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The Deauville Partnership
with Arab Countries in Transition

Progress Report 2013

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Executive Summary

The Deauville Partnership with Arab Countries in Transition (the “transition countries”) was created at the G8 Summit in Deauville under the French Presidency in May 2011 to provide support for the historic political and economic transformations under way in the region. The Partnership set out to assist the transition countries with their own reform priorities categorised under four main pillars. Recognising that significant economic and political challenges remain, this report summarises progress and achievements that, alongside relevant bilateral activity, have been made under the Partnership since its inception.

- **Economic stabilisation** *to provide space for reforms to be undertaken.* A variety of grants, loans, investments and debt swaps from across the Partnership’s 14 donor partner countries and 10 IFIs¹ have been made available to help stabilise economies in the region.
- **Job creation** *to enable economies to benefit all citizens.* Under the US. Presidency near-term small and medium sized enterprise (SME) action plans were produced as a framework to build the capacity of the SME sector. Building on these plans, the UK Presidency launched an SME Mentoring initiative to share business expertise from across the Partnership with SMEs in transition countries. A number of partner countries have run technical and vocation training programmes. In July 2013 the European Bank of Reconstruction and Development (EBRD) secured agreement from its members to expand its area of operation to include southern Mediterranean countries. This opens the way for an additional €2.5bn of EBRD lending for projects with a transition impact.
- **Inclusion and governance** *to promote transparency, accountability, and good governance.* To support the transition countries in engaging with international transparency and anti-corruption initiatives the Partnership has prioritised membership of the Open Governance Partnership (OGP). Jordan is already a member and Morocco and Tunisia will join shortly. In 2012 the G8 agreed an action plan on Asset Recovery to promote co-operation and established a regional initiative: the high-level Arab Asset Recovery Forum. In 2013 women’s economic participation was mainstreamed into Partnership objectives and work began to examine in more depth the legislative barriers to such participation.
- **Integration** *to open up transition country economies to increased trade and investment with the G8 and each other.* Progress has been made to advance trade agreements and market access at both the national and EU level. During 2013 the Presidency, in partnership with the Islamic Development Bank (IsDB), EBRD and the Organisation for Economic Co-operation and Development (OECD) took forward actions to promote investment and regulatory reforms within the transition countries.

¹ The Arab Fund for Economic and Social Development (AFESD), the Arab Monetary Fund (AMF), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the International Finance Corporation (IFC), the International Monetary Fund (IMF), the Islamic Development Bank (IsDB), the World Bank, the OPEC Fund for International Development (OFID) and the African Development Bank (AfDB).

A MENA Transition Fund was created in 2012 under the US. Presidency to advance policy and institutional reforms through the provision of grants for technical cooperation programmes. Touching on all four pillars of activity, the Fund became operational in 2013 and has already approved over \$100m of transition country initiated projects.

On 25 September 2013, Foreign Ministers met and agreed that future work of the Partnership should be **demand-led, responsive to the prioritised needs of the Arab Countries in Transition; and should focus on areas that benefit most from combined action.** This would see a continued focus on facilitating greater investment and trade; supporting the greater economic inclusion of young people and women; good governance; asset recovery and targeted technical assistance through the MENA Transition Fund.

1. Background

The G8 Deauville Partnership was established in order to support transitions underway in the Middle East and North Africa. The Partnership provides focussed support to six of the Arab Countries in Transition (the “transition countries”) – Morocco, Tunisia, Libya, Egypt, Jordan and Yemen. Supporting countries include the G8, Gulf partners (Kuwait, Qatar, Saudi Arabia and UAE) and Turkey. The Partnership also brings together leading International Financial Institutions (IFIs) and organisations led by an IFI co-ordination platform secretariat. In 2013 this secretariat has been led by the IsDB.

The Deauville Partnership is designed to support the transition countries in the economic, political and social reforms they undertake. In particular to help deliver the long-term political and economic stability these countries seek, the Partnership is providing support for:

- **Economic Stabilisation**
- **Job Creation**
- **Inclusion and Governance**
- **Integration**

This report provides a summary of progress made under the Partnership (and relevant bilateral activity) since its inception in 2011 and summarises the principles agreed by Foreign Ministers for future Partnership activity.

Economic Overview

The transition countries remain in a challenging economic situation and face significant downside risks. Overcoming these will require greater progress in the reform efforts and an increase in external support to underpin job-creating growth.

Two years ago there was hope that the economic reforms would encourage private sector growth and lead to improvements in living standards and reductions in unemployment. However, a continuously weak external environment, growing tensions in the region, and increasing domestic political uncertainty in a number of countries have led to a further worsening in growth outlook. As a result, the countries in the region have experienced stagnant or reducing levels of domestic private investment and a slowdown in foreign direct investment. Transition countries, with the exception of Libya expect average output growth of less than 4 percent in 2013. This growth rate is too low to have a positive effect on unemployment levels (even conservative estimates suggest that unemployment across the transition countries has increased by at least 1 million people since early 2010).

Some important progress has been made with macroeconomic stabilisation. For example, Jordan, Morocco, and Tunisia have implemented reforms of their energy subsidies. But fiscal deficits and public debt continue at elevated levels. Pressures for greater spending in response to social unrest as well as delays in reforms will cause public finances to deteriorate further in many cases.

This leaves the countries in the region vulnerable to any further deterioration in economic conditions, particularly because international reserve covers have often declined to levels that do not allow governments to finance more public investment. In addition, medium term structural reforms, in support of higher and more inclusive growth have not had sufficient attention.

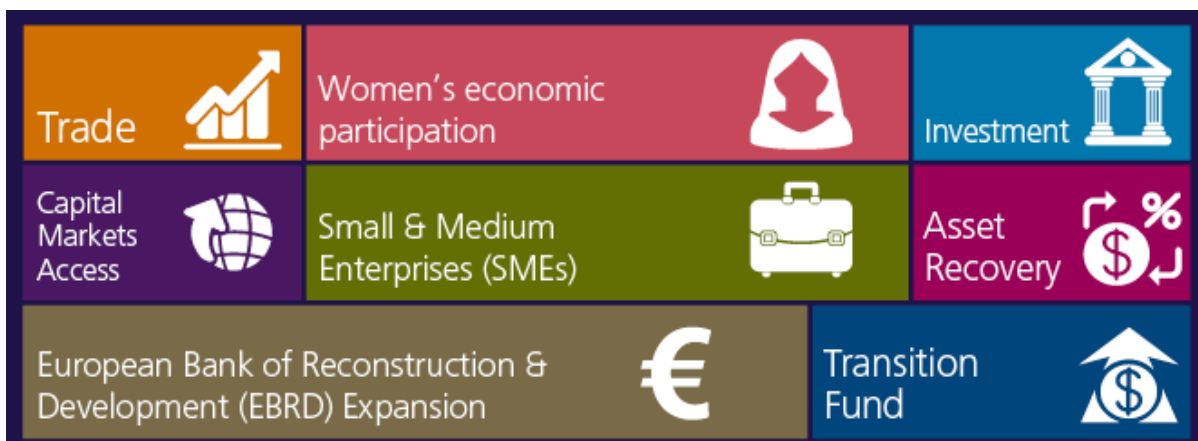
The transition countries need to maintain macroeconomic stability, requiring continuing focus on fiscal consolidation and shifting expenditures toward higher quality uses. Public spending on infrastructure and basic services should increase to provide a boost to growth and create jobs.

The economic challenges are significant and require strong policy frameworks and steadfast reform implementation. Experience in other parts of the world has shown that strong support for the transition project from the broader populations will be critical to stay the course. To achieve this, governments should facilitate an inclusive dialogue around a widely shared economic vision for their countries.

Financial support by the international community will remain an important factor. Significant contributions from the GCC countries notwithstanding, external official disbursements over the past two years have covered only a proportion of the countries' financing gaps. Going forward, financial support, for investment in infrastructure and basic services, will be critical for economic recovery. The Deauville Partnership's support will also be needed to progress agreements to promote trade; regulatory convergence; and foreign direct investment.

2. Partnership priorities for 2013

The UK committed to maintaining the momentum of the Partnership built under the US and French Presidencies. In 2013 the UK has focussed the Partnership on working towards *Open Economies, Inclusive Growth*. Responding to feedback from the transition countries, particular emphasis has been given to enhancing trade and investment; strengthening economic opportunities for youth and women; increasing the role of the private sector in promoting inclusive growth; technical assistance for country-led reform; and taking forward Partnership action in the field of asset recovery.



3. Partnership progress 2011-2013

The following section provides an overview of key activities undertaken from 2011 to 2013 and progress made against Partnership objectives and commitments, including those set out in the 2011 'Declaration of the G8 on the Arab Spring' and subsequent Partnership texts agreed during the 2012 US Presidency.

All amounts quoted throughout this report are US Dollars or Euros.

Stabilisation

In response to transition countries' request for support in promoting economic stabilisation necessary to pursue reform, members of the Partnership have taken a number of actions, both through the Partnership and bilaterally, which have included:

- The UAE has pledged to provide \$1bn as a grant and a \$2bn loan in the form of an interest-free central bank deposit to Egypt.
- The Supreme Council of the Gulf Cooperation Council (of which the UAE is a member) approved a Gulf Development Fund to provide support of \$5bn for development projects in Jordan. This will be disbursed over five years.
- Saudi Arabia support to Egypt includes: development aid and development grants totaling \$1.34bn; export credit facilities of \$1.71bn and \$3bn for deposit in Egypt's central bank and a further \$4bn of grants. In support of Jordan Saudi Arabia has provided: \$1.70bn in development aid and development grants; a deposit in the central bank of \$1.25bn and further grants of \$1.4bn. In Morocco support includes Development aid and development grants of \$2.95bn. In Tunisia: development aid of \$736m and export credit facilities of \$270m. In Yemen: development aid and development grants of \$3.28bn; export credit facility of \$667m and grants and budgetary support of \$458m of other grants.
- Turkey has provided financial packages to Egypt (\$2bn), Tunisia (\$500m), and Libya (\$200m) and committed \$100m to Yemen through the Friends of Yemen Group. Turkey has also established Ministerial level Joint Economic Commissions with Morocco, Libya, and Egypt and an Association Council with Tunisia to monitor commercial and economic relations.
- Turkey signed Investment Protection Agreements with Tunisia (1991), Egypt (1996), Morocco (1997), Algeria (1998), and Libya (2009), and all have entered into force. Turkey has made direct investments in the region totalling \$6bn.
- Over the period 2011-13, the EU will have mobilised up to €4.3bn in support of Southern neighbours through the European Neighbourhood Partnership Instrument (ENPI), of which €1.9bn has been allocated to the transition countries (excluding

Yemen, which is not a country covered by the ENPI). Through the Neighbourhood Investment Facility (NIF), which brings together grants from the EU budget and EU Member States, loans from European public finance institutions, and contributions from partner countries, the EU has co-financed development projects of a total value of €4.2bn in the MENA region, focussing on finance infrastructure projects and SMEs. The European Commission has adopted a proposal for a Macro-Financial Assistance (MFA) operation of up to €180m for Jordan in the form of a medium-term loan and is also working on a possible MFA for Tunisia, following an official request by the authorities; the MFA for Egypt has been put on hold for the moment.

- Italy approved new 'Debt Swap Programmes' with Egypt (\$200m), Jordan (\$16m), and Morocco (\$35m), which allows them to convert the debt owed to Italy into local currency in order to finance development projects. Italy is currently supporting Libya in its economic and social recovery through various channels, including security, customs and border management, capacity building, vocational training, infrastructural development and surveillance and development of a Civil Protection Department.
- Germany made a debt swap offer of up to €300m; €240m for Egypt and €60m for Tunisia. In Egypt this has already enabled two projects to be financed, food for education (€22.4m) and primary school infrastructure (€22.3m); and in Tunisia for implementation of a development strategy, investing in job creation, and improving living conditions in disadvantaged regions. In addition, Germany has provided a total of € 293m since 2011 in Overseas Development Aid (ODA) loans to Tunisia, aimed at developing disadvantaged regions and creating employment opportunities. Since 2011 Germany has further concluded financing / loan agreements with Egypt (€440.5m), Yemen (€62m), and Jordan (€112m). These financing/ loan agreements aim at strengthening (on-going) bilateral sector programmes, including water, energy, environment, health, education, promoting women rights and economic inclusion, creating employment and opportunities.
- France has contributed €2.3bn to Tunisia, Egypt, Jordan, and Morocco, of which €1.9bn of loans have been targeted on investments in the development of "green energy", SMEs, and rural and urban development. By the end of 2013 its original pledge of €2.7bn will have been reached.
- Japan has provided a series of grants of \$170m and \$1.14 billion ODA loans of approximately \$1.14bn in all the transition countries to support each countries stabilisation efforts through funding their various reform and infrastructure development projects including transport, water supply and sewage system, elections and border security, contributing directly or indirectly to job creation and industrial development. In addition, Japan supported sovereign bond issuance by the Central Bank of Tunisia guaranteeing \$520m issuance in the Japanese bond market since December 2012.
- The United States delivered a \$190m cash transfer based on the Egyptian government's public commitment to reach agreement with the International Monetary

Fund (IMF). The United States provides approximately \$180m in annual budget support to Jordan to improve its overall budget position, with an additional \$300m in the last two years. The United States supports a five-year \$40m fiscal reform project to provide technical assistance on budget, tax, and other fiscal issues, as well as supporting Jordan in addressing its energy crisis. The United States also recently signed a loan guarantee agreement with Jordan. The Millennium Challenge Corporation's (MCC) \$275m Compact prior to 2011 with Jordan is reducing poverty and increasing economic growth. The MCC is also working with Tunisia to develop a policy reform programme including an associated technical assistance package. The United States also provided \$100m to directly pay debt that Tunisia owed the World Bank and African Development Bank (AfDB) and guaranteed Tunisia's issuance of a seven-year, \$485m sovereign bond.

- Russia has provided \$15m for the period 2012-2014 for its initiative for development of sustainable school meals in Jordan, Tunisia, and Morocco. This was approved by the World Food Programme Executive Board in November 2012. Foreign Ministers inaugurated the Russian-Arab Forum on 20 February 2013 and adopted its 2013-2015 action plan which outlined the key directions of activities and joint events in the trade, economic, cultural, educational, scientific, technological and humanitarian spheres.
- Support provided by the IMF includes a \$2bn Standby Arrangement with Jordan in August 2012, and a \$1.74bn Standby Arrangement with Tunisia in June 2013, to help stabilize the economy and support structural reforms. A precautionary and liquidity line has been provided to Morocco as an insurance against external shocks.

Taken together these steps, among others, are helping transition countries stabilise their economies in the face of continuing regional and global headwinds, and are helping set a platform for growth and job creation.

Job Creation

In response to transition countries' request for support in promoting job creation and in fostering greater economic inclusiveness, the Partnership has taken the following actions:

Provided support for the development of Small and Medium-sized Enterprises (SMEs):

SMEs are an essential ingredient to promoting inclusive growth and since the beginning of the Partnership have been a priority area of work. Under the US Presidency in 2012 two expert meetings in Rome and Amman were convened focussing on SME development to bring together expertise from across the G8, Gulf, and Turkey and leading IFIs and international organisations – specifically the OECD and World Bank. From these meetings **country-specific action plans** for policy measures to improve the regulatory environment for SMEs were produced with the support of the OECD and agreed for all transition countries. The Transition Fund has to date approved six projects that respond to the needs set out in the action plans including a project targeting youth employment in Tunisia. In

addition, a \$1.2bn regional fund for SMEs, set up before the Deauville Partnership and administered by the Arab Fund for Economic and Social Development (AFESD), remains active with major donations from Kuwait and Saudi Arabia.

In May 2013 the International Finance Corporation (IFC), the European Investment Bank (EIB), Agence Française de Développement (AFD), and the European Commission joined hands to provide funding for SMEs in the Middle East and North Africa. IFC and EIB will each provide \$150m, AFD will provide \$50m, and the European Commission will provide €24m via the NIF. The facility will mobilize an additional \$350-400m in investments; through risk sharing arrangements with local banks. The focus will be on Morocco, Tunisia, Egypt, and Jordan, to create jobs in countries where youth unemployment is particularly high. The facility is the first full collaboration between IFC, EIB, AFD, and the European Commission, and the first significant collaboration between IFC and AFD. This facility is complemented by a joint World Bank Group SME Technical Assistance Facility which is under implementation, supported by numerous donors and bi-lateral agencies.

Under the UK's chairmanship the Partnership launched a **Deauville Partnership SME Mentoring initiative – Forsa** <http://www.forsa-mena.org/> - to provide practical support and guidance to entrepreneurs in Tunisia, Morocco, Libya, Egypt, Jordan and Yemen. Forsa will create mentoring relationships for at least 250 entrepreneurs, focussing on young and women leaders of SMEs in the transition countries. Forsa will match these entrepreneurs with mentors from leading companies from across the G8 and Middle East and North Africa sharing expertise to help entrepreneurs expand their businesses and create new jobs.

In addition, many Deauville partners are providing support on a bilateral basis:

- Canada has launched a Youth Empowerment and Employability programme in Jordan to promote more effective, sustainable, and gender-sensitive vocational training programmes. In Morocco, Canada is supporting projects to assist SMEs to become export-ready, targeting women-owned SMEs specifically; and delivering vocational training to improve the employability of young graduates.
- Turkey has signed a “Development Cooperation Programme” with Tunisia and Egypt and is on track to sign a similar agreement with Yemen. These agreements include training courses in macroeconomics, democracy, regional cooperation, social support and poverty alleviation, and waste management.
- The EU has provided country-specific EU bilateral assistance funded through the ENPI totalling over €400m since 2011 directly targeting vocational education and SMEs. Through the Euro-Mediterranean Charter for Enterprise the EU has also shared knowledge, tools and best practices at regional workshops and on-line to improve the business environment, spur entrepreneurship and help Mediterranean SMEs to grow, export and compete in the global economy.
- The EU has also supported the Union for the Mediterranean's (UFM) “Mediterranean Initiative for Jobs (M4J)” an initiative established in 2011 with an operating budget of €4m over a period of five years. The initiative will begin in 2013 and focuses on

creating 1.5m new jobs each year in Jordan, Egypt, Morocco and Tunisia. Moreover, the European Commission, the OECD and the European Training Foundation are currently working with Egypt, Jordan, Libya, Morocco and Tunisia (among other MENA countries) in an assessment of the implementation of the Euro-Mediterranean Charter/Small Business Act for Europe. The assessment will lead to concrete initiatives to strengthen policies and practices for SME development in those countries.

- France has supported the development of SME and Very Small Enterprises (VSEs) through directly dedicating €100m for financial services to improve access to finance in the Transition countries. A further \$50m has been contributed to the *Middle East North Africa Micro, Small, and Medium Enterprise (MSME) Facility* which provides portfolio guarantees to commercial banks in Jordan, Tunisia, Egypt and Morocco in order to enhance MSME access to finance in those countries. France has also provided financial support to improve the SMEs business environment, including €185m for the 'Plan to support recovery' in Tunisia.
- Germany has funded projects supporting SMEs in Tunisia, Egypt and Jordan, including extending credit facilities to support job creation in the region and has created two regional funds worth €12m to fight youth unemployment in Tunisia and Egypt. Under its transformation partnerships with Egypt and Tunisia, Germany is supporting "employment pacts" which aim at job creation and vocational training. Total funding so far amounts to €16m. Furthermore Germany has created and contributed €48m to the €66m SANAD Fund which aims at improving MSME's access to finance (currently in Egypt, Jordan, Morocco and Tunisia) and which became operative in August 2011.
- Italy has provided a concessional credit line to Egypt of €13m to support micro-enterprises and is negotiating a new credit line of €45m to support SMEs. Grants of €1.8m have been approved to support youth unemployment and job creation. Italy provided Tunisia with a grant of €1.8m for an Inclusion and Placement project and a concessional credit line of €73m to facilitate start-ups and SMEs. Italy launched new projects in Libya and Tunisia on education and placement (LYMIT and TUN-IT), and in Jordan, Italian programmes are supporting private sector development. Italy has provided a credit line to Morocco of €7.2m for Microfinance and SMEs assistance; a grant of €1.2m for technical assistance, and the Italian Confederation of Small and Medium Enterprises (CNA) is cooperating to create local job opportunities. In 2012 Italy also promoted the creation of a Euro-Mediterranean Center for the Development of Micro, Small and Medium Enterprises (EMDC), based in Milan and managed by the local Chamber of Commerce.
- Japan has provided technical cooperation in the fields of quality and productivity improvement, business development and promotion of SMEs in Tunisia, Morocco, Egypt and Jordan. Furthermore, Japan has committed to offer a \$10m grant for generating employment in Yemen, Jordan and Egypt.

- Saudi Arabia is the largest donor to the special account for SMEs in Arab countries managed by the Arab Fund for Social and Economic Development providing \$175m of support covering SMEs in Egypt, Jordan, Morocco, Tunisia and Yemen.
- The United Kingdom is providing direct support for job creation in transition countries through the £70 million Arab Partnership Economic Facility (APEF). The majority of this support is being channelled through the international financial institutions. For instance, through the APEF we are providing £6.8 million to the World Bank/IFC MSME Facility to help enterprises in transition countries access finance. A further £1.9 million is being provided to the IFC Education for Employment initiative, to address shortcomings in the education systems of MENA countries to prepare youth for the labour market. The UK is also contributing £5 million to the EBRD's Multi-Donor Account, which is providing technical assistance to enterprises in preparation for the expansion of lending to the Southern and Eastern Mediterranean.
- The United States, through the Overseas Private Investment Corporation (OPIC), approved a \$275m SME loan guarantee facility for Jordan, and is developing a facility of \$50m to provide working capital to Tunisian franchises, many of which will be small businesses. OPIC also approved a \$250m SME Loan Guarantee Facility to support up to \$700m in SME lending in Egypt. Through the Maghreb Private Equity Fund III, OPIC will provide a loan of \$52.5m to a regional private equity fund. This fund will provide equity capital to 15-20 high growth SMEs in Tunisia, Morocco and Egypt. Amongst other funding mechanisms and assistance, the United States supported the Jordan Competitiveness Programme to promote sustainable economic growth and increase employment; funded the Aqaba Community and Economic Development programme to benefit the people and businesses of the Aqaba Special Economic Zone; and is administering a programme in Tunisia to provide technical assistance to SMEs. The United States gave \$60m to the Egyptian-American Enterprise Fund and \$40m to the Tunisian-American Enterprise Fund to promote the development of the private sector in Egypt and Tunisia.
- Other action by the United States to help promote job creation includes the administration of a three year Global Entrepreneurship Programme in Morocco and Tunisia that will provide small grants to identify, train, connect, and sustain local entrepreneurs; supporting a programme to double the Jordanian tourism industry; working to build the capacity of regional chambers of commerce in Tunisia; and promoting sustainable agricultural development in value chains, including coffee and horticulture, in Yemen. Other activity includes supporting job placement, business entrepreneurship and social entrepreneurship programmes for 800 youth over a two-year period in Tunisia; and holding over 2,500 individual vocational training classes in eight regions in Morocco, with more than 8,600 students.

Helped develop local capital markets

In the medium term the development of local capital markets in the region can become a critical enabler of finance for the development of successful businesses, as well as supporting financial stability and acting as a catalyst for job creation. To this end the EBRD,

the AMF and the IMF, along with other IFIs, have produced assessments for local currency capital market needs in Tunisia, Jordan and Morocco. These assessments identified practical steps which could be taken to widen and deepen local capital markets.

Over the course of the year the IFIs and other multilateral institutions have worked with governments, regulators, supervisory authorities and market participants in each of these three countries to support reforms and develop financial infrastructure.

Projects will be undertaken to implement key recommendations from 2013 onwards. Assessments of the remaining transition countries will be carried out in due course.

Worked with EBRD shareholders to deliver ratification of the expansion of the European Bank for Reconstruction and Development (EBRD) to the Southern and Eastern Mediterranean (SEMED):

The EBRD has a unique history of helping countries in transition with its focus on private and entrepreneurial initiative. Its support has helped transform the economies of Central and Eastern Europe. Following the start of the Arab Spring in 2011, EBRD shareholders agreed that its region of operation should be expanded to allow countries of Southern and Eastern and Mediterranean (SEMED) to become full borrowing members of the Bank and benefit from the EBRD's expertise and financing.

While the ratification process was being carried out, in 2012 the EBRD's shareholders created a "special fund" of up to \$1.3bn to support investment. EBRD supports the transition in the region by helping to build robust private sectors in Jordan, Morocco, Egypt and Tunisia and through this the creation of sustainable economies and jobs. EBRD also provides loans within the public sector, such as for water and road provision, introducing market disciplines in these sectors. This in turn creates the conditions for private sector investment in these services in the future.

Turkey hosted the 22nd Annual EBRD meeting in Istanbul in May 2013 with a strong focus on the South East Mediterranean region. Prime Minister Erdogan also co-hosted a meeting with the EBRD on investment opportunities with the Prime Ministers of Egypt, Jordan, and Tunisia which allowed an exchange of views on how to promote cooperation and investment in the region. In conjunction, the two events gave valuable insight into the developments in the region and enhanced thinking on how to leverage EBRD's experience.

Russia ratified amendments to the EBRD Charter within the G8 agreed timeframe and successfully stimulated its ratification by Uzbekistan, Tajikistan, Turkmenistan and Mongolia.

In September 2013, EBRD shareholders confirmed the formal expansion of the bank's area of operation to include southern Mediterranean countries. The Bank has the capacity to lend up to an additional €2.5bn in SEMED countries of operation over the medium term.

Inclusion and Governance

In response to transition countries' request for support with reforms which promote transparency, accountability, and good governance, and for increased international exchange, the Partnership has taken the following actions:

Promoted Women's Economic Participation in Arab countries in Transition:

A particular focus of the Partnership in 2013 has been on improving economic opportunities for women and the business environment for women professionals. The Partnership has taken steps to mainstream women's economic empowerment into Deauville Partnership activities, including through the Forsa SME Mentoring initiative (in which women are one of the two priority focus groups), encouraging high profile female participation through the Deauville Partnership Women in Business and the Economy event and through a MSME Support Programme in Egypt worth \$2.9m. The latter promotes women's entrepreneurship by providing non-financial business development services tailor-made for women.

The Deauville Partnership Women's event in London in June 2013 brought together private sector and government representatives from the G8, Arab Countries in Transition (Egypt, Jordan, Libya, Morocco, Tunisia, and Yemen), and regional partners (Kuwait, Qatar, Saudi Arabia, Turkey, and UAE) to: promote and raise the profile of the role of Arab women in the global and MENA economies; debate how economic opportunities and business environments can be improved for women; and create new partnerships between businesses and professional women in the transition countries, the G8, and regional partner countries. As a result of the conference, the Partnership committed to establishing a taskforce of legal experts to look at legislative barriers to women's economic participation in the transition countries and consider measures to enhance women's economic contribution. The conference report can be found here.

<https://www.gov.uk/government/news/g8-deauville-partnership-womens-economic-participation>

Complementary bilateral activity in the field of women's economic participation is also being undertaken by Deauville partner countries including:

- Canada is providing \$971,000 in support of two new projects to encourage the participation of women in the political process in Jordan, Lebanon, Libya, Tunisia and Yemen. The projects will support the development of women candidates' electoral campaigning skills and help to expand recognition of women's rights.
- The UK announced an initial £4m for an "Arab Women in Business Challenge Fund" which will co-finance initiatives with the private sector to deliver new job opportunities, improve conditions of work, and support regulatory reform to enhance women's role in the workplace.
- The total EU-specific support to gender issues for the Southern Mediterranean region amounts to €92m, out of which €77m is implemented bilaterally and €15m

regionally to support the promotion of women's rights, enhance economic empowerment, and improve the understanding of gender violence.

- France has dedicated around €0.5m to different programmes aimed at supporting women's economic inclusion in the Mediterranean region, promoting women's rights, and stopping violence against women. Through increased political participation and elected female representatives networks of women's organizations can be strengthened.
- Italy approved a grant to Egypt of €1.5m to support women, youth, and family policies.
- The United States is funding the Arab Women's Leadership Institute (AWLI) to maximize women's political gains in countries in transition and elsewhere in the region. The United States is also working with the General Federation for Jordanian Women to address issues of inequality and women's rights by educating women in Jarash and Karak about their rights to inheritance; supporting women and youth participation in the constitutional drafting process in Libya; expanding opportunities for women micro-entrepreneurs and women-owned SMEs in Libya through business-skills training, coaching/mentorship, local and regional networking opportunities, and buyer engagement; facilitating the entry of women in Morocco into income-generating activities in the sectors of agriculture, fisheries and handicrafts; and funding the Women's Enterprise for Sustainability project in Tunisia to provide training in the areas of technology, social media, entrepreneurship, leadership, and business management skills to women entrepreneurs.
- Germany is funding mentoring activities for women entrepreneurs in Tunisia. Furthermore, the economic integration of women in Egypt, Jordan, Tunisia and Morocco is being supported through a regional programme (EconoWin). This programme focuses on improving conditions for integrating women in business and employment. Amongst others, a regional awareness-raising campaign should lead to higher acceptance and visibility of working women in society.

Supported steps to enhance Governance

To support citizen's demands for greater civil society participation in the political process the Deauville Partnership has encouraged and assisted the transition countries to join the Open Governance Partnership (OGP), with the support of the OECD. Jordan is a member. Morocco and Tunisia are likely to join shortly. Yemen and Libya are at an early stage toward membership.

The OGP is working through partners to actively support and engage with existing international transparency and anti-corruption initiatives. Key actions during the UK co-chairmanship in 2013 include establishment of an Independent Reporting Mechanism and appointment of an International Expert Panel. An OGP Summit will be held in October to which Jordan, Libya, Morocco, Tunisia and Yemen will be invited. The event will assemble

leading practitioners from around the world and showcase the potential of open government to transform the relationship between governments and people.

Complementary activity being undertaken across the Partnership includes:

- The EU's 'Support for Partnership Reform and Inclusive Growth' (SPRING) programme of €500m (2011-2013) supports increased economic and political participation across the Southern Mediterranean. Additionally, around €156m has been allocated to support justice reform in partner countries between 2007 and 2013. Further encouraging participative political processes, the Civil Society Facility (CSF), adopted in September 2011, directs €22m toward enhancing the contribution of Civil Society Organisations to policy-making processes in the region.
- Canada has contributed about \$1.5m (2012-15) to develop Libya's electoral dispute resolution system and support to the high National Election Commission as well as the promotion of women's participation in democratic transition. Additionally Canada is providing \$2.3m in Libya to implement reforms in financial management to increase transparency; and for technical assistance to government and civil society for constitution drafting. In Yemen, from July 2013, Canada is funding a project entitled Support of the National Dialogue Conference and Consolidation of Democracy in Yemen. The total amount of the project is \$525,000 for 2013-2014. The project aims to create a common basis from which to explore governance options clarifying the meaning and definitions of federalism and decentralized governance among local stakeholders in Yemen.
- Japan has provided grants to assist in strengthening democratic processes and supporting electoral processes in Tunisia, Egypt, and Yemen, and to improve access to, and the quality of, public services in Morocco.
- Germany has supported a regional anti-corruption programme as part of its Transformation Partnership Programme, and has provided support to civil society organisations through various German political foundations projects.
- France has provided €0.5m between 2010-2013 to strengthen the capabilities of civil society and criminal justice in the fight against corruption, and has supported Yemen by providing €0.7m for the drafting of its new constitution. Numerous programmes aimed at promoting the emergence of a strong civil society have been supported, with €400k for Safirlab and €1m to Solidarity with the South Mediterranean Youth. A further €9m has been provided for multi-lateral programmes which work with local civil society in the Transition countries to promote inclusive economic and social development and education for democracy. €3.9m has been provided in Morocco and €1.8m in Tunisia for bi-lateral programmes.
- Italy has established a MENA-OECD Governance Programme Training Centre, in Caserta managed by the Italian National School of Administration. It supports the goals of the Action Plan on Open Governance and Anticorruption, and has contributed to the significant progress towards the OGP membership of Tunisia. In Kuwait City in May 2013 a procurement workshop was arranged by MENA-OECD

Network on Public Procurement and Consip S.p.A., the Italian agency for public procurement. Capacity building projects with Jordan, Egypt and Tunisia were launched by the Italian Centre for Studies and Training (FORMEZ). Italy is also working with Egypt, Libya, Tunisia and Yemen to support capacity building in migration flows control and maritime security. In Libya, through the “Democracy Building” programme, Italy has supported the reconciliation process, the role of civil society in transitional justice and capacity building for public administration.

- The United States is supporting the MENA programme at the OECD, which is providing policy advice and capacity building to Libya, Morocco and Tunisia to draft policies and enact reforms that will enable them, in collaboration with civil society, to join the OGP. In the case of Jordan, which is a member of the OGP, the United States is supporting assistance to implement Jordan’s country action plan. In partnership with the Financial Services Volunteer Corps, the United States is providing technical assistance to the transition countries to develop public financial management sectors that are strong, transparent and accessible. As well as supporting the activities of the Arab Anti-Corruption and Integrity Network and the UN Development Programme’s Anti-Corruption Initiative for the Arab Countries, the United States held a workshop with Jordan in August 2013 on investigating and prosecuting public corruption cases. The United States is supporting the inclusion of civil society in legislative and constitutional processes in Morocco; providing technical and financial support to civil society organisations in Yemen; partnering with Libyan civil society organisations to support inclusive transitional political and justice processes and the development of effective, legitimate governance institutions; and assisting Egyptian organisations as they monitor human rights violations, provide legal assistance to victims of human rights abuses, foster religious tolerance and promote the equal status of women and minorities.

Taken forward concerted action towards the recovery of Assets

The 2011 G8 Declaration on the Arab Spring included a high-level promise to fulfil international commitments to support Egypt and Tunisia in the recovery of assets. Under the US Presidency in 2012, the G8 agreed a specific action plan on asset recovery. The plan identified concrete measures to promote cooperation and case assistance, capacity building efforts and technical assistance. It also proposed a collaborative regional initiative: the “Arab Forum on Asset Recovery” to assist cooperation and discussion. Progress on these measures is discussed below.

Cooperation and Case Assistance

- Seven of the G8 countries have published guides on how to recover assets from their countries.
- All G8 countries have designated points of contacts for asset recovery and mutual legal assistance requests.

- Several G8 countries have reviewed their own domestic legislation, with a view to ensuring that appropriate legal frameworks exist for identifying, freezing and returning assets in response to mutual legal assistance requests. In 2011 Canada passed the Freezing Assets of Corrupt Foreign Officials Act in response to requests for assistance from Deauville countries to freeze assets suspected to have been illicitly obtained by corrupt foreign officials, their associates or their family members. This allows the Canadian government to designate persons and freeze assets for a (renewable) period of five years. The Russian government is modernizing its national legislation to fulfill its commitments taken at the G8 Camp David summit in 2012.
- Most G8 countries are engaged in bilateral case work with one or more of the Deauville Transition Countries. These involve long and complex legal procedures and in most cases have not yet resulted in the repatriation of assets. However in January 2013, following an Italian court ruling a luxury yacht belonging to the former Tunisia President Ben Ali was returned to Tunisia.
- The United States currently has a justice attaché based in Egypt who can facilitate asset recovery issues, and has designated and funded a 2013-2014 asset recovery advisor position to be based in the region.

Capacity Building and Technical Assistance

G8 countries have offered and provided a wide variety of capacity building and technical assistance to the countries in transition to further their asset recovery efforts. This list captures only a few examples of this work:

- The United States provided \$1m to the World Bank Stolen Asset Recovery (StAR) initiative in 2012 to support training and mentoring during 2012-2013 and launched a parallel two-year targeted Justice Department training programme for police, prosecutors, and judicial officials.
- Italy hosted seminars in Rome devoted to the fight against money laundering, terrorism financing, and the misuse of payment systems in May 2012 and September 2013.
- Germany held a workshop for asset recovery practitioners in Egypt and Tunisia in May 2013.
- Japan began providing technical assistance to judicial officers in Egypt on good governance and anti-corruption, alongside UNDP in January 2013.
- The UK posted a Regional Asset Recovery Adviser to Egypt to provide expert technical and legal assistance to countries in the region in March 2013. In January 2013 the UK brought a delegation of Libyan public prosecutors, lawyers and judges who serve on the Libyan Asset Recovery Committee to the UK for technical training and assistance.

- Canada supported a World Bank initiative in Yemen to provide training on financial investigations to Financial Intelligence Unit (FIU) analysts, prosecutors, investigating magistrates, judges, and banking/non-bank financial institutions supervisors.
- Turkey organised an Internship and Training Programs for Foreign Commercial Officers of the MENA region.
- France maintains regular exchanges of expertise with judicial officers in Tunisia and Egypt. A delegation from Tunisia came to Paris in September 2012 for technical exchanges and a magistrate in charge of bilateral affairs is being appointed in Tunis. A delegation from Egypt will come to Paris in the beginning of November with the help of ONUDC to meet judicial authorities.

Arab Forum on Asset Recovery

Under their G8 Presidency in 2012, the United States, in partnership with the World Bank UNODC's StAR established the Arab Forum on Asset Recovery (AFAR), to encourage cooperation on asset recovery between the Arab Countries in Transition, the G8, and regional and Gulf partners. Alongside Deauville Partnership countries, Belgium, South Africa, Spain and Switzerland also participate in the Arab Forum. AFAR aims to i) raise awareness of measures to facilitate effective asset recovery; ii) provide a forum for regional training and good practice, including on mutual legal assistance; and iii) identify country-specific capacity building needs.

The inaugural meeting of the Arab Forum took place in Qatar in 2012. More than 200 senior officials from over 25 countries attended. There was an open discussion on the challenges and expectations related to asset recovery in the Arab World, and a commitment to continue international cooperation in this area.

The UK has developed Arab Forum work under its Chairmanship of the Partnership in 2013. Working with the World Bank /StAR it has delivered three technical capacity-building sessions for the transition countries. The first was hosted by the Government of Qatar and focused on domestic coordination of asset recovery efforts; the second was hosted by the Government of Egypt and focused on how to conduct efficient and productive financial investigations; and the third was hosted by the UK Government and concentrated on the constructive role of civil society in asset recovery. A second Arab Forum on Asset Recovery will be hosted by the government of Morocco in October 2013.

Supported and encouraged international exchanges:

The Partnership agreed to support and encourage international exchanges in areas including: legislative bodies; members of the judiciary; regional and municipal leaders; labour unions; and youth. To this aim:

- France launched three new initiatives in 2011-2012 to increase cooperation with MENA governments: the Franco-Moroccan Common Support; the Mediterranean Fund; and a partnership with the United Nations Development Programme (UNDP) to

finance innovative projects on information and communication technologies for local authorities.

- A parliamentary delegation from Tunisia visited Canada in May 2013 and met with parliamentarians and officials from the Government of Canada and the Government of Quebec. A visit to Morocco will take place in October 2013.
- Turkey has conducted experience sharing programmes aimed at improving the investment environment in Tunisia and Egypt.
- Japan has offered a number of exchange programmes in the fields of science and technology, education and governance, and one aimed at female members of the judiciary.
- Italy has organised parliamentary exchanges with Egypt, Morocco and Libya; provided training in financial management for civil servants in Egypt and Tunisia; and capacity building for the judiciary and civil society in Libya. Support to the judiciary in Yemen is ongoing. Between 2011 and 2013 twelve Italian Regions promoted interchange with outgoing missions to Jordan, Egypt, Tunisia and Morocco; signed agreements with Egypt and Morocco, completed a twinning with Jordan and offered scholarships totalling €1.5m to transition country students.
- Germany has undertaken extensive exchange programmes between legislative bodies, members of the judiciary, regional and municipal leaders, and labour unions across the transition countries.
- Since 2011, the EU has significantly increased the participation of young people from Southern Mediterranean countries in the Erasmus Mundus, Tempus, Euromed Youth, and Youth in Action programmes. It has also extended, on a pilot basis, its e-Twinning programme (linking schools through the web) to Tunisia. The EU funds numerous twinning projects which facilitate the exchange of public administration know-how between EU Member States and Deauville Partner countries.
- In September 2012, the United States hosted legislative leaders from Morocco, Jordan, Egypt, Tunisia and Libya in an exchange program under the Deauville Partnership's international exchanges action plan. During 2013, it hosted an exchange for Arab League professionals and an exchange for Municipal Officers from Egypt, Jordan, Libya, Morocco and Tunisia. In June 2013, the United States launched the Thomas Jefferson Scholarship Fund to support the study of hundreds of Tunisian students at American universities and community colleges.
- In Russia there are around 2000 students from the region currently studying, plus over 2000 students are attending the joint Russian-Egyptian University in Cairo.

Integration

In response to the transition countries' interest in opening up their economies to increased trade and investment with the G8 and each other, the Partnership has taken the following action:

Encouraged Investment and reform of the investment climate

The UK Presidency in co-operation with the IsDB and EBRD, held a Deauville Partnership Investment Conference in London on 16 September. Over 500 representatives attended the conference including Ministers and officials from the Partnership, investors, and international organisations. The conference provided a platform for the transition countries to promote investment opportunities in their countries and explain the measures they are taking to attract greater investment. The event built on previous Partnership activity, including National Investment Forums, led by the IsDB in Tunisia and Egypt in June 2013; and preparatory analytical and policy support led by the OECD to all six countries. The conference covered areas such as risk mitigation, accessing local supply chains, and sector specific issues. A framework of national priority actions for investment was produced and agreed with each of the transition countries. These priorities will be mapped to help address further needs. The commitment to the OECD Declaration on International Investment and Multinational Enterprises - to promote high standards of investment protection and responsible business conduct - will also contribute to the implementation of the framework. Follow-up events will be organised by the IsDB in Morocco and Jordan before the end of 2013.

Through the Transition Fund projects on public private partnerships policy and investment were approved under the Transition Fund.

Complementary bilateral support includes:

Commissioners of the EU led large delegations of European businesses to Egypt, Morocco and Tunisia in 2012. As a result, an EU-Tunisia Council for Entrepreneurship was set up to enable European and Tunisian companies to advise the Tunisian government on improving the business and investment climate. Tunisian and Moroccan business consortia have since joined the EU's Enterprise Europe Network.

Japan has prepared investment agreements with Libya and Morocco and in December 2013 will host the third meeting of the Japan-Arab Economic Forum in Tokyo. Japan has also provided financial support to the MENA-OECD Investment Programme to allow it to produce analysis on Investment Reform Priorities in Deauville Partnership Countries.

Kuwait, Qatar, and the UAE created Wessal Capital, a tourism-focused investment arm in Morocco with initial capital of around \$2.4bn.

Italy contributed €150m to the €385m infrastructure and financing InfraMed Equity Fund, which has already completed two investments in Egypt and Jordan.

Saudi Arabia hosted the 2012 Arab Economic Social Development Summit to promote the full realisation of the Pan-Arab Free Trade Area in association with UN agencies including the UNCTDAD and UNDP.

The United States hosted a delegation of representatives from Egypt's port community for a Port Automation Reverse Trade Mission to support their priority development plans and highlight Egypt's port sector project opportunities to US. industry representatives. It also hosted a delegation of Libyan information and communication technology specialists for a Cyber Security Reverse Trade Mission to support Libya as it seeks to establish its cyber security infrastructure.

Russia hosted numerous events to stimulate dialogue on Russian FDI in the transition countries including the Ministry of Economy led conference on investment opportunities in the region in February 2013; the 11-th session of the Russian-Arab Business Council and the 3-d International Exhibition Arabia-Expo held in St. Petersburg in May 2013. On 6 November 2013 the first session of the Russian-Jordanian IGC will be convened, and agreement has been reached to intensify activities of the Russian-Libyan IGC. By the end of this year Russia intends to hold a session of the Russian-Tunisian Intergovernmental Commission (IGC) and to revive the Russian-Egyptian IGC.

Supported steps to encourage higher levels of trade

The Partnership is committed to working with the transition countries to advance progress on trade agreements and market access. The integration of partner countries within the region as well as with the G8 is an important driver of growth and job creation. In order to clearly assess the issues on Trade and Foreign Direct Investment in the region the Deauville Partnership commissioned a report. In 2013 two regional projects have been approved under the Transition Fund to help facilitate increased trade: TRANSTRAC will reduce trade and transport barriers along priority trade corridors, while LOGISMED aims to establish a network of euro-Mediterranean logistic platforms with common characteristics across the region.

In Libya and Yemen, the Partnership has encouraged and supported progress on their applications for accession to the WTO, including through the provision of technical assistance. **We are delighted that Yemen's accession package has now been adopted, ending a thirteen-year process**, and look forward to their formal accession to the WTO at the Bali Ministerial meeting this December. The WTO will play an important role in supporting Yemen to undertake domestic reforms, create jobs and to build opportunities for marginalised groups such as youth and women.

Complementary bilateral support includes:

- The EU has launched negotiations with Morocco for a Deep and Comprehensive Free Trade Area (DCFTA) representing an important step forwards in unlocking non-tariff/regulatory barriers to trade. The Partnership encourages Tunisia, Jordan and Egypt to move towards negotiations for DCFTAs with the EU as soon as appropriate political and economic conditions are in place.

- The EU is also preparing negotiations of Agreements on Conformity Assessment and Acceptance of industrial products (ACAAs) with Tunisia, Egypt, Jordan and Morocco. These agreements will ensure the free flow of goods in selected sectors between these countries and the EU.
- Canada has contributed \$9.1m (since 2009) to support the Enhancing Arab Capacity for Trade project, an International Trade Centre technical assistance facility. Canada is also negotiating a Foreign Investment Promotion and Protection Agreements with Tunisia and is committed to the conclusion of a Free Trade Agreement (FTA) with Morocco. Canada concluded a FTA with Jordan in 2012.
- The UK has offered, through its Trade Advocacy Fund to support Libya in acceding to the World Trade Organization (WTO).
- This year France has inaugurated the new phase of the Centre for Mediterranean Integration (CMI), designed to share knowledge and provide technical assistance for new policies between financial institutions (World Bank, EIB, AFD) and Egypt, Jordan, Morocco and Tunisia, thus supporting sustainable development, governance and trade.
- France has provided Morocco with loans and grants to support trade-related infrastructure development projects, such as, a €50m loan and a €0.3m grant to support the Agence Nationale des Ports (ANP).
- Russia is upgrading the legal basis for trade and economic cooperation. Its current system of preferences of the Customs Union (Russia, Belarus and Kazakhstan) includes all of the transition countries as beneficiaries.
- Russian companies operate in all of the transition countries in sectors such as oil and gas, energy, mining, banking, railway construction, grain and elevator construction.
- The United States – Middle East and North Africa Trade and Investment Partnership (MENA-TIP), launched in 2011, aims to facilitate trade liberalization and reform efforts primarily with Egypt, Jordan, Morocco, Libya and Tunisia. The MENA-TIP is focusing on reforms and agreements on trade facilitation and ICT and investment principles. The US Trade and Investment Framework Agreements with Tunisia and Libya are platforms to address trade and investment barriers to bolster bilateral trade and investment ties, strengthen business confidence, and provide business opportunities, particularly for SMEs. The Qualifying Industrial Zone (QIZ) programme has been an important source of economic support for Egypt, supporting tens of thousands of jobs and reaching over \$1bn in exports to the United States last year. The United States is also implementing a training programme for Libyan trade agreement negotiators.
- The United States also provided additional technical assistance and trade capacity building to other countries within the Middle East and North Africa region in 2012, totalling over \$50m. This funding contributed to programmes designed to improve, for

example WTO accession and compliance and the promotion of trade-related infrastructure. The United States has also strongly supported Yemen's accession to the WTO and provided technical assistance in the form of trade capacity building to further that goal.

- Turkey has previously signed FTAs with Tunisia (2004), Morocco (2004), Egypt (2005) and Jordan (2009). Negotiations with Libya are pending. As a member of the Economic Cooperation Organization (ECO), Developing-8 (D-8) and the Organization of Islamic Cooperation, Turkey has worked to accomplish preferential trade agreements within these organizations, namely the ECO Trade Agreement, D-8 Preferential Trade Agreement and Trade Preferential System among OIC Member States.
- Italy has supported trade and cross border transactions with Egypt, Jordan, Libya, Morocco and Tunisia through its credit agency SACE, totaling almost €250m. The Italian Trade Promotion Agency ICE, Confindustria, and the Chamber of Commerce of Milan (Promos), among others, are active in the region. Capacity building programmes are underway with Tunisia, Libya, Jordan and Yemen to enhance customs and trade. Italy and Egypt have signed an economic cooperation action plan for 2012-2015, with special focus on technology transfer and joint-ventures. Other projects such as the Green Trade Initiative to foster trade are under way.

MENA Transition Fund

The MENA Transition Fund touches on all four pillars of the Partnership. Its objective is to improve the lives of citizens in the transition countries by providing grants for technical cooperation. Supporting country-led policy and institutional reforms these are intended to strengthen governance and public institutions and foster sustainable and inclusive economic growth.

Responding to transformational and cross-cutting proposals, the Transition Fund also fosters partnerships for technical cooperation projects addressing a broad range of inter-related thematic areas of the Deauville Partnership. <http://www.menatransitionfund.org/>

An initial capitalisation target of \$250m was set for contributions from donor partners of the Deauville Partnership. Pledges to the fund, based on voluntary contributions, currently total \$200m. In its first year of operation the Transition Fund has already disbursed around \$100m for critical reform projects, including supporting:

- energy and social safety net reform in Egypt;
- social protection reform in Tunisia and Jordan;
- preparation and implementation support for a Special Industrialised Zone in Yemen;
- micro-finance and youth entrepreneurship programmes in Morocco;

- regional projects to encourage the facilitation of trade between Egypt, Jordan, Morocco and Tunisia;
- the diversification of the Libyan economy and sustainability of SMEs.

Member countries contributions to the MENA transition fund can be found in the table below.

Country	Pledged (\$m)
Canada	15
France	13
Japan	12
Kuwait	10
Qatar	5
Russia	10
Saudi Arabia	25
Turkey	5
UAE	5
UK	50
US	50
Total	200

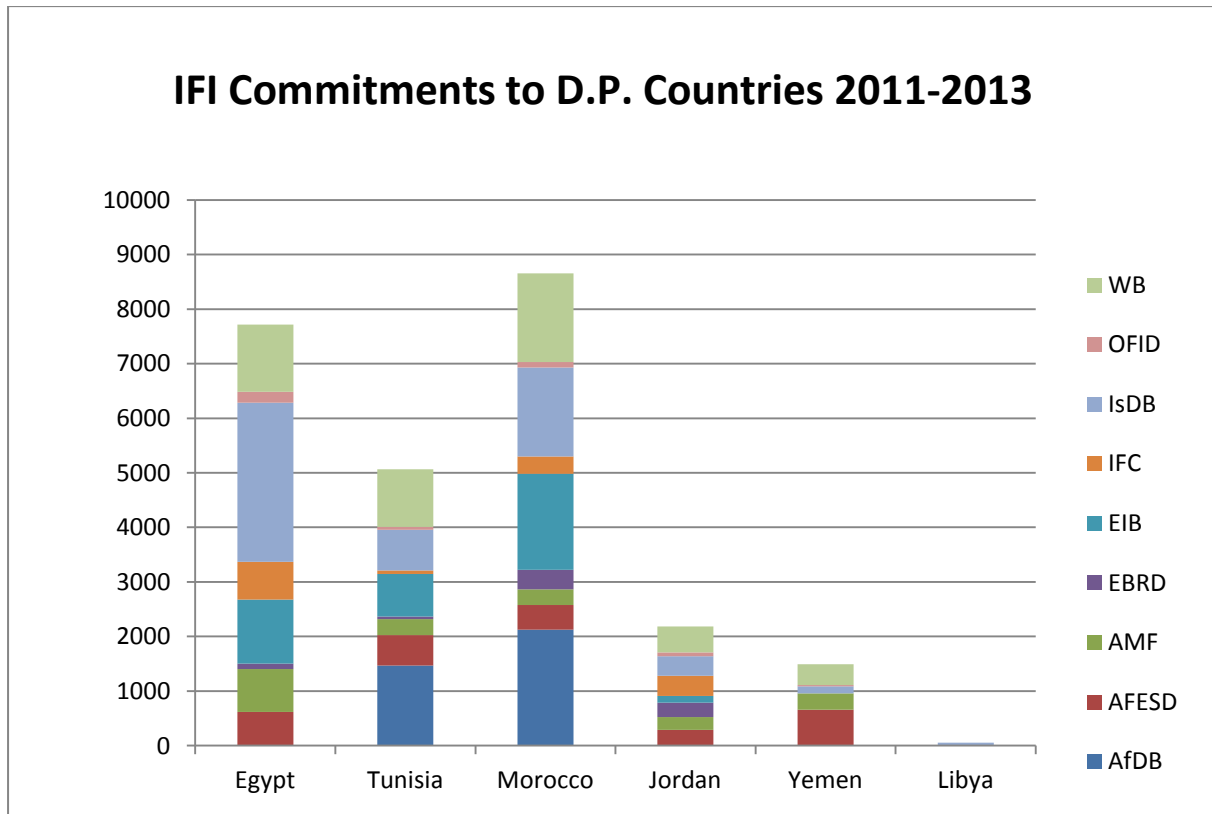
The Transition Fund has experienced significant demand for high quality projects from the transition countries. The Partnership has called for the acceleration of existing pledges and has encouraged partners to increase contributions to meet the continuing demand for high quality reform projects.

Deauville Partnership IFI Co-ordination Platform

Ahead of the inaugural meeting of Deauville Partnership Finance Ministers in Marseille in September 2011 the IFIs which work in the region set up a dedicated Coordination Platform to better leverage the collective resources of the ten IFIs that work in the region. The Platform aims to facilitate information sharing and operational dialogue with the partnership countries, identify opportunities for joint activity – policy, analytical and programme work and coordinate monitoring and reporting on implementation. The ten IFIs that form this platform are: the Arab Fund for Economic and Social Development (AFESD); the Arab Monetary Fund (AMF); the European Bank for Reconstruction and Development (EBRD); the European Investment Bank (EIB); the International Finance Corporation (IFC); the

International Monetary Fund (IMF); the Islamic Development Bank (IsDB); the World Bank; the OPEC Fund for International Development (OFID) and the African Development Bank (AfDB). The members of this platform have agreed to share information and exchange experience.

The table below provides a high level summary of 9 of the IFI commitments to Deauville Partnership countries for the period 2011-2013. Commitments made by the IMF are reported separately in the text below.



* All figures in \$million, correct as of September 2013

4. Conclusions and Opportunities for the Way Ahead

The dramatic changes which started in 2011 began a long transition process. Fostering long term political and economic stability, prosperity, building democratic institutions, laying the foundations for inclusive political processes, and creating jobs are demanding tasks, which governments have to address against high expectations from their citizens and, in some cases, significant security concerns. The G8, together with regional partners and leading IFIs and organisations, had committed themselves to assist the transition countries in achieving progress on the path towards greater democracy and stability.

Collectively, including through Transition Fund and bilateral activity, the supporting countries and institutions of the Partnership are providing a significant proportion of the financial and other support available to the transition countries. The strength of the Partnership lies in its ability to combine its efforts to mobilise action and deliver support in a co-ordinated way against targeted priorities agreed with the transition countries.

There is a compelling case for the Partnership to continue its efforts to coordinate and marshal support for the transition countries. The G8 and regional partner countries, have reiterated their commitment to assist the transition countries in achieving progress towards greater democracy, stability and inclusive economic recovery. They have resolved that the Deauville Partnership should remain high on their political agenda over the next year, and believe that:

1. The assistance provided by the supporting countries and institutions of the Partnership should be demand-led, responsive to the prioritised needs of the transition countries, and sufficiently flexible to adjust to changing political and economic challenges.
2. The Partnership should concentrate its effort on areas that benefit most from combined action. Going forward the work of the Partnership, under the guidance of the Presidency, should maintain a particular focus on: facilitating greater trade and investment, including through improved business climates and enhanced regional economic integration; inclusive economic growth, with a focus on bringing young people into the workforce, women's economic empowerment and development of SMEs; promoting good governance, including fighting corruption; the development of capital markets to provide private sector finance; progress on the recovery of stolen assets; and delivering high quality technical support for reform implementation through the Transition Fund.