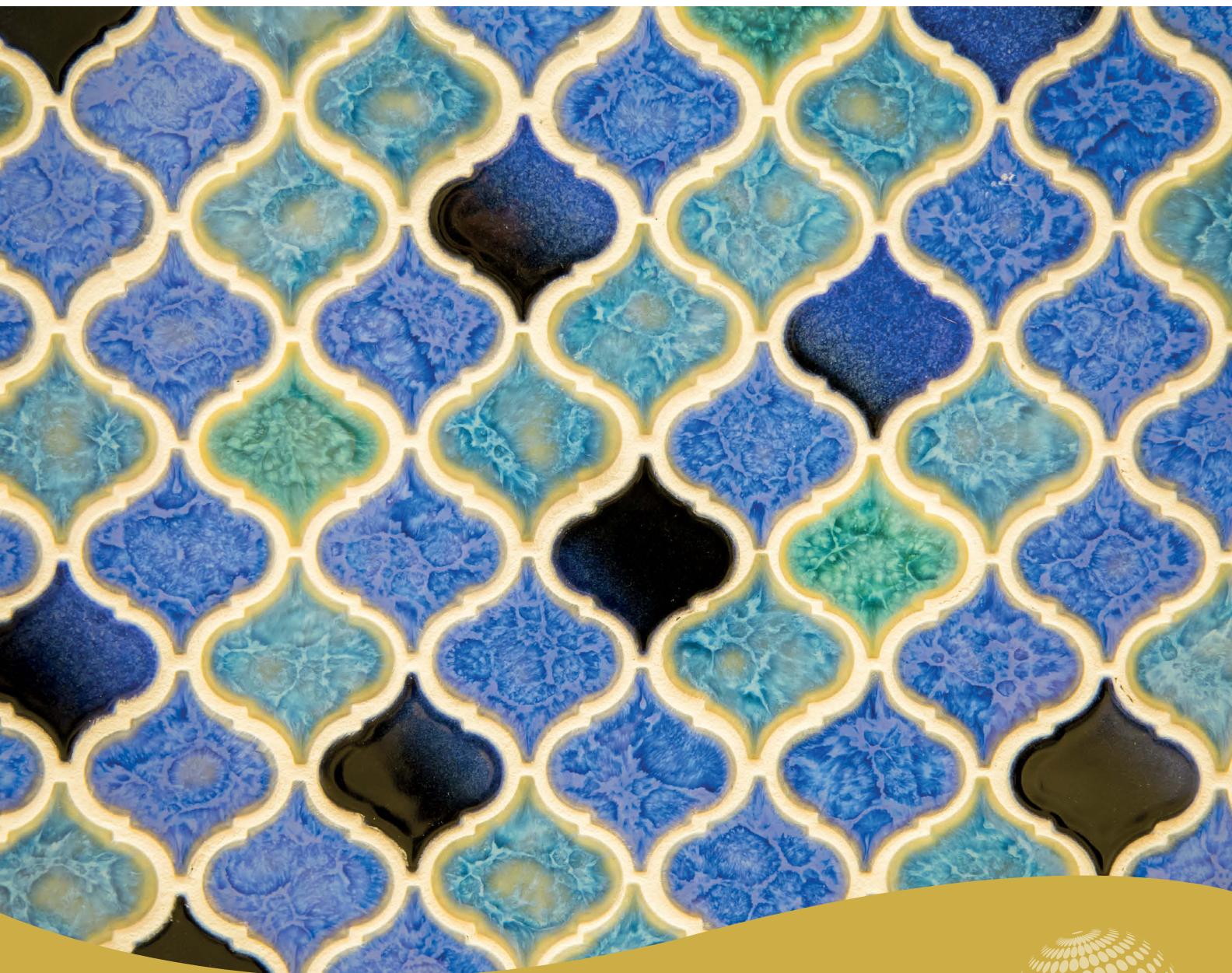
As identified in the “Regional Strategy for Sweden’s Development Cooperation with MENA”, corruption is a major risk in the region. Fighting corruption and enhancing integrity represent a formidable opportunity to support economic growth, social cohesion and long-term stability in the region and in supporting countries implement and achievement the SDGs, in particular SDG 8 (sustained and inclusive economic growth) and SDG 16 (peace, justice and strong institutions). While all MENA countries (but Syria) have ratified the United Nations Convention Against Corruption, implementation should be fostered. The development and application of anti-corruption strategies and the reforming of national legislation in line with international standards should ensure a level-playing field among businesses and ensure that the business can resist discretionary policies.

Building on the activities carried out during the former mandate, the MENA-OECD Business Integrity Network will focus on the following thematic priorities:

- Supporting the convergence of MENA regulatory frameworks and MENA businesses with internationally-recognised integrity norms, standards and best practices.
- Providing an effective platform for peer-learning and sharing of tools and best practices both of government actions in support of combating bribery but in particular on voluntary corporate compliance.
- Supporting government actions to promote clean business, such as 1) defining standards and imposing sanctions, through legislation, enforcement and prosecution, and 2) raising awareness and incentivising

companies to comply.

- Building a culture of responsibility and accountability among SOEs to prevent corruption (addressed in the context also of the corporate governance work).



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