

The MENA-OECD Investment Security in the Mediterranean (ISMED) Working Group

The founding objective of the ISMED Working Group is to develop innovative ideas to enhance the efficiency of legal investment protection measures and guarantee instruments available for medium-to-large scale infrastructure projects in the Mediterranean region.

Members of the Working Group will be officials from the OECD and MENA countries, representatives from international organisations including the Union for the Mediterranean (UfM), the European Investment Bank (EIB), MIGA, the European Bank for Reconstruction and Development (EBRD), as well as the European Commission, bilateral development institutions, and several private sector experts.

The terms of reference for the Working Group are as follows:

- The ISMED Working Group is a MENA-OECD Investment Programme Working Group, alongside the already existing Working Groups.
- The ISMED Working Group is a policy dialogue forum on enhancing the legal security and guarantee instruments currently available for investors, mainly in infrastructure projects, in the MENA region¹.
- Its membership will include MENA economies, OECD member countries, and international organisations. Individual experts or representatives of companies and relevant agencies can be invited by the ISMED Working Group to attend meetings and/or participate in specific taskforces in order to share their experience, and exchange views.
- The Working Group will draw on the expertise of relevant OECD Committees, including the Investment Committee, Public Governance Committee, Financial Markets Committee and Trade Committee.
- Like other MENA-OECD Working Groups, the ISMED Working Group will make good practice recommendations and relevant practical proposals for governments of beneficiary countries.
- The ISMED Working Group and any taskforces on specific topics will meet several times per year.

In terms of governance, like other MENA-OECD Working Groups, the Working Group will be co-chaired by an OECD country and a MENA country. Co-Chairs will preside meetings of the Working Group, contribute ideas on the policy themes covered by the Working Group and help to mobilize new members. The Co-Chairs will be regularly consulted on the directions and activities of the Working Group.

Key work streams for the ISMED Working Group moving forward include:

- Guarantee promotion: Discuss ways to expand the use of existing guarantees (including via a facilitator role for the guarantee market) and to assess the scope for deploying new additional risk mitigation instruments, with the objective of facilitating full or near-full risk coverage for a given project.
- Use of Islamic financial instruments for financing infrastructure projects
- Public Private Partnership (PPP)
- Arbitration: Towards a Euro-Mediterranean Arbitration Community
- Risk sharing mechanisms
- Cost sharing

¹ Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestinian Authority, Qatar, Saudi Arabia, Tunisia, United Arab Emirates and Yemen.