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Position Paper on Sida's
Development Cooperation with the

Middle East and North Africa



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This *Position Paper on Sida's Development Cooperation with the Middle East and North Africa* presents the objectives, direction and extent of Sida's development cooperation with the Middle East and North Africa, including its work with the EU's Mediterranean aid. This policy was laid down by Sida's Director General in April 2002 (GD 41/02) and applies up to December 2004, with the possibility of extension. The government has adopted a separate strategy for development cooperation with the West Bank and Gaza.

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1. Background

Swedish development cooperation with the Middle East and North Africa¹ (the MENA region) has – with the exception of the Palestine question and the West Bank and Gaza and in an earlier period Tunisia – been of limited extent since aid began in the 60s. It has mainly consisted of contract financed technical cooperation (KTS), development loans, international courses (IK), humanitarian aid and aid through non-governmental organisations.

Sweden's membership of the European Union has meant increased concentration on the MENA region, a region in which Sida has relatively little experience of development cooperation. A need had thus arisen for strategies and guidelines on development cooperation with the Middle East and North Africa.

Following Sweden's entry into the EU the Ministry of Foreign Affairs delegated to Sida Sweden's representation in the Aid Administration Committees of the EU Commission, including the MED committee, which deals with the EU's Mediterranean aid. In May 1998, Sida's Director General laid down guidelines for Sida's work on the EU's Mediterranean aid (Gd 65/98).

The Ministry of Foreign Affairs saw a need for an overall policy/strategy for Sweden's policy toward the MENA region covering all relevant policy areas including development cooperation. At the end of 1998, the government set up a working party charged with developing a proposal for an integrated Swedish strategy on the Middle East and North Africa (UD1416/98/MENA). This investigation acquired the name the 'MENA Project'.

Cooperation between the Ministry of Foreign Affairs and Sida was established for questions concerning development cooperation in the strategy. Sida set up a working party (decision ASIEN 42/99) whose work had two main objectives – to contribute to and cooperate in formulating the section on development cooperation in the forthcoming strategy and, if possible, to produce operational guidelines on development cooperation with the MENA region. The first part of the task was carried out. The need for guidelines on bilateral development cooperation remained and these are presented in this document,

¹ The MENA region; Morocco and Western Sahara, Algeria, Tunisia, Libya, Egypt, Syria, Lebanon, Israel and the occupied territories of the West Bank and Gaza, Jordan, Iraq, Iran, Kuwait, Saudi Arabia, Yemen, Oman, United Arab Emirates, Qatar, Bahrain.

named “Position Paper on Sida’s Development Cooperation with the Middle East and North Africa”.

The results and conclusions of the ‘MENA Project’s’ investigation were presented by the Ministry of Foreign Affairs in autumn 1999 in a departmental memorandum “Tradition och förnyelse – en studie av Nordafrika och Mellanöstern” (*Tradition and renewal – a study of North Africa and the Middle East* (Ds 1999:63). Along with the main study, 16 sub-studies were carried out and a number of dossiers on different aspects of the MENA region were put together.

Under the terms of Sida’s terms of reference for the budget year 2002, the study (Ds 1999:63) is to guide Sida’s activities, and bilateral development cooperation towards two main areas: democratisation and conflict resolution. Within the limits of these, exchanges between countries, organisations and people are priority areas in themselves and Swedish aid to the region should be designed so as to encourage additional points of contact.

2. Development co-operation with the Middle East and North Africa

2.1 Sida's development cooperation with the MENA region

Sida's development cooperation with the MENA region amounted to just over SEK 1.7 billion over the five-year period 1996–2000. Aid to the region is small in comparison with the cooperation with e.g. the rest of Asia and sub-Saharan Africa. This is largely because the MENA countries, with the exception of Yemen, are 'medium income' countries with a relatively good standard of education and reasonably vigorous institutions and therefore do not fit in with the main orientation of Swedish development cooperation towards poor countries.

In the 1960s and 70s, Tunisia was a Swedish programme country with extensive support for the fishing industry, among others. This was phased out, mainly because Tunisia is not among the absolutely poorest countries. Today it is only with the West Bank and Gaza that Sweden has an extensive cooperation. The West Bank and Gaza must be regarded as a programme country with economic commitments spanning several years. The direction of the development cooperation in the West Bank and Gaza is governed by a country strategy adopted by the government on 26 July 2001 and is therefore not dealt with in this document.

In the 1980s and 90s, cooperation with the rest of the region was developed initially via Technical and Economic Cooperation Initiative (BITS) and later by Sida using the instruments mainly applied to medium income countries, that is contract financed technical co-operation (KTS), international courses and development loans. In addition, contributions were made through Swedish non-governmental organisations and some individual regional initiatives to promote protection of human rights. A great deal of humanitarian support has also gone to the region as a result of war and conflicts.

Besides Sida's development cooperation, Sweden also gives multi-lateral aid including a substantial annual contribution (SEK 160 million in 2000) to UNRWA², the UN's special organisation for Palestinian refugees on the West Bank and in Gaza, Lebanon, Syria and Jordan.

Table 1 shows Sida's development cooperation with the MENA region in 1996–2000.

² United Nations Relief and Works Agency for Palestine Refugees.

More than half of Sida's total cooperation with the region is with the West Bank and Gaza. Humanitarian aid to the region is substantial and in 2000 amounted to approximately SEK 90 million; SEK 4 million in North Africa and 86 in the Middle East (mainly Iraq; SEK 59 million). In 2000, the emphasis in Sida's development cooperation across the MENA region as a whole, excluding the West Bank and Gaza, was on the social sector (38%) followed by human rights and democracy (29%) and infrastructure etc (22%), see table 3 in the appendix.³

Table 1: Sida's development cooperation 1996–2000 (SEK thousands)

Country/Year	1 996	1 997	1 998	1 999	2 000
Algeria	13 509	475	22 286	16 079	1 784
Egypt	75 708	14 240	8 282	7 400	12 905
Morocco	2 143	1 333	2 537	4 892	7 199
Tunisia	4 917	3 882	3 240	12 447	3 476
North Africa region	-	-	209	1 528	5 879
Total North Africa	96 277	19 930	36 554	42 346	31 243
Iran	2 000	100	-	258	-
Iraq	23 454	98 231	59 261	68 258	61 894
Israel	-	-	8 000	3 890	250
Jordan	8 940	5 086	9 680	16 045	8 038
Kuwait	-	-	750	1 500	-
Lebanon	12 690	23 338	14 804	16 104	12 913
West Bank and Gaza	185 242	151 020	132 862	207 741	297 638
Syria	-	19	364	757	8 789
Yemen	4 877	4 252	6 130	4 507	8 314
Middle East region	-	5 934	1 303	979	11 429
Total Middle East	237 203	287 980	233 154	320 039	409 265
TOTAL MENA region	333 480	307 910	269 708	362 385	440 508

Source: Sida Statistical report 1999 & 2000

2.1.1 Contract financed technical cooperation, international courses and development loans

Since 1977, Sida and the former Technical and Economic Cooperation Initiative (BITS), have funded contract financed technical cooperation with the MENA region to the tune of just over SEK 330 million.

The main recipients in the region have been Egypt and Tunisia.

Today the cooperation amounts to approximately SEK 30 million per annum in the six countries in the region that are currently eligible for this form of cooperation – Morocco, Tunisia, Egypt, Jordan, Lebanon and Syria.

In Egypt, cooperation on energy has been dominant ever since the cooperation began in 1978. An evaluation of all projects in the energy sector over 1978–99 (SEK 70 million) including Sida's international courses falling within the sector point to Sida's support having been of benefit to the long-term development of the Egyptian electricity system. The effects have been difficult to demonstrate, as there has been very little Swedish support in comparison with that of other donors in the energy sector. The sustainability of initiatives has been good in terms of knowledge transfer, Egyptian self-financing and the

³ On the West Bank and Gaza Infrastructure etc (58%) outweighed social sector (38%) and human rights and democracy (29%) financially in 2000.

compatibility of Swedish support with the initiatives of other donors in the sector. In addition, the technical cooperation has given Swedish consultancy companies access to the Egyptian market and they have also been invited to take part in the procurement of other projects. The equality aspects have, however, been neglected. Out of four water and sewerage projects financed, one has been a success while the remaining three have brought very little benefit.⁴

For the present, the limited cooperation with Syria and Jordan is also mainly in the energy field. Support for Jordan has related to well-defined needs in the Jordanian energy sector and has been of value to the recipient organisations. The projects have been relatively successful in terms of impact and sustainability but with some deficiencies in terms of building up local skills.⁵

Over more than 20 years, Sweden has financed around 25 environmental projects in Tunisia, mainly sewerage purification, at a cost of SEK 32 million. Tunisia has a long tradition in the environmental field with active institutions going back 30 years, and this tradition has provided a sound basis for Swedish technology and knowledge transfer. Swedish support has contributed to, among other things, the creation of environmental institutions such as the National Sewage Authority, and increased Tunisia's opportunities to receive support from other donors for the construction of sewage purification plants.⁶

In Morocco, too, environmental cooperation dominates. An evaluation of six contract financed environmental studies during the period 1992–96 costing SEK 15 million shows good results (output) in the form of studies carried out but an uncertain impact in the shape of projects actually carried out as a result of those studies and reports, which is what ultimately improves the environment. According to the evaluators, the absence of competitive procurement also entails the risk of high project costs.⁷

In some countries, contract financed technical cooperation is on the way to being extended to other areas of society. In Morocco and Egypt, projects on human rights and equality have been requested and in Egypt have also been carried out. At the same time as the cooperation has been extended, the level of expenditure has fallen in recent years. Stricter procurement requirements have meant longer run-ups for contract financed technical cooperation projects and, at least for a transitional period, a lower level of expenditure. Expenditure may also be affected by a growing proportion of projects in the democracy/human rights sector, as these involve new contacts with a different Swedish resource base and are often small, complex and labour intensive.

A wider circle of countries in the region takes part in the international courses. Over the last three years, 14 have sent 554 delegates to courses in Sweden. Egypt and Jordan have sent the most by a

⁴ Sida Evaluation 99/20; Sida support to the Energy Sector in Egypt and Sida Evaluation 98/7; Sewerage and Water Sector Projects in Egypt.

⁵ Sida Evaluation 99/21; Sida support to the Energy Sector in Jordan.

⁶ Sida Evaluation 99/7; Environmental Projects in Tunisia and Senegal.

⁷ Sida Evaluation 00/13; Environmental Projects in Morocco.

considerable margin ⁸. Over the period 1989–97, 80% of those attending courses came from four countries – Egypt, Jordan, Tunisia and Morocco. Over the last three-year period, only 26% were women, which is a slight increase compared with previous years. The evaluation of the energy cooperation in Egypt and Jordan points to opportunities for increasing women’s participation by introducing local courses.

Development loans are usually tied to Swedish exports and are usually given for projects that are not commercially viable in countries with a per capita GNP of under USD 3030 in accordance with agreements within the OECD. In its decisions on development loans, Sida is guided by the Swedish Export Credits Guarantee Board’s assessment of the risks involved in the project and country. Over a 10-year period from 1989–99, Sida made decisions on development loans amounting to SEK 770 million (appropriation SEK 277 million), half of which went to Tunisia.

2.1.2 Non-governmental organisations

Non-governmental organisations are important channels for a large proportion of Sida’s development cooperation and humanitarian aid in the region. Out of a total of SEK 143 million (excluding the West Bank and Gaza) paid out in aid in 2000, approximately SEK 100 million, equivalent to 70% of the total, was channelled through non-governmental organisations (see table 4 in appendix).⁹ The humanitarian support to the region, including the large humanitarian contribution in aid to the Iraqi people, was channelled mainly through Swedish and international non-governmental organisations.

Swedish non-governmental organisations’ cooperation in 2000 amounted to approximately SEK 90 million (of which approximately 42 went to the West Bank and Gaza). The West Bank and Gaza and Iraq together accounted for 78% of payments that year, largely as a result of the substantial humanitarian aid to Iraq. Out of the aid of just over SEK 40 million from framework organisations in 2000, the West Bank and Gaza took the lion’s share, followed by Yemen, Egypt and Lebanon. Taken over the period 1992/93–98, these four countries received almost three quarters of the framework organisations’ total aid to the region.

Almost all the Swedish non-governmental organisations involved in the region are represented or are financing projects on the West Bank and in Gaza. For the rest, at least three Swedish organisations are also involved in Egypt, Iraq, Jordan and Lebanon. However, only the Swedish Mission Council’s Secretariat of Development Cooperation and Diakonia have a geographical breadth of activity insofar as they finance activities in five different countries/areas respectively. Other organisations tend to focus on a single country, e.g. Save the Children’s initiatives are mainly in Yemen (previously also Algeria), while the Olof Palme International Center mainly finances activities on the West Bank and in Gaza.¹⁰

⁸ Egypt sent 152 delegates in 1998–2000 and Jordan 127 over the same period.

⁹ In the same year, 26% of development aid in the West Bank and Gaza was channelled through non-governmental organisations.

¹⁰ Because of an error, Swedish Red Cross (SRK) aid in the MENA region has not been included in the statistical base. SRK is financing such things as the IFRC’s regional delegation in Amman and post-conflict initiatives in Iraq.

Taken over the period 1992/93–98, the Swedish Missions Council is considerably the largest source of finance followed by Save the Children and Diakonia. These three organisations account for 75% of contributions over the period. Approximately 75% of the contributions from Swedish non-governmental organisations have gone to the education, healthcare and other social infrastructure sectors. Support for socially oriented initiatives has recently given way to increased investment in support for democratisation and respect for human rights.

2.2 Other donors' development cooperation with the region

The total aid to the Middle East and North Africa by the OECD/DAC countries (22 bilateral donors and the EU) amounts to approximately SEK 40 billion a year (see table 6 in appendix). The biggest donors – the USA, the EU, France, Japan and Germany – together account for more than 75% of the aid to the region.

The EU's cooperation with the region entered a new phase with the Barcelona declaration in November 1995, since which aid to the region has increased tremendously. In 2002, the EU's Mediterranean aid ¹¹ amounted to approximately SEK 9 billion (EUR 900 million). Sweden's share of the EU's budget is approximately 3%, so we can say that Sweden's contribution to the EU's Mediterranean aid amounts to approximately SEK 270 million a year.

The EU's cooperation with the Mediterranean countries within the 'Barcelona process' covers the 15 member states of the EU and 12 Mediterranean countries¹². The aims of the cooperation are many, but one of the most important objectives is to set up a free trade area for the Mediterranean region by 2010. The EU's Mediterranean aid is donated mainly as what is known as MEDA aid, but also through loans from the European Investment Bank (EIB).

Besides the Barcelona Declaration, the cooperation is governed by association agreements between the EU and the Mediterranean countries, in which references to MEDA aid appear, and the MEDA ordinance. MEDA aid is governed by bilateral country strategies (Country Strategy Papers) and bilateral programme outlines (National Indicative Programmes) together with a regional strategy (Regional Strategy Paper) and programme outline (Regional Indicative Programme). The main objectives of MEDA aid are to support the transformation of the economies concerned into a free trade area and mitigate the negative social and economic effects to which the introduction of free trade is giving rise in the Mediterranean countries. Areas of support include economic and social reform programmes, development of the private sector, good governance and regional cooperation in several areas. The greater part of MEDA aid is put into effect by government institutions but support is also given to civil society.

¹¹ By EU aid is meant aid from the European Community, i.e. EC aid, which is handled by the European Commission (besides EC aid, EU aid actually comprises all aid from member states of the EU).

¹² Morocco, Algeria, Tunisia, Egypt, Jordan, the West Bank and Gaza, Syria and Lebanon receive EU bilateral Mediterranean aid. Because of their higher level of development, Turkey, Malta, Cyprus and Israel receive only part of the EU's regional support to the area.

Besides MEDA aid, the EU also gives support from special ‘horizontal budget appropriations’; for example, SEK 100 million a year is given to the MEDA countries by the European Initiative for Democracy and Human Rights (EIDHR) as support for good governance, democracy, human rights, conflict prevention, electoral support, etc.

In preparing Swedish aid to the region, the initiatives of other donors should be mapped out in greater detail. Coordination with these, particularly EU aid, should be sought in order to avoid overlaps and complement other initiatives in the peace, democracy and human rights fields.

3. The region's development problems

By our definition, the MENA region consists of 18 countries¹³ and two areas, Western Sahara and the West Bank and Gaza, which are making claims for independence. The region has certain common features in terms of language, religion and culture. The Arab identity is based mainly on language and history. However, the region is, at the same time, socially and ethnically very diverse and contains countries like non-Arab but Muslim Iran, and the Jewish state of Israel.

Great differences in the standards of living prevail both within and between the countries of the region. Israel's economic circumstances are of a western European character, while impoverished Yemen has a standard of living at the bottom of the world league. The variations in standards of living between the countries result from, among other things, uneven distribution of natural resources and differences in political relations with the world around them. With some exceptions (Israel, Jordan and Yemen) the MENA countries have been worse than the world average at converting national income into standards of living as measured by the Human Development Index¹⁴.

The emergence of independent national states in the Arab world at the beginning of the 20th century was driven on by Ottoman and European decolonisation in which, however, economic and military interests often remained in place. The colonial period left behind it certain institutional problems such as a feeble civil society and corruption.

No single model, e.g. the importance of religion, explains the region's deficiencies in democracy and political freedoms and rights; these result rather from a combination of factors. One important one is that the process of creating the state itself took place against the background of an escalating Arab-Israeli conflict that came to overshadow the political life of the region for decades and meant the beginning of the end of pan-Arab aspirations. On many occasions, authoritarian states were able to legitimise themselves by a task greater than democracy, e.g. the fight against imperialism, Arab unity, the

¹³ The MENA region; Morocco and Western Sahara, Algeria, Tunisia, Libya, Egypt, Syria, Lebanon, Israel and the occupied territories of the West Bank and Gaza, Jordan, Iraq, Iran, Kuwait, Saudi Arabia, Yemen, Oman, the United Arab Emirates, Qatar and Bahrain.

¹⁴ These countries' ranking in the Human Development Index is lower than that based on purchasing power parity adjusted per capita GDP.

liberation of Palestine etc. The Arab freedom movements led by the military elites in such places as Egypt, Libya and Syria did not succeed in changing to a democratic form of government.

Another factor is the traditional political culture that has long been characterised by a patron/client relationship in which the leader has personified the nation and its aspirations. The apparatus of the state, the bureaucracy and army, constitute powerful interest groups that consolidate the position of dependency of the population by employing large groups within it. The state often lacks popular roots and the flexibility to meet changes in the surrounding world and the gap between the governors and the governed has widened. Civil society is often severely repressed and it is difficult for the public to be involved in voluntary organisations or political parties. The strivings for democracy have also coincided with an economic and financial crisis and the shortcomings of economies living off capital ¹⁵. Dependency on external resources often means a poorly developed tax collection system, which checks the pressure for democratic reforms.

Cautious political opening up and endeavours at democratisation e.g. in the form of elections took place in countries such as Morocco, Algeria, Egypt, Jordan, Lebanon and Kuwait, Oman, Iran, Yemen and the Palestinian zones during the 1990s. However, the recent changes of leadership in Morocco, Jordan, Syria and Bahrain have not had any great impact on the policies pursued.

Violations of human rights occur frequently and much remains to be done in this area. There is scarcely any dialogue on human rights issues. However, there were some chinks of light in the human rights field in the region last year e.g. Algeria's invitation to international human rights organisations to visit the country, the opening of a human rights centre in Morocco, etc.

The only convention in the rights field to which all the MENA states subscribe is the 1989 Convention on the Rights of the Child, but with a number of reservations. The death penalty is used in all countries except Oman, Qatar and Tunisia. Freedom of expression, assembly and association are drastically curtailed in a large part of the region. For example, Internet access is difficult for the public in Iraq, Libya and Syria. A succession of incidents has occurred in which known representatives of civil society were imprisoned. Many countries, for example Saudi Arabia, Libya, Iraq and Syria, lack independent local media and in Tunisia and Egypt the government media often muffle independent and critical voices. Human rights organisations report of journalists being victimised. Furthermore, the legal systems in the region are not independent. Conditions in prisons are poor and torture is commonplace.

Traditions and legal rules affect the legal and social status of women and girls in the majority of countries and the rights of women are in many cases drastically curtailed. This unequal position is reflected in high rates of female illiteracy, high perinatal mortality, little involvement of women in political life or business, etc. Violence against women is common and female circumcision is practiced in Yemen and

¹⁵ By living off capital is meant that the state's resources are generated externally without involving any extensive production e.g. oil extraction but also international aid.

Egypt. Twelve countries – Iraq, Israel, Egypt, Jordan, Kuwait, Lebanon, Morocco, Libya, Algeria, Tunisia, Yemen and, last year, Saudi Arabia – have signed the CEDAW convention¹⁶, but these countries continue to have national legislation that in many cases flies in the face of the convention.

The prevalence and depth of poverty is less in the region than in other developing regions. The rate of absolute poverty (4.1%) has diminished somewhat over the last decade but the number of people concerned (10.7 million in 1993) has increased because of population growth¹⁷. Large variations do, however, exist between the countries in the region of which the countries Yemen, Iraq, Morocco and Egypt exhibit a relatively high level of poverty. Poverty predominates in rural areas but is on the advance in the towns. The many conflicts in the region increase poverty both directly and indirectly by increasing the proportion of military expenditure, reducing direct foreign investment and trade etc.

With the exception of the GCC countries¹⁸, underemployment and unemployment in the region are high. In several of the southern Mediterranean countries, unemployment is around 25 percent. The proportion of women in the adult labour force is low – 20% compared with a global average of 42%.

Population growth is high and has led to rapid urbanisation of the southern littoral of the Mediterranean, an expansion at the expense of agricultural land. Environmental problems have increased and the Mediterranean is one of the world's most polluted seas. Inland too, environmental problems in the form of air pollution and destruction of soil are growing. The MENA region is one of the driest in the world and there is a serious shortage of water. Five percent of the world's population share one percent of its water resources. Already there is over-exploitation of water resources in several countries such as Israel including the occupied Palestinian areas, with future problems for cultivation and hence food supplies. Water resources and consumption constitute a special problem, particularly from the point of view of conflicts. Israeli water consumption is, for example, 3–4 times greater than Palestinian.

The region is one of the most conflict ridden in the world with major repercussions on the economy and social development. In combination with authoritarian regimes, protectionist economic policies, overweight bureaucracy and corruption, conflicts have, since the mid 1980s, resulted in falling investments and declining growth. Productivity has also fallen, i.e. these countries have not been able to exploit the available productive resources as effectively as before. The considerable unexploited potential for economic cooperation and the regions' serious socio-economic problems may also be said to be a factor from a wider security policy perspective. The effects of conflict and poverty work in both directions.

A number of countries in the region are believed to have access to weapons of mass destruction and their use has been documented twice

¹⁶ Convention on the Elimination of Discrimination against Women.

¹⁷ Poverty is here measured as the number/proportion of people who live on less than USD 1 per day (PPP)

¹⁸ GCC; Gulf Cooperation Council, was formed in 1981 and consists of Bahrain, United Arab Emirates, Kuwait, Oman, Qatar and Saudi Arabia.

since the Second World War. A number of states in the MENA region have signed neither the Biological and Toxin Weapons Convention (BTWC) nor the United Nations Convention on Conventional Weapons (CCW). Israel is the only state in the region that is not a party to the 1968 Non-Proliferation Treaty (NPT). It has, however, signed the Complete Test Ban Treaty (CTBT), which neither Iraq nor Syria have done. A long-term goal of a region free of weapons of mass destruction requires resolution of the UN's conflict with Iraq and the Arab-Israeli peace process. Apart from weapons of mass destruction, the incidence of conventional weapons is high and the Middle East is regarded as the world's biggest arms market. Defence expenditure is high, almost 7 percent of GDP on average compared with a world average of 2.7 percent.

Over the period 1980–97, 30 different conflicts were identified in the region – 16 between states and 14 internal. Over half the conflicts in the region have involved territory. The Gulf states are indubitably the most conflict-ridden sub-region, in which eight conflicts have reached the point of war in the last 20 years. However, only four states, Iraq, Iran, Kuwait and Yemen, have been involved in these. In the Middle East sub-region there are long standing territorial conflicts in which Israel has been and is a party to all but one. The sub-region least affected by conflicts has been North Africa, where the dominant conflict has been between the government and Islamic opposition.

A reduction in conflict and military dominance would make a positive contribution to economic development and the reduction of poverty. A solution to the conflict between Israel and its neighbours may be said to be of central importance to peace and security throughout the region. Swedish endeavours to promote a solution to the conflict between Israel and the Palestinians, which include bilateral aid to the West Bank and Gaza, must be seen in a regional perspective.

Despite economic variations, all MENA countries may be said to have small but stable economies¹⁹. Apart from fluctuations in incomes following the ups and downs of the price of oil, all countries with the exception of Syria and Iraq and, after the recent disturbances, also the Palestinian self-governing areas, are macro-economically stable. Many are dependent on the income from the exploitation of natural resources, mainly oil and natural gas, either directly or, for countries that do not have their own oil resources, indirectly by exporting labour to oil exporting countries etc. 65% of the world's known oil reserves and 30% of its known gas reserves are in the Middle East. The countries in North Africa have comparatively few oil and gas resources but exports of oil and gas are nevertheless significant in the economies of e.g. Libya and Algeria.

The MENA countries play only a marginal part in the global economy²⁰ and exports are growing more slowly than in the rest of the world. There is an unexploited potential for political and economic development and increased international exchange. The conditions for regional cooperation should be relatively favourable as, despite everything, the region may be regarded as relatively homogenous in terms

¹⁹ In 1997, Saudi Arabia, whose economy is the largest in the region, had a GNI amounting to approximately 55% of Sweden's.

²⁰ The regions exports make up only 3.1% of total world exports.

of language, religion and culture. However, there is little intra-regional trade in the region – 5% of its total trade – but this is increasing somewhat ²¹. A series of factors including the ambitions of the Western colonial powers over the disintegrating Ottoman empire created and reinforced intrinsic rivalries between the nation states that were formed after the First World War, which continues to explain part of the distrust and difficulty in collaboration that exist. In the Maghreb region too, there are links between the colonial era and today's conflicts, e.g. Algeria and the Western Sahara conflict.

In 1995 the Europe-Mediterranean cooperation, the 'Barcelona Process', with the aim of expanding and deepening contacts between the EU and the southern Mediterranean countries was initiated in order to ensure peace, stability and welfare in the Mediterranean region. The partnership is made up of 27 countries – the 15 member states of the EU and 12 countries around the Mediterranean. Priority was given to three areas – a political/security policy dialogue, economic and financial cooperation including setting up a free trade area and cultural, social and interpersonal cooperation. This is associated with financial aid to the Mediterranean countries, 'MEDA aid'.

The object of the political/security policy dialogue is to increase trust between the countries and seek a commonality of views, but not to resolve the region's existing conflicts. The aims of the economic and financial cooperation involve trade and aid, principally the establishment of a free trade area by 2010. It is intended that this be done by drawing up 'association agreements'. These will not, however, cover fisheries or agricultural products.

Sweden's trade with the region is limited. Exports to the region in 1998 amounted to SEK 18 billion, equivalent to 2.7% of Swedish exports. Imports were considerably less, SEK 5.2 billion (0.96% of total Swedish imports) as a result of which the exchange is characterised by a substantial and growing trade deficit. Sweden's most important export markets are Saudi Arabia, Egypt, Israel and Iran. Our biggest sources of imports are Saudi Arabia, Israel and Iran. Swedish direct investment is very small compared with other regions of the world.

²¹ Among the Arab Maghreb Union countries (Union du Maghreb Arabe was formed in 1989 and consists of Mauritania, Morocco, Algeria, Tunisia and Libya), intra-regional trade amounts to less than one percent while in the EU it accounts for 75 percent of trade. The same applies to the GCC states (Gulf Cooperation Council, formed in 1981 and consisting of Bahrain, United Arab Emirates, Kuwait, Oman, Qatar and Saudi Arabia).

4. General considerations

- The region has a low proportion of poor people compared with other developing regions. Conflict scenarios and a lack of democratic and other rights constitute a long-term threat to the development of the region and may potentially lead to increased poverty. Together these factors mean that the linking of development cooperation to the poverty target should be approached from a somewhat different perspective than in other regions.
- The basis for the cooperation should be a broad definition of poverty which includes restrictions on rights. Authoritarian regimes, deficient democracy, patron/client relationships, corruption, violations of human rights, the vulnerability of civil society, restrictions on freedom of expression, lack of equality, etc. form the starting points for the work.
- The conflicts in the region and their harmful influence on such things as democratisation, poverty and economic development give rise to a need for continuing humanitarian aid and certain targeted initiatives for peace and security alongside structurally stabilising peace promotion initiatives such as support for endeavours to democratise.
- Swedish development cooperation with the region should have a regional approach.
- Swedish development cooperation with the region should complement the EU's aid.
- Swedish development cooperation with the region should be planned so that it can be implemented without any additional permanent field presence.

5. Goals of development cooperation

The goals of Swedish development cooperation with the MENA region should be to:

- Promote democracy and respect for human rights, especially increased equality, and
- Promote peace and security. Development cooperation should be so designed that exchanges and contacts with the region are promoted.

6. Forms and channels of development cooperation

6.1 Conflict prevention initiatives and humanitarian aid

The objective of the *humanitarian aid and conflict prevention* branch of operations is to protect human life in accordance with international humanitarian law and its associated principles, and to contribute to alleviating the consequences for those afflicted by armed conflicts and natural disasters.

Conflict prevention activities and conflict management can be divided into *peace building initiatives* and *structural conflict prevention initiatives*. Peace building initiatives are primarily those that advance dialogue or security and aim to (re)build trust between the parties to a conflict. Sida currently donates such aid mainly in connection with the Israel-Palestine conflict. In the future, the majority of conflict prevention support will continue to be provided within the framework of that conflict.

In other parts of the region the conditions for more profound initiatives in the direct peace promotion/peace building field are lacking. With Sweden's limited resource base and the want of Sida personnel in the field, the comparative advantages of more active aid similar to that in the Israel-Palestine conflict do not exist. However, in the event that Sweden can play a role in fostering dialogue in a conflict by "track II diplomacy" (or unofficial political dialogue), Sida should be prepared to discuss possible initiatives of a limited nature after consultation with the Ministry of Foreign Affairs.

A structural conflict prevention viewpoint takes as its starting point how economic, social and cultural factors affect stability and security. Initiatives of this kind involve tackling the underlying causes of different conflicts within and between states. These may, for example, include the rule of law, human rights, social and economic development and aid for developing dynamic and representative political institutions that can cope with resolving differences of opinion by a peaceful route.

The size of the MENA region and the complexity of its existing conflicts make a more active involvement by Sida impossible in terms of the factors underlying them. Given such an approach, a country like Algeria could on its own swallow up enormous amounts of resources. At the same time it is important, as in the Swedish action programme

Preventing armed conflicts (Ds 1999:24) and the government paper of the same name (2000/01:2), to stress the mutual dependency of e.g. security and democracy. A strong democracy consolidates peace and the initiatives for aid for democratisation and human rights proposed below should therefore take into account the structural causes of conflicts.

Humanitarian aid will continue to play an important part in the MENA region as assistance for peace and security. By its work to increase respect for human rights, i.e. the rules of war, it counteracts the abuse of the civilian population in times of armed conflict. Humanitarian aid is being given for both basic needs such as food, water, health, a roof over your head and protection against abuse and reconstruction initiatives such as mine clearing.

6.2 International organisations

Promoting democracy and increased respect for human rights demands a dialogue, which in turn demands a presence. The continuing limited bilateral development cooperation in the region already mentioned and the very restricted number of people in the field mean that Sweden and Sida must rely on methods and channels other than direct bilateral cooperation.

Sweden is a major donor to multilateral bodies including the EU, UNDP and UNICEF. UNDP has a regional governance programme in the region directed towards such things as reforming the legal system, participation by women, strengthening the legislative assembly, state-civil society relationships, electoral reforms etc. Within the region UNDP collaborates with both local organisations and certain international organisations, e.g. the International Institute for Democracy and Electoral Assistance (International IDEA).

Long-term multi-bilateral aid in the governance field, for example through UNDP, can be considered in the absence of bilateral aid. For this to be an effective complement to Sweden's basic contribution to any multilateral organisation with multi-bilateral aid, such a contribution should be strategically targeted at sectors or processes of great importance for the development of increased democratisation, transparency and respect for human rights. Multi-bilateral aid can advantageously be of a regional nature so as to promote intra-regional cooperation as well.

Multilateral or multi-bilateral aid to support administrative reforms or the like should be combined with aid to civil society. Sida (DESO/DESA) is already supporting some international organisations directed towards democracy and human rights issues with operations in places including the MENA region; e.g. the International Federation of Human Rights Leagues (FIDH), which has a programme in North Africa for human rights activists, El-Taller in Tunis and International IDEA, which has a network project together with six countries in the region for discussion of various aspects of democratic government. Sida's Asia Department is currently financing only a few initiatives including aid to the World Bank initiated Mediterranean Development Forum and a regional human rights project through Search For Common Ground.

The above aid through DESO/DESA should continue and be supplemented by aid to regional and/or sub-regional networks working on issues involving peace, security, democracy and human rights.

6.3 Swedish non-governmental organisations

The role of civil society in the region is important for increased democratisation. There are significant disparities both in terms of how highly developed and vigorous civil society is in the different countries of the region and in its opportunity to function. Development co-operation in the region by Swedish non-governmental organisations represents an important form of cooperation that contributes to democratisation and skills enhancement of the region's civil societies. Exchanges and contacts with the latter also give rise to greater transparency in countries that otherwise tend to stifle their operation.

The contribution that Swedish non-governmental organisations allocate to the MENA region today amounts to approximately SEK 40 million per annum. Most of them finance some form of activity in the region, but with a strong geographical emphasis on the West Bank and Gaza. Only a very few organisations have a wider geographical spread in their cooperation.

Sida is favourably inclined to continued involvement in the MENA region by Swedish non-governmental organisations. Furthermore, Sida should consider initiating a targeted financial contribution through Swedish non-governmental organisations for cooperation with their peers in the region in order to further these contacts and support the civil society of the region in areas relevant to peace, security, democracy and human rights. Increased equality could be such a priority area. Consideration of working with Swedish non-governmental organisations in this area should fall within the framework of DESO's preparation of future projects and programmes.

6.4 Contract financed technical cooperation (KTS)

The overall objective of contract financed technical cooperation is to advance the development of low and medium income countries and pass on knowledge that is strategically significant for the development of the cooperating countries. Contract financed technical cooperation should promote greater exchange of skills and experience between Sweden and those countries and encourage a wide circle of Swedish players to have a part in the cooperation – companies, government bodies, institutions, etc. Each year, Sida lays down the countries with which cooperation can take place.

KTS cooperation should be directed to a greater extent toward areas that aim to satisfy the overall objectives of Swedish development cooperation with the region, such as the promotion of good governance, democratisation, equality and human rights. However, it can sometimes be strategically important for a more closed and authoritarian country to be exposed to methods of working and values that in themselves influence attitudes and cultures within the context of a contract financed technical cooperation project, even if that project does not fall within Sweden's priority areas. By an open, democratic

and equal way of working, KTS cooperation can then introduce a democratic culture.

6.5 Cultural cooperation

The basis of a nascent democratic structure is a multiplicity of ideas and dreams. Promoting democratic development with broad popular involvement and safeguarding freedom of speech are the most important aims of Sida's cultural and media support.

A series of initiatives to promote dialogue and understanding between the MENA region and Europe already exists – the 'Barcelona process', Euro-Islam cooperation and the work of the Swedish Institute in Alexandria all aim in different ways to promote cross-border dialogue – including but not restricted to cultural activities. Bilateral cultural cooperation with the region can expand and complement such an exchange in various ways and make a positive contribution to democratic developments in the region. A regional position centred on intra-regional cultural cooperation is facilitated by the basics common across the region such as language, history, customs, religion, etc.

A regional cultural cooperation with the MENA region should be initiated and directed towards activities that support democratisation, increased transparency and respect for human rights. Aid for free speech and media should be the focal point. For example, in other places regional media networks have enhanced professional know-how and increased respect for individuals and professional groups vis-à-vis those in power in their own countries and in the surrounding world. Experience from Swedish cultural support to the West Bank and Gaza should be drawn upon.

6.6 Research Collaboration

Swedish support for research in and around the MENA region is currently very limited. Greater collaboration between the research workers of the MENA region and the Swedish research community in order to promote exchange, mutual enhancement of knowledge, greater transparency and dialogue can contribute to the achievement of the goals for cooperation with the region. A research collaboration with the MENA region should therefore be initiated by Sida's Department for Research Cooperation (SAREC).

Within the context of such a research collaboration, it should be possible for contributions to be paid to research workers at local universities and research institutes that have made initial contact with Swedish researchers and drawn up a joint application. In order to promote intra-regional cooperation, the research collaboration should be open to regional projects in which more than one MENA country takes part. A regional committee with representatives from the region might be responsible, in consultation with Swedish research councils, for assessing joint project applications. By involving Swedish research councils in the quality assessment of research projects, internationalisation of ordinary research funding is advanced, a goal that coincides with the aspiration of enhancing and widening Swedish international knowledge and skills. Sida/SAREC should be responsible for the Swedish assessment of relevance.

Any synergies between the region's research and Sida's international and regional courses should be exploited. The Swedish Institute in Alexandria should, in so far as it has the capacity, be able to assist SAREC with assessments of research councils in Egypt and other countries in the region.

Some self-financing of the programme should be possible. The precise forms and ultimate direction of the research collaboration in terms of subjects should be determined in advance by SAREC in consultation with players in the region and in Sweden.

6.7 International courses and other exchanges with the region

6.7.1 International courses

The aim of course activity is to promote skills development in low and medium income countries by passing on knowledge in areas that are of strategic importance for their development. The international courses should lead to an increased exchange of knowledge and experience between Sweden and the cooperating countries. The intention is that all course members should have a direct use for the knowledge acquired in their activities. The courses are normally arranged in Sweden, but follow-up seminars in the participants' home countries do also take place.

Which countries in the MENA region are to have the opportunity to attend Sida's international courses is laid down annually in a 'country list'. There are a large number of courses available and a series of different considerations are taken into account to determine both the countries concerned and the courses they should be offered. Criteria for participation include the level of the country's development (per capita GDP), its own wishes and Swedish priorities.

Sida should offer the courses of strategic interest to the country and sub-region in question that best meet the overall objectives for the MENA region. A large number of countries in the region should be invited with the aim of promoting both contacts between Sweden and the MENA region and greater intra-regional cooperation. The proportion of female participants should increase.

6.7.2 The Swedish Institute in Alexandria

The function of the Swedish Institute in Alexandria (SIA) is to promote broad contacts between Sweden and the MENA region and the establishment of a cooperation between SIA and the International Courses should be tested. Tentatively, SIA, together with Sida's unit for international courses, could try arranging local and sub-regional countries and/or follow-up seminars with participants from the MENA region in strategically important areas that correspond to the priorities of both Sida and the Alexandria Institute.

6.7.3 The Swedish Institute's exchange of experts

Since November 1998, the Swedish Institute has been commissioned by Sida to administer a programme of exchanges of experts with Asia and the MENA region. By means of such exchanges, the programme aims to create the basis for activities and contacts between Sweden and

the countries concerned. These contacts further aim to reinforce the international network of people working on such things as democracy, human rights and the environment. Besides the West Bank and Gaza, Egypt, Lebanon, Jordan, Morocco and Tunisia, as from 2001, the MENA region has also included Iran and Syria. Total funding for exchanges with Asia and the MENA region amounts to approximately SEK 1 million per annum. The programme should continue.

6.8 Development loans and guarantees

The countries in the region that are judged to be creditworthy and have been approved by the OECD for lending on soft terms have the opportunity to receive development loans. The assessment of the possibility of loans in the MENA region is made on an individual basis. Guarantees can also be an issue in the region.

6.9 Assistant bilateral experts (BBE), National experts and Junior Professional Officers (JPO)

Relatively few Swedes have had posts as BBEs, National Experts or JPOs in the region. This is partly a reflection of the limited Swedish aid and field presence in the region where, for example, the BBE programme has traditionally concentrated on Sida's bilateral activities in Africa and Asia. There are no BBEs, National Experts or JPOs in the MENA region today. Increasing the number of people in these posts in the region could be a way of expanding the interfaces between the region and Sweden and broadening the knowledge base in Sweden.

7. Sida's work on the EU's Mediterranean Aid

Sida's work on EU aid will need to take into account a number of forthcoming changes including the comprehensive reform of the EU's aid administration that has already begun. The reforms include decentralisation of authority to EU delegations in the field, the creation of a new unit – the EuropeAid Co-operation Office – to manage the entire project cycle and strengthening personnel resources both in the field and in Brussels. Monitoring the implementation of the current reforms will become a very important task for Sida.

The new MEDA regulation (MEDA II), which regulates the EU's Mediterranean aid for the period 2000–2006, will also entail some changes. Under MEDA II, the introduction of overall strategies (6-year country strategies and 3-year national indicative programmes) and annual funding plans in which all project proposals for a particular country are dealt with together, will require new ways of working. In addition, a new framework for developing the EU's country strategies has been adopted in order to improve the quality of the strategy process and to some extent harmonise it across regions. The implementation of this framework has begun and should also be monitored closely.

Like Sida's general work on the whole of the EU's aid, Sida's work on the EU's Mediterranean aid should work toward a closer link between the Council's resolutions on aid and the Commission's implementation of them by giving the Council's policies and strategies impact on aid. It is particularly important to ensure that aid targets and horizontal issues such as poverty, the environment, equality, democracy/human rights and conflict prevention should permeate strategies and projects to a greater extent. Sida should also work to improve co-ordination between the Commission, the European Investment Bank, the member states of the EU and other aid donors.

In Sida's scrutiny of the EU's country strategies and funding plans, the emphasis will be on issues of method including whether the connection between funding plans and country strategies should be scrutinised together with the quality of the underlying analyses and other methodological issues such as evaluation and monitoring.

As far as the EU's aid strategies are concerned, Sida should specifically direct its energies towards improving the quality of the EU's country strategy process in accordance with the EU's new

framework for country strategies. Regular monitoring of strategy documents is important, as is exploitation of the experience obtained. Sida should also work toward increased clarity in the criteria and guidelines for the apportionment of MEDA aid between countries and sectors and more readily understood regional aid with clear selection criteria.

It is important that the embassies be as involved as possible in the EU's new country strategy process and report back on it. This is particularly true against the background of the current reforms of the EU's aid administration with greater delegation from the Commission in Brussels to EU delegations in the field since this increases the importance of local coordination of the member states' aid. The country strategy process must also include links between the work of the MED committee in Brussels and local coordination in the field.

In order to be able to monitor the country strategy process and work towards firmly establishing and implementing it, we on the Swedish side must have some insight at project level, even if for capacity reasons this must be limited. The main principle is that discussions and scrutiny of projects will continue to take place once a year when Sida and the embassies together consider the EU's annual funding plans for the various recipient countries. The funding plans will be discussed both locally in the field and in the MED committee. However, roles and responsibilities have not yet been fully established.

Besides the annual scrutiny of funding plans, projects should be monitored only where there is a particular reason, i.e. where the EU's project impinges on Swedish bilateral initiatives. Because it is proposed that the focus of these should be directed towards areas such as democratisation and conflict resolution, it may be of relevance to pay special attention to EU projects in these areas.

Ongoing information about projects or the implementation of development cooperation in the field that is given to the embassies should in future also be forwarded to Sida's unit for multilateral coordination as a knowledge base for continued action, including methodology issues. Obtaining knowledge from the field is particularly important in the light of the changes brought about by the new MEDA ordinance as, barring exceptional cases, individual project proposals will not be dealt with by the MED committee.

The most important forums Sida uses in its work on the EU's Mediterranean aid are:

- membership of the MED committee
- cooperation within like-minded groups and with other member states,
- direct contact with Commission officials in Brussels,
- membership of the advisory working groups via the Ministry of Foreign Affairs,
- cooperation and knowledge gathering in the field e.g. through contacts with EU delegations and recipient countries (via the embassies or through trips),
- national experts (within DG External Relations and the newly established EuropeAid Co-operation Office, and in the field),

- membership of the Commission’s expert groups by Swedish specialists,
- membership of the §14 committee of the EIB in Luxembourg,
- membership of the Humanitarian Aid Committee,
- membership of the Human Rights Committee.

Coordination between the Swedish players involved in work on EU aid at different levels is fundamental to uniform Swedish action. The Ministry of Foreign Affairs acts at an overall advisory level but it is important for Sida to be involved when the opportunity arises for practical discussions about EU aid. General policy and strategy issues are dealt with both by the Ministry of Foreign Affairs and representatives in Brussels on the EU’s Council of Ministers (the Council), and by Sida on the MED committee in relation to Mediterranean aid. At a more concrete strategy and project level, Swedish embassies, the Ministry of Foreign Affairs’ department for the region (UD/Mena), Sida’s regional department (Sida/Asia/Med), Sida’s multilateral coordination unit and the affected Sida sector departments are all involved.

To summarise, general issues of method will continue to form the basis of Sida’s work on EU aid. Greater concentration on fieldwork and the country strategy process and, indirectly, on such things as democratisation and conflict resolution, is expected in line with the expected changes to EU aid and within the framework of Sida’s Guidelines on development cooperation in the Middle East and North Africa.

8. Summary of measures

- DESO/Desa to supplement its current aid to international organisations that have particular programmes in the region with aid to regional and/or sub-regional networks working on issues involving peace, security, democracy and human rights. It should also be possible for multi-bilateral aid in, e.g. ‘governance’ areas to come into question.
- DESO/Kultur to begin a cultural cooperation with the region in order to extend and complement the Barcelona process and make a positive contribution to democratic development in the region. Cultural cooperation to be given a regional approach with the focus on freedom of expression and the media.
- DESO to consider in its plans a targeted financial contribution via Swedish non-governmental organisations for cooperation with non-governmental organisations in the region in order to strengthen these contacts further and support the region’s civil society in areas relevant to peace, security, democracy and human rights. Increased equality might be such a priority area.
- KTS to be directed to a greater extent than at present toward projects that predominantly aim to meet the overall objectives of Swedish aid to the region, for instance in the fields of good governance, democratisation, equality and human rights. In other areas of society, KTS cooperation will, where possible, introduce working methods and working cultures that promote transparency, democracy and equality.
- Sida to invite the countries in the region to attend the strategically interesting courses that best suit Sida’s overall goals for cooperation with the MENA region. A large number of countries in the region should be invited to take part with the aim of advancing both increased contact between Sweden and the MENA region and intra-regional cooperation. The proportion of female participants should increase. In addition, Sida’s international courses, in cooperation with the Swedish Institute in Alexandria, should try arranging local and sub-regional courses and follow-up seminars with participants from the MENA region.

- Sida's Department for Research Cooperation (SAREC) to begin research collaboration with the region to increase cooperation between the research workers of the MENA region and the Swedish research community, thereby promoting exchange, mutual enhancement of knowledge, greater transparency and dialogue.
- So far as EU cooperation is concerned, issues of general methodology will continue to provide the basis for Sida's work. With the changes in EU aid, including decentralisation, an increased concentration on the country strategy process and field activities is anticipated. Some follow-up of EU activities should be done in areas relevant to Swedish development cooperation with the region, for example democracy, human rights and conflict resolution.

9. Volume, direction and administrative resources

9.1 The volume and direction of development cooperation

Development cooperation with the Middle East and North Africa, excluding the West Bank and Gaza, should increase in the long term by approximately SEK 20 million per annum compared with the current level (see table 2). The increase should be progressive over 2002–2004. Development cooperation should be directed towards priority sectors to a greater extent.

Contract financed technical cooperation should continue to be in the order of SEK 30–40 million per annum. However, the level may be adjusted depending on the extent to which the cooperation is targeted at priority sectors.

A research collaboration should be initiated during the next 2–3 years. Initially its value will be around SEK 2–3 million per annum and approximately SEK 10 million when fully deployed.

Approximately SEK 40 million per annum should be set aside in addition for initiatives falling within DESO's sphere of activity: peace, democracy, human rights and culture. A progressive increase in appropriations should take place over the next few years as the programme is built up. The few regional human rights initiatives, which are currently managed by the Asia department, should be transferred to DESO/Desa as soon as possible. Consideration should also be given within the framework of DESO's programme to a special investment in aid through Swedish non-governmental organisations.

It is thought that there will still be a need for ongoing humanitarian aid in the region for the next few years and this is largely planned to go on as in previous years, i.e. continued aid mainly to the civilian population in Iraq, Palestinian refugees in Lebanon and Western Saharan ones in Algeria. In addition, continued annual support for the activities of the International Red Cross Committee (ICRC) and International Red Cross /Red Crescent Federation (IRC/IRCF) in the region is planned.

Direct support for the peace process in the Middle East is expected to continue at approximately its present level, but is planned and governed by the country strategy for the West Bank and Gaza.

Table 2: Planned appropriation 2002–2004, (SEK millions)

Form of development cooperation	Asian appropriation 2001	Other appropriations 2001	Proposed proportion of Asia appropriation 2002-2004	Proposed proportion of other appropriations 2002-2004
KTS	approx. 40-60	0	approx. 30-40	0
IK	0	approx. 15		approx. 15
DESO's field of activity: peace, democracy, human rights, culture	0	0	approx. 25-40	0
Humanitarian aid	0	not planned about 90	0	not planned about 100
Swedish NGO frame funds	0	not planned about 40	0	not planned about 40
Research	0	0	02-maj	0
SI expert exchanges	0,5	0	0,5	0
Development loans, guarantees	0	not planned?	not planned?	not planned?
TOTAL	40.5-60.5	approx. 145-?	57.5-85.5	approx. 155-?
Proposed increase in allocation			17-25	

9.2 Administrative resources

With the exception of staff outposted to Jerusalem, Sida has only one office in the region (regional KTS responsibility, located in Cairo). Total Swedish resources in the region are also limited; Swedish embassies have but little capacity for work on development matters and the closure of those in Tunis and Beirut has meant additional restrictions on future development cooperation with the region.

Having regard to the above, projects and programmes should be so designed that they can be managed by Sida's sector departments in Stockholm (DESO/Desa, DESO/Kultur, INEC/KTS, PEO/IK, SEKA/HUM, SEKA/EO, SAREC, REG/Multi) with available resources.

The field office in Cairo, which was set up temporarily in 2001 for contract financed technical cooperation, was closed at the end of 2002. As from 2003, an office financed from a specific appropriation and falling within DESO's sphere of activity should be located in the region, tentatively at the Swedish Institute in Alexandria, with the task of supporting DESO in expanding the latter's programme in the region for a limited period of 2–3 years. To the extent of its capacity, such an office should also support the international courses and SAREC in their work on implementing the guidelines on the MENA Region.

Appendix 1

Table 3: Sida's development cooperation per sector in 2000 (SEK thousands)

<u>Country/year</u>	<u>Human rights and democratic governance</u>	<u>Social sectors</u>	<u>Infra, trade & urban</u>	<u>Natural resources</u>	<u>Other</u>	<u>Total</u>
Algeria	-	1 494	-	-	290	1 784
Egypt	2 649	1 749	2 981	211	5 314	12 904
Morocco	220	112	6 609	258	-	7 199
Tunisia	1 339	1 077	597	2	461	3 476
North African region	2 792	1 629	41	1 417	-	5 879
Total North Africa	7 000	6 061	10 228	1 888	6 065	31 242
Iran	-	-	-	-	-	-
Iraq	20 821	29 378	10 895	61	738	61 893
Israel	-	-	-	250	-	250
Jordan	528	545	6 958	4	3	8 038
Kuwait	-	-	-	-	-	-
Lebanon	2 728	6 486	183	3 203	313	12 913
West Bank/Gaza	57 059	48 711	173 736	9 962	8 170	297 638
Syria	725	3 079	3 260	1 462	265	8 791
Yemen	1 830	5 549	77	80	778	8 314
Middle East region	7 305	3 736	-	-	389	11 430
Total Middle East	90 996	97 484	195 109	15 022	10 656	409 267
Total MENA region	97 996	103 545	205 337	16 910	16 721	440 509
Total MENA region excluding West Bank/Gaza	40 937	54 834	31 601	6 948	8 551	142 871

Source: Sida 2000 Statistical report, page 12–14

**Table 4: Sida's development cooperation via non-governmental organisations 2000,
(SEK thousands)**

<u>Country/year</u>	<u>Framework organisations</u>	<u>Other Swedish NGOs</u>	<u>NGO's in recipient countries</u>	<u>International NGOs</u>	<u>Other NGOs</u>	<u>Total</u>
Algeria	290	- 1 064	-	-	2 559	1 785
Egypt	3 580	-	-	-	-	3 580
Morocco	-	-	-	-	-	-
Tunisia	1 219	-	-	-	750	1 969
North African Region	1 560	-	-	1 770	-	3 330
Total North Africa	6 649	- 1 064	-	1 770	3 309	10 664
Iran	-	-	-	-	-	-
Iraq	2 668	25 038	-	35 073	- 885	61 894
Israel	-	-	-	-	-	-
Jordan	113	-	-	-	500	613
Kuwait	-	-	-	-	-	-
Lebanon	3 754	1 326	-	1 770	1 000	7 850
West Bank/Gaza	17 833	24 334	21 043	10 729	-	73 939
Syria	1 150	-	-	-	250	1 400
Yemen	8 314	-	-	-	-	8 314
Middle Eastern Region	-	-	-	4 040	5 750	9 790
Total Middle East	33 832	50 698	21 043	51 612	6 615	163 800
<u>Total MENA region</u>	<u>40 481</u>	<u>49 634</u>	<u>21 043</u>	<u>53 382</u>	<u>9 924</u>	<u>174 464</u>

Source: Sida 2000 Statistical report, pages 34–36

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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