



Norwegian aid works - but not well enough

The results of Norway's
international development
cooperation 2007



FOREWORD

Does development cooperation produce results? Does aid disappear in corruption? Why do people still suffer from poverty and war after so many years of development aid and policies with great goals and high ambitions? It is legitimate for Norwegian taxpayers and politicians to ask these questions. They are also essential questions for those of us working in the aid business.

The *2007 Results Report* is Norad's first attempt to compile and present results of all Norwegian development assistance, which amounts to more than NOK 20 billion per year (approximately USD 3.5 billion). We do not cover everything. We cannot follow the Norwegian money all the way from Oslo to the target groups. The report confirms that the people, institutions, enterprises and authorities of developing countries bear the heaviest burden and produce the results. As international partners, we can only contribute, but on the whole our contribution is significant, based on respect, flexibility and good quality.

Part I follows the Norwegian resources part of the way into international development cooperation and collates the results achieved in eight sectors and thematic areas, which cover most of Norwegian development assistance. At the end of Part I, we try to answer the question "Does Norwegian aid work?" Our conclusion is clear: Norway's aid works, but not well enough.

Part II gives an in-depth analysis of results in important areas (health, peace-building, gender equality, the environment, governance, etc.) on the basis of the following questions: What are the main challenges in developing countries? What has the global community achieved? How much of this can be ascribed to international development assistance? What role does Norwegian development assistance play – both what we do and how we do it? What results has Norwegian development assistance achieved? What can we learn from this? These questions are also asked in an analysis of Norwegian aid for Zambia, as an example of

long-term Norwegian involvement in a poor, developing African country.

The report has its weaknesses, partly due to insufficient focus on management by goals and results in Norwegian development policy and aid administration. The analysis shows that Norway contributes to results in individual sectors and thematic areas, but we cannot compare effectiveness and results across sectors, funding channels or partners. Perhaps we will focus on Norway's choice of channels and partners in the next results report, depending on the response to this year's report.

This is Norad's report, and many people in the agency have contributed to it. We wish to thank the Ministry of Foreign Affairs and the Norwegian embassy in Zambia for their useful comments, but we emphasise that the analyses and assessments are Norad's alone.

I urge everyone to read both Part I and Part II. The report presents both good and weak results. Hopefully, it will make people think about what we want and what we can achieve through Norway's development policies and development aid. We welcome constructive, critical comments, e.g. by e-mail to pep@norad.no.



Poul Engberg-Pedersen
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November 2007

CONTENTS

PART

I

Overview: Norwegian aid is relevant and largely effective ✎ page 4

Big numbers become small ✎ page 6

Where does Norwegian aid go, and does it reach its target? ✎ page 6

The global situation: Poverty, growth and development assistance ✎ page 9

Selected results of Norwegian development assistance ✎ page 10

Does aid work? ✎ page 18



PART

II

Analysis of results of Norwegian development assistance ✎ page 20



1

Poverty reduction, economic growth and aid ✎ page 22



2

Health ✎ page 28



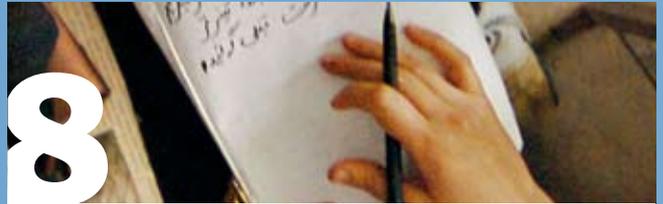
3

Development cooperation with Zambia ✎ page 40



4

Peace-building, humanitarian assistance and development aid for fragile states :: page 50



8

Education and research :: page 78



5

Women and gender equality :: page 58



9

Private sector development :: page 84



6

The environment :: page 64



10

Governance, democracy and human rights :: page 90



7

Energy supply and petroleum management :: page 70



APPENDIX

:: page 97

PART

Overview:
Norwegian aid is
relevant and
largely effective



The Norwegian Government and the Storting (the Norwegian Parliament) have ambitious goals for Norway's efforts in support of the poor and oppressed people of the world. Development policy and assistance are integral parts of Norwegian foreign policy, and Norway devotes significant resources to development cooperation and humanitarian assistance. In 2006, development assistance totalled approximately NOK 19 billion¹, the budget for 2007 is NOK 20.75 billion, and in the Government's budget for 2008 the proposed aid allocation is NOK 22.29 billion.

Norway's responsibility

As one of the richest countries in the world, Norway has a special responsibility. We all have a moral responsibility to combat injustice and promote development wherever we can. We are actors in the history of world development.

Report No. 35 to the Storting (2003-2004) / Fighting Poverty Together

The development policy has many ambitious goals. Norway works with many partner countries, and development assistance is channelled through numerous partners of very different sizes, with different areas of expertise and interest. Aid is expected to work and promote results in very complex contexts.

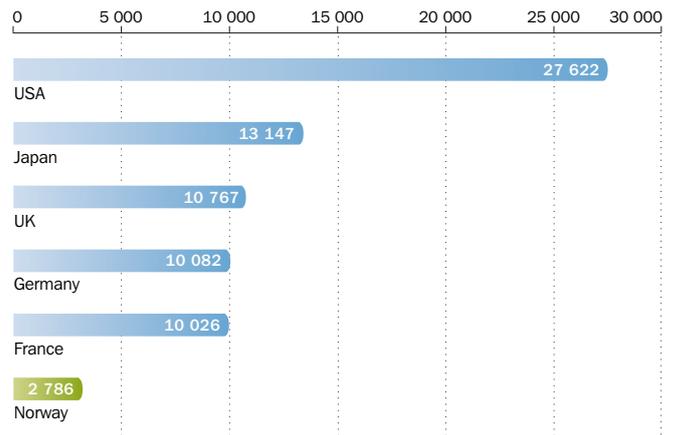
Do the impoverished people in developing countries and Norwegian taxpayers get anything in return for all these resources and effort? Do we achieve our development policy goals? Does aid work? These questions provide the starting point for the *2007 Results Report*. We answer them as concretely as we can by analysing development trends and providing examples. Development cooperation is politics, and this report tries to analyse the relevance of Norwegian development policy in relation to both challenges and results. It also looks behind the politics to find out if poor people's everyday lives have improved – which is what development cooperation is really all about.

Achieving results is a major challenge. The amount of aid is small in relation to the needs and can never be more than a supplement to the recipient country's own efforts. Counter-forces, in the form of war, corruption and oppression, are strong. Infrastructure and institutional frameworks are often weak and the political situation is often un-

1 Including administrative costs.

2 The UN's eight Millennium Development Goals were presented in 2000. They were signed by all UN member states and are to be achieved by 2015.

FIGURE 1 The five largest donors contributed almost 70% of total development assistance, which amounted to USD 106 billion in 2005
(Total development assistance in 2005*, USD million)



Norway is the biggest donor in terms of per capita GDP (0.94%). Norwegian development assistance accounts for approximately 2.6% of international development assistance.

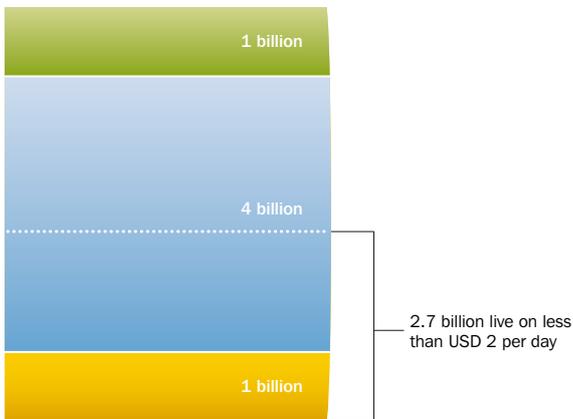
*Net ODA-approved assistance, from OECD/DAC statistics for 2005. This assistance meets the criteria drawn up by the OECD Development Assistance Committee (DAC) for approving transfers from rich to poor countries as official development assistance.

stable. Much of the justification for Norway's efforts is found in precisely this reality. International development cooperation has done a great deal to become more effective, by concentrating efforts on the Millennium Development Goals² and on common systems and principles for collaboration and reporting. At the same time, development cooperation has become more fragmented and complex.

Measuring and documenting results is difficult. The *2007 Results Report* is the first attempt to collate the results of Norwegian development policy and assistance in all areas. The report shows that we get a lot for our money, but also that we do not know enough about the impact of many development programmes and development policy initiatives. It clearly shows that it is impossible to talk about the *Norwegian* results of development cooperation. If we had found purely Norwegian results on the other side of the world, we would have done something fundamentally wrong along the way. At the same time, the report shows that Norway's development cooperation has *contributed* towards many good and not so good results. The report mainly uses figures from 2006. However, the analysis of the goals and results of development policies covers trends and outcomes from a number of years.

Norwegian development cooperation is flexible, both politically and in its practical implementation. Flexibility is a strength that provides opportunities for changing course when new knowledge shows that this is necessary, and especially when new humanitarian and political needs suddenly arise. Flexibility also poses a challenge when the re-

FIGURE 2 There are far more poor people in the world than the poorest billion (Number of people by income)



1 billion rich, primarily in the western world
 4 billion in countries with strong economic growth, especially in Asia
 1 billion living in extreme poverty

Sources: "The Bottom Billion", Paul Collier, 2007 and UNDP, 2005.

sults are to be measured and documented. Continuity is at least as important for the achievement of results. The *2007 Results Report* is intended to challenge those of us working to promote development in poor countries to change our perspective from what we have done to what has been achieved by and for impoverished people. This will increase the relevance and effectiveness of Norwegian aid.

BIG NUMBERS BECOME SMALL

In international development cooperation, big numbers often become small. NOK 20 billion is a lot of money, but if we divide it among the poorest billion people who are the very worst off and have to survive on less than a dollar a day, the Norwegian aid budget is enough to give each of them roughly another one US cent per day. The picture does not improve when we realise that there are also around 1.7 billion people who have to cope on less than two dollars a day. Even one of the world's most generous aid budgets, calculated per head of population, becomes small in relation to the enormous needs. Luckily, Norway is far from the only donor, and our contribution is far from the largest.

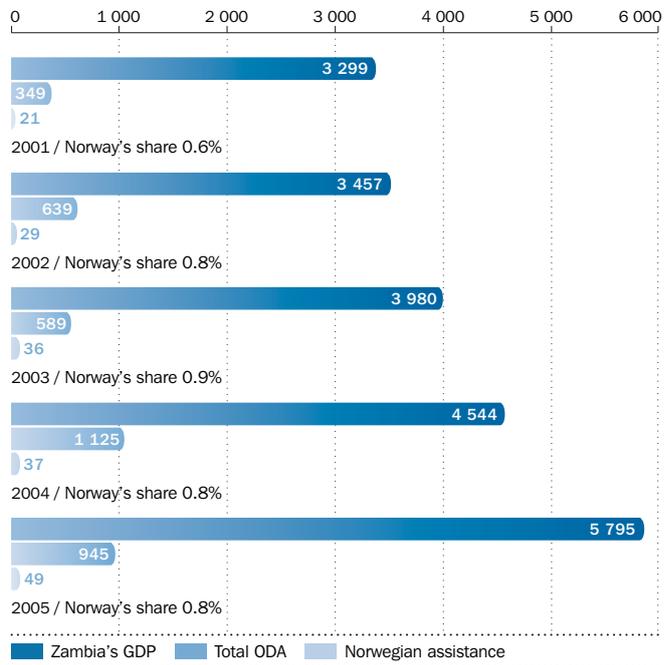
Figure 3 shows the size of Norwegian development assistance, using Zambia as an example. Even though Zambia is one of the main recipients of Norwegian aid, transfers of money from Norway play a limited role in the total amount of aid the country receives, and an even smaller role in relation to the country's total economy.

Another example of the relative size of Norwegian development assistance is the fact that in 2007 Statoil contributes more than NOK

3 Source: DFID, Annual Report 2007.

4 Oil for Development is an initiative that targets developing countries needing assistance to launch and manage oil and gas production. The programme focuses especially on natural resource management, financial management and environmental protection.

FIGURE 3 Norwegian assistance accounts for a very small part of Zambia's economy (USD million)



Source: Norad.

3 billion in taxes to the Angolan treasury, to be permitted to take part in the country's oil production. In 2006, total transfers of Norwegian development assistance to sub-Saharan Africa amounted to approximately NOK 4.5 billion.

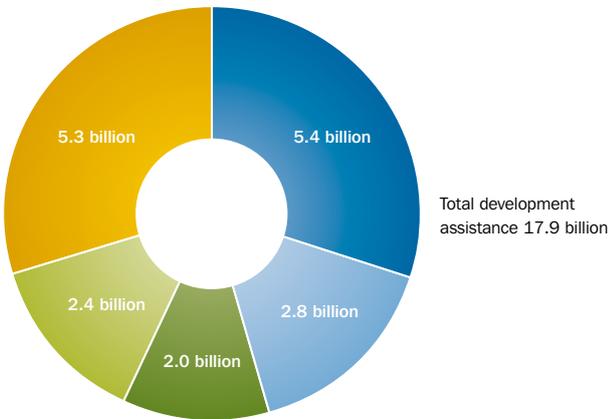
Many forces play a more important role than aid does. In 1997 Kenya was affected by serious flooding that was followed, almost immediately, by a long drought that lasted until 2000. This led to a loss of harvests and livestock and major industrial losses that together cost the Kenyan economy around NOK 38 billion, or 14 per cent of the country's annual GDP³. Norway's assistance, which amounted to NOK 60 million in those three years, minuscule in relation to Kenya's economy.

These examples emphasise the importance of policies and political measures that are not reflected in the aid statistics. Politics is often much more important than money. Aid can be used as a catalyst to release further resources for development by helping to promote political change. Norway's Oil for Development programme⁴, political initiatives to prevent capital flight and many of the measures to support private sector development in poor countries are important Norwegian examples of this.

WHERE DOES NORWEGIAN AID GO, AND DOES IT REACH ITS TARGET?

The approximately NOK 18 billion Norway spent on development assistance⁵ in 2006 did not go directly from Oslo to the people who constituted the final target group. This would have been short-term, ineffective and, from a technical point of view, fairly impossible. Development assistance is channelled through various part-

FIGURE 4 Users of Norwegian development assistance
(Development assistance funding in 2006 by user, NOK billion)



- People-oriented institutions in developing countries 5.4 billion
- State and institution-building (peace and democracy) 2.8 billion
- Economic actors 2.0 billion
- Cross-sectoral institutions 2.4 billion
- Multilateral organisations 5.3 billion

Source: Norad.

ners, who have different strenghts in terms of competence, the way they work, the groups they reach and the thematic areas they focus on. The Norwegian partners include civil society organisations, public institutions and private companies. The major international partners include the UN system and the World Bank. The authorities and various institutions in Norway's partner countries are also important partners, both directly in connection with government-to-government cooperation and indirectly, for example through multilateral assistance.

The distribution of aid resources between various partners, channels, thematic areas and countries says nothing about the results achieved for poor people. Nevertheless, following the money may help us to discover the actual priorities and the actual development policy that are the basis for the results analysed in this report.

The users⁵ of Norwegian development assistance

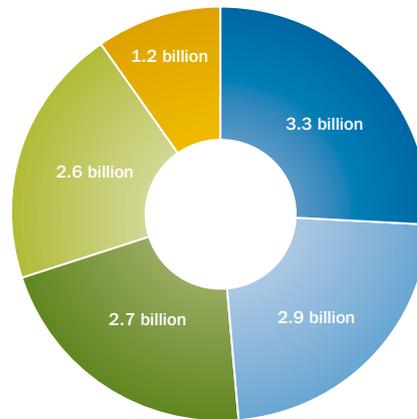
The users of Norwegian development assistance are people and institutions on the long road from Oslo to the target groups. Official aid statistics are partly broken down according to user institutions, but not according to the people who receive assistance. Figure 4 shows that in 2006 approximately NOK 5 billion went from Norway to institutions and organisations working fairly directly to promote human survival and social development. This includes emergency relief and other humanitarian assistance, and support

5 This includes assistance from the Norwegian authorities for countries and activities that are approved as recipients of official development assistance according to the OECD/DAC guidelines. It does not include the approximately NOK 1 billion that is spent on administrative costs.

6 In this context, users means institutions.

7 Total development assistance in 2006 excluding administrative costs.

FIGURE 5 Breakdown by priority area (NOK billion)



- Health, HIV, education and other social sector 3.3 billion
- Economic development and infrastructure 2.9 billion
- Good governance 2.7 billion
- Emergency relief and unspecified aid 2.6 billion
- Environment and energy 1.2 billion

Source: Norad.

for education, health, HIV/AIDS and women-in-development programmes. Almost NOK 3 billion went to institutions working on state-building and civil society development through improved governance and peace-building. Approximately NOK 2 billion went to various economic actors, which include everything from Norwegian companies to local fishermen and infrastructure in poor countries. More than NOK 2 billion was spent on environmental and other cross-sectoral investments. Approximately NOK 5 billion were core contributions to multilateral organisations, such as the UN and the World Bank, which themselves distributed the funds to users of the various types.

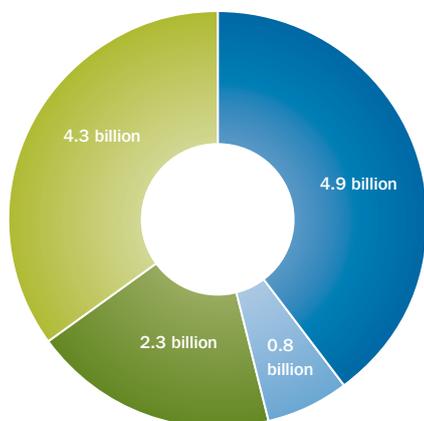
The NOK 10 billion in the first three categories in Figure 4 can be followed to users in poor countries. Approximately one half went towards improving living standards and the other half went to societal development actors. This 50/50 distribution shows that a combination of humanity and solidarity on the one hand and a desire to promote social change on the other is an important driving force in Norwegian development assistance.

Priority areas for Norwegian development assistance

The priority areas for development assistance reflect the Norwegian Government's goals to promote change in human living conditions. Figure 5 shows the distribution of Norwegian bilateral assistance⁷ by priority area in 2006.

- Approximately NOK 11 - 12 billion was divided more or less equally between four priority areas:
 - Health, HIV/AIDS and education
 - Economic development and infrastructure
 - Good governance, including peace-building
 - Emergency relief and other humanitarian aid
- NOK 1.2 billion was spent on energy and the environment

FIGURE 6 Most bilateral assistance goes to the least developed countries (NOK billion)



Least developed countries 4.9 billion
 Low income countries 0.8 billion
 Middle income countries 2.3 billion
 Not distributed by country 4.3 billion

Source: Norad.

In addition, more than NOK 5 billion was provided in core contributions⁸ to multilateral organisations.

These priority areas for Norwegian development assistance are directly relevant to promote poverty reduction and development. They point to the ambitions of Norway's development policy in its involvement in almost all areas of societal development.

Recipient countries

Figure 6 provides a breakdown of Norwegian bilateral assistance^{9, 10} by type of country in 2006.

- ✚ Almost NOK 5 billion went to 43 countries that are categorised as "least developed countries" (LDCs). The five main recipients in this category were Sudan, Zambia, Tanzania, Afghanistan and Mozambique.¹¹ Thus, Norway focuses both on conflict-ridden and fragile states and on countries that need assistance to emerge from poverty for other reasons.
- ✚ Almost NOK 1 billion went to 18 other low income countries, while approximately NOK 2.3 billion went to 52 middle income countries. The NOK 5 billion in core contributions to multilateral organisations cannot easily be specified by country. In general, much of the money spent by the UN on humanitarian assistance goes to fragile states,

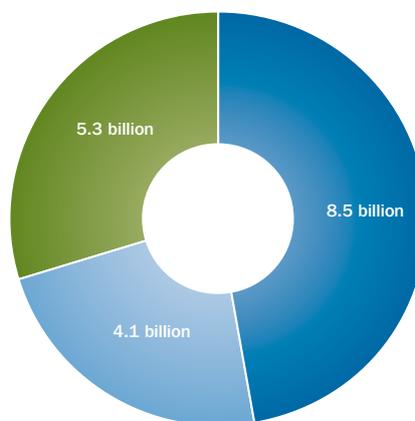
⁸ This assistance is then distributed by the organisations among countries and priority areas, but this is not reflected in official Norwegian aid statistics.

⁹ Excluding assistance for refugees in Norway.

¹⁰ Any reference to bilateral assistance in this report includes multi-bilateral assistance (earmarked funds channelled through multilateral organisations) unless otherwise indicated.

¹¹ The Palestinian Territories, which are not LDCs, were also major recipients of Norwegian bilateral assistance in 2006, receiving almost NOK 563 million.

FIGURE 7 Types of assistance (NOK billion)



Bilateral assistance 8.5 billion
 Multi-bilateral assistance 4.1 billion
 Multilateral assistance 5.3 billion

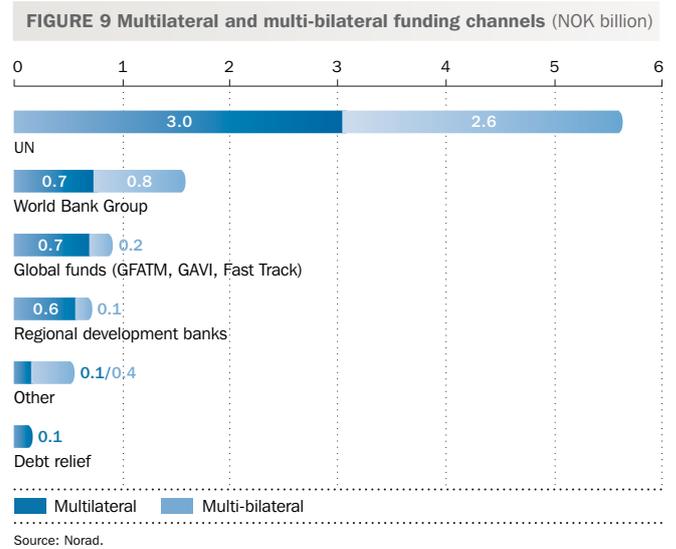
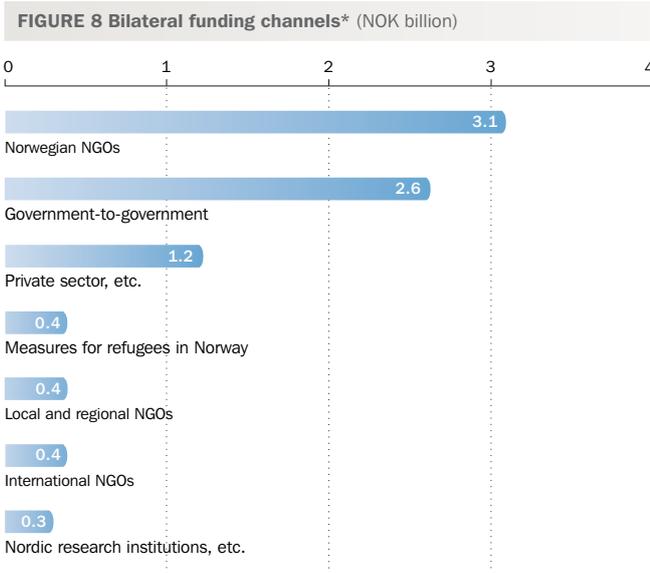
Source: Norad.

while assistance from the World Bank (non-commercial loans) largely goes to low income countries.

Choice of partners and funding channels

Figures 7–9 show breakdowns of Norwegian assistance by various types of partners and funding channels in 2006.

- ✚ Approximately NOK 2.6 billion in bilateral government-to-government assistance accounted for about 15 per cent of total development assistance. Although the proportion of government-to-government assistance is relatively small, it has traditionally played a major role in the aid debate and absorbed a great deal of resources in the Norwegian aid administration.
- ✚ Approximately NOK 4 billion was channelled through civil society organisations. Norwegian NGOs received NOK 3.1 billion and international NGOs received NOK 0.4 billion, while NOK 0.4 billion went directly to local NGOs in poor countries. A large proportion of the funds allocated to Norwegian NGOs was spent on emergency relief and other humanitarian aid.
- ✚ Core contributions to the multilateral organisations, which total around NOK 5 billion, represent the longest road from Norway's central government budget to the target groups in poor countries. This does not necessarily mean that multilateral aid is less effective than bilateral aid. Norway's most important multilateral partners include the UN (about NOK 3.0 billion in core contributions), the World Bank (about NOK 0.7 billion in core contributions), the regional development banks (about NOK 0.6 billion in core contributions), and the global funds (about NOK 0.7 billion in core contributions).
- ✚ Approximately NOK 4 billion went to multilateral partners as earmarked contributions to selected programmes in specific countries and regions. This is called multi-bilateral assistance. Norway's contributions to food distribution through the World Food Programme in Nepal, the budget support fund in Afghanistan through the World Bank, and the Education for All programme in Africa through UNICEF are examples of such aid. Given the close integration of develop-



ment assistance with Norwegian foreign policy, earmarked contributions through these types of funding channels will likely become even more important in the future.

Norway uses civil society partners and multilateral partners extensively. This facilitates flexible political initiatives and alliances to address global problems, but it can also increase the complexity of development assistance and make it more difficult to document the long-term results of aid.

THE GLOBAL SITUATION: POVERTY, GROWTH AND DEVELOPMENT ASSISTANCE

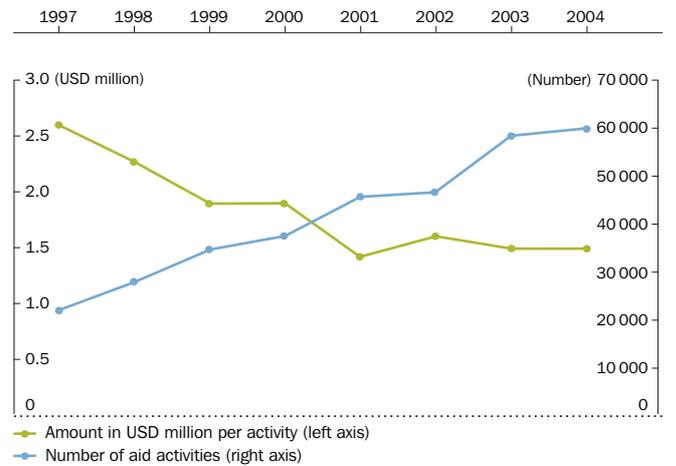
Despite population growth, poverty has been reduced, both in terms of numbers and as a percentage of total population. The world is likely to achieve Millennium Development Goal No. 1, which is to reduce by half the proportion of people living in extreme poverty between 1990 and 2015.

Almost one billion people still live in extreme poverty and have to manage on less than a dollar a day. These people cannot choose whether to eat their fill of nutritious food and they lack the freedom to create a better future for themselves and their families. They typically live in countries and communities that are highly vulnerable to violent conflicts, climate change and other environmental threats.

There are at least three main reasons why the world as a whole has managed to reduce extreme poverty:

- ❖ Highly populated countries in Asia have experienced economic growth, and sometimes strong growth, for several decades.
- ❖ Improved health, increased life expectancy and investment in education and improved living conditions.
- ❖ Political stability and fewer violent conflicts and wars in many parts of the world.

FIGURE 10 Global assistance is gradually becoming more fragmented (Number of donor-financed aid activities and average amount in USD million per activity)



The first explanation is clearly the most important. International development assistance has played an important role, but changes in political and economic framework conditions have had the greatest impact. In terms of quantitative reach, the most important role of development assistance has been in fighting disease and improving human living conditions. Although much aid has gone to sub-Saharan Africa, this region has not emerged from poverty.

Poverty not only has to do with lack of income, it also has to do with debt, oppression, conflicts, disease and lack of freedom and human rights. New dimensions, such as terror, corruption, the flight of capital and climate change, have increased the political importance of development cooperation and led to a significant increase in global aid budgets in recent years.

Most of the increased aid has gone to Afghanistan and Iraq, debt relief in a few countries, including Nigeria, and global funds for vaccination and disease prevention. Long-term assistance for low income countries has not increased in recent years.

International aid has become more fragmented and complex. On average, 33 donors were active in each recipient country in 2001-2005, compared with only twelve in the 1960s. The number of aid channels has increased. The World Bank points out that the number of aid activities and financial transactions is increasing significantly, while the average size of activities is declining (see fig. 10). This is likely to increase the administrative costs of giving and receiving aid.

At the international level, there is a desire to strengthen developing countries' ownership of their own development by aligning aid to their plans and priorities and harmonising assistance, and by placing greater emphasis on results¹². Joint sector programmes and budget support are intended to reduce fragmentation and increase national ownership, thereby increasing the potential for better results from long-term development assistance. It is paradoxical that development cooperation is becoming more fragmented at the same time as the emphasis is on harmonisation of aid.

Evaluations of major aid programmes show good results in the field of governance and improved framework conditions for economic and social development. National institutions have gradually been strengthened because good policies have been implemented, even though corruption and capital flight limit investments. A recent evaluation of budget support from 24 donors, including Norway, for seven poor countries showed good results from the support for national poverty reduction strategies and state institutions, especially in public financial management. Framework conditions have improved in many countries, but we lack information about how improved the political and institutional frameworks benefit poor people.

SELECTED RESULTS OF NORWEGIAN DEVELOPMENT ASSISTANCE

Health and HIV/AIDS

The global health situation has clearly improved. The number of children who die before the age of five has been halved and life expectancy has increased significantly in nearly all countries that are not seriously affected by HIV/AIDS. Yet, the health gap between rich and poor is increasing. Sub-Saharan Africa accounts for one quarter of the world's burden of disease but has only three per cent of the world's health workers and one per cent of the world's health budgets.

Global aid for health has doubled in a few years, to USD 14 billion, and now accounts for around 15 per cent of total development assistance. Aid for health is very complex and poorly coordinated, with more than 40 bilateral donors, 20 global and regional funds and 90 global health initiatives. Merely following the many initiatives is a full-time job. The

¹² The Paris Declaration of 2005, which has been ratified by most donor countries, international organisations and developing countries.



Information campaign against circumcision

In Ethiopia, the work done by Save the Children Norway (Redd Barna) in 2006 helped to ensure that more than 6,000 girls avoided circumcision. In the world as a whole, approximately three million girls under the age of 15 are circumcised each year. Every Sunday, (from left) Enana Baye, Worke Ligalem, healer Degtenu Manalebeh, Yabune Abuhay, Wobnesh Anteneh, social worker Halima Abdella, Askasi Muhammed and Yeshe Belay gather round the radio on the chair to listen to the programme about female genital mutilation and other "harmful traditional practices". This is part of Save the Children Norway's information campaign against circumcising girls. Source: Aftenposten/Anbjørg Bakken, Photo: Scanpix/Aftenposten.



Health personnel crisis in Malawi

Between 2003 and 2007, with Norwegian support, educational institutions in Malawi have increased their student intake by 165 per cent. The number of filled positions in the health service has increased by 24 per cent, but approximately half of the positions for health personnel are still vacant. Between 2000 and 2006, at least 650 Malawian nurses went to find better paid jobs in rich countries. In a country with around three thousand working nurses, this is a large number. Source: Helsegapet/Norad, Photo: Ken Opprann.

rich countries may be able to afford to allocate resources for necessary coordination, but poor countries find it difficult to keep up.

Important results from global aid for health include the following:

- ❖ The extinction of smallpox has prevented 45 million deaths in the past 30 years.
- ❖ The distribution of vitamin D capsules helps to save half a million children each year.
- ❖ Vaccination campaigns against measles in Africa have reduced the number of deaths from measles by 75 per cent in recent years.
- ❖ The Global Fund to Fight Aids, Tuberculosis and Malaria saves 110,000 people every month.
- ❖ Since 2000, the Global Alliance for Vaccines and Immunization (GAVI) has prevented more than two million deaths.
- ❖ Countries like Chile, Cuba, Sri Lanka and the Indian province of Kerala have invested significantly in basic health and education and have better health indicators than some rich countries.
- ❖ Guinea, Eritrea, Ethiopia and Mozambique have halved child mortality since 1990.
- ❖ The number of people receiving AIDS treatment in developing countries rose from 1.3 million in 2005 to 2 million in 2006. Tanzania, Rwanda and Zambia managed to reduce the number of new HIV cases.

Health-related efforts may have contributed up to half of the health gain in developing countries since 1960 by providing improved access to health services, vaccines and medicines and through efforts to promote health. Economic growth and improved social conditions are also important reasons for improvements in health.

Norwegian assistance accounts for three per cent of total aid for health in the world and has thereby made its contribution to the global results. Norwegian assistance must also assume its share of responsibility for health aid having become so fragmented. In certain areas, Norway is a major contributor, for example to the Global Alliance for Vaccines and Immunization (GAVI), where Norway is the second largest donor after the Bill and Melinda Gates Foundation.

Here are some examples of results from efforts supported by Norway:

- ❖ Vaccination coverage for hepatitis B has increased from 17 per cent to 50 per cent in countries that have received support from GAVI. Vaccination coverage is increasing on a global basis, including in sub-Saharan Africa, where coverage has increased by one fifth and is now higher than in Asia.
- ❖ Norway has been supporting the International Planned Parenthood Federation (IPPF) for many years. An evaluation of the IPPF's work in Ethiopia, Uganda and Bangladesh showed that poor and marginalised people are reached by services and support that they do not otherwise receive from the public or private sector.

13 The results in the chapter on Zambia are based largely on information that was collected in connection with an evaluation of Norwegian development cooperation with Zambia between 1991 and 2005. The evaluation will be completed in early 2008.

- ❖ Norway contributes 1.5 per cent of the funding for the Global Fund for Aids, Tuberculosis and Malaria, which in its first five years has financed HIV testing and counselling for 62 million people.
- ❖ Norway supports the World Health Organisation (WHO) and the UN Aids Organisation (UNAIDS). A treatment initiative launched in 2003 with the aim of giving AIDS treatment to three million HIV-infected people in developing countries by the end of 2005 reached "only" 1.3 million. One in five HIV-infected people/AIDS patients have access to treatment and preventive services.
- ❖ In the period 2000–2005, the Norwegian Heart and Lung Patient Organisation (LHL), which is supported by Norad, helped to ensure that more than 320,000 tuberculosis patients were diagnosed and more than 80 per cent were cured.

Norway's development cooperation with Zambia

Zambia has been receiving extensive international and Norwegian assistance for more than 40 years, but the living conditions for the population have not improved significantly.¹³ The economic situation in Zambia has fluctuated largely in step with global commodity prices. It began to decline towards the end of the 1970s, with many indications of negative development until the turn of the millennium, when trends began to move in a more positive direction. Norway's assistance in the period 1990–2005 totalled NOK 4.2 billion. In the same period, the number of Zambians living under the national poverty line has remained more or less unchanged. Life expectancy declined from 46 years in 1990 to 38 years in 2005 due to AIDS. Population growth declined from 3.1 per cent in the 1980s to 2.9 per cent in the 1990s and is expected to be reduced to 2 per cent in 2010 due to AIDS. Child mortality rates have not improved either but, on the other hand, the proportion of children attending primary school has increased since 1999, from 63% to 89%.



The distribution of condoms in Zambia's capital, Lusaka, is one of many measures to combat the spread of HIV. Photo: Per Kr. Lunden.

In recent years, Zambia has experienced strong economic growth of 4–5 per cent per year. This is reflected, among other things, in a 50 per cent increase in agricultural production. Together with debt relief and donor-supported economic reforms in the 1990s, this has helped ensure that Zambia, which was previously one of the most aid-dependent countries in the world, now receives only around 8 per cent of its central government budget in net development assistance (compared with an average of 23% in the period 1990–2005). The country has also experienced stability in politics in recent years. The President wields considerable power, while the national assembly and the courts of law are relatively weak. Civil society has become stronger in the past 10–15 years.

Norway's bilateral assistance has become more focused on Zambian policies and strategies in recent years. The effectiveness of Norwegian development assistance varies strongly from one area to the next. Support for the office of the Zambian Auditor General, anti-corruption activities and wildlife management has brought concrete results. In other main areas, such as agriculture, the results are weaker.

Here are some characteristics and examples of the results of efforts supported by Norway:

- ✚ Norwegian development assistance focuses on poverty reduction, but too little attention has been paid to how measures will achieve their poverty reduction targets in practice.



The Luangwa Valley National Park

Norway's support for natural resource management in the Luangwa Valley in south-eastern Zambia has generated good results, especially thanks to Norway's long-term involvement. Between 1996 and 2005, 25 houses for teachers, 61 schools and 24 small clinics were built, 102 boreholes were drilled and 72 scouts were recruited from the villages. Both the companies that hold hunting licences and the people who run tourist hotels and camps for wildlife tourists have many local employees. A household survey in an area adjoining the national park showed that household incomes were significantly higher than in other areas that were investigated. But it also showed that the revenues benefit the poorest people to a lesser extent. Photo: Norrad/GZ.

- ✚ The approach to political and economic reforms has been technical and largely apolitical. In Norwegian aid, as in the case of other donors, there has been insufficient understanding of the political and social effects of reforms in Zambia.
- ✚ Substantial Norwegian support for wildlife management over a long period of time has promoted good cooperation between authorities and local communities, which in turn has made it possible to reduce poaching and achieve responsible exploitation of wildlife resources. As a result, tourism has helped to improve living standards for the local population.
- ✚ Norway has contributed towards effective reinforcement of the office of the Zambian Auditor General.
- ✚ Support for a special anti-corruption task force has been effective. Among other things, the former president has been sentenced in a British court, with Norwegian support.
- ✚ Norwegian support for agriculture until 1997 is regarded as having been too technical and lacking in understanding of local culture and political economics. The long-term effects have been limited, even though Norway's efforts have helped to improve the competence of personnel in this sector.
- ✚ Zambians consider Norwegian assistance to be flexible, but not particularly poverty-oriented.

Peace-building, humanitarian assistance and aid for fragile states

Humanitarian assistance and assistance for peace-building and reconstruction in crisis-affected and war-torn countries are key elements of Norwegian development policy. Humanitarian assistance is primarily a response to disasters and acute human distress. This type of assistance has been linked to Norway's efforts in international peace processes, such as those in the Palestinian Territory, Central America, Sudan, Sri Lanka, the Balkans, Afghanistan and Nepal. Norway has traditionally helped countries that have gained their independence or undergone major transformations: southern Africa after liberation, South Africa after apartheid, Timor-Leste and, more recently, Burundi and Liberia.

Norwegian humanitarian assistance and aid for peace-building and reconstruction in countries in crisis currently totals around NOK 5 billion a year, equivalent to 25–30 per cent of all Norwegian development assistance. In 2006, almost NOK 2 billion of this was spent on humanitarian assistance in connection with wars, conflicts or similar crises.

Norway's humanitarian assistance is channelled through the UN system as well as through Norwegian NGOs, including the Norwegian Red Cross, the Norwegian Refugee Council, Save the Children Norway (Redd Barna), Norwegian People's Aid and Norwegian Church Aid. Several NGOs are also involved in peace processes and the reconstruction of democratic institutions.

Here are some examples of results from efforts supported by Norway:

- ✚ After the earthquake in Pakistan in October 2005, Norway helped ensure that hundreds of thousands of people received emergency assistance in their local communities or temporary accommodation in camps, with acceptable health services, food, water and sanitation.



Poorly coordinated aid for tsunami victims

After the tsunami in the Indian Ocean on Boxing Day 2004, many people received essential help, but local capacity was overlooked. The immediate and most important life-saving efforts were local in nature, and the UN mobilised substantial international financing and channelled assistance to the affected countries. However, the full potential of these substantial contributions was not utilised. The international effort was characterised by duplication, minimal use of need assessments and poor coordination. The best results were achieved by organisations that supported local actors. Photo: REUTERS/Adrees Latif.

- ✚ The war between Israel and Hizbollah in southern Lebanon in 2006 led to a massive flow of people out of the area. National and regional humanitarian efforts were supported internationally and by Norway. These initiatives prevented the situation from getting out of control and helped many people to survive under difficult circumstances.
- ✚ Norway contributes NOK 500–600 million annually to multi-donor funds that are administered by the UN or the World Bank in war-affected and crisis-torn countries, such as Sudan, Sierra Leone, Iraq, the Palestinian Territory, Afghanistan, Indonesia and Timor-Leste. These funds reinforce central state functions during an early, difficult phase, and they finance reconstruction projects, large and small. The effectiveness and results of this support have varied. Many funds, such as in South Sudan, took too long time to become operational, allocate resources and get projects under way. Other funds achieved a more successful, quick start-up, such as the Indonesia Fund (post-tsunami) and in Afghanistan.

¹⁴ A measure may be classified as having a main goal or a subsidiary goal for women and gender equality, the environment, research, HIV/AIDS or human rights. Consequently, these goals are not mutually exclusive.

- ✚ Norway relies on many forms and channels of assistance in the extensive efforts that are being made in South Sudan and Darfur. Humanitarian aid and the reconstruction of social and economic infrastructure have produced some results, but the process is fragile and the results are temporary and uncertain.
- ✚ Much of the assistance for Timor-Leste after independence in 2002 has aimed at state-building and has contributed to the necessary development of public institutions, infrastructure and social services. However, insufficient attention was paid to knowledge of the dynamics of the conflict when Norway and other donors prepared their programmes.

Women and gender equality

Women and girls account for approximately two thirds of the one billion people who are living in extreme poverty. Developing countries have achieved more equality in education and politics but equality gains appears to have stagnated in terms of distribution of income and economic development. Providing education for mothers is the factor that has the greatest effect on the living standards of poor people and their possibilities for escaping from poverty. Investing in education of girls has resulted in more children starting and completing their education. The ratio of girls attending school in relation to boys has increased globally, from 88 per cent in 1991 to 96 per cent in 2004.

Still, international development cooperation has not managed to integrate gender equality well enough. The increased use of budget support and sector programmes provides opportunities for lifting these issues into central policy-making, but this has happened to only a limited extent.

Norway's efforts aim to strengthen the political and economic participation of women, safeguard sexual and reproductive health and rights, support girls' right to education and contribute towards combating violence against women. In 2006, NOK 567 million of bilateral assistance was spent on measures primarily aimed at promoting gender equality. Approximately NOK 2.1 billion was spent on bilateral measures, where women are a significant target group¹⁴. Norway is also an important contributor to many UN agencies and development banks that include women in their target groups. The most important are the United Nations Development Fund for Women (UNIFEM), the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF).

Here are some examples of the results of efforts supported by Norway:

- ✚ Through its support for the UNDP, Norway has helped ensure that approximately 45,000 women elected to local councils in Pakistan have strengthened their positions, and that gender equality measures have been integrated into the central government budget.
- ✚ 180,000 women in Niger take part in various savings and loan groups supported by CARE Niger and CARE Norway. This cooperation covers around 7,000 active savings and loan groups and around 200 grain banks. In a household survey, 75 per cent of

women stated that they had gained more influence in relation to their husbands. The proportion of households where spouses make joint decisions on the sale of products has risen from 47 per cent to 64 per cent.

- ✦ Norway has provided assistance through UNICEF for education of girls in many countries, including Madagascar. The proportion of children attending school there increased from 63 per cent in 1999 to 92 per cent of girls and 93 per cent of boys in 2005, which implies approximate gender equality in school attendance. Although girls generally do better at school than boys, girls leave school earlier.



Grameen Phone

Grameen Phone is the second largest taxpayer in Bangladesh. The company has more than 800 employees, while 50,000 people make a living indirectly from the enterprise, including more than 40,000 women who earn a livelihood by renting their phone to people in the country's 67,000 villages. Photo: G.M.B. Akash.

The environment

Development suffers from negative trends in most environmental areas and the challenges are enormous. The environment tends to have low priority in developing countries and international environmental assistance is small in comparison with the need. Achievement of the Millennium Development Goal relating to environmentally sound, sustainable development is within reach as regards supplies of drinking water, but the goals in other areas are unlikely to be achieved.

According to the UN, it will be necessary to invest around USD 60–90 billion a year for the next 10–15 years to achieve the environmental goals, and probably more than USD 80 billion a year to deal with climate change. Environmental assistance is expected to increase to around USD 3 billion a year in 2010, and it is clear that sources other than development assistance will be more important in solving the world's environmental problems.

In 2006, NOK 798 million of bilateral assistance was spent on measures aimed primarily at promoting the environment. This is equiva-

lent to around six per cent of Norwegian bilateral/multi-bilateral assistance. A further NOK 529 million was spent on bilateral measures where improving the environment was one of several important objectives. Assistance has increasingly been reoriented from bilateral to multilateral cooperation. Norwegian NGOs are important partners, both politically and as channels of aid.

In 2006 the Government presented an Action Plan for Environment in Development Cooperation. A key area in this effort is to support partner countries' measures to integrate sustainability principles into their policies and programmes. Norway gives priority to areas such as sustainable management of biological diversity and natural resources, management of water resources, water and sanitation, climate change and access to clean energy, and environmental toxins.

Here are some examples of the results of efforts supported by Norway:

- ✦ Norway has supported a significant expansion of UNICEF activities in the area of water and sanitation. The programme has brought results in several countries. Among other things, sanitary conditions have improved for one million people in West Bengal, while 200,000 people in rural areas in Vietnam and 110,000 people in rural areas in Malawi now have access to clean drinking water.



Natural resource management in Tanzania

In the period 1994–2006, Norway provided NOK 300 million to support natural resource management in Tanzania. The management of forest resources has improved in several districts. Illegal logging has been stopped and agreements have been reached on controlled use of forest resources. Vegetation has increased in vulnerable areas, the quality of forests has improved, there is more water, and water quality has improved. An evaluation also points to the unintentional consequences of conservation measures and weaknesses in the administration of the programme. Among other things, an increase in the number of elephants in the area has led to loss of human life and the destruction of crops. The participation of the local population in decision-making processes has been weak, and the economic advantages are unevenly distributed. Photo: Per Kr. Lunden.

- ∴ The World Wildlife Fund (WWF) has received support for cooperation with the national park authorities in the Rwenzori Mountains in Uganda. The results include increased revenues from tourism, which are spent on social projects, less conflict concerning the park borders, and the preparation of 60 local environmental plans that qualify for state funding for environmental measures. Planting trees for fuel and timber has become an alternative to illegal logging in the national park.
- ∴ Norway has collected all its environmental assistance through the World Bank in a Trust Fund for Environmental and Socially Sustainable Development. The fund has helped to improve the World Bank's knowledge on the connection between the environment and poverty. In cooperation with the authorities of several developing countries, studies and analyses have been carried out of the interlinkage between environment, poverty and development. These studies have laid a foundation for greater understanding of the need for environmental policy and the need to strengthen environmental management in many countries. The environmental impact of most of the projects financed by the fund will not be felt for some time, however.

Energy supply and petroleum management

The absence of modern energy supplies hinders economic development and is detrimental to the environment and health. 1.6 billion people do not have access to electricity and most of them live in rural areas in Africa and South Asia.

The World Bank has estimated that necessary investments in the energy sector in developing countries amount to approximately USD 160 billion a year until 2010. Neither development assistance nor public investments by developing countries themselves can meet this need. The involvement of the private sector is essential. Increased investment is dependent on changes in governance and continued reforms in this sector. If the investment gap is not bridged, access to electricity in poor countries will remain low and supplies will become even less reliable.

In many countries, as a result of weak public management of petroleum resources, the potential for poverty reduction is not exploited. Many oil-producing countries score lower than other developing countries on key development indicators. At the same time, oil production often takes place in a way that is detrimental to the environment.

Norway's assistance for energy supplies and petroleum management is based on the Norwegian administrative approach, where public control and participation play a pivotal role. This approach is promoted both in cooperation with individual countries and multilaterally.

Here are some examples of the results of efforts supported by Norway:

- ∴ Since 1965, Norway has provided more than NOK 2 billion to support hydropower development and electrification in Mozambique and Nepal. A recent evaluation concludes that the most important contribution has been the combination of development assistance for hydropower plants, transmission and the electricity grid, and support for institutional capacity-building. The most important success fac-

tor has been long-term, stable and broad-based involvement. However, the results have varied considerably. Infrastructure development has been successful, but there have often been delays and cost overruns. The results have been mixed with respect to institutional capacity-building in central state institutions.



Hydropower development in Nepal

Norway's share of total assistance for the energy sector in Nepal has been around seven per cent. Total production from three power plants supported by Norway accounts for approximately 18% of all electricity supplies in Nepal. The hydropower plant in Khimti Khola is owned and run by Himal Power Limited, a company in which the Norwegian company SN Power has significant interests. Norad provided some of the financing. Norwegian assistance for hydropower development in the Khimti Valley (photo) has also helped provide local communities with electric power, irrigation systems, drinking water, schools and health SERVICES. Photo: Norad/BRE.

- ∴ Norway has financed the construction of hydropower plants, transmission lines and electricity grids and supported capacity-building in Mozambique's energy administration. Development assistance has contributed to the country's economic growth since 1992. Reasonably priced, stable power supplies from a large hydropower plant have reached all the provinces in the country and provided a basis for future electrification in a country where still only 10% of the population has access to electric power.
- ∴ In 1979, Norway financed a power cable from the Tanzanian mainland which has contributed to stable power supplies in Zanzibar until the present day. Since 1986, Norway has financed electrification projects totalling almost NOK 190 million and has helped ensure that around 80 per cent of Zanzibar's population has access to electricity.

- ✚ Angola, Bangladesh, Mozambique and Timor-Leste have together received more than 60 per cent of Norwegian assistance for the petroleum sector. The results have been mixed. Assistance has been most successful when it has come at an early stage in the development of petroleum activities, such as in Mozambique and Timor-Leste. Norway's assistance has made a significant contribution towards ensuring that Mozambique will have substantial revenues from petroleum production in the near future. In Timor-Leste, extensive Norwegian expertise has been placed at the disposal of the petroleum and finance authorities in order to strengthen resource management. A petroleum fund based on the Norwegian model was approved by Parliament in 2005. Development assistance has been less effective in more established oil- and gas-producing nations, such as Angola and Bangladesh.

Education and research

More children are attending school today than ever before, in both absolute and relative terms. On a global basis, 88 per cent of children in developing countries start school. Despite this progress, UNESCO estimates that 77 million children still do not receive an education, and 44 million of them are girls. It is doubtful whether the Millennium Development Goal of universal primary education will be achieved.

The demand for higher education has increased because more children are completing their primary and secondary education. While there has been absolute growth in higher education at the global level, there are major regional differences. Progress in sub-Saharan Africa has been very slow, and the region is lagging further and further behind. The least developed countries receive only 0.1 per cent of total global investment in research.¹⁵

Norwegian bilateral assistance for education amounted to NOK 1.28 billion in 2006.

Here are some examples of the results of efforts supported by Norway:

- ✚ Norway has played a pivotal role in the global Fast Track Initiative (FTI) that was launched in 2002 to accelerate progress towards universal primary education. According to the OECD/DAC, since the FTI was launched, international assistance for primary education has increased by more than 44 per cent, although it is difficult to determine exactly how much is due to the FTI's efforts.
- ✚ In Guinea, Burkina Faso, Niger and Mozambique, school attendance has increased by more than 40 per cent. These countries are among those that have priority under the Fast Track Initiative. The FTI has also helped to improve the quality of partner countries' education plans, among other things through competence-building measures at both local and national levels.
- ✚ In 2006, 88 doctor's degree candidates and 333 master's degree candidates studied under the Norwegian Programme for Development, Research and Education (NUFU). Of these, 14 (16 per cent) of the doctor's degree candidates and 166 (50 per cent) of the master's degree candidates were women.

¹⁵ UNESCO Science Report 2005.



Primary education in Nepal

Norway is one of seven donors that support the authorities' primary education reform programme in Nepal. An interim review carried out in 2007 shows that the number of children starting school increased from 3.85 million in 2001 to 4.51 million in 2006, and 48 per cent of them were girls. The proportion of enrolled children in first grade increased from 83 per cent in 2003 to 87 per cent in 2006. The proportion of pupils who completed five years of primary education increased from 60 per cent to 80 per cent in the same period. Photo: Norad/BRE.

Private sector development

On the whole, the developing countries' economic policies have improved since the 1980s. The macro-economic situation has generally become more stable and inflation is lower. Increased trade and an improved international climate for investment have made a contribution. There are major differences among the various regions, however, and there are no signs to indicate that the poorest countries are approaching the level of the middle income countries. Africa is lagging far behind in terms of its share of world trade, even though there has been a clear increase in African exports in recent years.

Half of the world's population lives in rural areas, and this proportion is higher still in Africa. 75 per cent of the world's impoverished people live in rural areas. This means that they are dependent on primary industries for their food and income.

In most of Norway's partner countries, the economy is mainly linked to the primary industries and other natural resources. Norway's efforts in the field of private sector development are to a large extent linked to these resources, such as fish, forests, agriculture and energy. Assistance is also provided to improve the enabling environment for economic development as well as trade in locally-produced

goods. In 2006, a total of NOK 2.9 billion of bilateral assistance was spent on measures to promote economic development and trade. A large part of funding in this area is provided through multilateral channels, such as the World Bank, UNIDO and the UN Food and Agriculture Organisation (FAO).

Here are some examples of the results of efforts supported by Norway:

- ✚ Norway is the main donor to the National Smallholder Farmers' Association of Malawi, which organises around 108,000 smallholders in 34 independent local associations. An evaluation carried out in 2006 showed that members had a higher standard of living than other farmers, and 72 per cent of members stated that their financial situation had improved since they became members.



Aquaculture in Vietnam

Smallholders in North Vietnam have increased their annual income by more than 40 per cent after participating in fish-farming trials supported by Norway. During this period, from 2002 to 2005, fish consumption increased by 16 per cent in the provinces concerned. As a result of improved management of ponds by carp farmers, outbreaks of disease were reduced by 90 per cent. By the end of 2006, 24 employees of the research institute had started or completed master's degree studies and seven had started or completed doctor's degree studies. Norway's assistance for the Vietnamese Aquaculture Research Institute, RIA No. 1, is spent, among other things, on providing training in improved aquaculture methods for smallholders like Nguyen Ma Thuc. He has a small farm with pigs, fowl and two aquaculture ponds, where he raises carp and tilapia. Photo: Norad/BRE.

- ✚ Through the MatchMaking Programme, which promotes cooperation between Norwegian companies and companies in developing countries, more than 50 cooperation agreements have been signed between Norwegian and South African companies. It is estimated that between 500 and 1000 jobs have been created in South Africa as a result of this cooperation.
- ✚ Through the United Nations Industrial Development Organisation (UNIDO), Norway has financed the development of essential infrastructure for quality assurance and certification of Sri Lanka's most important export products. This has led to increased exports of clothing, rubber products, seafood and organic tea. At the same time, companies' costs in connection with certification have been reduced. In the case of the garment industry, the reduction was between 31 per cent and 79 per cent.
- ✚ Partly as a result of Norwegian assistance and advisory services, Namibia now has one of the best fisheries management systems in the world. Illegal fishing in Namibia has been significantly reduced in the past 15 years. Namibia's fish exports increased from 267,000 tonnes in 1996 to 335,000 tonnes in 2004, and fish products' share of the country's total exports increased from 22 per cent in 1999 to 28 per cent in 2003. The direct effect on poverty reduction is not great, however, since the strongest focus is on industrial fishing.

Governance, democracy and human rights

Good governance has to do with effective administration and implementation of policies adopted by democratic institutions, based on fundamental human rights. Good governance also means providing for a free, dynamic civil society. These ideals, which are enshrined in international conventions and treaties, are the basis for Norwegian and international development assistance. Democratic governance has been introduced in many developing countries since the mid-1990s, but the democratic structures are often weak. Publicly elected bodies often have limited power, and power is centralised.

Norway's assistance towards good governance is comprehensive and complex. In bilateral cooperation, a total of approximately NOK 1.6 billion is spent each year for such purposes. This amount is supplemented by parts of the core allocations for the UN Development Programme (UNDP) and the World Bank.

Here are some examples of the results of efforts supported by Norway:

- ✚ Through the UNDP, Norway supports a governance programme in Nepal which, in spite of the violent conflict, has helped to promote social mobilisation and capacity development at grassroots level. The programme has focused on the very poorest and socially excluded groups and has helped to establish and develop more than 21,000 grassroot organisations in 880 villages. Together, they cover more than 450,000 households in 66 of Nepal's 76 districts.
- ✚ Norway has supported cooperation between Statistics Norway (SSB) and counterpart institutions in several partner countries. The results have varied. In Eritrea, cooperation is affected by the authorities' unwillingness to publish statistics and the low priority it gives to the development of institutional competence in this field. Cooperation with the Palestinian Central Bureau of Statistics has helped to build

an important Palestinian institution from scratch under extremely difficult conditions.

- ✚ Norway supports the efforts of Norwegian NGOs to build the capacity of their local partners. For example, FORUT in Sri Lanka bases its activities on partnership with local organisations, while Save the Children Norway (Redd Barna) in Ethiopia uses state enterprises to implement its projects because civil society is weakly developed outside the capital. In both cases, however, weaknesses have been discovered in the NGOs' ability to build capacity at the local level.
- ✚ In Mozambique and Tanzania, ten years of reform in public financial management sector have led to clear improvements in public procurement, budgeting and accounting.
- ✚ Norway supports the decentralisation process of the Pakistani authorities through a multi-donor fund administered by the UNDP. There are now more than 30,000 Citizens' Community Boards in Pakistan. In 2006, 3,659 people received training through the fund, with the result that 1,708 new local projects were developed. A total of 5.25 million people benefit from allocations from the fund.



Fighting corruption in Madagascar

Norway supports anti-corruption activities in more than 20 countries, including anti-corruption agencies in seven countries. In Madagascar, Norway has been the most important partner in the fight against corruption, both through technical dialogue and by providing support for specific activities. Above is a facsimile of an article in the Internet version of the Madagascar Tribune on the work done by Eva Joly (Norad) and Judge Anne Mette Dyrnes in Madagascar.

DOES AID WORK?

The results of Norway's international development cooperation 2007 does not provide a clear answer to this question. The situation is too complex and the problems are too great to ascribe development in other countries to Norway's efforts. Nevertheless, on the whole, the main conclusion is that the everyday lives of very many people have improved thanks to Norway's contributions.

Norwegian development policy works at many levels. Norwegian development assistance constitutes only a small part – about three per cent – of global development assistance. The debate on the results of global aid has been intense in recent years. Most of the more re-

cent analyses conclude that the results of aid are modest in relation to the ambitious goals set by the global community. Nevertheless, the results are important and significant in relation to the limited amount of development assistance. Global aid contributes to economic growth to only a limited extent, but it makes a significant contribution to the survival and development of human beings and nations. In particular, aid has contributed to higher life expectancy, improved health and improved education, and the results in these areas are fairly impressive in the light of the strong population growth the world has seen in recent years. Development assistance has a stabilising effect on states and regimes, which may be both positive and negative for the fight against poverty and efforts to promote social change.

There are two ways in particular in which Norwegian aid has affected international development cooperation over the years. Firstly, the early emphasis on recipient responsibility for their own development, based on respect for the fact that they know most about their own problems, and recognition that no society can be developed from outside. Norway's focus on the opportunities and rights of women, indigenous peoples and other vulnerable groups has also had a greater impact on international priorities in recent years.

Secondly, Norwegian aid is flexible, with strong emphasis on local ownership, fundamental UN principles and the political resolution of conflicts. The Government's recent reorientation of development policy in the direction of areas where Norwegian society is especially well qualified, such as energy and the environment, can be seen in how the budgets are distributed, but the increased allocations for these priority areas have not yet produced proven results.

Norway's development policy shows the strongest results when it is concentrated on select issues and when global and country-level efforts are linked. This is seen most clearly in the global health initiatives, where Norway has invested political capital, money, research and technical assistance, for instance in vaccines. In the effort to achieve the fourth and fifth Millennium Development Goals, which are to reduce child and maternal mortality, Norway's efforts have the potential to have a significant impact over and above Norway's relatively modest donor role, but the results of this global policy initiative are not yet known. The global health initiatives also point to risks and dilemmas for Norwegian development assistance: aid provided through global funds and programmes is effective in the short term, but faces a risk of undermining the multilateral work done under the auspices of the UN and the development banks, and to neglect the desire for recipient control.

Norwegian development policies and development assistance seem to achieve the best results when Norway simultaneously involves itself in political dialogue, technical programme development and specific efforts in selected sectors or thematic areas, where local forces demand results, such as in primary education. This need for linkage is found both between global and national efforts and between national and local efforts in individual countries. By working both politically and on concrete measures in limited areas, we can help to bring the experience gained and the lessons learned from actual results and processes of change back to the policy-makers.

In low-income countries, Norwegian assistance has the same types of effect as other international assistance. The analysis of 15 years of Norwegian assistance for Zambia shows that long-term results have been achieved when aid has been concentrated, of good quality, and maintained over a long period of time. In cases where aid has not been strongly based on the target groups' own needs, or has not been maintained over time, the results have been weak. In certain periods, Norwegian development cooperation with Zambia has been characterised more by a technical approach than by a broader political understanding of the situation. Norwegian development assistance is flexible in its cooperation with individual countries, which the recipients appreciate. But in Zambia too, there are signs that flexibility may be at the expense of focus on results.

Norway's development policies address thematic areas and sectors that are relevant for the achievement of Norwegian and international goals for poverty reduction, peace-building and development. The analyses in the *2007 Results Report* show both good and poor results in all sectors and thematic areas, with no clear patterns that enable us to determine whether Norway's efforts in some sectors are more effective than in others.

To a relatively large extent, Norwegian development assistance is channelled through non-governmental organisations and the UN. This is due both to a strategic desire to strengthen these organisations and to the strong Norwegian focus on humanitarian aid and assistance to promote good governance and democratic development, which are high on the agenda at the UN and in civil society. The results from these channels of assistance are so diverse that it is impossible to draw general conclusions about impacts and effectiveness. Assistance for good governance is perhaps the area where it is most difficult to progress from goals and measures to actual results. We have to spend a great deal of time and energy on avoiding factors such as corruption, when we should rather have been devoting our energy to helping target groups to achieve access to essential services.

Norwegian development policies and assistance have expanded significantly in recent years, in terms of both political initiatives and budgets. This increase, combined with a desire for greater flexibility and clear political control, poses three important challenges for the Norwegian aid administration as regards achieving effective results:

- ❖ The Government must implement its active development policy in cooperation with the authorities of poor countries, multilateral agencies and civil society organisations. Our partners want as few limitations as possible on how the money is spent, which is also an important element of Norwegian development policy. In the interface between the desire for active political control and local ownership, it may be more difficult to determine which results Norwegian development assistance is trying to achieve and be assessed on the basis of.
- ❖ The aid administration, i.e. the Ministry of Foreign Affairs, Norad and Norwegian foreign missions, in partnership with Norwegian expertise, must have sufficient competence and capacity to monitor the implementation of the political initiatives right up until the time they

achieve results at various levels. The more fragmented international and Norwegian aid becomes, the more competence and capacity will be required in the aid administration to achieve results.

- ❖ Norway must prioritise its development policy goals, thematic priority areas, partners and funding channels on the basis of an assessment of how it is possible to achieve the best results for the target groups and countries we wish to assist. However, there is no universal system for management by goals and results in the Norwegian aid administration. Consequently, this report cannot deliver a comparison of the effectiveness of different channels and sectors either.

The results of Norway's international development cooperation 2007 presents results – both good and weak – in all areas of Norwegian development assistance without losing its sense of reality. We are aware that we are small and that many far stronger forces determine living conditions for the target groups of development policy and aid. This makes it even more important to use aid effectively to achieve development policy goals.





Foto: Africa Hotel/Alamy

PART

Analysis of the
results of Norwegian
development assistance





.....
African woman in her maize field outside Lusaka, Zambia. Zambia is one of the countries where the living conditions for most people have not improved significantly despite high economic growth in recent years and extensive international aid. // Photo: Bjørn-Owe Holmberg/Samfoto
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The overarching goal of all Norwegian and international development assistance is to promote economic and social development and reduce poverty in the world. UN Millennium Development Goal No. 1 is to halve extreme poverty by 2015. Aid alone cannot ensure that this goal is achieved. The most important efforts are made by the authorities and the people themselves in the developing countries. Peace and security are fundamental prerequisites. The international community has committed itself to making a contribution by providing aid, and by creating economic conditions for trade, investment, access to capital, technology and knowledge that will benefit poor countries.

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**EXTREME POVERTY IS BEING REDUCED
– AND MILLENNIUM DEVELOPMENT
GOAL NO. 1 CAN BE ACHIEVED**
.....

The most important result from development in recent years is positive: the number of poor people in the world has declined. In 1990, more than 1.2 billion people were living in extreme poverty¹⁶, equivalent to approximately 32 per cent of the population in developing countries. In 2004 the number had dropped to 980 million, equivalent to 19 per cent¹⁷. An increasingly large proportion of extremely poor people are women, who now account for around two thirds of all people living in extreme poverty. Calculations indicate that the world will reach the

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¹⁶ These figures are based on UN Millennium Development Goal No. 1, where extreme poverty is defined as an income of less than the purchasing power of “one-dollar-a-day”. There are many other methods for measuring poverty, and this is the subject of considerable international scientific and political debate. Some methods set the poverty line higher, others analyse relative poverty. Some methods also include access to public services, access to natural resources, freedom of choice, etc. In this report, we are using the international definition for the Millennium Development Goals.

¹⁷ Due to population growth, the number of people living in extreme poverty is not falling as quickly as the percentage.

goal of halving extreme poverty by 2015, and it is possible that the percentage may then be as low as 10 per cent.

As shown in Figure 11, the greatest improvements have been in East Asia and South-East Asia, which include China, Vietnam, Thailand and Indonesia. In South Asia, which includes large countries such as India, Bangladesh and Pakistan, extreme poverty has also declined. In sub-Saharan Africa, development is slow and it was hardly possible to see any change between 1990 and 1999. Since 2000, the number of people living in extreme poverty has declined also in Africa.

While extreme poverty (less than a dollar a day) is declining, the number of people living on between one and two dollars a day is increasing. Approximately 1.7 billion people are at this level. Combined with the almost one billion living in extreme poverty, poor people totalling 2.7 billion comprises more than half of the population in developing countries. In many countries, income inequalities are also increasing in such way that social and political tensions are growing and the basic preconditions for a balanced economic growth are weakened.

The most important driving force behind the decline in extreme poverty is economic growth,

POVERTY REDUCTION, ECONOMIC GROWTH AND DEVELOPMENT ASSISTANCE

1





FIGURE 11 Extreme poverty is declining in all regions (except the Middle East) (Proportion of the population living on less than one dollar per day in 1990, 1999 and 2004. Per cent.)



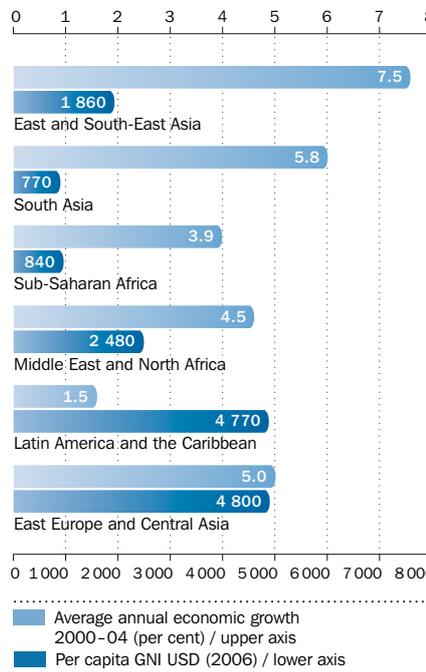
Source: UN

and many studies confirm that higher growth results in quicker poverty reduction¹⁸. At the same time, studies show that if income distribution is very uneven to start with, the poverty reduction effects of growth are weaker. Many other factors also play a role. An active industrial and distribution policy can have a significant impact. It is therefore important how growth takes place in various economic sectors and regions, and whether certain groups are socially and economical-

18 Cf., for instance, The World Bank World Development Report 2006: Equity and Development, pp.84-88.

19 OECD/DAC is the most important source of figures for official development assistance.

FIGURE 12 Economic growth and per capita GNI (Percentage growth. Per capita GNI in USD)



Source: World Bank.

ly marginalised. In general, the future challenge will be to promote both economic growth and improved distribution of income in order to achieve as much poverty reduction as possible. For the poorest countries, economic growth is a necessary precondition for achieving a significant reduction in the number of poor people.

STRONGER ECONOMIC GROWTH

Economic growth has been strongest in East and South-East Asia in recent years, where China is the driving force. In South Asia, where India is dominant, growth rates are also high, and sub-Saharan Africa is now experiencing positive growth too, see figure 12. Growth in Africa is having less effect on average income due to high population growth, and growth has been strongest in the oil-exporting countries. Four out of Norway's main partner countries, namely Mozambique, Tanzania, Uganda and Zambia have also experienced strong growth in recent years.

The reasons why many countries are achieving strong economic growth while others are stagnating, vary. Some countries are experiencing good export opportunities and high commodity prices. Much depends on eco-

nomical policy, an enabling environment for investments, the quality of administration, the level of corruption and infrastructure. The level of education and the degree of social and political tensions are also important.

Many of the countries that have experienced weak, zero or negative growth are among the 50 countries defined by the UN as least developed countries (LDCs). There is a group of countries, which partly overlap with the LDCs, that suffer from extensive violent conflicts or poor governance, with widespread corruption and poorly functioning institutions. These countries, which are known as fragile states, are described in more detail in Chapter 4.

DEVELOPMENT ASSISTANCE IS INCREASING BUT CAN BE MORE EFFECTIVE

International development assistance has increased rapidly in recent years, from around USD 50 billion in 2000 to approximately USD 105 billion in 2005 and 2006. The high levels in 2005 and 2006 are, however, largely due to additional allocations following the tsunami disaster and the earthquake in Pakistan, extraordinary increases for Afghanistan and Iraq, and a high level of debt relief for countries such as Iraq and Nigeria. Long-term development assistance for other countries has remained more or less constant in fixed prices since 2000.

Development assistance is not the main driver for stimulating global economic growth, nor for poverty reduction. Development aid is nevertheless of great significance, especially in the poorest countries. It should also be recalled that development assistance has several objectives, and poverty can be addressed in many ways; directly by targeted initiatives for the poorest people and indirectly by support to functioning states and institutions. Development assistance is also used to promote the rights and equality of women, democracy and human rights, and environmental sustainability. Measures such as these may indirectly contribute to reducing poverty.

Most donors also use development assistance to promote their geopolitical, commercial or security interests, or other special interests. Similarly, many aid recipients use these resources to promote their own inter-

ests and secure their positions of power. These kinds of misuse of aid funds reduce the effect of aid and undermine the possibilities for reducing poverty and achieving the Millennium Development Goals.

Many poor countries are highly dependent on aid, both in the public sector and in civil society. For these countries, questions have been raised about the overall impacts of aid; whether aid produce results, or whether in some countries it has had a negative effect by preventing the emergence of national economic and political processes. This is an important ongoing international debate²⁰. The issue is not whether individual projects are successful or not. More important questions concern whether aid financing of good projects leads to the redistribution of other resources for less relevant purposes, or whether aid attracts too many of the country's best human and other resources. There may also be a danger that aid reduces a country's own efforts such as tax collection, and creates aid dependency. Aid may also strengthen the power of bad leaders and may be subject to corruption if there is a lack of control and transparency.

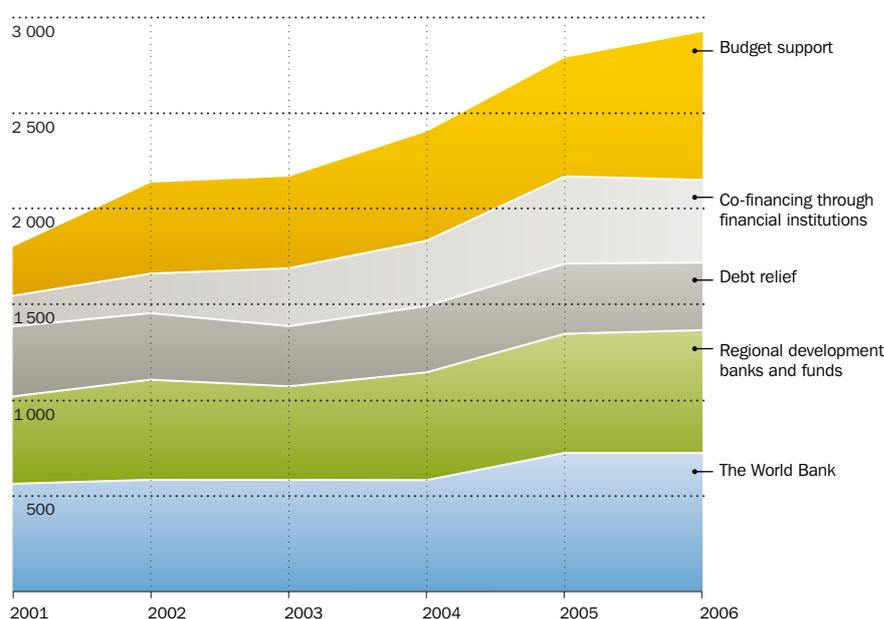
Questions have also been raised about whether aid has provided sufficient incentives for saving and investment, and whether it has created imbalances in national economies. Questions such as these can never be fully answered with the help of economic and statistical models. Some studies indicate that a high level of aid for aid-dependent countries with weak policies has hampered a transition to more growth-oriented development. Nevertheless, most major studies show that international development assistance, combined with good governance and good policies, usually leads to stronger economic growth and more rapid poverty reduction.

International development aid consists of many hundreds of thousands of individual activities, projects and programmes. Aid is channelled through multilateral organisa-

20 Books published in recent years, written by William Easterly, Jeff Sachs, Roger Riddell and Paul Collier, make important contributions to this debate.

21 Adopted by the OECD/DAC High Level Forum, March 2005.

FIGURE 13 Norway's development assistance for general non-sector development (NOK million)



Source: Norad.

tions, bilateral agencies and non-governmental organisations to around 150 recipient countries, where the recipients include government agencies, institutions, enterprises, NGOs and local communities. Aid is generally earmarked for specific sectors or purposes and donors expect good reports and accounts for each individual activity. This can impose a considerable strain on the recipient apparatus. Donors have been trying to simplify this system for many years by delegating more responsibility to recipients, integrating aid into partner countries' plans and systems, concentrating aid on fewer sectors and programmes, and improving the coordination of aid. The Paris Declaration on Aid Effectiveness²¹, which has been adopted by all OECD and multilateral donors, is an important instrument in this connection. In practice, efforts to increase the effectiveness of international efforts has made slow progress, partly due to the self interest of many of the stakeholders.

In recent years, many new donor countries have entered the scene, in addition to the established donors in the OECD countries. This involves China, India, Malaysia and oil-rich nations in the Middle East. Many private funds have assets that far exceed those of medium-sized donor countries like Norway. New sources of aid, such as taxes on inter-

national air travel and other global common goods may become a growing, independent source of resources.

RESULTS OF NORWEGIAN ASSISTANCE FOR GENERAL DEVELOPMENT AND POVERTY REDUCTION

The results of aid for specific sectors will be discussed in the following chapters. Here the focus is on general budget support for some of Norway's partner countries, aid provided through international financial institutions, and general debt relief. Norway does not earmark these types of aid. The main goal is to strengthen the recipient government capability for implementing their poverty reduction strategies. Norway's total contributions to budget support for nine partner countries amounted to NOK 780 million in 2006, while Norway's contribution to the World Bank, the regional development banks and debt relief totalled NOK 2,200 million. Added together, these items amounted to more than 15 per cent of the total aid budget.

Budget support

In recent years, Norway has provided general budget support for nine countries: Malawi, Mozambique, Nicaragua, Tanzania, Uganda (earmarked for the "Poverty Fund"), Zambia, Afghanistan, the Palestinian Territory and Timor-



Leste. In the latter three countries, Norway's contribution was channelled through a multi-donor fund administered by the World Bank. From 2007 Norway also provides budget support for Burundi through the World Bank.

Budget support is one of the most debated forms of aid because donors cannot earmark contributions and cannot follow the funds to their final destination. Some critics maintain that this form of assistance is used for non-developmental purposes without sufficient control. However, budget support is usually based on a joint agreement with all donors, and linked to a reform programme with a number of indicators that are jointly monitored by donors and the authorities. On several occasions, budget support has been suspended when the agreed conditions were not fulfilled. This happened i.a. in Malawi in 2002-2004 when the financial management of the central government budget was way off-track.

A major international evaluation²² was carried out in 2004-05 of general budget support to seven countries, four of which (Malawi, Mozambique, Nicaragua and Uganda) receive budget support from Norway. Its conclusions were largely positive: budget support is an efficient, effective and sustainable instrument for supporting national poverty reduction strategies. It has produced results particularly in terms of improved capacity for public finance management, with useful effects on the allocative and operational efficiency of public expenditures.

The evaluation also showed that the most important positive results were achieved because aid in the form of budget support was

22 *Evaluation of General Budget Support*, commissioned by 24 donors and 7 recipient countries, carried out by the International Development Department at the University of Birmingham and associates, May 2006.

23 *Review of Transition Support Programme (TSP) and Appraisal of Consolidation Support Programme (CSP) to Timor-Leste*, prepared by Rasmus Bakke and Arve Ofstad, Norad, January 2006.

24 *Review of Development Cooperation in Timor Leste*, prepared by Scanteam, Norad Report 7/2007 Review.

25 The International Development Association (IDA) is the World Bank's development fund, which provides loans on development assistance terms, mainly to low income countries.

more effective and coherent, and better aligned with national conditions. Budget support has strengthened the budget process in the countries concerned and improved their capacity, oversight and ownership of development programmes. The fact that more resources go through countries' own budget systems and that they are controlled more effectively has led to an increase in public services, especially in the health and education sectors. It was, however, difficult to document how this has improved quality and access for users. Nor could the evaluation find clear impact of budget support on poverty reduction with any degree of certainty. The study maintains that the other positive results make it likely that the impact on poverty reduction is positive over a longer period of time.

The study confirms that budget support has contributed to strengthen macro-economic stability, except when the level of budget support varies strongly, as in Malawi. Budget support does not have a negative impact on recipients' motivation to generate their own revenues, in the form of taxes and duties. Nor are there any clear signs that budget support is more susceptible to corruption than other types of development assistance. In some countries, budget support has helped put the environment, women and HIV/AIDS higher on the national agenda and to incorporate these themes into the budget processes.

At the same time, the study confirms that budget support may lead to higher political risk and instability, and that poverty reduction is dependent on whether countries' poverty reduction strategies are of adequate quality and are implemented in practice. Budget support should be combined with other types of assistance. The evaluation reminds us that many special interests are involved, both among recipients and donors, and that results depend on there being genuine agreement on reforms and priorities.

Budget support for countries in crisis

A review²³ carried out in 2005 concluded that budget support for Timor-Leste was relatively successful and contributed essential financing for the government apparatus in the first year following independence. This helped stabilise the situation in the most difficult transitional period. In Timor-Leste, budget support was vitally important in ensuring a high stand-

ard of financial management, and promoted good administrative routines for budget management and public planning. The financial importance of budget support declined when oil revenues increased significantly from 2004 onwards. Many reforms were introduced and negotiated as part of the budget support programme, including improved gender policies in all ministries. The review concluded that insufficient attention had been paid to employment and private sector development, and that this might exacerbate social tensions in the country. This was partially confirmed by the political crisis and riots in Timor-Leste in April 2006. A new review²⁴ of international development assistance for Timor-Leste, carried out in 2007, confirmed the lack of focus on employment by international donors. It emphasised, however, that the greatest mistake was not related to budget support but the lack of attention paid by donors to the negative trends in the security sector.

Aid provided through the World Bank and the regional development banks

Norway's contributions to the multilateral financial institutions are allocated to the World Bank's International Development Association (IDA)²⁵ which receives approximately NOK 730 million per year, the African Development Fund which receives around NOK 440 million per year, and smaller allocations to the Asian Development Fund, the Inter-American Development Bank, and the International Fund for Agricultural Development. Norway has also contributed more than NOK 400 million per year in the form of co-financing earmarked programmes together with the development banks, most of which were with the World Bank.

Norway's financial contribution to the World Bank's International Development Association (IDA) amounts to 1.68 per cent. Norway contributes to policy-making in the bank through the Nordic/Baltic executive director, and engages in active dialogue with many of the bank's departments. In global terms, IDA is the second largest aid donor after the USA and the World Bank is the dominant aid player in many low income countries. In 2006, the IDA approved new loans totalling USD 9.5 billion, equivalent to approximately NOK 57 billion, or almost seven times Norway's bilateral development assistance budget.

In its *Annual Review of Development Effectiveness*, the World Bank's Evaluation Department summarises a large number of independent evaluations from all areas of activity. The 2006 report found that 88 per cent of all recently completed projects had produced satisfactory or better results. The report emphasises that results at project level do not necessarily lead to results at macro level. The analysis shows that the bank may have helped promote economic growth in many countries, but that the impact of growth in terms of reducing poverty has varied. The World Bank has focused strongly on the macro-economic and institutional prerequisites for growth. It has put less emphasis on growth patterns that may lead to rapid poverty reduction, such as employment generation and development of backward regions and rural industries. The report shows that positive results are achieved more often when interventions are well defined and within an institutional framework established by the recipients' own authorities. Long-term commitment is necessary, and a desire for rapid results and rapid changes in priorities may easily undermine good results.

The World Bank also carries out numerous analyses of development effects on the programmes' target groups. More than 90 studies have been carried out in 20 different countries in Africa under the *Africa Impact Evaluation Initiative*.

In addition to its financial contributions to the World Bank, Norway seeks to influence its policies and practices. The following are some examples of Norway's positions:

- ✚ Norway was actively involved in finding alternatives to the structural adjustment programmes that the International Monetary Fund (IMF) and the World Bank imposed as conditions for new loans and debt relief in the 1980s and 1990s. Following a broad international debate, the IMF and the World Bank changed the preconditions for debt relief in 1999. Countries have since been required to prepare poverty reduction strategies, based on an extensive process of dialogue with the entire population.
- ✚ Norway has in recent years strongly insisted that the World Bank adhere to its policies and not impose privatisation and liberalisa-

tion against the wishes of recipient countries. Even though it has been shown that in some cases such requirements are still imposed, conditions are normally formulated and agreed in negotiations between recipient countries, the World Bank and other donors.

- ✚ Norway has supported the idea that the bank must be more active and relevant in war-affected and crisis-torn countries and must contribute to peace-building and reconstruction at as early a phase as possible. In the course of 2006-2007, the World Bank has intensified its efforts in fragile states, changed its recruitment policy to strengthen staffing in such countries and placed more emphasis on active cooperation, especially with the UN, in the initial transitional years after a peace settlement has been reached.
- ✚ In 2005, the Nordic-Baltic constituency took the initiative to put human rights higher up on the World Bank agenda, and a Nordic Fund for Human Rights and Judicial Reform will be established in autumn 2007.
- ✚ In 1999, Norway established a trust fund at the World Bank to strengthen work on environmental issues, poverty assessments, social development and protection. Through this fund, the World Bank has developed and tested a methodology for analysing the effects of extensive policy reforms on poverty and income distribution. This methodology is now in use extensively by the bank when making socio-economic impact analyses.

Important lessons learned

Poverty is being reduced rapidly in large parts of Asia, and there are signs of positive development in parts of Africa. Experience tells us that unless there is economic growth in the poorest countries, there will be no poverty reduction in those countries. There is no automatic connection between economic growth and poverty reduction, however. If impoverished people are to achieve their share of progress, they must participate in production and income-generating activity. Development assistance and dialogues can contribute to such development, even though the main responsibility rests with the authorities and the population of the country concerned.

The road from development assistance to results is long. Many factors other than international aid contribute to economic growth and poverty reduction, and Norwegian aid constitutes only a fraction of international aid. Nevertheless, results achieved from Norwegian aid can be important steps along this road.

Budget support can be an effective form of aid to promote poverty reduction in countries where conditions are conducive. Evaluations have so far confirmed that budget support has promoted steps in the right direction. The effect of budget support on poverty reduction is more difficult to document.

A development giant like the World Bank has difficulties, just like other donors, in documenting results in the form of long-term development effects. Many of the conclusions from the World Bank's Evaluation Department on the importance of long-term commitment, and on cooperation with national authorities that genuinely tries to create good conditions for development, do nevertheless also apply to Norwegian development assistance.

2

HEALTH



In Malawi, 70 per cent of positions in the health service are vacant. Health personnel have left their jobs due to tough working conditions, low wages and better opportunities in western countries. // Photo: Ken Opprann



Poor health keeps countries trapped in poverty. Poor people usually die due to causes that can be prevented and treated with simple means. Targeted investments in health services have resulted in significant health and economic gains, even in poor countries. Norway accounts for between two and three per cent of international assistance for health. Norway's efforts are based on the UN Millennium Development Goals.

Poverty, discrimination and social inequality are underlying causes of poor health. A well-functioning health service is a necessary but on its own an insufficient prerequisite for the achievement of good health. Activities in most areas affect health outcomes, including economic growth, environmental and climate measures, access to clean water, good sanitation and proper nutrition. Education, especially for girls, is also a priority area that generates significant health gains.

Progress is being made, but mostly for the rich

Never before has the world's population, on average, been as healthy as it is now. Average life expectancy has increased from under 50 years in 1950 to more than 65 years,

and today the chances of a child living to see its fifth birthday are twice as high as they were in 1950.

This progress conceals large, growing health gaps. While life expectancy in rich countries is 78 years, in the poorest countries it is 51 years. In the countries that are most affected by AIDS it is less than 40 years. 98 per cent of infant deaths and 95 per cent of maternal deaths occur in developing countries. Developing countries bear 90 per cent of the world's disease burden, but they have access to only 12 per cent of the world's total health budget.

The disparities between poor and rich people in individual countries are also growing.

FIGURE 14 Child mortality 1960 - 2015

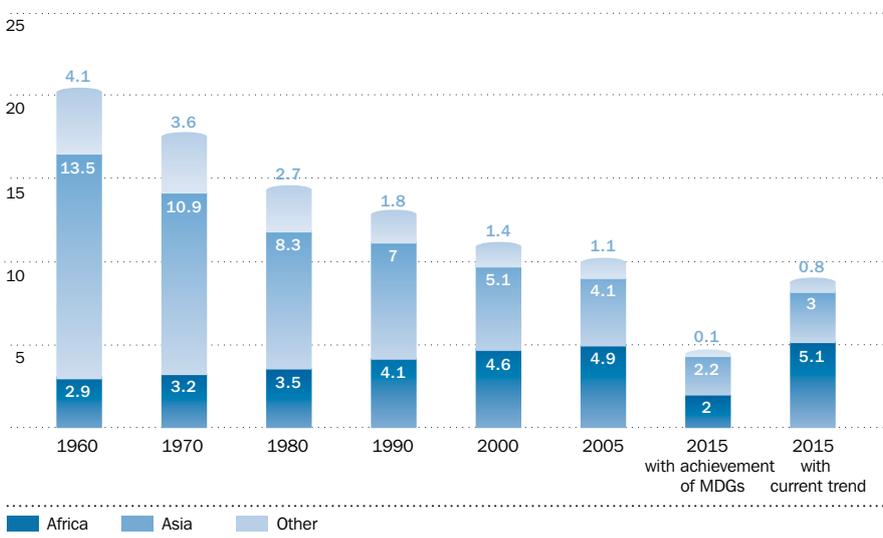
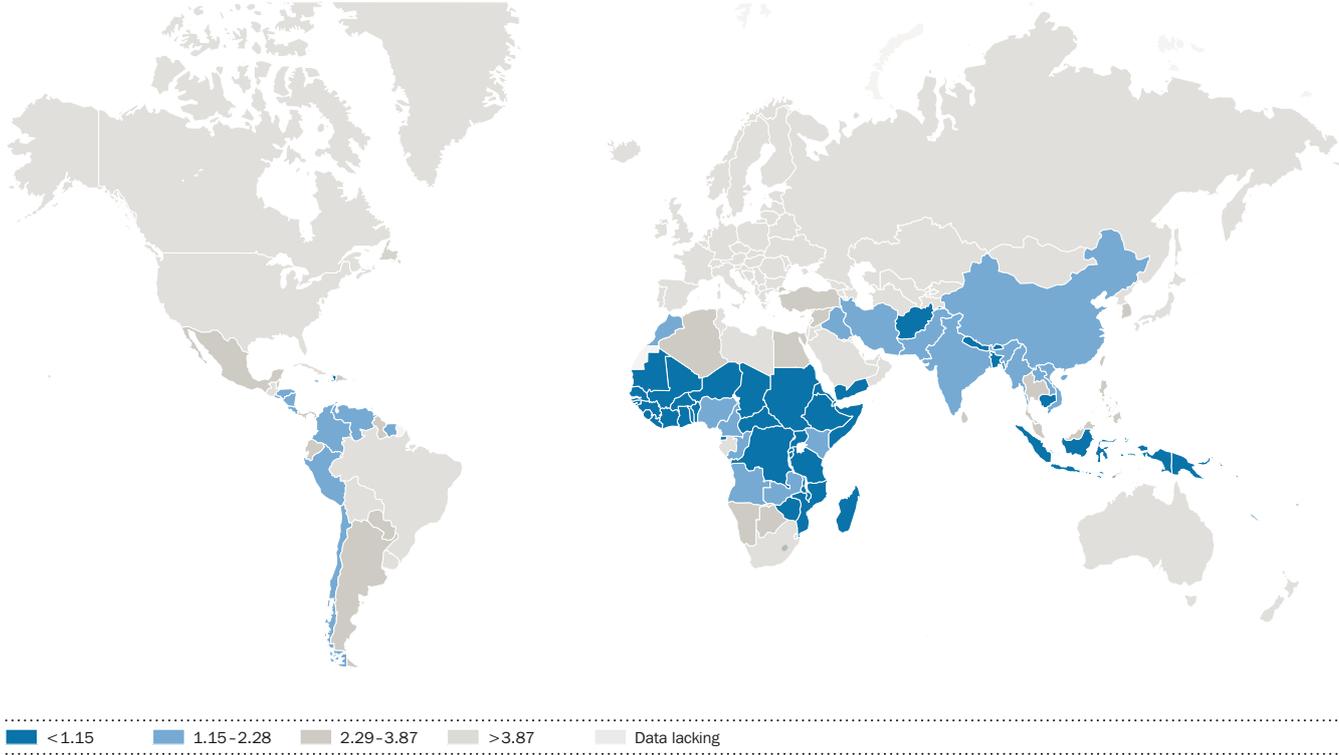


FIGURE 15 Countries with a critical shortage of health workers (per 1000 population. Dark colours indicate a shortage)



Source: WHO, 2006.

The situation for girls and women is particularly bad. In Africa, girls account for 70 per cent of all new cases of HIV infection in the 15-24 age-group.

While disease burden in absolute numbers is greatest in populous countries such as India, Nigeria and Pakistan, the worst statistics are found in fragile states. Of the twelve countries where more than one out of every five children dies before the age of five, nine have suffered from armed conflict in the previous five years. While Afghanistan and Sierra Leone have a maternal mortality rate of around 2,000 per 100,000 births, the maternal mortality rate in Norway is 10 per 100,000 births.

Sub-Saharan Africa bears one quarter of the world's disease burden but has only three per cent of the world's health workers and one per cent of the world's health budget. Approximately 25 million people in Africa have so far died of AIDS. In several African countries, up to one quarter of the population between the ages of 15 and 49 is in-

fectured with HIV, with serious human and societal consequences.

Health care systems in crisis

The Millennium Development Goals help to mobilise efforts and increase focus on results, but say less about how the world community should work to achieve them. While large allocations have been made to fight AIDS, malaria and tuberculosis and for vaccination programmes, investments in national health systems have lagged behind in recent decades. In many developing countries, the situation is catastrophic in terms of infrastructure, manpower and medicines, as well as in terms of financing schemes and research. Cancer, diabetes, cardio-vascular diseases and obesity are on the rise and making growing demands on meagre resources.

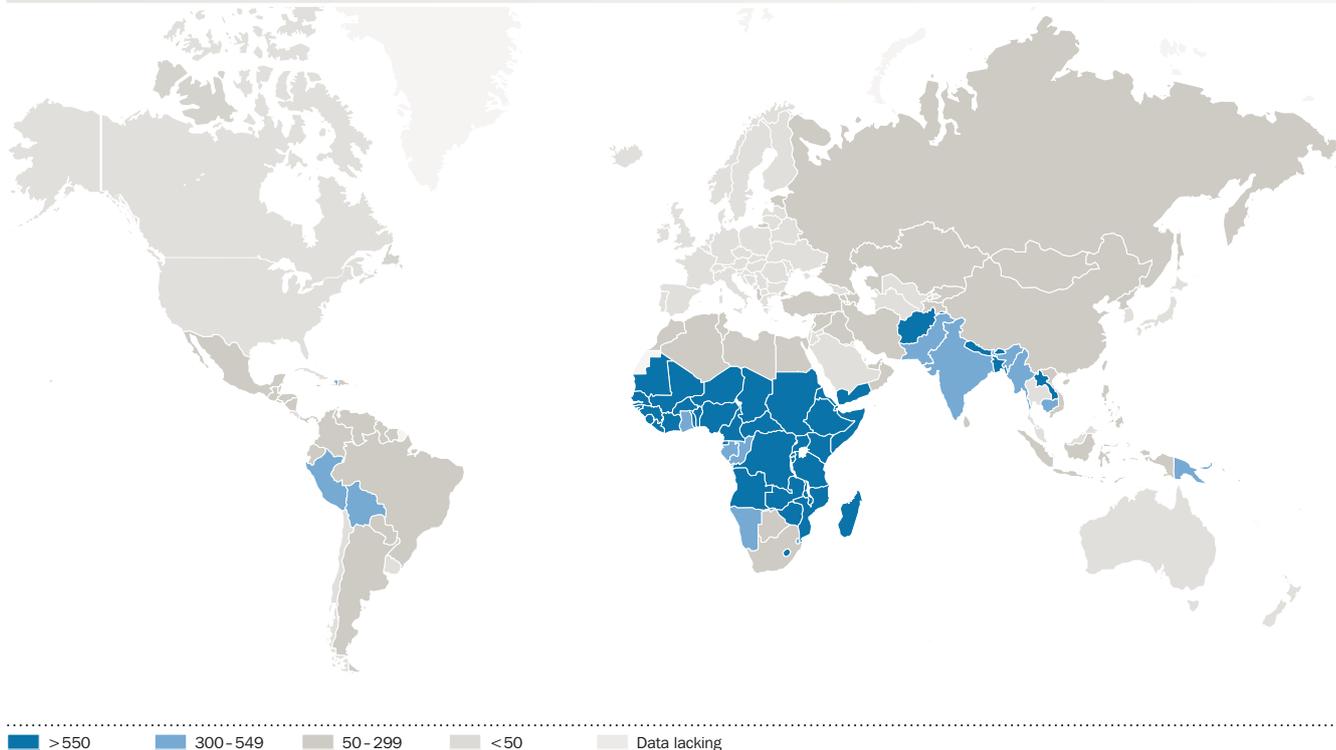
In such conditions, it is difficult for health personnel to do a good job and many are leaving their jobs. There is extensive migration of health workers from poor to rich countries, and recruitment is declining. The HIV/AIDS pandemic poses an additional burden, both due to the increased need for treatment and care and because health personnel also get sick.

The World Health Organisation (WHO) has estimated that there is a critical shortage of doctors, nurses and midwives in 57 countries, 36 of which are in sub-Saharan Africa. African countries need around one million more health workers to be able to deliver basic health services, and WHO estimates that the world will lack four million health workers in 2015. Unless the health personnel crisis is solved, the world will not achieve the health-related Millennium Development Goals.

Globalisation has turned public health into a common challenge. New threats to health, such as climate change, bird flu, AIDS and SARS point to our collective vulnerability and the importance of cooperating across national borders. WHO estimates that one new disease has appeared each year since 1970 due to population growth, urbanisation and environmental degradation. The risk of infection spreading is growing due to a high level of mobility and increasing resistance. In the worst case, an influenza pandemic may affect one quarter of the world's population²⁶.

The world is facing major demographic changes. The number of elderly people in the rich countries will accelerate around 2013 when

26 "The World Health Report 2007: A safer future", WHO 2007.

FIGURE 16 Countries with the highest maternal mortality rates (per 100,000 births in 2000)

Source: WHO, WHR 2006.

the post-war baby-boomers become pensioners. This will pose a serious challenge for health care and support services. Statistics Norway (SSB) estimates that the shortage of health workers in Norway will increase towards and after 2025. The way in which Norway and other rich countries choose to meet their need for health workers in a globalised labour market may have serious consequences for health services in poor countries²⁷.

Good intentions but poor coordination

International development assistance for the health sector is growing rapidly and, according to the OECD, increased from NOK 36 billion in 2000 to NOK 84 billion in 2005. The UN estimates that it is necessary to invest NOK 150-300 billion a year to be able to achieve the Millennium Development Goals for health.

27 *En solidarisk politikk for rekruttering av helsepersonell* (A solidarity policy for recruitment of health personnel), Norwegian Directorate for Health and Social Services 2007.

28 *Scaling up to achieve the health MDGs in Rwanda. A background study for the High-Level Forum Meeting in Tunis, June 2006*. Ministry of Economics and Finance and Ministry of Health, Rwanda, May 2006.

With more than 40 bilateral donors, 20 global and regional health funds and 90 global health initiatives, development assistance for health and AIDS is probably more complicated than in any other sector. An unclear division of labour is exacerbating the situation.

The increase in health aid has largely targeted individual diseases and been channelled to specific initiatives. Despite some positive results, this has side-effects. Not only is financing for wages and delivery of basic health services not covered, in some countries the national authorities face a major challenge in coordinating the activities of the various partners.

RESULTS OF INTERNATIONAL HEALTH AID

The effect of international health assistance is relatively easier to measure compared with many other sectors and development efforts. A great deal has been done to strengthen health monitoring systems and in some cases health effects can be traced back to specific actions. It has been well documented that well-planned and well-implemented health measures can bring health gains, even in poor countries with weak health services.

Fragmented health sector in Rwanda²⁸

Since 1994, Rwanda has made great progress in rebuilding its social structures. The health budget increased from 2.5 per cent of the central government budget in 1998 to 10 per cent in 2005, half of which was donor-financed.

Only 14 per cent of health aid for Rwanda goes to the Ministry of Health, while more than half goes directly to non-governmental organisations. Development assistance is unpredictable and varies from one year to the next. In 2005, NOK 276 million was earmarked for HIV and AIDS, NOK 108 million was earmarked for measures to combat malaria and NOK 6 million was earmarked for treating children's diseases.

Under such conditions, it is impossible for the health authorities to deliver basic health services and plan for the long term.

The US-based Centre for Global Development has collated 20 evaluations which show that a number of major health, nutrition and population programmes have saved millions of lives and contributed towards a healthier, more productive population²⁹. The elimination of smallpox has prevented 45 million deaths in the last 30 years, and the eradication of polio is close at hand.

Vaccination campaigns against measles in Africa, supported by WHO, UNICEF and the Red Cross, reduced the number of deaths from measles by 75 per cent in the period 1999-2005 (from 506,000 to 126,000)³⁰. Quality-assured estimates also show that the Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM) saves 110,000 lives every month and that the Global Alliance for Vaccines and Immunization (GAVI) has prevented more than two million deaths since its establishment in 2000.

Public health can be improved, even in countries without high income levels or rapid economic growth, provided there is peace and authorities give priority to the social sectors. Experience from Chile, Cuba, Sri Lanka and the Indian state of Kerala show that investment in basic health and education services and promotion of gender equality have re-

29 R. Levine and the "What Works" Working Group, "Millions Saved: Proven Successes in Global Health", Centre for Global Development, 2004.

30 Joint News Release by the Measles Initiative/WHO/UNICEF/ARC/UNF, 19 January 2007, New York.

31 Tanzania Essential Health Interventions Project, IDRC.

32 Priorities in health, Jamison D et Al., Disease Control Priorities Project, The World Bank, 2006.

33 Soares, Rodrigo R., "On the Determinants of Mortality Reductions in the Developing World" (January 2007). NBER Working Paper No. W12837.

34 "Global Health – an introductory textbook", Lindstrand, Bergström, Rosling, Rubenson, Stenson og Tylleskär. Side 89, Studentlitteratur 2007.

35 Health Aid and Infant Mortality, P. Mishra and D. Newhouse, IMF Working Paper, April 2007.

36 *Increasing Investments in Health Outcomes for the Poor, Commission on Macroeconomics and Health, WHO, 2002.*

37 Bloom, Canning, The Value of Immunization, World Economics July-September 2005.

sulted in health standards on a par with far wealthier countries. Guinea, Eritrea, Ethiopia and Mozambique reduced child mortality by 45 per cent between 1990 and 2005. In the Rufuji district of Tanzania, child mortality was halved in the period 2000-2003 by increasing the health budget by NOK 6 per person and organising the health service more efficiently³¹.

Economic growth and improved living standards alone cannot explain the dramatic improvement in health status since the 1950s. In our part of the world, improved health was a result of improved nutrition and socio-economic conditions, and less of specific health interventions. There is growing evidence however that health interventions – access to health services, vaccines, medicines and health promotion – are one of the main reasons for the increase in life expectancy in developing countries in the past 40 years.^{32, 33, 34}

Development assistance plays an important role in the financing and implementation of health measures in poor countries. Many of the targeted health programmes in poor countries and regions are partially or fully financed by development assistance funds. AIDS treatment in poor countries in the last five or six years is one of the most concrete examples of global coordination and solidarity. Two million AIDS patients – still only one in five of those who need it – receive life-prolonging treatment. This initiative is largely financed by development assistance. Humanitarian aid is another type of assistance that directly helps to save lives and alleviate distress. The distribution of vitamin A capsules is largely donor-financed and helps to save half a million children each year.

Development assistance is used in many countries to finance a large proportion of countries' own health budgets. In this case it is easier to find a connection between the assistance that is provided and the results that are produced. On average, 35 per cent of national budgets in African countries are donor-financed. In Malawi, more than half the health budget is donor-financed.

Research is another field where development assistance plays an important role. Public and private development assistance funding now finance most of the increase in research to

develop new medicines and vaccines against diseases that primarily affect poor countries. While only 13 new products became available in the period 1975-1990, at least eight new products are anticipated to enter the market in the next three to five years.

While the effects of individual measures over time have become better documented, there is less knowledge about the overall effect of health aid on public health. A recent study³⁵ by the International Monetary Fund (IMF), which looked at 118 countries in the period 1973-2004, concludes that health aid has had an effect on infant mortality and that doubling per capita health aid reduces infant mortality by two per cent. The analysis also indicates that health aid has become more effective since 1990.

An investment that pays off

It has traditionally been thought that good health automatically follows from economic growth. But there is an opposite effect, too: improved health can promote economic growth. The report of the WHO Commission on Macroeconomics and Health for 2001 provides evidence that investment in health is a prerequisite for economic growth and poverty reduction³⁶. Here are some examples:

- ∴ Efforts to eliminate guinea worm from drinking water has prevented disability and generated an economic return of almost 30 per cent.
- ∴ Immunization produces as good a socio-economic return as investment in primary education.³⁷
- ∴ In 2004, economists estimated that investments in combating infectious diseases and malnutrition, and in clean water and improved sanitation, would produce the very best return out of a range of different interventions.

Disease is itself an important cause of poverty. Every year, 100 million people fall below the poverty line due to health expenditure in connection with illness in the family.

The main conclusions are that:

- ∴ Health-related efforts have made a substantial contribution to health gains in developing countries since 1960 – possibly accounting for around half the increase in life expectancy. Economic growth and improved social conditions are other main reasons.

- ✧ Health aid has in all probability played a significant role by contributing to the planning and financing of both targeted health measures and developing countries' health plans.
- ✧ All in all, the effect of health aid appears to be more positive and easier to demonstrate than many other types of aid, and there is reason to believe that investments in health have generated a good return.

RESULTS OF NORWEGIAN HEALTH AID

Norwegian funding for health and AIDS accounts for between two and three per cent of total international health aid. In 2006, approximately NOK 2.6 billion of the Norwegian development assistance budget was spent on health and AIDS. By comparison, this is equivalent to approximately half of the annual budget of Ullevål University Hospital in Oslo.

The increase in health aid has mainly occurred in the area of vaccination and of HIV/AIDS and has been channelled through multilateral organisations. Contributions to the Global Alliance for Vaccines and Immunization (GAVI) and the Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM), which were established at the start of the new millennium, now amount to almost NOK 800 million per year. Contributions to the UN AIDS Programme (UNAIDS), the World Health Organisation (WHO), the UN Population Fund (UNFPA) and the UN Children's Fund (UNICEF) have also increased. Approximately 70 per cent of Norway's assistance is channelled through multilateral organisations, and the remaining 30 per cent is roughly divided equally between government-to-government assistance and assistance provided through non-governmental organisations.

Many Norwegian professional organisations, institutions, companies and private individuals are involved in humanitarian aid and longer-term development efforts. Sixteen per cent of Fredskorps programmes are in the field of health and AIDS. Interest is growing among Norwegian clinicians and hospitals, which have projects in countries such as Botswana, Ethiopia, Malawi and Tanzania. In this area, the main challenge is to promote the development of local capacity and more sustainable solutions.

The Government's initiative to reduce child, infant and maternal mortality

The Norwegian Government's focus on Millennium Development Goals Nos. 4 and 5 is a continuation of its focus on vaccination. Newborns not protected by vaccines account for 40 per cent of child deaths and newborn health is closely connected to the mother's health. Women's health and survival are also rights in themselves. If MDGs 4 and 5 are to be achieved, infant, child and maternal health must be viewed in conjunction with each other.

Cooperation agreements to reduce child and maternal mortality were signed with India in 2006 (NOK 500 million over five years) and Tanzania (NOK 250 million over five years) and similar agreements are under way with Pakistan and Nigeria. Progress in these large countries will be crucial to the achievement of the Millennium Development Goals.

In addition to the country programmes, Prime Minister Stoltenberg launched in September 2007 a plan of action to mobilise necessary political will to focus attention on child and maternal health and better coordinate the efforts of the most important international players. Working with other countries and international organisations, Norway will contribute to test and evaluate new financing methods. The main goal is to achieve more for the money by focusing on results for the poorest people.

One of the instruments for achieving the health-related MDGs is to mobilise heads of state and government in other countries in a maternal and child health network. Those who have so far agreed to participate in the Global Leaders Network are President Kikwete (Tanzania), President Guebuza (Mozambique), President Bachelet (Chile), Prime Minister Aziz (Pakistan), President Yudhoyono (Indonesia), Prime Minister Brown (UK) and President Lula (Brazil).

With an annual budget of more than NOK 1 billion, efforts to achieve MDGs 4 and 5 will in the years ahead be one of the main pillars of Norway's health aid.

Approximately one fifth of Norway's total development assistance budget is allocated to humanitarian purposes, where health is an integral part. This assistance is mainly channelled through the UN, Norwegian NGOs, such as the Norwegian Refugee Council, Norwegian Church Aid, Norwegian People's Aid, the Norwegian Red Cross, Norwegian Médecins sans Frontières, and the International Red Cross.

Millennium Development Goal No. 4: Reduce child mortality

The UN's goal is to reduce by two thirds the mortality rate among children under five by 2015, compared with the 1990 figure.

Vaccination and immunization

Of the 130 million children who are born each year, approximately 9.7 million die before they reach the age of five. One quarter of them die of diseases against which vaccines exist. Vaccination is one of Nor-

way's priority areas in the field of health aid, and it is the largest single investment in terms of money.

The Global Alliance for Vaccines and Immunization (GAVI) is Norway's most important channel to increase the availability of vaccines for the poor. Norway has since 2000 been a member on GAVI's Board. Norway has so far disbursed NOK 1.8 billion and is GAVI's second largest donor after the Bill and Melinda Gates Foundation. Norway contributes NOK 500 million to GAVI each year.

Norway is also one of the main donors to UNICEF and WHO. WHO provides key normative and advisory functions, while UNICEF supports health authorities in individual countries, plays an active role in humanitarian crises, and is the world's largest purchaser of childhood vaccines.

Two million lives saved

According to the WHO and UNICEF, almost 28 million more children have been vaccinated since GAVI was established in 2000. Vaccination coverage is growing on a global basis and has increased from 63 per cent to 71 per cent in the 70 countries that receive support from GAVI. The increase is greatest in sub-Saharan Africa, where coverage has increased by one fifth and is now higher than in Asia. An independent study confirmed in 2006 that the increase in vaccination coverage can be ascribed to GAVI's efforts and showed that countries that initially had the weakest vaccination systems have benefited most from GAVI's support³⁸. One example is Senegal, where targeted focus on the vaccination programme has increased the vaccination of children with basic vaccines from about 50 per cent a few years ago to almost 90 per cent today.

More than 60 developing countries have introduced new vaccines with GAVI's support. Since 2000, total vaccination coverage for hepatitis B has increased from 17 per cent to 50 per cent in countries that receive support from GAVI. GAVI has helped ensure that a total of 138 million more children are protected from diseases such as hepatitis B, which in many countries affects more than ten per cent of the population. WHO and UNICEF have estimated that at the end of 2006, this vaccination programme had helped to save more than two million lives from Hib³⁹-related disease, whooping cough and hepatitis B. In addition to this, more than 28 million additional children have been vaccinated with basic vaccines and more than one billion auto-disable syringes have been supplied⁴⁰.

38 The Lancet. Effect of the Global Alliance for Vaccines and Immunisation on diphtheria, tetanus, and pertussis vaccine coverage: an independent assessment. Chunling Lu, Catherine M Michaud, Emmanuela Gakidou, Kashif Khan, Christopher JL Murray. The Lancet – Vol. 368, Issue 9541, 23 September 2006, Pages 1088–1095.

39 Haemophilus influenzae type b, which causes lung disease and meningitis.

40 GAVI Alliance Progress Report 2006.

41 Reaching Poor People with Services in Sexual and Reproductive Health: An Evaluation of the IPPF, Forss, Lauglo and Nilsdotter, Norad and SIDA, 2007.

Respiratory infections and diarrhoea are the most common causes of death among children who survive infancy. GAVI supports efforts to introduce new vaccines against rotavirus, which causes diarrhoea, and against pneumococcus, which causes pneumonia. It is estimated that developing countries will be able with GAVI support to introduce these vaccines approximately twenty years earlier than if market mechanisms had been allowed to prevail alone.

Challenges for vaccination programmes

Short-term vaccination campaigns on their own are an unsatisfactory strategy because children keep on being born after the campaign is over. Health services as a whole must be strengthened. Another challenge is to ensure sustainability for new vaccines. Although the price of new vaccines falls as new manufacturers enter the market, prices have not declined as much as was first anticipated. GAVI has therefore changed its financing policy and will in the future provide financial support over a longer period than previously planned. Apart from the very poorest countries, developing countries must also hereafter make a contribution towards the purchase of vaccines to promote sustainability.

Millennium Development Goal No. 5: Improve maternal health

The UN goal is to reduce maternal mortality in conjunction with pregnancy, childbirth and abortion by three quarters by 2015. Universal access to reproductive health services, including family planning, was added as a new target in 2006.

Sexual and reproductive health and rights constitute a priority area in Norwegian development policy. Reducing maternal mortality rates, preventing HIV infection, increasing access to contraceptives and combating unsafe abortions and female genital mutilation will be key priorities for Norway in the years ahead. Millennium Development Goals No. 4 and 5 are closely related.

There are relatively few concrete results to refer to in this area, indicating that priority may have been low. Norway's main contribution has been through the International Planned Parenthood Federation (IPPF) and UNFPA, and through the WHO research programme (HRP).

Sexuality is a sensitive topic and strong forces, both local and global, strive to prevent openness on this issue and prevent gender roles and gender equality from being put on the agenda. One example is the US AIDS initiative PEPFAR, which although it since 2003 has helped 1.5 million HIV-infected individuals to access AIDS treatment and 6 million people to access care services, also has statutory requirements for measures to promote abstinence. Evidence-based research shows that an abstinence-before-marriage policy of this type does not work in practice.

Family planning

The International Planned Parenthood Federation (IPPF) has been a key player in efforts to promote women's rights ever since the 1960s. Through 150 member organisations, the IPPF supports service delivery, primarily family planning services, and is an important promoter of health services related to young people, safe abortion and HIV prevention. For several years, the IPPF has received around NOK 40 million annually from Norad, which is approximately one third of Norad's total allocation to international non-governmental organisations.

In 2006, Sweden and Norway carried out an independent evaluation of the IPPF's work in Ethiopia, Uganda and Bangladesh⁴¹. It concluded that the organisation reaches poor and marginalised population groups with services and measures for change. Apart from through IPPF-affiliated facilities, few have access to sexual and reproductive health services from either the public or the private sector. The evaluation also showed that the quality of the services offered by the IPPF is high and is valued by the clients in all the three countries covered by the study.

Along with Sweden, Denmark, Switzerland and the UK, Norway will from 2007 provide NOK 10 million for a new multi-donor fund under the auspices of the IPPF to promote safe abortion. This additional support is intended to compensate for the international decline in support for organisations working in the field of reproductive health and safe

abortion issues. The fund provided support for health education, research and service delivery to 45 non-governmental organisations in 32 countries in 2007.

Support for young people through the UN

In some countries, it is difficult for young people to access sexual and reproductive health services and contraceptives. This increases the risk of undesired pregnancy, unsafe abortion and HIV infection. In Ethiopia, Norway has for many years supported a programme through UNFPA and UNICEF that focuses on the needs and rights of young people. As a result, more than 3.5 million young people have had access to youth-friendly health services, which include information, contraceptives, HIV testing and treatment of sexually transmitted infections. The programme has been implemented by local Ethiopian NGOs in cooperation with the public health service and young people have participated in designing and implementing the programme.

In Mozambique, through UNFPA, Norway supports the internationally recognised Geracao BIZ programme, in which three ministries cooperate. In 2006, more than one million young people were given information about reproductive health, HIV and AIDS, and the number of schools with counselling services increased by 90 to 325. The programme has also established 200 clinics as part of the public health service, where young people can go for counselling, access to contraceptives and HIV testing.

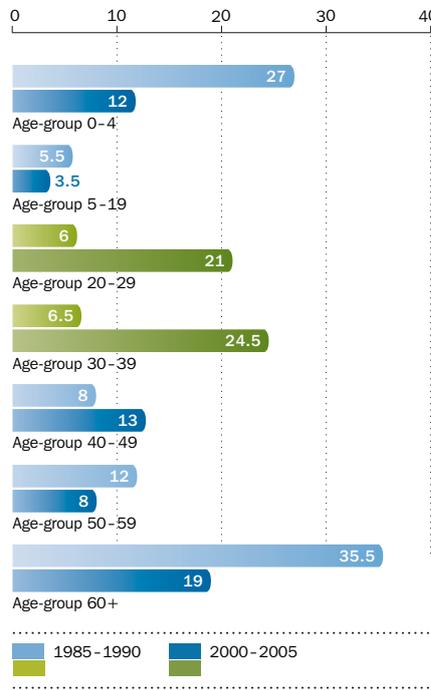
Female genital mutilation is violence against women

The extent of female genital mutilation has been reduced in Kenya and Tanzania, and has also declined slightly in Ethiopia and Eritrea. No decline has been registered in Somalia or Sudan. Female genital mutilation is more widespread in rural than in urban areas. Opposition to female genital mutilation increases in step with the level of edu-

42 The Norwegian Government's Action Plan for Combating Female Genital Mutilation, Norwegian Ministry of Foreign Affairs, 2003.

43 The Norwegian International Effort Against Female Genital Mutilation. Talle A and Bentzen T, Norad 2007.

FIGURE 17 Change in the number AIDS-related deaths for various age-groups in southern Africa (Percentage of total deaths)



Source: ECOSOC, UN 2005.

cation. Elderly people support this custom more than young people do.

After a rather slow start, the Norwegian Government's International Action Plan for Combating Female Genital Mutilation⁴², launched in 2003, is now being implemented. Activities have been documented in an external study carried out in 2007⁴³. According to this study, there has not been enough emphasis on efforts to combat female circumcision in Somalia and Sudan. It also points out that there is a lack of support for programmes under the auspices of central institutions and that local organisations in the countries concerned are uncertain about how to apply for support from Norway.

Norwegian NGOs, such as Norwegian Church Aid, Save the Children Norway (Redd Barna), FOKUS, CARE Norway and Norwegian Missions in Development (BN) play a key role in Norwegian efforts to stop female genital mutilation in Ethiopia, Eritrea, Sudan, Kenya and Tanzania.

Norwegian Church Aid is involved in efforts to prevent female genital mutilation in nine countries. In one area in Mali, where this

Norway's efforts to combat tuberculosis

The incidence of tuberculosis is increasing in many developing countries, especially as a result of HIV/AIDS. If the epidemic continues unabated, it is estimated that one billion people will become infected in the next twenty years. 200 million will develop the disease and 35 million will die of tuberculosis.

In addition to its contributions through GFATM, Norway provides NOK 4 million per year for the International Union against Tuberculosis and Lung Disease and also supports the Norwegian Heart and Lung Patient Organisation (LHL). LHL has internationally recognised expertise and many years of experience from organising patients and promoting patients' rights in Norway. LHL received more than NOK 95 million from Norad in the period 2000-2005. This helped ensure that more than 320,000 tuberculosis patients were diagnosed and more than 80 per cent of them recovered. Each patient with pulmonary tuberculosis who is treated prevents the infection of a further 10-15 persons per year.

organisation has been involved in preventive work since 2000, 21 of 59 villages have so far declared themselves "circumcision-free zones". Similarly, Norwegian Church Aid in Ethiopia has worked with its local partner, the Kembatta Self-Help Group in the Angecha region in the south of the country. Here, around 7,000 girls have publicly declared that they do not wish to be circumcised as part of the traditional initiation rite. In Ethiopia, Save the Children Norway's efforts in 2006 resulted in more than 6,000 children not being circumcised, representing 98 per cent of the children living in the villages concerned.

From 2007, Norway will contribute NOK 20 million to an international programme through UNICEF and UNFPA aimed at protecting girls from genital mutilation in 17 African countries. The programme is intended to promote dialogue with local and national authorities and religious leaders, mobilise the media,

AIDS treatment

Norway actively supports equitable access to drugs. In its dialogue with WHO and UNAIDS, Norway focuses on ensuring that the very poorest and most vulnerable groups have access to treatment. In 2003, the WHO and UNAIDS launched the "3 by 5" treatment initiative, which aimed to ensure that three million HIV-positive persons in developing countries receive antiretroviral (ARV) drugs by the end of 2005. An evaluation carried out in 2006 showed that "only" 1.3 million people had access to AIDS drugs⁴⁴. Today, despite some progress, only one in five people infected with HIV or AIDS have access to treatment and preventive services.

and support local activities, research and capacity-building in this area.

Millennium Development Goal No. 6: Combat HIV/AIDS, malaria and other diseases

The UN goal is to halt and begin to reverse the spread of HIV/AIDS, malaria and other major diseases by 2015. Universal access to prevention, treatment, care and support for HIV and AIDS by 2010 was included as a new target in 2006.

The Global Fund for Aids, Tuberculosis and Malaria (GFATM)

The Global Fund for Aids Tuberculosis and Malaria (GFATM) was established in 2002 and is now responsible for 20 per cent of international assistance for AIDS programmes and 80 per cent of international assistance for tuberculosis and malaria programmes. Norway has pledged to contribute at least 1.5 per cent of the funding, which amounted to NOK 271 million in 2006 and NOK 301 million in 2007.

⁴⁴ "External Evaluation of WHO's contribution to "3 by 5": final report", WHO 2006.

⁴⁵ Partners in Impact – Results Report 2007, GFATM.

⁴⁶ The Five Year Evaluation of the Global Fund.

As of September 2007, the fund had contributed NOK 50 billion to 136 countries and helped ensure that 1.1 million people have started using AIDS drugs, 2.8 million are being treated for tuberculosis and 30 million mosquito nets have been distributed to prevent malaria.

Support from the fund now saves an estimated 110,000 lives every month⁴⁵. Norway has contributed to the development of an evaluation plan for the fund in order to promote learning and ensure that the results and achievements are assessed independently⁴⁶.

In September 2007, the donor community pledged to triple the size of the fund by 2010.

Norway's efforts to combat AIDS in partner countries

Norway has supported national programmes in several of the countries that are worst affected by the HIV/AIDS epidemic, particularly Malawi, Tanzania, Ethiopia, Eritrea, Angola and Zambia.

✚ In Malawi, Norway has been supporting the national AIDS Council and AIDS programme since 1999. By March 2007, 99,500 HIV patients had received AIDS treatment. This number was higher than the target for 2007 (80,000) and coverage is increasing. The occurrence of HIV in urban areas is declining and increased use of condoms and HIV testing has been documented. Treatment to prevent mother-to-child transmission covers however only six per cent of the target group.

✚ In Mozambique, a total of 44,100 persons received AIDS treatment at 150 different clinics in 2006, with Norway's support. Despite a significant increase in the number of AIDS victims treated progress has nevertheless been weaker than anticipated. It is estimated that only one quarter of the people who need AIDS treatment receive such treatment. Every sixth person in the 15-49 age-group is infected with HIV and the number of new cases is increasing.

✚ In Angola, through UNICEF, Norway has supported the preparation of guidelines for voluntary testing and counselling, antiretroviral treatment and prevention of mother-child infection. Health personnel from all provinc-

es have received training on nutrition for HIV-infected children. Norway's support has also contributed to the development of HIV/AIDS action plans in 17 out of 18 provinces and to a national information campaign, which reached 500,000 young people in the 15-18 age-group.

Due to the focus on fewer sectors per country, HIV and AIDS programmes tend to be given lower priority when embassies set the priorities for Norway's efforts at country level. With a few exceptions, anti-AIDS measures therefore become invisible in bilateral cooperation.

LONG-TERM SUPPORT FOR THE DEVELOPMENT OF HEALTH SERVICES IN PARTNER COUNTRIES

As a consequence of Norway's decision to support fewer sectors in each country and increase general budget support, Norway has in the last 10-15 years phased out its support for the health sector in several countries. While Norway provided assistance in the 1990s for the health sector in Tanzania, Zimbabwe, Botswana, Mozambique, India, Uganda, Bangladesh and Sri Lanka, in 2006 cooperation in the health sector was limited to Malawi and Mozambique. Cooperation with Mozambique will be phased out after 2008. The Government's new focus on reducing child and maternal mortality has however opened the way for cooperation with health authorities in India, Tanzania, Pakistan and Nigeria.

Mozambique – peace a prerequisite for health and development

Development in Mozambique since the end of the civil war in 1992 shows that peace promotes development and that state-building requires long-term commitment. Despite challenges such as floods and corruption, Mozambique has achieved good results as regards reducing child and maternal mortality. The infant mortality rate dropped 32 per cent between 1997 and 2003.

The positive trend in the health sector, with new health centres and a growing number of patient consultations, continued in 2006, although there are considerable regional differences. 23 new health centres were completed and the number of advisory clinics for young people increased from 89 to 149.

The Department of Informatics at the University of Oslo helps local institutions develop health information systems in Mozambique. Activities in the provinces are linked to higher education and software development.

Norwegian assistance for the health sector in Mozambique amounted to NOK 65 million in 2006, divided between NOK 56 million for a joint fund in the Ministry of Health, roughly representing four per cent of Mozambique's total health budget, and NOK 9 million to UNFPA.

Malawi – measures to combat the health personnel crisis

Malawi has very few health personnel, even in an African perspective. In 2004, WHO calculated that Malawi had one doctor and 25 nurses per 100,000 population. A six-year emergency plan for health personnel was drawn up in 2004. Measures have been implemented in educational institutions and steps have been taken to improve wages and working conditions. Norway and Sweden collaborate on assistance for Malawi, and total Norwegian-Swedish assistance, which amounted to NOK 115 million in 2006, accounted for 30 per cent of all donor support, or 15 per cent of the total health budget. As well as providing financing, Norway plays an important role as a partner in the sector programme and on the national AIDS Council, and by supporting the training of doctors and nurses.

More than 80 per cent of Malawi's population lives in rural areas. Service delivery in rural areas is therefore important and, in the longer term, increasing educational capacity will be vitally important for rural health services.

Health education institutions increased their intake of students by an average of 86 per cent between 2004 and 2006. The number of vacant positions at public health institutions has also declined, from 43 per cent in 2003 to 33 per cent in 2007. Measures have also been implemented to persuade health personnel to return to the health sector, including pensioners.

47 "Oslo Ministerial Declaration: Global health – a pressing foreign policy issue of our time"; "Foreign Policy Taking up the Challenges of Global Health: Agenda for Action", 2007.

Norwegian Church Aid is cooperating on a training programme for nurses with the Christian Health Association of Malawi, which is an umbrella organisation for faith-based/Christian hospitals. In cooperation with the authorities, the organisation's hospitals and clinics supply around 40 per cent of health services in Malawi. Norwegian Church Aid also works with some of the public health colleges to provide teaching staff and grants for teaching aids.

The construction of residential accommodation for students and technical cooperation with six Norwegian nursing colleges in Akerhus, Stord/Haugesund, Østfold and Telemark, coordinated by Vestfold nursing college, have made it possible to increase the intake of students and improve the quality of education.

Since 2001, Norway has been supporting a medical faculty in Malawi in order to reduce the country's dependence on foreign doctors. An evaluation of medical education in 2006 found that a growing proportion of academic and administrative staff is Malawian. Educational capacity has increased from 20 to almost 60 students per year, and the proportion of women students increased from 15 per cent in 2001 to 31 per cent in 2005. Everyone who went abroad for further education in the second phase of the programme returned to Malawi.

NORWAY'S EFFORTS AT THE GLOBAL LEVEL

In efforts to combat AIDS, Norway has played a pivotal role in strengthening the coordination of activities in individual partner countries and promoting a more efficient division of labour between international partners. Norway's analysis of systematic barriers to vaccination activities laid the foundation for GAVI's decision in 2006 to establish a NOK 3 billion support scheme to reinforce national health systems for immunization. Norway's work in 2005 and 2006 to put the health personnel crisis on the international agenda contributed to the establishment of the Global Health Workforce Alliance. This effort is also being continued through an international task force on the health sector brain drain and, in Norway, through the work being done by the

Directorate for Health and Social Affairs on ethical recruitment.

In 2006, together with foreign ministers from France, Brazil, Indonesia, Senegal, South Africa and Thailand, Norway's Minister of Foreign Affairs, Jonas Gahr Støre, took the initiative for a political-analytical process on the link between health and foreign policy. It points out that, as a result of globalisation and increased interdependency, foreign policy needs to address issues and develop forms of cooperation to meet new challenges. A political declaration and an action plan were published in March 2007 and are being further developed with other countries.⁴⁷

New global financing mechanisms

With other countries, including France, the UK and Brazil, Norway has been actively involved in the establishment of new financing mechanisms for development assistance purposes.

A solidarity charge on air traffic through UNITAID is a new international purchasing scheme for medicines for developing countries which is intended to increase access to drugs to fight AIDS, tuberculosis and malaria through large joint purchases at reduced prices. Norway is contributing NOK 140 million in 2007. So far, around twenty countries, most of which are developing countries, have committed themselves to introducing solidarity charges on air travel. In its first year of operation, UNITAID, in cooperation with the Clinton Foundation, has managed to reduce the price of AIDS drugs for children by 40 per cent. The target of treating 100,000 children with AIDS drugs by the end of 2007 was in mid-2007 within reach.

The International Finance Facility for Immunization (IFFIm) has raised NOK 24 billion on the bond market with security in future aid budgets to support GAVI's immunization programme. In the period 2006-2010, Norway will contribute NOK 35 million per year.

Advance Market Commitments facilitates publicly guaranteed future purchases of vaccines for developing countries if the vaccine industry manages to develop effective vaccines at an agreed price. The first trial project is a vaccine against pneumonia. Norway will contribute NOK 35 million per year.

NORWEGIAN GLOBAL HEALTH RESEARCH

Global health research is defined as research of relevance to poverty-related health conditions that particularly affect people in developing countries.

Norwegian development research in the field of health and AIDS is mainly supported through the Research Council of Norway's new programme for Global Health and Vaccination Research (GLOBVAC), the Norwegian Programme for Development, Research and Education (NUFU) run by the Norwegian Centre for International Cooperation in Higher Education (SIU), and various grant schemes. With a few exceptions, expertise and research efforts are fragmented and it is difficult to point to specific results. There is however significant activity and progress is seen.

Here are some examples of Norwegian global health research:

- ✚ Intervention studies in cooperation between researchers in Norway and Indian and Nepalese institutions have contributed to national guidelines and WHO recommendations on the routine use of zinc in the treatment of acute diarrhoea.
 - ✚ Two Norwegian research teams have participated in the formulation of the WHO's new growth standards for children under five years of age, which were launched in 2007 and provide a more scientific basis for assessing the growth of children in all the countries in the world.
 - ✚ Cooperation with the University of Zambia has resulted in many publications on HIV and AIDS and health system research, and in the production of master's and doctor's degree theses at the partner institution in Zambia.
 - ✚ A major cooperative project between Norway and India, which is jointly financed by GLOBVAC and the Indian authorities, has been initiated to lay the foundation for testing new tuberculosis vaccines.
 - ✚ A national forum for global health research was established in 2006 to strengthen Norwegian expertise and international cooperation, with emphasis on institutions in low-income countries.
- ✚ A growing number of students are being accepted for doctor's degree studies in international health. A formal course for researchers has been established in connection with master's degree studies in international health at the universities of Bergen and Oslo, and work is in progress on strengthening and improving coordination by establishing a national school for researchers.
 - ✚ GLOBVAC⁴⁸ will contribute more research funding for several years ahead. While the subsidiary programme on vaccination is well financed, the subsidiary programme on global health research is under-financed.

⁴⁸ Research Council of Norway, Global Health and Vaccination Research

Important lessons learned

Good health contributes to economic growth and global security and is a good investment for both developing countries and donors.

Many of the causes of disease and death among poor people can be prevented and treated with simple means. It has been shown that targeted health efforts can significantly improve public health.

Most of the costs of health are borne by developing countries and poor people themselves. While national health budgets must increase, development assistance for health and AIDS, including through global funds, will continue to play a crucial role for many years to come.

Approximately fifteen per cent of Norwegian development assistance in 2006 was spent on health and AIDS. This is equivalent to only two or three per cent of total global health aid. Norway has greater international influence than its size warrants, both as a significant donor to multilateral institutions and as an active technical and political agent.

In recent years, Norway's efforts have particularly contributed to measurable results in the fields of vaccination and HIV/AIDS. Norway has also helped to promote holistic approaches through its constant focus on health systems. Norway has promoted greater inclusion and participation on the part of civil society, especially in efforts to combat AIDS. Norway has also contributed towards the establishment of new global financing mechanisms, the fight against tobacco, combating tuberculosis, and putting the health personnel crisis on the international agenda. Results from the significant recent focus on infant, child and maternal health, and on sexual and reproductive health and rights, will first be seen in a few years' time.

Joint efforts and the achievement of long-term results are undermined by the fragmentation of aid and by weak health systems and corruption in developing countries. Due to climate change, the health personnel crisis and other threats to health, focus on global health issues will continue to increase. In this area, Norway, in cooperation with others, has a possibility to find solutions that also meet the needs and priorities of poor countries.

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Rainbow over the Luangwa Valley in Zambia. Norway has been supporting wildlife management in Zambia since the mid-1980s. Efforts have mainly been focused on saving the wildlife stocks and developing good management procedures in the South Luangwa National Park. // Photo: Londozi/Masterfile
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DEVELOPMENT COOPERATION WITH ZAMBIA

Zambia has been receiving extensive international development assistance since independence in 1964, but the situation for the population has not improved significantly. Zambia was a middle-income country until the end of the 1970s, but the 1980s and 1990s were marked by deteriorating living standards and low economic growth. This was partly due to low prices on the global market for copper, which is Zambia's most important source of income. After an extensive restructuring of the economy in the 1990s and a favourable trend on the copper market, Zambia is now in a period of strong growth.



Norwegian development cooperation with Zambia in the period 1991–2005 was evaluated in 2007 and the results in this chapter are based partly on the reports from this evaluation, which will be published in their entirety in 2008.

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**THE POLITICAL, ECONOMIC
AND SOCIAL SITUATION**
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Political situation relatively stable
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Since the beginning of the 1990s, Zambia has been through various political phases that can largely be related to the country's

three presidents, Kenneth Kaunda, Frederick Chiluba and Levy Mwanawasa.

During President Kaunda's one-party rule from 1964 to 1991, much of the economy was in state hands. Development of the private sector had low priority, while trade unions had strong ties to the government. Low copper prices and an unsustainable financial policy led to an economic crisis in the 1980s, which weakened Kaunda's power. As a result of strong pressure from civil society, multi-party elections were held in 1991 and trade union leader Frederick Chiluba was elected president. In ac-

cordance with the demands of the IMF and the World Bank, Chiluba stressed the importance of economic liberalisation and structural adjustment in his presidential period. Social services had low priority and there was widespread corruption in connection with the sale of state enterprises. The immediate effects of privatisation and structural adjustment were increased inequality and increased poverty. This led to broad-based mobilisation against Chiluba at the end of the 1990s.

The current president, President Mwanawasa, came to power after a controversial election

in 2001. He has focused on economic growth and the reconstruction of social services. He has also initiated stricter measures to fight corruption, largely aimed at Chiluba and his close associates. Mwanawasa won again at the 2006 election, primarily due to broad support in rural areas. Since the introduction of democracy in 1991, Zambia has enjoyed political stability. At the same time, Zambia is a centrally-controlled state where the president has a great deal of power. The national assembly is weak and the judicial system is vulnerable to political influence. During this period, civil society has demonstrated a growing ability to exert pressure on the authorities and the media is playing an increasingly important, critical role.

Good economic growth in recent years

Following the decline in the first part of the 1990s, there was an economic recovery in Zambia and in the period since 2001 annual growth has averaged between four and five per cent.⁴⁹

As a result of extensive privatisation in the late 1990s, the long decline in the mining sector was reversed and there were significant increases in investment and production from 2001 onwards. Together with a strong upswing in copper prices, this resulted in a threefold increase in production value from the mining sector from 2001 to 2005. Copper and cobalt account for 90 per cent of this production. However, the Zambian state received only 3–5 per cent of total revenues from the country's copper exports.

49 World Development Indicators Online, World Bank Group.

50 The number of Zambians living below the national poverty line (70%) declined by only 2% between 1990 and 2004.

51 See p. 7 in Arne Bigsten: *Prospects for poverty reduction in Zambia*, SIDA report, October 2007.

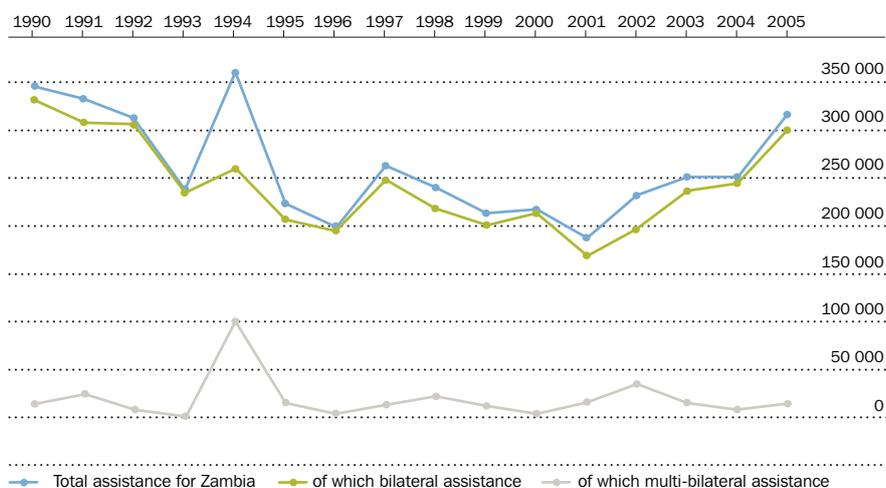
52 Country Profile 2007, Economic Intelligence Unit.

53 World Development Indicators Online, World Bank Group.

54 OECD www.oecd.org/dac/stats/dac

55 Here we have used the OECD DAC definition, which is: gross inflows (incl. grants, HIPC debt relief and loans) less amortization, interest payments and arrears clearance. The figures for Zambia come from the IMF PRGF reports for 2005–2007.

FIGURE 18 Norway's bilateral assistance for Zambia 1990–2005 (NOK 1000)



Although agriculture made an uneven contribution to the Zambian economy in the period 1991–2005, the trend has been positive in recent years. Total agricultural production increased by more than 50 per cent from the mid-1990s to 2004, and real prices for the most important food products have fallen 20 per cent as a result. In the same period, Zambia also experienced a tenfold increase in exports of agricultural products. Tourism is growing and increasingly contributing to foreign currency revenues. Tertiary industries, dominated by financial services, account for almost half of the country's GDP.

Poverty still prevails

Economic growth between 2001 and 2005 was primarily driven by capital-intensive sectors which have little effect on employment or poverty reduction. The number of Zambians living below the national poverty line remained more or less constant from 1990 to 2004⁵⁰. It is possible that Zambia can achieve Millennium Development Goal No. 1, which is to halve the number of people living in extreme poverty, but this will require an average growth of more than 7 per cent from 2007 to 2015 and an active distribution policy.⁵¹

Zambia suffers from high child and maternal mortality rates, and life expectancy declined sharply from 1990 to 2005, from 46 to 38 years⁵². This is primarily due to HIV and AIDS. Population growth dropped from 3.1 per cent in the 1980s to 2.9 per cent in the 1990s and is expected to fall further to 2 per cent in 2010 – also due to HIV and AIDS. The au-

thorities have tried to improve health services, among other things by recruiting more doctors and nurses and by ceasing to charge patients for health services in rural areas. At the same time, like many other low-income countries, Zambia is experiencing a brain drain. Health personnel in particular emigrate in search of better pay and working conditions.

The picture is more positive as regards education. Between 1999 and 2005, the proportion of children in primary education increased from 63 to 89 per cent⁵³, and it is likely that Zambia will achieve Millennium Development Goal No. 2 of universal primary education. However, the quality of education still poses a challenge, partly due to the lack of qualified teachers, especially in rural areas. Employment is a major challenge in Zambia. Subsistence farming is the chief source of income and is estimated to provide a livelihood for around two million people. Informal trading probably employs at least one million people. The number of jobs in the formal sector fell by approximately 20 per cent between 1991 and 2005.

INTERNATIONAL DEVELOPMENT ASSISTANCE

Since the 1990s, Zambia has been one of the main recipients of development assistance in Africa, receiving a total of USD 10.1 billion in grant aid in the period 1990–2005. This amounts to an average of USD 79 per capita per year, equivalent to 23 per cent of GDP/GNI in the same period⁵⁴. This trend



Tough job market

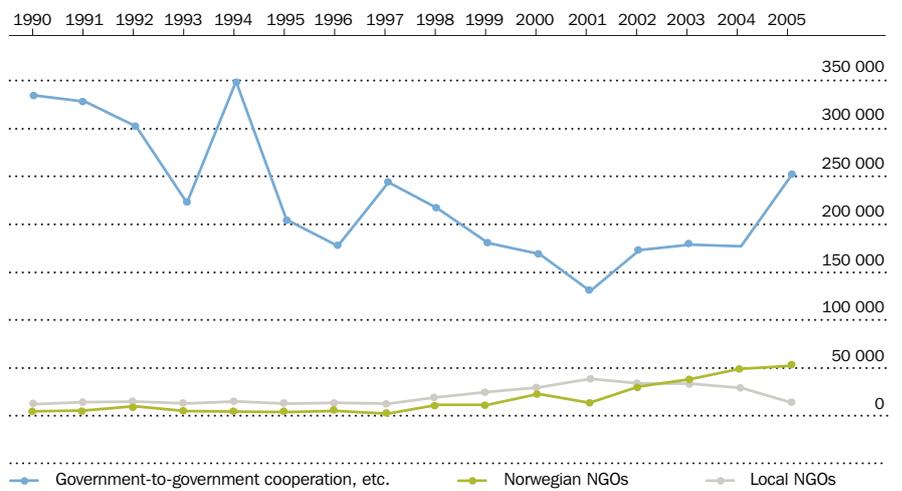
Kelisters Mutinta (31) is a teacher and has two children – a boy aged two and a girl aged seven. The family lives in Lusaka, while Kelisters lives in Nabukuyo in the Southern Province – a three to four-hour drive away.

“It is difficult to find a job and I was ordered here by the Zambian authorities. My family visits me every third weekend. I only go to Lusaka a couple of times a year. It is so hard for the little ones when I leave again. After two years here I hope to have the opportunity to find a job in Lusaka.” Text and photo: Oliver Sampule.

has been turned around in recent years due to debt relief and economic growth. In the period 2005–2007, it is estimated that the Government will finance 70–75 per cent of its own national budget. Net development assistance⁵⁵ in 2004–2006 accounted for only eight per cent of GDP.

The country evaluation report covers the period 1991 – 2005. During the first part of the period, dialogue between donors and the authorities mainly took place bilaterally, at project level. Coordination was not high on the agenda, except in connection with annual joint donor meetings under the auspices of the World Bank. In 2002, the Nordic countries and like-minded donors took the initiative to harmonise development assistance. Extensive harmonisation led to a common donor strategy which, among other things, entails a division of work between donors, the idea being that individual donors, over time, will concentrate their efforts on priority areas. As part of this strategy, one donor may assume responsibility for admin-

FIGURE 19 Channels of assistance 1990 – 2005 (NOK 1000)



istering assistance and policy dialogue on behalf of others. This is intended to improve the effectiveness of development assistance, but the effort to include most donors in this coordination has also proved to result in more detailed, time-consuming processes.

The evaluation report points out that the transition to budget support, with focus on the macro level, has made it more difficult for many donors to understand what is going on at grass roots level. The flow of information from below dries up when there are fewer partners at the local level. At the same time, there are now greater possibilities for effectively promoting overarching development policy and strategic goals vis-à-vis the authorities.

Various donors have undertaken a number of country evaluations in recent years. None of them has tried to say anything about the long-term effects of the aid on the poverty situation in the country. This is understandable, given how difficult it will be to define the causes and effects of common donor involvement. An evaluation carried out for SIDA in 1998 showed that poverty had not been an important topic in dialogue between donors and authorities. Similarly, a World Bank evaluation carried out in 2002 was critical towards the fact that the emphasis on macro-economic management, which has largely been successful, has been at the expense of efforts targeting poor households and the redistribution of income in the country.

Strong counter-forces hamper development

A large number of factors are instrumental in preventing (cooperation between donors, authorities and other forces in a country from resulting in) development. Some researchers believe that a lack of development despite favourable framework conditions can be explained with the help of a neo-patrimonial analytic model. In this type of model, there is a tendency for state power to be centralised in the political élite, often around a president. A broad network of groups and persons are dependent on this élite. The theory is that in states where neo-patrimonial structures have a strong position, the redistribution of power and finances takes place through these networks, thereby mixing public and private funds. Political parties are centred around persons and less interested in developing a broad political platform. Many decisions are made outside the formal institutions. This hinders the introduction of formal institutions with clear rules, which are necessary for democratic governance. Most post-industrial states have been through a phase with these kinds of power structures, but they are now most apparent in African countries. Although the evaluation team uses the above model in the report, it finds in its in-depth studies that there are also groups in the Zambian public administration that want reform and change, and that reality is therefore more complex than anticipated in this type of explanatory model.



Income from uniforms

“Before the project supported by Norway was started up in Nabukuyo, I used to make decorations from folded sweet papers that I tried to sell. Now I make school uniforms. For one uniform I receive 12-15,000 kwacha (NOK 19-24). I am optimistic about the future,” says married mother of four Esnart M. Moonga (26). Photo: Oliver Sampule.

NORWEGIAN DEVELOPMENT ASSISTANCE

In the period 1990-2005, Norwegian development assistance for Zambia amounted to NOK 4.2 billion. This was equivalent to approximately six per cent of total assistance for the country. NOK 3.9 billion was bilateral assistance and the rest was multilateral. Figure 18 shows the trend for Norwegian development assistance during this period. It shows that development assistance declined significantly towards the end of the 1990s and then rose sharply from 2002 onwards. In 2005, development assistance from Norway amounted to approximately 4.5 per cent of total international development assistance for Zambia.

Figure 19 shows the forms of assistance used. Government-to-government cooperation has accounted for most of the assistance, but it has dropped from 95 per cent in 1990 to less than 80 per cent in 2005. In the meantime, assistance provided through Norwegian and Zambian non-governmental organisations increased strongly from the end of the 1990s until 2003-2004. The main Norwegian NGOs in Zambia have been Norwegian Church Aid, Save the Children Norway (Redd Barna) and Caritas.

Education has been an important priority area in the past 15 years. Assistance for good governance has also increased significantly, to around 15 per cent in 2005, while budget support amounts to 12.6 per cent. The largest decline was in assistance for transport, natural resources, energy and environment, and agriculture.

The evaluation report shows that the results of Norwegian development assistance vary from one sector to the next. The report finds that Norway's monitoring of development assistance has been relatively weak and process-oriented, especially in the first part of the evaluation period. This has resulted in short-term gains, such as temporary capacity-building and stronger institutions.

The long-term effects of Norway's efforts are more difficult to measure. Since most assistance has been channelled through the authorities, the effect will also depend on how effective the authorities are. Of the three field studies that were carried out, the evaluation team finds positive effects from assistance for nature and wildlife management, and for financial management. Assistance for the agricultural sector appears to have had little effect on the situation of smallholders so far. This may change when the economic possibilities improve.

Norway's approach to economic and political reform

The evaluation team points to donors' lack of awareness of the difference between technical and political discussions. As an example, they refer to donors' pressure to achieve economic reforms and privatisation in the 1990s. Minutes from the dialogue with the authorities on this issue show that the donors themselves regarded their agenda as politically neutral because it was based on technical assessments carried out by the IMF. Protests from civil society and others about the negative consequences for social services, distribution and corruption were not taken seriously until towards the end of the period. In other words, the dialogue on economic policy was depoliticised. Donors thereby contributed towards preventing a genuine, open social debate on alternative policies in this area.

Donors were more cautious about making demands as regards democratic develop-

ment, which was regarded as highly political. But the theme of governance became a serious issue on the agenda from 1993 onwards. The IMF and the World Bank were reserved in this area. In 1996 many bilateral donors, including Norway, held back funds in protest against the Government's decision to deny former President Kaunda the right to stand at the presidential election. At the same time, the report shows that, in general, Norway has been cautious about bringing up issues that are obviously political, and that its strategy has apparently been to concentrate on building institutions and strengthening organisations, which helps to limit the misuse of power and strengthen forces working on behalf of the poor.

How Norway is regarded as a donor

The evaluation team was mandated to find out how Norway is regarded as a donor in Zambia, among other things in comparison with other donors. The team found that there was little knowledge of Norway's assistance in particular, but a generally positive attitude to the Scandinavian countries. Scandinavia's political support for Zambia when the country was a front line state is still remembered.

Among the people who are involved in activities supported by Norway, Norway has a good reputation as a flexible, generous donor. Some people did not regard this as purely positive, however, but rather as an expression of a lack of focus on results in relation to the overarching purpose of development assistance. Some of the respondents believed that more resources were devoted to evaluating accounting requirements and processual progress than to the technical aspects of activities.

In the 1980s and 1990s, projects supported by Norway were largely regarded as developed by Norwegian experts and consultants. This has changed significantly in a positive direction, since Norway increasingly aligns its aid with Zambian priorities.

THE RESULTS OF NORWAY'S DEVELOPMENT ASSISTANCE

The evaluation report summarises Norway's overall efforts in Zambia in conjunction with overall assistance for the country because

Challenging interaction between wildlife and people

In the South Luangwa National Park in Zambia, wildlife stocks have increased significantly in the last 15 years. Now the people living around the park are struggling to adapt to an everyday life with wild animals as their closest neighbours.



Tree-crusher Tantor is one of the few large male elephants in the South Luangwa National Park. Poachers hunting for meat and ivory killed many of his contemporaries in the 1970s and 1980s.

Photo: Norad/GZ.



“Norway has shown the world that if you really want to get involved in wildlife management you have to have a long-term plan,” says Edwin Matokwani, Regional Manager for the Zambia Wildlife Authority. Photo: Oliver Sampule.

“Have you come to confiscate our weapons? Don't think we will give you all of them – we still have some at home,” shout two men from Mfuwe village on the edge of Zambia's South Luangwa National Park. The two men's statement is at the back of my mind when the Zambia Wildlife Authority (ZWA) shows me the large numbers of weapons and traps handed in by the local population. “In 2006 713 weapons and between 20,000 and 21,000 traps were handed in,” relates Edwin Matokwani, Regional Manager for ZWA. The number of elephants killed has now been reduced to around 20 per year, compared with roughly 200 before. “In 1989 there were approximately 5,000 elephants in South Luangwa. By 2005 the number had increased to 6,112,” says Matokwani.

Lucrative animals

He relates that the ZWA has worked hard to inform the local population that the wild animals in South Luangwa are also their resource. “From 1987 to 2005 tourist traffic increased more than 1,000 per cent. Last year alone, safari tourists left behind around USD 500,000. A professional hunter pays USD 10,000 to shoot an elephant. Eight elephants were shot last year,” says Matokwani. Revenues from the tourist trade and professional hunters is divided equally between the ZWA and the local population and have been spent on more than 200 different rural development projects.

Long-term assistance

Matokwani believes development in South Luangwa would have looked very different if donors like Norad had not devoted time and money to developing the national park over several years. “Norway has been involved since the planning stage in 1983. Donor countries usually provide assistance for five years and then withdraw. But in connection with wildlife protection, it would have been impossible to achieve sustainable results in such a short time. Norway has shown the world that if you really want to engage in wildlife management, you have to have a long-term plan,” says Matokwani. Norwegian assistance will be phased out in 2009.

Population growth

Parallel with the increase in the number of wild animals in the national park, the number of people around South Luangwa has grown as well. “There is now so much pressure on the area that we need a proper plan for how we can limit and control development,” says Matokwani. He fears that the rising population will lead to increased burning of forest because people will want to clear land for themselves, and that they will increasingly bring livestock with them, such as cattle, which may infect the wildlife with diseases. The ZWA is therefore now considering the possibilities for expanding the national park, thereby spreading the tourist traffic over a wider area.

Lack of protein sources

The owner and general manager of Norman Carr Safaris, Adrian Carr, supports the expansion plans. “If we are to keep our promise of a unique product with wild animals in wild surroundings, the park will have to be expanded.” Carr also believes that more must be done to prevent the current conflict between the wild animals and the local population. “In this area alone, between 20 and 40 people are killed by crocodiles each year. We must therefore develop safe places where the local population can fish,” says Carr. He explains that fish has become an important source of protein for the population because they are no longer allowed to hunt for their traditional protein sources, i.e. game. “Alternative protein sources will have to be found.”

Chilli against elephants

Edwin Matokwani confirms that the loss of human life and harvests caused by wild animals has exacerbated the conflict between people and animals in the area around the national park. “We will therefore invest more in fencing – both electric fences and chilli fences, which have proved to be effective in protecting fields from hungry elephants. Matokwani also believes that the revenues from safaris and hunting must increasingly benefit individual families. “If people see that their own living standards have improved thanks to income from wildlife, I believe this can help to reduce the conflict between wildlife and the population.



Zambia's green revolution

No to ploughing, early planting and crop rotation – these are some of the ingredients in the agricultural recipe that will secure Zambia's food supplies.

"There is no reason why there should be hunger in this country," maintains Peter Aagaard, head of the Zambian organisation, the Conservation Farming Unit (CFU). In the next five years, the CFU hopes that 250,000 Zambians will have made the transition from traditional farming to conservation farming (CF), in other words, sustainable agriculture. Norway is providing USD 25 million to support the project. "We believe we can double food security in Zambia. If people learn how to cultivate the land efficiently, in my opinion Zambia will only need food aid in extraordinary years of drought," says Peter Aagaard.



"There is no reason why there should be hunger in Zambia," says Peter Aagaard, head of the Conservation Farming Unit.

Photo: Oliver Sampule.

Bigger harvests

Beatrice Munhimba is one of the farmers who have changed their farming methods. Her farm is now a trial farm where farmers in the neighbourhood can come, see and learn about sustainable agriculture. "I can see the difference between the old method of cultivation and today's sustainable method," says Beatrice, pointing to part of a field where maize cultivated in the traditional way stands alongside maize cultivated using the CF method. The maize that has been cultivated using the old method is skimpy and short, in sharp contrast with the tall, vigorous maize beside it. "I believe I can achieve a maize harvest that is up to 75 bigger this year than when I farmed in the traditional way," says Beatrice.

The cotton harvest looks promising too

"I have increased my production of cotton from 5-600 kg to two tonnes per hectare. At the same time I have halved the use of artificial fertilizer," says Beatrice enthusiastically. She relates that she used to struggle to feed her family of eight. "Now I feel far more certain that I will manage to produce enough food for everyone."

An important principle of Conservation Farming is not to use a plough

"Ploughing increases runoff and erosion. Ploughing also means that the period immediately prior to sowing is very labour intensive, and in many cases sowing takes place too late. People who don't have their own draught animals have often rented them from others. The result has often been little or no harvest, despite a good rainy season and excellent conditions," relates Dutch Gibson of the Conservation Farming Unit. According to the CFU, for every day after the first sowing day the corn is not sown, the farmer loses 1.5 to 2 per cent of his crop. "Usually around 20 planting days are lost, i.e. approximately 40 per cent of final production is lost solely because of late planting," says Gibson. The CFU recommends harrowing if the farmer has a draught animal and digging planting holes if he doesn't. "These planting holes can be dug out in the months after harvesting so that everything is ready when the rain comes and planting begins. This makes the job less labour intensive," explains Gibson.

Beatrice has dug planting holes for her plants. She has put four plants in each planting hole. All nutrition, such as artificial fertilizer, is put in the hole. The holes also collect vitally important rainwater, so that the plants can survive for up to a month without rain. "On average, I now spend two hours in the fields each day. Before, I could work for days on end and still be left with little or nothing to show for it," relates Beatrice.

Crop rotation and tree-planting

To ensure that the soil is not depleted, crops such as maize, vegetables such as soya beans and non-vegetable plants such as cotton are rotated. Farmers are also strongly urged to plant trees. "Measured per capita, Zambia is one of the worst countries in the world in terms of deforestation. Our goal is for each farmer to plant 100 musango trees (*faidherbia albida*) per hectare," relates Aagaard. He explains that the musango tree is rich in nitrogen and its deep roots carry nutrition higher up into the soil. "When the rain comes, the musango tree sheds its leaves so that the plants in the ground get plenty of sun. In the dry season, on the other hand, the tree's large canopy provides necessary shade. I call it Africa's wonder tree," says Peter Aagaard.



Beatrice Munhimba and Dutch Gibson from the Conservation Farming Unit discuss the year's harvest. Photo: Oliver Sampule.

Norwegian development assistance has been through the same phases as assistance from other countries. In the 1990s, the main emphasis in Norwegian aid dialogue was on macro-economic stability and structural adjustment. Later on the focus was on governance. However, the approach to governance has been more hesitant, often presented in an apolitical or technocratic way.

The emphasis on economic stability may be said to have achieved a certain amount of success, since per capita GDP has increased dramatically since 2001. Even though this growth is primarily due to a favourable price trend for copper, it may be argued that Zambia would have been unable to benefit so much from this rise in prices without the economic reforms. When dialogue between the authorities and donors moves on to governance and democracy, it is again possible to register a certain amount of progress. It is nevertheless unclear whether this progress will result in improved distribution and a more poverty-oriented policy.

Most of the measures supported by Norway have the clear goal of promoting poverty reduction, but there is often too little reflection about how these measures will actually be able to achieve this overarching goal.

The country evaluation provides an in-depth study of Norway's efforts in three different areas: long-term assistance for natural resource management and wildlife protection in the Luangwa Valley, technical assistance at the national level to strengthen the country's financial management, and support for an agricultural programme in the Northern Province.

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Natural resource and wildlife management in South Luangwa

The development assistance provided by Norway in this area since 1990 amounts to NOK 216 million. It has mainly been spent on two consecutive programmes in connection with the South Luangwa National Park in the Luangwa Valley in the Eastern Province. The two programmes are the Luangwa Integrated Resource Development Project and its successor, the South Luangwa Area Management Unit. South Luangwa is a large national park by both Zambian and regional standards. In addition, the Lupande Game

Management Area is a buffer zone adjoining the park. In this zone, regulated exploitation of resources and hunting licences for big game are permitted.

Assistance for South Luangwa has been provided in three phases. From 1987 to 1992, Norway focused on an ambitious, multi-sectoral approach to improve living standards in the area through sustainable use of natural resources. The programme included a large road and water development component, an approach that was typical of this period of development assistance. According to the evaluation report, the local population remembers this period with pleasure, as they benefited from tractor leasing, the boring of new wells, transport and grain mills. But this approach was not economically viable.

In the next phase, from 1993 to 1998, the programme focused more exclusively on natural resource management and more efficient administration. Parts of the programme that were not related to wildlife management were phased out and the revenues from management and safari activities were intended to finance most of the programme and to provide an income for the local population. A strong grass roots democracy component was introduced. From 1998, the programme was placed under the Zambia Wildlife Authority when it was established as a national body. This entailed centralising activities under the programme and reduced the participation of the local population.

The final phase, which began in 2005, entailed even stronger focus on financial and technical viability. Promoting tourism has been a pivotal factor in increasing the sustainability of the programme. The development of infrastructure has been important throughout the period, with special emphasis on road construction and maintenance.

The evaluation report shows that the programme has been in accordance with Norway's strategy for cooperation with Zambia, but that the Zambian authorities have not been as strongly committed as the Norwegians. This has been reflected in a lack of financial support from Zambia. Norway is praised for having been involved in this field for so long while other donors have with-

drawn. This is particularly important now that the national parks and wildlife management appear to have the potential for becoming a motor for economic development. The report shows that good cooperation between the authorities and the local community has made it possible to reduce poaching. It also shows that the programme has learned from the knowledge that has been developed in this field, also internationally.

The evaluation confirms that wildlife management in South Luangwa has improved considerably during the period, and that the programme became financially self-sufficient in 2006, apart from investment costs. Living conditions in the Lupande Game Management Area have also improved. Between 1996 and 2005, 25 houses for teachers, 61 school projects and 24 small clinics were built, 102 wells were bored and 72 wardens were recruited from the villages. Both the companies that have hunting licences and those that run tourist businesses employ many local people. A household survey in an area adjoining the national park showed that household incomes were significantly higher than in other areas that were investigated. But it also showed that revenues benefit poor people to a lesser extent.

Since the establishment of the Zambia Wildlife Authority, revenues from these activities have been more centralised and chiefs and local communities have had less direct access to funds. The effect of this is that the local population is less financially encouraged by the programme and ordinary people have less oversight over how revenues are distributed. The chiefs also have less direct income and less influence over how funds are spent.

The evaluation team was asked to assess whether Zambian power structures and policies allowed enough leeway for Norway's assistance for the Luangwa Valley to be used in accordance with the goals. The answer to this question is yes, especially in the early phases of the programme. However, the evaluation team asks whether the increasing centralisation that has taken place may change this situation. The goal of poverty reduction appears to have been weakened by both donors and authorities in the current phase.

Financial management

In a climate where there has been increasingly strong focus on financial management in Zambia, both in the media and elsewhere, Norway has provided assistance for the Office of the Auditor General in Zambia, anti-corruption efforts, and a programme to improve the management and control of public expenditure.

Norway's support for the Office of the Auditor General began in 1997. Until the end of the programme in 2008, Norway's contribution is planned to amount to NOK 12 million. The purpose has been to help strengthen the Auditor General's ability to carry out regular audits of government activities. An external evaluation of this programme is positive and it seems clear that the capacity of the Office of the Auditor General has been strongly reinforced. There has also been a significant improvement in the coverage of the audit and the quality of the work that has been done, and delays have been reduced. The media has shown a growing interest in using the Auditor General's reports to highlight weaknesses in public administration. This has probably led to greater caution on the part of public employees in their management of public funds.

Norwegian assistance for anti-corruption activities has primarily been spent on the establishment and operation of a Task Force on Corruption (TFC), which was established by President Mwanawasa in 2002 to investigate claims of corruption during the period in power of former President Chiluba. All in all, the Task Force has received NOK 21.6 million from Norway, equivalent to approximately one quarter of the joint fund established by donors for this purpose.

The country evaluation does not discuss this, but the Task Force has also helped to increase the focus on how vulture funds – private funds that buy developing countries' debt and demand repayment at extortionate interest rates – operate. In a case heard in the British supreme court, Zambia received partial support for its argument that such claims are unreasonable. The Task Force also achieved a ruling in the British supreme court against former president Chiluba for having stolen more than NOK 300 million from the Zambian treasury.

A certain amount of assistance has also been provided for the ordinary Anti-Corruption Commission, which has less power and fewer resources than the TFC, and for Transparency International's chapter in Zambia.

The evaluation report confirms that all the projects are worthy of support and in accordance with Norwegian and Zambian goals. The TFC can boast a number of positive results from its investigative activities, even though progress on these cases has been slow and has so far resulted in only three convictions. An independent evaluation carried out in 2007 shows that this is primarily due to weaknesses in the judicial system and lack of experience in dealing with these types of cases. According to the evaluation, the TFC has nevertheless produced results that more than exceed the costs.

It is difficult to evaluate the results of Norway's support for the ordinary Anti-Corruption Commission, which was a small part of a larger programme. There was a widespread opinion among several informants that the Commission is weak and ineffective. This is partly ascribable to a lack of independence, poor management and delays in approving the Commission's strategy. Assistance for Transparency International in Zambia has enabled it to produce and disseminate literature and information about the fight against corruption.

The main goal of the Public Expenditure Management and Financial Accountability programme is to improve public expenditure management and strengthen public budget control. The programme, which began in 2005, has a budget of USD 72.2 million over five years, of which Norway will contribute USD 12.2 million. It is too early to evaluate the results of this programme.

Agriculture in the Northern Province

Norway's assistance for Zambian agriculture began in 1977, when an agricultural programme, supported by Norway, was initiated in the Northern Province. The programme was not launched as part of the Zambian authorities' agricultural programme. In 1992, activities were restructured and became a regional programme under the Ministry of Agriculture, where various measures supported by Norway were amalgamated with

the public advisory service. The main purpose of the programme, as formulated in 1994, was to promote a change in agricultural practices towards more environmental sustainability and increased local food security. This would be done by, among other things, creating better opportunities for income for smallholders, and there was to be special emphasis on women, and on households where women were the main breadwinners. In brief, the programme was to try to persuade farmers to stop slash and burn practices, or *chitemene*, as it is called in Zambia. The programme had other components too, including aquaculture.

The evaluation team takes the view that Norway's assistance for the Northern Province was based on a paternalistic approach, where Norway assumed that Zambia needed help to modernise its agriculture in an area where traditional agricultural methods were regarded as negative for the environment. This was a controversial approach associated with the former colonial regime, which had a vested interest in stopping *chitemene*. Slash and burn practices are based on farmers being able to move from place to place, which made tax collection difficult. This practice was therefore regarded as a threat to taxation. The first government after independence took over this attitude. Norway accepted the authorities' arguments without considering the advantages of this type of agriculture. *Chitemene* was traditionally a sophisticated system for mixed cultivation and it provided better growing conditions for traditional food crops than modern farming methods. The evaluation team takes the view that Norwegian and Zambian researchers and experts did not accept this premise. The situation was over-simplified. Attempts to prohibit *chitemene* were unsuccessful and resulted in this agricultural reform becoming an identity issue for the farmers. Slash and burn therefore became a protest against official control.

An evaluation of the effects of the programme was carried out in 1997. It concluded that despite all the investments in research and development in this area, the farmers still did not have an economically viable alternative to *chitemene*. Employees of the Ministry of Agriculture, who worked in the field, believed that the approach was wrong and that

too many resources were spent on research at provincial level. Zambia proposed an extensive reorganisation of the programme. However, Norway decided to stop providing assistance on the basis of the negative results of the 1997 study.

The country evaluation carried out in 2007 included a study of whether now, ten years after the programme ended, it is possible to find any long-term effects from Norway's efforts. This study shows that the negative conclusion from 1997 still applies. Chitemene is still the most common form of agriculture. Nevertheless, it must be recognised that research carried out under the programme resulted in a number of varieties of beans, millet, sorghum, soya beans and cassava that are still cultivated by some farmers. There are also indications that given the changed conditions for marketing and selling of agricultural products, including across national borders, farmers are now more willing to use these alternative plant species. The programme also helped to enhance the expertise of the Zambian agricultural administration.

One area where the evaluation team found a long-term effect was in aquaculture. The programme led to a rise in the number of farmers who use fish-farming as a means of increasing their income, which resulted in a more varied family diet. It was difficult to sustain this activity after the programme was wound up. Production of fish fry has now started up again and farmers are showing interest in filling up their ponds.

Important lessons learned

Neither Norwegian nor other donors have placed enough emphasis on the political and social context in which development cooperation takes place. This conclusion in the report from the country evaluation therefore corresponds well with the results of the evaluation of budget support that was carried out in 2006. This study, which was supported by several donors and covered the lessons learned in many countries, found that donors had not carried out sufficiently good analyses of the political situation when budget support was planned.

What the evaluation report calls the "de-politicisation" of development assistance takes place at the national level, where dialogue on both governance and macro-economics was more technical than political. But it also applies at the local level, where there has not been sufficient understanding of local traditions and power structures. Norwegian aid programmes are, in principle, relevant and poverty-oriented, but they do not pay sufficient attention to how projects are to achieve their overarching, poverty-oriented goals in practice. Instead of monitoring and measuring results, there is focus on implementing activities as a goal in itself.

It is necessary to analyse how the political system works, which special interests exist and how resources are distributed. If such analyses are not carried out and planning is done on a purely technocratic basis, there is a risk that the anticipated results will not materialise and, in the worst case, power structures that militate against distribution and poverty reduction will be strengthened. This applies at both national and local levels.

In this connection, it is interesting to look more closely at how the reorganisation of cooperation and increased donor coordination affect poverty policy. The evaluation report points out that the harmonisation agenda poses a danger of increased centralisation, with focus on dialogue on national plans and goals. This is related to what the evaluation team believes to be the current understanding of the concept of national ownership. The report asks what this term means and who is entitled to define ownership. Experience so far indicates an understanding of ownership that is based at the national, central government level. This type of approach marginalises representatives from the local level and non-governmental actors, which may result in less focus on poverty issues and the challenges facing vulnerable groups. The evaluation report recommends "unpacking" the ownership concept and analysing what it means in practice, not least with a view to poverty reduction.

The report also gives examples of how measures that produce good results may be stopped because Norway – in the name of harmonisation – concentrates its efforts on fewer sectors. Furthermore, there are examples of programmes that could generate direct incomes for poor households being de-prioritised for the same reason. However, consequences such as these must be weighed against the possible positive effects of greater harmonisation, i.e. more efficient use of national resources. With better control, the possibilities for giving people access to good public services and creating poverty-oriented growth will increase.

In much of its development cooperation, Norway, like other donors, has cooperated with the authorities to improve the national conditions for poverty reduction, without this having any significant effect for poor people in Zambia. This can be regarded as a long-term strategy, where the results will not be seen until the next decade. But it is also a risky strategy, because the possibilities for change in Zambian society are uncertain.



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In 2007 Norway will provide around NOK 450 million in development assistance and humanitarian emergency aid to Afghanistan. About half will be channelled through the Afghan Government and the remainder through the United Nations and other aid organisations.
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// Photo: Ken Opprann
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Many of the poorest countries are torn by violent conflict. War has serious adverse consequences for the lives and health of individuals and for the country's opportunities for development. Efforts to promote peace are therefore crucial to laying a foundation for long-term development. Norway is extensively involved in this area, where development assistance is combined with political and other peace-building efforts. Norway also provides substantial humanitarian aid in the form of emergency relief for the victims of droughts, floods, hurricanes or earthquakes. There is a serious risk that climatic changes will cause more, and bigger, natural disasters in the years ahead.

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**MORE FRAGILE STATES,
BUT FEWER WARS**
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The international aid community has in recent years focused more attention on countries that are at war or in crisis, i.e. the so-called "fragile states"⁵⁶. These countries are not only a tragedy for their own population, but they also have an impact on neighbouring countries and, potentially, the entire world. Countries without internal control and security create large flows of refugees, health risks that can spread globally, and a breeding ground for international terrorism.

Since the mid-1990s the number of violent conflicts in the world has declined significantly⁵⁷. In the early 1990s, there were around fifty different active war zones in

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⁵⁶ The term "fragile states" is relatively new, and there is no international consensus on exact definitions. The term covers countries at war and undergoing widespread crisis, but also countries with major internal tensions and weak states where the risk of collapse and violent conflicts is significant. The OECD/DAC has established a list of 38 countries in this category. The World Bank's list comprises 34 countries.

⁵⁷ Human Security Report 2005, Human Security Brief 2006.

⁵⁸ World Bank: Operational Approaches and Financing in Fragile States (IDA 15), June 2007.

which the government was a party to the conflict. In 2005, there were around thirty. In addition, there are local wars between armed groups, to which the government is not a party. As a rule, these local wars do not last long and are less extensive, and they have declined in number from 34 in 2002 to 25 in 2005.

Several countries where hostilities have been halted, nevertheless remain in an unstable transitional phase where there is little security and a risk that the use of violence will re-escalate. Other countries have major internal tensions and are governed by weak or oppressive authorities. There are currently between 30 and 40 particularly fragile states with a total population of around half a billion. Approximately 25 per cent of the world's poorest people live in these countries, and the fragile states have a significantly higher child mortality rate and lower rate of children enrolled in school than other developing countries.⁵⁸ Many of the fragile states are among Norway's partner countries, and Afghanistan, Sudan and the Palestinian Territory are among the countries that receive the most development assistance from Norway.

A great many people suffer due to violent conflicts and crisis. However, the number of



4

**PEACE-BUILDING,
HUMANITARIAN
ASSISTANCE AND
DEVELOPMENT AID FOR
FRAGILE STATES**



refugees under the mandate of the UN High Commissioner for Refugees (UNHCR) has decreased from about 15 million in 1995 to just under 10 million in 2006. This decline can be ascribed to the end of wars in the Balkans, Central Asia and Africa in the past few years, while the hostilities in Iraq and Sudan are creating new refugee flows. Furthermore, there are still 4.5 million Palestinian refugees under the mandate of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The number of internally displaced persons has remained more or less stable since 2002⁵⁹, at around 25 million. This figure is significantly higher than the number of refugees that have crossed international borders.

Since 11 September 2001, considerable international attention has been focused on the spread of international terrorism. This problem, compounded by the threats posed by international drug trafficking, the proliferation of weapons of mass destruction and easy access to handguns, makes the world less safe.

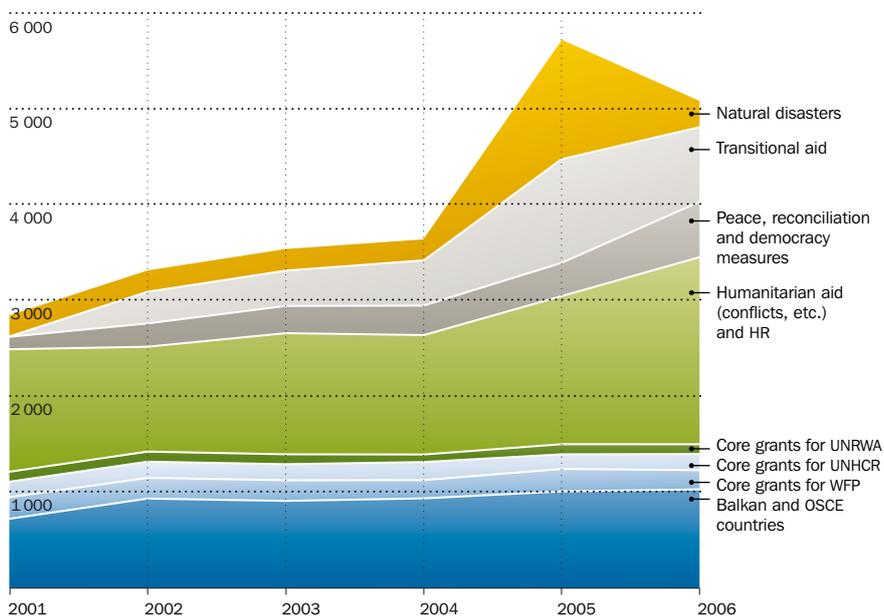
These challenges underscore the need to use development assistance more constructively to promote security and stability in poor countries. Aid plays an important role in humanitarian assistance, re-education of ex-combatants, mine clearance, elections, reconciliation processes and the reconstruction of social institutions and infrastructure. In order to guide international efforts towards more conflict sensitive approaches better adapted to the actual situation in fragile states, all OECD donor countries have agreed on ten principles for international engagement in fragile states.⁶⁰

Many processes have been initiated in recent years, and new international institutions have been established to improve the international community's response to crises. Examples include humanitarian mine clearance and the international Mine Ban Treaty, efforts to monitor handguns and eliminate cluster bombs, the International Criminal

59 Internal Displacement Monitoring Centre (Norwegian Refugee Council), April 2007

60 OECD/DAC: "Principles for good international engagement in fragile states and situations", April 2007.

FIGURE 20 Substantial increase in allocations earmarked for humanitarian assistance, peacebuilding and reconstruction (NOK million)



Source: Government of Norway: Central government budget, various years.

Court, the UN Peacebuilding Commission and the UN Peacebuilding Fund. The United Nations and the World Bank carry out joint post-conflict needs assessments, and collaborate in providing funding for transitional phases. Norway is an active proponent for the United Nations to take more concerted action by integrating political diplomacy with providing peacekeeping forces, humanitarian aid and support for reconstruction in countries in crisis.

Virtually all the wars and the peace processes in the world are male-dominated, although women too are both direct participants in conflicts and active supporters. Among civilians, women are the main victims of abuse and oppression. In 2000, the UN Security Council adopted Resolution 1325, which urges all member states to integrate women in all decision-making relating to and implementation of peace processes, and to incorporate a gender perspective in all activities related to humanitarian assistance and peacebuilding. In 1997, the United Nations established a Special Representative for Children and Armed Conflict. The Special Representative has joined forces with UNICEF to spearhead efforts to combat the use of child soldiers and provide extra support and protection for child victims of war.

NATURAL DISASTERS, HUMANITARIAN ASSISTANCE

There are many indications that the number and scope of natural disasters may increase sharply in the coming years as a result of the combination of environmental and climatic changes and increased urbanisation. The poorest countries are the least capable of coping with natural disasters. Humanitarian assistance is necessary to save lives, provide protection and help people whom national authorities are unable or unwilling to assist.

In recent years there has been considerable focus on humanitarian reforms to improve international coordination, capacity and financing arrangements for humanitarian assistance. An important aspect of these reforms is establishing a UN central emergency relief fund with a view to reducing response time and ensuring that priority is also given to crises that receive little media coverage.

NORWAY'S AID FOR PEACEBUILDING AND COUNTRIES IN CRISIS; AN OVERVIEW

Humanitarian assistance and aid for peacebuilding are key components of Norwegian development cooperation policy. As defined

in the strategic framework for the contribution to peacebuilding by development cooperation⁶¹, efforts are focused on three main areas: economic and social development, political and judicial reforms, and security issues in a broad sense. Assistance is provided through Norway's direct engagement in peace processes, such as in the Palestinian Territory, Central America, Sudan, Nepal and Sri Lanka, or as a contribution to other peace operations, as in the Balkans and Afghanistan. Norway has a long tradition of assisting countries that have recently gained their independence or undergone major upheavals, such as the countries in Southern Africa after they became independent, South Africa after apartheid, and more recently Timor-Leste. Norway's new engagement in countries like Burundi and Liberia is grounded in the same tradition.

Total assistance for humanitarian efforts, peacebuilding and reconstruction of countries in crisis amounted to around NOK 5 billion in 2006. Between 25 and 30 per cent of all Norwegian aid is earmarked for these purposes.⁶² As can be seen in Figure 20, the largest allocation is for humanitarian assistance in response to war, conflict and other "man-made" disasters. This allocation also covers mine clearance. Since 2001, allocations for "transitional aid"⁶³ and for "peace, reconciliation and democracy measures" have increased substantially. In 2005, a large supplementary allocation was made for victims of natural disasters, on account of the tsunami in the Indian Ocean and the earthquake in Pakistan.

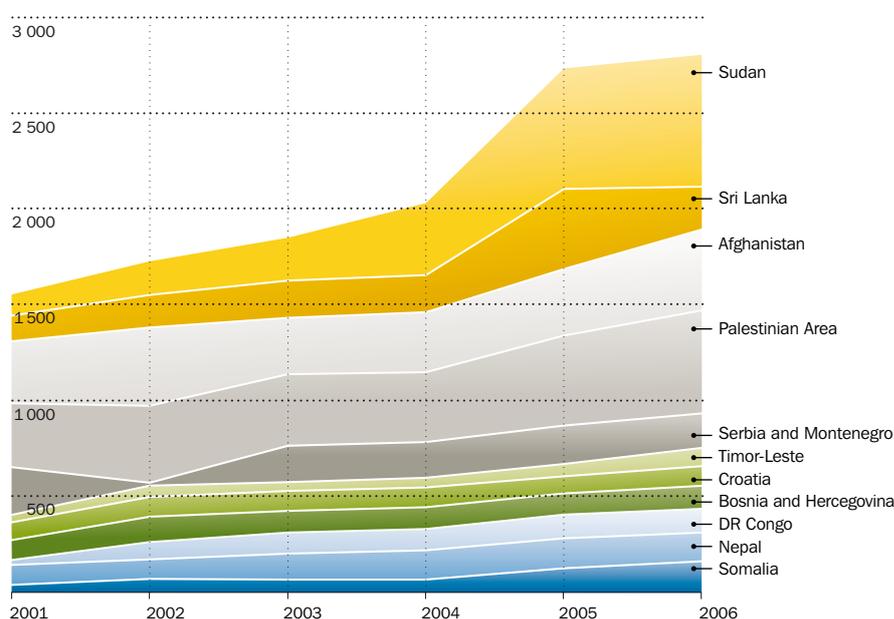
61 *Peacebuilding: a Development Perspective. Strategic framework*, Norwegian Ministry of Foreign Affairs (2004).

62 Does not include the development assistance budget's funding for refugee measures in Norway, which is approved as official development assistance (ODA) under OECD rules and which totalled NOK 477 million in the 2006 budget.

63 Transitional aid is intended to bridge any funding gap that may arise between humanitarian aid that is being phased out and long-term development assistance that takes time to plan and implement.

64 Joint evaluation of the international response to the Indian Ocean tsunami, many reports prepared by the Tsumani Evaluation Coalition (TEC), 2006 and 2007.

FIGURE 21 Extensive bilateral assistance for fragile and crisis-affected countries (NOK million)



Source: Norad.

Figure 21 shows how bilateral aid for some of the crisis-stricken and fragile countries that receive the most assistance from Norway has increased in recent years. In 2006, the eleven countries included in the figure received approximately NOK 2.8 billion.

In parallel with its bilateral cooperation, Norway makes substantial contributions to multilateral agencies in order to strengthen their effectiveness in crises and fragile states. Norway provides support for agencies such as the UN Office for the Coordination of Humanitarian Affairs (OCHA), the UN High Commissioner for Refugees (UNHCR), the UN Children's Fund (UNICEF), the World Food Programme (WFP) and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). Relatively large amounts of aid have been channelled through multi-donor funds and other mechanisms administered by the World Bank for the reconstruction of countries in crisis. The UN Central Emergency Response Fund was a success thanks to early contributions from a small number of donors, including Norway.

Norway's humanitarian assistance is also channelled through Norwegian non-governmental organisations, in particular the Norwegian Red Cross, the Norwegian Refugee Council, Save the Children Norway (Redd Barna),

Norwegian People's Aid and Norwegian Church Aid. Several of these organisations are also involved in other ways in peace processes, reconciliation and conflict resolution, and in the reconstruction of democratic institutions.

SOME EXAMPLES OF THE RESULTS OF NORWEGIAN DEVELOPMENT ASSISTANCE

The tsunami – many victims received the help they needed, but local capacity was overlooked

The tsunami which struck the countries bordering the Indian Ocean in December 2004 had dramatic consequences for Thailand, Indonesia, Sri Lanka and other countries. It took the lives of 228,000 people, left several million homeless and damaged property worth at least USD 10 billion. An evaluation of the national and international response in the period following the disaster⁶⁴ points out that the most important life-saving efforts were carried out by local organisations. The UN headed a large-scale international apparatus that gradually helped to ensure that victims received emergency relief and that work began on the process of reconstruction. Never before has so much funding been provided so quickly. The UN helped to ensure that the funds were large-



ly channelled to the countries with the greatest needs. And sufficient funding was available to avoid the occurrence of a gap between emergency relief and reconstruction. The evaluation shows that the potential of the enormous contributions was not utilised to the fullest extent. The international response was generally characterised by overlapping of effort, little use of needs assessments and poor coordination. Many actors had no prior experience of emergency relief nor adequate knowledge of the conditions in the area, and local authorities and structures were often overlooked.

The best results were achieved by the international actors who provided support for local actors. The Norwegian authorities required non-governmental organisations wishing to participate in the relief efforts in Sri Lanka to already have an established network of contacts in the country.

There were also examples of development assistance being politicised. In Sri Lanka, attempts to ensure that assistance transcended the lines of conflict were soon rendered futile. But in Aceh, Indonesia, the humanitarian response helped to lay the foundation for a peace agreement between the government and the Free Aceh Movement (GAM).

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Humanitarian efforts in Pakistan and Lebanon – examples of rapid response
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On several occasions in 2006, Norway helped to mitigate the consequences of natural disasters. After the earthquake in Pakistan in October 2005, Norway and several other countries helped provide emergency relief for hundreds of thousands of people in their local communities or temporary shelters in tent camps, with acceptable health services, food, water supplies and sanitation. Norwegian aid in the aftermath of the earthquake totalled NOK 522 million, making Norway one of the biggest donors. The Pakistani authorities, in particular the army, provided the bulk of the response. National and interna-

65 Review of Norwegian Earthquake Assistance to Pakistan 2005 and 2006, by Arne Strand and Kaja Borchgrevink, CMI Report R 2006:8, Chr. Michelsen Institute.

66 *Review of Post-Crisis Multi-Donor Trust Funds (Final Report and Country Study Annexes)*, published by Norad, February 2007.

tional actors collaborated to ensure that emergency relief was followed up by more long-term development assistance, and most of the victims have now returned to their home villages. A review⁶⁵ of Norwegian support confirmed that the development assistance channelled through Norwegian NGOs was professionally implemented, effective and targeted. It was greatly appreciated by the Pakistani authorities, the UN and the recipients. Furthermore, several of the Norwegian NGOs helped to strengthen local organisations, thereby paving the way for more long-term development. Support for the UN system was aimed at strengthening the UN's new "cluster" approach to crisis response. The study showed that improvements had been made, but the quality of the UN system and its ability to coordinate efforts effectively still varies significantly.

The war in summer 2006 between Israel and Hizbollah in southern Lebanon led to a massive exodus of people from the region. The majority sought refuge in other parts of Lebanon, while some crossed into neighbouring countries, in particular Syria. National authorities, neighbouring countries and organisations in the region made a heroic effort, backed by massive international relief, in which Norway played a significant role. This response prevented the situation from getting out of control and many people received medical assistance and help to survive in a difficult situation.

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Mine clearance promotes development and reduces human suffering
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Norway has for long been an active proponent of efforts to ban landmines, and has played an active role in implementing the 1997 Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (Mine Ban Treaty). Landmines have killed or maimed thousands of innocent people. The countries that have pledged to comply with the convention have ten years to destroy all anti-personnel mines in their territory. Norway focuses on humanitarian mine clearance that does not entail the use of military forces. Through NGOs and the United Nations, Norway has provided support for mine clearance in many countries, including Angola, Ethiopia, Eritrea, Somalia, Sri Lanka and the Balkans. One of the coun-

tries that have received assistance for mine clearance directly from Norway is Guatemala, which like Nicaragua can now declare itself free of landmines. This means that land can again be used for farming and grazing and people can move around freely without fear of being injured or killed by mines.

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Useful multi-donor fund for reconstruction
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In the past few years, Norway has provided over NOK 500 million per year to post-crisis multi-donor funds administered by the World Bank or the United Nations. In 2006 Norway, the World Bank and three other donor countries conducted a major review of the operation of these funds, and how they could be improved.⁶⁶ The report covers funds for the war-torn and crisis-affected countries of Sudan, Sierra Leone, Iraq, the Palestian Territory, Afghanistan, Indonesia and Timor-Leste, as well as a fund for training and reintegrating ex-combatants in Central Africa.

The review showed that multi-donor funds are very useful for joint donor efforts on a few common objectives, such as strengthening key government functions at an early stage; and for financing reconstruction projects. The funds received financing from donors who would not otherwise have contributed, reduced the risks for donors, and facilitated negotiations with the recipients. The funds were combined with efforts to strengthen the recipients' financial management systems and created useful forums for dialogue between donors, recipient authorities and other stakeholders.

However, the effectiveness and results of the aid varied. Many funds, like the one in South-Sudan, were too slow to allocate money so that projects could start. Other funds, such as the post-tsunami fund in Indonesia and the budget support fund in Afghanistan, proved to be more successful at getting off to a quick start. In Sri Lanka, with Norway's assistance, parties entered into an agreement on a mechanism for financing post-tsunami aid, but the agreement was rejected by the Sri Lankan Supreme Court. In some places, the authorities felt that they had been ignored. Donor participation and support was also uneven. In some cases, the World Bank and the

United Nations have collaborated well, while in other places they have competed for control of the funds. In some cases, legal problems created major delays and considerable frustration.

The report concluded with several clear recommendations for improving the effectiveness of this type of fund. Most important is that donors, in close cooperation with recipients, must have a clear understanding of the main objectives of the fund. Too many goals and attempts to include all stakeholders will make the fund less effective and less useful for all concerned. Clear division of roles and responsibilities is important.

Sudan – a fragile process

Norway has provided humanitarian aid to Sudan for many years and played a prominent political role in the peace negotiations. In the reconstruction phase, donors have faced a significant challenge in ensuring that their efforts contribute to peace and stability, and that the political process which resulted in the peace agreement is carried forward. In addition to the contributions channelled through the United Nations and Norwegian NGOs, Norway has allocated substantial amounts to the multi-donor funds administered by the World Bank in Sudan. These funds have had little success in contributing to the swift realisation of the peace dividend in the form of improved infrastructure, health and education, etc., but have become instruments of dialogue between donors and authorities focused on the long-term institutional development of key government functions. Norway has also provided advisory services to promote sustainable management of the country's petroleum and forestry resources. However, progress is very slow, and there are few visible results of international aid for South Sudan. Most importantly, war has not broken out again in this part of the country.

67 *Review of Development Cooperation in Timor Leste*, Scanteam, Oslo. Utgitt av Norad, september 2007.

68 *Evaluation of UNDP Assistance to Conflict-affected Countries*, 2006.

69 *Samset & Madore, Evaluation of the UNDP/ UNOPS Peacebuilding and Community Development Project in Ituri, the Democratic Republic of Congo*, Bergen: Chr. Michelsens Institutt 2006.

Important results, but little conflict sensitivity in Timor-Leste

Timor-Leste became independent in 2002, and has often been hailed as a success story for its reconstruction efforts after many years of conflict. In April 2006, a new political crisis arose, triggered by the government's dismissal of one third of the armed forces. A review of international assistance for Timor-Leste⁶⁷ makes an analysis of how this aid affected the development of internal conflicts in the country in the period 2002-2006. Much of the assistance provided was absolutely crucial in the transition to independence and the establishment of the new state, and contributed to capacity building in public institutions, physical infrastructure and social services. However, the report underscores that insufficient account was taken of knowledge of the conflict dynamics when donors drew up their programmes. The strong emphasis on central government administration and the fact that a disproportionately large number of the activities targeted only the capital Dili, contributed to centralisation of power and political marginalisation. Important conflict-reducing economic development measures such as higher education and employment for youth and young adults in Dili and other cities were neglected.

The report also points out that donors' failure to coordinate their efforts may have exacerbated conflicts in the security sector. There are examples that the conflict may have been aggravated by the fact that certain donors developed extremely close relations with the political elite in Timor-Leste. The report will now be discussed in Timor-Leste with a view to make use of lessons learned and adjust practice in the new political situation following the presidential and national assembly elections in 2007.

The United Nations Development Programme (UNDP) important in reconstruction

The UN Development Programme (UNDP) is one of the most important UN agencies for reconstruction and long-term development. The head of the UNDP's country office is most often also the UN resident coordinator with the task of coordinating all the work carried out by the UN in the country concerned. Long-term Norwegian support has

helped strengthen the capability of the agency to become a more relevant, effective actor in transitional phases. The agency has increased its expertise in the fields of conflict prevention, prevention of natural disasters, justice and security sector reforms, return and reintegration of refugees, governance and facilitation of community-based reconstruction. The UNDP and the World Bank have jointly developed a tool for needs assessment in post-conflict situations.

A 2006 review⁶⁸ of UNDP aid for countries in crisis showed that aid effectiveness was hampered by donors' strong expectations of quick results and little access to flexible funding for reconstruction and development. The review also identified a lack of capacity and expertise among country office employees for implementing programmes and a lack of flexibility in UNDP procedures.

Peacebuilding through community development

A review of a Norwegian-funded UNDP programme in the Ituri province of DR Congo shows good results.⁶⁹ The district was wracked by violent conflict. Short-term humanitarian assistance predominated. The programme design was based on the idea that community development could help reduce violence and build peace. Over 80 small, community-based projects were initiated with participants from both sides of the conflict. Practical projects ranging from the construction of health centres to the establishment of egg production and hair dressing salons were started. The programme was simple, yet risky in an area with poor infrastructure and few well-functioning institutions. There was a significant risk of corruption.

The study showed that the fear that armed groups would gain access to project funds and use them to make war was groundless. The level of violence in the district was reduced during the programme period. The goals of promoting reconciliation by providing access to basic services and infrastructure were achieved because persons from both sides in the conflict participated in all the projects. Trust between the various groups and their motivation for peaceful co-existence were strengthened, and local communities acquired greater confidence in their own mechanisms for development and peace-



building. The UNDP was criticised for the programme's poor organisation, and the review pointed out that the good results were not due to thorough planning and good assessments, but rather to the strong local support of community leaders.

Demobilisation and reintegration

To underpin peace processes and help to break the cycle of violence in the Great Lakes region of Africa, a major programme was launched in 2002 for national disarmament, demobilisation and reintegration. The programme covers Angola, Burundi, the Democratic Republic of Congo, the Central African Republic, the Republic of Congo, Rwanda and Uganda, and is a joint effort between the governments of these countries, the World Bank, several UN agencies and 13 donor countries, including Norway. Over 450,000 former members of armed groups have received some kind of support, enabling them to lay down their weapons and resume a normal life. Others have chosen to join the government army. This assistance often consists of a reintegration package comprising cash, training and simple objects like a mattress, a saucepan and farm tools. Although most people agreed that such interventions are necessary to ensure the development of a more peaceful society, the fact that ex-combatants return to their local community or suddenly appear in a government army uniform does pose certain problems. A 2007 review of the programme shows that more targeted efforts are required in the communities that have suffered most in the conflicts.

A number of special projects have been started to examine the particular needs of women and children. Most of those who are demobilised are men. Many were only children when they joined an armed group, often against their will, sometimes as a strategy for survival. Many women have been part of the same armed groups, but are often forgotten in demobilisation processes because they have not been soldiers. The programme has helped to promote a dialogue with the authorities concerned in the region and to focus greater attention on the post-conflict position of women. In Uganda, women receive the same reintegration package as men if they have been issued a certificate by the official amnesty office.

Important lessons learned

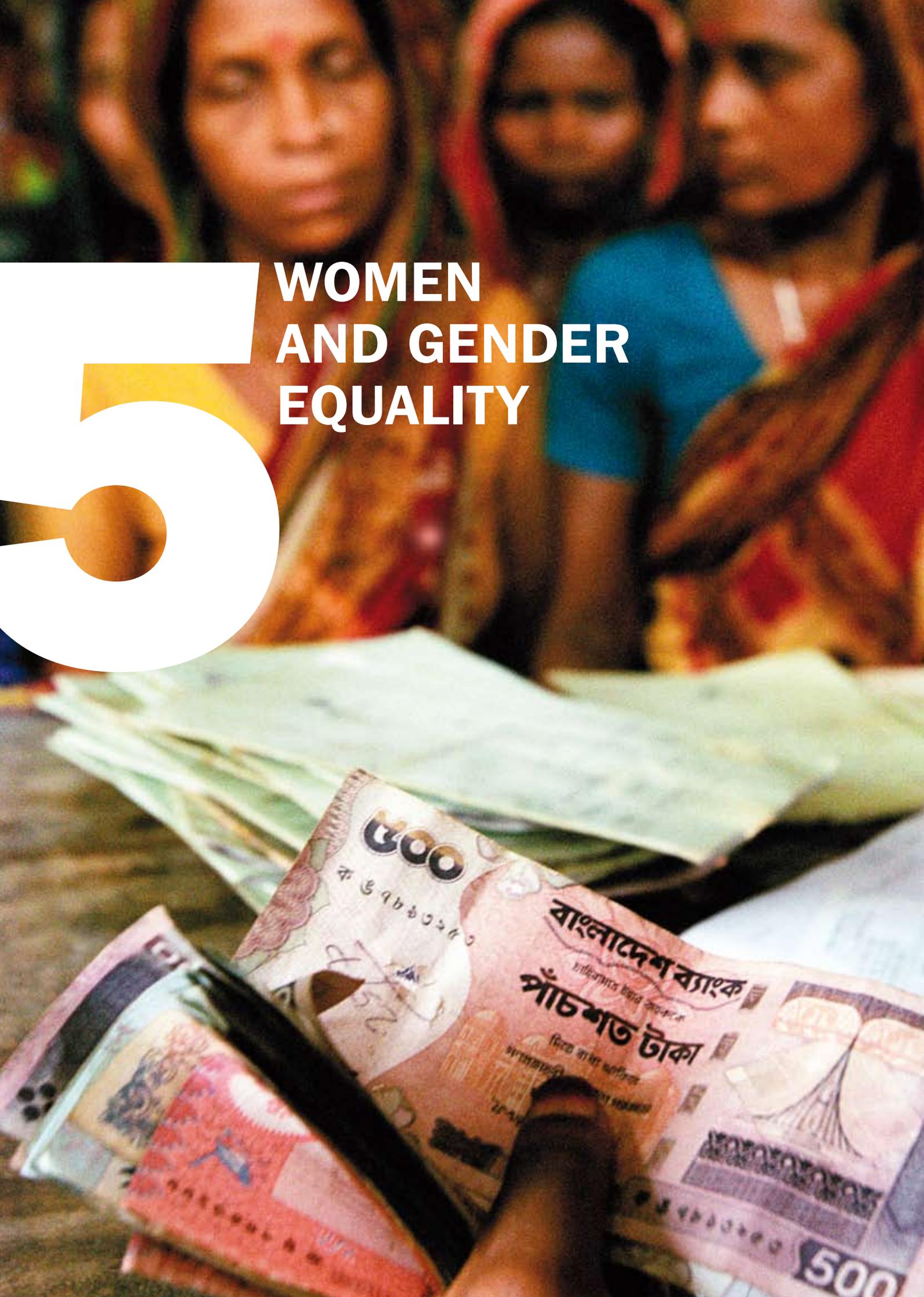
It takes time to solve conflicts and rebuild nations after a violent conflict. Many factors can lead development in a negative direction, and setbacks must be expected. The risk is great, but so are the potential benefits in the form of more peaceful development.

The lessons learned from peace processes in a number of countries underscore the importance of coordinating efforts, to ensure that development assistance, security issues and political instruments all work together to underpin the process.

The composition and content of development assistance must be conflict-sensitive. This means that assistance must take account of the political and security situation, and support peace processes in a constructive way.

In some countries substantial aid resources are tied up in meeting the need for protection and security, and areas where needs are great become inaccessible to aid workers. In such countries, priorities must be continuously adjusted in step with changes in the political and security situation. This means that a great deal of assistance becomes short-term, and it is important that plans for aid are highly flexible and combined with a long-term strategy.

The humanitarian crises that followed in the aftermath of the tsunami in South and South-East Asia and the earthquake in Pakistan have shown that the efforts of the local community were invaluable, particularly at the initial stage. It is crucial that international organisations participating in humanitarian efforts are familiar with the area and that the work is carried out in collaboration with local organisations, thereby strengthening their capacity, expertise and role.

The image features a blurred background of several women, likely in a rural or community setting. In the foreground, there are stacks of Bangladeshi banknotes, including a prominent 500 Taka note. The text 'WOMEN AND GENDER EQUALITY' is overlaid in white, bold, sans-serif font. A large white graphic element, resembling a stylized '5' or a bracket, is positioned on the left side of the page.

WOMEN AND GENDER EQUALITY



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Norway started supporting the Grameen Bank in 1986 and continued this assistance until 1997 when the Grameen Bank was self-sufficient. The bank offers cheap loans to village women to enable them to start their own business. // Photo: G.M.B. Akash
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While empowering women and eliminating gender discrimination constitute a goal in themselves, gender equality is also important for the achievement of other development goals. When girls receive an education, they have fewer children and they help to reduce infant mortality. When the rights of women are strengthened and they are given better opportunities to earn money, they also generate economic growth.

The third Millennium Development Goal is to promote gender equality and empower women. One way of achieving this goal is to eliminate the difference between the percentage of boys and girls in primary and secondary school and reduce the maternal mortality rate.

This chapter presents the results of international and Norwegian efforts in a few selected areas: women in politics, women in economic activity and girls and education. Information on the progress being made to improve women's health may be found in Chapter 2.

is also improving in Guatemala, Ethiopia, Nepal, Mozambique, Zambia and Malawi. The countries at the bottom of the list, where gender equity has regressed most, include Angola, Botswana, Bangladesh and Eritrea.

This index covers a period of only three years. The United Nations has charted the trend in the various areas in the last 10-15 years, and has recorded more positive figures, although they show the same tendency. Good progress is being made with regard to education for girls, but only a small improvement can be seen in the other areas.

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GLOBAL AND NATIONAL DEVELOPMENT TRENDS
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The Third World Institute publishes the *Gender Equity Index*⁷⁰, which ranks countries by measuring women's relative economic activity, political influence and education. The Index shows that progress has been made in terms of equality in schooling and politics, but the situation with regard to economic distribution and development has stagnated.

As expected, the Nordic countries score high on this index, ranking from 79 to 89 on a scale of 0 to 100. Far down the list, we find Norwegian partner countries such as Nepal (44), Eritrea (45), the West Bank and Gaza (49) and Nicaragua (52). Rwanda and Ecuador have made the most progress in the last three years, but the gender equity situation

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Women are participating more actively in national politics
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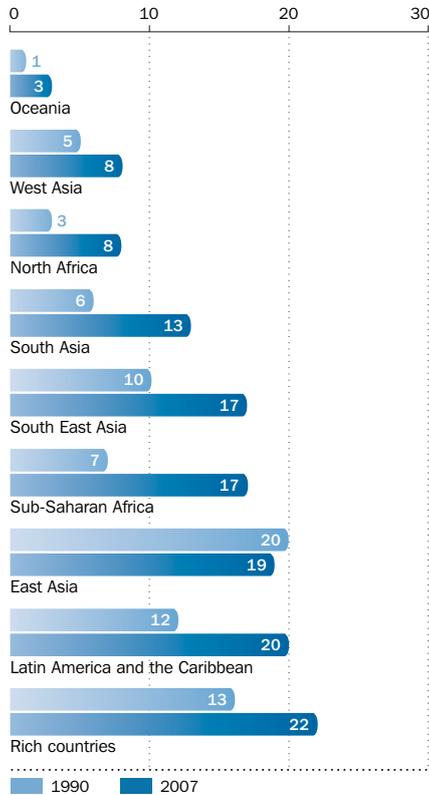
Women are heavily underrepresented in governing bodies and decision-making processes at all levels on all continents, and most particularly in the poorest countries. In the UN's Millennium Development Goals, the percentage of women in national assemblies has been selected as an indicator for measuring women's participation in politics. While it does not give a fully accurate picture of women's participation and position in society, it has the advantage that it can easily be measured. Statistics show that women's participation is generally on the rise. The proportion of women in national assemblies has increased from 12 to 17 per cent between 1990 and 2006, and it has risen on every continent except Europe and Central Asia.

In the 1990s some countries introduced a system of quotas to increase women's representation in their legislative assemblies.

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70 The Third World Institute, Gender Equity Index 2007.



FIGURE 22 Growing proportion of women representatives in national assemblies
(Percentage)



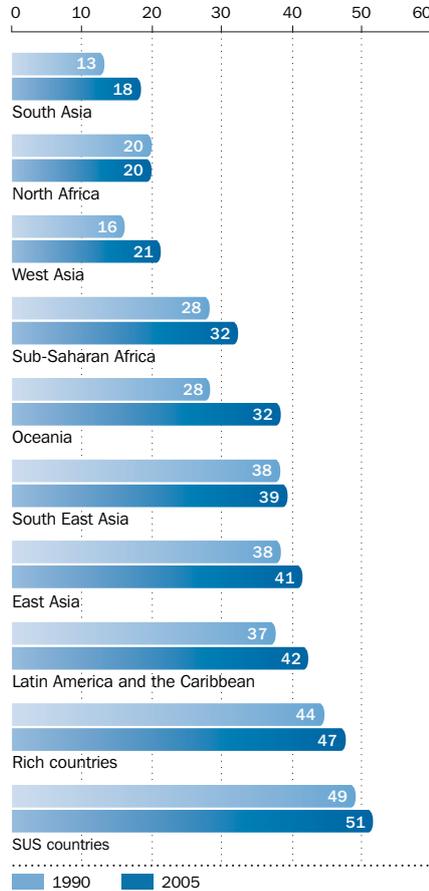
Source: The Millennium Development Goals Report 2007.

Countries like Argentina, Costa Rica, Mozambique, Rwanda and South Africa have, by such means, succeeded in achieving a rate of representation for women that is comparable to that of the Nordic countries. In the parliamentary elections in Rwanda in 2003, 49 per cent of the elected representatives were women, the highest proportion of women ever elected to a parliament. In 2006, Liberia acquired Africa's first democratically elected woman president. In 2006, however, only 13 of the countries in the world had a female head-of-state, compared with nine in 2000 and 12 in 1995.

Women in economic activity

Women account for about two-thirds of the close to one billion people who live in extreme poverty. As a rule, women have to work harder than men. They more often have to provide food for the family, either by cultivating it themselves or by earning the money to buy it. At the same time, in many cases, they have weaker formal rights, such as the right to own property or the

FIGURE 23 Increase in share of women in wage employment in the non-agricultural sector
(Percentage)



Source: The Millennium Development Goals Report 2007.

right of inheritance, and they have less access to new technology, credit and vocational training. In Latin American countries, close to 90 per cent of the land is owned by men. And when women own land, their farms are smaller than those of men. Similar statistics have been found for sub-Saharan Africa. Women generally also have fewer possibilities of making use of technological advances, because women's right to land is weaker. In Ethiopia, the productivity of farms run by women is lower than for men, partly because it is harder for women to obtain chemical fertilisers.

Once women own land, most studies show that they do not have less access to loans or have to pay a higher rate of interest than men. However, according to research carried out in Bangladesh, loans to women have greater significance for children's schooling than loans to men. This accords with a South

African study that shows that giving grandmothers a government pension results in better health for their grandchildren than giving a similar pension to grandfathers. In poor households, women's income from their own economic activity or paid employment can be essential to keeping hardship away from their family's doorstep.

The progress indicator for Millennium Development Goal No. 3 is women's participation in formal employment. Figure 23 shows the trend in the percentage of women in wage employment in the non-agricultural sector for selected regions. The figure shows that women are slowly increasing their participation in formal employment in virtually every region. Participation is particularly low in a belt stretching from South Asia to North Africa, while it is relatively high in Latin America, South East Asia and sub-Saharan Africa.

This indicator does not reflect the situation of the vast majority of women in developing countries who do not have formal or paid work. In its annual Human Development Report, the UNDP prepares an overview of women's total incomes as a percentage of men's incomes in individual countries. Figure 24 shows the distribution of incomes in some of Norway's partner countries.

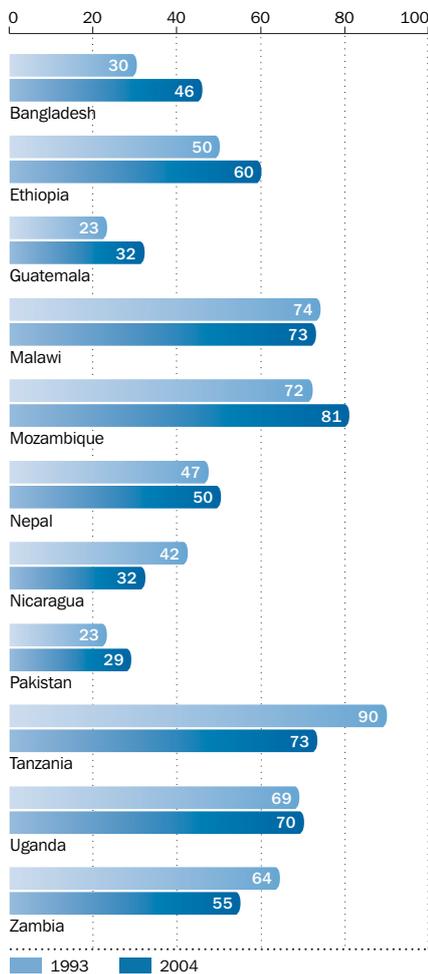
The figures are estimates and are subject to considerable uncertainty. Income is distributed far more equitably between women and men in the poorest countries in Africa than in partner countries in Asia and Central America. On average, these countries are at a standstill. Generally speaking, this indicates that there has been no improvement in women's relative incomes in the last 10-15 years.

Women and education

No single factor has greater impact on the living conditions of poor people and their possibility of emerging from poverty than mothers' education. It means better health for their children, more money for their children's education, better nutrition, fewer children in the family and higher income from work. It also means that the woman's position in the family becomes stronger.

Progress has definitely been made in this field in the last 10-15 years. As a result of

FIGURE 24 Women's incomes in relation to men's in selected partner countries (Percentage)



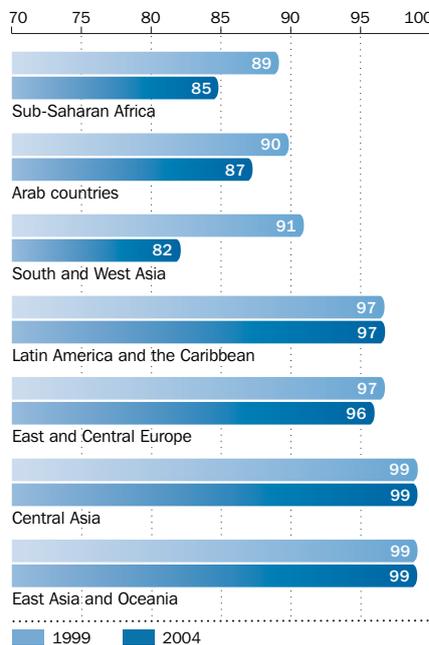
Source: The UNDP Human Development Reports, 1996 and 2006.

increased international focus on education for girls, in which development assistance plays a crucial role, more children are starting and completing school. Globally, girls' enrolment in school relative to that of boys rose from 92 per cent in 1990 to 94 per cent in 2004. There are still more boys than girls attending school, as Figure 25 shows.

The difference between boys and girls is greatest in countries where relatively few children attend school, countries that are usually also among the poorest. Marked progress has been achieved in the regions

71 A measure may be classified as having a main goal or a subsidiary goal relating to women and gender equality, environment, research, HIV/AIDS or human rights. Consequently, they are not mutually exclusive.

FIGURE 25 Girls' enrolment in schools in relation to that of boys (Percentage)



Source: Education for All Global Monitoring Report 2007.

and countries where the difference has been greatest. In several Latin American countries, more girls than boys are now completing primary and lower secondary school.

Strong male dominance

The fight for women's rights and gender equality is grounded in a number of international conventions. UN agencies and donors play a pivotal role in promoting these conventions and supporting women's organisations and other groups who work to achieve change.

In many countries, gender disparities permeate every level of society. There is a strong male dominance which is difficult to remedy in the short term. Traditional and cultural structures impose constraints on women's participation and power and on the roles that men and women can play. Men may have a strong vested interest in protecting patriarchal structures. Religion and tradition are often interpreted in ways that reinforce the oppression of women. Many poor families consider the economic value of girls' work in the home to be higher than the value of sending the girls to school.

In many African societies, the breakdown of traditional structures has made women even

more vulnerable to abuses than before. The vast number of rapes and abuses in South Africa are but one manifestation of this trend. At the same time, we can see that traditions and culture in many African countries impose fewer restrictions on women's power and personal development than in countries in the Middle East and parts of Asia and Latin America.

NORWEGIAN DEVELOPMENT ASSISTANCE

Norwegian development policy includes efforts to increase women's participation in political and economic life, safeguard sexual and reproductive health and rights, strengthen girls' right to education and help to combat violence against women. Integrating the gender perspective into the activities of Norway's partners in the United Nations, the multilateral development banks and partner countries is a key objective. The United Nations plays an important technical and normative role in efforts to promote gender equality and women's rights. Many NGOs also target women in particular or integrate gender equality into their activities. Norwegian development assistance in the field of gender equality has attached particular importance to mobilising efforts to promote policies for women, improving and enforcing legislation, establishing social schemes and combating violence against women. Among other things, Norway has financed pioneering work on methods and awareness-building with regard to violence against women, in particular sexualised violence.

In 2006, NOK 567 million of bilateral development assistance was spent on measures aimed primarily⁷¹ at promoting gender equality. Close to half of this amount (NOK 255 million) went to Africa and another large share (NOK 174 million) went to countries in Asia. In addition, around NOK 2.1 billion was spent on bilateral interventions in which women were a major target group. Norway is also one of the main donors to many UN agencies and development banks whose target groups include women. Most important among these are the UN Development Fund for Women (UNIFEM), the UN Fund for Population Activities (UNFPA) and the UN Children's Fund (UNICEF). Furthermore, some of the funding provided through the World Bank and the regional development banks targets women.



The positive development effects of empowering women are well documented by research and UN reports. A number of evaluations indicate that international development cooperation efforts have not succeeded in mainstreaming gender equality in general development cooperation.

RESULTS OF NORWEGIAN EFFORTS

Norway's strategy for women and gender equality in development cooperation was evaluated in 2005. The main conclusion was clear: efforts to integrate focus on women's rights and gender equality in development cooperation were not successful. In fact, there were many indications that less priority was now being given to this work. Insufficient resources had been invested in implementing the strategy. The institutional and organisational machinery had been weakened by phasing out professional and technical networks and special women's coordinators. Consequently, the strategy had not been translated to a sufficient degree into concrete projects and programmes at the operational level.

A review of international evaluations in 2006 produced similar results. It also showed that increased use of new forms of development assistance is making it more difficult to address cross-cutting thematic areas such as women and gender equality. However, several evaluations also show that these types of aid have opened up new possibilities for promoting gender equality by incorporating such issues into central policy. Little has been done in this respect. The evaluations recommend setting clearer goals for gender equality work, ensuring stronger leadership, allocating more resources and organising efforts in a more systematic, result-oriented manner.

Women's political participation

Pakistan: Strengthening women's participation in political and economic life

Through a national programme to which Norway contributes funding, the UNDP and a number of local institutions and NGOs have joined forces to strengthen women's political and economic participation. Training and human resource development have helped some

45,000 women elected to municipal councils to reinforce their position and play an active role in promoting the rights of women in their constituencies. Based on a comprehensive gender equality assessment, which also examines the results of various measures for women, the UNDP has assisted the Pakistani authorities in integrating gender equality activities into the national budget process. Women's perspective is therefore now taken into greater account in the country's budget formats and procedures.

India: Strengthening women political leaders

The Norwegian Association of Local Authorities and the Aagaz Foundation have strengthened the capacity of several local institutions and popularly elected women leaders. 191 women have taken a one-year course and 327 women are currently participating in a training programme. The women have learned how to present matters more effectively in assemblies and are playing a more active role in political decision-making processes. The women themselves say that they have gained self-assurance and they are more effective than women who have not taken the training course. Eighty per cent of the women are now active local leaders and have helped to mobilise more women to participate in local decision-making processes. As a result of the increase in the number of women leaders, moreover, the social needs of vulnerable groups are being met more effectively.

Malawi: Election support for women candidates in parliamentary elections

It takes resources to be able to stand for election in many developing countries, and women therefore often have a handicap compared with men. In the parliamentary election in Malawi in 2004, the Norwegian embassy entered into an agreement with the country's Ministry of Women to provide campaign funding for all women candidates in the election. This support, which was provided irrespective of party affiliation, was probably instrumental in increasing the proportion of women in the national assembly from eight to fourteen per cent. Even though this figure is low, it does not differ much from the level of women's representation in western countries with one-person constituencies.

Efforts to promote gender equality through UNIFEM

The UN Development Fund for Women (UNIFEM) has helped to provide training in gender-sensitive budget work in over 30 countries, thereby highlighting disparities in the way economic resources are allocated to meeting women's and men's needs. In Mozambique, as a result of this process, funding for efforts to combat violence against women was included in the budgets of all of the country's 129 districts.⁷²

UNIFEM has also focused on improving the working conditions of women in the informal sector, particularly in Asia. This resulted in the adoption of a new law in the Philippines in 2006 that provides greater protection for workers in the informal economy. As a result of training provided by UNIFEM for trade union representatives in Egypt, the proportion of women in the trade union leadership has increased by 32 women (to seven per cent).

UNIFEM also has programmes aimed at promoting women's political participation in 27 countries. For instance, the fact that 14 out of 94 members of parliament in Liberia are women is partly ascribable to UNIFEM's gender equality programme. In 2006, a woman was elected president in Liberia, making her Africa's first woman president, and there are five women ministers in the cabinet. In 2007, Norway is providing NOK 50 million in core support for UNIFEM.

Women's economic situation

Niger: Women in leadership in Nigeria thanks to CARE

An estimated 180,000 women, i.e. five per cent of women in Niger, participate in various savings and loan groups that are jointly funded by CARE Niger and CARE Norway. This collaboration, which comprises some 7,000 active savings and loan groups and about 200 grain banks, mobilises women to greater economic and political power.

Under this initiative, groups of women receive training in simple banking principles regarding interest rates, lending and deposits, and group organisation and management. Loans are granted to group members who have good investment ideas, based on a consensus decision by the group. The pay-

72 UNIFEM's Annual Report for 2006-2007, page 7.

back rate is almost 100 per cent. One of the reasons for this is that loans are only provided to the group's own members, and group pressure to service the debt is strong.

At household level, as many as 75 per cent of the women interviewed in a survey maintain that they now have greater influence in relation to their husband with regard to their freedom of movement. The proportion of households where spouses make joint decisions regarding the sale of products has increased from 47 to 64 per cent as a result of programme activities.

Bangladesh: Grameen Phone

Grameen Phone is now Bangladesh's large mobile phone operator, with 62 per cent of the market, and is the second largest tax-payer in the country. Norad has contributed NOK 75 million, of which NOK 50 million was provided as loans on favourable terms. In the late 1980s, Norad also presented Bangladesh with the gift of a fibre optic cable, thereby enabling Telenor's subsequent investment in the mobile telecommunications sector in the country. Telenor owns 62 per cent of Grameen Phone. Since more than one hundred million people have access to the Grameen Phones network, the company has achieved a coverage of over 80 per cent. The company has over 800 employees, while around 50,000 make a living indirectly from the business. They include more than 40,000 women who earn a livelihood by renting out their cell-phone to users in 67,000 villages.

Education for girls

Collaboration with UNICEF in Madagascar

Norway has provided development assistance through UNICEF in many countries, including Madagascar and Vietnam. In Madagascar the number of children attending school has increased sharply. While 63 per cent of all children went to school in 1999, 92 per cent of girls and 93 per cent of boys attended school in 2005. Gender equality in school enrolment has apparently been achieved. Studies show that even if girls generally do better at school than boys, they drop out earlier. The statistics also conceal significant regional disparities.

One of the main goals for UNICEF's work in Madagascar is to support education for girls and boys. UNICEF has carried out a study of factors causing girls to drop out of school at an early stage. The goal is to identify specific programmes and projects that can help to eliminate gender disparities. The findings of the study are being used by the Malagasy education authorities. The Ministry of Education has begun work on developing a strategy aimed at meeting the needs of vulnerable groups, with particular mention of girls. Special emphasis has been placed on recruiting women teachers. Special projects have been established in areas where parents are particularly conservative and do not understand the importance of girls attending school. UNICEF and the authorities have collaborated on a campaign aimed at influencing conservative attitudes that keep girls out of school.

Fandriana is one such area where girls are a vulnerable group. Girls aged 12-14 are traditionally sent to towns to work as housemaids. In 2002, UNICEF and the Malagasy authorities initiated special programmes for girls. A "big sister" arrangement was established whereby older girls help younger girls to settle in at school. As a result, grades have improved and teachers report that the girls are happier at school. This programme is combined with providing information to local communities on the rights of children and efforts to combat child labour.

Education with a gender perspective in the Palestinian Territory

In the Palestinian Territory, the bulk of Norwegian assistance for education has been spent on expanding and renovating schools and building new ones. Focus on ensuring equality between girls and boys has been important, and in its dialogue with the Ministry of Education, Norway has underscored the gender perspective. Norway's efforts have helped to provide more opportunities for girls in rural communities to complete their basic education. At vocational school level, there are separate girls' and boys' classes in the Palestinian Territory. As a result of cooperation between Norway and the Palestinian Territory, a total of four classes for girls have been established in subjects in which girls have not hitherto been able to participate, in the fields of IT and electronics.

Important lessons learned

The evaluation of the 2005 Norwegian Strategy for Women and Gender Equality in Development Cooperation showed that the mandate and responsibility for gender equality had become fragmented and that efforts had lost their direction and vigour. The main lesson pointed out in this evaluation was that special structures and funds are required to be able to effectively promote gender equality.

The new aid modalities, including budget support and increased donor cooperation, may make it difficult to promote gender equality in programmes. If less funding is earmarked and less project-based assistance is provided, women's rights may be pushed to the sidelines. At the same time, the new trend in development assistance offers a golden opportunity to promote gender equality in the dialogues conducted at a high political level. This will require the involvement of groups working for the advancement of gender equality and that both donors and the partner country have the necessary competence and willingness to promote women's rights.

Targeted measures to provide training and resources for women to enable them to participate in political and economic activity are an effective means of promoting women's active involvement and leadership.



ENVIRONMENT



The seventh Millennium Development Goal is to ensure environmental sustainability. To achieve this goal, the principles of sustainable development must be integrated into country policies and programmes and the loss of environmental resources must be reversed. The proportion of people without sustainable access to safe drinking water and sanitation must be halved and there must be significant improvement in the lives of at least 100 million slum dwellers.

Generally speaking the environmental situation is deteriorating. The environment has low priority in developing countries, and international development assistance for the environment is very limited compared to what is needed. Achievement of the Millennium Development Goal is within reach as regards drinking water supplies, but it is doubtful whether the targets can be met in other areas.

**ENVIRONMENTAL PROBLEMS
THREATEN THE LIVELIHOOD
OF LARGE GROUPS OF PEOPLE.**

Global environmental problems are mainly caused by the increased consumption in the rich countries. Even though the industrialised countries have gradually brought the problems of industrial pollution and waste disposal under control, humankind has caused greater changes to the ecosystems in the last fifty years of development than in the whole of human history. From a global perspective, environmental problems are greater than they have ever been. Climate change is already a reality, and emissions of climate gases continue to increase. The United Nations' Millennium Development Goals Report 2007 estimates that emissions of CO₂ are evenly distributed between the rich and poor parts of the world, but CO₂ emissions per capita are far higher in the rich part of the world. The increase in emissions will be greatest in the developing countries, especially in large and growing economies such as China, India and Brazil where coal is the most important source of energy.

Negative environmental trends have wide-ranging economic, social and health-related consequences, and affect the world's ability to reach the Millennium Development Goals:

- According to the World Health Organisation (WHO), 1.7 million people die every year due to poor hygienic and sanitary conditions, especially as a result of diarrhoea.
- 25 million people have been forced to flee their homes due to natural disasters caused by climate change. That is three million more than those fleeing from war. The UN estimates that the number of climate refugees could increase to 50 million by the year 2010, and to 150 million by 2050.

There are still 1.2 billion people without access to safe water supplies, and 2.6 billion do not have access to adequate sanitation. According to WHO and the UN Children's Fund (UNICEF), the goal of safe drinking water could be achieved by 2015, but the sanitation target is not within reach unless efforts are stepped up considerably. The main reason why the water goal could be reached is the progress made in India and China. Most of the poorest countries in Africa, however, will achieve neither the water nor the sanitation goals.

The UN Millennium Ecosystem Assessment report, has shown that increased exploitation of natural resources has reduced nature's ability to produce and clean air, soil and water, offer protection against natural disasters and diseases, and provide mankind with resources for the development of

medicines. A large proportion of the world's poor live in areas where the natural environment and the ecosystems are the only means of livelihood. More than one billion people depend on forestry resources as their main means of support. The report maintains that most of the ecosystem services, as well as biodiversity, are under such severe pressure that achievement of the Millennium Development Goal regarding environmental sustainability by 2015 is unrealistic.

Environmental efforts at global and national level

Considerable international efforts are being made to meet the global environmental and natural resource challenges. Important elements in this work are the 1987 report from the World Commission on Environment and Development and subsequent international environment and natural resource conventions and treaties, the 1992 Rio Summit and the Johannesburg Declaration on Sustainable Development⁷³ of 2002. These treaties and declarations provide a common framework with mutual commitments for all countries. There are, however, no possibilities for imposing sanctions when commitments are not followed up.

According to the UN Development Programme (UNDP), investments of approx. USD 60-90 billion will be required over the next 10-15 years in order to achieve the environmental goals, and probably more than USD 80 billion to counteract climate change. International environmental development assistance has amounted to approx. USD 2 billion dollars per year, or about two per cent of total development assistance. Even though environmental assistance is expected to increase to USD 3 billion annually by 2010, national budgets, the carbon market, the private sector, taxes and charges will be more important in reducing the world's environmental problems.

Environment-related development cooperation, therefore, will have a limited contribu-

73 The Declaration from the Johannesburg Summit affirms that increased efforts are necessary in the areas of water, energy, health, agriculture and biodiversity and ecosystem management, commonly referred to as the WEHAB initiative.

tion to responsible natural resource management and the improvement of environmental conditions. The developing countries must themselves prioritise environmental and natural resource management. A UNDP survey shows that environment issues are not given a sufficiently high priority in countries' national development plans, neither in the form of specific environment activities nor through integration in other sector pro-

grammes. Environment is largely regarded as the business of the rich countries, and many developing countries are concerned that more attention might be paid to the environment than to the economic and social dimensions of sustainable development. Weak governance, violent conflicts and instability in many countries also lessen the possibilities for developing sound environmental management.

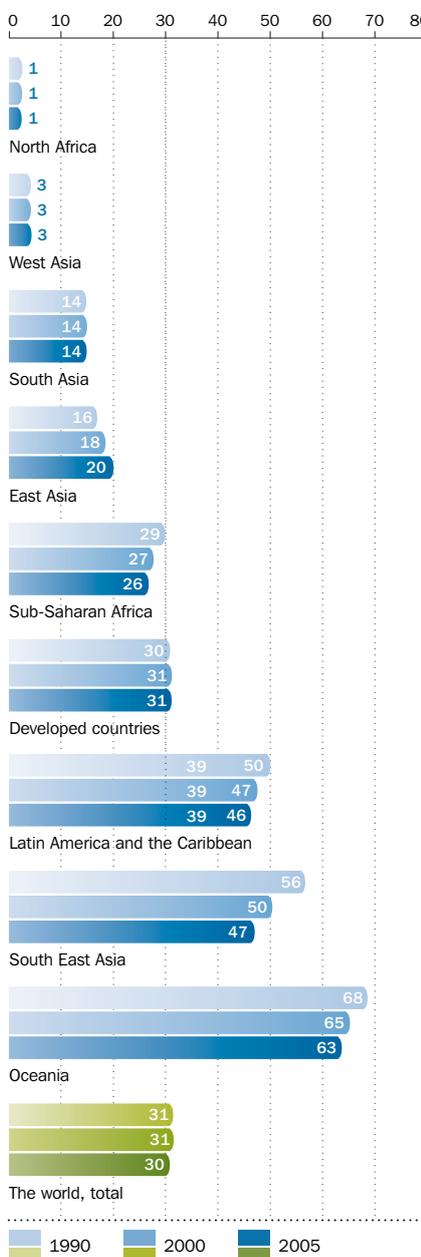
NORWEGIAN DEVELOPMENT ASSISTANCE – SCOPE AND INSTRUMENTS

Ever since the World Commission on Environment and Development presented its report in 1987, Norway has assumed the role of an international driving force for sustainable development. During the World Summit on Sustainable Development in Johannesburg in 2002, Norway strongly emphasised the close link between environmental and poverty issues. Through the Norwegian chairmanship of the UN Commission on Sustainable Development in 2003/2004, Norway helped to galvanise the international community into action towards reaching the Millennium Development Goals and the goals in the Johannesburg Plan of Implementation within the areas of water, sanitation and human settlements.

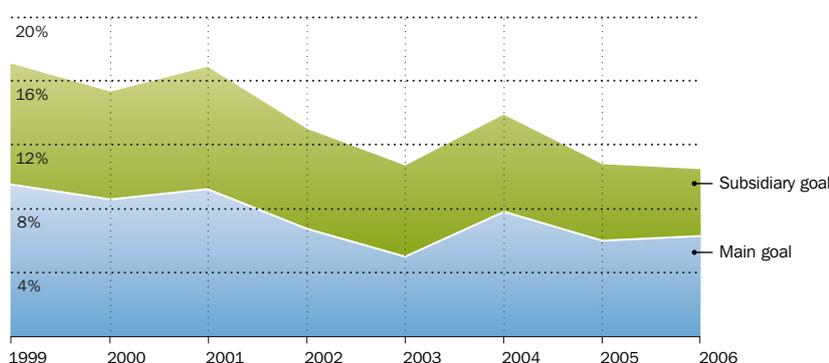
Despite this international involvement, Norwegian environmental assistance's share of both overall and bilateral development cooperation (see Figure 27), has been reduced in recent years. The decrease is partially due to the fact that Norwegian assistance has been concentrated on fewer sectors, and that environment has lost out to other sectors because it has not been prioritised by our partner countries. Norway supports environmental programmes in Zambia, Tanzania and South Africa, as well as a regional programme in Central America.

In 2006 the Government presented an action plan for environment in development cooperation. A key feature of this plan is to support the efforts of partner countries to integrate the principles of sustainability into their national policies and programmes. Norway also wishes to prioritise cooperation on sustainable management of biodiversity and natural resources, water resources management, water and sanitation, climate change

FIGURE 26 Deforestation continues, especially in countries with substantial biodiversity (Percentage of forested land area in 1990, 2000 and 2005)



Source: The UN Millennium Development Goals Report 2007.

FIGURE 27 Environmental assistance as a percentage of bilateral development assistance (Percentage)

Source: Norad.

and access to clean energy, and hazardous substances.

In 2006 NOK 798 million in bilateral assistance was spent on activities where the main goal⁷⁴ was to promote environmental improvements. This was more than six per cent of Norwegian bilateral (incl. multi-bilateral) assistance. In addition to the assistance primarily aimed at environmental improvements, NOK 529 million was spent on bilateral activities where environmental improvements were one of several goals.

Assistance is increasingly being reoriented from bilateral to multilateral cooperation. In order to increase its strategic influence, Norway has channelled all the environmental assistance that it provides through the World Bank into a single fund. Furthermore, Norway is the largest donor to the UNDP's Environment and Energy Fund. Through active use of financial assistance, exchange of personnel and work at board level, Norway and like-minded donors have helped to put issues regarding environment and development on the agendas of many international organisations.

Environmental activities are also financed through Norwegian and international non-governmental organisations as well as through industrial and commercial financing facilities. NGOs have played an increasingly important role in Norwegian assistance, both as agen-

⁷⁴ A measure may be classified as a main goal or a subsidiary goal in respect of women and gender equality, the environment, research, HIV/AIDS and human rights. Consequently, they are not mutually exclusive.

da setters and through practical development cooperation. For example, Norway gives substantial support to the International Union for the Conservation of Nature (IUCN), which plays an important normative role in addition to supporting the authorities in developing countries with concrete environment activities. Another important think-tank and agenda setter is the International Institute for Environment and Development (IIED), which receives Norwegian support for analytical work in the environmental field. The World Wildlife Fund (WWF), the Rainforest Foundation of Norway, and the Development Fund are key Norwegian organisations that work closely with the local population to strengthen their position in the management of natural resources that are crucial to them, and ensure that resources are managed in a sustainable manner. The Rainforest Foundation's work is primarily aimed at promoting the rights of indigenous peoples. The Development Fund has expertise with regard to biodiversity in agriculture. The WWF is particularly skilful in community-based natural resource management in protected areas.

All development programmes affect the environment, and the environmental effects of all activities financed by Norway should be carefully evaluated. Occasionally such analyses are not carried out due to lack of expertise and/or capacity. A major challenge is to strengthen environmental expertise in the development cooperation administration so that better assessments of environmental aspects of the development cooperation can be carried out in consultation with the partners. One study carried out by Norad for the embassy in Kathmandu showed that there

already are significant opportunities for incorporating environmental components into existing activities, and that many ongoing activities already included extensive environmental activities that are not being reported as environmental assistance.

EXAMPLES OF RESULTS OF NORWEGIAN ENVIRONMENTAL ASSISTANCE

Tanzania – Naturressursforvaltning

Norway has been supporting the efforts of the Tanzanian authorities to promote the sound management and sustainable use of natural resources since 1994. Norwegian support amounted to approximately NOK 300 million in the period 1994–2006.

The programme was evaluated in 2006. The study revealed many positive results in the management of forestry, wildlife and fishery resources. Illegal logging has been halted in many districts and agreements have now been made with the local population concerning controlled use of forest resources, such as firewood, straw for house building and bark for medicinal purposes. Vegetation has been revived in vulnerable areas, the quality of forest has been improved, and more water as well as better-quality water is now available. The introduction of zones, where matters such as who is allowed to fish and how the fishing is done, surveillance and new fishing tackle are regulated, has made it possible to ensure that the prohibition of dynamite fishing is respected around the island of Mafia. Furthermore, as a result of the programme, the local population in the project area now has alternative sources of income, thereby rendering them less dependent on exploiting natural resources in a non-sustainable manner. At village level, increased revenues from tourism and taxes on forestry products have been ploughed back into social infrastructure.

The evaluation also emphasises the unintentional consequences of protection measures and weaknesses in the management of the programme. Activities of great significance to the local population, such as salt production, have been halted due to environmental considerations, and an increase in the number of elephants in the area has led to loss of human life and the destruction

of crops. The local population's participation in decision-making processes has been weak and financial benefits have been unevenly distributed. This undermines the programme's effectiveness and sustainability.

Uganda – Support for natural resource management via the WWF

The Rwenzori Mountains National Park in Western Uganda, which has a most prolific flora and fauna, supplies water to over one million people living in the park's surroundings. Protecting this unique biodiversity and safeguarding water supplies were the main arguments for establishing the national park in 1991, and the area was also designated a world heritage site in 1994. Norad has supported a partnership between the national park authorities, the Uganda Wildlife Authority, and the WWF since 2004. The goal of this partnership is to improve the management of the national park. Emphasis is placed on involving in management the local population around the mountain area, ensuring that they receive part of the revenues, and generally improving their standard of living. Norwegian support up to and including 2007 totalled around NOK 17 million.

These efforts have yielded significant results, both for the local communities and for protection of the biodiversity that is important for the world. The national park authorities have enhanced their park management capacity and expertise through improved physical infrastructure and staff training. For the first time since the founding of the park, the revenues from tourist fees are now shared with the local communities. Should tourism increase, the revenues benefiting the local communities will also increase. The local communities have advanced a number of proposals for socially beneficial projects, implemented with funding from the park in collaboration with the local authorities. Local groups have been formed and they have been given responsibility for maintaining the park boundaries as well as permission to grow crops in a six-metre belt inside the park, presently along 32 km of the park boundary. A more clearly defined park boundary has lowered the conflict threshold. Over 60 local environment plans have been prepared, enabling the local authorities to access government funds that are earmarked for environmental activities. Smallholders

have planted over 200,000 trees in areas with arid soil that is no longer used for agriculture. These trees will yield fuel and timber and are an alternative to illegal felling within the national park.

Enhancement of environmental expertise at the World Bank

Norway has been engaged in extensive environmental cooperation with the World Bank for many years and has contributed to a stronger emphasis on environmental concerns in the Bank. Norway has supported the Bank's various environmental departments, been active on the Board, contributed to the development of strategies and instruments, and participated in personnel exchanges. In 1999 Norway placed all its environmental support for the World Bank in a single fund, the Trust Fund for Environmental and Socially Sustainable Development (TFESSD). Since 1999 the fund has supported 327 projects and activities are in progress in 80 countries. In total, the fund has spent USD 103 million on environment, social development, poverty and social security.

The fund has contributed to enhancing the Bank's knowledge regarding the relationship between environment and poverty. Studies that have formed the basis for World Bank strategies for environment, water, forestry and rural development have been undertaken. Through methodology development and practical experiments, key instruments such as strategic environmental impact assessments and country environmental analyses have been developed. These instruments are now used by many of the Bank's specialist departments, and by other development institutions, such as the Asian Development Bank.

Many of the projects under the Trust Fund will have an impact only in the longer term, as they are aimed at strengthening environmental management and promoting a greater understanding of the need for environmental policies. The country environmental analyses assess the interlinkage between environmental conditions, poverty and development, as well as the country's capacity to address environmental challenges. These analyses form the basis for the process of integrating environment into budget support and major sector programmes. Recommendations are made

on how donors can contribute and how a country can improve its environmental management. Such analyses have been prepared in consultation with the authorities in several countries, among them Pakistan, Bangladesh and Guatemala. Studies of poverty and environment in Cambodia, Laos and Vietnam have resulted in resource-based poverty maps that the countries use when preparing national development plans.

UNICEF's water and sanitation programme

The UN Children's Fund (UNICEF) has considerably increased its efforts in recent years in the areas of water and sanitation, and given billions to this cause in 93 countries. In addition to the core support UNICEF receives from Norway, earmarked support has also been provided for the water and sanitation programme.

In 2006 UNICEF adopted a strategy focusing on a rights-based approach, close cooperation with national and local authorities, women's and children's special needs as well as poverty alleviation among the poorest. UNICEF has supported the preparation of national policies for water and sanitation in Colombia, Ethiopia, Malawi, Pakistan, Uganda and Zimbabwe and other countries. Pakistan adopted its first sanitation policy in 2006, which means that every Asian country now has such a framework in place. This may help Asia to achieve the Millennium Development Goal regarding access to basic sanitation.

One example of the effect of the programme is that Ethiopia, with UNICEF's support, has changed its policy so that greater emphasis is placed on hygiene training and raising awareness of the importance of sanitation. In the Amhara region, which has a population of some 19 million, this has increased the inhabitants' motivation to build latrines. From 2003 to 2006, the number of latrines increased from approximately 100 to over 26,000 per district. If this rate of progress continues, the Amhara region could reach its Millennium Development Goal in the area of sanitation by 2009. Other examples are West Bengal, where one million people now have improved access to basic sanitation, and Vietnam and Malawi, where 200,000 and 110,000 inhabitants respectively have access to clean drinking water.

Important lessons learned

The absence of national prioritisation of environment as a cross-cutting issue means that environment is not being integrated into national plans, sector programmes or other public programmes in the developing countries. As long as environmental activities continue to be individual programmes and projects run by a marginalised environmental administration or project-based aid organisations, necessary changes will not materialise.

Sound legislation is fundamental to strengthening environmental efforts. Even though legislation is gradually being introduced in most countries, there is often a lack of political will, capacity or expertise to enforce such legislation.

The status of the environmental authorities in many countries is very low. They have problems in gaining acceptance for their views, both in general budget discussions and especially vis-à-vis more influential ministries such as trade/industry, energy and minerals (incl. oil/gas). In such situations, environment often loses out to economic growth.

Wherever the local population takes an active part in decisions affecting their neighbourhood and local resource management, projects are more successful. This especially applies to the poorest people, indigenous peoples and local communities in rural districts where the ecosystems represent subsistence and provide a safety net against further distress and poverty.

International engagement, knowledge building and access to new technology are important aspects when integrating environment into the economic and social development of developing countries.

The support provided by Norway for petroleum management through the Oil for Development programme emphasises good governance and the environment. // Photo: Fredrik Naumann



The lack of modern forms of energy is hindering economic development and is detrimental to both the environment and health. The UN Development Programme (UNDP) emphasises that the Millennium Development Goal to halve the proportion of people living in absolute poverty is conditional upon a substantial improvement of the energy supply in developing countries, especially in Africa. As a result of weak public management of petroleum resources in many countries, the potential that such resources offer for alleviating poverty is not being fully exploited.

ENERGY A NECESSITY FOR ECONOMIC DEVELOPMENT

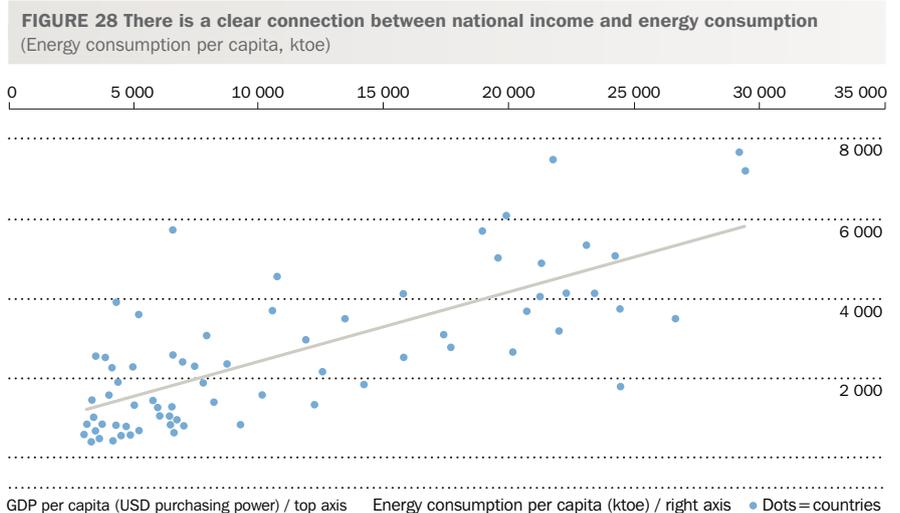
The close relationship between energy consumption and production, employment and economic development is well documented by agencies such as the International Energy Authority (IEA) (see Figure 28).

Biomass such as wood, charcoal and manure from livestock meets the daily heating and cooking requirements of some 2.5 billion people⁷⁵. In most of sub-Saharan Africa such fuel constitutes more than 75 per

75 World Energy Outlook 2006.

cent of energy consumption. Even in the heavily populated countries of Asia, biomass covers between 25 to 100 per cent of all energy consumption. Annually some 1.3 million people are dying of respiratory diseases due to indoor pollution caused by this type of heating. The majority of them are women and children. In densely populated areas the use of biomass can in some cases lead to deforestation and the need to spend a growing amount of time collecting firewood.

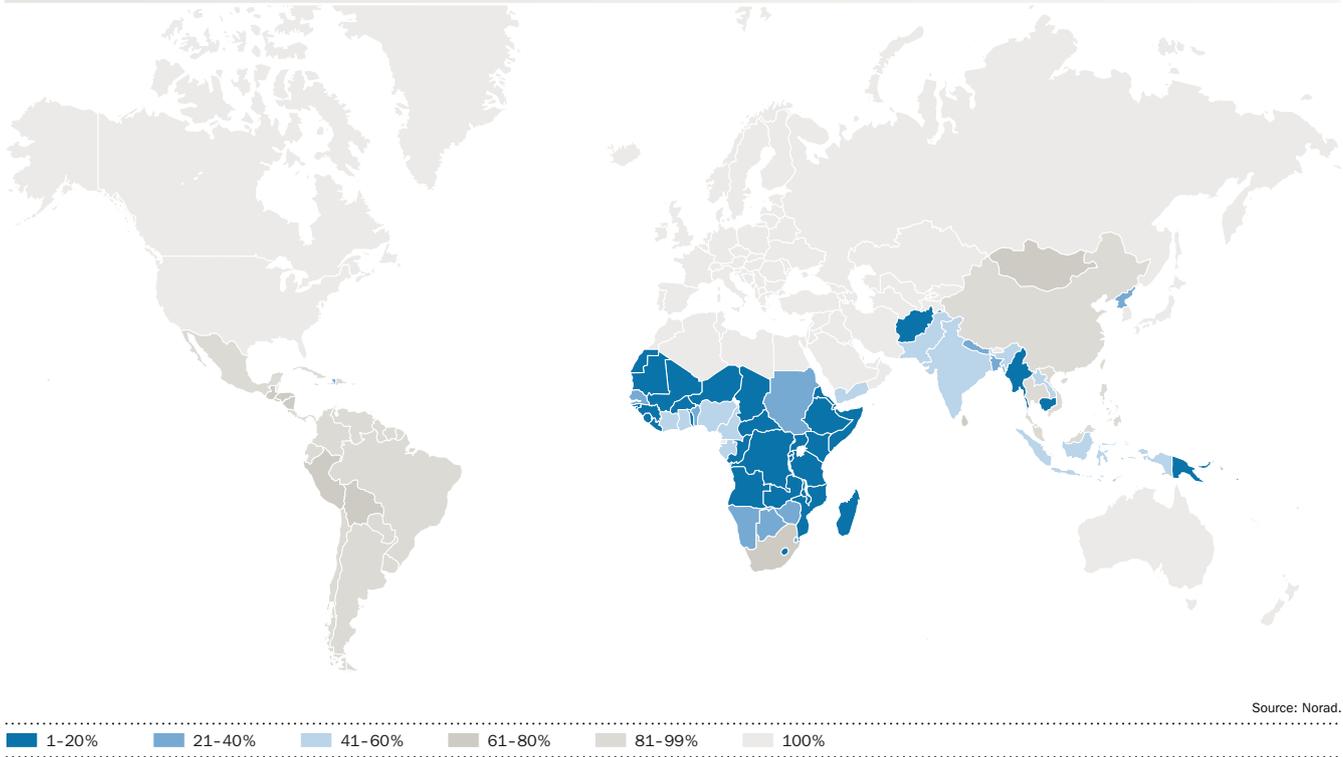
1.6 billion people do not have access to electricity. The majority live in rural areas in Africa and South Asia (see Figure 29).





**ENERGY SUPPLY
AND PETROLEUM
MANAGEMENT**

FIGURE 29 Sub-Saharan Africa in particular lacks access to electricity



Source: Norad.

The acute shortage of energy experienced today by many poor developing countries is the result of the countries' economic situation and the manner in which the sector is regulated and organised. From the end of the 1980s several developing countries carried out reforms in the energy sector, partly to attract private investment. The reforms resulted in a marked increase in private investments up until the end of the 1990s, when serious conflicts over environmental consequences and population movements caused by hydroelectric power construction scared away both private and government participants from further involvement in hydropower schemes. The realisation that hydropower could provide climate-friendly energy, and the opportunities provided by such energy for purchasing carbon quotas, has led to an increased interest in hydroelectric power construction in developing countries. The World Bank has resumed the financing of major hydroelectric projects, and Norway too is contributing to hydroelectric power development in poor countries through Norfund.

76 Energy Mining Sector Board, Discussion Paper 20/2007, USD 2006.

Inadequate investments in electrification

The World Bank has estimated that necessary investments in the energy sector in the developing countries will amount to approx. USD 160 billion per year until 2010⁷⁶. Private investments today are in the region of USD 15 billion per year. Assistance for the energy sector per year totals around USD 3-4 billion. Public investments via the countries' own budgets are not sufficient to bridge the investment gap. It will be necessary to reinvest revenues created by the energy companies themselves, as well as attract investments from the private sector. Both of these are dependent on changes in governance and continued reforms in the sector. Should the gap not be bridged, access to electricity in poor countries will remain at a low level and supply will be even less reliable. This will seriously impede economic development and could impose an unnecessary strain on the environment.

Inadequate public control over oil and gas resources

Increased demand for oil and increased oil prices in recent years have led to greater foreign investment in the oil sector of devel-

oping countries. In Africa several countries have become net exporters of oil. In 2006 the oil-exporting countries in Africa accounted for more than half the continent's economic growth. The increased oil revenues offer great potential for development and poverty reduction, but experience has shown that inadequate public control, corruption and conflict over resources are among the reasons why petroleum extraction does not generate the desired national development effects. Many oil-producing countries have a lower score than other developing countries for a number of development indicators. At the same time, oil production is often carried out in a manner that is detrimental to the natural environment.

In recent years, as part of the efforts to prevent corruption, there has been stronger focus on increased transparency regarding government revenues from petroleum production. A growing number of developing countries with oil and gas resources are agreeing to abide by the terms of the Extractive Industries Transparency Initiative (EITI), which entails the authorities and the industry having to publish details of revenue flows to the government.

One example of relevant Norwegian assistance for hydroelectric power development is an increasing international understanding of "The Norwegian Model," which involves a certain degree of government ownership. When private investors have been unwilling to assume full responsibility due to high risk, Norwegian development assistance funds have been used to finance government participation. The Theun Hinboun project in Laos is one example where the country has acquired investments and substantial revenues in this way.

NORWEGIAN ASSISTANCE TO IMPROVE ENERGY SUPPLY AND PETROLEUM MANAGEMENT

The purpose of Norwegian support for the improvement of energy supply is to increase the availability of modern environment-friendly forms of energy at reasonable prices. One important area of focus has been support for sound resource management, which comprises the training and upgrading of national energy authorities within the areas of policy formation, management and operations.

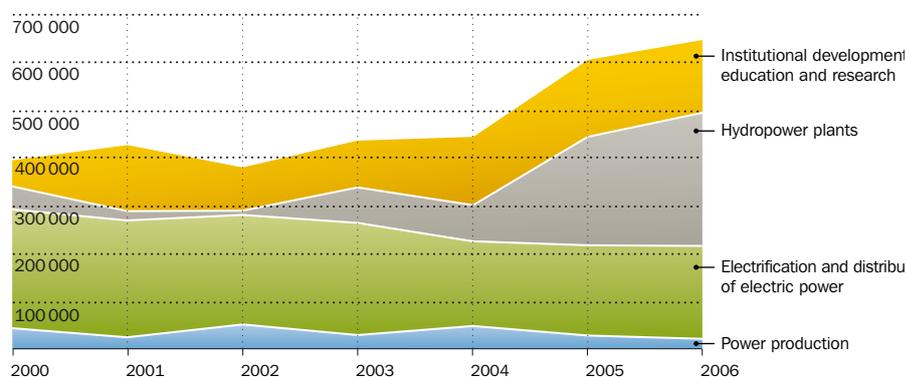
Bilateral development cooperation in the energy sector has increased in recent years. This is due in particular to hydroelectric schemes financed via SN Power⁷⁷. Assistance for electrification has declined.

Norway also provides considerable support for the energy sector through multilateral channels. By participating on the boards of World Bank funds, Norway has been able to influence international energy investments. One important commitment has been the effort to reach an agreement on the use of the River Nile, the Nile Basin Initiative, in which ten nations are involved. The initiative aims at increasing regional trading in

⁷⁷ In 2002 Statkraft and Norfund established the joint venture SN Power Invest AS which invests in the construction and rehabilitation of renewable energy production.

⁷⁸ The information here is based on the final draft of a report dated 15.10.07.

FIGURE 30 Bilateral development assistance* for selected areas of the energy sector, 2000–2006 (NOK 1000)



*Incl. multi-bilateral development assistance. Source: Norad.

electricity and developing the region's considerable hydropower potential. It also has an important peace-building element. In the area of climate, Norway supports a World Bank fund that finances reductions in greenhouse gases, and a fund that assists developing countries in reaching the goals set in four environmental conventions. Furthermore, Norway is the largest donor to a UNDP fund for energy, environment and sustainable development.

In addition, there are Norwegian commercial investments. SN Power is currently operating, or is planning to build, power stations with a generating capacity of more than eight TWh. This generating capacity corresponds to almost seven per cent of Norwegian hydroelectric power production. Furthermore, Norwegian companies are doing well in the face of international competition for the supply of equipment and services, and are an important resource base for Norwegian development assistance.

In the petroleum sector, Norway is working hard to transfer expertise so that developing countries can manage their petroleum resources in a responsible environmental manner, and contribute towards permanent poverty reduction. Resource, environment and financial management are the main focus areas for the Oil for Development programme, which is a superstructure for Norwegian petroleum assistance. Good governance is a key element of the commitment, and all countries receiving assistance are urged to join the EITI. Value creation through

increased local employment, transfers of expertise and industrial development will also constitute an important part of the programme's future work. In 2006 Norwegian assistance for petroleum management amounted to NOK 82 million.

RESULTS

Support for hydroelectric power construction and electrification in Nepal and Mozambique

In 2007 NORAD commissioned an independent evaluation⁷⁸ of Norwegian energy assistance for Nepal and Mozambique. Altogether, these two countries have received over NOK 2 billion in assistance for this sector in the period 1965–2006. The most important contribution has been the combination of assistance for the construction of hydroelectric power plants, transmission lines and the grid, and support for institutional capacity enhancement. This support has helped to build up expertise in the entire sector. The most important success factor has been long-term, stable and wide-ranging commitment.

The results have varied considerably. The building of infrastructure has been successful, but delays and cost overruns have frequently occurred. When it comes to institutional capacity enhancement in central government administration, the evaluation showed that results have been mixed. Focus on the environment has been poor and unsystematic in both the development cooperation administration and the recipient institutions.

Nepal

According to the evaluation, cooperation has been most successful in Nepal, where Norway has been involved since 1965. Norway has provided approximately 7 per cent of total assistance for the Nepalese energy sector. Norwegian aid has helped increase output by providing full financing for two hydroelectric power stations, Andi khola (5 MW) and Jhimruk (12 MW), as well as support for feasibility studies and training at Khimti khola (60 MW) in which SN Power is the major shareholder. Today, total power output from these three plants represents around 18 per cent of all the electricity supplied in Nepal. Norwegian aid has also included extensive training for Nepalese students at the Norwegian University of Science and Technology (NTNU).

A special feature of the assistance provided for the energy sector in Nepal has been the substantial contribution from the Norwegian Himal-Asia Mission. According to the evaluation, the organisation's support for the expansion of the Andi khola plant has been an exceptionally successful project. The project was also awarded the IHA Blue Planet Prize in 2005. The International Hydropower Association (IHA), with the support of UNESCO's International Hydrological Programme, awards this prize to projects contributing towards "...sustainable projects and welfare, and which show how the world's hydropower resources can be exploited in a beneficial manner."

The Norwegian Himal-Asia Mission's assistance has had a comprehensive perspective comprising power generation, distribution via the grid to the consumer, and connection to the national grid. Even though the power station has only a modest 5 MW output, surplus power has nevertheless been sold to the national grid, thereby reducing the nation's dependence on diesel-based electricity. In addition to electricity, the hydroelectric construction project has contributed towards substantial improvements in irrigation, enabling many farmers to achieve three harvests per year instead of two. Since the area gained access to electricity, the number of family-based companies has increased. Furthermore, the local population now has better drinking water and sanitary conditions, and has received training in technical subjects,

79 T. Winther, Centre for Development and the Environment, University of Oslo.

agriculture and forestry, as well as support for the establishment of new businesses. This project has been implemented in one of the most densely populated, poorest parts of the country. Since the development project was completed, the proportion of poor has decreased by 30 per cent despite a marked increase in the population.

Mozambique

In Mozambique Norway has financed the construction of hydroelectric power stations, transmission lines and distribution grids, and has supported capacity building in energy management. According to the evaluation, Norwegian support for the energy sector has contributed to Mozambique's post-1992 economic growth. Cheap, stable electricity supplies from a large hydroelectric power plant have reached every province in the country and laid a foundation for future electrification in a country where only 8 per cent of the population has access to electricity. Areas that have had a reliable power supply from the national grid for some years have had greater economic growth than other areas. However, the effect on poverty has not been documented. The national power supplier in Mozambique has received a large proportion of Norway's support. However, cost-efficiency is still poor, and in financial terms the activities are not sustainable despite long-term Norwegian assistance. Even though institutional cooperation with Norway has resulted in improvements in the quality of energy management, the costs of institutional collaboration would seem to be excessive.

Maintenance of the Norwegian-financed power stations has been a problem. Two small local power stations built during the civil war are no longer in operation since the areas were linked to the national grid. It is pointed out in the evaluation that the power stations at one time met the local power requirements, besides which they served an important function by representing normality and giving moral support to Mozambique during a destructive civil war. The somewhat larger Corumana power station was built in order to reduce Mozambique's dependence on power imports from South Africa during the apartheid era. The company is now required to pay charges for the use of water, so that the plant is no longer as competitive, and is primarily used to alleviate peak loads.

The building of the large Alto-Molocue-Gurue transmission line has brought electricity to a province that previously was not linked to the national grid. The evaluation documents increased migration into areas that have been electrified, due to improved job and business opportunities, access to roads and clean water, and improved school and health facilities.

Rural electrification in Zanzibar

In 1979 Norway financed the laying of a power cable from mainland Tanzania to Zanzibar. This cable has contributed towards a stable power supply that has replaced diesel and heavy fuel oil which have high economic and environment costs. Furthermore, from 1986 and up to the present, Norway has financed electrification projects in Zanzibar amounting to almost NOK 190 million. Approximately 80 per cent of the population has access to electricity, in both urban and rural districts. This is very high by African standards.

One consequence of electrification is that the quality and safety of the local health service have been considerably enhanced, due to the efficient cooling of medicines, the use of measuring devices and installation of examination lighting. It has also resulted in better access to clean water. The electricity also powers water pumps from underground reservoirs. This means that women and young girls do not have to walk long distances from the village to draw buckets of water from wells providing water of poor quality. The women save a great deal of time and the young girls have more time for schooling. In a village⁷⁹ where development trends have been monitored since the early 1990s, over 90% of both girls and boys attend school until they are 17 years old.

Competence and institution-building in the petroleum sector

Norway has helped developing countries with expertise and institution-building in the petroleum sector for more than 30 years. An independent evaluation of this assistance was undertaken in 2007. The evaluation encompassed cooperation with Angola, Bangladesh, Mozambique and Timor-Leste which have received a total of more than 60 per cent of Norwegian aid in this sector. The evaluation shows that the assistance has been most successful when it has been pro-

vided at an early stage in the development of petroleum activities (Mozambique and Timor-Leste), but has had less effect in more established oil-producing countries (Angola and Bangladesh).

Angola

Norwegian petroleum assistance to Angola amounted to NOK 67.5 million in the period 1987-2005. This assistance has led to improvements in the country's laws and regulations in the sector. Although this has been an important contribution to efforts to strengthen the management of the petroleum sector, few other results have been identified. Fewer than half of the planned activities have been implemented. Programme activities have been curtailed by high administration costs, and cost-efficiency has been low. The evaluation reveals, among other things, that the absence of effective control and follow-up routines have made it difficult to monitor the development of the project and to achieve the desired results.

Bangladesh

Norwegian petroleum assistance for Bangladesh amounted to NOK 30 million in the period 1986-2005. The assistance has produced results, including transfer of expertise, establishment of a centre for seismic analysis and reservoir analyses, the country's first oil and gas resource survey in 2001, and a report on the exploitation of natural gas in 2002-2004. This latter item was incorporated in the World Bank's plan for gas exploitation that was approved by the Bangladeshi authorities in November 2006. The evaluation shows that the effect of the programme has been disappointing. The scope of the programme has been too limited, cost efficiency has been poor and institution-building has been deficient.

Mozambique

Norwegian petroleum assistance for Mozambique amounted to NOK 202 million in the period 1981-2005. Norwegian assistance has been a major contribution towards enabling Mozambique to obtain substantial revenues from the country's petroleum activities in the near future. An institutional system with solid ownership and expertise has been established. Among the other results of these efforts, two national institutions, the National Hydrocarbon Company and the National

Petroleum Institute, have built up solid knowledge on petroleum resources, based on seismic analysis. In the early 1990s, contracts were signed with a number of international oil companies concerning exploration activities and the drilling of 37 exploratory wells to serve as the basis for geological and geophysical analyses. Furthermore, with Norway's assistance, Mozambique carried out two licensing rounds, and in 2004 the country commenced production of natural gas. One especially important Norwegian contribution has been its help in establishing routines for exploration activities and gas production. This has attracted foreign investments while at the same time securing for the Mozambique government a portion of the accruing revenues via a five per cent production charge on gas, and the opportunity of gaining a 30 per cent share of the production licences.

Timor-Leste

Norwegian petroleum assistance for Timor-Leste amounts to NOK 50 million in the period 2002-2008. During this period substantial petroleum expertise is being placed at the disposal of the petroleum and financial authorities with a view to strengthening resource management.

Two large gas fields have been discovered off the south coast of Timor-Leste, to which Australia had initially laid claim. Maritime law expertise from Norway has helped to ensure that substantial portions of the revenues will accrue to Timor-Leste. Norway has also provided legal assistance in establishing the legal framework for petroleum management; the petroleum law, the petroleum tax law, and the model for a production-sharing contract were approved by Parliament in 2005.

A petroleum fund patterned on the Norwegian model was approved by Timor-Leste's parliament in 2005. The Ministry of Finance, the Oil Taxation Office and Norges Bank have all contributed specialists. By the summer of 2007 the fund had exceeded NOK 7.2 billion in value. In 2006 the fund contributed NOK 190 million towards the central government budget.

In 2006, with Norwegian help, Timor-Leste was able to successfully implement an initial licensing round in exclusively Timorese coast-

al waters. The process was totally transparent and followed principles laid down in the Extractive Industries' Transparency Initiative (EITI) to which Timor-Leste is a signatory.

Education in petroleum-related subjects has been a significant part of development assistance to Timor-Leste. The first petroleum engineers and economists with university degrees will be graduating from western universities in 2008, representing an important milestone in a country where the expertise gap is greater than in most other countries.

The Nile Basin Initiative – multilateral support for water resource management and regional cooperation

Throughout the ages the River Nile has played an important role in the development of communities, cultures and political systems. The water resources of the Nile are shared by ten countries: Burundi, DR Congo, Egypt, Eritrea, Ethiopia, Kenya, Rwanda, Sudan, Tanzania and Uganda, with a total population of some 350 million people. The Nile region is characterised by poverty, conflicts, rapidly growing populations, floods and droughts.

In 2001 the World Bank, the UNDP and several bilateral donors joined together to support an initiative from the Nile countries regarding water resource management, regional energy trading, agriculture, environment, socio-economic development, education and confidence building. A total of USD 168 million, multi and bilateral funds, have been pledged in a Trust Fund and in additional bilateral funds under the auspices of the World Bank.

The Norwegian contribution to the fund amounts to NOK 114 million. The funds are not earmarked, but Norway has followed up the energy trade project in particular. Norway is also providing additional funds for preliminary studies for projects including hydroelectric power construction at Rusumo Falls in Tanzania, and in Rwanda and Burundi. In addition, the WWF has received Norwegian support for many years for efforts to integrate water resource management of the Mara waterway at Lake Victoria. Norway also provides a substantial contribution to research through the University of Bergen.



Work on preparing regional energy trade has been delayed. A recently completed evaluation concluded that the level of ambition must be adjusted. The Nile Basin Initiative's goal of sustainable economic and social development, peace and stability must be viewed in a long-term perspective. This is a high-risk project that will bring enormous benefits if it succeeds. The negotiations in the past few years on a common legal and institutional framework have come a long way, but there are still some important points on which agreement has not yet been reached. Direct negotiations on water sharing between the water resource ministries in the Nile countries are still proceeding. So far agreement has been reached on short-term goals to increase cooperation and build confidence between the countries. Various networks have been established in both the government sector and civil society, and exchange programmes in the environment and water resource management sectors have been implemented. A proposal for a common system for monitoring water quality in the Nile has been developed. A number of smaller environmental projects are currently being carried out.

All in all, a number of important processes are now underway at political and technical levels, but experience has shown that it takes time to create measurable results when many different countries are negotiating on the sharing of common resources. By way of comparison, Norway and Russia have negotiated for more than 40 years to agree on a dividing line in the Barents Sea, and a final solution has yet to be reached.

Important lessons learned

Predictable parameters for investments are an important precondition for the development of energy production and energy supply. In many developing countries there is a need for energy sector reforms, including restructuring and commercialisation.

Experience has shown that energy production is a necessary but inadequate precondition for economic development. The effect of hydroelectric power development increases if other types of activity such as competence-building, infrastructure development and social development are also undertaken.

The evaluation of Norwegian support for petroleum management demonstrates the importance of establishing sound parameters and technical expertise at an early stage in an oil-producing country. Insufficient attention has been paid to the development of administrative and management capacity, and to strengthening a broader range of the institutions that are necessary for national petroleum management. The lack of any strategy for phasing out development assistance may have affected the organisation and effectiveness of the aid.

A high-angle photograph of a group of women, likely students or researchers, sitting around a table. They are wearing white hijabs and black abayas. They are focused on writing in various notebooks and papers spread out on the table. The scene is brightly lit, and the overall atmosphere is one of active learning or research.

8

**EDUCATION
AND RESEARCH**



The girls at Naswan Afghan School work hard to catch up on what they missed when the Taliban refused to allow them to attend school. The girls in the photograph are working on a physics project. // Photo: Ken Opprann

The second Millennium Development Goal is to achieve universal primary education by 2015. The international community has also committed itself to “Education for All” (EFA) – ambitious goals with regard to school enrolment and the quality of education, formulated during the World Education Forum in Dakar in 2000.

DEVELOPMENT TRENDS

More children are attending school, but it is doubtful whether the Millennium Development Goal will be reached

More children go to school today than ever before. 88 per cent of children in developing countries now start school. In sub-Saharan Africa primary school enrolment rose by 27 per cent in the period 1999-2004⁸⁰. This means that 21 million more children were able to attend school in this part of the world. In South and West Asia, school enrolment rose by 19 per cent in the same period. The positive trend in India contributed strongly to this increase (see Figure 31).

How many and who are not getting an education?

Despite the progress that has been made, the EFA 2007 Global Monitoring Report estimates that 77 million children are still not attending primary school. 44 million of them are girls. Two-thirds of the children who do not attend school live in sub-Saharan Africa and in South and East Asia. Children who do not go to school are largely poor children in rural areas, whose mothers often cannot read or write. Twice as many children whose mothers can read or write attend school, compared to children whose mothers are illiterate. According to Save the Children Norway (Redd Barna), two out of five children in countries affected by armed conflict are not in school.

There are now 94 girls in primary school for every 100 boys, an increase from 92 in 1999.

80 Global Monitoring Report 2007.

However, there are significant regional disparities.

In sub-Saharan Africa, over one third of children drop out of school before they complete their primary education. There are various reasons why many children drop out early or do not attend school regularly. Often their families are dependent upon their children's labour. This applies in particular to girls, who are needed to take care of their siblings. Furthermore, due to the poor quality of teaching, many children do not acquire a minimum amount of knowledge, and what they learn is not relevant to their needs. Increasing allocations to education have ensured that more children are enrolled in schools, but this has not resulted in the desired enhancement of quality.

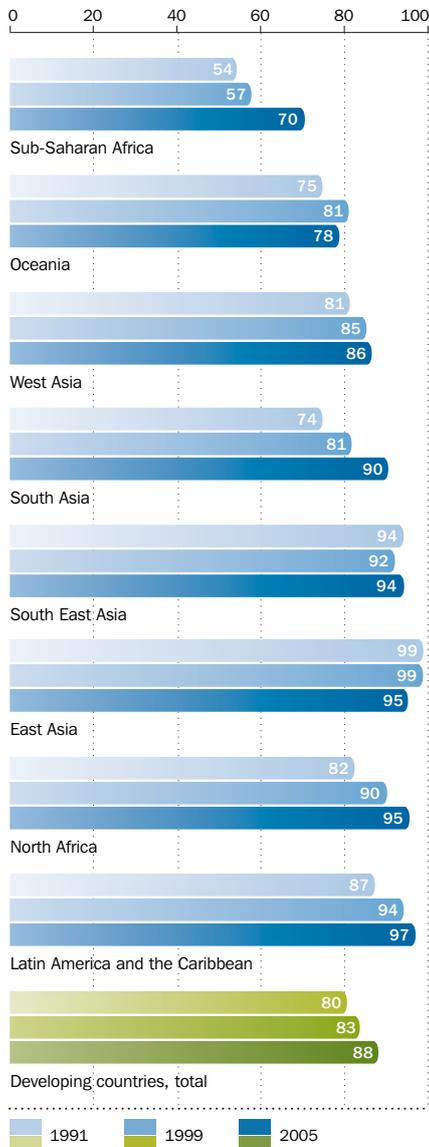
More children want to go to school than before. Studies conducted in some developing countries suggest that increased information and awareness of the benefits of education have put pressure on the authorities to increase the availability of schooling. Demand for upper secondary education is also increasing. However, there is resistance to increased schooling in certain countries and cultures because of the potential threat it might pose to traditional class, caste or gender privileges.

Financing gap

Calculations undertaken in connection with the 2007 Global Monitoring Report show that in order to reach the Millennium Development Goal, development assistance in the range of USD 11 billion is needed each year. That is twice as much as the international community has pledged for education in the



FIGURE 31 Sub-Saharan Africa is making progress, but still has a long way to go
(Children of primary school age enrolled in school, as a percentage)



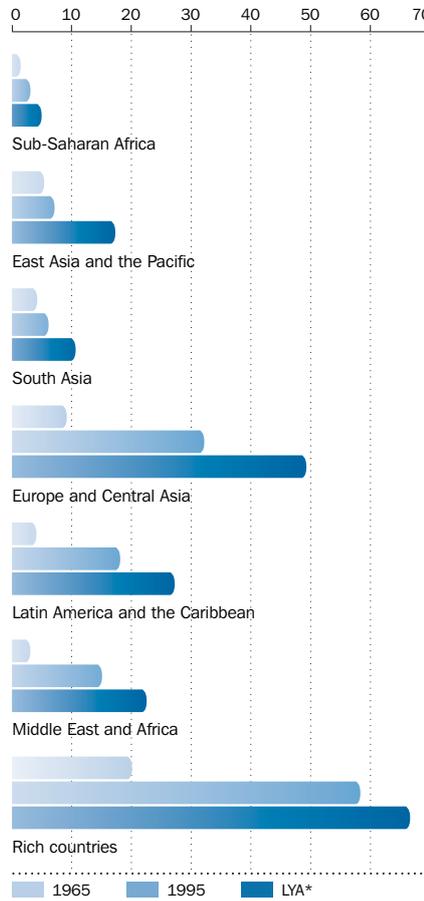
Source: UN Millennium Development Goals Report, 2007.

coming years. The financing gap is thus substantial, despite the fact that support for education has increased since 2000, in particular support to primary education channelled through multilateral organisations.

In many countries, national investments in the education sector have increased more than international investments. In sub-Saharan Africa (except South Africa), for instance, national transfers to the education sector

81 Unesco Science report 2005.

FIGURE 32 Enrolment in higher education: Sub-Saharan Africa lagging steadily further behind
(Students registered at universities and colleges, as a percentage)



*LYA (latest year available) means that for each country the most recent figures available have been selected, and these data have then been aggregated by region. In most countries LYA is 2002/2003 (LYA varies between 1998/1999 and 2003/2004). Sources: IINFSCO and the World Bank.

have increased by 22 per cent from 1999 to 2004. This can be ascribed to a combination of increased national revenues and the fact that a larger portion of government budgets is going to the education sector. However, despite this positive overall trend, 41 out of 106 countries reduced their investments in education measured as a percentage of GDP between 1999 and 2004.

Few resources for higher education and research in developing countries

Higher education and research are crucial to the development of knowledge and expertise that is required to formulate and implement national development policy, and to achieve economic growth. While enrolment in higher education has grown globally, there are significant regional differences.

Progress in sub-Saharan Africa is very slow, and the region is lagging farther and farther behind (see Figure 32).

Demand for higher education has increased as a growing number of children complete their primary and secondary education. In many African countries, universities and colleges have long been underfinanced and often lack sufficient equipment and resources to be attractive workplaces. This results in a decline in the quality of teaching and in brain drain.

The least developed countries benefit from only 0.1 per cent of the world's total investment in research⁸¹ and Africa's share was 0.6 per cent in 2002. Asia had 31.5 per cent of total research resources, up from 14.5 per cent in 1990. Since 1990 China's total research investments have more than quadrupled, while India's research investments have increased more than eight-fold in the same period.

While there are 3,300 researchers per million inhabitants in developed countries, there are only 4.5 researchers per million inhabitants in the least developed countries. At the same time, the brain drain from poor countries is serious. Around 30 per cent of Africa's university graduates currently live outside the continent.

NORWEGIAN DEVELOPMENT ASSISTANCE FOR EDUCATION AND RESEARCH

Norwegian assistance for education has increased in recent years. In line with the Norwegian strategy on education adopted in 2003 and Norway's international commitments relating to Education for All and the Millennium Development Goals, support for primary education in particular has been strengthened.

Norway emphasises coordinated support for the entire education sector, and sector programme support now accounts for a substantial portion of development assistance in countries such as Zambia and Vietnam. Consequently, more aid is provided to the school sector as a whole, including upper secondary and vocational education.

The proportion of bilateral development assistance that is provided for education increased from 8.4 % in 2000 to 10.2 % in

2006. Total bilateral assistance also increased. In terms of money, this means that support has increased from NOK 647 million to NOK 1.28 billion in 2006. Moreover, part of the Norwegian core support to development banks and multilateral agencies like the World Bank, UNICEF and UNESCO go to the education sector. Norwegian aid to education thus accounts for approximately 12.5 per cent of total Norwegian development assistance.

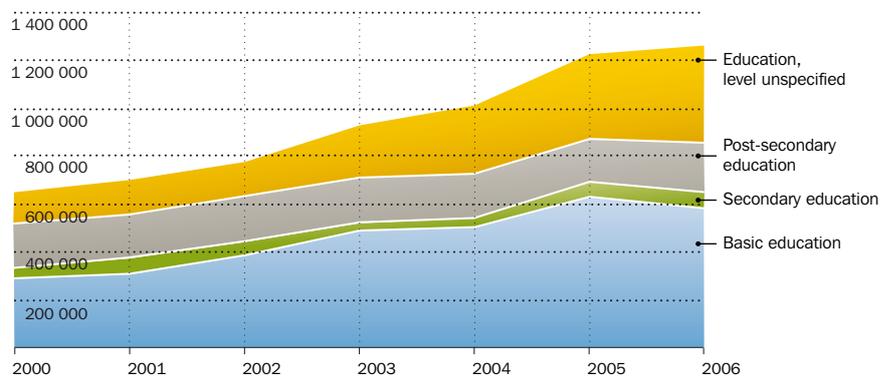
At country level, Norwegian embassies work closely with other donors, multilateral organisations and non-governmental organisations in the education sector. Among other things, Norway supports the work of UNICEF and Save the Children Norway (Redd Barna) to safeguard children's right to education, to ensure that schools are child-friendly and that children receive early care and opportunities for development.

At international level Norway has emphasised the need to improve coordination between bilateral donors, the UN system, the development banks and NGOs with a view to increasing aid volume, ensuring that funds are channelled more efficiently, reducing the number of external actors and improving the quality of education. Norway has contributed to these efforts, in particular through its co-chairmanship in the Education for All – Fast Track Initiative, a global partnership forged for the purpose of improving progress towards achieving the second Millennium Development Goal.

NGOs are an important channel for Norwegian aid for education. In 2006, approximately 31 per cent of bilateral assistance for education was provided through NGOs. This support goes mainly to primary education, but also to programmes that target children who work and to upper secondary and vocational education.

NGOs play an important role in conflict-affected countries because they are able to reach areas where the authorities cannot work. For instance, Save the Children Norway has an international leadership role in the "Re-Write the Future" campaign, a large-scale education programme in countries torn by conflict. The Norwegian Refugee Council has considerable experience with

FIGURE 33 Bilateral development assistance* to the education sector 2000–2006 (NOK 1000)



*Incl. multi-bilateral development assistance. Source: Norad.

establishing educational programmes quickly in emergency and conflict situations.

Support to **higher education and research** accounted for 4.7 per cent of Norwegian bilateral development assistance in 2006. Norway has chosen to prioritise support channelled through the Norwegian Programme for Development, Research and Education (NUFU), which essentially consists of research cooperation between universities in Norway and universities in the South. The second main focus is Norad's Programme for Master Studies (NOMA) which finances post-graduate programmes at Master's degree level. Support is also provided to capacity-building at three universities in Tanzania and to a partnership between the Research Council of Norway and its sister institution in South Africa.

EXAMPLES OF RESULTS OF NORWEGIAN DEVELOPMENT ASSISTANCE

Education reform in Nepal

Norway supports the Nepalese government's reform of primary education. The current sector plan covers the period 2004-2009. Norway is one of seven donors that are co-financing the sector plan by transferring funds to the government budget in Nepal. The Nepalese authorities are financing 80 per cent of the programme. Norway is contributing approximately NOK 32 million per year during the five-year period, which is about 3.5 per cent of the total budget. Norway also provides funding to the work of Save the Children Norway (Redd Barna) in

the areas that have been hardest hit by the armed conflict between the government and the Maoists.

A mid-term review carried out in 2007 shows that the number of children who enrol in school rose from 3.85 million in 2001 to 4.51 million in 2006. 48.1 per cent of them were girls. The data show that the proportion of girls in public schools is rising steadily, and the goal is to achieve an equal proportion of boys and girls by the end of the reform period.

These are encouraging results in light of the armed conflict that has ravaged the country during this period. However, access to school is not equally distributed within districts, communities and minority groups, and the quality of teaching varies. Many children drop out of school, although this tendency is on the decline. Due to the examination system and inadequate teaching, compounded by the lack of teachers, many children have to repeat several grades.

Nepal's status report from 2006 shows the following results in the six main areas covered by the sector plan:

- Pre-school enrolment has increased from 20 per cent in 2004 to close to 48 per cent in 2006.
- The proportion of children registered in first-grade was 126.7 per cent, but rose to 138.8 per cent in 2006. This figure reflects the fact that many children began school late or repeated first grade. This means that children differing in age by several years were regis-



tered as first-graders. In some cases, a class may contain pupils varying in age from six to ten years old.

- ✚ The proportion of children registered in the first grade age group rose from 83.5 per cent in 2003 to 87.4 per cent in 2006. The target was 90 per cent.
- ✚ The number of pupils per teacher increased from 35.8 in 2003 to 45.2 in 2006.
- ✚ The goal of increasing the proportion of women teachers to 30 per cent was reached. The proportion of qualified teachers also increased.
- ✚ Many children have to repeat one or more grades, which to some extent reflects the poor quality of teaching. In 2003, 34 per cent of first-graders repeated, compared with 29.8 per cent in 2006. The corresponding figure for fifth-graders was reduced from 13.5 to 10.4 per cent in the same period.
- ✚ The proportion of pupils who completed five years of primary school rose from 60 per cent in 2003 to 80.3 per cent in 2006. This increase was due in part to the substantial investment in infrastructure and the government's "Welcome to School" campaign.

Little information is available about learning achievements at school level or whether any progress has been made towards attaining the adult education goals.

The considerable increase in the number of children attending pre-school is one of the reasons why more children are enrolling in primary school. UNICEF has played an active role in instigating efforts targeting children under the age of five. It has been documented that when young children are exposed to early learning and high-quality care, this has a significant effect on their educational path. However, Nepal has found that primary schools have not been sufficiently well prepared to receive the large number of first-graders, and that the unsatisfactory school situation has undermined motivation and increased the number of drop-outs. Nepal's status report for 2006 also shows that low-caste groups are still scoring poorly on performance indicators.

Save the Children Norway (Redd Barna) has been an important channel for Norwegian development assistance for schoolchildren and schools in areas of Nepal where it was difficult for the authorities to provide school-

ing during the protracted hostilities. In addition to implementing measures to improve the school situation, Save the Children Norway has emphasised activities that strengthen children's psychosocial abilities. A review shows that the children have become less fearful, they have more self-confidence and their concentration has improved. Four transit reception centres have provided support and vocational training to 200 former child soldiers. The reception centres also help child soldiers to be reunited with their families and local communities. This work was important at a time when the conflict was worsening, many teachers were leaving rural communities and the educational system was weakened.

Fast Track Initiative (FTI)

Norway has been co-chair of the Fast Track Initiative (FTI), which was launched in 2002 as a global initiative to accelerate progress towards achieving universal primary education. The focus has been on facilitating co-ordination and alignment of development assistance to recipients' plans and systems in order to minimise the administrative burden on recipients and increase effectiveness. FTI also provides support to improve the quality of education programmes and strengthen partner countries' capacity to implement them. Moreover, FTI seeks to ensure that financial support is increased, in order to enable countries that have developed education programmes of a good standard to carry them out. Good programmes will more easily attract support from existing sources of funding. In addition, support can be granted for programmes from the FTI Catalytic Fund, which is administered by the World Bank. Since 2003, Norway has contributed around NOK 330 million to this fund.

Among other things, the FTI has contributed to the following:

- ✚ Donor harmonisation has been strengthened, both globally and locally. Donors that previously have had problems related to alignment and harmonisation of their support to education have now joined the FTI partnership.
- ✚ Partner countries have made use of FTI guidelines and analytical tools and received financial support from another FTI fund, which is earmarked for analytical work and capacity

building. Norway is the largest donor to this fund, having contributed approximately NOK 209 million since 2003. In the past two years, the fund has supported the efforts of 16 countries to develop sector plans.

- ✚ It is difficult to document the FTI's contribution towards achieving universal primary education in partner countries. However, international assistance for basic and primary education has increased by more than 44 per cent since the initiative was introduced. There has also been a marked increase in school enrolment in partner countries. Enrolment has increased by over 40 per cent in Guinea, Burkina Faso, Niger and Mozambique.

The Norwegian Programme for Development, Research and Education (NUFU)

The goal of the NUFU programme is to promote capacity-building and human resource development in the fields of research and post-secondary education of relevance to national development and poverty reduction. Institutions for research and higher education in the South and in Norway take part in the programme, which has an annual budget of around NOK 60 million. The programme supports research in all disciplines as well as interdisciplinary projects and networks in 18 developing countries. The largest aid recipients are Ethiopia, Tanzania, Uganda and South Africa.

When research projects are selected, importance is attached to their potential contribution to building expertise and knowledge in areas that are pivotal to achieving the Millennium Development Goals. An area of particular focus is health, with emphasis on children's health, HIV/AIDS and malaria. This applied to 12 of the 70-odd projects that were carried out during the period 2002-2006. Another main field of research is environment and sustainability, including food security and water management.

In 2006, 88 doctoral candidates and 333 master's candidates were educated through the NUFU programme. 14 of the doctoral candidates (16 per cent) and 166 of the master candidates (50 per cent) were women. Special incentives have been introduced to increase the proportion of women in the next programme period.

Publishing and disseminating research results are two very important aspects of the programme. In 2006, activities under the NUFU programme consisted of a total of 321 articles, 65 books, 14 exhibitions, 234 lectures, 31 items of media coverage, 160 reports and 122 workshops. Information regarding use of research results is limited. However, the University of Dar es Salaam, Tanzania, states in its annual report for 2006 that NUFU projects have been important for national development and poverty reduction. For instance, as a result of health research on measures to prevent respiratory disease at industrial workplaces, employees are now more conscious of the importance of protecting themselves and their health has improved. A research project on water management has made the population more aware of available water resources, thereby helping to reduce conflict between water users in the area.

Norad's Programme for Master Studies (NOMA)

This fellowship programme offers Master's Degree studies at universities in Norway and developing countries. The programme targets applicants who are already employed and who will return to their jobs after obtaining their degree.

An evaluation carried out in 2005 pointed out that the goal of the programme was not clearly defined and that it was therefore impossible to assess whether the programme was successful. Students and employers who were interviewed commented favourably on the effects of the studies at both individual and organisational level. The evaluation called attention to the fact that the effect on organisations was very dependent on characteristics of the organisations themselves, such as their willingness to carry out reforms and their openness, and on whether the studies were part of a larger human resource development plan. 90–95 per cent of the students completed their degrees and almost all of them returned to their home country and their former employers. In 2006, 34 women and 68 men from 20 countries pursued studies under the programme. Three master programmes were provided at universities in developing countries.

Important lessons learned

Many of the partner countries where Norway provides support to primary education are either torn by violent conflict or are in the process of post-conflict reconstruction. This applies to Nepal, Afghanistan, the Palestinian Territory, Sudan, Uganda, Angola, Eritrea and Sri Lanka. Efforts to provide schooling in conflict-affected areas require extensive coordination and collaboration. Central or local authorities have often been weakened, and it may be necessary to find other actors in order to make schooling available. It is therefore important to be flexible when choosing channels and instruments in order to ensure that education can be maintained in times of conflict and emergency situations. Experience shows that NGOs play an important role in such situations.

Achieving universal primary education is measured through quantitative goals that must be followed up by upgrading the quality of teaching to improve learning achievements. Insufficient quality and relevance of curricula, teaching materials and teacher education cause many pupils to drop out of school.

Increased demand for higher education has put pressure on universities in developing countries, and the quality of the education provided is poor. Experience from cooperation between institutions in Norway and developing countries aimed at building capacity in higher education and research shows that, while the expertise of the academic staffs of universities has increased, the universities' institutional capacity and sustainability have not been strengthened to the same extent.

PRIVATE SECTOR DEVELOPMENT

9



The economic policy of developing countries is improving. Development assistance for private sector development has to do with providing work and incomes for poor people. They may be wage-earners in modern sectors or rural workers, but in most developing countries the majority of them work in the informal sector, often in agriculture, fisheries or commerce. In Bolivia, only 400,000 of a population of 8.8 million are employed in formal jobs. In Mozambique, 350,000 out of 20 million hold formal jobs.

Fish is important, both as a source of food and as a basis for economic growth. Norway and Vietnam have been engaged in cooperation for many years, among other things aimed at improving research on genetics, fish health and aquaculture. // Photo: Garil Trondsen Booth



Poor people's incomes normally increase with economic growth. Economic growth in developing countries rose from 1995 to 2005, and for the first time since the end of the colonial era, growth exceeded that of industrialised countries. Growth rates varied considerably from one developing country to another, and there is no sign that the poorest countries are approaching the growth level of middle-income

82 2007 Development Indicators.

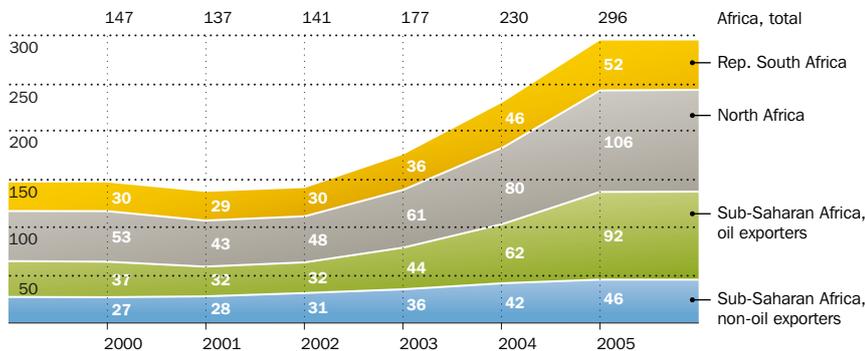
countries. The difference in growth can partly be ascribed to the policies and institutions in the various countries, but good and bad luck also play a major role, particularly for the smallest and poorest countries. They are much more exposed to external shocks, conflicts, changes in terms of trade, geographical location and other external factors.⁸²

On the whole, the economic policy of developing countries has improved in this

decade. The macro-economic situation is generally more stable and price growth is lower. Increased trade and a better international investment climate have contributed to this trend. The situation differs substantially from one region to another, and Africa lags far behind in terms of percentage of world trade, even though there has been a marked increase in African exports in the past few years. The volume of exports from Africa is still very low, account-



FIGURE 34 African export volumes are rising sharply, but are still very low
(Export value at current prices, USD million)



Average annual growth in exports from Africa in the period was 16%, compared with 10% for total global exports. Nevertheless, Africa's share of total global exports is still very low at only 2.4% in 2005.

Source: Economic Report on Africa 2007, Economic Commission for Africa.

ing for less than three per cent of total global exports.⁸³

The World Bank report entitled "Doing Business 2008" has examined the situation in 178 countries during the period from April 2006 to June 2007 as regards policies favourable to private sector development⁸⁴ and can report good progress. The report shows that 200 positive reform measures were carried out by the countries surveyed during the period in question. In 39 countries it had become easier to start a new business. The greatest progress was seen in Egypt, Croatia and Ghana. Other countries that implemented several positive initiatives were Kenya, Mozambique and Uganda. In the same period, there were 27 examples among the 178 countries where changes were introduced that had a negative impact on the private sector. These examples included Venezuela and Zimbabwe.

Half of the world's population lives in rural areas, and in Africa the proportion is far higher. Seventy-five per cent of the world's poor live in rural areas. This means that they are dependent on primary industries, primarily agriculture and in some places fishing, to be able to obtain an income and food.

83 Economic Report on Africa 2007, Economic Commission for Africa.

84 Doing Business 2008. Comparing Regulation in 178 Economies, World Bank 2007.

85 World Development Report 2008, Agriculture for Development, World Bank.

Agriculture provides work for an estimated 1.3 billion farmers and rural workers.

In its World Development Report 2008⁸⁵, the World Bank asserts that agriculture is essential to creating growth and reducing poverty in agriculture-based countries, which include most of the countries in sub-Saharan Africa. This will necessitate revolutionising productivity and making investments of an entirely different type than has been the case to date. Public investments in the agricultural sector in countries with an agriculture-based economy totalled only four per cent of GDP in both 1980 and 2004. By way of comparison, in countries that are now making the transition to an industrial society, investments in agriculture totalled 10 per cent in 1980 and 11 per cent in 2004.

Agriculture is also important for safeguarding the environment, influencing climate change, managing water resources and protecting biodiversity.

Development assistance accounts for a large part of the agricultural budgets in most poor countries. In 24 African countries, foreign aid covers an average of 28 per cent of total expenditure in the sector, and in some countries more than 80 per cent. Nonetheless, development assistance for agriculture has declined in the past few years.

Growing importance is being attached to business development and cooperation with the private sector by many donors. The focus on economic development and trade is

also reflected much more clearly in the national development plans of many of Norway's partner countries.

The State can play a pivotal role in promoting private sector development by securing key public goods, improving the investment climate for the private sector and improving natural resource management. Many developing countries have resources that could provide a good basis for private sector development. Some have substantial natural resources, cheap labour, tourist attractions or a good climate. However, the necessary prerequisites for exploiting these possibilities are often lacking. Typical challenges include a lack of collateral for loans because real estate and personal property are inadequately registered, lack of expertise and advisory capacity for the primary industries, and poorly organised manufacturers. Access to markets may be difficult, there may be a lack of accrediting bodies and corruption may be rampant. Due to these obstacles, local producers make less profit on their business activities, and local and global investors are reluctant to establish new businesses.

NORWEGIAN DEVELOPMENT ASSISTANCE

The economy in most of Norway's partner countries is chiefly based on primary industries and other natural resources. To a large degree, Norway's efforts to promote private sector development are concentrated on these resources, such as fish, forests, agriculture and energy. Assistance is also provided to improve framework conditions for business, industry and trade. In international fishery forums Norway is perceived as a neutral actor and an ally. In view of its extensive fishery expertise and relatively successful fishery administration, Norway receives many requests for assistance from developing countries.

Private sector development is not a main priority in Norwegian development cooperation policy. Programmes for small entrepreneurs are being wound up, although assistance is still being provided for small and medium-sized companies through multi-donor funds for support for Bangladesh, Vietnam and Sri Lanka. However, Norway promotes private sector development by supporting measures in the energy and environ-

mental sectors. Most Norwegian funding is provided through multilateral channels, including the World Bank's Co-Financing Fund for private sector development, which received NOK 50 million in 2006. There are also several application-based facilities for promoting private sector growth in developing countries by engaging Norwegian companies. Important international organisations that receive contributions from Norway in this field are the UN Industrial Development Organisation (UNIDO), the International Labour Organisation (ILO), the Food and Agricultural Organisation (FAO) and the International Trade Centre (ITC).

In 2006, a total of NOK 2.9 billion in bilateral development assistance was spent on measures to promote economic development and trade. Of this amount, NOK 384 million was spent on support for the agricultural sector and NOK 134 million on development of fisheries.

EXAMPLES OF RESULTS OF NORWEGIAN DEVELOPMENT ASSISTANCE

Cooperation between Norwegian companies and companies in developing countries

The purpose of the Matchmaking programme is to link Norwegian companies to companies in selected developing countries with a view to promoting business activities in partner countries. The Matchmaking programme is implemented by Innovation Norway.

In **South Africa** the programme started up in 1997. By the end of 2006, 229 Norwegian companies had participated in the programme, leading to the establishment of more than 50 business partnerships. Cooperation is largely in the form of joint ventures, contract production, production under licence and long-term cooperation on projects. It is estimated that the programme has helped to create between 500 and 1,000 new jobs. It has boosted production and sales for the South African companies involved, and has given these companies an international market to which they would otherwise not have had access. The programme has also been instrumental in introducing more modern technology in South Africa.

The Office of the Auditor General's investigation of Norfund's operations and administration

The Norwegian Investment Fund for Developing Countries (NORFUND) was established by the Storting in 1997. The purpose of the fund is to provide investment capital, loans and guarantees for the development of profitable, sustainable industrial and commercial activities in countries that would otherwise not have access to commercial financing due to the high level of risk. In July 2007, the Office of the Auditor General presented a report on its investigation of Norfund. The investigation did not directly cover the results of the assistance provided through the fund, but reached several conclusions concerning the organisation and effectiveness of the administration of funds. The Office of the Auditor General concluded that Norfund has not succeeded in honouring the geographical priorities on which the Storting based its allocations to the fund, i.e. to invest in and provide loans to the poorest, least developed countries or countries designated by the Storting to be Norway's main partner countries. Africa has received only 17 per cent of the Fund's commitments for private sector development. In the opinion of the Office of the Auditor General, internal routines, controls and management had not been practiced to an adequate degree, and this may have affected Norfund's attainment of objectives.

In response to the criticism of the Office of the Auditor General, Norfund has prepared a new strategy with greater focus on the poorest countries. Investments are now made partly in the form of direct investments, and at the end of 2006 investments had been made in 14 companies. Furthermore, Norfund had capital under active management in 26 investment funds, three of which are new.

The Matchmaking programme with **Sri Lanka** began in 1994, and 230 Norwegian companies participated in the period 1994-2006. Fifty business partnerships have been entered into between Norwegian and Sri Lankan companies, 33 of which are still in operation. Areas of cooperation include the furniture and wood industry, industrial products based on natural rubber, environmental technology, products in the fishery sector, fibreglass boat production, aquaculture, ICT, the garment industry, hydropower development and silviculture and horticulture. The programme is estimated to have created around 3,000 new jobs in Sri Lanka.

A survey carried out in 2005 showed that more than 90 per cent of the Norwegian companies that participated in the Sri Lankan programme were "very satisfied" or "satisfied" with the programme and the support they received from NB Partner, which administers the Matchmaking programme in Sri Lanka on behalf of Norad. 85 per cent stated they would probably not have started up without Norad's support scheme. According to 82 per cent of the industrial companies and 22 per cent of the commercial companies, the project promotes the transfer of technology to Sri Lanka.

Cooperation with UNIDO in Asia

Norad has financed a joint programme with UNIDO aimed at developing a special department to build up capacity to deal with technical barriers to trade. The programme comprises pilot projects in Sri Lanka, the Mekong delta (Vietnam, Laos and Cambodia), South Asia (Bangladesh, Nepal, Bhutan and the Maldives) and East Africa.

Projects financed by Norway through UNIDO include the development of necessary infrastructure for quality assurance and certification of Sri Lanka's main export products. Capacity building and human resource development measures have helped five test laboratories to achieve international accreditation. Clear results have been measured in the form of increased exports of clothing, rubber products, seafood and organic tea. At the same time, the companies' certification costs have been reduced, in the case of clothing by between 31 and 79 per cent. The programme has also helped to increase the laboratories' independence with a higher degree of self-financing.



Organising farmers in Malawi

Norway granted NOK 52 million between 2000 and 2006 to the National Smallholder Farmers' Association of Malawi (NASFAM), which organises around 108,000 smallholder farmers in 34 independent local associations. The purpose of the organisation is to reduce poverty by helping small producers sell their produce in large quantities to large markets at a good price. A review carried out in 2006 concluded that significant results were achieved through these efforts in the period 2003–2006. NASFAM has provided its members with valuable technical and social support in the form of education, advisory services, information and development projects. It has organised marketing activities and facilitated access to credit and insurance against crop failure. Governing bodies must include women members.

NASFAM's Commercial Department assists local associations in developing new markets and selling produce. The Development Department provides assistance through a range of development activities including warehouses, farm supply shops, transport, infrastructure, training programmes, agricultural advisory services, HIV/AIDS awareness programmes and literacy programmes. Information is also provided at national level through NASFAM's own radio programmes.

NASFAM has established mechanisms for the marketing of farm produce, mainly to the international market. The smallholder farmers have become the biggest market player, and are able to negotiate favourable prices based on large volumes. The organisation encourages the production of alternative crops such as chilli, groundnuts, rice, cotton, vegetables and soya. Groundnuts are sold in England as "fair trade" under NASFAM's own brand at good prices. Soya production by NASFAM members increased from 500,000 to 1,800,000 tonnes in the space of two years.

A 2006 evaluation measured the standard of living of NASFAM members and compared it with a control group. The study showed that the members' living standard was clearly higher than that of the control group. In 2006, the production volume of NASFAM members exceeded that of the control group

farmers by one third. Transport costs for non-members were double those of members. The study concluded that the improvement in living standards was the result of participation in NASFAM, and that this type of organisation and marketing can help to reduce poverty. Seventy-two per cent of the survey respondents stated that their economic situation had improved since they became members.

Fishery development

In the fishery sector important international conventions and treaties have been established. The FAO's Code of Conduct for Responsible Fisheries lays down clear guidelines regarding the responsibility of states and private companies for ensuring the sustainability of this sector. In recent years, efforts to combat illegal fishing have been intensified. Norway has contributed to studies that highlight the consequences of illegal fishing for developing countries. In Namibia illegal fishing has been reduced substantially in the last 15 years.

Through cooperation with the FAO, Norway supports important normative work in the fishery sector and helps enable the FAO to assist developing countries to administer their fisheries in accordance with the FAO Code of Conduct. The FAO provides assistance in the form of advisory services, seminars and courses on responsible fisheries, aquaculture, environment, social conditions and management.

The Nansen Programme

Since the Nansen Programme was established by Norway, the FAO and the UNDP in the 1970s, close to 60 countries have mapped their marine resources under the programme, in which the Norwegian-owned research vessel "Dr. Fridtjof Nansen" has played a key role. As a result of the survey of resources, several countries were able to avoid overinvesting in their fishing fleets. In the last 20 years, the programme has increasingly focused on training, institution-building, and resource monitoring and management, particularly in Southwest and Northwest Africa. Through the programme, states have begun to collaborate on resource research and management of shared stocks, which in turn has now led to the establishment of the Benguela Current Commission,

an administrative organisation for the states in southwestern Africa. For many developing countries, the data from the Nansen programme have been of fundamental importance in the development of their own fishery sector, such as in Namibia (see below). In 2007 the Nansen programme received an international award, the Swedish "Kungsfenan", for its contribution to sustainable resource management. From 2007 this work will continue under the Ecosystem Approach to Marine Fisheries Management in Developing Countries (EAF-Nansen) project, under the oversight of the FAO.

Namibia

In the over 15 years that have elapsed since Namibia gained its independence, Norway has provided around NOK 400 million for fishery legislation, fishery and resource monitoring, control, training, research, institutional development and administrative support.

The fact that Namibia has one of the best fishery management systems in the world today can largely be credited to its cooperation with Norway. However, this cooperation does not have any great impact in terms of alleviating poverty, since the main focus is on industrial fishing. Higher export revenues, licensing revenues and secure jobs in this industry have been important in ensuring proper management. Namibia's fish exports increased from 267,000 tonnes in 1996 to 335,000 tonnes in 2004, and exports of fish products as a percentage of the country's total exports climbed from 22 per cent in 1999 to 28 per cent in 2003. In a report financed by the WWF earlier this year, Namibia ranked among the top countries in the world with regard to sound fishery management.

Vietnam – aquaculture

From 2002 to 2005 Norway provided assistance for experimental aquaculture based on a fish called Nile tilapia. Through genetic selection, this species of fish has achieved a higher growth rate and greater tolerance for cold than the local variety. Since participating in the experiments, smallholder farmers in North Vietnam have increased their annual earnings by more than 40 per cent. Consumption of fish rose 16 per cent in the same provinces during this period.

After carp farmers were introduced to better pond management methods, outbreaks of disease decreased 90 per cent among those farmers who implemented the new system. Both projects were carried out by the research institute of the Vietnamese Ministry of Fisheries. In 2006, the research institute received the national Vietnamese award for new science and technology. Norwegian assistance has also helped to improve national research capacity in the fields of genetics, fish health and aquaculture. At the end of 2006, 24 research institute staff members had commenced or completed master studies. Seven were working on or had completed doctoral studies.

Important lessons learned

Value is created in the private sector, and small companies are the main creators of new jobs. Systematic measurements of obstacles to the establishment and growth of small companies have been widely analysed, also in Norway's partner countries. Studies show that with relatively simple, low-cost means, many countries can make it easier and cheaper to start and run a business.

Framework conditions and market access are decisive for private sector development in developing countries. This applies both to small-scale producers and service providers and to industrial players with larger production volumes. The importance of long-term commitment and local ownership of processes is emphasised in a number of evaluations. Results are not achieved in a couple of years, but through a sustained effort that focuses on several of the factors that impose constraints on business activity.

In order to engage Norwegian business and industry, the investment must be profitable for the Norwegian player. Assistance from Norad is only intended to help reduce risk at the initial stage and enable companies to carry out sufficiently thorough feasibility studies prior to making a final decision.

In rural areas there are few alternatives to farming. Improving productivity in agriculture is a way of reducing poverty, firstly among the farmers themselves and secondly among local producers of other products and services. If smallholder farmers in Africa are to prosper, they must obtain inputs, credit, technical expertise and markets for their crops. Not least, they must find ways of tackling the new opportunities offered and demands made by retail chains that are now being established in many developing countries. It is particularly difficult to satisfy the demands for quantity, quality, on-time delivery and flexibility that are made by these chains and other modern markets. That is why it is so important for these farmers to join organisations that can provide them with technical support and access to credit and markets.



Good governance, democracy and human rights are closely inter-linked. Good governance means effective administration of a policy shaped in democratic institutions and grounded on fundamental human rights. Good governance also means creating the necessary conditions for a free, dynamic civil society. These ideals are enshrined in international conventions and treaties and form the basis for Norwegian and international development assistance.

The Buddhist monks in Burma have become a strong, clear symbol of non-violent struggle for democracy and human rights. // Photo: Ken Opprann



GOVERNANCE, DEMOCRACY AND HUMAN RIGHTS



Human rights oblige states to provide protection for groups and individuals. In addition to the international covenants on economic, social and political rights, special conventions and agreements of particular relevance in development cooperation include those cov-

86 It is close to impossible to gauge the actual level of corruption in a country. TI's index is therefore a perception index based on the way analysts and business leaders perceive corruption in the country in question.

ering women and gender equality, children, racial discrimination, trafficking in human beings, protection of national minorities and indigenous peoples, climate, terrorism and labour migration. An international system has been established for reporting on individual countries' observance of these international treaties and conventions.

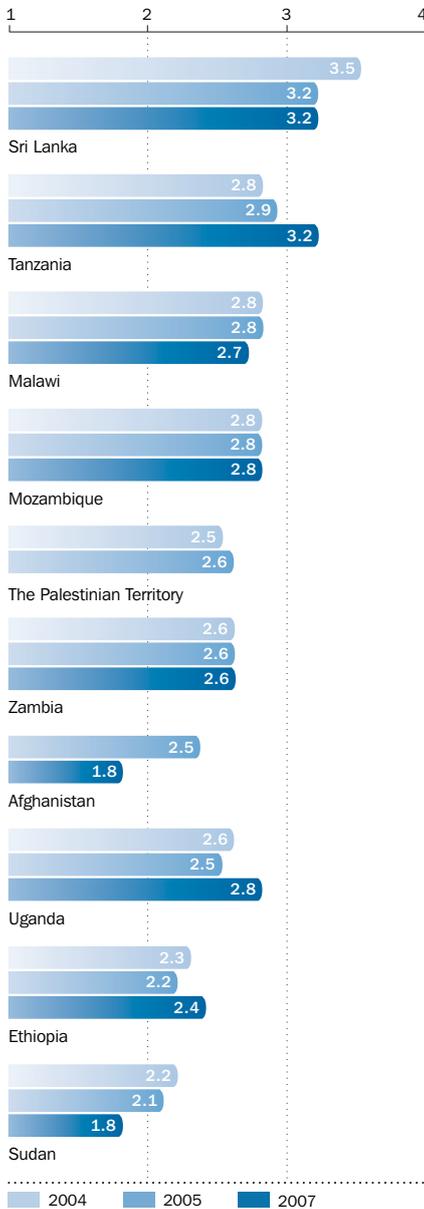
It is harder to reach international consensus on how to assess the governance of a country,

and how this governance changes over time. One well-known indicator is Transparency International's Corruption Perception Index.⁸⁶ Figure 35 shows the TI Index for the ten largest recipients of Norwegian development assistance. African countries themselves have initiated a new system for assessing one another, the African Peer Review Mechanism (APRM).

The World Bank has developed a comprehensive set of data covering six key dimen-



FIGURE 35 Corruption perception index for the ten largest recipients of Norwegian development assistance
(The higher the figure, the less corruption, 10 being the highest and 1 the lowest)

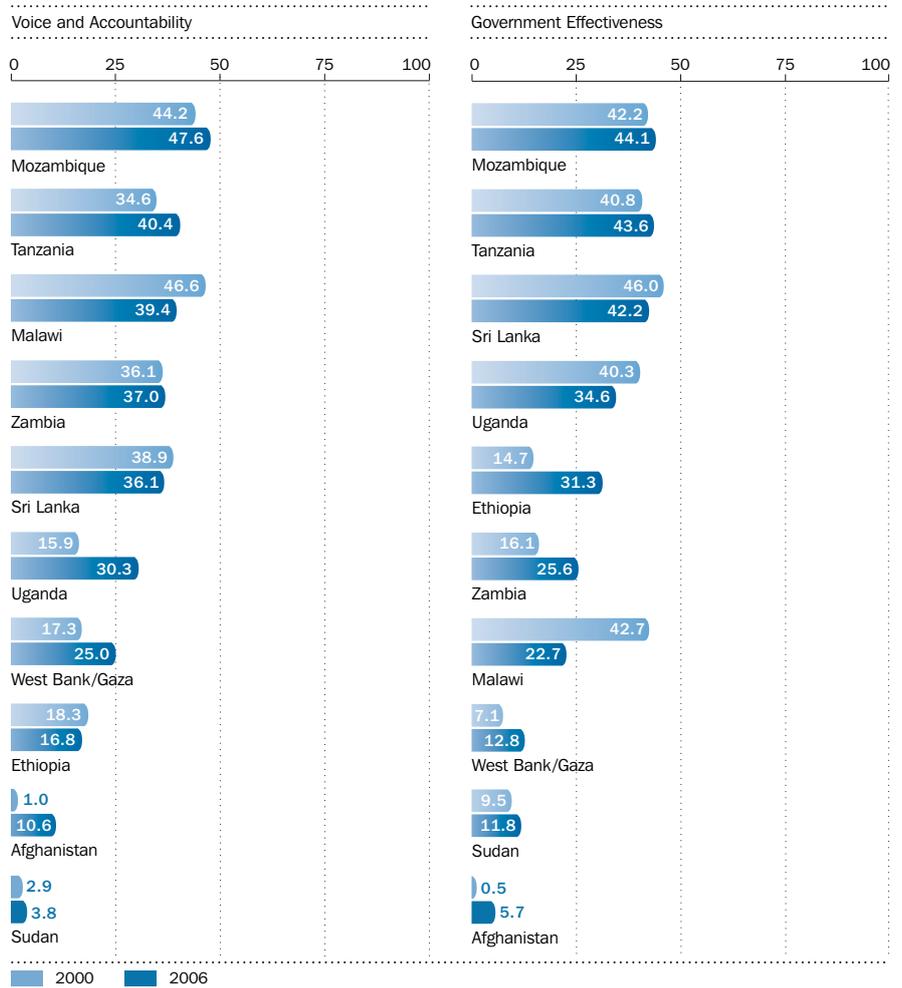


Source: Transparency International.

sions of a country's governance: voice and accountability, political stability and absence of violence, government effective-

87 These indicators, devised by the World Bank's research institute and known as the Kaufmann Governance Indicators, also have flaws and inaccuracies. They are relative, i.e. they show how good or bad the governance of a country is, compared to all other countries. If the situation in other countries changes, the indicator for the country in question will also change.

FIGURE 36 Governance is improving in most of the ten largest recipients of Norwegian development assistance (Percentage)



Kilde: Verdensbanken.

ness, regulatory quality, rule of law and control of corruption.⁸⁷ Figure 36 shows two of these governance dimensions for the ten countries that received the most assistance from Norway in 2006. Countries' ranking order and level as regards voice and accountability differ somewhat from their order as regards government effectiveness. The figures also show that positive changes have taken place since 2000 for both indicators: the situation in seven countries has improved, while it has deteriorated in three countries.

The data from the World Bank otherwise show there are considerable variations depending on the dimension being analysed. Africa is the continent with the greatest challenges, although several African countries have made major steps towards better gov-

ernance in the course of the last decade. Ghana, Botswana, Mozambique and Senegal are examples of countries that have achieved improvement. Nevertheless, many African countries are to be found among the countries with the poorest governance in the world, and worst of all is Somalia.

Democratic forms of government are on the rise and have been introduced in a great many developing countries since the mid-1990s. The new democratic structures are often weak, and elected bodies have far less power and influence, as a rule, than in countries with more established democracies. Many countries have no electoral traditions or systems, and power is often centred in the hands of a small group of people. The value of an active opposition is often underestimated, and many coun-

tries lack traditions for holding politicians accountable for ineffective policies. A free press and independent civil society organisations may be underdeveloped. There is nevertheless a trend towards more open societies, and increased global flows of information are strengthening democratic institutions.

Progress is also made in terms of better understanding and acceptance of fundamental human rights, even though the system of international sanctions that can be applied in respect of countries that do not fulfil their obligations is weak. Results are contingent on the governing elite seeing a political or economic gain in complying with the principles of good governance and the rule of law. The effectiveness of ombudsmen, human rights commissions and control mechanisms is undermined by the fact that they usually have small budgets and are therefore dependent on the willingness of the international community to provide funding. In most countries where human rights are systematically breached, the distribution of power is skewed. The executive branch of government often has substantial budgets and power, while courts of law and the legislative assembly are relatively weak.

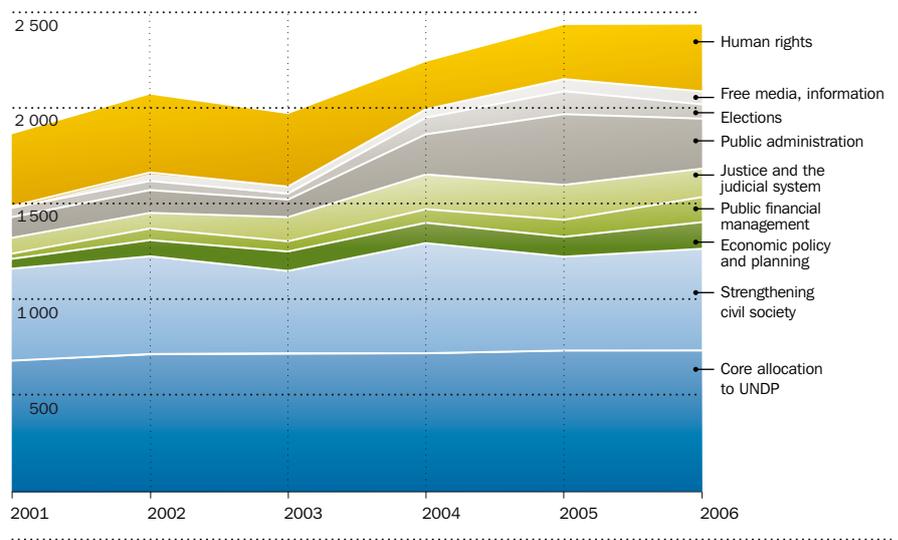
Finally, there are many signs of a general improvement in public administration in many developing countries as regards public services, financial management and decentralisation. Widespread corruption poses a major challenge in many countries, however, and the global challenges in this respect are at least as great. Liberalisation of capital flows, international crime, and the existence of tax havens all make it difficult to effectively combat international corruption.

VOLUME AND MAIN DIRECTIONS OF NORWEGIAN DEVELOPMENT ASSISTANCE

Norwegian bilateral development assistance for the promotion of good governance totalled NOK 1.6 billion in 2006. In addition, most of the basic allocation to the UNDP is used for this purpose. Norway has a broad

88 Support for crisis-affected countries and for post-conflict nation-building and democracy, is described in further detail in Chapter 4. Development assistance to promote gender equality and women's rights is discussed in Chapter 5.

FIGURE 37 Development assistance to promote good governance is highly complex (NOK million)



Source: Norad.

engagement, particularly in fragile states, to support the development of new administrative structures, implementation of democratic elections, re-education of ex-combatants and establishment of a judicial system and police force.⁸⁸

Norway supports a number of projects and programmes aimed at promoting human rights. A special programme has been established to provide support for indigenous peoples and protect their rights, and funding is granted to human rights commissions and for reforms and efforts to strengthen the judicial system in several countries. A substantial amount of assistance is channelled through the multilateral system, in particular through the UN's efforts to promote key human rights. Norway has played a pro-active role in promoting human rights as an integral part of the work of the World Bank and the regional development banks. Norway's humanitarian efforts are instrumental in strengthening the rights of refugees and internally displaced persons.

In order to support efforts to strengthen democracy, Norway provides assistance for elections and voter education, parliaments and political parties in Africa, Latin America, Asia and the Balkans. The extensive aid given by Norway to civil society is aimed at increasing people's opportunities to organise and giving them a voice in public debate. Norway also supports free media in order to

promote greater breadth in popular participation and open debate.

Capacity building and capacity development are an important focus of Norwegian development assistance with the aim of promoting more effective administration, at central as well as local government levels in several countries. Through budget support a great deal of efforts are devoted to improving public financial management. Norway also provides assistance for taxation policies, and for strengthening the national audit institution in many countries. Furthermore, Norway plays a relatively important role in support for statistical offices that compile and process economic and social data as a basis for public policy and planning.

In the past few years, combating corruption has become an increasingly important objective of Norwegian development assistance. Promoting good public financial management and transparent, effective government administration, and strengthening democracy, free media and civil society are all means of battling corruption. Anti-corruption measures are a pivotal aspect of the Oil for Development programme. Norway also combats corruption by providing assistance for anti-corruption agencies and commissions, and to an international network of corruption hunters. Efforts to reinforce the judicial system and combat international corruption, money laundering and hidden assets are all part of this work.



SOME RESULTS OBTAINED FROM NORWEGIAN DEVELOPMENT AID

Improvements in public administration and decentralisation

In Malawi, Uganda, Tanzania and Mozambique, documented improvements have been made in public financial management as a result of international development assistance. These countries have developed better systems for budget processes, and government budgets are more credible with regard to real expenditure. Regulatory and audit procedures are often inadequate. In countries where this poses a major problem, Norway and other donors have been successful in adding the objective of improving the capacity of the national audit institution on to the agenda. In Zambia, the Auditor General's autonomy and capacity to carry out audits have increased. In Mozambique and Tanzania, after ten years of promoting reforms in public financial management, distinct improvements can now be seen in areas such as public procurement, budget implementation and accounting.

In *Pakistan*, Norway provides assistance for the authorities' decentralisation process through a multi-donor fund administered by the UNDP. There are now over 30,000 well-functioning Citizens Community Boards in Pakistan. In 2006, 3,659 people underwent training financed by the fund, as a result of which 1,708 new local projects were developed. A total of 5.25 million people benefit from the fund.

In *Tanzania*, Norway contributes to the Public Financial Management Reform Programme, which has increased the capacity of the National Audit Office and strengthened monitoring of public procurement. Partly with the help of Norwegian funding, the Legal Human Rights Centre has successfully lobbied for the adoption of an Act prohibiting the distribution of gifts to voters in connection with election campaigns. The Centre also produced the Tanzania Human Rights Report 2006.

89 *Joint Government/Donor Review of the Local Government Reform Programme*, Report, 23 June 2001, and Final Report, 1 December 2004.

90 *Decentralised Local Governance Support Programme*. Mid Term Review.

The decentralisation reform in *Tanzania* is financed through a donor fund to which Norway is one of the biggest contributors. Two reviews⁸⁹ carried out in 2001 and 2004 both concluded that the reform programme has improved administrative capacity, planning systems and procedures, financial management and administration of personnel resources. Elected bodies at district level have not, however, been able to assume the policy-making role assigned to them under the reform. This is due to the reluctance of the central authorities to transfer power, resources and responsibility, and to a lack of awareness on the part of elected officials of what this role entails.

The decentralisation process in *Nepal* is a conflict-sensitive governance programme that has focused on mobilisation of the local population and capacity development. The UNDP is the contract partner with Nepalese authorities, and Norway is the only bilateral donor. During the Maoist rebellion, the authorities were refused access to rural areas in large parts of Nepal, besides which local governing bodies ceased to function in practice after the local elections in 2002 were called off. The Mid Term Review⁹⁰ that was carried out in spring 2006 concluded that the programme had nonetheless succeeded in furthering social mobilisation and capacity development at grass-roots level. The programme has focused on the very poorest, socially excluded groups and has helped to establish and develop over 21,000 grass-roots organisations in 880 villages. The organisations cover a total of over 450,000 households in 66 out of 76 districts in Nepal. The organisations have been given training in planning and implementing local development measures, assistance in establishing internal savings and loan facilities, and financial support for the implementation of small infrastructure projects. 530 of the 880 villages are now capable of moving the mobilisation process forward on their own, and aid for these villages is therefore being wound up.

Statistics offices in Eritrea and the Palestinian Territory

Norway has provided funding for institutional cooperation between Statistics Norway (SSB) and counterpart institutions in partner countries for many years. The results of this

cooperation have varied. In Eritrea, cooperation with the National Statistics Office is hampered by the authorities' reluctance to publish statistics, poor prioritisation of institutional core competencies, and the inadequate supply of high-quality data from specialist ministries and relevant institutions. Progress of this joint programme has therefore been slow, and the need for adjustments is currently being considered. As a contrast, Norway's cooperation with the Palestinian Central Bureau of Statistics has helped to establish an important Palestinian institution from scratch under very difficult conditions. The cooperation has also resulted in a census, the delivery of data for infrastructure development, and basic material for negotiations with Israel.

Efforts to combat corruption, in Madagascar

Norway supports anti-corruption agencies in seven countries. One of them is Madagascar where, in the past few years, Norway has been one of the country's main partners in the fight to eliminate corruption, through professional dialogue and by providing funding for operational activities. Norway's long-term perspective in this partnership has attracted considerable favourable attention, which has in turn played an important role in ensuring that the Malagasy anti-corruption agency, BI-ANCO, is perceived as a robust organisation. During the initial phase, Norway financed the refurbishment of office premises, purchase of IT equipment, organisational development and training for investigators. The agency was operational after one year, and dealt with over seven thousand corruption complaints in 2006. 189 cases were referred to the prosecuting authority. The agency also carries out information campaigns, and in 2006 Norway helped to fund courses for around 2,500 public employees.

Human rights/rule of law in Angola, Kenya and Pakistan

The goal of supporting international human rights is to prevent violations of various collective and individual rights. These efforts range from safeguarding the fundamental right of protection against abuse such as torture and arbitrary detention to ensuring fulfilment of the right to education, health and work. Negotiations in the UN Human Rights Council do not always produce the

results that Norway desires, and the relative influence of regimes that take a different view of human rights has increased. Norway has therefore participated in establishing an informal five-country group that seeks to promote trust and collaboration between the different regional groups in the hope that this will align the work of the Council more closely with its original mandate.

Two projects in *Angola* can serve as examples of support for activities that provide concrete assistance for individuals while seeking to influence official legal policy. Two organisations, ADRA and Mãos Livres, mobilise the rural population and professionals, respectively. The former offers courses on fundamental rights issues relating to land rights, school and local government, while Mãos Livres provides legal aid (895 clients in the last six months) and courses for professional groups including the prosecuting authority in Angola. The effect of such activities will depend on their proliferation, thereby gradually increasing the knowledge and hopes of the local population.

Human rights and good governance are key elements of development cooperation with the authorities and civil society in Kenya. Norway supports, inter alia, the Kenya Human Rights Commission which monitors the authorities' fulfilment of international commitments such as the International Covenant on Economic, Social and Cultural Rights and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). Norway also supports the Federation of Women Lawyers, which actively invokes CEDAW in its dealings with the authorities, demanding that its recommendations be followed up. Norway also contributes support for the justice sector through the official Governance, Justice, Law and Order Reform Sector Programme (GJLOS). One of the programme's main goals is to improve access to the judicial system, particularly for the poor, marginalised and the most vulnerable. It is too early to determine whether the programme has strengthened protection of human rights and improved implementation

91 Study of the impact of the work of FORUT in Sri Lanka and Save the Children Norway in Ethiopia: Building Civil Society, Baklien, Haug, Helland and Weerackody. Norad Study/1/2005.

of human rights conventions. However, justice sector reforms are a prerequisite for the country's fulfilment of its human rights obligations, and in the long term, therefore, the Kenyan authorities should be expected to exercise their authority with due respect for human rights.

Through development cooperation with Pakistan, Norway promotes good governance by adopting a rights-based approach, and focusing on human rights programmes. Among other things, Norway has provided assistance for training 500 locally-based organisations in legal issues relating to family and marriage. Several organisations that receive funding from Norway focus on children's rights and child sexual abuse. One of the organisations has been engaged in activities to raise awareness of attitudes regarding women in police training. In 2006, this focus was finally integrated into the police academy's training programmes. This is considered to be an important break-through after many years of systematic effort.

The rights of indigenous peoples in Africa

Africa is the continent where most efforts remain to secure the rights of indigenous peoples, who are among the most marginalised, excluded groups in Africa. Through the work of the African Commission on Human and Peoples' Rights, there is now greater focus on the situation of indigenous peoples. The International Work Group for Indigenous Affairs (IWGIA) supports efforts to build up capacity within the Commission.

In the *Democratic Republic of Congo*, a new forestry law passed in 2002 promotes a controversial forest management system based on industrial logging. The Rainforest Foundation has supported indigenous organisations by challenging the new law internationally, and has facilitated exchanges of experience and knowledge with other organisations in the region. The Foundation has also mobilised Norwegian authorities and organisations in Europe and the USA to lobby that forestry reforms in DR Congo are developed with respect for the local population and indigenous rights, and that they are based on the objectives of sustainable forest management and poverty reduction. In autumn 2006, the Congolese authorities passed a decree recognising the right of in-

igenous peoples to be heard in matters concerning them.

The UN Development Programme (UNDP) and the UNDP Multi-Donor Fund for Good Governance

In 2006, the UNDP received a core contribution of over NOK 600 million and earmarked funds amounting to over NOK 650 million. This support is largely linked to the UNDP's key role in providing technical assistance for democracy building and better governance. A review of UNDP activities for the period 2004-06 showed that capacity-building is a core activity in all the UNDP's spheres of activity. Support for decentralisation, management reforms (including anti-corruption measures) and support for democratisation (including elections) were the services in greatest demand. The UNDP has worked with some 50 national assemblies and, among other things, supported elections in the Democratic Republic of Congo in 2006, which were carried out satisfactorily despite the difficult situation. The UNDP has also provided assistance for numerous national human rights commissions and action plans. The UNDP Multi-Donor Fund for Good Governance is used to finance innovative activities in over 90 countries. Decentralisation and projects to promote the rule of law and human rights have been the main focus in recent years. This shows that the UNDP is still perceived as a neutral partner that can work in sensitive areas in otherwise difficult countries. The review found, however, that the UNDP lacked a coherent approach to work in countries emerging from crisis, and that capacity problems often arose in connection with the implementation of programmes.

Support for capacity building in civil society in Ethiopia and Sri Lanka

One of the objectives of providing support for non-governmental organisations (NGOs) is to strengthen civil society organisations in partner countries to act as effective spokesmen for the interest group they seek to represent. An evaluation was carried out in 2003-2005 of two Norwegian NGOs to determine whether they actually did help to build capacity and strengthen recipients as independent actors of civil society in their own countries.⁹¹ The evaluation showed how complicated this is in practice: Save the Child-



ren Norway in Ethiopia uses government agencies to implement their programmes because civil society is poorly developed outside Addis Ababa. FORUT's policy in Sri Lanka is to create its own partner organisations. The study revealed weaknesses in both organisations' ability to build capacity at the local level. The main emphasis has been on administrative matters, which are of concern primarily to the Norwegian NGOs. Less importance was attached to the transfer of know-how and capacity-building with regard to mobilisation, delivery of services and legal aid, with the result that the local organisations have not developed a real independent role. However, members of the local partner organisation have gained a greater awareness of the organisation's purpose, and their participation and self-confidence have been strengthened. The study shows that local organisations must collaborate in a more structured manner on initiating and influencing change processes. To a certain extent, the Save the Children alliance has succeeded in this respect in other connections.

Norwegian organisations as civil society actors

Other experience shows how Norwegian NGOs contribute in their own capacity as civil society actors in recipient countries: Save the Children Norway seeks to strengthen the rights of children by promoting schooling, poverty reduction and improved legislation in the field of children's rights. In the period 2003-2005, the advocacy activities of Save the Children Norway in Guatemala contributed to amend the Act protecting the rights of children and youth, to bring it closer in line with the UN Convention on the Rights of the Child. A similar amendment of legislative content was achieved in the fields of education and penal provisions for children in Nicaragua. The Child Friendly National Budget Initiative in Zimbabwe helped ensure a more inclusive budget process and larger budgets for education, sport and culture. In the field of education, the organisation can point to good results in the form of new school construction, distribution of textbooks and teacher training. One of the main reasons for these favourable results is that they are based on close collaboration between the organisation and the government in the countries concerned. In Ethiopia, due in part to Save the Children Norway's lobbying, the

government ratified ILO Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour. In Zimbabwe similar awareness-raising activities, supported by providing funding to a local trade union, led to the government's strengthening regulatory legislation, also regarding pay levels, in the field of child and youth labour.

Similarly, the organisational review of the Norwegian Refugee Council carried out in 2006 highlighted the organisation's advocacy activities on behalf of internally displaced Colombians and Colombian refugees in Ecuador. In Ecuador, as a result of the concerted efforts of the Norwegian Refugee Council and the UNHCR, the Ecuadorian authorities removed legal barriers that prevented refugees from finding employment in the country. In Masisi, Colombia, thanks to these efforts, the local administration made it easier for internally displaced persons to buy back land they had sold cheaply before fleeing from the area, while the lobbying activities of a local partner in Pasto, Colombia led to assistance being provided for internally displaced persons during the first two weeks after they were forced to flee. The study found that an important factor bringing about these results was the strategic decision to work closely with local authorities.

Important lessons learned

The donor community has recognised that it must have more realistic expectations as to what the anti-corruption agencies may achieve. Providing assistance for the media, civil society, development of public-sector capacity, public financial management reforms, the justice sector, election preparations and post-war reconstruction are also important parts of efforts to combat corruption.

The fight against corruption cannot be fought in our partner countries alone. Binding international cooperation is necessary in order to prevent smuggling and money laundering in rich countries, and not least to trace and expose those who engage in corrupt practices and find where any assets derived from corruption may be concealed.

Reforming *public financial* management is a lengthy and comprehensive process. It may be easy to reform some parts of the public administration, while slower progress will be made in other areas due to political opposition. The initial stages of the reform process may be easier to implement than more radical, structural changes.

The ruling elite's willingness to strengthen human rights, the national power structures, and the principles of rule-of-law, are all influenced by the strength of the media and civil society, combined with external political and economic pressure. Changing power structures and improving the balance of power may be essential to achieving improvements in many areas of rights, and in themselves desirable results.



APPENDIX

The following comments apply to all tables and figures, unless otherwise specified:

***Total development assistance** does not include administrative costs.

***Bilateral development assistance** also includes multi-bilateral assistance (earmarked funds).

Human survival and social development	5 432
States and civil society	2 790
Economic actors	2 019
Cross-sectoral programmes	2 389
Multilateral support	5 268

1 Categorisation based on recoding of DAC sector categories:

Human survival and social development
DAC/CRS code: 111, 112, 113, 114, 121, 122, 130, 160 (-160.62), 420, 710, 720, 730

States and civil society
DAC/CRS code: 151, 160.62, 331, 152

Economic actors
DAC/CRS code: 140, 210, 220, 230, 240, 250, 311, 312, 313, 321, 322, 323, 332

Cross-sectoral programmes
DAC/CRS code: 410, 430, 510, 520, 530, 600, 998

Multilateral support
DAC/CRS code: 910.10

	2000	2002	2004	2006
Least developed countries	2 460	3 209	3 736	4 880
Other low-income countries	708	705	671	774
Middle-income countries	1 657	1 522	1 837	2 304
Not broken down by country	1 962	2 064	2 567	4 273
Total	6 787	7 499	8 812	12 230

1 Does not include support for refugees in Norway.

	2000	2002	2004	2006
Economic development and trade	1 272	1 586	2 178	2 895
Emergency relief and other unspec.	2 302	2 266	1 988	2 612
Environment and energy	726	664	896	1 205
Good governance	1 253	1 630	1 837	2 662
Health and education ¹	2 099	2 348	2 663	3 255
Total	7 651	8 493	9 562	12 629

1 Includes support for HIV/AIDS activities.

Government to government ²	2 641
Private sector, etc. ³	1 233
Measures for refugees in Norway ⁴	399
Nordic research institutions, etc.	338
NGOs, international	369
NGOs, Norwegian	3 098
NGOs, local and regional	410
Total	8 488

1 Excluding multi-bilateral development assistance.

2 Based on a compilation of selected chapter items from Prop. No. 1 (2006-07) to the Storting.

3 Includes industrial and commercial financing facilities, and support for consultancy services and other countries' government aid agencies.

4 Based on chapter item 167 from Prop.No. 1 (2006-07) to the Storting.

TABLE 5. Norway's official development assistance for health¹ and anti-HIV activities² in 2006 (NOK million)

	Health	HIV	Total
BILATERAL	663	192	855
Norwegian NGOs	322	67	389
<i>comprising:</i>			
Norwegian Red Cross	74	5	
Doctors without Borders Norway	47	3	
Norwac – Norwegian Aid Committee	43		
Norwegian Church Aid	35	10	
Atlas-alliansen	26		
Fredskorpset – Partnership for Development	19		
Norwegian People's Aid	18		
Norwegian Missions in Development	15	15	
Save the Children Norway	4	9	
Intern. NGOs	68	12	80
<i>comprising:</i>			
International Planned Parenthood Federation (IPPF)	41		
UNION – International Union Against Tuberculosis and Lung Diseases	4		
International HIV/AIDS Alliance		3	
Global Forum for Health Research	4		
Other bilateral	273	113	386
<i>comprising:</i>			
Malawi – Government to government	73	8	
Mosambique – Government to government	57		
Research Council of Norway – vaccination research	50		
MULTI-BILATERAL	184	93	277
<i>comprising:</i>			
International Aids Vaccine Initiative		25	
International Partnership for Microbicides		25	
Alliance for Health Policy Research Systems	4		
WHO	46		
UNAIDS	1		
UNFPA	6	11	
UNICEF	35	26	
MULTILATERAL³	1 139	351	1 490
<i>comprising:</i>			
Global Alliance for Vaccines and Immunisation (GAVI) ⁴	416		416
Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM) ⁵	157	114	271
UNAIDS		200	200
UNFPA	183		183
UNICEF ⁶	153	37	190
WHO	230		230
<i>comprising:</i>			
Special Programme on Research in Tropical Diseases (TDR) ⁷	25		
Special Programme on Research in Human Reproduction (HRP) ⁷		11	
TOTAL	1 986	636	2 622

1 Including the following DAC sectors:

121 General health

122 Basic health

130 Population policies/programmes and reproductive health (except DAC 130.40 STD control including HIV/AIDS)

2 Including the following DAC sectors:

130.40 STD control including HIV/AIDS

160.64 Social mitigation of HIV/AIDS

3 Multilateral support for health and HIV/AIDS,

calculated by Norad's Global Health and AIDS Department.

4 UNICEF is fund manager, and is registered as agreement partner.

5 IBRD is fund manager and is registered as contract partner.

6 Excluding GAVI.

Amounts relating to individual organisations in the table are based on recorded statistical data, men does not necessarily reflect total expenditures





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Woman with river blindness from the flood-stricken district of Gaibanda in northern Bangladesh receives treatment at Islamia Eye Hospital in Dhaka. The hospital provides subsidised free treatment by eye specialists for poor people who would not otherwise have received treatment.

// Photo: G.M.B. Akash
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