

## The Arab Partnership Economic Facility

Over the past decade, the Middle East and North Africa region generated GDP growth of almost 5% a year from 2000-2010. However, this growth did not generate the quantity and quality of jobs expected by a rapidly expanding labour force, and poor households remained vulnerable to economic shocks such as rising food and commodity prices.

People in North Africa and the Middle East are now seizing the tremendous opportunity arising from the Arab Spring to develop more inclusive, diverse economies that will be fundamental to successful transition and long-term stability in the region.

The £70 million Arab Partnership Economic Facility, managed by DFID, is working with international institutions and country governments to support this economic transition across the region and in five focus countries - Egypt, Tunisia, Jordan, Morocco and Libya.

In partnership with reforming governments, civil society and the private sector, DFID is supporting projects in three key areas; job creation, economic growth, and strengthening accountable institutions, including making governments and businesses more accountable and transparent.

### **Increasing growth, creating jobs, reducing poverty**

The Arab Partnership Economic Facility will help boost wealth creation, improve the lives of girls and women, and strengthen economic governance.

A few examples of our current projects are:

In Tunisia, we are supporting the African Development Bank to provide mentoring and seed funding to over 100 young social entrepreneurs and not-for-profit civil society organisations. The project will help to build a culture of social entrepreneurship, creating jobs and giving people a direct voice in running their businesses.

Across the region, we are providing £5 million to the European Bank of Reconstruction and Development's new programme in the southern Mediterranean. Working principally with Egypt, Tunisia, Jordan and Morocco, the EBRD aims to address their identified technical and financial gaps by providing direct advice and training to the public and private sector; enabling countries to further their plans for increasing growth, creating jobs and reducing poverty.

The UK will provide a £16 million contribution to the Deauville Transition Fund. The Transition Fund will operate from 2012-2015 and has so far raised \$165 of a total funding envelope of \$250 million. It will provide grants for technical cooperation through the International and Regional Financial Institutions. Projects will be country-owned and will focus on

1. Enhancing economic governance
2. Investing in sustainable growth
3. Inclusive development and job creation
4. Competitiveness and Integration

The Transition Fund's success in supporting reform in the region is a high priority for the UK G8 Presidency in 2013. Other donors to the Transition Fund include the USA, Saudi Arabia, Canada, France, Japan, Kuwait, Russia and Qatar.

More details on current projects under the Arab Partnership Economic Facility are available on the [projects database](#).

Details of our projects in each of our focus countries is available under the Where we work section of the DFID website. Further information on the Arab Partnership Participation Fund, to

which DFID has provided £20 million, is [available on the FCO website](#), where there is also an interactive projects map.

### **APEF Country Impact Fund**

As part of the Arab Partnership Economic Facility, DFID has established a £7 million Country Impact Fund (CIF) to support economic reform and growth in the Middle East/North Africa region.

Designed to support local interventions, the CIF will provide grant funding primarily in Egypt, Tunisia, Jordan, Morocco and Libya, to projects that contribute to HMG's objectives for the Arab Partnership.

British Embassies will run annual open competition rounds in their respective countries, inviting prospective partners to submit proposals which focus on one of the five priorities for the CIF:

- Strengthened workplace skills that increase employability
- Economic governance reforms
- Enterprise innovation which promotes more inclusive economic growth
- A stronger economic and social evidence base to inform national policy debates
- Improved knowledge sharing and more effective development coordination mechanisms.

The first round of bidding for 2012/13 projects in Egypt, Tunisia, Morocco, Jordan and Libya is complete and there are no plans to run further bidding rounds for projects in these countries during the current financial year.

Six projects have now been approved under the CIF. These are:

#### **Tunisia**

- A Mercy Corps project to strengthen the employability of 2,500 Tunisian youth through vocational training, as well as supporting youth entrepreneurship with business development and financial services. The project will have a strong focus on women, with around 60% female participation.

#### **Egypt**

- The World Bank Development Marketplace, scaling up social enterprises in poor rural areas. Focusing on support to agricultural businesses through grants, technical assistance and market access support.
- A Mercy Corps project to support Egyptian agriculture by providing access to capital, business development services and technical assistance among enterprises which serve small farmers.

#### **Jordan**

- The Shell Foundation/GroFin Jordan Enterprise Facility will create 2000 jobs through business development assistance to 600 SMEs as well as technical support to 50 SMEs. The project will include at least 25% women in its target group.