**EGM Recommendations**

The meeting identified a number of levers on which it should focus efforts: institutional upgrading, Governance, Business climate, States Repositioning, sustainable development model. Regional integration is also an important collective lever in the case of North Africa, given the large unachieved potential. These levers provide a basis for identifying areas of intervention and policy recommendations.

**Institutional reforms and governance**

1. Identify issues and collective objectives dictating the direction of industrial policies. Studies should be conducted to inform future directions and needs in terms of technical assistance to partner countries on the implementation

2. Institutionalize public-private dialogue at sectors and clusters level. In particular, the formation of thematic committees to implement the reforms needed to develop public-private partnerships. These policy dialogues should (i) focus on the win-win nature of this partnership, and (ii) be based around development goals.

3. Enhance transparency through information management mechanisms and involve different stakeholders in decision making.

4. Improving economic governance by establishing evaluation mechanisms such as management by objectives and the adoption of reforms to strengthen the rule of law.

**Role of the state**

5. Rethinking industrial policy, in which the state must play a central role, so that it is integrated, dynamic, inclusive, transparent and based on high information content and monitoring and evaluation mechanisms.

6. Target FDI based on the current industrial strategy and thus ensure a strong potential for know-how transmission and technological transfer.

7. Sound macroeconomic policy, consistent with an ambitious industrial policy. In this context the question of consistency with the exchange rate is crucial.

**Support for sectors with high added value (vertical approach)**

8. Introduce reforms at the sectoral level to promote high value-added sectors. These reforms should involve particularly the manufacturing sector, and promote the clustering of the economy through the creation of industrial clusters, engines essential for accelerating the structural transformation and economic growth.

9. Encourage direct and targeted interventions to initiate new activities in partnership with the private sector, improving the attractiveness of internal exposed sectors compared to the non-tradable sectors (internal devaluation).

10. Attract foreign locomotives companies to connect the global value chains.

11. Valorization of primary resources in economies where they contribute largely, and the (re) creation of large industrial groups to initiate big push that are not led by public investment but the investment of large private companies.

12. Develop detailed sectoral studies : define areas, identify basic initial conditions (supply / demand, existing capabilities), the structural characteristics of the market and coherent strategies for involved firms (especially SMEs).

**At all sectors (horizontal approach)**

13. Promote human capital to support the sophistication process and implement a long-term strategy to ensure an effective potential in terms of skilled and productive labor to supply the needs of new industrial strategies.

14. Develop economic intelligence and the establishment of States strategic monitoring and if possible at the regional level.

15. Develop supply chains and trade facilitation and join relevant international conventions, including the United Nations.

16. Strengthen financial openness and improve access to financing and funding exports mechanisms.

**Regional integration and cooperation**

17. Continue and deepen regional integration with a view to de-segmentation of national markets to ensure production processes and trade more efficient and more attractive for FDI.

18. Introduce into the national industrial policy reforms that encourage the development of regional investment activities and encourage large national companies to expand regionally.

19. Promote the creation and coordination of regional value chains especially in sectors with high added value through the creation of regional institutions for the dissemination of information and simplification of administrative procedures for this type of operation.

20. Enhance the attractiveness of the region through the harmonization of the legal framework to facilitate the freedom of establishment for investors in the region, including the development of value chains or mergers and acquisitions of private investment.

21. Reduce the partitioning between the various banking systems in the North African countries and develop an information system for inter-regional banks to manage the risks of cross-border transactions.

22. Diversify trading partners (now heavily focused on the European Union) and developing markets of the most sophisticated high potential at national, sub-regional and continental levels.