

## **Deauville Partnership Finance Ministers' Meeting**

**Washington, 10 October 2013**

### Chair's Statement

Finance Ministers and international financial institutions of the Deauville Partnership for Arab Countries in Transition met in Washington on 10 October 2013 to re-affirm their commitment to support Egypt, Jordan, Libya, Morocco, Tunisia and Yemen in undertaking economic reforms that will lead to more stable, open and inclusive economies.

Ministers agreed that the Partnership remained uniquely placed to continue to co-ordinate G8, regional and IFI support for transition by combining expertise and resources to help countries meet their financing needs, create jobs, and boost opportunities for trade and investment.

Ministers acknowledged the valuable support international financial institutions have provided to transition countries, and thanked the Islamic Development Bank for its work as secretariat of the IFI co-ordination platform in 2013.

Ministers acknowledged the impact political and security challenges in the region are presenting to economic transitions, with weak external demand, and regional uncertainty leading to a deterioration of the growth outlook in many countries.

Against this backdrop, Ministers welcomed the important steps that have been made towards macroeconomic stabilisation, including the budget support provided by bilateral donors and multilateral institutions to enable financial stabilisation and the progress made by Jordan, Morocco, and Tunisia under their financing agreements with the IMF. Ministers emphasised the importance of economic stability for underpinning governance and structural reforms, which remain critical.

Ministers acknowledged progress made by the Partnership in 2013 against the objectives set out by the Presidency in April and encouraged further work in the areas of trade, investment, local capital markets development, regional integration and support for economic reform. Ministers welcomed in particular:

- The approval, under the MENA Transition Fund, of over \$100m of technical assistance projects across all six transition countries to assist with the implementation of critical economic reforms. Ministers encouraged further contributions, including from new donors, and accelerated disbursement of pledges to ensure the fund can continue funding critical reform projects;
- The expansion of the EBRD's mandate to the Southern Mediterranean, which has now been ratified by all EBRD shareholders, and paves the

way for up to 2.5bn euros of investments to be made in the region annually;

- Support for the development of government debt market, equity market and market infrastructure being provided by IFIs, building on the priorities identified by transition countries – and the proposed extension of this initiative to Libya and Yemen;
- Yemen's accession to the World Trade Organisation, and progress by the EU and Morocco on negotiations for a Deep and Comprehensive Free Trade Agreement.

Ministers agreed that, despite this progress, there is an urgent need to step up reform and external financing to help transition countries accelerate growth and create jobs for the over 1 million new entrants to the labour force each year. Ministers called on the IFI Coordination Platform to work with the Deauville Partnership Chair and other Partners – in consultation with transition countries – to urgently consider what further financial support, policy advice, and capacity building can be provided, tailored to country-specific needs and circumstances. These urgent actions will help to inform and prioritise further IFI and bilateral funds. The IFI Coordination Platform will set out its findings to the Deauville Partnership Chair by the end of 2013.

Ministers agreed that the Partnership should continue to co-ordinate action in the areas of stabilisation, job creation, trade, investment, regional integration and capital market development and looked forward to meeting in 2014 under the Russian Presidency of the Partnership.