

The Deauville Partnership with Arab Countries in Transition Chairman's Summary of the Meeting on Governance on April 24, 2012 in Paris, France

Media Note

Office of the Spokesperson

Washington, DC

April 25, 2012

On April 24 in Paris, Under Secretary of State for Economic Growth, Energy and the Environment Robert Hormats chaired a meeting of the Deauville Partnership with Arab Countries in Transition on the subject of governance. This governance meeting was a key part of further developing the Partnership this year, which also includes pillars related to finance and trade, investment and integration. The work of the Partnership this year takes place under the presidency of the United States.

The U.S. Chairman of the Paris meeting on April 24 summarizes the results as follows:

The members of the Deauville Partnership recognize the importance of open government, accountability, and a fair regulatory environment to promote inclusive economic growth, rule of law, and job creation as part of a successful democratic transition. On April 24, 2012, representatives of the Partnership countries met in Paris, France.

The participants reached agreement on a number of concrete steps for the G-8, transition countries, regional partner countries, and supporting international institutions. These steps will focus on four core areas for effective governance: open government and anticorruption, asset recovery, the policy environment for small and medium-sized enterprises, and international exchanges. Such steps were conceived based on the shared conviction that institutional and governance reform is essential for inclusive economic growth and prosperity.

The Platform established by the Arab League, OECD, UNDP, Union for the Mediterranean and others to facilitate information sharing, co-operation and operational dialogue within the governance pillar of the Partnership is an important element for its success, and participants recognized the role the OECD has played in facilitating this process. We welcome regular reports on progress by the Platform.

Open Governance and Anti-corruption

The participants agreed on the importance of a series of initiatives to foster rule of law, combat impunity, and enhance citizen confidence in democratic institutions. They agreed on a number of actions to increase transparency in government institutions, promote government-citizen dialogue, combat corruption, and enhance integrity in public procurement. These efforts will attract investment and foster local economic development and job creation.

Partnership actions will include:

- Recognizing that open and transparent governance is a prerequisite for growth and public confidence, each transition country will consider pursuing membership in the Open Government Partnership and the potential benefits of joining

the initiative. As an OGP member, Jordan will start implementing its OGP National Action Plan and seeks support in this regard, and Tunisia will join the OGP in 2013. Libya, Morocco, and Egypt will each work with the OECD to develop country specific reviews and initiate membership efforts for the OGP. The OECD MENA Governance Program plays an important role in this context.

- Participants emphasized the importance of capacity building, through their own efforts and by working with non-government organizations. For example, this can be accomplished through recruiting a cadre of international volunteer experts from the public and private sectors to provide on-the-ground, technical assistance to better manage public finances. Participants stressed the importance of programs for capacity building in the sphere of public financial management.
- Partnership countries will participate in the MENA Better Governance and Fair Tax Systems conference in Tunis, May 30-31, which will explore how good governance and tax administration can promote citizen engagement, increased public confidence and business success.
- Transition countries are called upon to consider the implementation of international standards, informed by relevant assessments, including key preventive measures such as conflict of interest rules, disclosure of assets, and whistleblower protection. All UN Convention Against Corruption (UNCAC) parties will conduct their reviews in a transparent and inclusive manner, and G8 members that have already done so will accede to UNCAC as soon as possible. Transition countries also should consider using OECD tools, such as the Clean GovBiz Initiative, to achieve concrete results.
- Transition countries will make use of OECD tools to disseminate information about their progress towards effective implementation of integrity principles of good governance in public procurement, such as the OECD Principles for Enhancing Integrity in Public Procurement, the OECD/DAC Methodology for Assessing Procurement Systems, and other international practices, and will consider employing OECD surveys to enhance such progress.

Asset Recovery

Asset recovery is a high priority for the region and the international community. The Partnership will take action to promote cooperation and case assistance, as well as capacity-building efforts. Partnership actions will include:

- Each G-8 member will publish a guide that describes specific steps required for assistance and cooperation for tracing, freezing, confiscating, and returning proceeds of corruption.
- Each G-8 member and transition country will, to the extent possible, develop or reinforce mechanisms for pursuing and sharing best practices related to cooperation in the recovery of the proceeds of corruption.
- G-8 members will support capacity-building activities, to the extent possible.
- Transition and regional partner countries will establish and participate in an Arab Forum on Asset Recovery, in cooperation with the G8 and other partners, to provide a platform for policy dialogue, regional training, and developing a regional network of expertise on asset recovery.
- Members of the Partnership will support the Stolen Assets Recovery Initiative of the World Bank and the UNDC.

Policy Environments for Small and Medium-Sized Enterprises

The Partnership will review legal, regulatory, and administrative practices for the growth of small and medium-sized businesses. Governments can improve the business climate for SMEs by advancing rule of law, reducing corruption, improving banking services, including access to microcredit, improving the tax environment and promoting cross-border trade. Improved practices will contribute to higher and more inclusive economic growth, more jobs, and a more vibrant civil society. Partnership actions will include:

- G-8 members and international institutions continue to place high priority on offering assistance to transition countries in the field of SME development.
- Partnership countries support the swift ratification of amendments to the European Bank for Reconstruction and Development's (EBRD) Articles of Agreement to open the EBRD's "Special Fund" to Egypt, Tunisia, Morocco, and Jordan.
- The OECD-MENA Women's Business Forum will support the promotion of women's economic participation by improving women's entrepreneurship development.

The UK's Arab Partnership Economic Facility has the capacity to support project work focusing in the development of and enabling environments for SMEs. This can include areas such as investment climate reform, competition policy, enterprise development, business services and extending access to finance.

- Partnership countries will support and participate in the conference on "Reviving Private Investment in the Deauville Partnership Countries: Investment Policies for Job Creation" to be held on May 7-8 in Cairo.
- The United States and Tunisia will co-host a regional workshop in the early fall to examine best practices for policy and regulatory environment for SMEs.
- Russia will host a session for Arab officials and businesses on trade and investment opportunities with an emphasis on SMEs at the Saint Petersburg International Economic Forum in June.
- Japan and Egypt will co-host a preparation meeting in Cairo in May for the Japan Arab Economic Forum.
- Regional workshops to strengthen the capacity of SMEs will be organized under the auspices of the Euro-Mediterranean Charter for Enterprise.

Tunisia and Italy are co-chairing an OECD Working Group on SME Policy, Entrepreneurship and Human Capital Development within the framework of the OECD MENA Initiative.

International Exchanges

Partnership countries will support exchanges and training programs, especially for the following constituencies from transition countries: (1) members of legislative bodies and their staffs; (2) judges; (3) regional and municipal leaders; and (4) labor unions. By the end of 2013, G-8 members will identify completed exchanges and programs to support

these groups from the transition countries. The goal of these programs is to facilitate strong commitments to effective, accountable, and representative governance practices.

Participants look forward to continuing the critical work of all three pillars of the Deauville Partnership, including the important governance pillar. Progress to this point is a sign of the enduring cooperation between the Partnership countries and support to the transitions in the region.