



# Aid Program Performance Report 2012–13 The Middle East and North Africa

## Key messages

This APPR summarises the aid program's progress in MENA (Syria, Iraq, Yemen, Egypt, Algeria, Morocco, Lebanon, Jordan, and Tunisia) between January 2012 and June 2013. It updates on performance, identifies achievements and outlines future management strategies to address key challenges.

- > The conflict in Syria is now in its third year and the humanitarian crisis has reached unprecedented levels. A strong Australian response to date—\$75.5 million in this APPR period—is helping to provide water, food, shelter, medical care and protection for people affected.
- > Development results in North Africa have been mixed. Programs are still in the early stages of implementation in an environment of significant political and economic uncertainty.
- > Australia's bilateral aid program to Iraq continued to phase out in 2012–13 in line with Australian Government policy and similar withdrawal of like-minded donors, as Iraq's economy continues to grow. Iraq has advanced to the point where it is able to fund its own development.

## Context

**In 2012–13, the initial confidence brought about by the Arab Spring<sup>1</sup> has given way to concern that the momentum for change is stalling.** The region is undergoing momentous change as entrenched governments in Egypt, Libya and Tunisia have fallen, Yemen's government has ceded power, and monarchies in Jordan and Morocco are introducing measures of democratic reform. Expectations for social, political and economic freedoms are high, but democratic transitions can take decades and are sustained as much by their ability to deliver economic stability and rising living standards as by the strengthening of formal governance institutions. Concern that governments in many MENA countries are not addressing fundamental economic issues (for example, employment generation) quickly enough is a driving force behind civil unrest, particularly among youth.

**Political uncertainty and civil unrest continues to affect economic activity and investment in many MENA countries.** Regional growth increased to 3.5 per cent in 2012, from minus 2.2 per cent in 2011, reflecting a rebound in Libya's crude oil production which saw gross domestic product expand by 105 per cent, and weak growth recovery in Egypt, which rose from 1.8 per cent in 2011 to 2.2 per cent in 2012. However, growth was largely subdued among oil importing countries in the region as spillovers from conflict and weak external demand from Euro area trading partners continued. Though difficult to quantify, estimates suggest that Syria's economy has shrunk by nearly one-third as a result of conflict as domestic demand and exports collapsed. Gross domestic product growth in Lebanon

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<sup>1</sup> The revolutionary wave of non-violent and violent demonstrations and protests, riots and civil wars in the Arab world that began on 18 December 2010.

remained flat at 1.5 per cent, and Jordan experienced slight growth (2.6 per cent to 2.8 per cent) as the conflict in Syria undermined tourism and public resources came under increasing pressure to cope with the growing influx of refugees. Yemen began to show signs of recovery but remains fragile, with gross domestic product growth expanding 0.1 per cent from a 10.5 per cent contraction in 2011. Drought has affected Morocco's agricultural output and, when coupled with weak demand from Euro trading, partners saw growth curtailed from 5 per cent in 2011 to just 2.7 per cent in 2012. Tunisia remains the exception in the region where growth accelerated to 3.6 per cent from 2 per cent in 2011 on the back of increased domestic demand and a recovery in tourism receipts.<sup>2</sup>

**Youth unemployment in the region is among the highest in the world, at 25 per cent (40 per cent for young women).** It is estimated the MENA countries will need to generate 105 million new jobs by 2020 to meet the needs of those looking for work and new labour market entrants. Unlike in other parts of the world, youth unemployment in the region is highest among more educated youth, a result of the large disconnect between education institutions and the labour market. Simply put, the region is producing more university graduates than it needs. A resulting lack of good jobs and narrowing economic prospects in the region was a driver of instability and protest in 2012–13.<sup>3</sup>

**Around 14 per cent of MENA's 355 million population (50 million people) live on less than US\$2 a day.**<sup>4</sup> Fifty per cent of MENA's poor live in rural areas.<sup>5</sup> Rural poverty is not generalised (with the exception of Yemen). Instead, it is concentrated in certain social groups, such as households headed by women, the landless and farm labourers. It is also concentrated in defined regions such as Upper Egypt, the mountains and steppes plains of Morocco, central and southern Iraq, and north-west Tunisia. Tackling food insecurity remains one of the biggest long-term development challenges facing the region. Poverty levels are sensitive to price fluctuations in basic staples such as food and oil. MENA is the most food import-dependent region in the world, importing 30 per cent of the world's traded wheat, and it has the lowest level of renewable water resources.<sup>6</sup>

**Syria and Yemen are experiencing immense humanitarian and development challenges.** In Syria, violent conflict has contributed to massive displacement, food insecurity and acute malnutrition, a lack of basic services and poor housing. As at June 2013, more than 90 000 people have died, 4.25 million remain have been displaced, and more than 1.6 million have fled to neighbouring countries as refugees.<sup>7</sup> The conflict and humanitarian crisis in Syria is a key source of regional instability. Economic spillovers to Lebanon, Jordan, Turkey and Iraq will intensify as the crisis worsens. Jordan and Lebanon are already struggling to cope with the massive influx of refugees, which has increased their combined populations by 10 per cent. The fledgling transition state of Yemen is also in a major humanitarian crisis, with more than half of its population affected by food shortages and one-third targeted for humanitarian aid. Sustained efforts are required to address the humanitarian crisis. Without a well-supported and comprehensive plan to respond to this crisis, the current fragile political process will be further threatened.<sup>8</sup>

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<sup>2</sup> World Bank, *Global Economic Prospects, Volume 7*, June 2013, pp. 165–166.

<sup>3</sup> United Nations Industrial Development Organization, 'Youth Unemployment and the Arab Spring', *Making It Magazine*, 3<sup>rd</sup> quarter 2012, pp. 19–20.

<sup>4</sup> African Development Brief, *Inequality and Arab Spring Revolutions in North Africa and the Middle East*, vol. 3, issue 7, July 2012, pp. 1–4.

<sup>5</sup> United Nations Development Programme, *Arab Development Challenges Report*, 2011, p. 3.

<sup>6</sup> World Bank, *MENA: Emerging Developments and Challenges*, February 2011, p. 3.

<sup>7</sup> United Nations Office for the Coordination of Humanitarian Affairs, <http://syria.unocha.org/> June 2013.

<sup>8</sup> United Nations Office for the Coordination of Humanitarian Affairs, <http://www.unocha.org/top-stories/all-stories/yemen-%E2%80%9C-dramatic-humanitarian-situation%E2%80%9D-could-erode-political-process-warns> June 2013.

**Australia's bilateral aid program to Iraq will phase out by 2015 in line with like-minded donors and as Iraq's economy continues to grow.** This approach is consistent with the Iraqi Government's wish to normalise bilateral relations and progress beyond a donor-recipient relationship, as agreed at annual Senior Officials Talks. The World Bank has noted that, in the medium-term, Iraq will have no significant budget or external financing needs as oil revenues are increasing and gross foreign reserves are likely to reach US\$84 billion in 2015.<sup>9</sup> The key development challenge for Iraq will be to continue to use its substantial oil resources to the benefit of current and future generations. It does not need large bilateral grant aid from donors. Iraq has advanced to the point where it is able to fund its own capacity building, technical cooperation and development.

**The latest Millennium Development Goals (MDG) reporting from 2010 suggests all MENA countries—with the exception of Iraq, Syria and Yemen—stand to meet or narrowly miss most MDGs.** By 2010, the region had already achieved five of the nine targets (that is, halving extreme poverty, reducing infant, child and maternal mortality and improving access to sanitation). However, it was still lagging on MDGs related to undernourishment, primary school completion, gender parity in primary education, and access to safe drinking water. Instability and uncertainty brought about by the 2011 Arab Spring and ongoing conflict in the region will likely see past achievements curtailed, and eroded, in some MENA countries.

**Gender equality remains a paradox in MENA as most countries have made progress in closing their gender gaps in education and health outcomes, but this has not translated into higher rates of female participation in economic and political life.** With higher levels of education and lower fertility rates than at any time in the past, more women in the region are looking for work. Almost all MENA countries have female labour force participation rates below the average for lower and middle income countries. The lowest rates are in the fragile and conflict-affected countries, which include Iraq, the Palestinian Territories and Yemen.<sup>10</sup>

**Australia's aid program to the MENA region has been designed around the need for immediate response during the Arab Spring uprisings, and humanitarian crises such as in Yemen and Syria.** Currently, assistance to the region is characterised by a disparate group of modest bilateral programs and a considerable humanitarian response in Syria. In 2012–13, the program began transforming into a more coherent regional approach by focusing on the region's key long-term development challenge recognised in all governments' development plans as food insecurity as well as an increasing focus on humanitarian response.

This APPR measures aid performance through two broad objectives:

1. Supporting sustainable economic growth, including helping vulnerable groups and rural communities overcome poverty.
2. Supporting humanitarian response, post-conflict stabilisation and recovery.

**Australia is a relatively small bilateral donor to the MENA region, but Australia's presence is growing due to our significant humanitarian contribution.** Currently, Australia is one of the top 10 donors responding to the crisis in Syria.<sup>11</sup> We target our non-humanitarian aid at niche areas where we have practical expertise. With similar natural environments, and facing many of the same issues (soil and water salinity for example), our agricultural expertise is highly valued in the region. We deliver our aid through established

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<sup>9</sup> World Bank, *Country Partnership Strategy for the Republic of Iraq for the Period 2013–2016*, November 2012, p. 7.

<sup>10</sup> World Bank, *Opening Doors: Gender Equality and Development in the Middle East and North Africa*, 2013, p. 7.

<sup>11</sup> [http://fts.unocha.org/reports/daily/ocha\\_R24\\_E16303\\_\\_\\_1307090204.pdf](http://fts.unocha.org/reports/daily/ocha_R24_E16303___1307090204.pdf)

and credible partners, including the World Bank, United Nations (UN) agencies<sup>12</sup>, the German Development Agency<sup>13</sup>, international humanitarian organisations, and the Australian Centre for International Agricultural Research (ACIAR).

## Expenditure

To align with the timing of the Annual Review of Aid Effectiveness<sup>14</sup>, APPRs are moving from calendar year to financial year reporting. As a result, for this year, financial expenditure is reported on for two periods: January 2012 to June 2012; and 2012–13. Activity reporting covers 18 months—January 2012 to June 2013.

Expenditure is grouped by objectives in Table 1 (for January 2012 to June 2012) and in Table 1B (2012–13).

Expenditure was on-track during the APPR review period. The increased figure and percentage for Objective 2 reflects our considerable response to the humanitarian crisis in Syria. Our funding for the humanitarian response in Syria is drawn primarily from the Department of Foreign Affairs and Trade's (DFAT) emergency response allocation when required, supplemented by a small portion of program funds.

Table 1A Expenditure 01 Jan 2012- 30 Jun 2012

Objective	A\$ million	% of bilateral program
Supporting sustainable economic growth, including helping vulnerable groups and rural communities overcome poverty	15	39.5
Supporting humanitarian response, post-conflict stabilisation and recovery	23	60.5

Source: AidWorks

Table 1B Estimated expenditure in FY 2012-13

Objective	A\$ million	% of bilateral program
Supporting sustainable economic growth, including helping vulnerable groups and rural communities overcome poverty	19.5	21.7
Supporting humanitarian response, post-conflict stabilisation and recovery	70.5	78.3

Source: AidWorks

## Progress towards objectives

In the absence of a program strategy this APPR reports against the two broad themes listed in 'Context'. Program investments are consolidated under these themes, including investments under the Iraq Program which were, in previous years, the subject of a separate APPR. These two themes reflect the likely starting point for future directions and programming.

Table 2 rates the MENA program's progress towards the two objectives.

<sup>12</sup> World Food Programme (WFP), World Health Organization (WHO), International Labour Organization, United Nations Children's Fund (UNICEF), United Nations Relief and Works Agency, and United Nations High Commissioner for Refugees (UNHCR).

<sup>13</sup> Deutsche Gesellschaft für Internationale Zusammenarbeit—GIZ.

<sup>14</sup> Annual Review of Aid Effectiveness reports cover results achieved by Australian Government agencies delivering Australia's aid program.



Table 2 Rating of the program's progress towards the objectives

Objectives	Current rating	Previous rating
Supporting sustainable economic growth, including helping vulnerable groups and rural communities overcome poverty	Amber	Amber
Supporting humanitarian response, post-conflict stabilisation and recovery	Green	Green

Note:

Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.

Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

### Objective 1: Supporting sustainable economic growth, including helping vulnerable groups and rural communities overcome poverty

This current rating of amber reflects a balance between good overall program progress in Iraq, and the recent start of rural development and employment-generation activities in North Africa. Delayed progress under the Decent Jobs for Young People initiative in Egypt, due to the resignation in a key political position required to support the initiative, is manageable and not expected to have a lasting negative impact.

Australia contributes to this objective by supporting eight major activities, as follows:

#### DFAT – ACIAR Agricultural and Research Development Partnership in North Africa (\$2.3 million over the APPR period)

This activity seeks to increase agricultural productivity and improve crop yields for farmers on Egypt's Nile Delta and in North Africa (Tunisia, Algeria and Morocco). To achieve this, the partnership will analyse productivity constraints, develop context-specific solutions to the identified constraints, and then transfer expertise and knowledge through research extension services. In Egypt it will focus on addressing water salinity and adopting improved agricultural technology. In North Africa it will target smallholder farmers to help them meet climate change and food security challenges.

**The partnership is still in its early stages and, as a consequence, there are few quantifiable development results to report.** However, the sharp increase in donor investment in the region after the Arab Spring uprisings has made it clear that the absorptive capacity of partners has been stretched, particularly with the human and physical resources needed to deliver projects on time. This may impact on timelines for delivery of outcomes and will require careful management between DFAT and ACIAR. It is important to note that the crisis in Syria has had an impact on the operations of ACIAR's key development partner in the region, the International Centre for Agricultural Research in Dry Areas. This centre is normally based in Aleppo (Syria) but has now relocated to other offices across the region. The relocation has not negatively impacted on Australian-funded aid activities.

#### World Bank Egypt Farm Level Irrigation Management Project (\$1.5 million over the APPR period)

This project seeks to improve the management of water on farms, and water use efficiency and environmental sustainability of crop production in the Nile Delta. Implemented through the World Bank, Australian funding specifically seeks to improve irrigation systems technology in the Nile Delta and is co-financed with the French Development Agency. **It is too early to assess the effectiveness of this activity as the project design has only recently been finalised and project implementation has just started.**

**Egypt Employment Generation Program, consisting of the Employment Promotion Programme in Egypt and Decent Jobs for Egypt's Young People (combined total of \$2.67 million over the APPR period)**

**Employment Promotion Programme in Egypt**—The objectives of this GIZ and Australian-funded program is to increase employment opportunities and employable skills among youth, as well as to work with Egypt's Ministry of Education and the private sector to implement innovative labour market policies addressing restraints to youth employment. These objectives will be achieved by addressing structural imbalance in Egypt's labour market and ensuring the demand for labour in the private sector corresponds to qualifications in the potential workforce. **The project is progressing on schedule and according to agreed objectives.**

To date the project has:

- > set up a planning and coordination unit in the Ministry of Education to assist the Egyptian Government to develop evidence-based labour market policies
- > trained 82 teachers (30 women) in employment promotion skills
- > held a conference—Innovative Approaches to Youth Employment—in November 2012 with 140 participants (63 women) from government, private sector, and civil society to discuss ways to increase unemployment and generate policy recommendations for the Government of Egypt.

**Decent Jobs for Egypt's Young People**—DFAT's contribution to this International Labour Organization's project aims to increase employment opportunities for young women and men, especially groups finding it particularly hard to access such opportunities. It does this by strengthening regional and local-level performance in delivering youth employment services in three governorates.

In November 2012, the initial project inception mission in Aswan was completed, receiving the support of key governorate officials. The project was expected to begin implementation in early 2013 but this was delayed due to the Governor's resignation. Securing support from the Governor is critical to implementation since activities in Egypt are not permitted to start without Government approval.

The project also completed initial planning for engagement with local partners. Challenges have arisen because local Government agencies, civil society organisations and non-government organisation in Aswan have little capacity and resources. The International Labour Organization increased the number of activity staff to provide technical expertise to support implementation. A June 2013 monitoring visit by the MENA section (Cairo and Canberra) saw that early progress had been made in project implementation. Financial management and training to market products was underway for micro-entrepreneurs, as was training in greenhouse horticulture for students and farmers seeking to improve crop productivity and quality. Implementation timelines may have to be adjusted as a result of the delayed start. The project will assess this in the first quarter of 2013–14.

**The Iraq Agriculture Program, managed by the ACIAR (\$4.93 million in total over the APPR period)**

This program comprises three projects, outlined below:

*i) Conservation Cropping Systems in Northern Iraq (\$2.95 million over the APPR period)*

Delivered in partnership with the ACIAR, this project seeks to improve conservation cropping practices and techniques by Iraqi farmers so they can increase crop productivity, profitability and sustainability in the dry-lands of northern Iraq. The project is progressing well, despite ongoing conflict and civil unrest in Syria and Iraq, and most planned outputs were achieved after International Centre for Agricultural Research in Dry Areas staff were relocated from

Syria to Jordan and other regional offices. During the APPR period the project reported that more than 600 farmers in Iraq and Syria had benefited from zero-tillage techniques and that the farm land area now using zero-tillage farming had increased by 38 per cent (7800 hectares to 10 800 hectares).<sup>15</sup>

*iii) Soil Salinity Management in Iraq (\$1 million over the APPR period)*

Managed by ACIAR to improve the Government of Iraq's capacity for salinity management in central and southern Iraq (the 'food bowl' of the Mesopotamian Basin) this project has:

- > prepared a detailed analysis of the country's salinity problem
- > outlined potential solutions in a framework for a national integrated approach to salinity management and investment options for the Government to consider
- > supported a long-term strategy to combat salinity.

*iv) Improving Small Ruminant Productivity in Iraq (0.98 million over the APPR period)*

Managed by ACIAR to support research aimed at increasing animal productivity through improved feed systems, this project specifically seeks to identify and develop best-bet ways to increase fodder production and disseminate the fodder to farming communities in Iraq. The project's design was delayed by the crisis in Syria as key staff were re-located to Jordan and the project leader re-located to Ethiopia. ACIAR is managing the situation with the International Centre for Agricultural Research in Dry Areas to bring project design back on schedule. This may involve increased use of Australian partners.

**Iraq Partnership Facility  
(\$14 million over the APPR period)**

The Iraq Partnership Facility was an AusAID mechanism designed to provide capacity building and targeted technical training programs in Australia to key Iraqi Ministries and agencies. It facilitated institutional linkages between Australian and Iraqi agencies within niche areas where we had particular expertise (for example, in agriculture, trade, finance and human rights). The facility was independently reviewed upon completion in March 2013 and was found to have provided high-quality training that was responsive and valued by Iraqi counterparts. It was also found to have served as a functional vehicle for our engagement with Iraq. The independent review also noted that the severe institutional and security constraints in post-conflict Iraq meant that a strategic development agenda was often lacking which made it difficult to assess impact. For this reason, the likelihood of long-term sustainability of the training was assessed as less than adequate. All training was conducted in Australia and the review concluded that while the training itself was high quality it also was high cost.<sup>16</sup>

**In total, 1022 Iraqi government officials (739 males and 283 females) were trained under the Iraq Partnership Facility from July 2009 to March 2013.**

**6. Australia - Iraq Agricultural Scholarships Program  
(\$8.3 million over the APPR period)**

Australia- Iraq Agricultural Scholarships was an Iraq-specific, one-off scholarship program, providing a four-year program of support—two years for English language training and two years for a Masters' program in an Australian university. The program fulfilled our commitment to provide 100 post-graduate scholarships for Iraqis in agriculture-related fields

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<sup>15</sup> ACIAR, *Development of conservation cropping systems in the drylands of northern Iraq*, Annual Report, May 2013, p. 17.

<sup>16</sup> *Review of the Iraq Partnership Facility*, March 2013, Executive Summary.

in Australian institutions. The program concluded in June 2013 and an independent review assessed it as a highly relevant, effective initiative.

**Of the 109 scholars who have, or are soon to complete their studies, 105 have attained a Masters' Degree and four Graduate Diplomas.** Another eight scholars will finish their studies in 2013. Exit interviews conducted by universities found the students left with an overwhelmingly positive attitude to Australia, and some have already assumed significant new roles in Iraq, including key government managerial positions on other donor agricultural projects.

The independent review noted, however, that student selection could have been better, particularly in the area of English language skills, and that students could have been better briefed on study and life in Australia before starting at their respective institutions.<sup>17</sup> There will be no further large-scale scholarship intakes from Iraq. Lessons from the review will be shared with other fragile-state country programs providing scholarships for study in Australia.

#### **Danish Refugee Council Vocational Education Training for Female Headed Households and Extremely Vulnerable Individuals Project (\$4.5 million over the APPR period)**

This three year project, will target 1400 beneficiaries, including 280 female-headed households from displaced communities or host communities in Iraq. It also aims to strengthen the direct provision of necessary technical vocational education and training (TVET) in the short term while promoting institutional (including government) buy-in and capacity to provide the same in the long term. Three donors<sup>18</sup> are also involved in the capacity building of vocational training institutions with the Government of Iraq. In April 2013 the project completed its first year of implementation and is on track to meet its objectives. Beneficiaries were selected after a needs assessment, a mapping exercise was completed, and advocacy started at national level, with Government ministries, to promote mainstreaming of TVET services to vulnerable individuals. However, there are concerns that the three-year implementation timetable may be too ambitious for the project to strengthen the capacity of TVET institutions. This will need to be monitored closely over the remainder of the project.<sup>19</sup>

**During the APPR period, 200 extremely vulnerable households, including 112 female-headed households in the Iraqi governorates of Diyala and Missan accessed TVET to support improved incomes and livelihood opportunities.**

#### **Safe and Healing Learning for Marginalised and Conflict-affected Children and Youth in Iraq Project (\$2.4 million in 2012–13)**

This project seeks to improve access to quality education for marginalised and conflict-affected children and youth in Iraq. In the APPR period, DFAT's partnership with the International Rescue Committee has helped to: build and/or rehabilitate 20 primary schools (out of a project target of 30) benefiting more than 12 000 students (around 67 per cent girls); and train 420 teachers (out of a project target of 434) in the districts of Baghdad and Northern Iraq. While the project is on track, the end date was extended to 30 September 2013 (from

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<sup>17</sup> *Review of the Australia Iraq Agricultural Scholarships Program*, March 2013, Executive Summary.

<sup>18</sup> United Kingdom's Department for International Development, German Government-owned *Gesellschaft für Technische Zusammenarbeit* (GTZ) and European Union.

<sup>19</sup> Danish Refugee Council, *Education for Female Headed Households and Extremely Vulnerable Individuals Project*, Quality at Implementation (QAI) report, March 2013, p. 3.



the original completion date of June 2013) to enable it to complete some critical construction works that were delayed due to security and annual school examinations.

## **Objective 2: Supporting humanitarian response, post-conflict stabilisation and response**

Australia contributes to this objective by supporting three major activities. The current rating of green reflects the good progress of our humanitarian response in Syria and Yemen, and mine action activities.

### **Humanitarian Support for Syria (\$75.5 million over the APPR period)**

Australia has contributed to the international humanitarian response to the Syrian conflict and regional refugee crisis to collectively assist more than 6.8 million people inside Syria and 1.6 million refugees in the region. We have channelled assistance through two UN appeals (the Syria Humanitarian Assistance Response Plan and Syria Regional Response Plan), to a range of UN agencies<sup>20</sup> and to international humanitarian and non-government organisations. To reduce social and economic stress from the refugee influx, some of our support also benefits vulnerable people in neighbouring countries.

Our support has provided food, shelter, household and hygiene supplies, basic medical supplies and vaccinations, water and sanitation, protection and other emergency assistance to people affected by the crisis. For example, during the APPR period Australian support to the ICRC facilitated the:

- > provision of water to some 14.88 million people
- > provision of food parcels to some 1.53 million people, hundreds of thousands of whom also benefited from the provision of blankets, mattresses and hygiene kits
- > rehabilitation and/or upgrade of buildings hosting internally displaced people.<sup>21</sup>

Our support has also helped the:

- > WFP maintain essential food supplies and nutrition for up to 2.4 million people<sup>22</sup>
- > WHO meet critical shortages in medical supplies and medicines and provision of basic health care for up to one million people<sup>23</sup>
- > UNHCR provide shelter, food, water and protection to approximately 1.8 million refugees in the region.<sup>24</sup>

### **In 2012–13, more than 1.9 million vulnerable people were provided with life-saving assistance in the Syrian conflict and regional refugee crisis as a result of our contributions.**

Given the protracted nature of the crisis in Syria and the considerable support we have provided so far, ongoing efforts are underway to understand the extent to which humanitarian action supported by Australia (and delivered by UN and non-government organisation

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<sup>20</sup> UNHCR, UNICEF, WFP, WHO, International Committee of the Red Cross (ICRC) and UN Relief and Works Agency.

<sup>21</sup> *ICRC Syria Facts and Figures* Jan-Dec 2012.

<sup>22</sup> *WFP Food Assistance*, May 2013 Distribution Update—Syria Crisis Response.

<sup>23</sup> *WHO, Donor Update: Syrian Arab Republic*, 9 April 2013.

<sup>24</sup> UNHCR Inter-Agency Regional Response for Syrian Refugees (Egypt, Iraq, Jordan, Lebanon, Turkey), 11 to 17 July 2013.

partners) is appropriate and effective. Monitoring our contribution remains a challenge given the fluid security situation in Syria. However, humanitarian partners are developing innovative monitoring tools to address this, including through the use of global positioning system technology and training local staff on using remote monitoring techniques. Regular dialogue and monthly UN and international non-government organisation reporting is helping to ensure our contribution reaches intended beneficiaries in Syria and throughout the region.

### **Humanitarian Support for Yemen (\$8.5 million over the APPR period)**

In 2012–13 Australian assistance for international humanitarian response efforts in Yemen has helped international organisations and UN agencies to address critical humanitarian needs such as healthcare and protection for people increasingly subject to attack and displacement due to conflict. **Support to UNICEF has facilitated treatment for up to 160 000 children with acute malnutrition, provided water to 600 000 people in water-scarce communities and settlements for displaced people, and provided protection for up to 400 000 conflict-affected children. Through the WFP, we have provided 120 000 tonnes of food aid to over 550 000 people.**<sup>25</sup>

### **Mine action (\$6.2 million over the APPR period)**

MENA regional mine action activities are undertaken by the Mines Advisory Group (MAG) in Iraq; United Nations Development Programme in Egypt; Norwegian Peoples Aid (NPA) in Jordan; and the MAG and NPA in Lebanon. These partners are working to remove the threat of mines and cluster munitions to improve the safety of communities and help them to rebuild by making land available for agricultural development and infrastructure rehabilitation. During the APPR period in Lebanon, Australian-funded mine activities cleared 169 855 square metres of land (NPA). With our assistance, Jordan has become the first country in the Middle East to have removed all minefields in its territory in accordance with its obligations under the International Mine Ban Convention. The Jordan project also trained and employed the first all-female demining team in the Middle East. In Jordan, NPA cleared 15 811 square metres of land, and in Egypt the United Nations Development Programme cleared 126 460 000 square metres. In Iraq MAG has helped clear 16 minefields and 354 309 square metres of land from mines and other explosive remnants of war, benefiting some 1317 conflict-affected people.

### **Other bilateral activities**

#### Australia Awards

In 2012, Egypt received 28 Australia Awards, 3 long-term and 25 short-term. In 2013, Egypt received 3 long-term and one short-term awards; Tunisia one long-term and 5 short-term awards; Morocco 4 short-term awards; and Algeria 3 long-term and 5 short-term awards. The awards focused on agriculture and technical and vocational training.

#### Volunteers

In 2012–13, an estimated 20 volunteers began their assignments in Lebanon and Jordan focusing on program priority sectors such as food security and humanitarian response.

#### Australia – Arab Women's Dialogue

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<sup>25</sup> WFP, *Emergency Operation Yemen 200306 Jan-Dec 2012*, p. 9

Held in Canberra in April 2013, this Dialogue brought together eight influential Arab women leaders with leading Australian women from government, the private sector and civil society to discuss women's roles and sustaining democratic practice in MENA.

### Quality at Implementation ratings

**Assessing program quality for MENA initiatives in North Africa (Algeria, Egypt, Morocco and Tunisia) is difficult as it is too early at this stage to make meaningful judgements.** However, it is clear that ongoing civil unrest, conflict and economic uncertainty have the potential to negatively affect program quality and sustainability of programs. Despite the early stage of the North Africa program, more needs to be done to adequately address gender issues, which received low scores during the QAI process. DFAT will work closely with ACIAR to determine how best to strengthen gender reporting across ACIAR-managed activities. QAI ratings for North Africa reflect the relatively recent start-up of activities, but also the need to ensure that realistic performance frameworks and robust monitoring and evaluation strategies are in place. This is required for all North African initiatives to ensure results can be demonstrated. Monitoring program implementation and the broader political economy of the region in general, through greater engagement with Cairo Embassy, will provide a clearer picture of program quality issues and improve the standard of reporting from project partners.

**While not subject to formal QAI processes, ongoing efforts are being undertaken to understand the extent to which humanitarian action supported by Australia (and delivered by UN and non-government organisation partners) is appropriate and effective.** Such efforts include ongoing international engagement with UN agencies and other stakeholders at international and regional levels on key areas of concern, and regular discussion with key humanitarian partners in Geneva, Rome and New York, as well as at country level on specific country program responses. Our assistance is channelled through established, credible partners<sup>26</sup>, and takes into consideration DFAT's multilateral assessment process. Reporting from these agencies, and consultations with other like-minded donors on partner performance, indicates acceptable progress. The WFP in particular has been innovative, for example introducing an electronic food voucher system in Syria, which has reached 2.5 million people. Working with Australian embassies in the Middle East promotes and supports our humanitarian intervention in the region, including reporting and liaison with partners has been invaluable.

**Overall, program quality for Iraq initiatives is acceptable, though the security situation had an impact on program delivery in 2012–13.** The security situation in Iraq is still volatile and incidents continue regularly, including large-scale attacks against security and civilian targets. The political situation remains unpredictable, affecting the Government's ability to manage security and focus on development issues. Iraq also remains vulnerable to regional instability. The Syrian crisis, which is spilling over to Iraq and other neighbouring countries, is adding to this already difficult situation.<sup>27</sup> Monitoring and evaluation of Australian aid in the field in Iraq is extremely difficult given the adverse security environment and will remain so as the program phases out. DFAT remains in close contact with project partners in Iraq and with Australia's Embassy in Baghdad to monitor the security situation and its impacts on the aid program.

QAI ratings for gender equality are low. While existing projects demonstrate a degree of gender awareness, they do not actively promote gender equality. Given that a significant

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<sup>26</sup> WFP, UNHCR, UNICEF, WHO and ICRC.

<sup>27</sup> World Bank, *Country Partnership Strategy for the Republic of Iraq for the Period 2013-2016*, November 2012, p. 1.

number of farmers in the MENA region are women, women's participation and gender equality issues need to be at the forefront of our work in the region.

## **Management consequences**

Australia's key priority for 2013-14 will be to continue our response to the humanitarian crisis in Syria. Recognising that the crisis is likely to be protracted, and given our significant contributions to date, we need to:

- > continually adapt and refine our strategy to respond (in terms of partners, communications strategy and results) to ensure the effectiveness of our aid and timely allocation of our limited funds to highest priority humanitarian needs
- > be alert to opportunities and needs for support of stabilisation, recovery and reconstruction post-conflict
- > apply additional resources at DFAT in Canberra and in the region, including humanitarian expertise in Canberra, and dedicated personnel in countries bordering Syria, particularly Lebanon and Jordan.

More broadly, we need to consolidate the MENA program by:

- > reviewing and aligning our investments with our interests; and
- > continuing to manage the phase-out of our assistance to Iraq.

DFAT will refine the roles and responsibilities of staff in Cairo to support program consolidation and management, including humanitarian response in Syria.

DFAT will undertake a desk review of the gender aspects of Australia's aid to MENA countries.



Table 3 Risks associated with the program and management actions

Most significant risks	Management response—What? Who? How? When?
The unpredictability of the conflict in Syria impacts on implementing partner's access to the most vulnerable populations and planning for the crisis.	Posts to continue to report from the region. The MENA Section and Humanitarian Section to continue to regularly and closely monitor the situation, and provide support through ongoing regular discussion with implementing partners. DFAT to maintain discussion with like-minded donors responding to the crisis.
Inadequate resources to manage a rapidly escalating humanitarian crisis response (Syria).	Australia has allocated additional resources to address this.
Level of refugees (1.6 million) destabilising Lebanon and Jordan, compounding the crisis and need for further response.	Canberra and Posts to continue to monitor the situation. Australia to provide support through the UNHCR to alleviate burden on Lebanon and Jordan governments. Australia to support Non-government organisations to provide assistance to refugees and host communities to reduce tensions brought about by increased demands placed on public infrastructure.
DFAT staff in the region subject to security threats.	Security reporting from Posts to continue to report on and regularly discuss the situation with project partners.
Ongoing political instability and insecurity delays implementation of projects.	Cairo Post to monitor programs and regularly discuss with project partners.
Fiduciary risk that aid money is misused.	Australia to continue to work with established and credible partners who have demonstrated track records for delivering results and sound financial management.

## Annex A

### Progress in addressing 2011 management consequences

Management consequences Identified in 2011 APPR (Annual Program Performance Report) <sup>28</sup>	Rating	Progress made in 2012–13
There is a need to commission further design exercises, in order to establish programs that suit the evolving situations on the ground.	Amber	The delay in mobilising a Cairo-based aid Officer has delayed this..
A scoping mission to examine options for agricultural and rural sector programming in selected MENA countries is planned for 2012–13.	Amber	The scoping mission is currently on hold due to the security situation. Alternative programming methodologies are under discussion.
The duties of the Australia-based position in Cairo will need to be reviewed after 12 months, to assess effectiveness.	Amber	The review of the Cairo position will be completed in 2014.
The Iraq Country Strategy needs to be reviewed again, with a view to endorsing and finalising a scaling down approach, particularly in the area of human resources management.	Amber	The Iraq Program has continued to scale down, as endorsed at the Senior Officials Talks held in November 2012. All aid activities to Iraq are expected to be completed by June 2015.
The Iraq Program to develop a strategy (in consultation with ACIAR) on steps to quantify achievements and to disseminate research into conservation cropping and soil salinity management in Iraq.	Amber	This work is ongoing with ACIAR.

Note:

- Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.
- Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.
- Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

<sup>28</sup> Prior to 2012-13 Aid Program Performance Reports were called Annual Program Performance Reports.

## Annex B

### Quality at Implementation ratings

Initiative name	Approved budget and duration	Qal year	Relevance	Effectiveness	Efficiency	Monitoring and evaluation	Sustainability	Gender equality	Risk management
North Africa Rural Development	\$15.1m February	2012	5	3	3	4	4	3	I
Employment Generation	\$5.7m June 15	2012	5	4	4	4	4	3	I
Iraq Partnership Facility	\$38.6m March 2013	2012	4	4	3	4	3	4	I
Iraq Agriculture Program	\$20.4m June 2015	2012	5	5	4	4	4	2	I
DRC education (TVET)	\$9m June 15	2012	5	4	4	4	4	3	I
Australia – Iraq Agricultural Scholarships	\$25.7m July 2013	2012	5	4	3	3	4	4	I

Definitions of rating scale:

Satisfactory (4, 5 and 6)

■ = 6 = Very high quality

■ = 5 = Good quality

■ = 4 = Adequate quality, needs some work

Less than satisfactory (1, 2 and 3)

■ = 3 = Less than adequate quality; needs significant work

■ = 2 = Poor quality; needs major work to improve

■ = 1 = Very poor quality; needs major overhaul

Risk Management scale:

■ Mature (M). Indicates the initiative manager conducts risk discussions on at least a monthly basis with all stakeholders and updates the risk registry quarterly.

■ Intermediate (I). Indicates the initiative manager conducts ad-hoc risk discussion and updates the risk register occasionally.

■ Basic (B). Indicates there are limited or few risk discussions and the risk register has not been updated in the past 12 months.

## Annex C

### Evaluation and review pipeline planning

List of evaluations completed<sup>29</sup> in the reporting period

Name of Initiative	AidWorks number	Type of evaluation <sup>30</sup>	Date evaluation report received	Date evaluation report Uploaded into AidWorks	Date management response uploaded into AidWorks	Published on website
Iraq Partnership Facility	INI278	Independent review	March 2013	Forthcoming	Forthcoming	Forthcoming
Australia – Iraq Agricultural Scholarships	INI254	Independent review	March 2013	Forthcoming	Forthcoming	Forthcoming

List of evaluations planned in the next 12 months

Name of Initiative	AidWorks number	Type of evaluation	Purpose of evaluation <sup>31</sup>	Expected completion date
Nothing scheduled for this time period				

<sup>29</sup> 'completed' means the final version of the report has been received

<sup>30</sup> e.g. Mid-term review, Completion report, partner-led evaluation, joint evaluation

<sup>31</sup> e.g. .To inform a future phase of program, to improve existing program; to verify program outcomes