



G7 DEAUVILLE PARTNERSHIP CONFERENCE

OUTCOME AND OUTLOOK

For three days, representatives of Arab civil society, entrepreneurs and international financial institutions exchanged views. After some lively debate, the G7 Deauville Partnership Conference – A Civil Society Outreach resulted in 38 final recommendations.

By Laura Ginzel

From November 17 to 19 November 2015, over 100 representatives of civil society in the Arab countries in transition (ACT) – Morocco, Tunisia, Libya, Egypt, Yemen and Jordan – convened at the German Federal Foreign Office in Berlin to discuss the future of the Deauville Partnership with experts and delegates from the G7 countries and international financial institutions (IFIs), focusing on the needs and aspirations of civil society in their respective countries. The Deauville Partnership includes the ACT, the G7 countries, international and regional financial institutions, the OECD and regional partners – Saudi Arabia, the United Arab Emirates, Kuwait, Qatar and Turkey.

The civil society actors at the conference represented a wide and diverse range of civil society organisations, academic institutions and startups. The main German political foundations nominated a large number of them, while others were invited by the Candid Foundation, which organised the conference in partnership with the Federal Foreign Office within the framework of Germany's G7 chairmanship in 2015.

Most of the draft recommendations were agreed upon by more than 80 per cent of participants and will now find their way into the official documents presented by the German G7 presidency.

Laura Ginzel is project manager for the Candid Foundation. She is responsible for strategic project planning, budgeting and execution of projects, as well as stakeholder liaison.

"The public sector in many of our countries is like a black hole. Yet we expect that same public sector to magically transform our countries," said Rafat Al-Akhali of NGO Resonate! Yemen in his keynote speech on November 18, opening a vigorous debate on what can be expected of civil society in the absence of a capable public sector in the ACT. While participants at the general assembly session agreed that expectations should not be set too high, they also stressed that the role of civil society should be supportive of a functioning state – but at no time to be a substitute for the state.

Once representatives of the World Bank and International Monetary Fund (IMF) joined the discussion and frankly pointed out that "the public sector cannot be the engine of growth", the debate took a new turn and started focusing on the opportunities that a spirit of entrepreneurship might bring to the region. While Ayad Al-Ani, researcher and lecturer at the Humboldt Institute for Internet and Society at the University of Potsdam, thought young start-up entrepreneurs were a force to be reckoned with, others were more cautious and warned against the assumption that start-ups offer an easy solution to high youth unemployment in the MENA region, as most young people are insufficiently equipped with entrepreneurial skills when entering the market, accounting for the high failure rate of start-ups in the Middle East. However, both entrepreneurs and civil society actors agreed that they face common challenges that they could overcome if they could team up.

At the evening session on November 18, the participants convened in four draft committees focusing on the topics of International Finance, Policy and Donor, Entrepreneurship and Civil Society, NGOs and the Law, and State and Non-State Cooperation. The intense drafting sessions lasted until midnight and resulted in the central outcome of the conference: 38 draft recommendations for future cooperation between the ACT, the G7 countries and international donor organisations.

The next morning, the General Assembly reconvened to vote on the final recommendations of the G7 Deauville Partnership Conference – A Civil Society Outreach. Surprisingly, the vote showed very high consensus among the participating civil society actors. Most of the draft recommendations were agreed upon by more than 80 per cent of participants and will now find their way into the official documents presented by the German G7 presidency. They thus may build the basis for future cooperation and international programmes within the Deauville Partnership framework, which is headed by G7 chair Japan in 2016.





THAT'S WHY IT'S WORTH THE INVESTMENT

COMMENT ON THE FINANCE, DONORS AND POLICY COMMITTEE SESSION



“It is intensely difficult to secure development and fair distribution of wealth in countries where human rights are not preserved. It is also difficult for CSOs and NGOs to operate efficiently in corrupt environments.”

Mounir Beltaifa is a French and Tunisian businessman. He is president of Bridgers One, an incubator for enterprise development with offices in Paris, Casablanca and Tunis. Beltaifa is also president of the Confederation of Citizen Enterprises for Tunisia (CONNECT).

On 18 November 2015, Christian-Peter Hanelt chaired our working session with the support of two experts, Moncef Cheikh-Rouhou and Mounir Beltaifa. Taking part were fifteen representatives of Arab civil society: half of them women, half of them men, all of them happy to share experiences and willing to secure greater progress for their countries and improve the wellbeing of citizens.

All participants agreed to the request from Arab countries in transition (ACTs) as well as from International Financial Institutions (IFIs) and Donor Countries (DCs) to reserve a clear amount of money for the development of NGOs and CSOs.

It is intensely difficult to secure development and fair distribution of wealth in countries where human rights are not preserved. It is also difficult for CSOs and NGOs to operate efficiently in corrupt environments.

Naturally, most participants expressed their expectation that IFIs and DCs should include in their policy requirements the demand that ACT governments honour their commitments to human rights, and demonstrate progress in their fight against corruption.

Participants also expected IFIs and DCs to increase their efforts in mapping their activities within the ACTs and coordinate efficiently to avoid redundancy. In addition, IFIs and DCs should pay attention to the needs and recommendations of CSOs and NGOs – not only at the national level but also at the regional and local level.

This focus on decentralisation may require civil society actors to seek dialogue, coordinate, prioritise and try speaking with one voice to be heard, understood and supported on major issues.

Some participants did not like this idea of speaking with one voice, most probably to preserve both agility and full independence.

Other participants wanting to protect or restore local democracies were anxious for themselves. They even rejected the idea of cooperating with certain NGOs and CSOs, who for them represent another face of undesirable local political parties in power or unfamiliar lobbyists with hidden agendas.

With participation and inclusive approaches still rare in the transition countries, participants promoted the idea that IFIs and DCs would benefit by encouraging ACTs to create economic and social councils that are inclusive of CSOs and NGOs representatives from diverse backgrounds. This would help pave the way for the needed and supported socio-economic reforms.

There is so much to be done in the ACTs, the limit being so often capacity. CSOs and NGOs expect more capacity-building measures and technical cooperation to secure the success of development initiatives and encouraged IFIs and DCs to finance more projects for CSOs and NGOs, as well as in the private and public sectors.

All participants expressed a wish to see future G7 presidencies keep dialogue and cooperation open with CSOs and NGOs from the transition countries.

This exceptional gathering of people of diverse ages, cultures and backgrounds, who are committed to the transformation of their respective societies, was both an educative and a productive experience, offering new friendships within an encouraging atmosphere.

With IFIs and DCs interested in the outputs of Committee I, all participants were hoping their recommendations would be taken into account in the near future and that Japan – the next country to chair the G7 in 2016 – would keep supporting civil society efforts in the ACTs.

Even though the region that includes the transition countries has been devastated since the Arab Spring, old leaders have a limited and uncertain future and the majority of the population is young, inspired and hungry for freedom, justice, learning, work, dignity, positive change, innovation and development.

Isn't it worth the investment? I strongly believe YES. •

INTEGRATING BUSINESS INITIATIVE BEYOND PROJECT-BASED FUNDING

COMMENT ON THE ENTREPRENEURS AND CIVIL SOCIETY COMMITTEE SESSION



“The major wish young Arab entrepreneurs voiced was that the state should not stand in the way of innovation but rather create an enabling environment and empower individuals to find their own path towards economic prosperity.”

Inna Rudolf works as project manager in the Global Dialogue department of the BMW Foundation Herbert Quandt. She specialises in state-building, post-conflict reconstruction and institutional performance in the greater Middle East.

If nothing else, the Arab Spring popular uprisings have succeeded in shattering the logic of the pre-revolutionary bargain. The cards been reshuffled, and both entrepreneurs and civil society actors have proven willing to tap into new opportunities and assume larger shares of responsibility in the transformation process. During the committee session on Entrepreneurs and Civil Society, we discussed policies and reforms needed to improve economic governance and develop socially inclusive models of growth and development.

As participants pointed out, the wave of protests across MENA have demonstrated the limits of a social contract based on mutual distrust and destructive interdependence between a systemically

repressed society and an over-promising and under-delivering authoritarian state. It was the public system's inability to cater to citizens' rising expectations for health care, education and social insurance that eventually caused the collapse of the contract. These events also challenged the very rationale behind such expectations of the state, whose role seems to have been largely misinterpreted.

All participants agreed that the end of these governance arrangements has prompted the awakening of civil society and the re-emergence of an entrepreneurial spirit across the region. This entrepreneurial hands-on mentality was on show during our committee discussions. Participants, who came from all walks of life, did not perceive themselves as passive clients of a service-oriented state bureaucracy. As committee chairs we were amazed by their commitment and eagerness to take matters into their own hands. The major wish they voiced was that the state should not stand in the way of innovation but rather create an enabling environment and empower individuals to find their own path towards economic prosperity.

My view is that there is a whole new league of civil society actors who look beyond old-fashioned mechanisms of project-based funding. We find purpose-driven individuals striving to secure financial sustainability for their organisations so they do not have to bend their own vision to accommodate the preferences of a foreign donor. They want to make a difference on the ground and to raise awareness of the challenges faced by geographically and economically underprivileged regions. For that reason, participants highlighted the importance of knowledge and technology transfer, as well as mentoring and incubator programmes conducted with support from G7 countries.

We also discussed the vast potential of social entrepreneurs to tackle socio-economic grievances and improve social cohesion by assessing the needs of local communities. But for impact entrepreneurs to thrive in a politically challenging environment, a flexible and dynamic social network to share learning experiences is indispensable. Once such a community with shared principles and values is established, its members can join efforts in setting the stage for the next generation of entrepreneurs and agents of positive social change.

The committee recommended integrating entrepreneurship in school and university curricula and offering vocational training relevant to the local labour market. Another suggestion was to encourage and invite seed funding programmes and angel investors to finance start-ups and SMEs, and provide organisational support throughout the entire development cycle. Furthermore, participants were concerned with the competitiveness of local products, addressing the necessity of protecting local content via patents and intellectual property laws. They also acknowledged the importance of strengthening inter- and intra-regional market integration and determined that the task of gradually embedding the informal economy in a legal context is long overdue.

Last but not least, we elaborated on the role of foreign actors such as multilateral donor organisations and G7 governments, coming to the conclusion that they should increase their efforts in monitoring existing funding mechanisms, making sure that cultural differences and regional political dynamics are being analysed and taken into consideration.

PERMISSION TO RECEIVE FOREIGN FUNDS IS CRUCIAL TO EMPOWER ARAB NGOS

COMMENT ON THE DRAFTING COMMITTEE NGOS AND THE LAW



“NGOs are often (mis)used by governments to delay transformation processes. This is particularly the case in military regimes that by definition perceive civil society as threat.”

Dr Jan Claudius Völkel is a visiting professor and DAAD long-term lecturer for the Euro-Mediterranean Studies Programme at Cairo University. Since 2008, he has additionally been serving as North Africa and Middle East regional coordinator for the Bertelsmann Transformation Index.

Participants from Algeria, Egypt, Jordan, Tunisia and Yemen addressed both legal challenges for NGOs and legislative amendments needed to overcome them. Extensive competence and participants' enthusiasm led to vivid discussions with in-depth insights into the current legal situation of Arab NGOs.

Despite the countries' heterogeneity, participants identified a number of similarities. These include restrictive legislation and arbitrary implementation of regulations, an increasing number of laws that allow governments to dissolve critical organisations for professed security reasons, and the intertwining of legislative and executive powers without mutual control. Improvements that have been made, such

as in Jordan, are still insufficient to protect NGOs from governmental arbitrariness. The lack of support for civil society activism in the Arab world was described as a consequence of the popular description of NGOs as opponents of the regime, or even enemies of the state.

Regimes such as Egypt or Algeria use restrictive legislation to curtail the scope of civil society activism and abuse NGOs for their own purposes. With these constraints, NGOs are unable to contribute effectively to a successful political transformation. On the contrary, they are often (mis)used by governments to delay transformation processes. This is particularly the case in military regimes that by definition perceive civil society as a threat.

As much as participants agreed upon the aforementioned themes, their views on the question of foreign funding were entirely divergent. While Egyptian and Algerian participants complained about restrictions, participants from Tunisia noted the absence of sufficient regulations. This lack, Tunisian participants agreed, gave rise to groups serving certain agendas. The question of whether NGOs should vividly protest their unjust treatment or better adapt to the given circumstances, in order to achieve as much as possible, did not find a clear answer, as a one-size-fits-all solution does not exist.

The committee urged Arab governments to ensure independence and create constructive legal environments to empower NGOs, instead of impeding them. The permission for NGOs to receive foreign funds on legally safe ground was perceived as crucial here. But not only the law setting is important; the manner in which laws are implemented deserves more consideration, as their erratic application is a major problem in almost all Arab countries.

Besides the criticism of governments for their restrictive policies, some participants also launched a form of self-critique. They criticised the lack of professionalism of NGOs, the widespread corruption within the sector and their increased marketisation strategies; civil society engagement has become a quasi-business, primarily serving certain people's material interests. Yet NGOs need to be transparent and well-governed, in order to prevent attacks from governments, participants argued.

Cooperation with local NGOs constitutes a unique opportunity for the international community to rethink policies and approaches. Participants strongly expressed the wish to have a dialogue with G7 representatives in order to contribute knowledge, insights and views – an exchange on an equal footing. If donors' continuously expressed commitments to empower civil society are not to remain mere lip service, this willingness has to be translated into concrete policies which enable NGOs to effectively contribute to the Arab transformation processes. This is difficult, given the current governments' reluctance to accept NGOs as relevant stakeholders, but it means – at a minimum – that donors consult with civil society before drafting country strategies, rather than implementing pre-made programmes to which local NGOs must adapt. It also requires that they develop mechanisms and tools to support hitherto excluded small NGOs, which are classified as non-professional as they do not meet the standard of international donors. A more participatory approach is needed, one that not only consults national governments but also civil society organisations. •



A PARADIGM SHIFT FOR PROGRESS

WHAT THE WORLD BANK TAKES AWAY FROM THE G7 DEAUVILLE PARTNERSHIP CONFERENCE IN BERLIN

“A new Corporate Citizen Engagement Strategy will help us mainstream citizen engagement into all our policies, programmes and projects.”

Thomas Djurhuus is lead partnership specialist at the World Bank's MENA and Central Asia Department, where he is tasked to support the World Bank's MENA regional relationship with EU institutions including European IFIs.

The conference clearly demonstrated a paradigm shift in the way that citizens in the Middle East and North Africa region are now engaging with their governments around issues of development and governance. Men and women are mobilis-

ing to demand a greater voice and participation in decisions that affect their lives, and greater responsiveness and accountability from service providers and the state. This transformation is very much welcome and challenges traditional approaches to development by governments and development partners.

I was particularly impressed by the professionalism and the drive with which NGOs spoke up for the aspirations of ordinary citizens in the region, a prerequisite for improved development results for all groups of society. The conference proved to be an effective platform for sharing information and experiences, and it clearly inspired and energised some NGOs to return home to try new approaches and create new partnerships.

While engaging with civil society is not new for the World Bank, we are now embarking upon a new Corporate Citizen Engagement Strategy which will help us mainstream citizen engagement into all our policies, programmes and projects, as well as contribute to building country platforms that can enhance the sustainability of government-citizen interaction. However, enabling this inclusive engagement will only be achieved by breaking down barriers that inhibit open dialogue and by making the voices heard of traditionally vulnerable groups, including women, youth and ethnic minorities. •



REACHING OUT TO CIVIL SOCIETY

WHAT THE IMF TAKES AWAY FROM THE G7 DEAUVILLE PARTNERSHIP CONFERENCE IN BERLIN

“The IMF and other IFIs are on the right track in stepping up engagement with the CSO community.”

Björn Rother is an advisor and chief of the Strategy and Partnership Unit of the Middle East & Central Asia Department at the International Monetary Fund (IMF) in Washington, DC.

The conference offered a good opportunity for us representatives of international financial institutions (IFIs) to listen to the voices of civil society organisations (CSOs) from within the Arab countries in transition. In particular, we heard par-

ticipants’ concerns that IFIs reach out too little to CSOs, which should play an important role in policy-making as voices from within these societies, and need to accelerate efforts to back up improved rhetoric on inclusiveness and fairness with tangible action. Many also underlined the need for swift progress with reforms in support of better governance and transparency.

These views certainly gave us a lot of food for thought and enriched our discussions in the plenary and also in informal settings around the coffee tables. A key takeaway for us was that the IMF and other IFIs are on the right track in stepping up engagement with the CSO community. For example, our country teams are now routinely reaching out to non-official stakeholders, including on mission; and we benefited from a substantial CSO presence at the regional high-level conference on jobs, growth and fairness that we held in Amman in 2014.

In addition, the discussions in Berlin confirmed that the Fund’s efforts to continue to strengthen the focus of economic reforms on inclusive growth – our slang for growth that benefits all segments of society, especially through the creation of more, and more productive, jobs – is a very important element of a comprehensive economic strategy for the countries in the Arab region. •



IN THEIR WORDS

A SELECTION OF REACTIONS AND FEEDBACK FROM PARTICIPANTS

“I really appreciate the creation of this platform for engagement between civil society actors and international decision-makers. I felt our voice was heard.”

Rasha Rashid, social researcher, Yemen



“Dynamic, intense, but not critical enough.”

Hamza Safouane, PhD candidate, Morocco

“I think the G7 countries present here can help the Arab countries in transition to redefine a new economic vision that includes both private and public sector together, to work together for a better future.”

Laith Al Qasem, Young Entrepreneurs Association,
Jordan



“We are not here pleading for help.
We are here because we have our own
perspective; we are coming as equals
to find solutions to problems that affect
all of us.”

Khaoula Ajanane, deputy mayor of Agadir, Morocco



“It was very frank, very interactive
and very positive.”

Maya Bou Ayache, European Endowment for Democracy

“Thank you for giving us the
possibility to work on
harmonising our
recommendations and try
to join our efforts for
a better world.”

Zied Ben Amor, University of Sousse, Tunisia



“It was a great experience, a lot of
interesting people, although the language
of the conference was at times exclusive,
as there are also other ethnicities at home
in North Africa apart from Arabs,
such as the Amazigh.”

Aeoub Sofian, activist, Libya

FINAL RECOMMENDATIONS

OF THE DEAUVILLE PARTNERSHIP CONFERENCE

We, representatives of civil society in the Arab Countries in Transition (ACTs), assembled in the Federal Foreign Office in Berlin on November 19th, 2015, agree via majority vote on the following recommendations and guidelines to our national governments, the governments of the G7 countries, the governments of Arab donor countries as well as international financial institutions (IFIs)

Section I INTERNATIONAL FINANCE, DONORS AND POLICY REQUIREMENTS

We, representatives of the civil society of ACTs, call upon the Deauville Partnership to

1. Reserve a clear amount of money for the development of NGOs and CSOs in any new funds that IFIs, donor countries DCs and ACTs agree on. This should involve both project and core institutional funding.
2. Ensure a spirit of partnership in their relations to one another. IFIs, DCs and ACTs should consult civil society representatives from the respective ACT and of other countries which have gone through a successful inclusive transition and who can share their experience regarding the coordination of all actors involved.
3. Include in the policy requirements of IFIs and DCs the demand that ACT governments honour their commitment to human rights, even if this was not initially a part of their mandate.
4. Place a stronger focus on the implementation of constitutional bodies and constitutional rights, paying special attention to the judiciary system in future projects between IFIs, DCs and ACTs to reflect the increasing awareness among IFI and DCs of the need to fight corruption.
5. Increase the efforts of IFIs and DCs in mapping their activities vis-à-vis ACTs and to coordinate with each other more strongly. Such efforts in mapping and coordination should be tied to the process of assessing the needs of ACTs' population at the local and regional level, not just the national level. IFIs and DCs should recognise the value of the specialist knowledge that local NGOs and CSOs can provide.
6. Promote the timely implementation of investment and development projects, recognizing that political and economic progress is intertwined but that political reforms are usually prioritised in ACTs.
7. Establish social and economic advisory councils in ACTs that is inclusive in nature and is composed of civil society representatives from diverse backgrounds. Such councils should help pave the way for socioeconomic reforms by debating with, advising and monitoring ACT parliaments. IFIs and DCs should encourage ACT governments to create these social and economic councils and to include them in their negotiations with ACT governments as advisory bodies.

8. Foster the inclusion of NGOs and CSOs in the design and implementation of projects funded by IFIs and DCs in deprived regions of ACT countries.
9. Significantly increase IFI and DC financing of even more projects with regard to NGOs and CSOs as well as both the private and the public sector.
10. Encourage all future G7 presidencies to hold a conference with civil society representatives in the framework of the Deauville Partnership in order to continuously listen to the experiences of civil society representatives, to encourage their ability to be independent and resourceful and to secure their progress.

Section II ENTREPRENEURSHIP AND CIVIL SOCIETY

The general assembly of the Deauville Partnership Conference further urges the members of the Deauville Partnership to

11. Create collaboration platforms (online or physical) for the exchange of knowledge, technical know-how, and experiences between MENA and G7 (governments, entrepreneurs, and civil society).
12. Initiate and promote Incubator programmes/ entrepreneurship clusters and think tanks/co-working spaces and Fab-Labs.
13. Promote vocational training and mentoring programmes, as well as creating and enabling a tangible networking environment upon the initiation of G7 governments.
14. Raise support for social entrepreneurship and create a platform for strategic cooperation between civil society and entrepreneurs.
15. Set the stage correctly for the next generation of entrepreneurs by integrating entrepreneurship in school and university curricula and securing wider accessibility of resources for underprivileged areas and minority communities.
16. Strengthen product identity (regional labels).
17. Create and protect local content via patents and intellectual property law.
18. a) Guarantee open market access for the export of goods and services from MENA countries into the G7 countries.
b) Advocate stronger intraregional market integration between MENA countries and strategically embedding the informal sector with the support of G7 governments.

19. Implement a framework created by the G7 governments for civil society actors to monitor funding mechanisms, avoid double funding of ventures and ensure that cultural differences and traditions are taken into account.
20. Mobilise support for and raise awareness of the importance of seed funding and angel investors in financing start-ups and SMEs throughout the entire development cycle and of adapting support to local realities.

Section III NGOS AND THE LAW

We, representatives of the civil society in the ACTs, call upon our national governments to

21. Create a legal framework for ensuring transparency and good governance in order to enable civil society to work efficiently and independently.
22. Adapt laws defining the different (legal) forms of CSOs, ensuring their rights to an equal treatment, inclusion and consultation in the decision-making process.
23. Set stipulations and introduce mechanisms to assure the efficient implementation of these laws in compliance with the »spirit of law«.
24. Allow the acquisition of foreign funding and empower non-state bodies such as stakeholders to monitor the flow of these funds.

We, representatives of the civil society in the ACTs, call upon the G7 governments, international financial institutions and international organisations to

25. Assist the development of Arab standards for non-profit laws based on international standards.
26. Link the allocation of funding to transparency and efficiency of CSOs.
27. Create a database of CSOs in the MENA region as an information platform for donors.
28. Develop a strategy to continue collaboration with NGOs in conflict situations.
29. Encourage and enhance a dialogue between CSOs and ACT governments in order to change the negative perception of CSOs among some ACT governments.
30. Develop programmes for capacity building and training in management for strengthening local (weak) CSOs.

Section IV

STATE AND NON-STATE COOPERATION

We, representatives of the civil society in the ACTs assembled at the Deauville Partnership Conference, call upon the Deauville Partners to

31. Encourage governments of ACTs to put in place laws which favour decentralised structures, which will in turn improve the economic capabilities of rural regions. Further, democratically elected local bodies should benefit from political and financial autonomy. We stress that decentralisation, however, should not encourage separatism and the break-up of national unity.
32. Reinforce the creation of structures and platforms, which foster capacity building, strategy development, building of local human resources, implementation tools and the exchange of experiences between elected officials and actors of civil society.
33. Assist ACT governments in developing a culture of transparency, coexistence and democratic citizenship and implementing mechanisms for accountability of local public policy-making and evaluation.
34. Consider all marginalised groups and geographical areas, indigenous people, ethnical and cultural minorities and regional groups to be important actors in local, national or international cooperation in order to create inclusive democratic reform and actual change on the local level.
35. Support the development of communication tools to encourage understanding between state and non-state actors particularly through the use of techniques of open governance, in order to foster cooperation, dialogue, participation and the exchange of skills and capacities.
36. Engage in a dialogue on cultural exchange between the global north and south to address the root causes of common problems.
37. Diversify participation mechanisms between civil society and government to exchange experiences, identify common strategies and conduct regional and international planning.
38. Democratise international decision-making, i.e. give more importance to local and national elected bodies.

As agreed upon by the General Assembly of the Deauville Partnership Conference on November 19th, 2015





