

## MENA-OECD "ISMED" Working Group

### *Participation in the Task Forces*

Dear colleagues,

We would like to thank you for your participation in the inaugural conference of the MENA-OECD Investment Security in the Mediterranean (ISMED) Working Group held in Paris on December 9.

The lively debate on risk mitigation for private infrastructure investment in the MENA region was made possible by your involvement and by the wide variety of perspectives that you and other participants brought to the table.

As you know, the MENA-OECD ISMED Working Group has set itself an ambitious timetable to deliver high-impact policy recommendations by the end of 2014. This is to be achieved via several task forces:

#### **1. Risk Mitigation and Project Finance Task Force**

This group will focus on a variety of relevant issues such as risk mitigation instrument cost-sharing and risk-sharing, and the adaptation of existing risk mitigation instruments to the MENA region and/or to projects based on Islamic finance. The precise topics to be covered will be determined by the taskforce itself in consultation with the OECD Secretariat.

#### **2. Mediterranean Arbitration Task Force**

This group will design activities and policy recommendations to reinvigorate and harmonise existing arbitration institutions and networks in the MENA region. The exact parameters of the work will be determined by the taskforce itself in consultation with the OECD Secretariat.

#### **3. PPP, Legal Aspects and Risk sharing**

This group will focus on legal aspects of PPPs and the appropriate proportioning of risk between the private and public sectors. The precise topics to be covered will be determined by the taskforce itself in consultation with the OECD Secretariat.

#### **4. Islamic Finance**

This group will focus on steps that can be taken to make infrastructure investment in the MENA region more attractive to and suitable for Islamic investors. The precise topics to be covered will be determined by the taskforce itself in consultation with the OECD Secretariat.

These taskforces are expected to meet regularly (at least every two months) during 2014 to define their work plan, research key aspects of their topics, and develop policy recommendations that will be presented to a major conference in December.



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**MENA-OECD INVESTMENT SECURITY IN THE MEDITERRANEAN (ISMED)  
WORKING GROUP INAUGURAL CONFERENCE**

**Fostering Infrastructure Investment in the MENA Region  
*Mitigating Risk in Uncertain Times***

**Concluding Statement**

9 December 2013

The Inaugural Conference of the MENA-OECD Working Group on Investment Security in the Mediterranean (MENA-OECD ISMED Working Group), held on 9 December 2013, mobilised senior officials from France, Iraq, Morocco, as well as representatives from 10 OECD and 10 MENA countries, experts from the European Commission, the Multilateral Investment Guarantee Agency (MIGA), the United Nations Commission on International Trade Law (UNCITRAL), the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the Union for the Mediterranean, and the Institut de prospective économique du monde méditerranéen (IPEMED). Participants welcomed the establishment of a formal Working Group. France and Iraq were elected by acclamation as co-chairs of this Working Group.

Participants acknowledged the importance of infrastructure for economic growth and development, and recognised the growing demand for infrastructure in the MENA region due to population growth, rapid urbanisation and increasing expectations for improved public services and employment opportunities.

The mounting infrastructure needs of the MENA region cannot be met solely by public resources given the fiscal circumstances of many governments in the region. However, leveraging private capital and knowledge in delivering public infrastructure has become increasingly challenging. Equally important is the need to support government capacities in developing bankable projects.

Against this backdrop, participants agreed that efforts to increase private sector investment are particularly timely and endorsed the establishment of the MENA-OECD ISMED Working Group as a formal Working Group of the MENA-OECD Investment Programme.

The MENA-OECD ISMED Working Group will focus on innovative approaches to enhancing the efficiency of legal investment protection measures and risk mitigation instruments. By the end of 2014, it will develop research-based recommendations on issues ranging from arbitration and public-private partnerships, to Islamic financial instruments and cost- and risk-sharing instruments.

The Working Group will offer a forum where OECD members, MENA governments and representatives of international financial institutions, development agencies, the financial services sector and investors can share expertise, formulate recommendations and lend support to regional and domestic policy measures. Participants affirmed their commitment to working together on this important initiative.