

REPORT

2nd Meeting of the Advisory Group

20 March 2018 • OECD, Paris

The second meeting of the Advisory Group of the EU-OECD Programme on Promoting Investment in the Mediterranean allowed its members to discuss past activities, lessons learnt, the future programme of work and challenges.



**PROGRAMME
ON PROMOTING INVESTMENT**
in the Mediterranean

The second Advisory Group meeting of the EU-OECD Programme on Promoting Investment in the Mediterranean took place on 20 March 2018 at the OECD headquarters in Paris, back-to-back with the Steering Group meeting of the MENA-OECD Initiative for Governance and Competitiveness for Development on 19 March 2018.

Objectives

- Take stock of the activities conducted during the first year of implementation of the Programme, with a focus on achievements and lessons learnt, and
- Discuss the programme of work for the second year (April 2017-March 2018) which was designed based on priorities identified and expressed by countries. A calendar of activities with their description was presented to the participants (see annex 2).

Participation and opening

The meeting was opened by EU and OECD representatives (Ana-Maria Peña Segura, Trade and Investment, Regional Programmes Neighbourhood South, DG Neighbourhood and Enlargement (NEAR), European Commission, Mathilde Mesnard, Deputy Director, Directorate for Financial and Enterprise Affairs and Carlos Conde, Head of the Middle East and Africa Division, Global Relations Secretariat). The meeting was well attended. All beneficiary countries (except Jordan and Israel) were represented through ministries and investment promotion agencies. Representatives from EU/OECD countries, including France, Greece, Portugal and Turkey participated along with some other members of the Advisory Board: ANIMA and EBRD (see list of participants attached).

In its introductory remarks, Ana-Maria Peña Segura welcomed the successful implementation in the first year of the Programme, with strong involvement of all beneficiary countries, in particular their investment promotion agencies, and the improved networking with EU IPAs. She recalled that the Programme is well-aligned with other key EU investment-related projects, and in particular the External Investment Plan launched last year to boost investments in the region. The OECD highlighted that the Programme is strongly embedded in the long-standing relationship between the OECD and governments of the MENA region and that the Programme is also fully in line with the global agenda of the OECD in the areas of trade and investment.

Reporting on past activities and lessons learnt

In the first session, the OECD gave an overview of the investment trends and reforms in the MED region (See presentation in [Annex 1](#)) allowing for a **monitoring** of FDI flows, legal and institutional reforms, incentives and restrictions to investment, with a view to assess progresses and impact.

Representatives of countries that hosted the regional seminars presented the outcomes of the **activities** and the lessons learnt. It was recalled that during the first year of implementation, the topics addressed were timely and responded to the policy priorities expressed by the beneficiary countries:

- Legal investment frameworks as countries are reforming their investment laws and progressing towards more openness;

- Investment and territorial development to ensure that inclusive growth is at the center of reforms;
- Responsible investment responding to a request of more responsibility and accountability of the private sector; and
- Investment institutional reforms at a time when several countries are revamping their investment promotion agencies.

Participants acknowledged the relevance of the **working methodology**, in particular peer-learning and case study. Business France and Enterprise Greece stressed that the Programme efficiently brought together different agencies, underlined the importance of exchanges of experiences between MED and EU IPAs and expressed their appreciation of the very honest and dynamic dialogue which took place in the different seminars between the agencies.

Future activities

In the second session, the programme of work for the second year was presented and discussed. It was proposed to address the following key issues to accompany reforms priorities on investment:

- Business linkages between foreign investors and local companies to boost the development of the local economy;
- Investment disputes to ensure that MENA countries can effectively manage and prevent disputes;
- Investment promotion to pursue and deepen the policy dialogue between MED and EU IPAs on good practices; and
- Monitoring of FDI trends and quality to be able to measure and incentivise the impact of investment on jobs and inclusive growth.

Participants expressed their appreciation on the future planned activities (see [Annex 2](#) for more details) and the programme of work was endorsed.

In subsequent discussions, participants highlighted the need for more dialogue with the private sector, increased monitoring of reforms and statistical trends to better assess progress, and stronger communication on reforms and improvements to strengthen investment confidence.



2nd Meeting of the Advisory Group

Agenda

Tuesday 20 March 2018

OECD Conference Center
Room D – Château de la Muette

10:00-
10:30 Registration and welcome coffee

10:30-
10:45 **Opening remarks**

- **Ana-Maria Peña Segura**, Trade and Investment, Regional Programmes Neighbourhood South, DG Neighbourhood and Enlargement (NEAR), European Commission
- **Mathilde Mesnard**, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD
- **Carlos Conde**, Head of the Middle East and Africa Division, Global Relations Secretariat, OECD

10:45-
11:00 Tour de table

11:00-
12:00 **Report on activities conducted during the first year**

This session will allow presenting the activities conducted during the first year of implementation of the Programme, with a focus on achievements, lessons learnt and impact.

Moderator : Marie-Estelle Rey, Senior Advisor, Middle East and Africa Division, Global Relations Secretariat, OECD

Introduction: Overview and monitoring of investment trends and reforms
Diane Pallez, Policy Analyst, Middle East and North Africa Division, OECD

Review of regional activities

- Improving investment frameworks: A focus on regulatory reforms (Tunis, 16-17 May 2017)
 - **Nejia Gharbi**, General Director of the Investors Central Unit, Office of the Head of the Government
- Making investment promotion work for sustainable development (Paris, 16-17 October 2017)

- **Andrea Kazan**, Economic Officer, Investment Development Authority of Lebanon (IDAL), Presidency of the Council of Ministers
- Sustainable investment and responsible business conduct (Cairo, 6-7 November 2017)
 - **H.E. Said Hindam**, Assistant Minister for Regional and International Multilateral Economic Affairs of Egypt
- Institutional reforms of investment promotion agencies (Rabat, 30 January – 1 February 2018)
 - **Jihane Lmimouni**, Head of International Relations, Moroccan Agency for Investment and Export Development (AMDIE)

Discussion with peers on working approach

- EU IPAs: Business France and Enterprise Greece

12:00-
13:00

Presentation of the programme of work and discussion with beneficiary countries

The OECD will present the annual programme of work based on the outcomes of the seminars and countries' needs. Participants will be invited to discuss and comment the activities for the upcoming year.

- **Ms. Marie-Estelle Rey**, Senior Advisor, Middle East and Africa Division, Global Relations Secretariat, OECD
- **Ms. Hélène François**, Legal Analyst, Investment Division, Directorate for Financial and Enterprise Affairs, OECD

Discussion with MED country representatives and Programme's partners

13:00-
13:15

Closing remarks

- **OECD/EU**

LIST OF PARTICIPANTS

MENA countries / pays MENA

Algeria/Algérie

Mr. Salim BRANKI

*Directeur d'études chargé de la promotion des investissements
Agence Nationale de Développement de l'Investissement (ANDI)*

Mr. Mohamed MEFLAH

*Conseiller des affaires économiques
Ambassade d'Algérie en France*

Egypt/Égypte

Mr. Said HINDAM

*Assistant Foreign Minister for Regional & International Multilateral
Economic Affairs
Ministry of Foreign Affairs*

H.E. Ehab BADAWY

*Ambassadeur
Ambassade d'Égypte à Paris*

Ms. Marwa LASHEEN

*Head of Egyptian Economy Unit
Ministry of Foreign Affairs*

Ms. Sherifa FOUAD SHERIF

*Governance Unit Director
Ministry of Planning, Monitoring and Administrative Reform*

M. Ahmed MUBARAK

*Deuxième secrétaire
Ambassade d'Égypte à Paris*

Lebanon/Liban

Ms. Alia ABBAS

*Director General of Economy and Trade
General Directorate of Economy and Trade
Ministry of Economy and Trade*

Ms. Andrea KAZAN

*Economic Officer
Investment Development Authority of Lebanon (IDAL)*

Libya/Libye

M. Essam ZAHAF

*Director of International Cooperation Department
Libyan Privatization And Investment Board*

Morocco/Maroc

M. Chakib BENMOUSSA

*Ambassadeur
Ambassade du Royaume du Maroc*

*Ms. Asmae IBNATTYA
ANDALOUSSI*

*Direction de la coopération internationale
Ministère des affaires générales et de la gouvernance*

Ms. Jihane LMIMOUNI *Chef de service des organisations internationales*
Agence marocaine de développement des investissements et exportations
(AMDIE)

Palestinian Authority/Autorité palestinienne

Ms. Bashaer RISHEQ *Director General of policies and international relations*
Ministry of National Economy

Ms. Jomana AL-YAHYA *Counsellor*
Mission of the Palestinian Authority, Paris

Ms. Hanan TAHA *Editor in Chief*
PalTrade

Tunisia/Tunisie

Ms. Kalthoum HAMZAOUI *Directrice générale*
Direction générale de la coopération multilatérale
Ministère du développement et de la coopération Internationale

Ms. Nejia GHARBI *Chargée de Mission au Cabinet du Chef du Gouvernement et Directeur*
général de l'Unité centrale d'Encadrement des Investisseurs
Cabinet du Chef du Gouvernement

M. Zouhair EL KADHI *Directeur général*
Institut Tunisien de la Compétitivité et des Etudes Quantitatives (ITCEQ)

OECD Members /Membres de l'OCDE

France

M. Philippe YVERGNIAUX *Directeur, Coopération Internationale*
International Cooperation, Business France

Ms. Véronique LEDRU *Mission Coopération Internationale*
International Cooperation Department, Business France

Ms. Anne-Marie CORDELLE *Responsable des Relations Extérieures avec les Etats francophones et la*
zone méditerranéenne/Policy Director
Direction des Affaires européennes et internationales/External Relations
Déléguée générale de l'Association du notariat francophone
Conseil Supérieur du Notariat

Greece/Grèce

M. Nikolaos KALATZIS *Counsellor & OECD EDRC Bureau Member Ext*
Greek delegation to the OECD

Mr. Christos SKOURAS *Communication, International & Institutional Affairs Directorate*
Enterprise Greece

Portugal

Ms. Elma PEREIRA *Permanent Delegation of Portugal to the OECD*

Turkey/Turquie

Mr. Mesut AYDIN *Counsellor*
Permanent Delegation of Turkey to the OECD

International Organisations/Organisations internationales

EU/UE

Ms. Ana-Maria PENA-SEGURA *Trade and Investment, Regional Programmes Neighbourhood South, DG Neighbourhood and Enlargement (NEAR)*

Mr. Vassilis KOUTSIOURIS *Deputy Permanent Representative
Delegation to the OECD and UNESCO in Paris*

ANIMA Investment Network

Mr. Oussama DAHMANI *Director, Technical Cooperation*

EBRD/BERD

Mr. Micu MIRCEA *Advisor to Managing Director for SEMED region*

Private sector/Secteur privé

M. El Sayed TORKY *Senior Counsellor
Federation of Egyptian Industries*

Ms. Amal DARAGHMEH MASRI *Middle East Business and News Magazine*

OECD/OCDE

Ms. Mathilde MESNARD *Deputy Director, DAF*

Mr. Carlos CONDE *Head of Division, SGE/GRS/MEA*

Ms. Marie-Estelle REY *Senior Policy Analyst, SGE/GRS/MEA*

Ms. Hélène FRANCOIS *Legal Analyst – Investment Policy Reviews, DAF/INV*

Ms. Diane PALLEZ - GUILLEVIC *Policy Analyst, SGE/GRS/MEA*

Mr. Fares AL HUSSAMI *Policy Analyst, DAF/INV*

Ms. Kathryn DOVEY *Policy Analyst, DAF/INV*

Ms. Barbara BIJELIC *Policy Analyst, DAF/INV*

Ms. Nadia KAMELEDDINE *Project Assistant, SGE/GRS/MEA*

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Annex 1: Presentation given at the Advisory Group Meeting

Click on the slide to access the powerpoint



2nd Meeting of the Advisory Group

20 March 2018 • Paris

Overview and monitoring of investment trends and reforms in the MED region



Annex 2: Programme of work

PROGRAMME OF WORK

Year 2: April 2018 - March 2019

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**EU-OECD PROGRAMME ON
PROMOTING INVESTMENT**
in the Mediterranean

Calendar of planned activities: March 2018-March 2019

To be endorsed at the second Advisory Group meeting on 20 March 2018

	Mar	Apr	Jun	Sep	Oct	Nov	Jan	Mar
PILLAR 1: Policy and legal framework for inclusive investment			Regional seminar on investment dispute management and prevention , Cairo, 26-27 June					
PILLAR 2: Investment promotion, institutional coordination and public-private dialogue	Second Advisory Group meeting	Regional seminar on business linkages in global value chains , Beirut, 17-18 April National workshop on business linkages and local development , Beirut, 19 April			Regional seminar on investment promotion and facilitation , Paris			Third Advisory Group meeting
PILLAR 3: Monitoring of reforms and FDI statistics	Scoping mission to Algeria	Deadline for the MED IPA survey	FDI Restrictiveness Index updated for all beneficiary countries	National workshop on FDI statistics for Jordan			Regional seminar on monitoring FDI trends and quality , Tunis National workshop on indicators for FDI quality , Tunis	
Activities under other OECD projects and programmes		<i>Review mission for the Investment Policy Review of Egypt</i> <i>National workshop on FDI statistics for Egypt</i>	<i>National workshop on investment disputes management and prevention, Cairo</i>	<i>MENA-OECD Working Group on Investment and Trade</i>	<i>OECD Investment Committee: IPA workshop</i>	<i>Conference on quality infrastructure in MENA (TBC)</i> <i>Euro-Mediterranean Conference on Arbitration (TBC)</i>		

Proposed thematic areas for year 2

Business linkages in global value chains (Beirut, 17-19 April 2018)

Objective: share countries' experiences and practices in promoting linkages between multinational enterprises (MNEs) and domestic firms (small and medium enterprises – SMEs) to strengthen participation in Global Value Chains (GVCs) and discuss policies and practices to attract investment that generates linkages with the local economy. Business linkages programmes in place are not always able to reduce information asymmetries between foreign investors and potential local suppliers. Therefore, peer-learning will allow to share IPAs experiences in developing and implementing business linkages programmes, and hear the perspectives of private sector representatives.

Background note: the role of investment in fostering the local economy, building on new metrics on business linkages, investment entry modes and motives to establish linkages with SMEs. MENA countries will be benchmarked against countries from other regions, such as Southeast Asia and Latin America. Preliminary insights from the MED IPA survey on linkages programmes will be included.

Investment dispute management and prevention (Cairo, 26-28 June 2018)

Objective: Build capacities of policy makers to deal with disputes between foreign investors and the State, through stock-taking of investor-State dispute settlement (ISDS) trends in the region, review of provisions of national laws and international investment agreements, practical session on the main stages of the dispute settlement process. Then, building upon countries' experience in establishing mechanisms for the prevention of investment disputes, such as investment ombudsman offices, discussion will focus on the mechanisms for preventing investment dispute from escalating into judicial or arbitration cases.

Background note: Investor-State dispute settlement in the MED region, with a focus on trends, legal provisions, management and prevention, based on countries' experiences and practices.

Investment promotion and facilitation: good practices and results from the MED IPA survey (Paris, 23-24 October)

Objective: Pursue and deepen the policy dialogue between MED and EU IPAs on international good practices in investment promotion and facilitation. The OECD will present the results of the MED IPA survey, providing a benchmarking with OECD and Latin American IPAs. Peer-learning sessions will focus on one or

several topics of importance for MED IPAs such as on IPAs functions, FDI prioritisation strategies or mechanisms to strengthen coordination between national and sub-national IPAs to foster territorial development. MED participants will also attend the plenary sessions of the OECD IPAs Meeting organised during the OECD Investment Committee. A MED-EU IPAs networking event will be also organised to facilitate informal exchanges and interactions between the IPAs.

Monitoring FDI trends and quality

Objective: strengthen MED countries' understanding of international investment statistics and build their capacity to monitor foreign investment socio-economic impact, in particular familiarise the participants with international investment statistical definitions (e.g. OECD BMD4) and raise awareness about how to interpret FDI statistics adequately, share challenges, experiences and tools to monitor international investment contribution to the host economy, present a new set of OECD indicators that aim at measuring FDI quality (e.g. FDI contribution to higher productivity, job creation, environmental sustainability, etc.), building on the results from the MED IPA survey, which include a section on IPAs monitoring and evaluation mechanisms.

National FDI statistics reviews

The statistics review assesses the compatibility of the country's FDI statistics with international recommendations, the data sources and estimation methods used, the feasibility of compiling additional series, such as investment by industry, and the usefulness of compiling additional series, such as by ultimate investing country. The review is based on a comprehensive survey filled in by the country and contains recommendations to be implemented. It is followed by a capacity building workshop on FDI statistics to foster peer-learning, identify the main gaps in compiling FDI statistics and discuss eventual steps to improve data quality.

Statistics reviews are being conducted for Jordan and Tunisia under this Programme and for Egypt and Morocco under other projects implemented by the OECD.

Estimated expenditures for year 2

In Euros

Events and missions	300.000
Intellectual service providers	90.000
Human resources	360.000
TOTAL	750.000 (25% of total budget)

Possible thematic areas for year 3

In the framework of the three pillars of the Programme and according to expressed needs, the Programme could envisage in its third year of implementation to focus on **four of the following areas**:

- Legal safety for investment: stocktaking of legal reforms, guarantees for risk mitigations, security of tenure for land and property, etc.
- FDI restrictions with a focus on services and impact on productivity
- Investment incentives (database and studies towards smarter use of incentives)
- Role of trade and investment agreements to foster inward and outward investment and exports
- Responsible investment and business conduct
- Investment promotion and territorial attractiveness
- Investment promotion and facilitation: public-private dialogue and policy advocacy
- Monitoring tools for investment reforms