



G8 Summit

**May 26-27, 2011
Deauville, France**

DECLARATION OF THE G8 ON THE ARAB SPRING

- 1) The changes under way in the Middle East and North Africa (MENA) are historic and have the potential to open the door to the kind of transformation that occurred in Central and Eastern Europe after the fall of the Berlin Wall. The aspiration of people for freedom, human rights, democracy, job opportunities, empowerment and dignity, has led them to take control of their own destinies in a growing number of countries in the region. It resonates with and reinforces our common values.
- 2) We, members of the G8, strongly support the aspirations of the “Arab spring” as well as those of the Iranian people. We hear the voice of the citizens, support their determination for equality and stand by their legitimate call for democratic, open societies and inclusive economic modernisation. We particularly commend the role played by young people and women in these transformational movements.
- 3) Today we launched the “**Deauville Partnership**” with the people of the region, based on our common goals for the future, in the presence of the Prime Ministers of Egypt and Tunisia, the two countries that originated the movement, and of the Secretary General of the Arab League. We stand ready to extend this long term global Partnership to all countries of the region engaging in a transition towards free, democratic and tolerant societies (“Partnership Countries”), beginning with Egypt and Tunisia, in association with countries wishing to support transition in the region. This Partnership enshrines common values of freedom and democracy and is founded on the respect for the sovereignty of States and peoples, whose protection is the common responsibility of governments. It builds on initiatives already undertaken by G8 members.
- 4) This Partnership is based on two pillars: a political process to support the democratic transition and foster governance reforms, notably the fight against corruption and the strengthening of the institutions needed to ensure transparency and accountable government; and an economic framework for sustainable and inclusive growth. It is designed to support Partnership Countries in the economic

and social reforms that they will undertake, particularly to create jobs and enshrine the fair rule of law, while ensuring that economic stability underpins the challenge of transition to stable democracies.

- 5) We also invite the relevant international financial institutions and UN agencies, the private sector and civil society, to work with us in this initiative.

Supporting sustainable and inclusive growth

- 6) The Deauville Partnership will develop an economic agenda that will enable reforming governments to meet their populations' aspiration for strong, comprehensive growth and help facilitate a free and democratic outcome to the political processes under way. It will be tailored to support each country's objectives and in line with their progress in the following areas:

- Improving governance, transparency, accountability and citizens' participation in economic life;
- Increasing social and economic inclusion, by expanding opportunities to all and improving the effectiveness of support for the vulnerable;
- Modernising their economies, supporting the private sector, particularly SMEs, to aid job creation, and developing human capital and skills;
- Fostering regional and global integration to reap the benefits of globalisation.

- 7) In the short term, our collective aim is to ensure that instability does not undermine the process of political reform, and that social cohesion and macroeconomic stability are both sustained. In this regard:

- We welcome the IMF assessments and look forward to its continued engagement with the region and the building of robust macroeconomic frameworks in the Partnership Countries. We call on the IMF to respond with the necessary support to help meet the external financing needs of the countries of the region committed to economic stability;
- We call on multilateral development banks to deliver enhanced, frontloaded and coordinated support to Partnership Countries based on strong economic programs to strengthen governance and bolster the business climate. Such support will help to address the disruptions to private financial flows and to restore market access;
- Where needed and consistent with the multilateral framework, we stand ready to help Partnership Countries meet their financing needs;

- We encourage regional partners to work with us to help Partnership Countries address their financing needs along the same lines, and we welcome the Saudi announcement to support Egypt's transition.
- 8) Over the medium and long term, we commit to support Partnership Countries in addressing underlying economic challenges. Our aim is to achieve sustainable transition alongside democratization and a broadening of economic opportunity, based on the priorities identified and endorsed by national governments through broad consultations with relevant stakeholders. This requires a strategic shift in the approach and actions of the international community in the region. To this end, we should (i) rely on repositioned and coordinated multilateral development banks' actions, (ii) leverage the experience of EBRD in accompanying economic transition and (iii) change the scale of trade and investment integration.
- 9) We will work closely with the multilateral development banks to review and enhance their programs in the Partnership countries, revise their priorities accordingly and strengthen their coordination:
- We look forward to timely completion of the joint Action Plan by the World Bank, the African Development Bank, the European Investment Bank / FEMIP, the European Bank for Reconstruction and Development (EBRD) and the Islamic Development Bank, to be adapted in each Partnership Country consistent with each bank's geographic mandate. We call upon the IMF to ensure that these plans can be accommodated with sustainable medium-term macroeconomic frameworks. We encourage bilateral donors to embrace this same approach and to ensure their actions are adapted and more effectively coordinated;
 - We will fulfil our international commitments to secure the return of stolen assets and will, by taking appropriate bilateral action and promoting the World Bank / United Nations Stolen Asset Recovery Initiative, support Egypt and Tunisia in the recovery of assets;
 - We commit to strengthen and activate our bilateral assistance and encourage other multilateral organisations to raise their level of assistance to support the efforts of Partnership Countries;
 - We encourage the following initiatives being prepared: joint facilities to support micro-enterprises and SMEs and entrepreneurial activities; joint infrastructure funds to build confidence and mitigate risks faced by private investors in the region; and multi-donor partnerships for regional integration, notably on cross-border trade facilitation and solar power development.

10) We call for an appropriate regional extension of the geographic scope of the EBRD's mandate, in order to support the transition in countries of the region which embrace multiparty democracy, pluralism and market economies. The EBRD has been a unique instrument to help transform the economies of Central and Eastern European countries engaged in the same dynamics, with its focus on private and entrepreneurial initiative. The financial strength of EBRD makes it possible to extend its area of operation consistent with its current strategic commitments, notably in the existing countries of operation.

To fast-start EBRD support to and leverage its experience in private sector development and job creation in the region until the ratification of the extension is completed, we will work with the EBRD towards the creation of a dedicated transitional facility, to allow the bank's operations to start as early as possible to the benefit of prospective recipient countries, with governance associating them and open to contributions from major international and regional development partners. We task our finance ministers to review this proposal at their next meeting.

11) We are committed to support the integration of the Partnership Countries in the regional and global economy through increased trade and inward investment to the region. To that end:

- We encourage and will support through bilateral and multilateral channels the efforts of MENA countries to bolster further trade and investment integration within the region, including through trade facilitation, reduction of tariff and non-tariff barriers, access to the service sector, the promotion of direct investments and regulatory convergence;
- For our part, we stand ready to offer additional support through, inter alia, improved mutual market access opportunities to encourage integration into the global economy through increased trade and inward investment in the region, for countries undertaking reforms to open their economies and create competitive conditions. On this basis, the EU is taking initiatives, under the Partnership for democracy and shared prosperity, to deepen trade with countries in the South Mediterranean, including through deep and comprehensive free trade agreements and investment, the conclusion of agreements on accreditation and acceptance of industrial products and the enhancement of the PanEuroMed system of cumulation of rules of origin. The United States will launch a comprehensive Trade and Investment Partnership Initiative in the region. Japan is promoting trade and investment jointly with MENA countries, in particular through the Japan – Arab Economic Forum. Russia will use its agreement with the League of Arab States to explore projects of regional cooperation and social development. The Canada-Jordan Free Trade Agreement is undergoing parliamentary approval, while bilateral Free Trade Agreement discussions with Morocco were recently launched;

- The EU will reinvigorate and strengthen its neighbourhood policy towards Partnership Countries to provide greater support to those engaged in building democracies. The EU will offer reforming countries a path towards closer economic integration the EU single market in areas of mutual interest;
- The Union for the Mediterranean will contribute through concrete projects.

12) We welcome the work done by Egypt and Tunisia in presenting to the international community of donors their program of actions towards economic and financial stability and preparing for more inclusive growth, and stand ready to support them. We welcome the Egyptian authorities' decision to request IMF and multilateral development banks' assistance and Tunisia's request for a joint and coordinated development policy loan.

In this context, multilateral development banks could provide over \$20bn, including €3.5bn from the EIB, for Egypt and Tunisia for 2011-2013 in support of suitable reform efforts. G8 members are already in a position to mobilise substantial bilateral support to scale-up this effort. We welcome support from other bilateral partners, including from the region.

Empowerment and dialogue between the peoples

13) We will help the countries of the region to create the political space for democracy and freedom to flourish. In particular:

- We call on international organisations to work with political parties and the newly-forming political oppositions to help them develop the tools to address aspirations and build capacity among local and national decision-makers and opinion-formers, as the best route to stability in the region;
- We will support the reinvigoration of the existing inter-parliamentarian fora, which have a decisive role to play, and the development of international cooperation between local authorities as a means to establish concrete links between peoples;
- We commit to fully involving civil society in the Deauville Partnership, building on the work of the "Forum for the future", that will convene before the end of the year, in order to respond to, and reflect, recent changes in the MENA region and to enhance the dialogue between the G8, MENA governments and civil society;
- We commit to make education and training a key focus of our activities in the region. Tackling high levels of illiteracy and unemployment, especially among young people, and making vocational training labour-market oriented, is key to ensuring a qualified workforce to help modernize the

MENA economies. We will encourage student mobility and foster greater educational and research linkages between our universities and those in the MENA region. The Euro-Mediterranean Office for Youth will be one tool of this policy. Exchanges of best practices on programmes enhancing the skills of unemployed people, including vocational training, should also be encouraged;

- We commit to give further support to the promotion of freedom of expression, including the critical role of media and the Internet in contributing to the democratisation of societies. We also commit to supporting the right to practise religious faith in safety and security, without fear of violence and repression.

Follow-up and monitoring of the Deauville Partnership

- 14) We will develop this Partnership through time and associate all relevant partners in an on-going and collaborative monitoring process of the transition in the region.
- 15) We will review with Partnership Countries their transition strategy, set out in social and economic development programs presented by Partnership Countries, starting with Egypt and Tunisia. We will ensure that reform is matched by the response of the international community, including through MDB country-specific Joint Action plans.
- 16) We ask our Foreign Affairs ministers and Finance ministers to take on this task urgently and meet together with MENA and other partners in the next few months to define the framework of the Partnership and take this work forward, including through meetings of Foreign Affairs and Finance Ministries senior officials held in July.
- 17) We will follow-up with our partners and all interested parties before the end of the year.
- 18) We will assess the Partnership at our next meeting under the chairmanship of the USA.