

U.S. DEPARTMENT OF THE TREASURY

Press Center



Deauville Partnership with Arab Countries in Transition

4/20/2012

DEAUVILLE PARTNERSHIP WITH ARAB COUNTRIES IN TRANSITION

WASHINGTON - Today, Secretary Tim Geithner chaired a meeting of finance ministers and representatives of key international financial institutions to advance work under the Deauville Partnership with Arab Countries in Transition, a unique forum launched last year in response to the historic changes in the Middle East and North Africa. Participation in the Partnership includes the five transitioning countries (Egypt, Jordan, Tunisia, Morocco, and Libya), G-8 countries, Saudi Arabia, the United Arab Emirates, Qatar, Kuwait, Turkey, and 10 international financial institutions (IFIs).

The Middle East and North Africa region is undergoing one of the most important transitions of our time. In the face of numerous challenges, the five transitioning countries have taken steps to solidify their movement toward democracy and advance economic development. However, these countries face growing economic challenges, including a difficult external environment and, for some countries, delays in the political transition. The Partnership provides a valuable platform through which the international community is engaging with and helping these transitioning countries to achieve their objectives of inclusive, sustainable growth.

Transition Fund

The Partnership agreed to explore a new Transition Fund that will 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 agreed to work together with other partners to advance this initiative.

Capital Markets Access Initiative

Recognizing the importance of assisting countries in maintaining financial stability, the Partnership agreed to launch a new initiative to help countries regain access to private capital to spur growth and unlock potential investments in the region. The Capital Markets Access initiative aims to help countries like Egypt and Tunisia close their substantial financing gaps. As part of this initiative, the United States is moving forward to extend a loan guarantee to Tunisia to support the issuance of a sovereign bond on international markets.

European Bank for Reconstruction and Development Expansion

In 2011, the Partnership agreed to support the extension of the geographic mandate of the European Bank for Reconstruction and Development (EBRD) to the Middle East and North Africa region. To date, 24 EBRD members, including the United States, have taken steps to make this expansion effective. The Partnership called on all members to proceed as quickly as possible with ratification of the necessary amendments. The EBRD will eventually have the capacity to invest as much as \$3 billion Euros a year in the region.

International Financial Institutions Engagement

Last year the IFIs established a dedicated Coordination Platform to better leverage the collective resources of the 10 IFIs that work in the region. Today, the Partnership called on these IFIs, which are now participating in the Partnership, to deliver on their commitments in the short term, particularly in the area of job creation and small and medium enterprise (SME) development. Examples of ways in which the IFIs are providing concrete support to the transitioning countries this year include:

- The provision of development policy loans to Tunisia (African Development Bank and World Bank), Jordan (World Bank), and Morocco (World Bank) underpinning governance, private sector reforms and domestic markets.
- In Tunisia, the African Development Bank is supporting SME credit lines and rural infrastructure to support inclusive growth.
- Support for public-private partnerships through the Arab Financing Facility for Infrastructure, launched last year by the World Bank and Islamic Development Bank.

- Development of relevant post-secondary education skills in the region through the International Financial Corporation “e4e Initiative for Arab Youth.”

Please see attached communique for more information.

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- [Deauville Partnership Communique Final.pdf](#) 