

**Deauville Partnership Finance Ministers' Meeting
Communiqué – Washington, DC, April 20, 2012**

1. Finance Ministers and representatives of international financial institutions met today to carry forward the Deauville Partnership with Arab Countries in Transition, which was launched last year as a long-term, global partnership to respond to the historic changes in some of the countries in the Middle East and North Africa region¹. One year ago the G-8 launched the Deauville Partnership with Arab Countries in Transition to support the democratic transition and to strengthen governance, foster economic and social inclusion, create jobs, support private sector-led growth, and advance regional and global integration. Progress towards these objectives is more important than ever. The Partnership intends to deepen its focus on country-level engagement.
2. The Partnership countries have made progress in stabilizing their economies in the year since the Partnership was launched, but still face significant economic challenges, including a difficult external environment. Supporting growth, job creation, and macroeconomic and financial stability represents a near-term priority. We welcome steps by the Partnership countries to implement home-grown reforms and programs to restore growth and confidence while protecting the most vulnerable groups. We support engagement by the IMF to strengthen economic stability through policy advice, technical assistance and financial support. We welcome efforts underway by bilateral partners and regional and international financial institutions to provide countries with a combination of loans, grants, budget support, and technical assistance aligned to country-owned programs. We renew our commitment to support the Partnership countries through a wide range of instruments to address their economic challenges, and we urge further progress on these efforts.
3. Partnership countries face immediate challenges accessing adequate financing to preserve macroeconomic stability and fund investments to spur growth and jobs. Progress in supporting the Partnership countries on a scale appropriate to the size of the economic challenge is more important than ever. In that respect, we welcome the launch of the Partnership's Capital Markets Access Initiative, as an additional critical source of finance and a complement to our existing commitments, to help countries regain access to capital markets to spur growth and unlock potential investments in the region. We acknowledge existing instruments from countries and institutions in the region. We welcome support by bilateral and multilateral partners to explore further avenues, including risk-sharing instruments, guarantees, concessional credit loans, technical assistance, and project bonds for helping the Partnership countries access capital markets, as well as synergies with direct budget support. We will ensure that our actions are consistent with relevant multilateral frameworks. We will also mobilize and coordinate as appropriate bilateral and multilateral guarantee tools and export credit instruments dedicated to the private sector, building upon existing arrangements in the region and internationally, including helping SMEs in the transition countries. We look forward to a report on the progress of the Capital Markets Access Initiative by the time of our next meeting.

4. Job creation, especially for young people, remains essential to achieving inclusive, sustainable growth for Partnership countries. This will require systemic efforts to remove existing structural impediments to inclusive growth. A vigorous private sector must provide the main engine for job creation, and needs to be assured of adequate financial and technical support. In this respect, the international financial institutions have launched a Private Sector Development Initiative aimed at fostering a competitive private sector, including developing local capital markets, addressing skills mismatches, and providing technical assistance for public-private partnerships. We will build upon these activities with bilateral programs that can help boost private sector access to finance. The Partnership also supports Partnership countries' efforts to improve the policy environment for SMEs. International financial institutions are preparing an assessment of the conditions for SMEs to generate jobs and growth, including recommendations for further action.
5. The Partnership welcomes the expansion of the mandate of the European Bank of Reconstruction and Development (EBRD) to invest and promote private initiative in the transition countries. The members of the Partnership will make their best efforts to ratify the necessary amendments to the EBRD's charter by the upcoming EBRD annual meetings in May, and we call on other EBRD members to do so as well.
6. Strengthening economic governance in Partnership countries will create an environment that fosters greater accountability, transparency, and participation of citizens. We welcome programs such as the World Bank's and African Development Bank's development policy loans to Tunisia and the World Bank's loans to Jordan that have helped support country-led reforms, as well as the regional and international financial institutions' technical assistance to Partnership countries. We will explore a new Transition Fund that would provide grants, technical assistance, and knowledge exchange, with due consideration to bilateral and multilateral assistance, to help countries strengthen their institutions and develop and implement home-grown reforms. The United States, United Kingdom, European Union, Saudi Arabia, France, and Italy will work together with other partners to advance this initiative. We also look forward to progress on fulfilling our international commitments to secure the return of stolen assets.
7. The coordination platform established by the international financial institutions to facilitate information sharing and operational dialogue with the Partnership countries, identify opportunities for joint transactions and policy and analytical work, and coordinate monitoring and reporting on the implementation is an important vehicle for the success of the Partnership. We recognize the important role that African Development Bank has played in facilitating this process, and we look forward to receiving further Joint Action and Progress Reports. We also encourage greater coordination between bilateral and IFI support.
8. Regional and global economic integration will be key to economic development, particularly of the private sector, in the Partnership countries. We welcome the presentation of the Center for Mediterranean Integration study by the World Bank and Islamic Development Bank on trade and investment in the region, and we look forward to the Partnership discussing its recommendations and to further work at the country level. We also welcome the creation of the Trade, Investment and Integration Pillar to take forward this work, and the

statement on open international investment, which the entire Deauville Partnership with Arab Countries in Transition endorsed at its inaugural meeting in Jordan on April 11-12, 2012. We look forward to its successful work to increase bilateral and regional integration, spur investment, increase trade, improve trade facilitation, and upgrade capacity and infrastructure to support long term growth and stability in the region as a basis for shared prosperity. We welcome Partnership countries' adherence to OECD investment principles and encourage the Partnership countries to strengthen their investment frameworks.

9. We will take steps to implement these commitments and look forward to a progress report with concrete outcomes later this year. The Partnership remains open to new transition countries in the region at the appropriate time.

ⁱ Countries in the Partnership currently include the five Partnership countries (Egypt, Tunisia, Jordan, Morocco, and Libya), the G-8, Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, and Turkey. The International Financial Institutions include the African Development Bank, the Arab Fund for Economic and Social Development, the Arab Monetary Fund, the European Bank for Reconstruction and Development, the European Investment Bank, the Islamic Development Bank, the International Finance Corporation, the International Monetary Fund, the OPEC Fund for International Development, and the World Bank. The Organization for Economic Co-operation and Development is also a Partnership member.