



# FORUM FOR THE FUTURE

Rabat, December 11<sup>th</sup>, 2004.

## CHAIR SUMMARY

1. The Ministers of Foreign Affairs and the Ministers of Economy and Finance of the countries of the Broader Middle East and North Africa (BMENA), together with their G8 counterparts and their partners (hereinafter “the Participants”), participated in the first *Forum for the Future*, which met on December 11<sup>th</sup>, 2004, at Rabat, in the Kingdom of Morocco (see Annex for List of Participants).
2. The Participants reflected their countries’ awareness of the issues at stake that constitute the challenges they share in terms of co-development on political, economic, and social levels, and in terms of mutual understanding on human, cultural, and societal levels. By contributing to the success of this Forum, the Participants are tangibly demonstrating their conviction that these shared challenges require them to respond in a global way, as part of their renewed commitment to dialogue and cooperation.
3. With this in mind, the *Forum for the Future* hopes to provide a setting for an informal, flexible, open and inclusive dialogue, devoted to strengthening democracy and the participation of civil society, to developing skills training, and to encouraging the growth of modern economies that generate wealth and that are well integrated into the global economy. It is the pillar of the *Partnership for Progress and a Common Future*, which is the framework for dialogue and cooperation based on shared responsibility and mutual respect, with the objective of co-development and the promotion of appropriate political, economic, social, and educational reforms, in harmony with the values, and with the special cultural, religious, and historical characteristics of the countries of the region, and in accordance with their respective possibilities and resources.
4. This Partnership builds on the development programs and initiatives of the BMENA region, as a complement to the bilateral, regional, and inter-regional relations which it seeks to reinforce. The Euro-Mediterranean Partnership (“Barcelona Process”), the U.S. Middle East Partnership Initiative, and the Japan-Arab Dialogue Initiative are examples of such initiatives. In the context of such a complementarity, the Participants confirmed their willingness to translate their shared commitment to mutually profitable development and voluntary cooperation capable of creating within the region a zone of exchange and shared prosperity, to the benefit of regional and international peace and stability.
5. During their meetings, the Participants solemnly reaffirmed their commitment to continue the political, economic, and social reforms now underway and planned in the region, especially building on the Declaration of the Arab Summit in Tunis (May 23<sup>rd</sup>, 2004).

Similarly, the countries in the region have welcomed the commitment of the G8 Partners expressed in particular at the Sea Island Summit (June 9<sup>th</sup>, 2004), to increase their individual and collective commitment to support actively these reforms.

6. In this regard, the Participants congratulated the countries that presented sectoral initiatives aimed at expressing these commitments in the form of concrete proposals. Such proposals include, among others, those put forward by Turkey, Yemen, and Italy for a Democracy Assistance Dialogue ; by Bahrain for a Network of Funds ; by Jordan for an Investment Task Force ; by Jordan and Yemen on microfinance ; by Jordan on education ; by Morocco and Bahrain on entrepreneurial training ; by Afghanistan and Algeria on literacy ; and by Egypt and the United States to support the regional facility at the International Finance Corporation for technical assistance to promote small businesses. Recognizing the importance of including in the process of reform and modernization all components of society, including business and civil society, the Participants also welcomed reports and recommendations from participants in the business and civil society dialogues. These proposals, reports, and the discussions among the Participants in this regard have led to the following :
7. The Participants renewed their commitment to strengthening the basis for democracy, consultation and cooperation in the region, broadening the scope of participation in politics, public affairs, and decision-making, within a framework of the primacy of law, fairness, and equality among citizens, including for women, and of the guarantee of an independent justice system and freedom of expression, with a view to consolidating the role of all components of society, including NGOs, and strengthening the participation of all social strata in the political life of their countries.
8. Convinced that political development is a long and demanding process, which only the nations concerned can initiate, the Participants reiterated their conviction that a process of political reforms in the region must recognize that the pace and scope of change will vary from country to country.
9. The Participants reaffirmed the sovereign right of each country, within its national unity and territorial integrity, to freely develop its own democratic political and socio-cultural system, consistent with the principles of the Universal Declaration on Human Rights and the United Nations Charter, especially the respect of human rights and fundamental freedoms, non interference in domestic affairs, the peaceful settlement of disputes, and good neighborliness. While encouraging an exchange of views and consideration of the lessons learned from successful national experiences with a view to sharing best practices in the region, the Participants remain convinced that successful reform must emerge from within the societies of the region and should not and cannot be imposed from outside.
10. The Participants hailed the significant progress achieved by several countries in the region in terms of their political development, and expressed their support for both the consolidation of democratic advances in those countries and the continuation of political reforms underway or planned in the region. In this regard, the Participants noted that they are following with interest the preparations for elections in the region, and expressed their strong and unanimous support to the countries concerned.

11. The Participants welcomed all steps taken so far to achieve democracy in Iraq and to encourage the Interim Government of Iraq to continue the political process by holding general elections before the end of January 2005, to achieve a Transitional National Assembly, which will have responsibility for forming a Transitional Government of Iraq and drafting a permanent constitution for Iraq leading to the formation of a constitutionally elected government by December 31, 2005 in line with the timetable endorsed in Security Council Resolution 1546. In this respect, they welcomed the efforts of the Interim Government of Iraq and other leaders of the Iraqi community to broaden political participation by encouraging all elements that reject violence to engage in the political and electoral process through peaceful means.
12. The Participants likewise reaffirmed their support for free and transparent elections in the Palestinian Territories. They urged Israel to work towards fulfilling its commitment to facilitate the holding of such elections. They also called for the participation of all Palestinians, including those in Jerusalem, and commended those nations that are supporting the elections with observers and financing. The Participants also reaffirmed that their support for reform in the region will go hand in hand with their support for a just, comprehensive, and lasting settlement to the Arab-Israeli conflict, based upon U.N. Security Council Resolutions 242 and 338. They reiterated their commitment to the full implementation of the Roadmap and to the goal of two states, Israel and a sovereign, independent, viable, democratic, and territorially contiguous Palestine, living side by side in peace and security, achieved through direct negotiations between the two sides.
13. Assessing the true value of the role played by civil society in development and as a contributor to the process of reform, the Participants stressed the relevance of contributions from members of civil society, including NGOs and representatives of the business sector, as a breeding ground for an active and responsible citizenry, which is the best guarantor of an irreversible transition to democracy. They recalled in this regard the recent reform declarations of business and civil society representatives, including those of Sanaa, Aqaba, Istanbul, Alexandria, Beirut, Marrakech and Rabat. Similarly, the Participants expressed their support for the development of exchanges, dialogue, and decentralized cooperation among these key actors in regional development, in respect of law, and welcomed the efforts of Italy, Turkey, and Yemen in organizing the *Democracy Assistance Dialogue* with the goals of facilitating promotion and consolidation of democratic institutions, norms and values.
14. Recognizing the essential contribution of women in political, economic, and social development, the Participants agreed on the importance of further encouraging them in particular to participate in the political, civil, social, educational, cultural, human, and environmental sectors.
15. The Participants further stressed their awareness that development and growth require a strong commitment to promoting a society of learning in which governments work with their partners to eliminate illiteracy, strengthen access to quality education at all levels, especially for girls, women, and other vulnerable groups, and develop skills responsive to needs. In this regard, the Participants reaffirmed their determination to pursue educational reforms, as part of a global and concerted effort aimed at laying the foundations for skills training that favors enlightenment, modernity, tolerance and good citizenship.

16. Given the importance of this subject, the Participants agreed to devote a specific meeting of Education Ministers to the topic, focusing on determining what should be implemented to eradicate illiteracy, provide basic education for all, upgrade curricula, and improve the quality of education and the administration of educational systems.

Participants welcomed Jordan's offer to host this meeting in May 2005 and, in this context, agreed to convene a preparatory meeting in early 2005, to draw up a draft agenda for the meeting.

17. Furthermore, Participants welcomed the work of Afghanistan and Algeria to promote dialogue on literacy among donors and beneficiary countries in the region. Afghanistan and Algeria will take the lead on developing a Literacy Initiative Plan of Action to address both common goals and country-specific needs. The Literacy Plan would set forth the actions that could be taken to reach common goals in this area, country-specific measures that are being taken, organizations involved in the effort, and other critical issues. To begin this work, Algeria will host a Literacy Workshop meeting in early 2005
18. Morocco has submitted a proposal for the establishment of a *Center for Entrepreneurial Excellence*. This initiative aims to promote the creation of enterprises as a driving force for sustainable development in the BMENA Region. To achieve this it had undertaken to use the expertise and local talent available in conjunction with the technical and financial support provided by the G8 countries to set up a training center in Morocco. This center aspires to respond to the region's need for qualified business professionals by providing high quality business training as well as documentation, consultations, research studies and opportunities for cooperation that are all designed in response to the region's specificities and realities. The goal is ultimately to stimulate an irreversible dynamic that allows the emergence of innovative economic development and offers the intellectual tools to further it.
19. Bahrain has submitted a proposal for the establishment of a Regional Center for Entrepreneurial Excellence. The purpose of this initiative is to identify and develop high-potential entrepreneurs from around the region, promoting a culture of entrepreneurship, undertaking research into the issues and challenges facing entrepreneurs and reaching out to students, young people and women. Courses will range from mini-MBA to intensive sector specific professional development and vocational training. Activities will also include networking events, modules on topics of interest to entrepreneurs and exchange programs. Preparations have included contacts and discussions with Governments and business groups in Bahrain and the region.
20. Participants welcomed and expressed their support for a workshop on vocational training to be co-hosted by Japan and Jordan in 2005 with a view to sharing good practices and experiences in the field of vocational training particularly for young people, in BMENA region. They also welcomed Germany's efforts to develop an intra-regional initiative aimed at enhancing vocational training.
21. Concerned over the socio-economic needs of the countries of the region, the Participants reiterated their determination to act both separately and in cooperation with each other to ensure sustained economic growth and socio-economic development and successful inclusion of regional economies in the global economy.

22. With this in mind, the Participants renewed their commitment to continue implementing the necessary economic reforms, particularly in the areas of investment, finance, trade, protection of property rights and combating corruption. The aim is to encourage the most stable and reliable economic environment possible, one that is suitable for investment and for promoting an entrepreneurial sector that will generate wealth and jobs and that is capable of increasing the competitiveness of the economies of the region's countries and of encouraging socio-economic prosperity in those countries.
23. The Participants also emphasized that for economic reforms to be fully beneficial, they must be implemented on a voluntary, managed, and progressive basis, and originate from within the very nations concerned. Such reform must, in the pace of their implementation and their scope, give due consideration to the diversity of the political, economic, social, and cultural situation of each country. They must also continue to benefit from support of regional and international financial institutions, as well as bilateral donors, including the G8 countries. In this respect, the G8 countries reaffirmed their commitment to intensify and, in partnership and dialogue with governments, business and civil society, expand their already strong individual and collective engagements in the region. These reforms must continue promoting economic openness and liberalization, while preserving at the same time the role of appropriate government regulation and efficient public services, as guarantors of the public interest and national solidarity.
24. The Participants agreed that priority should be given to successful integration of the region's countries into the multilateral economic, financial, and trading system, thus allowing them to benefit from stable and predictable rules capable of attracting domestic and international investment, particularly from the G8 countries. In this regard, they supported the ongoing efforts of countries of the region seeking to join the World Trade Organization, and welcomed the assistance offered by the G8 to those countries. Participants welcomed ongoing efforts to facilitate trade through infrastructure investments, streamlining customs procedures and improving local firms' capacity to compete in global markets. They also expressed their support for further multilateral trade liberalization through the Doha Development Agenda of the WTO.
25. Weighing the strategic importance of developing intra- and inter-regional trade, the Participants expressed their desire to bolster the integration of existing subregional groups, especially by encouraging their common economic interests. They agreed on the need to exploit fully the possibilities offered by current and future Free Trade Agreements, not only between the countries of the region but also between those countries and the G8 Partners, pursuant to the multilateral trade rules. To that end, they expressed their support of the Agadir process as an important step towards the effective implementation of larger free trade areas, especially within the framework of the Greater Arab Free Trade Area, the Euro-Mediterranean Free Trade Area, and the US-Middle East Free Trade Area.
26. The Participants also stressed the importance of improving financial flows for socio-economic development, with effective participation by the countries of the region in the design of projects and in the decision-making process. In this regard, they welcomed of a proposal for developing a Network of Funds, presented by Bahrain. The Network will serve as an informal and flexible advisory mechanism for G8 and BMENA governments, with the aim to facilitate cooperation and to improve the effectiveness of official financing in the

region. They agreed that this network should build on the existing experiences of regional and international institutions. They also welcomed the proposal that the Arab Monetary Fund will further study this mechanism.

27. Recognizing the important role of the private sector in promoting sustainable long-term economic growth and job creation, the Participants welcomed the establishment of the International Finance Corporation's (IFC) Private Enterprise Partnership for the Middle East and North Africa facility. The facility aims to provide technical assistance to help the countries of the region in their efforts to improve financing opportunities and business environment for small and medium-size enterprises. To that end, the Participants endorsed the goal of a US\$100 million facility over 3 years. Donors have already pledged more than \$60 million to the facility and activities are underway in SME management training, financial institutions and markets, business enabling environment. Furthermore, the IFC has also established clear objectives and quantifiable targets for delivering SME training and advising banks on SME financing, while establishing a systematic evaluation procedure, that the Finance Ministers of the region can review at forthcoming meetings of the *Forum for the Future*. Participants also agreed that as part of that evaluation, the IFC should endeavor to assess the facility's impact on job creation and SME profitability. The Participants noted the IFC's plans to work with local institutions to improve the business climate.
28. Microfinance is an effective tool to empower the region's citizens, including women, to promote economic development, encourage wider community participation in small business activities, and serve vulnerable segments of the population. With the aim of supporting microfinance in the region, Jordan, in partnership with the Consultative Group to Assist the Poor (CGAP), has agreed to host a microfinance best-practices training center, the Microenterprise Development Institute. The center will target training to NGOs, microfinance institutions, private organizations, and government officials. The Government of Yemen will work with CGAP and other BMENA partners to support the microfinance needs of entrepreneurs through a well-designed pilot project that builds on established best practices in microfinance
29. Recognizing the critical role of better access to private foreign and domestic investment to support economic growth and job creation, countries of the BMENA region and the G-8 have joined together in a cooperative 3-year program with the OECD, the World Bank and other institutions to design and implement policies to improve the region's investment climates and governance. To that end, the Arab Business Council, in cooperation with other business interests in the region, is working with the OECD's Business and Industry Advisory Committee to establish an Investment Task Force. Comprised of senior business leaders from inside and outside the region, the Investment Task Force will contribute to the work of the region and the OECD on next steps for designing national action plans supported by a regional process of peer review and monitoring. Furthermore, Participants underlined that remittance inflows offer an important opportunity to strengthen the investment capacity in the region, and agreed to work together to improve these flows with a view to finance productive investment.
30. Participants agreed on the importance of strengthening the global and regional financial systems. In this regard, they welcomed all regional and international initiatives, including the recent establishment of the Middle East/North Africa Financial Task Force

(MENA/FATF), aiming at ensuring that international anti-money laundering/counter-terrorist financing standards are effectively implemented.

31. At the end of their proceedings, Participants welcomed the offer by Egypt to host a meeting of Foreign Ministers of G8 member states and members of the League of Arab States in Cairo on 3 and 4 March 2005. The meeting will provide an opportunity for an exchange of views on the implementation of development, modernization and reform plans and programs.
32. This initial *Forum for the Future* has made it possible to strengthen the commitment of the countries of the region and of the G8 Partners to development and reform, while identifying the general orientation of the Partnership for Progress and a Common Future, and of forthcoming workshops. The Participants have agreed to meet in Bahrain in 2005 to assess the progress achieved thus far and to continue sharing their ideas as they advance together towards a future of peace and prosperity. They also welcomed Jordan's offer to host the meeting of the Forum for the Future in 2006.
33. At the end, Participants expressed their profound thanks to His Majesty The King MOHAMMED VI and praised his role and efforts in promoting tolerance, mutual understanding, peace and stability.