



DEAUVILLE PARTNERSHIP SENIOR OFFICIALS' CONFERENCE ON ECONOMIC GOVERNANCE AND HUMAN CAPITAL DEVELOPMENT

PARIS, OECD HEADQUARTERS - 30 MARCH 2017

CHAIR'S SUMMARY

1. The first Deauville Partnership Senior Officials' Meeting under Italy's Presidency took place in Paris on 30th March 2017, at the Organisation for Economic Co-operation and Development (OECD), in the format of a conference focusing on economic governance, policy reforms and human capital development in Arab Countries in Transition (ACTs).
2. Participants confirmed that the Deauville Partnership remains a unique and important forum for policy dialogue and cooperation between G7, ACTs, regional partner countries, international financial institutions and relevant international organisations. The participants acknowledged the ongoing political and economic challenges in the region, due to the instability caused by extremism, conflicts and the ongoing humanitarian crises, including refugees. Participants underscored that economic and governance reforms and robust civil society participation in the political and economic life of society are critical to democracy and stability. There was consensus on the need to build on the achievements of past Deauville Partnership Presidencies and provide the Partnership with new momentum in order to continue strengthening public institutions, improving economic governance, supporting economic growth, promoting financial and social inclusion - especially by devoting special attention to women and the youth - and favoring regional integration.
3. Participants reaffirmed their support for the Compact for Economic Governance as a framework to guide and assess progress on reforms in the ACTs, through peer reviews, with the assistance of the OECD, based on country "stocktaking" reports, implementation plans and progress reports. Egypt and Tunisia presented an overview of their reform programmes and engaged in a rich discussion with other partners. Participants acknowledged the efforts of the two governments and encouraged both to carry on



further efforts to pursue a reform agenda aimed at promoting macroeconomic stability and creating the conditions for resilient and inclusive growth through the establishment of strong economic governance institutions. The two pilot countries and the OECD were invited to integrate the comments made during the conference in order to finalise the two draft stocktaking reports and related Implementation Plans. Jordan and Morocco confirmed their intention to undertake a similar stocktaking exercise in the course of 2017.

4. A specific session was organised with experts and policy makers from ACTs to discuss and exchange best practices on reform implementation as well as reform prioritisation and sequencing, communication and stakeholder engagement. The importance of effective reform implementation in the ACTs and of continuous assistance from Deauville Partnership partners was emphasised.

5. Recognising the importance of human capital development for economic and social transitions in ACTs and the need for a holistic policy approach in this area, participants adopted *ad referendum* a *Deauville Partnership Strategic Framework for the Development of Human Capital* (see Annex to this Summary). Building on previous initiatives undertaken within the Deauville Partnership, this Strategic Framework provides a set of broad, high-level principles to promote sustainable and inclusive growth in the ACTs through sound human capital policies. The Strategic Framework will support the development of country-level action plans by the ACTs. The G7, Partner countries, the OECD and the IFIs could assist in their implementation through bilateral and multilateral support programmes and projects. Participants also welcomed the idea of possible support in the implementation and monitoring of this Strategic Framework to be provided by a network of policy makers and experts from Deauville Partner countries, IFIs and the OECD to promote peer learning activities and exchange of good practices.

6. Participants discussed the financial support by the Deauville Partnership to reform implementation process in the ACTs. They welcomed the new call for proposals of the MENA Transition Fund - following the additional pledges announced at the last Senior Officials' Meeting, which made it possible to reach the original Fund capitalisation target of USD 250 million - and the decision to schedule the next meeting of the Steering Committee of the Fund for 22-23 May in Rome. Participants also discussed the possibility of continuing the activities of the MENA Trust Fund in the effective and timely implementation of reform projects. Based on a suggestion of the Italian G7 Presidency, the IFI Coordination Platform will identify the main achievements of the Platform, take stock of IFIs cooperation in the ACTs and examine ways to enhance its effectiveness. The results of this exercise will be presented at the next Senior Officials' Meeting, to be held in Autumn 2017.

7. Finally, participants recognised the need for a broad reflection on the future perspectives of the Deauville Partnership, in view of the next Senior Officials' Meeting, to be held in Autumn 2017.