

REGIONAL SEMINAR

INVESTMENT FOR SUSTAINABLE DEVELOPMENT IN THE MENA REGION: FOCUS ON INCENTIVES AND SKILLS DEVELOPMENT

19-20 JUNE 2023

OECD ISTANBUL CENTRE & MARMARA PERA HOTEL

ISTANBUL, TÜRKIYE

AGENDA

■ Background

Foreign direct investment (FDI) can play a key role in revitalising MENA economies after the succession of recent crises, creating quality jobs and achieving other Sustainable Development Goals (SDGs). But this requires investment policies that are more targeted to achieving these positive outcomes.

This seminar will first discuss how MENA governments can develop a holistic approach to improving the positive impact of FDI, with a focus on the different policies and institutions necessary to harness investment for skills development. It will leverage the OECD FDI Qualities Initiative to provide governments with policies, data and expertise to encourage sustainable investment that is greener, promotes quality jobs and skills development, improves gender equality, and contributes to a more productive and innovative economy.

The seminar will then take a close look at one key investment policy – investment incentives – to foster a discussion on how incentives can contribute to sustainable development goals, and considerations for reforms. Many governments in the MENA region rely on tax and non-tax incentives to attract investment that can contribute to sectoral, regional and skills development. Designing incentives to best support these goals, while balancing costs of generous tax benefits, is key. Transparency around tax and non-tax incentives is also often lacking, potentially limiting investment and complicating policy assessments. Reviewing incentive policies is particularly timely in light of the recent global minimum tax agreement, which will likely affect how governments use investment tax incentives going forward.

The EU-OECD Programme on Investment in the Mediterranean

[The EU-OECD Programme on Investment in the Mediterranean](#) aims to support investment climate reforms to advance sustainable growth and decent job creation in the Southern Mediterranean, working with governments and other partners in Algeria, Egypt, Jordan, Lebanon, Libya, Morocco, the Palestinian Authority, and Tunisia. The Programme draws on the OECD's technical expertise and international tools and standards to provide capacity-building and policy advice at both national and regional levels in the MENA region.

■ Objective

This seminar, organised under the [EU-OECD Programme on Investment in the Mediterranean](#), applies recent OECD work on FDI qualities and investment incentives to foster peer learning among MENA policy makers and practitioners in and outside the region. The seminar aims to:

- Exchange experiences on priorities for reforms to attract and retain sustainable investment, with a focus on improving the impact of FDI on job quality and skills development. It will familiarise participants with the OECD FDI Qualities Indicators and Policy Toolkit and leverage recent and ongoing work with several MENA economies on FDI Qualities to provide examples of reform priorities.
- Explore how investment incentives can support policy goals in the MENA region. It will address: how governments design and use incentives compared to peers; the potential impact of the global minimum tax on tax incentives; how greater transparency on incentives can facilitate investment and support policy evaluation; and how incentives could be designed to support specific policy goals such as job creation and skills development.

■ Participants

The seminar will convene senior policymakers from Ministries of Planning, Economic Development, Finance, and Investment; investment promotion agency practitioners; businesses representatives; multilateral organisations operating in the MENA region, as well as policymakers from peer countries.

■ Agenda: Day One - 19 June

08:30-9:00	Registration
09:00-9:30	Opening remarks
	Seda Sevgi, Deputy Head of OECD Istanbul Centre
9:30-10:30	SESSION 1: The FDI Qualities initiative in MENA countries
	<p>This session will introduce the OECD FDI Qualities initiative to participants and its activities in the MENA region and beyond. MENA countries involved in the initiative through FDI Qualities Reviews will share their experience with other countries. The FDI Qualities initiative provides governments with the policies, data and expertise they need to encourage sustainable investment.</p> <p>Moderation:</p> <ul style="list-style-type: none"> • Helene Francois, Manager of the EU-OECD Programme on Investment in the Mediterranean, OECD <p>Speakers:</p> <ul style="list-style-type: none"> • Martin Wermelinger, Head of Investment Qualities and Incentives, Investment Division, OECD • Mais Khlaifat, Director of Legal Affairs, Ministry of Investment, Jordan • Amr Abou El-Foutouh, Director General of FDI, GAFI, Egypt • Manhel Sebai, Director of Aftercare Division, FIPA, Tunisia <p>Experience sharing:</p> <ul style="list-style-type: none"> • José Salgado, Directory-General for Economic Affairs, Portugal
10:30-10:45	Coffee break
10:45-12:15	SESSION 2: Investment for sustainable development: trends, policies and good practices in MENA countries and beyond
	<p>This session will provide an overview of FDI trends and impacts on sustainable development in MENA countries. Participants will engage in a dialogue on strategies and policies that their countries prioritised to enhance the contribution of FDI on productivity and innovation, job quality and skills, gender equality, and decarbonisation, based on an OECD background document. They will also share their experiences on the practices of investment promotion agencies in prioritising and monitoring sustainable investment projects.</p> <p>Moderation:</p> <ul style="list-style-type: none"> • Seda Sevgi, Head of Policy Unit and Deputy Head of OECD Istanbul Centre <p>Setting the scene:</p> <ul style="list-style-type: none"> • Fares Al-Hussami, Economist/Project Manager, Investment Division, OECD <p>Experience-sharing:</p> <ul style="list-style-type: none"> • Faizal Mohd Yusof, Senior Director, Ministry of International Trade and Industry, Malaysia

	<ul style="list-style-type: none"> • Samet Akyüz and Adnan Saygili, Strategy and Corporate Planning, Invest in Türkiye <p>Roundtable: MENA economies share examples of recent or planned strategies or policies to attract investment for sustainable development.</p>
12:15-14:00	Lunch break
14:00-15:15	SESSION 3: Harnessing investment for skills development
	<p>This session will deep-dive into one priority area of FDI impact on sustainable development for MENA countries: job quality and skills. The OECD will provide some concrete examples of policies then participants will engage in an interactive exchange to share their challenges and solutions in developing and implementing policies to harness FDI for job and skills development. The exchanges will pave the way to the discussions on day 2, session 7.</p> <p>Moderation:</p> <ul style="list-style-type: none"> • Fares Al-Hussami, Economist & Project Manager, Investment Division, OECD <p>Experience sharing:</p> <ul style="list-style-type: none"> • Pilar Madrigal, Director, Investment Advisory, CINDE, Costa Rica • Alejandro Buvinic, Head of Services, Ministry of Foreign Affairs, Chile <p>Roundtable: Interactive exchange with MENA countries</p>
15:15-15:30	Coffee break
15:30-17:00	ADVISORY BOARD MEETING
	<p>This side meeting will host the Advisory Board of the EU-OECD Regional Programme on Investment in the Mediterranean, which gather annually to take stock of the state of progress of the Programme. Country representatives and advisory board members will reflect on recent achievements of the Programme, and on the way forward.</p> <p>A detailed agenda has been sent separately.</p>
19:00-21:00	Cocktail at the Sofitel Taksim

■ Agenda: Day Two - 20 June

09:00-10:30	SESSION 4: Investment tax incentives in MENA: design, policy goals and reforms
	<p>This session introduces the focus of Day 2 of the seminar with a discussion on the design and policy goals of investment tax incentives in the MENA region. Drawing on comparative data on corporate income tax (CIT) benefits across the region and in peer countries, it will ask how incentives are used by the selected MENA economies, their main policy goals, and how incentive design and governance can be improved to enhance positive spillovers, including with respect to sustainable development goals. The session builds on the 2019 seminar on incentives, to reflect on recent tax incentive reforms and reform priorities in the region.</p>

	<p>Speakers:</p> <ul style="list-style-type: none"> • Martin Wermelinger, Head of Investment Qualities and Incentives, Investment Division, OECD • Sarah Marion Dayan, Policy Analyst, Investment Division, OECD • Namia Ayadi, President, Tunisia Investment Authority <p>Roundtable: MENA economies share examples of recent or planned tax incentive reforms</p>
10:30-11:00	Coffee break
11:00-12:30	SESSION 5: Potential impact of Global Minimum Tax on tax incentives
	<p>This session will assess the potential implications of the Global Minimum Tax (GMT) on the use and design of tax incentives. The GMT will limit the effectiveness of incentives that reduce effective tax rates of in-scope multinational investors below 15%, where these incentives do not result in tangible investment and jobs. But the impact of the GMT will differ depending on the type of incentive and investors' economic activity in the country. Countries must evaluate how the GMT will affect their incentive policy to avoid potential revenue forgone, and to strike a better balance between encouraging investment and avoiding windfall gains for investors.</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Pierce O'Reilly, Head of Business and International Taxes, Centre for Tax Policy and Administration, OECD • Esther Koisin, Director, Department of International Taxation, Inland Revenue Board, Malaysia <p>Roundtable discussion</p>
12:30-14:00	Lunch break
14:00-15:30	SESSION 6: Tax and non-tax incentives: improving transparency, monitoring and evaluation
	<p>Better understanding if incentives contribute to intended policy goals, and at what costs, requires transparency on the scope of incentives offered, and monitoring and evaluation of policies. This session takes a wider view of investment incentives – including other types of tax and non-tax benefits – to discuss how governments can improve transparency of incentive policies and the importance of evaluating incentive costs. In the roundtable discussion, participants are encouraged to share challenges and efforts to improve transparency, monitoring and evaluation of their investment incentives.</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Sarah Marion Dayan, Policy Analyst, Investment Division, OECD • Dr. Agustin Redonda, Senior Fellow, Fiscal Policy, Council on Economic Policies • Thierry Beranger, Policy Officer & Investment Negotiator at European Commission, Directorate General for Trade <p>Roundtable discussion</p>
15:30-16:00	Coffee break

16:00-17:30	SESSION 7: Designing incentives to support jobs and skills development
	<p>Based on discussions held over the past two days, this concluding session will discuss how governments can better design incentives to support certain policy outcomes. Spotlight will be given to incentives designed to support job creation and skills development, with examples from peer economies and available evidence on effectiveness.</p> <p>Speakers:</p> <ul style="list-style-type: none">• Martin Wermelinger, Head of Investment Qualities and Incentives, Investment Division, OECD• Hania Kronfol, Senior Private Sector Development Specialist, World Bank• Giacomo Bogo, Programme Officer, Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR), European Commission <p>Roundtable discussion</p>