

Regional strategy for development cooperation with

The Middle East and North Africa (MENA)

2006 – 2008



The Swedish Government resolved on 27 April 2006 that Swedish support for regional development cooperation in the Middle East and North Africa (MENA region) during the period 2006-2008 should be conducted in accordance with the enclosed regional strategy. The Government authorized the Swedish International Development Cooperation Agency (Sida) to implement in accordance with the strategy and decided that the financial framework for the development cooperation programme should be SEK 400–500 million.

Regional strategy for development cooperation with the Middle East and North Africa (MENA) 2006 – 2008

Contents

1. Summary	2
2. Conclusions of the regional assessment	3
3. Assessment of observations: Conclusions	6
4. Other policy areas	8
5. Cooperation with other donors	10
6. The aims and focus of Swedish development cooperation	11
7. Areas of cooperation with the MENA region	12
7.1 Strategic considerations	12
7.2 Cooperation with the Swedish Institute in Alexandria and	14
where relevant with the Section for Turkish-Swedish Cooperation at the Consulate-General in Istanbul, with the Swedish Research Institute in Istanbul, and with the Anna Lindh Euro-Mediterranean Foundation	
7.3 Areas of cooperation	15
7.3.1 Promotion of democracy and good governance	15
7.3.2 Promoting respect for human rights	15
7.3.3 Environmental care and the sustainable development	16
of resources, primarily water, particularly of a regional, transboundary nature	
7.3.4 Capacity building in the field of regional economic development	16
8. Implementation and follow-up	17

Regional strategy for development cooperation with the Middle East and North Africa (MENA) 2006 - 2008

1. Summary

The aim of this strategy is to define the direction of Sweden's regional development cooperation with the Middle East and North Africa (the MENA region). The strategy is to facilitate the introduction of regional initiatives aimed at strengthening and broadening development cooperation with the region and will promote greater interaction and exchange both within the region and between the region and Sweden. In line with Sweden's overall development policy objective – to help create opportunities both for poor people to improve their lives and for equitable and sustainable development – a rights perspective and the perspective of the poor are to guide the cooperation, which is to focus on the kind of generalised poverty that rights abuses and the absence of peace and security represent. The strategy's regional approach and its focus on four cooperation areas will enable the programme to have a greater impact in a wider regional perspective by creating opportunities for interacting with and supplementing the efforts of other bilateral and multilateral actors, particularly the EU, the UN and the multilateral development banks.

The strategy objectives are as follows:

- to promote democracy and good governance, e.g. by taking steps to promote the emergence of a strong civil society.
- to promote respect for human rights, including equal rights, conditions and opportunities for women and girls, and to encourage the development both of regional networks and of structures for dialogue on rights perspectives and basic universal values, etc.
- to promote the sustainable use of water resources, focusing in particular on regional and transboundary water issues, from both a poverty reduction and a conflict prevention viewpoint.
- to promote regional economic development and growth, particularly capacity-enhancing measures to strengthen trade policy skills and supply capacity¹ in a regional perspective.

The MENA region as defined here comprises 18 countries², the Occupied Palestinian Territories (OPT) and Western Sahara³. Regional cooperation is to focus primarily on those countries in which projects adopting a regional approach have already been launched – Egypt, Jordan, Lebanon, Morocco and Syria – but in addition should include

¹ This refers to measures aimed at strengthening infrastructure and production and at improving opportunities for trading internationally, etc, as described in Government Communication 2005/06:9 on Swedish trade policy in the WTO's Doha round.

² Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, the United Arab Emirates and Yemen.

³ Former Spanish Sahara, controlled by Morocco since 1975. Fighting between Moroccan troops and Polisario in Western Sahara continued throughout the 1980s. A truce has been in place since 1991, supervised by a UN force, MINURSO.

other countries where such a course is deemed relevant in a regional or subregional context. This also applies to Iraq and the Palestinian West Bank and Gaza areas, for which bilateral development cooperation strategies already exist.

The strategy has a three-year time frame but a longer perspective should be adopted when planning development initiatives. During the period, the financial framework for Swedish development assistance to the region is to gradually increase in size and amount to just over SEK 200 million in 2008.

2. Conclusions of the regional assessment⁴

The MENA region covered by the assessment includes the above-mentioned 18 countries, the OPT and Western Sahara. The regional assessment is largely based on the analyses provided in the three Arab Human Development Reports published by the UNDP in 2002, 2003 and 2004. These examine the impact of conflicts currently under way, assess demographic conditions in the region, and analyse poverty.

The UNDP's first Arab Human Development Report (AHDR), for 2002, describes three deficits that are said to represent the foremost obstacles to progress in the region:

- inadequate citizens' rights and inadequate democratic governance,
- women's lack of rights and the lack of gender equality in society, and
- inadequate education systems with insufficient resources.

The AHDR for 2003 analyses the problems found in the education and training sector in closer detail, while AHDR 2004 focuses on the lack of democratic governance. The AHDR for 2006 will discuss the question of women's lack of power, influence and economic and social rights.

According to these reports, the conflicts that distinguish the region – in particular the one between Israelis and Palestinians and the events of recent years in Iraq – represent a serious obstacle to development and adversely affect the prospects for peace and security throughout the region. The conflicts have affected the region's attitude towards the West and helped to create a breeding ground for fundamentalism and various types of extremism, besides helping to keep authoritarian systems in power.

Religion plays an important role in the region. The majority population is Muslim in all countries except Israel, although significant ethnic and religious minorities are also present. Sunni Muslims dominate in all the Muslim countries except Iran, Iraq and Bahrain, where the Shias are in a majority. Arabs are in the majority in most countries, with the exception of Iran and Israel. In Muslim countries, Islam underpins much of the value system on which public morals rest and lays down the framework for personal, family and social life. Islam's teachings, values and cultural traditions have a decisive impact on both legislation and social practice. This affects i.a. the way concepts such as

⁴ The statistical data is taken from the Arab Human Development Reports for 2002, 2003 and 2004. The definition of the region in these reports excludes Iran and Israel, which are geographically located in the Middle East according to this strategy, but includes Comoros, Djibouti, Mauritania, Sudan and Somalia, which are not part of the MENA region as defined in the present context. The statistical data is nevertheless considered representative of the MENA region as described here.

democracy and human rights are interpreted, and not least how the role of women in society is viewed. Religious communities and organisations often play an important role in Muslim countries, not least as regards their work in the social field and in charity provision. A complicating factor is the widespread belief that Europe and other parts of the 'Western world' view Islam and the Muslim world in a disparaging and discriminatory light.

The demographic situation in the region has a very significant impact on development. Most of the countries have very young populations. Over a third of the population in the region are under 15 years of age, and more than half are under 25, which puts considerable pressure on the countries' social systems and places heavy demands on public services such as health care, education, housing, ventilation and sanitation, and employment. Population growth in several countries in the region is among the highest in the world, as a result of which the economic advances that have been achieved have not had the desired effect in terms of poverty reduction.

Poverty in the region is multifaceted. There are substantial economic and social differences between and within the various countries, and these are also characterised by the kind of general poverty that rights abuses and the absence of peace and security represent. Most of the countries are classified as middle-income states⁵, but many of them are experiencing widespread poverty and socioeconomic problems, including extensive unemployment and under-privilege among groups such as women, migrant labour and ethnic and religious minorities. Demographic pressure resulting from large youth populations is causing socioeconomic friction to increase in many of the countries in the region, and risks leading to still greater poverty.

Lack of democracy, lack of respect for human rights and lack of good governance is to be found in many quarters. Most of the countries are under authoritarian rule. In many of them, protection of civil, political, social and economic rights is inadequate. The cultural rights of minority groups and their opportunities for taking part in political, economic and social decision-making processes are often limited. Judicial systems tend to be weak and to be a part of the prevailing power structure. The administrative machinery is often oversized and corrupt. Popular participation in the political process is at a low level, not least in the case of young people and women. Civil society is generally weak, with the exception of the many religious organisations, and is to a great extent circumscribed by national legislation, official surveillance or cultural patterns.

The high rate of population growth, poverty, the absence of a long-term perspective and the lack of rights-based systems of government are all factors that risk contributing to a steadily increasing flow of migrants from the region, chiefly targeting Europe. The potential exists for putting the opportunities that migration represents to better use in developing the region, and also in the longer term for creating the kinds of conditions that mean people are not forced to emigrate against their will.

⁵ With the exception of Israel, Libya, Qatar and the United Arab Emirates, which are classified by the OECD/DAC as more developed countries (in the developing world), and Bahrain, which is classed as a high-income country in the ODA category. Only Yemen is classed as a Least Developed Country by the DAC.

The above factors are also crucial to an understanding of the growth of religiously inspired extremist movements.

The media are often under official control. Censorship in various forms is widespread. Several of the countries in the MENA region are criticised in the reports on freedom of expression and opinion in the world published by Reporters Without Borders. Journalists and cultural and media actors are frequently exposed to persecution of various kinds, and this has i.a. resulted in a considerable degree of self-censorship.

Economic development has been adversely affected by the above factors. Corruption, sluggish bureaucracies and non-transparent administrative procedures are imposing constraints on regional economies. The lack of regional economic cooperation and integration along with an undeveloped private sector in many parts has also had a detrimental effect on economic development. There is a need for initiatives to boost the region's attractiveness to investors. A higher rate of sustainable economic growth is essential if unemployment is to be reduced and greater social stability is to evolve both nationally and regionally.

The region has substantial oil and gas resources, but also a lack of water and arable land. There are considerable differences between countries. The most pressing environment problem in the region concerns the management of water resources. The region has 5 per cent of the world population but only 1 per cent of the world's available freshwater resources. These resources are often shared by a number of countries, and almost 90 per cent of the water is used for irrigation purposes. The water shortage is causing a number of countries to draw on non-renewable water resources. According to the World Bank, the environment situation is aggravated by weak legislation and an inability to exercise proper supervision and control. There is a considerable need for policy reforms and enhanced institutional capacity with regard to water resources and environment protection at both regional and national level. Rapid urbanisation in the region is placing much greater demands on water supply to households and industry.

Transboundary rivers and vulnerable ground water resources play a crucial role both for the countries' water supplies and for their economic development. Egypt, Syria and Jordan are almost wholly dependent on transboundary resources for their supply of water. The distribution of water resources is a key conflict factor in the region, but should also be viewed as an opportunity for cooperation. Examples of the latter are already evident in the joint water scheme involving the Nile countries (including Egypt and Sudan) and the one involving the countries that share the Jordan River (Jordan, the Palestinian Authority and Israel).

The region is exposed to both external and internal pressure to introduce change. A number of initiatives have been taken by the US, the EU and others aimed at democratising the MENA region. In some cases, these initiatives have not enjoyed widespread regional or national support and have been seen as something imposed on the area by outside forces. Nevertheless, certain favourable developments have been noted in recent years. A number of national and local elections have been carried out in a relatively

correct manner, although some irregularities were noted in certain cases. There have also been cautious moves towards greater outspokenness in the Arab media.

In addition, there have been some advances on the social front over the past three decades: life expectancy has increased by 15 years, infant mortality has been reduced by two thirds, literacy among adults has doubled, the daily calorie intake has increased and a larger proportion of the population have access to clean water. Nevertheless, it is estimated that only 1/3 of the states in the region will be able to achieve the UN Millennium Development Goals by 2015. For another third, stagnation or negative growth is expected, while in the case of the remaining third, statistics are either lacking or too unreliable to allow for assessments of the extent to which progress has been made, if any.

There has been mixed progress in the education sector. Educational levels for girls and women have improved more rapidly here than in other regions, but estimates show that over half of all Arab women are still illiterate. A major problem is that the educational alternatives across the region are often of poor quality.

A number of regionwide initiatives have been taken by regional or national actors. Perhaps the most comprehensive among them is the declaration on reforms and modernisation adopted at the Arab League summit in May 2004. This is based on proposals aimed at launching a pan-Arab reform process, and sets out mechanisms for such a development. The declaration urges member states i.a. to actively promote democratic development and greater popular participation in political life, and also to strengthen respect for the rule of law, to promote gender equality and non-discrimination among citizens, and to promote respect for human rights. A number of pan-Arab conferences have been held in recent years focusing on such themes as the role of civil society, human rights in general, women's rights, the importance of efficient democratic institutions, and the establishment of ombudsman systems. A UNDP-sponsored regional water network, the Arab Water Council, has been established, based in Egypt, for the purpose of enhancing knowledge and coordination in this field.

This development suggests that there is a real interest in reforms in the region, even if implementation has hitherto been limited. Donors and other external actors must work together and support this type of reform initiative.

3. Assessment of observations: Conclusions

Since 2002, Swedish development assistance to the MENA region has proceeded in accordance with the guidelines for work in this area that Sida adopted in April of that year: 'Policy Approach for Sida's Development Cooperation with the Middle East and North Africa'. According to this policy document, the aim is to promote democracy and respect for human rights – emphasising greater gender equality in particular – and to promote peace and security. Based on these guidelines, Sida was instructed to draw up a three-year programme focusing on two main areas: democracy and human rights, and culture and the media. The assistance provided in addition to this, in the form of contract-financed technical cooperation, international courses and research, was to focus

increasingly on the goals laid down in the policy document.

For the overall programme of Swedish bilateral and regional initiatives in the MENA region (apart from assistance to the West Bank/Gaza and Iraq, and humanitarian aid), Sida has during the period 2006-2008 disbursed a total amount of SEK 240 million for projects in the following areas of activity:

- *democratic governance, incl. culture and the media*

SEK 74m

- *regional education programmes (ITP)*

SEK 14m

- *Swedish Research Links – MENA region*

SEK 15m

- *assistance via Swedish NGOs*

SEK 50m

- *contract-financed technical cooperation*

SEK 87m

Development of the regional programme began in earnest in August 2003, and it is too early to draw any firm conclusions about what progress has been made. A first, preliminary appraisal, however, indicates the following:

The sustainable development of a regional programme focusing on democracy and human rights presupposes widespread regional support if it is not to be viewed as an attempt to impose putative Western values on the states concerned. The regional programme must, therefore, be developed in an ongoing dialogue with partner organisations in the region. As a donor, Sweden has credibility and a good reputation. This gives Sweden the opportunity to play a role by engaging in dialogue and contributing ideas, expertise and experience, and thereby promoting greater understanding between cultures and religions. Sida's cooperation projects have grown out of a specific interest expressed by regional actors in Swedish experiences. Examples include projects currently under way aimed at creating regional networks for ombudsmen and women members of parliament, and the project on children's literature and activities promoting reading. The series of seminars on water in the Middle East organised over a number of years at the annual water symposium in Stockholm has helped create an informal network of decision-makers and public opinion-makers in the MENA region.

A further lesson learned from experience is that the regional approach adopted by Sida in supporting initiatives in the areas of democracy, human rights, culture and the media meets a present need, as existing formal and informal structures in the region are weak. This approach has made it easier for Sweden to learn about the experiences, skills and ideas of other countries in the region, and also to build further on initiatives that are perceived as more suitable for the region than Western initiatives. In several parts of the region, interesting reform work is under way at various levels, but information and the dissemination of knowledge about what is going on in the various countries tends to be limited. Greater regional transparency and cooperation would add value to the reform processes, as initiatives and ideas that have emerged within the region itself are regarded

as particularly attractive and useful. Opportunities for meeting across national boundaries for the purpose of exchanging ideas and experience are often limited, especially among young people and women. Projects bringing together Arabs from the Mashreq and Maghreb regions⁶ have been appreciated. Where such exchanges have been undertaken as part of Sida-sponsored programmes, the results have been very favourable. Few other donors support regional interventions.

The lack of effective regional intergovernmental and non-governmental organisations means that a natural partner is not always available at regional level. One of the strategy's prime aims, therefore, is to encourage the development of regional networks and structures in the cooperation areas in question. In the cooperation programmes undertaken to date, a number of regional partnership alternatives have been tried out, and the conclusion is that different activities require different solutions. In future, choice of partner should be a key issue when joint projects are planned. This is crucial to how Sweden is viewed in a development context. For historical reasons, Sida's previous assistance to civil society in the region – that which is channelled via NGOs – has been dominated by Christian organisations. Over the past two years, within the regional programme framework, cooperation has been broadened as a result of religiously neutral Swedish organisations and institutions becoming involved in cooperation activities. However, religious communities and non-profit organisations, both Muslim and Christian, play an important role in the region and make up a substantial part of civil society there.

Sweden has bilateral country strategies for development cooperation with the West Bank/Gaza and Iraq, aimed principally at helping to bring about stable, sustainable development. Humanitarian aid is channelled to no little extent to countries and areas in the region. The Government also provides a certain amount of assistance, not least in the provision of conflict-prevention initiatives. Discussions are under way on the launching of projects aimed at strengthening the judicial systems in Morocco and Algeria as part of the EU's work with priority countries in an anti-terrorist context.

4. Other policy areas

Swedish actions in a range of other policy areas affect Sweden's relations with the countries in the MENA region. Sweden has long had diplomatic relations with all the countries in the region and has had foreign missions in many of them. Since the period after the Second World War, Sweden has been closely involved in many of the attempts at finding a solution to the conflicts that have characterised the Middle East and North Africa. Besides its political activity in this area, Sweden has contributed personnel to several of the UN's peacekeeping military operations in the region. In the foreign and security policy field, Sweden has worked largely within the EU framework since 1995. Via its European-Mediterranean Partnership (the Barcelona process), the EU has entered into bilateral trade and cooperation agreements with a number of countries in the Mediterranean region. Cooperation with these countries is broad-based and encompasses such areas as political matters, democracy and human rights, economic affairs and trade, and social and cultural issues. On the economic front, one of the principal aims is to

⁶ The countries of the Levant and North Africa respectively.

create a free trade area around the Mediterranean by the end of 2010. In the social and cultural field, a noteworthy development is the establishment of the Anna Lindh Euro-Mediterranean Foundation for Dialogue Between Cultures. Apart from the UN, the Barcelona process is the only forum in which Israel and all its Arab neighbours participate at ministerial level. The EU's cooperation with the Mediterranean region has acquired greater importance as a result of the European Neighbourhood Policy (ENP) adopted in 2004.

Negotiations are under way with the countries of the Gulf Cooperation Council (GCC)⁷ on a free trade agreement with the EU. These are expected to be completed in 2006 and embrace cooperation in other, non-economic areas as well. The EU's initiative for a strategic partnership with the countries of the MENA region⁸ also encompasses the cooperation under way as part of the Barcelona process, but the eventual aim is to establish closer political cooperation both with the GCC states and with Iraq, Iran and Yemen. In the case of Iran and Iraq, the EU also has special bilateral processes.

Swedish industry is generally well represented in the MENA region, but trade exchange with the countries there is relatively limited. Swedish exports to the Middle East and North Africa account for just over 3.5 per cent of total exports, while imports from the region account for less than 1 per cent of our import total. The largest volumes of Swedish trade with the region are with Iran, Saudi Arabia, the United Arab Emirates and Egypt. The prospects for increased commercial exchange would seem to be good. The Ministry for Foreign Affairs, the Swedish Trade Council, the Invest in Sweden Agency and others are making efforts to strengthen the exchange of investments and trade with the MENA region.

Many Swedish citizens have their roots in the region, which creates opportunities for special ties between Sweden and the MENA countries. A dialogue with them can also contribute to development. Such efforts could involve creating secure, transparent channels for money transfers to people's native countries, or facilitating circular migration. Several of the countries in the region are experiencing high migratory pressure, further exacerbated by the fact that the region is a transit area for migration from sub-Saharan Africa and Asia. Strengthening the region's absorption capacity and ensuring that international protection is available are therefore matters of importance. Conflict areas near the region generate refugees who seldom have the opportunity to seek refuge in Europe. Instead, they are obliged to remain in the transit countries, often living in precarious conditions. Consequently, there is a pressing need for capacity building so that these countries can absorb people in need of international protection.

As part of the work being undertaken by the Swedish Institute in Alexandria and both by the Section for Turkish-Swedish Cooperation at the Consulate-General in Istanbul and by the Swedish Research Institute there, a number of initiatives have been taken in recent years aimed at strengthening dialogue between Europe and the Muslim states of the

⁷ Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

⁸ Strategic Partnership for the Mediterranean and the Middle East (SPMME).

Middle East and North Africa, one of the aims being a closer mutual understanding of issues to do with religion and value systems.

5. Cooperation with other donors

During the early part of the strategy period, a detailed survey is to be made of other development cooperation actors and their activities, so that Swedish assistance may complement other projects adopting a regional approach. The EU's regional development efforts are concentrated in the MEDA programme, the aim of which is to reduce the development gaps between the EU and the countries around the southern rim of the Mediterranean. Efforts are to focus on promoting economic development, good governance and the emergence of democratic, rights-based rule.⁹ The total volume of assistance for 2005 is approximately SEK 10 billion, of which just over 10 per cent targets regional initiatives. The European Commission has decentralised large sections of the development programme to its delegations on the ground, and they are now responsible for drawing up strategies for active dialogue with the partner countries and with member states' embassies. Also, some of the member states are substantial bilateral donors in the MENA region.

In 2007, the MEDA programme will be absorbed into the European Neighbourhood and Partnership Instrument (ENPI), which will be the EU's main instrument for development cooperation with, *inter alia*, the countries of the MENA region that are part of the Mediterranean Partnership. The ENPI will be the aid component in the more broadly based neighbourhood policy that is currently in the pipeline. As a basic principle, Swedish initiatives under the present strategy are to interact with and strengthen the EU's development efforts in priority areas.

Also, there are a number of other actors present that Sweden should seek to work with. Via its regional office in Beirut, the UNDP operates a regional programme supporting democratic governance. Via its bilateral offices in the region, the UNDP has carried out a survey of the various countries' competence as regards water issues, and has begun to coordinate their water supply policies and development initiatives. The UN Environment Programme (UNEP) has a regional office for the Gulf area and the Levant in Bahrain, while the regional office in Nairobi is responsible for North Africa. UNICEF, meanwhile, is undertaking a large number of projects in the region via its bilateral offices. The UN's High Commissioner for Human Rights has an office in Beirut that is responsible for the MENA region, and will shortly be opening a second office in Qatar with special responsibility for the Gulf region. The EU's human rights programme, EIDHR¹⁰, is also active in the MENA region. The International Commission for Jurists conducts activities in the region aimed at strengthening respect for the rule of law.

Under the auspices of the OECD, a project was launched in 2005 aimed both at promoting good governance in the MENA region – an area to which Sweden contributes – and at making countries in the region more attractive to investors.

⁹ The target countries are Algeria, Egypt, Jordan, Lebanon, Morocco, Syria, Tunisia and the West Bank/Gaza.

¹⁰ European Initiative for Democracy and Human Rights.

The World Bank is providing loans to a number of different countries and sectors in the MENA region. In 2005, its lending amounted to USD 1.3 billion. The bank is focusing on five general areas in the region: better governance of the public sector, promotion of the private sector and employment, education, access to water, and equality of the sexes.

Besides these lending activities, the World Bank group's institutions, the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA), are seeking to develop the private sector and improve the investment climate in the region. The World Bank is also involved in knowledge dissemination and technical aid provision. The World Bank Institute (WBI), for instance, is promoting capacity development in a number of countries, primarily Egypt, Iran, Morocco and Yemen.

The European Investment Bank (EIB) is providing funding for FEMIP¹¹ projects seeking to promote private sector development in the region in the fields of energy, transport, telecommunications, manufacturing, tourism and other services. In 2004, loan agreements worth EUR 2.2 billion were signed under FEMIP auspices.

6. The aims and focus of Swedish development cooperation

The overall goal of Swedish development cooperation is to help create the kinds of conditions that enable poor people to improve their lives. In doing so, the development cooperation is to contribute to the realisation of the aims of Sweden's policy for global development: to contribute to equitable and sustainable global development and the achievement of the UN Millennium Development Goals. Development cooperation is to be guided both by a rights perspective and the perspective of the poor, and in the MENA region is to focus on the kind of generalised poverty that rights abuses and the absence of peace and security represent. Swedish development cooperation should be designed in such a way that it promotes exchange and communication both within the region and between the region and Sweden, and strengthens dialogue on issues relating to systems of government and value systems. An aspect of this endeavour is the prevention of natural disasters. Development cooperation must also help prevent the development of extremism.

The strategy objectives are as follows:

- to promote democracy and good governance, e.g. by taking steps to promote the development of a strong civil society.
- to promote respect for human rights, including equal rights, conditions and opportunities for women and girls, and to encourage the development both of regional networks and of structures for dialogue on rights and basic universal values, etc.
- to promote the sustainable use of water resources, focusing in particular on regional and transboundary water issues, from both a poverty reduction and a conflict prevention viewpoint.
- to promote regional economic development and growth, particularly capacity-enhancing measures to strengthen both trade policy skills and supply capacity in a regional perspective.

¹¹ Facility for Euro-Mediterranean Investment and Partnership.

7. Areas of cooperation with the MENA region

7.1 Strategic considerations

Despite the limited resources at its disposal, Sweden is deemed capable of making significant contributions in the region by concentrating on areas where it has comparative advantages and where there is an interest in Swedish knowledge and experience. Such areas include democratic governance and respect for human rights, the strengthening of women's positions in society, sustainable exploitation of water resources, and trade and technical administrative skills. In order to strengthen agreement on how development in these areas may be achieved, a closer dialogue is needed between Sweden, the rest of the EU and the countries of the MENA region. The diaspora in Sweden, too, can serve as an important sounding board. In this connection, great attention should be paid to the needs of young people and to the prevention of extremism and radicalisation processes.

For resource reasons, and to improve efficiency, Swedish development cooperation should be concentrated to a limited number of areas and should as far as possible supplement the efforts of other regional donors. Interaction with EU aid provision represents a natural approach in this respect, as well as interaction with other actors such as the UN and the multilateral development banks. For capacity reasons, Swedish cooperation is initially to be channelled through established mechanisms. Impact can be maximised by focusing cooperation activities both on regional interventions in a limited number of areas and on a limited number of countries ('concentration countries'). When planning and implementing undertakings, Sida is expected to consult closely with Sweden's missions abroad.

Swedish development cooperation in the region is to focus primarily on regional interventions, which may be of three different types:

- regional or sub-regional interventions, where the aim is to develop the region or sub-region as a whole.
- interventions that are undertaken bilaterally in a number of countries but which include elements of regional exchange and cooperation between these countries, or
- interventions undertaken bilaterally at country level or with two countries, where these are expected to strengthen regional efforts or have a favourable regional impact, or may develop into a regional intervention.

Swedish development cooperation in the region is to be restricted to states defined as developing countries by the OECD/DAC. Regional cooperation to date has primarily involved efforts on behalf of Egypt, Jordan, Lebanon, Morocco and Syria, and Swedish activities should continue to be based on these countries. Swedish projects have also targeted Tunisia to a certain extent, and this should be borne in mind when future cooperation in the region is planned. Projects in other countries in the region should be included where the context is relevant. Although bilateral strategies are available for Iraq and the Palestinian Territories, in view of the key importance of the Palestinian question and Iraq in the Arab world, participation from these areas should be particularly encouraged in connection with dialogue-related activities.

If the strategy is to help promote the development of democracy, better governance and greater respect for human rights, a long-term perspective and mutual trust must be

present. An ongoing dialogue should therefore be sought between Swedish and regional partners concerning the form and direction of cooperation programmes. Further analysis should be made of the prospects for using research exchange and cooperation in the MENA-Research Links programme as a means of building up competence and establishing contacts. This programme embraces such areas as democracy and good governance, culture and the media, civil society, human rights and environment matters, and the long-term sustainable development of natural resources.

Support for efforts in these areas should be provided to various levels in the state apparatus and in civil society, with the aim of promoting the four principles of non-discrimination, openness and access, accountability and participation.

The dialogue-related activities being undertaken at the Swedish Institute in Alexandria in particular, but also to a certain extent activities of relevance to MENA both at the Section for Turkish-Swedish Cooperation at the Consulate-General in Istanbul and at the Swedish Research Institute there, should be given priority, and cooperation with regional academic bodies should be stepped up. Efforts should also be made to engage in cooperation with the Anna Lindh Euro-Mediterranean Foundation for Dialogue Between Cultures.

As part of its International Training Programme (ITP), Sida has launched regional training programmes for the MENA region. This instrument should continue to be used for the purpose of building up competence and capacity and developing regional networks in the areas to which Sweden attaches priority.

Contract-financed technical cooperation should again be used in the Swedish programme to help strengthen the institutional capacity of government agencies and organisations in such areas as the sustainable use of water and natural resources and economic development, and with the aim of improving the trade policy skills and supply capacity of government agencies and organisations.

In order to ensure security of water supply for urban growth and also security of food supply, new or reformed national strategies are needed for integrated water resource management, along with enhanced complementary capacity. Efficient national water resource management and greater regional cooperation on water matters could be mutually reinforcing. Better management of water resources at national level paves the way for closer regional cooperation, while more extensive transboundary cooperation could well have a favourable impact on national efforts in this field. There are many catchment areas in the region (both surface and ground water) where Swedish initiatives could potentially create added value.

Support can be channelled through civil society, government administration, research institutes and regional organisations. Sida must seek to adopt a programme approach in this respect and should also continue to explore avenues of cooperation with regional or sub-regional partners and opportunities for strengthening them.

Swedish industry has extensive country and sectoral skills as well as experience of both policy issues and practical implementation that can greatly benefit Sweden's development cooperation effort. In such areas as environment, water and gender equality (the strengthening of women's economic position in society), there are good prospects for synergies between development cooperation work and other Swedish actors. Sida must seek to ensure that these synergies are turned to account by establishing a regular exchange of information while the strategy is being implemented.

An important issue in the region is corruption, which is widespread. This hampers good governance and democratic development. Efforts to combat corruption are to inform all Sida-sponsored interventions.

While it may be difficult to define what actually constitutes progress or development in such areas as democracy promotion, good governance and human rights, Sida's input should as far as possible be designed to facilitate the evaluation of goal fulfilment.

7.2 Cooperation with the Swedish Institute in Alexandria and where relevant with the Section for Turkish-Swedish Cooperation at the Consulate-General in Istanbul, with the Swedish Research Institute in Istanbul, and with the Anna Lindh Euro-Mediterranean Foundation.

There is a need to further the dialogue between the Muslim world on the one hand and Sweden and the EU on the other in order to promote democracy, good governance and greater respect for human rights, including freedom of opinion, freedom of expression and gender equality. Other pressing themes for dialogue are the youth situation, the importance of a properly working civil society, religious tolerance and cultural diversity, and ways of countering radicalisation processes. The regional expertise available at the Swedish Institute in Alexandria, therefore, must be put to good use in implementing projects under the strategy. Where relevant for the MENA region, the expertise that is available at the Section for Turkish-Swedish Cooperation at the Consulate-General in Istanbul should also be turned to account.

In light of the above, further interventions should be planned and implemented in cooperation with the Swedish Institute in Alexandria. In implementing cooperation programmes and projects, Sida should take advantage of the Institute's capacity for widening points of contact between Sweden, the EU and the Arab world. The Institute's potential for working with regional network-building and dialogue-related activities should be exploited within the strategy framework. The Institute should continue to act as a regional partner in the MENA-Links programme.

The principal task of the Section for Turkish-Swedish Cooperation at the Consulate-General in Istanbul is to promote contact between Turkey and Sweden, but an additional task is the promotion of human rights and democracy in the MENA region. Sida should establish cooperation with the Section along the same lines as its work with the Institute in Alexandria, mainly involving the organisation of meetings and workshops.

The cooperation with the Swedish Institute in Alexandria and with the Section for Turkish-Swedish Cooperation at the Consulate-General in Istanbul should be formalised in activity plans and follow-ups.

The Swedish Research Institute in Istanbul promotes Swedish research in Turkey and the Near East, primarily in the humanistic and social science fields. The joint efforts already under way as part of the MENA-Links programme should continue.

Regarding the promotion of democracy and human rights, Sida should seek to establish cooperation with the Anna Lindh Euro-Mediterranean Foundation for Dialogue Between Cultures.

7.3 Areas of cooperation

7.3.1 Promotion of democracy and good governance

In these policy areas, Swedish assistance should focus on promoting the four principles of non-discrimination, openness and access, accountability, and participation, and also on encouraging understanding and respect for issues such as gender equality and the responsible exercise of official authority, etc. In addition, interventions should focus on promoting the development of stronger parliaments and civil societies in the region. Projects that in general improve the prospects for a more democratic course among countries in the MENA region should be supported.

A basic principle is that the planned interventions must have a regional impact. The growth of networks and structures is to be supported, as well as capacity building in the areas of democracy and human rights. Initiatives that adopt a pro-dialogue, conflict prevention approach should be supported. Greater assistance should be provided for initiatives aimed at strengthening democracy, e.g. through cultural projects and support to the media. Examples could include projects focusing on children's literature and the promotion of reading, or media programmes targeting women and young people.

7.3.2 Promoting respect for human rights

Swedish assistance is to focus on promoting respect both for human rights and for the principles of the rule of law. Appropriate interventions could involve efforts to establish ombudsman functions and to promote the development of an independent judiciary, capacity building in other parts of the judicial system, and projects aimed at strengthening civil society's faith in and access to the machinery of justice.

Projects aimed at strengthening the position of women and young people in the political arena and in the public debate are to be supported. This support must aim to make these groups more visible and to improve their chances of taking part in the development process. Target groups for projects adopting such an approach should include women lawyers, human rights advocates, parliamentarians and journalists.

Regional and national organisations and institutes in the MENA region should be given assistance in developing research and education/training capacity in the areas of democracy and human rights, including culture and the media. Support for regional

interventions aimed at strengthening countries' capacity to absorb refugees in need of international protection should also be considered.

7.3.3 Environmental care and the sustainable development of resources, primarily water, particularly of a regional, transboundary nature

Initially, a survey should be carried out of existing undertakings in the water field, for the purpose of identifying sub-areas in which Sweden may have a comparative advantage. Experience has shown that cooperation on transboundary water often takes a long time to develop.

To prevent future conflicts, regional and sub-regional cooperation centring on transboundary water resources should be strengthened wherever possible. This can be done by promoting greater trust between countries, by strengthening their negotiating capacity, by strengthening their willingness to harmonise water regulations and make the necessary investments, and by encouraging and strengthening mechanisms for the exchange of knowledge and information on transboundary water issues. Action can also be linked to water pollution, land use and climate issues.

In the water field, there are a number of key actors in Sweden, including the Stockholm International Water Institute (SIWI)¹², with a well-established network in the region that functions as a platform for cooperation and exchanges of experience between important water actors there. Sida should look into the possibility of linking one or more of these institutions to one of the existing regional institutions. Swedish industry's extensive knowledge and experience of the water sector should also be turned to account by exploiting opportunities for contract-financed technical cooperation.

7.3.4 Capacity building in the field of regional economic development

In the area of trade and economic affairs, Swedish efforts are to promote economic development of a regional character, focusing in particular on the development of trade policy skills and supply capacity. The two current ITP programmes centring on trade and quality issues should be retained as a basis for a programme aimed at heightening awareness about the link between trade and social responsibility. The prospects for linking together Swedish institutions in the area of trade, accreditation and social responsibility with Arab institutions should be examined.

Support should also be provided to regional initiatives aimed at strengthening investment infrastructure in the countries of the MENA region insofar as such initiatives contribute to fulfilment of the objectives of the regional strategy. There would appear to be a basis for capacity-building regional interventions promoting private sector development in the region in cooperation with other actors. In this connection, due attention should be given to the potential importance of migrants' remittances to their countries of origin.

Contract-financed technical cooperation should continue to be used for projects that aim to strengthen the institutional capacity of government bodies in the area of economic

¹² The Swedish-financed UNDP Water Governance Facility operating in the MENA region is administered by SIWI, Stockholm.

development. Here, the focus should be on the agencies' and organisations' trade policy competence and supply capacity, and appropriate action should include measures to improve infrastructure and production and also improve opportunities for trading at the international level, etc. Contract-financed technical cooperation ought to help bring about a greater exchange of skills and experience between Sweden and the partner countries in the region. A further goal is an increased level of exchange and cooperation between institutions and organisations in the region.

8. Implementation and follow-up

Under the strategy, Sweden's development cooperation with the region is broadened and strengthened in relation to Sida's policy guidelines as a result of increasing the number of areas of cooperation from two to four. Hitherto, the Swedish development programme in the region has required one programme officer on the ground. In order to achieve the more ambitious goals outlined in the present strategy, increased staffing and greater concentration is anticipated for each area of cooperation. Close cooperation with the Swedish missions abroad will be required. In addition, existing cooperation mechanisms must be fully exploited, together with other development assistance actors, and contracts/mandates must be issued to Swedish organisations and institutions to a greater extent than at present. Although still bound by Sida guidelines, these organisations and institutions must be instructed to act independently in implementing programmes in various thematic areas. Initially, preliminary surveys, analyses of absorption capacity and the development of regional cooperation are expected to require a considerable amount of Sida input.

Sida is to report regularly and in doing so to describe the progress being made on implementation of the regional strategy and fulfilment of the specified goals. Ongoing consultation on the implementation of the strategy is anticipated within the normal framework of consultations between the Ministry for Foreign Affairs and Sida.

During the period, the financial framework for Swedish development assistance to the region is to gradually increase in size and amount to just over SEK 200 million in 2008.



REGERINGSKANSLIET

Ministry for Foreign Affairs

Additional copies of can be ordered from: The Ministry for Foreign Affairs, Information Office, S-103 39 Stockholm

Telephone: Int+46-(0)8-405 10 00, fax: Int+46-(0)8-723 11 76, web site: www.ud.se

Cover: Editorial Office, The Ministry for Foreign Affairs

Printed by XBS Grafisk service, 2006

Article no: UD 06.051