

The background of the slide is a complex, repeating geometric pattern in shades of white, black, blue, green, and yellow. The pattern consists of interlocking lines forming stars and polygons. In the top-left corner, there is a stylized logo consisting of three overlapping chevron shapes pointing right, colored yellow, grey, and blue.

The MENA-OECD Competitiveness Programme



THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The OECD is a unique forum where the governments of 35 democracies work together to address the economic, social and environmental challenges of globalisation. The OECD is at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.





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The MENA-OECD Competitiveness Programme

The MENA-OECD Competitiveness Programme is a strategic partnership between MENA and OECD countries to share knowledge, expertise and good practices. It aims to contribute to the development of inclusive, sustainable and competitive economies across the Middle East and North Africa. The Programme fosters co-ordination between the different stakeholders committed to improving the living standards of MENA citizens: local and national governments, international and regional organisations, multilateral initiatives, civil society and the private sector representatives.

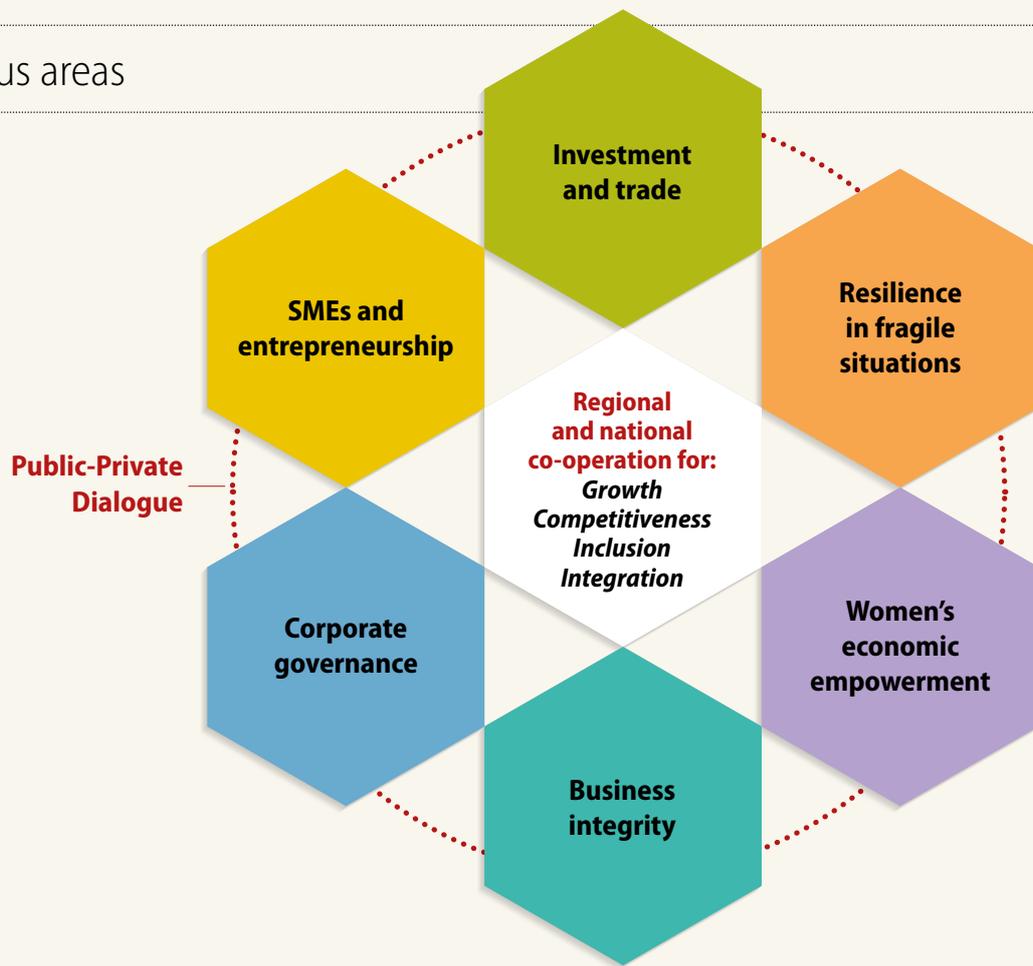
The Programme supports reforms to mobilise investment, private sector development and entrepreneurship as driving forces for growth and employment in the MENA region. With more than ten years of experience and a working approach based on innovative policy dialogue, peer-learning and capacity building, it has become a dynamic initiative that continuously adapts its focus to the changing realities of the region.

The recent economic and political transformations affecting MENA countries have highlighted the need to take a holistic, inclusive and coordinated approach to addressing the region's challenges. By building consensus, acting as a link between key stakeholders and providing working-level technical assistance, the MENA-OECD Competitiveness Programme helps generate concrete and sustainable results for a more prosperous MENA region.



To compete in the global economy, MENA countries need to raise their productivity and accelerate economic diversification. Boosting investment and trade, and fostering a non-constrained and vibrant private sector are priorities. Creating more and better jobs will contribute to building the foundations of an inclusive and stable future for all.

Focus areas



The MENA region: did you know?

- The MENA region enjoys a privileged geographic location, which offers comparative advantages in certain sectors, such as renewable energies and tourism.
- Addressing market distortions, lowering trade and investment barriers, tackling informality, and strengthening the role of the private sector – which accounts for only 40% of GDP compared to the OECD average of 59% – will be critical to unleashing the region's economic potential.
- The region's young and well-educated population is a solid base for a future and strong economic development.
- Reducing endemic structural unemployment – the highest in the world at 28% for youth – is crucial to respond to the demands and aspirations of new entrants to the labour market and ensure the future prosperity of the region.
- By equalising the labour market participation of women in MENA – the lowest in the world at only 24% compared to 62% in OECD countries – with that of men, the region's GDP could increase by more than 10% over the next decade.
- Women's entrepreneurship lags far behind men's, with only 1 in 8 MENA women leading their own businesses compared to 1 in 3 men.





Investment and trade



Boosting investment and trade is crucial for restarting economic growth and job creation in the region.

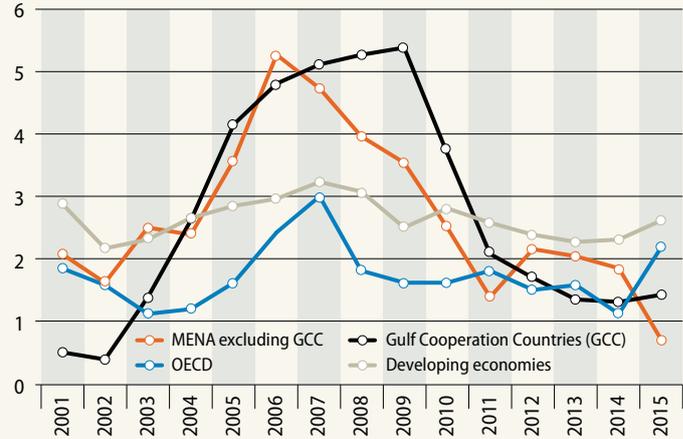
OBJECTIVES OF THE PROGRAMME

- Facilitate trade, investment and integration into regional and global value chains.
- Promote quality investment and an open, transparent and predictable environment for investors.
- Encourage sound investment and trade policies.
- Foster regional and global trade and investment integration.
- Build capacity to use OECD tools and develop statistics.

ACHIEVEMENTS AND IMPACT

- Adherence of Egypt, Jordan, Morocco and Tunisia to the OECD Declaration on International Investment and Multinational Enterprises and participation in the OECD Investment Committee.
- Integration of MENA countries into OECD statistical databases.
- Ongoing support for national legal reform processes (e.g. advice on investment law revision and implementation).

FDI inflows to the MENA region dropped by 50% between 2008 and 2015 (% of GDP)



Source: UNCTAD latest data and OECD staff calculations.

- Improved regional co-ordination by providing a platform for regular dialogue on reforms with peers and the private sector.
- Enhanced co-operation with regional organisations on investment issues (e.g. the Arab League).

ACTIVITIES

- **Regional dialogue: Working Group on Investment and Trade** (co-chaired by Japan and Jordan).

- Dialogue among regional policy makers on trade and investment issues to enhance policy coherence and harmonisation and expand relevant OECD tools to include MENA countries.

- **Regional project: Enhancing investment policies and promotion in the region** (OECD-EU, 2016-2020).

- Assessment, peer-learning, policy dialogue, capacity building and monitoring of investment policies and strategies across the region; institutional co-ordination and public-private dialogue; and creation of a network of Euro-Mediterranean investment promotion agencies.

- **Country-specific projects: Supporting reforms to improve the investment climate.**

- Improving the investment climate in **Iraq**: policy advice on legal reforms and investment treaties, capacity building for the National Investment Commission, participation of Iraqi officials in regional dialogue (Sida-funded, 2013-2016).

- The **Jordan** Competitiveness and Investment Project: support for the implementation of the country's new investment law and related reforms, and undertaking of the Jordan Clean Energy Investment Policy Review (MENA Transition Fund, jointly implemented with the World Bank, 2014-2017).

- Enhancing the investment climate in **Egypt**: support for the implementation of sound national investment policies, legal frameworks and an international investment regime for enhanced investor protection and dispute avoidance (MENA Transition Fund, jointly implemented with the World Bank, 2015-2018).

www.oecd.org/mena/competitiveness/investment-policies-promotion.htm

KEY FACTS

- In recent years, many MENA countries have undertaken sweeping legislative and institutional reforms to better promote investment and exports and facilitate trade and investment liberalisation.
- Inter-regional trade represents only 10% of total trade in MENA compared to 65% in the EU or 25% among ASEAN countries.
- FDI inflows decreased by 50% between 2008 and 2015, albeit with significant differences across countries.



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Strengthening SMEs and the private sector



Higher rates of SME creation and growth in MENA would lead to more and better jobs, higher productivity, and greater innovation by introducing new ideas, products, services and business models.

OBJECTIVES OF THE PROGRAMME

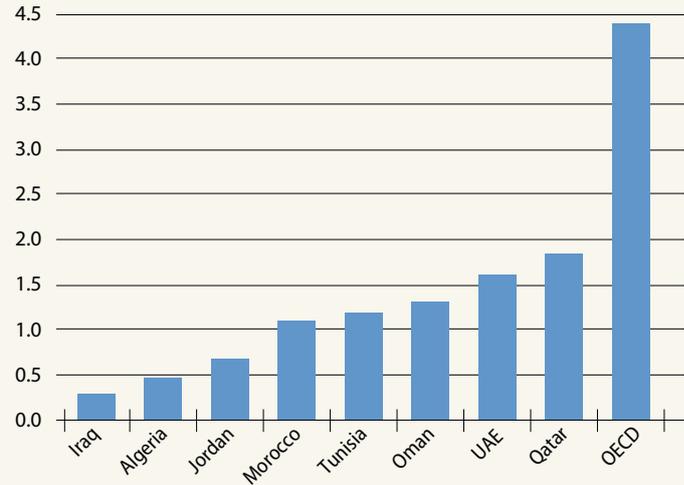
- Identify and support the implementation of reforms for more effective SME policies.
- Improve the business environment for SMEs and entrepreneurs.
- Foster entrepreneurship and access to finance.

ACHIEVEMENTS AND IMPACT

- Informed policy dialogue and peer learning through the *SME Policy Index for the Mediterranean Middle East and North Africa 2014*, a multidimensional and regional SME policy assessment.
- Provided assistance in the implementation of reforms through country projects in Libya and Jordan.
- Built policy maker capacity through trainings on SME and competitiveness policies.
- Co-operated with the Deauville Partnership to promote SME policy in Arab Countries in Transition through the “Near-Term

Rates of firm creation in the MENA region lag behind global averages

New businesses per 1,000 working-age people 2002-2014



Source: World Bank (2015), Entrepreneurship Survey

Action Plans for SME Development” and adoption of a “Compact on Economic Governance” which includes key actions to boost SME and entrepreneurship development.



KEY FACTS

- SME and entrepreneurship development policies are taking an increasingly central role in the economic and social agendas of MENA countries.
- Yet, MENA rates of firm creation are only a quarter of those registered in OECD countries.
- Only 8% of lending goes to SMEs, compared to 18% in middle-income countries.

ACTIVITIES

- **Regional dialogue: Working Group on SME and Entrepreneurship Policy** (co-chaired by Tunisia and Italy)
 - Engages partners in regional dialogue and a peer review of issues regarding SME growth, development and entrepreneurship promotion.
- **Regional project: Training courses for SME practitioners**
 - Organises capacity-building workshops in partnership with the IMF Middle East Centre for Economics and Finance (CEF) to share and discuss instruments, methodologies and good practices on SME policies.
- **Country-specific projects:**
 - SME Development Strategy for **Libya**: prepares the ground for private sector development in a post-conflict situation by supporting the development of a SME strategy. Publication of the report SMEs in Libya's Reconstruction: Preparing for a Post-Conflict Economy.
 - SME Policy effectiveness in **Jordan**: supports the implementation of the SME Strategy for 2016-2020 by improving policy coordination, the collection of SME data and monitoring and evaluation of SME policies.

www.oecd.org/mena/competitiveness/smpolicyentrepreneurshipandhumancapitaldevelopment.htm



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Corporate governance



Good corporate governance is an essential building block for countries to boost competitiveness, attract capital, develop the private sector and promote investment.

OBJECTIVES OF THE PROGRAMME

- Promote equal opportunities for private business and state-owned enterprises (SOEs).
- Fight against corruption and cronyism, creating an environment of trust, transparency and accountability.
- Expand relevant OECD tools to MENA countries to support policy evaluation and orientations.
- Promote capital market development for private sector growth.

ACHIEVEMENTS AND IMPACT

- Development of corporate governance guidelines, codes and regulations across the region based on the *G20/OECD Principles of Corporate Governance* and the *OECD Guidelines on Corporate Governance of State-Owned Enterprises*.
- Strengthened capacity of local institutions and regional organisations to drive change on the ground.

ACTIVITIES

- **Regional dialogue: The Working Group on Corporate Governance** (chaired by the United Arab Emirates)
 - Supports policy reforms, identifies priorities and builds institutional capacity to promote private enterprises as engines of inclusive and sustainable development.
 - Develops commonly agreed priorities and guidance for reform to underpin peer review and country-specific recommendations.

www.oecd.org/mena/competitiveness/mena-corporate-governance.htm

KEY FACTS

- Corporate governance initiatives have enjoyed significant support from MENA governments in recent years. Today, almost every country in the MENA region has a corporate governance code.
- Firm ownership is highly concentrated in the region. Particularly, state-owned enterprises (SOEs) play a key role in the economy so that, if left unreformed, they will remain a burden on public finances and a source of endemic corruption.



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Reinforcing business integrity



Integrity is central to the development of competitive and open economies in which growth and opportunities are sustainably and equitably distributed.

OBJECTIVES OF THE PROGRAMME

- Support the convergence of MENA regulatory frameworks and MENA businesses with internationally-recognised integrity norms, standards and best practices.
- Build a culture of responsibility and accountability among SOEs in the region to prevent corruption.
- Provide an effective platform for peer-learning and sharing of tools and best practices, both of government actions to combat bribery and on voluntary corporate compliance.
- Support 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.

ACHIEVEMENTS AND IMPACT

- Launch of a multi-stakeholder regional dialogue on business integrity in co-operation with other international organisations.
- Establishment of a network of business representatives and business associations to enhance integrity for business development in the MENA region.
- Training seminars and roundtables on strengthening integrity in the private sector (Morocco, Egypt).

KEY FACTS

- Several countries of the region have recently adopted broad anti-corruption strategies and laws to fight corruption.
- Corruption ranks among the top 3 most significant constraints faced by companies in the region.
- Three of the 10 lowest-ranked countries in Transparency International's 2015 Corruption Perceptions Index were from the MENA region.



ACTIVITIES

- **Regional dialogue: MENA-OECD Business Advisory Board**
 - Brings together representatives from the private sector to exchange experiences, best practices and solutions to combat bribery and corruption, foster integrity and level the playing field for businesses.
- **Regional training: Strengthening Integrity in the Public and Private Sector**
 - The OECD Competitiveness Programme and the IMF Middle East Centre for Economics and Finance (CEF) in Kuwait City organises capacity-building workshops to share and discuss instruments, methodologies and good practices in support of business integrity.
- **Country-specific project: Enhancing business integrity in Morocco**
 - Assists the government, business partners and civil society in Morocco to enable change by promoting business integrity in selected sectors, building policy and institutional frameworks for promoting integrity, introducing anti-corruption measures in procurement, and facilitating business-led collective action against corruption.

[www.oecd.org/mena/competitiveness/
businessintegrityinthemiddleeastandnorthafrica.htm](http://www.oecd.org/mena/competitiveness/businessintegrityinthemiddleeastandnorthafrica.htm)



Fostering women's economic empowerment



Empowering women increases productivity and reduces poverty, helping to create more resilient and inclusive societies.

OBJECTIVES OF THE PROGRAMME

- Support the establishment of non-discriminatory legal and institutional frameworks to increase women's economic empowerment.
- Raise awareness amongst key stakeholders of the gender dimension of policy reforms.
- Align MENA's policies with international standards and best practices regarding women's rights.

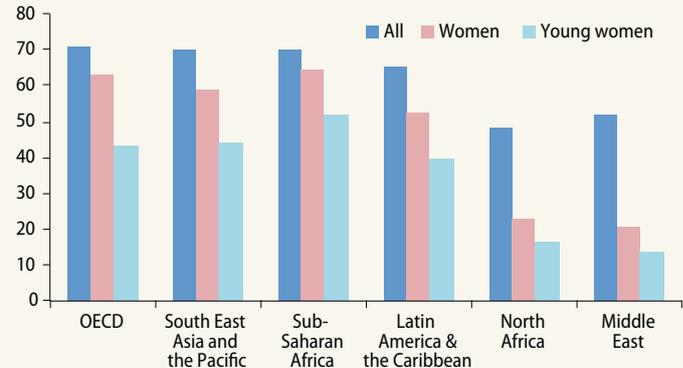
ACHIEVEMENTS AND IMPACT

- Adoption by MENA governments of both the 2009 *Action Plan on Fostering Women's Entrepreneurship and Employment in the MENA Region* and *The 2007 Ministerial Declaration on Fostering Women's Entrepreneurship in the MENA Region*.
- Creation and development of the OECD-MENA Women's Business Forum.
- Inventory of policies, institutions and programmes supporting women's enterprise in the MENA countries (*Women in Business*, OECD 2012).

- Evidence-based research and policy recommendations to increase women entrepreneurs' access to business development services and finance (*Women in Business 2014*, OECD 2014).
- Mainstreaming of gender across all policy areas addressed by the Programme, in particular into the Working Group on SMEs and Entrepreneurship Development.

Women's labour force participation rates are low in the MENA region

Labour force participation, % of active population, 2015 or latest available year



Source: ILO, ILOSTAT and Key Indicators of the Labour Market.



KEY FACTS

- In half of the MENA countries, women outnumber men in tertiary education, and more women graduate in science, technology, engineering and mathematics than in many OECD countries.
- Only 1.2% of MENA firms are led by a top female manager compared to 18.6% average worldwide.
- Women's unemployment is the highest worldwide, at 18% compared to an average of 8% in OECD countries.

ACTIVITIES

- **Regional Dialogue: MENA-OECD Women's Business Forum (WBF) & Women's Economic Empowerment Forum (WEEF).**

- The WBF is a network of over 700 representatives from MENA and OECD government, the private sector and civil society committed to improving policies for women's entrepreneurship.
- Building on the WBF, the WEEF will widen the scope of work underway on women's economic empowerment to encompass new policy areas and include a broadened audience from government agencies.
- The WEEF will also enhance collaboration with international organisations actively supporting gender equality, including notably:
 - The Union for the Mediterranean
 - UN Women
 - The League of Arab States
 - Center of Arab Woman for Training and Research

www.oecd.org/mena/competitiveness/womenempowerment.htm



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New initiatives: Building economic resilience in fragile situations



Conflict and socio-political frictions can lead to enormous human, social and economic costs and create negative regional and international effects that disturb stability and economic activity. The MENA-OECD Competitiveness Programme supports affected countries and the international community in addressing pressing challenges and preparing the ground for economic recovery.

PROJECTS AND ACTIVITIES

The OECD has significant experience in MENA countries affected by conflict. The Organisation has been working in Iraq since 2007 on economic policy issues including investment policies and promotion, infrastructure development and public procurement. A MENA Transition Fund project, co-ordinated by the Competitiveness Programme, is now underway to support SME and entrepreneurship policies in **Libya**.

The OECD has also mobilised its convening capacity to open regional dialogue on economic resilience and the role of the private sector. In May 2016, a regional conference on “Investment and inclusive growth in the midst of crisis” in Beirut identified lessons learned and future steps to build stronger and more resilient economies.

ECONOMIC RESILIENCE TASK FORCE

The Programme is creating a Task Force to address the needs of countries affected by conflict, supporting them to rebuild their economies.

The Task Force will address issues including:

- The integration of refugees through entrepreneurship and SME policies and an assessment of labour regulations.
- Legal investment frameworks and investment promotion tools adapted to fragile contexts to mitigate risks and attract the private sector.
- Special economic zones.
- Public-private partnerships to deliver services in areas with strong migrant influx.



Mobilising the private sector and promoting social dialogue



The political economy of undertaking the needed structural reforms in the region will be extremely complex. Reforms inevitably create winners and losers and clash with vested interests, generating opposition. Governments need to build social consensus, integrating the private sector and other actors through strong public-private dialogue mechanisms. The MENA-OECD Competitiveness Programme will strengthen its relations with labour and private sector organisations to facilitate their contribution to the policy dialogue about competitiveness reforms.

LAUNCHING THE MENA-OECD BUSINESS ADVISORY BOARD (BAB)

The BAB will institutionalise public-private dialogue within the Competitiveness Programme. It will collaborate with the OECD's Business and Industry Advisory Committee (BIAC) to strengthen private sector representation in the Programme's working groups.

Key activities will include:

- Mapping business associations across MENA countries.
- Analysing the current status of representation and dialogue mechanisms comparing models in the region.
- Integrating private sector concerns in each working group.
- Providing capacity-building to improve the policy advocacy role of private sector organisations.

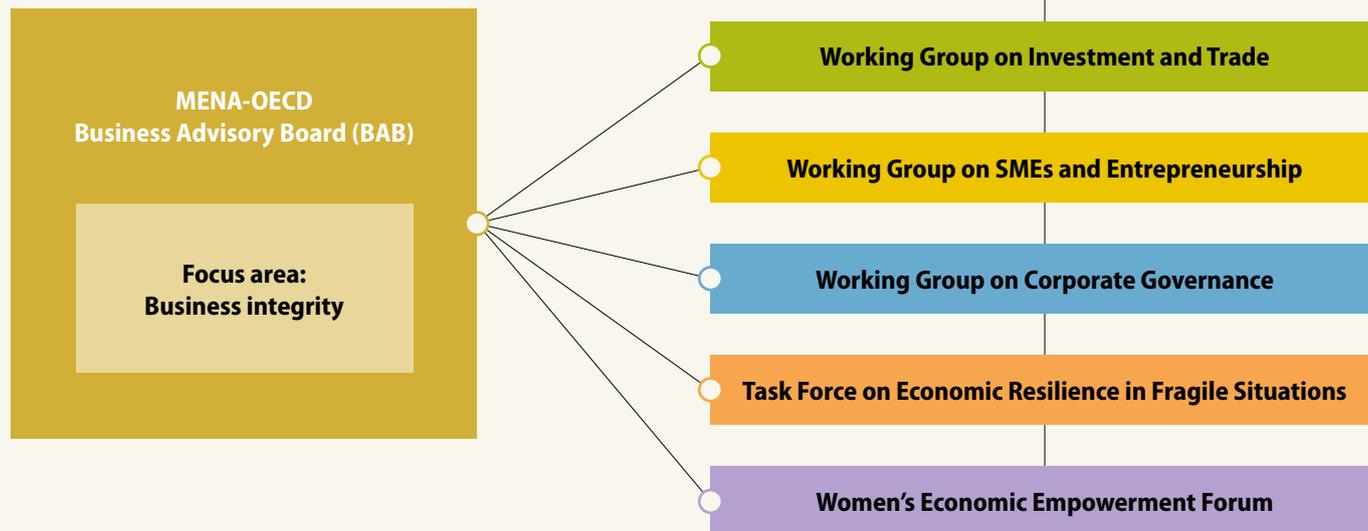
COLLABORATING WITH UNIONS AND FOSTERING SOCIAL DIALOGUE

The Programme will promote a more systematic and structured dialogue with trade unions through the Arab Trade Unions Confederation and the Trade Union Advisory Committee to the OECD (TUAC). They will be involved in all relevant activities of the Programme and regularly consulted in the elaboration of the Programme's analytical work.



Governance Structure

The Programme is built upon the principles of partnership, shared ownership and a common commitment between MENA and OECD economies. Activities are undertaken in collaboration with regional networks of international and regional partners.



The Programme's international and regional partners

INTERNATIONAL PARTNERS

- European Commission
- International Monetary Fund
- International Labour Organisation
- United Nations, including UNDP, UNESCWA and UN Women
- World Bank Group
- Bilateral co-operation (e.g. USAID)

REGIONAL PARTNERS

- Arab Anti-Corruption and Integrity Network
- African Bank of Development
- Arab Business Council
- Agadir Technical Unit
- Arab Monetary Fund
- Arab Trade Union Confederation
- Arab Women's Association
- Islamic Development Bank
- Gulf Cooperation Council
- League of Arab States
- Organisation of the Islamic Conference
- Union for the Mediterranean
- Union of Arab Banks

Selected Publications

Women's Economic Empowerment: The Impact of the Legal Frameworks of Algeria, Egypt, Jordan, Libya, Morocco and Tunisia (Forthcoming)

SMEs in Libya's Reconstruction: Preparing for a Post-Conflict Economy (English and French, 2016)

Promoting Investment in a Fragile Context: The OECD Iraq Project (English and Arabic, 2016)

Business Climate Review of Egypt: Investment Policies and Public-Private Partnerships (English and French, 2014)

Corporate Governance Enforcement in the Middle East and North Africa: Evidence and Priorities (English, 2014)

SME Policy Index 2014: The Mediterranean Middle East and North Africa: Implementation of the Small Business Act for Europe (English and French, 2014)

Women in Business: Accelerating Women's Entrepreneurship in the Middle East and North Africa (English, French and Arabic, 2014)

State-Owned Enterprises in the Middle East and North Africa: Engines of Development and Competitiveness? (English and Arabic, 2013)

Renewable Energies in the Middle East and North Africa (English and French, 2013)

www.oecd-ilibrary.org



Selected OECD instruments, tools and statistics

Legal Instruments

- Declaration on International Investment and Multinational Enterprises
- G20/OECD Principles of Corporate Governance
- Guidelines on Corporate Governance of State-Owned Enterprises
- Convention on Combating Bribery of Foreign Public Officials in International Business Transactions

Analytical Tools

- Policy Framework for Investment
- FDI Regulatory Restrictiveness Index
- SME Policy Index

Statistics

- Service Trade Restrictiveness Index
- Benchmark Definition of Foreign Direct Investment
- Entrepreneurship Indicators Programme
- Scoreboard on Financing SMEs and Entrepreneurs

Donors 2010-2016

MENA-OECD Competitiveness Programme donors



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Country Project donors



Middle East
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