

Preface

As governments in the Middle East and North Africa (MENA) region – and across the globe – seek to address the profound health, economic and social effects of the COVID-19 pandemic, many have prioritised attracting and retaining investment as key to supporting the recovery. Indeed, improving the investment climate has long been a priority for the region’s governments, recognising the developmental benefits that foreign direct investment (FDI) can bring – from job creation, to productivity, to green growth. To this end, many MENA governments have advanced meaningful reforms in the past decade, including easing entry of foreign business and streamlining regulations for investors. Despite these developments, MENA governments overall have been less successful than other emerging and developing economies at leveraging investment to advance sustainable development.

Attracting investment in the MENA region – and harnessing its benefits – is needed now more than ever with the COVID-19 pandemic exacerbating existing challenges and adding new ones. FDI flows have dropped significantly across the globe, and the decline in the MENA region has been particularly acute. Youth and overall unemployment – a key contributing factor to popular discontent – is higher today in many MENA countries than it was in 2010, while conflict and insecurity continue to have damaging effects on the wider region. In this context, any additional shocks can be devastating. While MENA governments have begun ambitious efforts to improve the investment climate and respond to the pandemic, further reforms are needed to make investment work for inclusion and sustainable development. This includes addressing longstanding structural challenges through bold reforms of the private sector, improving implementation of existing policies, and adopting new investment strategies to exploit opportunities arising from a possible reorganisation of global value chains.

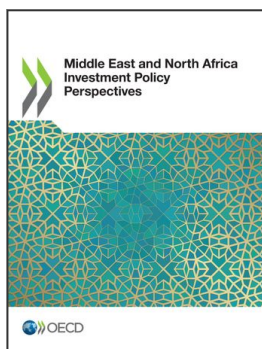
Based on original data and comparative analysis, *Middle East and North Africa Investment Policy Perspectives* (MENA IPP) provides policymakers with a comprehensive picture of the investment climate in Algeria, Egypt, Jordan, Lebanon, Libya, Morocco, the Palestinian Authority and Tunisia. The report encourages MENA governments to consider further reforms with four overarching objectives in mind: (1) improve the clarity, consistency and transparency of investment rules and procedures; (2) advance reforms to boost competition and private sector development; (3) target investment policy and promotion to better serve sustainable development goals; and (4) strengthen good governance and co-ordination to deliver better investment policy.

MENA IPP also builds on the long-standing relationship of these economies and the OECD, notably through the adherence of four countries – Egypt, Jordan, Morocco, and Tunisia – to the OECD Investment Declaration; the support, expertise and exchanges developed under the *EU-OECD Programme on Promoting Investment in the Mediterranean*; as well as the wider and long-term partnership in the framework of the *MENA-OECD Competitiveness Programme*. Through these partnerships, MENA governments have demonstrated commitment to addressing investment climate challenges and sharing experiences on creative policy solutions.

As governments across the globe seek to recover from the unprecedented shocks of 2020, it is now imperative that we continue to build partnerships and expertise in order to support each other and to leverage investment for a resilient and inclusive recovery in the months and years ahead.

Angel Gurría
Secretary-General, OECD





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