



Ministry of State for
Administrative Development



Good Governance for Development (GfD) in Arab Countries Initiative

Moving Forward with the Governance Reform Agenda

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Concluding remarks of Mr. Aart De Geus, OECD Deputy Secretary-General

This has been indeed a very rich exchange between policy makers. I am very pleased for this opportunity in which all of us have learnt important experiences and enriched our perspective on how to implement reforms successfully.

The OECD is paying a big interest to the political economy of reform, how to support governments in their strategies for reform. We have been working on this during the last years, but obviously the present situation of crisis obliges us to reinforce our action in this domain. The “road to recovery” implies structural reforms in financial regulations, but also in taxes, pensions and maybe other areas. The future beyond the crisis needs solid footing of structural progress policies in employment, education, health, innovation, environment, trade and investment. The capacity of governments to deliver public goods is challenged, the question “how to reform and perform?” is urgent.

This crisis is an unprecedented challenge, but it is also a big opportunity to revise our concepts, our systems and frameworks. Let me emphasize that the role of multilateral cooperation is of tremendous importance in this regard. We have to make of the present crisis an opportunity to build a stronger, cleaner and fairer global economy. We need forums like this one in which officials from different countries and backgrounds exchange their experiences and share solutions to common challenges.

We will need new ideas, new innovative approaches; because the conventional way of thinking is not working anymore. And I believe there is no better place to

build this new *rationale* than in a multilateral forum, where we learn to see the world from different cultural perspectives.

Regarding the unprecedented financial and economic crisis we are suffering. We will need to rewrite a new set of rules for the global financial system and the global economy. And all these actions will have to be internationally concerted and coordinated; because this, my dear friends, is the most global crisis that we have ever lived. And a global crisis demands global solutions.

The times when a single country could solve its problems in isolation are gone for good. Now there are simply too many interdependencies for any country to go its own way. We need to understand this “togetherness”. The age of blunt interdependence is here. The only way forward is multilateralism. This crisis has exposed many uncertainties, but at least one thing is certain: the solution and the post-crisis world can only be built through inclusive multilateral co-operation.

In the past months, we have seen not only the extent of our interdependencies, but also the deficiencies of our global governance. A highly integrated global economy needs effective mechanisms of international regulation. In a recent paper, Henry Kissinger exposed the risks of having a globalised world economy without powerful international institutions: a gap has opened between the economic and the political organisation of the world, he said. It is time to bridge that gap.

One of the reasons why markets have taken so long to stabilise and regain confidence is the lack of tuning and coordination between national responses

around the world; but also, let's admit it, because of the faulty coordination in the assessments and recommendations of international organisations.

Good coordination, effective collective responses are not accidental, nor the result of improvisation. On the contrary they require, frequent interaction, mutual knowledge, and, finally, trust between policy makers from different constituencies. If our economies are interlinked, the public officials managing them have to know each other, having a common understanding and managing tools that can be shared and understood. Good global solutions can only be effective if they are the result of a process of exchange, a joint learning process in which governments agree on the technical instruments that have to integrate in successful policy responses. The framework provided for this initiative is a very solid basis for building common approaches and being able in the long run to share effective strategies for the implementation of necessary reforms.

The only way we can reconfigure the global economy is through enhanced international co-operation. And for that we need stronger, more inclusive and better coordinated international organisations. As we have seen recently, through the emergence of different innovative schemes like the G8+, the Major Economies Meeting (MEM), the OECD's Heiligendamm Process or the G20, there is a growing realisation that we cannot build a stable global economy without including developing countries in the decision-making process.

At OECD we are strongly pursuing this new inclusive multilateralism. And we are fostering a closer collaboration with nearly 200 other countries through a wide

gamut of innovative co-operation instruments, like our initiative on Governance and Investment in the Middle East and North Africa. I would emphasize that you we are embarked in the context of the GfD Initiative in a pioneering experience e that will certainly shape the future of our economic cooperation. We have all experienced today how far our analysis can arrive when we join efforts and add the views of our peers to our own understanding of things. This is the role of OECD. We don't lend money. We are not a financial institution. But we provide an effective and increasingly global forum to share government experiences, to analyse them and to provide policy advice.

The reconfiguration of the global financial and economic system — the operational part of the equation — is crucial. But this time this reconfiguration will have to be done in the lines of important core values like inclusiveness, equity, sustainability, diversity and tolerance. I would like to conclude by saying that the GfD initiative is an excellent example and a model of the future of multilateral relations in economic cooperation between different regions of the world. I thank all of you for your participation in this event. I hope we will have new occasions in the coming months to continue and reinforce this process of vivid policy dialogue both in the MENA region and in the OECD headquarters.