

Development Cooperation Strategy for the Middle East 2022–2025

Middle East Situation Assessment

The Middle East is one of the most conflict-affected regions in the world. It is full of multiple crises and humanitarian challenges, and needs urgent assistance. With the onset of the global COVID-19 pandemic, the economic exclusion caused by health status is even more evident. The region also faces long-term economic, political, social, technological, demographic, climate and environmental and security challenges.

The Israeli-Arab conflict, unresolved for more than seven decades, has a profound impact on the lives of the people of the region. Despite attempts by the international community to mediate, peace talks between Israel and Palestine have so far failed. The process is influenced by a wide range of complex external and internal factors. On the one hand, the protracted settlement expansion, the ongoing and unremitting military clashes between Israel and *Hamas*, which controls the Gaza Strip, settler violence, demolition of Palestinian buildings and forced evictions; on the other hand, the failure of the Palestinian national reconciliation process, the crisis of democratic legitimacy of the Palestinian leadership, the systemic weaknesses of good governance and the prolonged pandemic of COVID-19 are worsening the prospects for a two-state solution and the conditions of life of Palestinians.

Military conflicts continue in Libya, Syria and Yemen. The political and security situation in Iraq is complex. Lebanon is facing a political and socio-economic crisis. Despite the wave of political and social protests that swept through almost all the countries of the Middle East (the “Arab Spring”) and led to the overthrow of governments in three of them (Tunisia, Egypt and Libya), the prospects for the development of democracy in the region are still dim. Tunisia has the best conditions for further democratic change, but the situation in that country remains fragile. Tunisian public institutions and civil society need strong support from the international community.

The Middle East region is projected to continue to grow in geopolitical and economic importance over the next two decades, while regional instability is likely to increase. The total population of the Middle East region will increase by more than 50 % by 2030. National societies will remain young. The less developed countries in the region will face serious economic problems, with difficulties in securing jobs (especially for younger people), housing, education, health and social services. As the quality of life deteriorates, social discontent will continue to rise in these countries. This situation is likely to be exploited by extreme religious and political movements seeking to attract new members (especially young people) to their ranks. Labour surpluses (emigration) are likely to flow not to neighbouring countries in the region, but to Europe.

A prosperous and stable neighbourhood is one of the European Union’s (EU) key foreign policy objectives. The region is undeniably of strategic importance to Europe, on the one hand because of its geographical proximity, historical links and developed trade, and on the other because of the volatile political and security situation in the region. Peace and stability in the region constitute a common strategic interest of the EU and the countries of the region. The European Neighbourhood Policy, the Barcelona Process and the Union for the Mediterranean underline the common interests, challenges, and the importance of a deeper dialogue between the EU and the countries of the Middle East.

Activities of international donors, in particular of the EU, in the region

The Middle East and North Africa region has a large international donor community, with bilateral

and multilateral branches of many international organisations (UNDP, UNICEF, WHO, World Bank, OSCE, EIB, EBRD), etc.

The EU remains a major donor in the region. To strengthen its strategic partnership with the Southern Neighbourhood, the EU adopted in 2021 a Joint Communication on a *renewed partnership for the Southern Neighbourhood*, which proposes a broad new agenda for the countries of the region. The new agenda identifies the following five priority areas: 1) human development, good governance and the rule of law; 2) building resilience, wealth creation, digitisation; 3) security and peace; 4) migration and mobility; 5) the Green Deal: climate change, energy and environment.

Needs of the countries in the region

The main challenges in the region are as follows: strengthening democracy, ensuring the rule of law and human rights, empowering women, developing social and health services, ensuring education, reducing poverty and exclusion, promoting sustainable economic development, job creation, tackling climate change, and migration management.

Potential niches for Lithuania's contribution (partnership): needs of the partner country or society, activities of other donors and opportunities for engagement of the Lithuanian public sector, NGOs and business

This Strategy will be implemented between 2022 and 2025 through the funding under the Ministry of Foreign Affairs' development cooperation policy, of which at least 10 % per year would be dedicated to bilateral aid to the Middle East.

Focusing on the EU's Development Cooperation Guidelines and programmes, it will be sought to pursue targeted activities that respond to the needs of the region, with a focus on **Iraq and Palestine**:

- strengthening institutional capacity, with a focus on building effective, accountable and inclusive institutions and good governance;
- sustainable economic development;
- elimination of the preconditions for illegal migration.

Content and objectives of Lithuania's development cooperation activities

The projects funded by the Development Cooperation and Democracy Promotion (DCDP) Programme aim to improve the socio-economic situation of people living in the Middle East. In the period 2009–2021, Lithuania implemented development cooperation projects in Palestine (13), Algeria (2) and Tunisia (2). In addition, Lithuanian institutions also implemented EU Twinning projects in Egypt (2), Palestine (1) and Jordan (2) to strengthen administrative capacity.

Lithuania's development cooperation policies in the partner country for 2022–2025 (up to 3 directions)

Lithuania's strategic objectives for development cooperation are based on the needs of the Middle East, the Programme of the Government of the Republic of Lithuania and the EU's Neighbourhood Policy priorities.

The key principles are as follows: 1) to increase targeted support for democracy development in the EU neighbourhood; 2) to reduce fragmentation of development cooperation; 3) to strategically plan activities based on long-term objectives; 4) to take into account the *Team Europe* principles in

planning and to strengthen joint efforts in a coherent manner; 5) to prioritise concrete changes in targeted areas where the added value of Lithuania's experience from the transition period is clear; 6) to share public sector experience; 7) to maintain coherence and targeting of bilateral aid; 8) to actively use existing development cooperation instruments, in particular Twinning projects (where possible); 9) to apply in parallel the provisions of the Gender Equality Action Plan (GEAP III); 10) to apply in parallel the provisions of the EU's Green Deal, promoting the sustainable use of natural resources, recycling and the use of recycled materials.

The sectoral priorities for **Iraq and Palestine** in Lithuania's Development Cooperation Strategy are as follows:

STRATEGIC PRIORITY 1: STRENGTHENING ADMINISTRATIVE AND INSTITUTIONAL CAPACITY, TRANSFERRING EXPERIENCE IN THE AREA OF PUBLIC SECTOR REFORMS

Objective: To support the Middle Eastern countries in their efforts to build sustainable, accountable and democratic governance systems that ensure the rule of law and respect for human rights.

Activities: 1) to share knowledge and experience in implementing necessary reforms; 2) to support rule of law reforms; 3) to provide support to the education sector in modernising educational institutions; 4) to transfer Lithuania's experience for successful regional development and strengthening of self-government; 5) to provide support for the Green Deal; 6) to deploy infrastructure, strengthen civil society; 7) to actively participate in the implementation of programmes and projects funded by international donors, in particular EU-funded programmes and projects.

STRATEGIC PRIORITY 2: SUSTAINABLE ECONOMIC DEVELOPMENT

Objective: To support sustainable, knowledge-based, inclusive economic growth that creates jobs, especially for young people; development of gender equality.

Activities: 1) to implement and/or apply digital, technological solutions in commercial and public institutions; 2) to provide support for projects aimed at creating new jobs, especially for young people and women; 3) to promote the development of small businesses through modern technologies; 4) to contribute to and actively participate in the activities and projects of international organisations and donor countries active in the fields of knowledge economy, youth employment, gender equality and women's empowerment.

STRATEGIC PRIORITY 3: ELIMINATION OF THE PRECONDITIONS FOR ILLEGAL MIGRATION

Objective: To support projects with the ultimate aim of removing the preconditions for illegal migration and reducing illegal migration flows to Lithuania and the EU.

Activities: 1) to provide support for projects contributing to stop migration in the Middle East: to support institutions to effectively manage migration flows, ensure border management, organise awareness campaigns on the risks of irregular migration, combat smuggling and trafficking, implement reintegration programmes for irregular migrants, and create conditions for contacts with the diaspora; 2) to provide support for projects for migration process management with high added economic value; 3) to encourage Lithuanian institutions and NGOs to apply for projects funded by the EU Twinning Facility and other EU and international donor instruments.