

**MENA-OECD Investment Programme**

# Making Reforms Work

## Progress and Next Steps

*Dr. Rainer Geiger,*

*Deputy Director*

*Directorate for Financial and Enterprise Affairs, OECD*

*Head MENA-OECD Investment Programme*

# The Challenge for Reform

- Mismatch Capital Liquidities -  
Investment opportunities
- Rapid Population Growth -  
High Unemployment
- Underdevelopment of Financial Sector
- Shortcoming in Infrastructure
- Poor Investment Climate



# The need of an Integrated Reform Strategy

- Investment for Development
- Governance for Development
- The OECD Initiative



# The Investment Programme

- Creating Regional Networks for Co-operation
- Mobilising National Investment Reform Programmes
- Creating Partnership, and Political Support



# Structure of the Investment Programme

- **Annual Ministerial**
  - Ministers of Economy, Finance, Development
  - Head of Investment Promotion Agency
- **Steering Group**
  - MENA Countries, OECD Donors, Multinational Organisations, Private Sector
- **Five Working Groups**
  - Transparent and open investment policies
  - Encouraging Investment Promotion Agencies and business associations to act as driving forces for economic reform
  - Providing a tax framework for investment and assessing incentives
  - Promoting policies for financial sector and enterprise development in support of economic/investment diversification
  - Improving corporate governance



# The Governance Programme

(jointly managed by OECD / UNDP)

- **Steering Group**
- **Six Working Groups**
  - **Civil service and integrity**
  - **E-government, administrative simplification and regulatory reform**
  - **Governance of public resources (budget)**
  - **Public services delivery**
  - **Role of the judiciary and**
  - **Civil society and media**

Close Coordination with the Investment Programme to pursue common  
Development Objectives



# Investment Programme

## Stocktaking Phase concluded



**I. Reports developed**

**II. Recommendations  
agreed**

**III. National  
Investment Reform  
Agendas defined**



# I. Reports developed



**Background  
for Reform**

1. Regulatory Environment
2. Investment Treaties
3. Business Ethics /anti-bribery policies
4. Investment Incentives and Free Zones
5. IPAs strengths and weaknesses
6. MENA Tax reforms and recommendations
7. Strategies for Diversification
8. Reform of Financial Markets
9. Women entrepreneurship and SME development
10. MENA Corporate Governance Structures



# II. Recommendations agreed



- **Transparent and open investment policies**
- **Enhancement of business integrity and market efficiency**
- **Encouraging investment promotion agencies and business associations for economic reform**
- **Providing an efficient tax framework for investment and non-discriminatory tax incentives**
- **Promoting policies for financial sector development and enterprise development in support of diversification**
- **Improving Corporate Governance**

# III. National Investment Reform Agendas defined



- **Defined for 8 countries**
- **5 confirmed: Bahrain, Jordan, Morocco, Egypt, Palestine Authority**
- **4 proposed: Tunisia, Algeria, Lebanon, Libya**
- **More to be added before Ministerial**

# Partnerships

1. Private sector: ABC, G8 Investment Task Force, local and regional business associations, Business Forum, Investor of the Year Awards
2. International institutions: IFC, WB, IMF, MIGA, UNIDO, EIB, CIPE
3. Regional institutions: Union of Arab Banks, Islamic Development Bank, GCC, Arab League
4. Euromed and EU Neighbourhood programmes
5. Bilateral Donors



# Draft Ministerial Declaration

- Preamble
- Elements for a positive investment environment
- Concrete steps for implementation
- Additional policy recommendations by Working Groups that will guide future action and the selection of national reform priorities



# 2006 and beyond

- Think Tanks and Regional Initiatives / Resource Centers
- Analytical work
- Task Forces on specific policy issues
- Workshops
- Implementation of the Reform Agendas
- Peer reviews of the reforms achieved
- Development of best practices and networks for regional co-operation



# Conclusions

1. Operating in a difficult environment
2. Building confidence
3. Developing capacities
4. Mobilising regional efforts
5. Encouraging structural and regional reform
6. Serving development goals

