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Finland's strategy for development cooperation

Middle East and Northern
Africa 2021–2024

Ministry for Foreign Affairs of Finland

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EXECUTIVE SUMMARY

Notwithstanding the high expectations in the societies, the Arab uprisings in 2011 did not lead into fundamental changes in the political, economic, societal or security conditions in most of the countries of the Middle East and North Africa region - the MENA region. Nevertheless, the uprisings highlighted the pivotal role of the civil society and brought to light the will and ability of youth and women in committing themselves to change. Ten years later, the region is still encountering a series of challenges and crises. Some countries are in the middle of a difficult transition, some are at risk of moving into, or already are in a deep state of crisis. There are also longer-term developmental, environmental and climate challenges to address in development of a more prosperous, inclusive and stable region.

Finland aims at reinforcing good bilateral relations, as well as dialogue through the EU. We want to engage on multilateral arenas on issues of common interest. Promoting high level political dialogue and bilateral trade are key objectives, as well as support to combating climate change.

During the period of 2021-2024 Finland will work towards reaching the following strategic goals:

1. Finland promotes democracy, human rights and gender equality
2. Finland aims to strengthen inclusive and sustainable growth, women's employment and decent jobs by supporting entrepreneurship and promoting trade
3. Finland advances stability and sustainable development by contributing to climate resilience, green and just transition, including promotion of livelihoods

The Africa Strategy of the government and the EU-Africa Strategy create a good basis for building sustainable partnerships. Common objectives for Finland and partners in the region will be to strengthen political relations, trade, investments, inter-institutional relations and academic partnerships alongside the regional development cooperation activities.

Making an impact requires contributing to inclusive and gender equal societies, to sustainable use of natural resources, to sustainable and inclusive growth, and better regional co-operation. They all play a pivotal role in enabling peace, stability and prosperity in the region.

The programmatic dimension of this strategy is focused on contributing to two important impacts:

1. Enhanced participation of women in the society
2. Enhanced climate change mitigation and adaptation

Finland's programme for development cooperation in the wider MENA region will build on previous cooperation, at the same time taking into account lessons learnt and the context analysis. Finland will focus on fewer interventions in order to maximize effectiveness and Finnish influence in priority areas. The assumption is that an open, democratic, inclusive and equal society will be conducive to achieving development impact. Accordingly, Finland supports both policy level solutions, as well as civic society and civic engagement in society, with special attention given to women's rights and participation in society and the economy.

Addressing climate change and enhancing climate resilience of the society requires strengthened capacities, including those of the civil society.

1 REGIONAL CONTEXT

While the Middle East and North Africa (MENA¹) region has experienced unprecedented change since the start of the Arab Uprising in 2010, the past years have brought forward new prospects and challenges on the global sphere. Consequently, the region is facing unforeseen economic, political, social, technological, demographic, climate and environmental and security changes that reach beyond the impacts of the Arab Uprising. The outbreak of a global pandemic has led to greater health, economic and digital divide; similarly, the rapidly growing population and changing age structure in the region, inevitably give rise to a new political generation, eventually replacing the current, leading elites.

The objective of Finland's MENA strategy is to update Finland's approach to the countries in the region. Furthermore, the objective is to ensure that the priorities and focus of Finland's actions reflect, not only the general goals of Finland's development cooperation policy, but are in line with the values of Finland's foreign and security policy, and reflect the social and political realities on the ground.

The Arab Uprising highlighted the need – and the pivotal role - of civil society, youth and women in particular, in making change. It also showed the relatively limited space and opportunities offered to them to do so. Population growth makes it increasingly difficult to offer sufficient social, economic and political solutions that would equally cater for everyone in the society, and Finland strives to contribute to projects that aim at elevating people, supporting green transition and building of sustainable societies. Inclusion and active participation of civil society is fundamental in fostering sustainable development and the implementation of the 2030 Agenda.

The region is still encountering a series of conflicts and crises, including humanitarian challenges, which require immediate support. Several countries within the MENA region are at severe risk of instability and in danger of moving into deeper crisis (Libya, Lebanon) or already are in a deep state of crisis (Yemen). There are also longer-term development challenges to address in development of a more prosperous, inclusive and stable region. Some societies are in a state of transition (Tunisia, Sudan), where the window of opportunity for completing a successful

¹ MFA includes the following countries in the MENA region: Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, the occupied Palestinian territory, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen. The *wider* MENA region is considered to include also the countries of the Sahel (Burkina Faso, Chad, Mauretania, Mali, Niger) and Sudan [without prejudice to political, economic or development co-operation with the countries mentioned].

transition is open only briefly. Their situation is fragile and requires the support of the international community, both to the administrations of transition, as well as to the civil society, seriously affected by the transition, as well as crisis. A stable region with stronger democracy is in everyone's interest.

Support for increased regional cooperation between the countries in the MENA region is motivated on political, economic, environmental and social grounds. Regional cooperation enhances regional stability. Increased economic development reduces poverty and is dependent on factors such as access to markets, cooperation on infrastructure development and improved opportunities for productive employment and decent work. Many challenges, in particular in the area of the environment, are transboundary and require regional solutions, which in turn can encourage regional cooperation.

A prosperous and stable neighbourhood is at the core of the foreign policy objectives of the EU. The countries in the MENA region are neighbours and natural partners of high importance. The region has indisputable strategic importance to Europe due to geographic proximity, strong historical links, trade routes, energy resources, spillover effects of political volatility, poverty and conflicts in the region, and hence shared strategic interests of peace and stability. Instruments like the European Neighbourhood Policy, the Barcelona Process, the Union for the Mediterranean and the EU's Africa Strategy give a stronger emphasis on shared interests and challenges and a deeper dialogue between the EU and the countries in the MENA region. These actions are complemented by support to inclusive economic development, to regional security and management of cross-border links. For Finland, alongside long-standing bilateral relations with some of the countries in the region, the EU is the primary platform for engagement in policy dialogue and cooperation with the countries in the region.

2 FINLAND'S RELATIONS WITH THE COUNTRIES IN THE REGION

Bilateral development cooperation between Finland and the countries in the MENA region dates back to the early days of development cooperation in general, the early 1960s. Finland's first partners in the region were Tunisia (in the 1960s) and Egypt (1970s). In the early years, the attention was on the development of infrastructure, water and sanitation, health care, forestry sector, and rural development. In 2011 Finland decided to step up her support to the countries in the region in consolidating their democratic transitions, equality, peace and stability.

Today several Finnish non-governmental organisations are active in the region, notably working with issues of migration and refugees, but also in support of peace processes. The MFA cooperates with these NGOs to improve synergies between actions taken on the ground. Private sector instruments (Public Investment Facility, Finnfund, Finnpartnership, BEAM) are also used in the region. At country level, Finnish Governmental organizations and higher education institutions have implemented institutional capacity building projects.

Due to persevering crises in parts of the region, humanitarian assistance remains one of the biggest forms of Finland's support to the region.

Economic cooperation and trade are playing an increasingly important role in Finland's bilateral relationships with the countries in the region. Finland seeks deeper dialogue with the MENA countries on ways to tackle common global challenges together and promoting stable, sustainable, democratic and equal societies. Apart from themes like human rights, democracy, gender equality and development-economy-peace nexus, themes such as circular economy, renewable energy, agribusiness, water, digitalisation (including e-learning, e-health and e-governance) are among promising new fields of cooperation.

In the context of the EU's Common Foreign and Security Policy, Finland has in recent years contributed to the EU Border Assistance, Capacity building and training missions in Northern Africa and in the Middle East, as well as EU operations in the Mediterranean Sea. Finland has also contributed to UN peace keeping missions in the region since the 1950s.

Finland engages in discussions on human rights developments through the UN Human Rights Council's Universal Periodic Review process. Finland also contributes to the work of the EU strategic steering committees on migration with the aim of

ensuring improved protection for refugees and migrants, promoting inclusive national migration policies and fostering empowerment and enhanced resilience building in the host societies. Finland currently finances an IOM project aiming to foster health and protection to vulnerable migrants (unaccompanied and separated children, women, survivors of sexual and gender-based violence, and victims of trafficking) transiting through Morocco, Tunisia, Egypt, Libya, Yemen and Sudan.

Finland is involved in various multilateral fora to enhance her participation in policy dialogue and her support for and cooperation with countries in the MENA region. Apart from the EU, the UN and her agencies, other international organizations and development financing institutions are of particular importance in this respect. Finland supports the work of international organizations and IFIs also by seconding junior or mid-career officials to these organizations. Finland's assistance is largely channelled through UN agencies and IFIs. Finland also promotes peace, stability and dialogue between communities in close cooperation with regional actors such as the Union for the Mediterranean and the Anna Lindh Foundation, which bring together all 27 EU countries and 15 South and East Mediterranean countries in an effort to reach peace and security in the region. Other important contributions to strengthening dialogue are, the Quick Impact projects in support of dialogue between local populations and peace keepers in Lebanon, the Helsinki Policy Forum organized together with Forward Thinking from the UK and some other regional cooperation foras. Finland is also in dialogue and cooperation with the League of Arab States, the Gulf Cooperation Council and the Organization of Islamic Countries, and with the African Union, through the AU-EU framework, but also bilaterally. On the multilateral arena, Finland's policy dialogue and development actions intertwine for maximum impact.

Finland holds regularly bilateral consultations with countries in the region. Ministerial and other official visits are an important part of dialogue on political and economic issues, contributing to deepening the bilateral relations. Development issues and co-operation are frequently on bilateral agenda's with partners. The embassies and the honorary consuls (assisting the embassies) of Finland and the partner countries play a crucial role in forwarding issues on bilateral agendas.

3 FINLAND'S STRATEGIC GOALS

Building on a long history of co-operation with the countries in the MENA region, Finland aims today at holistic and broad-based bilateral relations, especially looking for new openings and opportunities of co-operation. Finland's partnership with the countries in the wider MENA region builds on the context analysis presented in this document and the long-standing relations between Finland and the countries in the region. Supporting partner countries in fulfilment of their SDGs lies at the foundation of the co-operation. The Finnish approach to reaching the goals is that of cooperation and problem-solving: by increasing political dialogue, strengthening economic relations and co-operation, including development cooperation, when applicable. Furthermore, we aim at enhancing the connections with and between civic society and private sector actors.

Finland's actions [in the region] are founded on the values of Finnish foreign and security policy, on the general principles of Finland's development policy, and those of Finland's external economic relations, while also working in synergy with the Africa strategy of the government of Finland, and the country strategies and programmes (of the Finnish development co-operation, notably for Syria and Iraq). The actions are focused on the challenges faced by the countries in the region as identified in the context analysis.

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3.1 Finland promotes democracy, human rights and gender equality

Finland's foreign policy emphasizes the importance of democracy, human rights, gender equality and the rights of persons in vulnerable situations, including displaced persons. Finland aims to support the countries in the region in their efforts to

consolidate democracy, to enhance good governance, accountability and transparency. Civil society plays a vital role in a functioning democracy. It is therefore important to safeguard space for civil society organizations to operate and to ensure opportunities for people to participate in society and democratic processes. This requires freedom of speech and media freedom. Furthermore, a functioning democracy is a vital prerequisite for a sustainable, just and inclusive economy.

Gender equality is a fundamental value of the Finnish Foreign Policy. In the relations with her partners, Finland emphasizes the full rights and participation of women and girls. Focus is on women's participation in decision-making, women's economic empowerment and the fight against sexual and gender based violence.

Ways to support the achievement of this goal:

The political dialogue takes place within the framework of the EU's Common Foreign and Security Policy, as well as bilaterally. In the EU framework, the objective is to maintain broad-based contacts with all segments of the society and have regular, substantial and comprehensive political dialogue with the governments of the countries in the region. The dialogue will focus on human rights, democratic development, freedom of speech and assembly, good governance and rule of law.

Finland participates actively in policy dialogue, notably on gender issues. Democracy and human rights issues are cross cutting themes in all cooperation. The universal value base of Finnish foreign policy is also promoted through political dialogue, including high-level political visits, as well as visits of representatives of various sectors of society and media.

Finland supports partner countries' democratic development, efficient and accountable governance and gender equality also through development cooperation. Finland will support specific programmes to enhance these priorities, as well as other human rights issues. In all its development cooperation, Finland aims to promote the rights of women, persons with disabilities and persons in vulnerable situations, such as displaced persons, through the realization of their rights and through inclusion in development activities.

Finland supports several Finnish and local NGO's, universities and institutions active in the region. Finland also actively supports and works in co-ordination with multilateral organizations in the enhancement democracy, human rights and gender equality in the region and beyond.

3.2 Finland aims to strengthen inclusive and sustainable growth, women's employment and decent jobs by supporting entrepreneurship and promoting trade

Some of the countries in the region are important and long standing trading partners of Finland and Finnish enterprises. With others, commercial ties have been more modest, but there is mutual interest to increase them. Finland employs a holistic Team Finland approach in promoting trade with partner countries, also seeking synergies between various instruments of cooperation. Finland aims to support economic inclusion and sustainable growth through socially responsible, economically and environmentally sustainable investments, notably through engagement and financing in partnership with international financing institutions. Private sector solutions are also a viable tool for climate adaptation, e.g. through solutions in circular economy, renewable energy and energy efficiency.

Finland emphasizes trade promotion, providing market information and improving the business climate. Finland supports the development of an enabling business environment at all levels of society. Increase in trade and investments, however, depends largely on the economic development and the development of business environment in the countries in the region.

Potential areas for trade are numerous, including agriculture and food processing, mining, energy, infrastructure, education, ICT and circular economy. The rigidity of local business structures and complexity of business environment, however, can be challenging for the involvement of Finnish companies and for the promotion of bilateral trade. Synergies between development cooperation and trade promotion can be found in many sectors.

Finland supports and promotes regional and global initiatives, notably the establishment of an African Continental Free Trade Area, aiming at a predictable and conducive trade and business environment. Finland aims to influence EU trade policy in Africa to foster a level trading field.

Ways to support the achievement of this goal:

Dialogue, both bilaterally and notably through the EU, with the governments on questions related to good governance, trade, investment and the creation of an enabling environment for the private sector.

Reciprocal high-level visits, as well as visits of representatives of various sectors of society are important in broadening trade relations. It is important for Finland to increase interactions with the private sector, civil society, local institutions, and the diasporas of the countries in the wider MENA region.

Synergies between development cooperation programmes and other Finnish engagements are sought when feasible. Active use of private sector instruments (FINNFUND, Finnvera, Finnpartnership, Developing markets Platform, PIF) are encouraged. Close cooperation with Team Finland partners such as Business Finland, the Confederation of Finnish Industries, Chamber of Commerce and private companies is crucial. Finland works together with local actors such as chambers of commerce, the European business groups and private companies.

Finland supports a multitude of regional and multilateral development cooperation initiatives.

Finnish universities and government agencies long-standing cooperation with counterparts in the region contribute importantly to enhancing the business environment by i.a. developing the statistical systems, data collection and general capacity building.

3.3 Finland advances stability and sustainable development by contributing to climate resilience, low emissions development, as well as green and just transition

Finland will emphasize sustainable use of natural resources, the importance of combatting climate change and hence strengthening resilience.

Ways to support the achievement of this goal:

Finland participates actively in dialogue with partner countries bilaterally and within the framework of the EU. In policy dialogue, Finland will promote transparent and inclusive policy processes, equitable access to land and natural resources, climate resilience and empowerment of local communities, notably women and youth.

Finland will continue bilateral and regional engagement, including development cooperation with partner countries in the region to improve climate resilience in

communities through sustainable management and efficient use of natural resources. For ensuring environmental and social sustainability, security and stability, Finland will support regional management of transboundary natural resources.

Several Finnish government agencies, including FINNFUND, the Finnish Meteorological Institute and the academia cooperate in areas such as data and statistical collection, meteorological and pandemic preparedness, sustainable communal and energy solutions and education.

Finland will actively seek cooperation with partner countries in the region on various multilateral fora on issues related to climate change. Finland encourages partners to join the Coalition of Finance Ministers for Climate Action, which would provide a platform for deeper cooperation.

4 EXPECTED RESULTS OF THE REGIONAL PROGRAMME

This chapter presents the expected results of the Regional Programme by impact area. The Regional Programme is based on the context analysis presented in the strategy section above.

IMPACT 1: Enhanced participation of women in the society

(SDG 5, Targets 5.1, 5.2, 5.5, 5.c; sdg 8, targets 8.3, 8.5, 8.8; SDG 16, target 16.7)

Gender equality and women's meaningful participation at all levels of society is a precondition for achieving sustainable development. Women's participation in society remains modest throughout the MENA region. However, there are differences between and within the countries. Finland has supported women's empowerment, participation and leadership in the MENA region since 2012. Finland is strongly committed to the United Nation's Security Council Resolution 1325 on women, peace and security, and enhancing the role of women in the economy. Hence, the focus of the Finnish support will be on enhancing women's participation in peace building and in labour markets. The impact area is in line with Finland's development policy priority 2 "Sustainable economies and decent work" and 3 "Education and peaceful, democratic societies". In addition, the impact area contributes to the realization of Finland's two strategic goals in the region. Firstly, it promotes democracy, human rights and gender equality. Secondly, it contributes to the strategic goal to strengthen inclusive and sustainable growth, women's employment and decent jobs by supporting entrepreneurship and promoting trade.

Finland's regional development cooperation is geared to support national development plans that are in line with the United Nations' Sustainable Development Goals and in compliance with international law, conventions and agreements. Finland intends to achieve this impact by supporting primarily duty-bearers but also empowering women as right-holders and improving their access to services. Improvement in this impact area is dependent on the governments' recognition and sufficient commitment to gender equality and also on continued efforts to remove the social and cultural barriers to women's participation in society at all levels and sectors. Considering the considerable needs in the region and Finland's limited resources, it is

assumed that also other development partners support gender equality and women's participation.

OUTCOME 1.1: Enhanced implementation of women, peace and security commitments

Enhanced implementation of the United Nation's Security Council Resolution 1325 contributes to women's meaningful participation and leadership in crisis prevention, conflict resolution and post-conflict peacebuilding. In addition, it contributes to improving the security of women. Women's full participation and involvement is essential for achieving and sustaining peace and stability. Six of the 20 countries in the MENA region have adopted National Action Plans (NAPs) on Women, Peace and Security (WPS). The League of Arab States has also adopted a Regional Action Plan on WPS. However, there are challenges in implementation and reporting of NAPs. Finland will support governments in the implementation of their WPS commitments. Also civil society will be supported in order to enhance social stability and prevent violent extremism. Special focus is given to promoting regional and bilateral cooperation between the countries on women, peace and security agenda.

The assumption is that there is political will to provide resources for the implementation of NAPs. Ownership and commitment of local authorities are required in order to ensure sustainable results.

OUTPUTS

Commitment of national institutions to implement 1325 is strengthened
More regional and bilateral cooperation

INPUTS

- "Women, Peace and Security in the Arab States" programme, UN Women
- Policy Dialogue on Women, Peace and Security (regional cooperation and inclusion of all, in particular of those who are in vulnerable positions)
- Synergies: Finnish NGOs, FLC

OUTCOME 1.2: More gender-responsive and decent working life

Female labour force participation in the MENA region is very low despite women's high level of education in several countries. Women's share of informal economy is high, which contributes to significant gender gap in the quality of jobs, pay and in access to social protection. Gender equality is a prerequisite for inclusive and just economic growth. Efforts to close gender equality gaps need to be supported both in public and private sector. By supporting governments, social partners and the private sector, Finland aims to increase women's opportunities to participate in economic activities, and to ensure access to high quality work. Finland supports women's leadership, economic empowerment and entrepreneurship development (including better access to support services and finance).

The assumption is that governments, social partners and the private sector are committed to advancing women's role and participation in labour markets. It is assumed that there is a continued sustainable economic growth, and that the private sector is able to create more jobs.

In 2021, Finland will explore different options to contribute to this outcome area. Outcome, outputs and inputs will be elaborated further during programme identification. Area of specific interest will be development of inclusive and gender-responsive sustainable green economies. Tentatively, the outputs may include:

OUTPUTS

More gender-responsive economic and social policies

Enhanced participation and inclusion of women in decision-making and leadership

Better environment for women's entrepreneurship

INPUTS

- “The Way Forward after the Revolution: Decent Work for Women in Egypt and Tunisia” Project, ILO
- “High Impact Partnership on Climate Action” (HIPCA), EBRD-managed Multi Donor Facility
- Policy Dialogue on the economic inclusion (women and other vulnerable groups, including persons with disabilities)
- Synergies: Finnish NGOs, FLC, Team Finland work, Twinning/Taiax, private sector instruments

IMPACT 2: Enhanced climate change mitigation and adaptation

(SDG 7, targets 7.2, 7A; sdg 9, targets 9.3, 9.a; sgd 13, targets 13.1, 13.2, 13.3)

The MENA countries are particularly vulnerable to climate change and its consequences. Climate change is expected to affect water resources, agriculture, sea level, biodiversity, human health and urban planning. Therefore strengthening countries' climate resilience is extremely important. Due to high energy and carbon intensity, pollution and urbanization, transition to sustainable low-emission development is needed urgently. Finland has supported environmentally friendly development, food security and combating desertification in the MENA region in the past. Finland will focus its support on enhancing a just and inclusive transition to climate resilient and low emission societies. The impact area contributes to Finland's development policy priority area 4 "Climate resilience and natural resources". Impact area contributes to the realization of Finland's strategic goal to advance stability and sustainable development by contributing to climate resilience, green and just transition, including promotion of livelihoods.

Finland's regional development cooperation is geared to support national development plans that are in line with the United Nations' Sustainable Development Goals and in compliance with international law, conventions and agreements. This impact area is built on the assumption that in order to enhance sustainable development in the MENA region, both policy level solutions and green investments as well as technical assistance are required. Achieving this impact requires support to both public and private sector. In order to ensure sustainable, green and just transition, climate action measures need to be inclusive and gender-responsive. Improvement in this impact area is dependent on the government's recognition and sufficient commitment to development of low emission, climate resilient, and inclusive and sustainable economic systems. An enabling environment enhancing inclusive green growth investments is needed, too. Considering the considerable needs in the region and Finland's limited resources, it is assumed that also other development partners are supporting efforts to mitigate climate change, and strengthen resilience.

OUTCOME 2.1: Low emission development strengthened

Transition to low emission, climate resilient and environmentally sustainable inclusive economies in the MENA region requires development of regulatory frameworks and market conditions that attract more sustainable green investments. Finland will support legislative and policy reforms, and strengthening of institutions. Capacity to identify, design and implement climate mitigation strategies and measures (including renewable energy solutions, green infrastructure, and inclusive and sustainable industrialization) is of pivotal importance. In addition, support to fostering climate and green innovations is an important part of enhancing low emission development. Special focus is given to small and medium-sized enterprises (SMEs). As part of climate change mitigation efforts, Finland will also enhance circular economy solutions and promote regional and bilateral cooperation between countries in order to achieve more efficient mitigation measures.

The assumption is that there is growing recognition of the need for measures to enhance low emission development at policy level. In addition, creation of an enabling environment which enhances inclusive green growth investments is needed.

OUTPUTS

More policy solutions that support low emission development
More investments that reduce emissions
Circular economy enhanced

INPUTS

- “High Impact Partnership on Climate Action” (HIPCA), EBRD-managed Fund
- Policy Dialogue to promote green innovations, renewable energy and circular economy solutions. Finland also encourages countries to join “National Determined Contributions Partnership” and “The Coalition of Finance Ministers for Climate Action”.
- Synergies: Finland’s development policy investment to EBRD-managed Fund HIPCA, Team Finland work, Twinning/TaieX, private sector instruments

OUTCOME 2.2: Increased adaptive capacity and climate resilience

Access to up-to-date information on weather and climate is crucial to various sectors of the economy and to communities. In order to improve climate resilience, Finland will support capacity to develop and maintain quality weather and climate information services, and early warning systems. The consequences of climate-change affect people unequally and those already in vulnerable position are affected the most. In many contexts women are more vulnerable to the effects of climate change than men. Therefore, adaptation measures need to be gender-responsive and inclusive (youth, people living in remote areas, people with disabilities) in order to ensure sustainability and greater impact.

The assumption is that there is growing recognition of the need for adaption measures that are inclusive and gender-responsive.

OUTPUTS

More inclusive and gender-responsive climate change adaptation practices
Improved weather information and warning system services

INPUTS

- “High Impact Partnership on Climate Action” (HIPCA), EBRD-managed Fund
- “Improving the Adaptation to Climate Change by Enhancing Weather and Climate Services in Sudan”, FERSAD, ICI project, Sudan Meteorological Authority (SMA) and Finnish Meteorological Institute (FMI)
- Promoting gender perspective and inclusion in climate change mitigation and adaptation in all Policy Dialogue.
- Synergies: Team Finland work, Twinning/Taiex, private sector instruments

5 RISKS, MONITORING AND EVALUATION

5.1 Risk management

All development cooperation involves risks. Development cooperation is often conducted in complex and difficult conditions – in countries where the administrations may be weak, people live in extreme poverty and corruption is a problem.

The risks involved in the implementation of Regional Programme are assessed and monitored closely, but sometimes they materialise despite the taken precautions. Anticipating and managing risks is an essential part of the implementation of the Regional Programme: Risk assessments are done regularly and impact the programme design and decision making process at all stages. Risk mitigation measures, their success and materialized risks are reported annually.

Risk analysis for the Regional Programme as a whole is based on a general overview of the region. In-depth analyses are conducted by the implementing partners separately for each intervention, taking into account individual country contexts. The strategic level risks in the MENA region are related to possible political tensions, instability, conflict and fluid security situations. Channeling funds through joint financing mechanisms and multilateral organisations together with other donors allows risks to be shared and joint mitigation measures in the management of risks. This also ensures better synergies with other actors. It is important to engage with implementation partners which have adequate risk managements procedures, safety and security systems in place, relevant experience in working in volatile situations and good local sources of information. In case of major shifts in national political power constellations, possible need for renegotiation with national and local authorities and implementing partners will be considered. Mitigation measures include restricting the operational area of a project or relocating the activities. There may be operational risks related to low capacity, weak institutions and poor governance. The financial risks may relate to the misuse of funds due to lack of capacity and experience or corruption.

In the context of programme implementation, the risks are managed through careful planning, screening, and selection of partners and funding channels. In addition, technical assistance can be included in programmes. All Programmes report on the use of funding and the results of their work. The Ministry and Embassies follow the

progress, the use of funds, and the reliability of reporting through steering groups, monitoring visits, independent evaluations and reviews and regular communication. Ministry also commissions external auditing companies to perform audits.

5.2 Monitoring, evaluation and learning

Team is in charge of monitoring the performance of the Regional Programme for Development Cooperation. This work follows the MFA's principles and guidelines, especially the Guidelines on Results-based Management, the Manual for Bilateral Programs and the Evaluation Guidelines. In joint arrangements, Finland will participate in joint reviews and evaluations, and aims to support the development of local monitoring and evaluation frameworks and capacity.

The Regional Programme is monitored closely. Monitoring and evaluation activities are identified and followed up regularly.

Given Finland's strong focus on gender equality in the MENA region, the status of women's political, economic and social empowerment will need to be followed closely. There is a need to analyse development of sustainable green economies focusing on women's access to decent jobs. This will guide the further development of the first impact area outcome. Overall, trends in sustainable development of low-carbon and resilient economic systems need to be followed. In addition, each project and programme will be monitored, reviewed, audited and evaluated separately. However, since the Regional Programme's main aid modalities are multi-bi projects and trust funds, primary responsibility for monitoring and project management in general rests with each multilateral agency according to its own rules and regulations. MFA will receive monitoring data on project implementation through multilateral agencies' reports, field missions and dialogue with partners.

The collective monitoring and evaluation cycle of Finland's Programmes includes monitoring, evaluation and reporting activities, which are carried out simultaneously for all Programmes and in a fixed format. These include yearly reports, biannual synthesis reports, mid-term review and external evaluations.

In preparing the **annual results report** of the Regional Programme for Development Cooperation the team assesses not only the Programme performance but also assesses the validity of the theories of change and related assumptions and risks vis-à-vis the context. The theories of change may be adapted to changed circumstances or implementation strategies, if deemed necessary. The annual report is discussed within the respective regional department.

A synthesis report of the annual reports are prepared as a joint effort by the regional departments every two years. The departments synthesise main findings or trends found in all of the Programmes yearly results reports.

Team will carry out a **mid-term review** of the Regional Programme. The mid-term review results and recommendations are used for decision making on whether changes are needed in Regional Programme impact areas. The MFA Evaluation Unit may carry out an evaluation of the Programmes towards the end of the Programme cycle.

5.3 Tentative financing plan

The financial frame for 2021–2024 is approximately 14 million euros. The financing plan includes the bilateral development cooperation that is programmed under the Regional Programme. It does not include humanitarian aid, private sector instruments or Finnish CSOs.



