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UD2024/04332**Utrikesdepartementet**

Strategy for Sweden's regional development cooperation with the Middle East and North Africa 2024–2027

1. Basic premises and added value

The Middle East and North Africa region is marked by several conflicts. Since Hamas' brutal terrorist attack on Israel on 7 October 2023, the situation in the region has become increasingly volatile. At the time of adoption of this strategy, the humanitarian situation in Gaza is very serious. The unrest in Yemen and its neighbourhood is also contributing to increased insecurity. It is not yet possible to assess the long-term consequences of the current situation. Challenges in many parts of the region include weak democracies, a lack of respect for human rights and freedoms, discrimination against women and girls and socio-economic inequalities. Lack of access to clean water, food insecurity and lack of energy supply pose serious health risks, and in some countries also a security risk. Children are particularly vulnerable to the effects of poverty, conflict, climate change and disasters. There is a great need for adaptation to climate change in the region.

Sweden has a strategic interest in the situation in the Middle East and North Africa being stabilised, democratic development being promoted, irregular migration and its root causes being combatted, the number of returns increasing and voluntary repatriation being promoted. Improved energy supply and a green transition in the region could indirectly contribute to reducing its dependence on other actors. Furthermore, Swedish development cooperation commitments can help increase awareness of, and strengthen confidence in, Sweden in the region.

This strategy aims to support actors working for more stable, democratic and sustainable development in the Middle East and North Africa, including

in Yemen and Palestine. Swedish commitment to free and rules-based trade with increased access to domestic, regional and global markets, trade facilitation, reduced corruption and increased digitalisation can contribute to economic integration and growth. There are good opportunities for synergies between development cooperation, promotion, trade, foreign, security and migration policies, and the broader Swedish resource base is expected to contribute to implementation of the strategy.

2. Focus and objective of Swedish development cooperation

The objective of Sweden's international development cooperation is to create conditions to improve the lives of people living in poverty and oppression. Swedish development cooperation also constitutes an integrated part of Swedish foreign policy. The objective of the strategy is based on the added value that Sweden can contribute to the region, and on previous results achieved in the areas of activity.

Based on the Addis Ababa Action Agenda and the principles of development effectiveness, Sweden's development cooperation will be effective, results-oriented and catalytic, strengthening long-term development with broad local ownership in partner countries. Anti-corruption measures and enhanced accountability will inform all activities.

This strategy governs the use of funds allocated under appropriation item 17 in the appropriation directions for the Swedish International Development Cooperation Agency (Sida) for each budget year and funds allocated under appropriation 1:1 Development assistance, appropriation item 4, appropriation 1:4, appropriation item 1, in the appropriation directions for Folke Bernadotte Academy (FBA) as well as funds allocated under appropriation 1:1 Development assistance, appropriation item 11, appropriation 11:6 and 11:7 concerning the Swedish Institute for each budget year.

The strategy applies from 21 March 2024 to 31 December 2027 and provides a total of SEK 2.22 billion for Sida, of which a maximum of SEK 300 million for bilateral assistance to Yemen and a maximum of SEK 660 million for bilateral assistance to Palestine. For the FBA, the strategy provides a total of SEK 50 million. For the Swedish Institute, the strategy provides a total of SEK 20 million as of 2025.

Sida's and the Swedish Institute's activities will contribute to the following objectives:

Economic development, education, trade and green transition

- Increased job creation, including through private sector development, innovation, entrepreneurship and green transition, and

with a focus on the economic empowerment of women and young people.

- Good-quality, equitable and inclusive education – including vocational training – with a particular focus on girls and women.

Sida's activities will contribute to the following objectives:

- Expanded regional economic integration with enhanced conditions for free and rules-based trade, trade facilitation and reduced corruption.
- Strengthened resilience to climate change, limited climate impact and environmentally sustainable management and use of natural resources such as land and water.

Promoting freedom and fighting oppression

- Enhanced capacity of human rights defenders, civil society and the media with a view to promoting democratic development and increased respect for human rights and the rule of law.
- Strengthened democratic institutions and actors in the region with priority given to strengthened institutions and essential sectors in partner countries carrying out reforms in a democratic direction.
- Increased freedom of religion, including the right to freedom from religion, and protection of the rights of religious minorities.

Strengthening women's and girls' freedom and empowerment

- Strengthened gender equality and enhanced conditions to promote women's and girls' rights and freedoms, empowerment and influence.
- Increased enjoyment of equal rights and equality before the law, and countering norms and customs that restrict girls and women.

Migration and return

- Enhanced conditions for return, readmission and voluntary repatriation.
- Enhanced conditions for sustainable reintegration, including through job creation.

- Enhanced capacity to manage migration, focusing on counteracting irregular migration, strengthening asylum management and combating migrant smuggling and human trafficking.

Sida's and the FBA's activities will contribute to the following objectives:

Regional peace and security

- Enhanced capacity to prevent, manage and resolve conflicts peacefully, with readiness to flexibly contribute in changing contexts.

Yemen

- Improved conditions for peaceful development in Yemen, with enhanced respect for human rights.

Sida's activities will contribute to the following objectives:

- Increased capacity to provide and maintain basic public services and livelihood opportunities in Yemen, with a focus on women and girls.
- Resilient health care systems, in particular health care skills supply and training in health care, and improved access to sexual and reproductive health and rights.

Palestine

- Economic development, improved infrastructure and job creation, including entrepreneurship and the economic empowerment of young people and women.
- Improved access to health care, including sexual and reproductive health and rights, and a focus on children's health.

Sida's and the FBA's activities will contribute to the following objectives:

- Strengthened capacity for good governance, democracy, the rule of law and accountability, and promoting a two-state solution in accordance with international law.

3. Regional context

Regional development cooperation with the Middle East and North Africa region (MENA) is conducted in a context marked by great uncertainty and instability. Regional tensions and geopolitical interests impact both the

region's ongoing conflicts and conditions for regional cooperation and sustainable development. Since Hamas' brutal terrorist attack on Israel on 7 October 2023 and the subsequent war with serious humanitarian consequences in Gaza, tensions in the region have further increased, with long-term consequences that are not yet possible to assess.

In general, the region is marked by weak democracies, a judicial system lacking in independence, a lack of respect for human rights and freedoms, socio-economic inequalities and recurrent expressions of popular discontent, often suppressed by violence. Women and girls are subjected to structural discrimination and gender-based violence, and in several countries the lack of gender equality is pervasive. There is widespread corruption in the region. Civil society operates under increasingly difficult conditions, and the rights of religious minorities are under threat. Freedom of the media is extremely limited and independent journalists are vulnerable.

Conflict and post-conflict conditions prevail in a number of countries. The MENA region has given rise to the world's largest refugee and migration flows and many people have tried to make their way from the region to Europe, not least to Sweden, which has put pressure on the EU. Organised transnational crime, including migrant smuggling and human trafficking, also pose challenges in the region.

The Russian aggression in Ukraine has had a direct impact on the region, with problems concerning areas such as energy supply and food safety. Climate and environmental challenges are extensive, which also contributes to increased conflict risks and people being forced to move. These include a lack of access to clean water, dramatic temperature increases, loss of biodiversity and pollution. Dependence on fossil fuel energy is high. At the same time, there is good potential for transitioning to renewable energy sources such as solar energy.

Economic growth in the region is insufficient, the private sector is relatively small, and economic integration, for example through regional trade, is weak. The region has a very high proportion of young people, the highest youth unemployment rate and the lowest participation of women in the labour market in the world. Child marriage and forced marriage occur in the region. Internally displaced persons, refugees and migrants also often lack sustainable livelihoods. In recent years, the proportion of people living in extreme poverty has increased sharply. Yemen accounts for an increasing share of those living in extreme poverty in the region. At the time of adoption of this strategy, it is unclear how the situation in Palestine, including Gaza, can be expected to develop in the long term.

The root causes of both conflicts and poverty in the region are thus numerous, often transnational and interconnected. Regional partner

organisations in the Middle East and North Africa are politically weak, regional integration is lacking and regional cooperation is generally limited. EU policy towards the Southern Neighbourhood, with a new Mediterranean agenda in place since 2021, supports increased and strengthened regional cooperation. The European Commission also conducts regional development cooperation, as well as bilateral programmes in Yemen and Palestine.

For political, economic and environmental reasons, stronger regional cooperation is justified and would improve the ability to address and respond to the poverty and development obstacles that characterise many countries in the region.

Yemen is marked by an ongoing and protracted armed conflict. UN-led efforts to reach a negotiated political solution continue. The situation of the population is dire in many parts of the country and, according to the UN, constitutes one of the most serious humanitarian crises in the world. For large parts of the population, access to health care, education, food, water and sanitation, and essential supplies is extremely limited. The humanitarian crisis is exacerbated by the country's deep political, economic and social inequalities, weak institutions and lack of democracy. The conflict has compounded these structural problems in the country. Long-term initiatives to combat poverty and promote food security, and to contribute to conditions for sustainable peace, are therefore essential. Marginalised groups, ethnic and religious minorities and internally displaced people are particularly vulnerable. The human rights situation is dire. Women's and girls' enjoyment of human rights is limited, and women and girls have been disproportionately affected by the conflict.

The situation in Palestine is difficult, with high levels of unemployment and a large proportion of the population dependent on humanitarian support. Children are particularly vulnerable and make up half of the population. The long-standing Israeli-Palestinian conflict is a major obstacle to development. A negotiated two-state solution in accordance with international law remains the only sustainable solution to the conflict. At the same time, confidence in such a solution has fallen sharply in both Palestine and Israel in recent years. Accelerated expansion of settlements in the West Bank, increasing extremism and the escalation of violence have also characterised the situation. Hamas' terrorist attack on Israel on 7 October 2023 and the subsequent war and hostage situation represent a major trauma for both Israelis and Palestinians, and have led to very high civilian death rates, widespread destruction and a catastrophic humanitarian situation in Gaza. Developments have created an elevated risk of escalation in the region. In the West Bank, the situation has deteriorated, with increasing settler violence, greater restrictions on movement and a manifest economic weakening. The Palestinian Authority is facing serious financial pressure,

while at the same time it is marked by a lack of legitimacy and confidence among the population. National elections have not been held since 2006. The independence of the judiciary exhibits shortcomings following measures that have undermined the judicial power in favour of the executive power. Civil society space is shrinking. Corruption represents a serious problem.

4. Activities

Within the framework of this strategy, development cooperation will support regional or sub-regional activities that can be conducted in the twelve countries in the region that are eligible for official development assistance according to the OECD Development Assistance Committee (DAC)¹. This strategy can support efforts that involve a number of countries or just a few countries, as well as interventions in individual countries. Regular dialogue on priorities regarding Sida's, the FBA's and the Swedish Institute's implementation of development cooperation activities will be conducted with the Government Offices (Ministry for Foreign Affairs). Annual reports to the Government Offices (Ministry for Foreign Affairs) must include a description of how development cooperation is distributed geographically, including in terms of geographic distribution within Yemen and Palestine.

Where deemed effective, activities may focus on promoting regional solutions to cross-border challenges. Similar activities may be carried out in parallel in several countries and, where relevant, regional added value can be created through exchanges for inspiration and learning. This means that activities may also be conducted that are related to common challenges facing several of the countries in the region without necessarily being cross-border. Areas and sectors where the Swedish resource base can be used for innovative solutions to societal challenges are to be given priority.

Transparency and accountability are key components of the implementation process and will permeate the activities. Sida, the FBA and the Swedish Institute are to highlight the requirement that recipients of development cooperation do not have links to violent ideologies, extremism, terrorism or hate speech targeting individuals or groups, and that they support democratic values and human rights. Communicating the results of the development cooperation to relevant target groups in the region is important, in close collaboration with relevant missions abroad and between Sida, the FBA and the Swedish Institute.

Sweden's development cooperation will be effective and results-oriented. It will also contribute to laying the foundation for broader and more self-sustaining relations between Sweden and the countries in the region. Stimulating other financial resources to generate catalytic effects should be pursued. Swedish businesses are world-leading in key areas such as digital

¹ Algeria, Egypt, Iran, Iraq, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia and Yemen

solutions and green transition, and can offer sustainable solutions that meet the development needs of the MENA region. Swedish government agencies have expertise that can also be utilised in the implementation. The Swedish resource base will be used strategically, effectively and flexibly to contribute to Swedish development policy priorities.

Where relevant, one or more climate-related sub-targets will be included in initiatives that have a main purpose other than climate. All activities must consistently take into account a gender equality perspective.

Economic development and trade are to be promoted by contributing to an improved business climate, economic diversification and a competitive private sector. Partnerships with industry are an important part of the activities, as is the possibility of using guarantees to mobilise investment capital from several different actors and promote innovation, including in green sectors. Sustainable value chains that contribute to development for people and the environment may be pursued. Increased employment will be promoted, with decent working conditions. Activities will contribute to the increased economic empowerment of women, young people and marginalised groups, including minorities, internally displaced persons, refugees, migrants and people who have returned to the region. **Education** in the region will be strengthened to combat poverty, as well as to enable employment and entrepreneurship.

Activities will help enhance the capacity for **green transition** and manage environmental and climate change. At the same time, activities will contribute to adaptation to climate change and reduced environmental and climate impact, for example by promoting fossil-free energy, innovation, new technologies and collaboration with Team Sweden and local and Swedish industry where relevant. Opportunities for creating dialogue and collaboration on sustainable use and management of shared natural resources, including fresh water, to promote broader and long-term cooperation between the countries in the region, are also relevant, and contribute to the operational objectives concerning peace and security as well.

Activities in the area of **promoting freedom and fighting oppression** will focus on the conditions and opportunities for human rights defenders, civil society and media to operate safely, including demanding accountability. Activities may promote religious freedom and the rights of religious minorities, especially Christians, who currently constitute a particularly persecuted religious group in the region. The freedom and empowerment of women and young people will be given priority and the potential of digitalisation will be harnessed. Activities that promote conditions for free elections will also be given priority, as will activities that support democratic institutions and actors, and essential sectors that implement reforms in a democratic direction.

In the area of **strengthening the freedom and empowerment of women and girls**, activities will focus on the full enjoyment of human rights and freedoms by women and girls. Support to the region's women's rights organisations, networks and platforms will be given priority as an important part of strengthening women's and girls' freedom, empowerment and role in society and combating discrimination. Support to efforts concerning equal rights and equality before the law, and countering norms and customs that restrict girls and women, also form part of the strategy. Efforts to combat child marriage will be given priority in locations where it is customary or legal, with a view to strengthening legislative work and action against child marriage.

In the support area of **migration and return**, activities will help enhance the partner countries' capacity for migration management and combating irregular migration. In addition, activities will contribute to improved conditions for increased return and readmission. Furthermore, activities will promote voluntary repatriation and sustainable reintegration. Activities can be linked to the support area economic development education, trade and green transition, including through activities promoting productive employment and adaptation to climate change, which may also help reduce secondary migration. Capacity support for migration and asylum management should be implemented, including to combat migrant smuggling and human trafficking. Opportunities for collaboration with and within the EU, including through a route perspective, will be utilised in collaboration with regional development strategies for Africa.

Support to regional and sub-regional intergovernmental institutions and civil society actors can contribute to **regional peace and security**. Activities that help prevent violent extremism and combat radicalisation will be carried out. The women, peace and security agenda and the youth, peace and security agenda can both contribute to the strategy's implementation.

The bilateral activities in **Yemen** will apply an integrated approach, which contributes to reduced dependency on humanitarian aid through support to sustainable livelihoods, food security and peacebuilding. The development cooperation activities will support the UN-led peace efforts. Activities will contribute to enhanced resilience, adaptation to climate change and to increasing people's opportunities to earn a living. Basic public services may include health, education and protection of vulnerable groups in the conflict. Women, girls and marginalised groups have been particularly affected by the conflict, and their rights and freedoms, empowerment and opportunities will be highlighted, as will the situation of young people. As the context is marked by considerable uncertainty and substantial risks and challenges associated with implementation, financial control and follow up of activities, a conflict-sensitive and flexible approach is essential and will also include anticipatory action when necessary. The situation in northern Yemen and in

the areas controlled by the internationally recognised government are marked by major challenges in terms of the implementation of the development cooperation, and requires special attention in terms of risk management.

The overarching focus of bilateral activities in **Palestine** will be to counteract extremism, Islamism and antisemitism and contribute to peaceful development by promoting long-term conditions for a negotiated two-state solution in accordance with international law. Significant emphasis should be placed on activities based on economic development through a strengthened private sector, increased employment and improved infrastructure. This is key to combating poverty, conflict prevention and increased empowerment, not least for women. Activities will help strengthen access to health and medical care, with a particular focus on children's health. Sexual and reproductive health and rights, including the self-determination of women and girls and efforts to combat child marriage, will be given priority. Good governance, democracy, the rule of law and accountability are important for increased freedom and empowerment. Priority will be given to activities that counteract corruption and promote democratic and transparent administration. Good governance also forms the basis of a strengthened institutional framework for economic growth and efficient management, and can thus contribute to the other objectives.

The situation in Palestine is complex and requires particularly careful and systematic risk management. The number of partners will be limited. The support will mainly be provided through well-established actors, such as civil society organisations, multilateral organisations and international development banks. It must be verified that recipients of support do not have links to violent ideologies, extremism or Islamism and that they support democratic values and human rights. Channelling support through several intermediaries will be applied restrictively. Support to the Palestinian Authority can be provided mainly through capacity-building efforts that do not primarily consist of direct financial support. Capacity development can take the form of cooperation between experts and authorities.

Activities will initially focus on the West Bank and, if possible after the end of the war, gradually also include Gaza. Given the uncertainty surrounding developments, adaptive implementation of the strategy is key within the framework of close dialogue between the Ministry for Foreign Affairs and Sida, including with regard to the conditions for operations in Gaza.

In addition to bilateral support, Yemen and Palestine may, where appropriate, be included in regional cooperation within the scope of this strategy as set out above.

When supporting initiatives in the context of peace processes, both regionally and in Yemen and Palestine, flexibility is essential, and Sida and the FBA must have the preparedness to conduct particularly strategic, targeted and rapid activities if necessary. For these activities, regular consultations and dialogue between the Government Offices (Ministry for Foreign Affairs), relevant missions abroad, Sida and the FBA are of particular importance.

Activities will be followed up and reported in line with what is prescribed in the current guidelines for development cooperation strategies. The annual strategy report will include an account, analysis and assessment of the results of the activities in relation to the stated objectives. Gender-disaggregated statistics will be included in the reporting of activities where possible.

In its strategy reporting to the Government, Sida will highlight how the activities within the framework of the strategy contribute to the implementation of the 2030 Agenda.

5. Collaboration and partners

Civil society organisations are important partners in the implementation of the strategy. Synergies with the work carried out by the Swedish Dialogue Institute for the Middle East and North Africa will be sought where thematically applicable, and close dialogue will be conducted with Swedish missions abroad in the region. In addition, other Swedish government agencies can play an important role, including by contributing their experience of intergovernmental regional collaboration. In the area of job creation, entrepreneurship and the empowerment of women and young people, Sida and the Swedish Institute will actively seek synergies and complementarity. The same applies to Sida and the FBA in the areas concerning Yemen, Palestine and regional peace and security.

Sweden is one of few donors of development assistance with a regional approach to the Middle East and North Africa, and will contribute to strengthened donor coordination for regional development cooperation where possible. Based on the Team Europe approach, cooperation with and within the EU will be pursued in particular, not least in relation to the EU's Southern Neighbourhood Policy, as well as in Yemen and Palestine. Joint programming and participation in Team Europe initiatives will be given priority when possible. Collaboration will be sought with the Union for the Mediterranean on issues of common interest. Collaboration within the EU's joint venture Global Gateway can take place in contexts where Swedish trade interests coincide with the strategy's objectives. A Team Sweden approach will be applied, both regionally and in countries where the interests of development cooperation and business interests coincide.

Synergies and complementarities in cooperation with the multilateral system, including development and investments banks and the UN system, will be sought, as well as enhanced transparency, a results focus and efficiency. In relevant contexts, encouragement should be given to strengthening the presence and commitment of development actors such as the World Bank and regional development banks in fragile states and conflict areas where humanitarian crises are taking place, particularly in Yemen and Palestine.

A holistic approach in all Swedish support to the region will be ensured. Synergies will be sought between the different strategy areas and with activities within the framework of other relevant strategies for Sweden's development cooperation and humanitarian assistance. Activities will contribute to reducing dependency on humanitarian support and, in the longer term, a reduced need for aid.